

Booze on the ban wagon?

A mooted ban on liquor advertising to reduce alcohol abuse would lead to a R2,5bn loss in advertising and sponsorship revenue for the SA market, says the Industry Association for Responsible Alcohol Use (ARA).

By [Xolile Bhengu](#) 27 May 2011

The association was responding to the health department's considering a ban on alcohol advertising, similar to the one it introduced for cigarette advertising in the early 1990s. Health minister Aaron Motsoaledi is discussing a collaborative effort with other government departments to reduce alcohol abuse.

The department is concerned about alcohol's impact on societal problems, including youth drinking, drunk driving fatalities, foetal alcohol syndrome and the influence on spreading HIV.

But a ban on liquor advertising will not reduce consumption, says Yellowwood Brand Architects MD Andy Rice. He says Marlboro was recently rated the eighth most valuable brand globally, even though smoking has been shunned.

"In SA, what became apparent with the ban on cigarette advertising is that marketers and advertisers found new and creative ways to get their messages through, within the confines of the ban. There is little evidence in countries that have banned alcohol advertising showing a direct correlation to reduced consumption," he says.

He says liquor manufacturers pay a lot of attention to abiding by the voluntary code of conduct and scrutinise the legality of all adverts closely.

ARA spokesman Adrian Botha says that though SA commercial cigarette sales have dropped, cigarette smuggling has grown from being valued at R3bn into a R6bn business. "It just moved from a legal to an illegal business," he says.

"If you increase tax dramatically, people will simply buy down, or start making their own alcohol," says Botha.

An Econex study on the use of excise taxes to address the question of external costs related to alcohol consumption in SA suggests other potential social impacts, including poorer patriarchal households sacrificing funds intended for food and other basics to fund their drinking habit. It also says liquor manufacturers account for about 3% of SA's GDP and policy changes might have a larger economic impact.

The ARA says liquor manufacturers spend R90m/year on responsible drinking campaigns, such as the "Who says one more drink won't hurt?" campaign.

Botha says a ban would not particularly affect big players in the liquor industry as it would freeze market share for known brands and reduce the competitiveness of new entrants.

He says more effort should instead be put into enforcing the legal alcohol limit for driving and the legal age of buying alcohol.

Source: *Financial Mail*

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