



BEER ASSOCIATION OF SOUTH AFRICA



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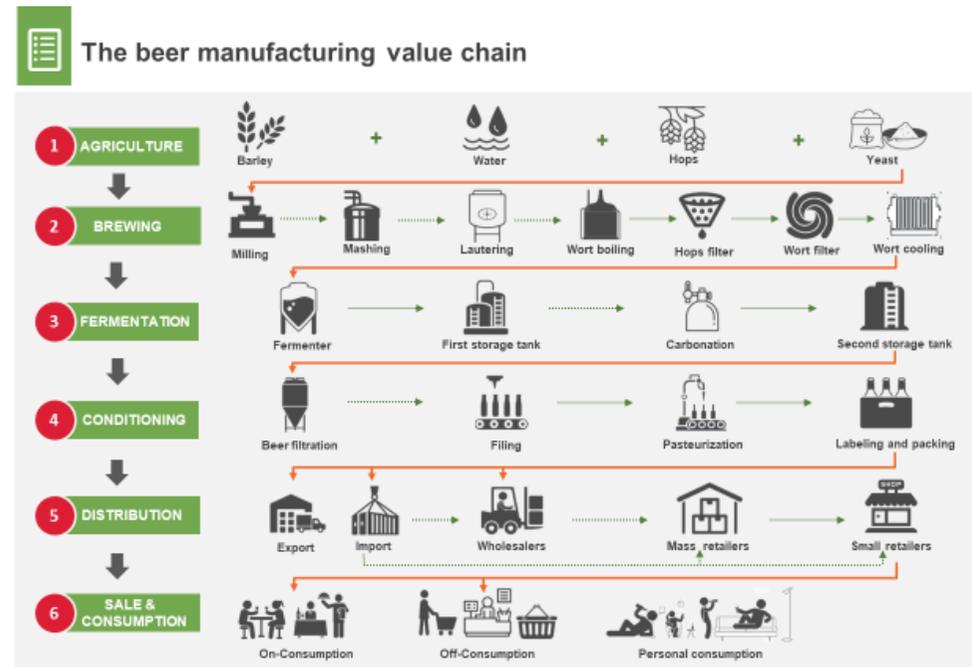
95% of Beer sold in South Africa was brewed domestically in 2016 and 2017



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South Africa is the **12th largest** beer producing country in the world.^[1]

[1] Out of 171 countries surveyed.



Sources: 1. Genesis Analytics team, 2019; 2. Christina Galitsky, Nathan Martin, Ernst Worrell and Bryan Lehman, Energy Efficiency Improvement and Cost Saving Opportunities for Breweries, 2003



The beer industry is a major contributor in South Africa...



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From 2015 to 2018 the beer production industry generated a total **GDP impact of R387.1 billion.**

INDUCED
R147 billion GDP
118,065 jobs



DIRECT
R114.7 billion GDP
9,154 jobs

INDIRECT
R125 billion GDP
46,301 jobs



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In 2018 the beer industry contributed **1.53% of GDP.** The GDP multiplier is 1.4 which is the same as the mining industry.[1]

[1] Source: Data sourced from industry consultations and modelled impact by Genesis Analytics based on the South African Supply and Use Table for 2015.

1.4X



1.4X



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So we have decided to differentiate ourselves



Enhance South African National Beer Day



Foster Brewing the Republic



Support Member Companies in positioning beer as a drink of moderation



Establish Beer Routes



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We operate in highly regulated environment...



	National	Provincial	Municipal	Excise	Advertising
Status quo	National legislation governs the macro-manufacture and distribution of beer and the beer industry	Provincial legislation governs liquor licensing for the retail of beer and the micro-manufacture of beer	Municipal legislation governs the retail of beer e.g. planning, health and safety, retail trading hours	National Legislation governs the excise tax payable on beer	Industry self-regulation
Main legislation	<ol style="list-style-type: none"> Liquor Act 59 of 2003 Liquor Products Act 60 of 1989 and recent Amendment Bill (not yet in effect). Foodstuffs Cosmetics and Disinfectants Act 54 of 1972 	<ol style="list-style-type: none"> Eastern Cape Liquor Act 10 of 2003 Free State Gambling and Liquor Act 6 of 2010 Gauteng Liquor Act 2 of 2003 KwaZulu-Natal Liquor Licensing Act 6 of 2010 Mpumalanga Liquor Licensing Act 5 of 2006 Northern Cape Liquor Act 2 of 2008 Western Cape Liquor Act 4 of 2008 Liquor Act 27 of 1989 (governs Limpopo & North West until their Liquor statutes commence) 	<p>8 metros / 44 districts / 207 local municipalities may have local requirements and by-laws</p>	<p>Customs and Excise Act 91 of 1964</p>	<ol style="list-style-type: none"> Association for Alcohol Responsibility and Education (aware.org) Code of Conduct; Advertising Regulatory Board (ARB) Code of Advertising Practice Foodstuffs, Cosmetics and Disinfectants Act 54 of 1972
Focus	<ol style="list-style-type: none"> Regulates the registration and licensing of the macro-manufacture and wholesale distribution of beer. Sets the standards for the production, composition and labelling of liquor products (beer to be included when the amendment comes into effect). Regulates the labelling of beer products. 	<p>Provincial statutes regulate liquor license applications for the retail of beer to consumers for both on-site and off-site consumption; and the registration of micro-manufacturers of beer.</p>	<p>Hours of trade, zoning restrictions, health and safety; abusive drinking, business licenses</p>	<p>Registration of name of beer for retail and its alcoholic strength by volume to determine excise tax payable.</p>	<ol style="list-style-type: none"> 1 and 2 regulate content and impose some audience restrictions. 3. Prohibits misleading advertising.
Regulatory Authority	<ol style="list-style-type: none"> National Liquor Authority (NLA) Administering Officer, Wine & Spirit Board Authorised Local Authority 	<p>Provincial Liquor Board / Authority</p>	<p>Municipal Government</p>	<p>SARS</p>	<ol style="list-style-type: none"> 1. Aware.org 2. ARB 3. Authorised Local Authority
Enforcement	<ol style="list-style-type: none"> Inspectors, SAPS, NLA, some joint actions with Provincial Liquor Authorities. Administering Officer, Wine and Spirit Board. Inspectorate. 	<p>SAPS, inspectors, Provincial Liquor Board/Authority, some joint actions with NLA</p>	<p>Metro enforcement; municipal inspection</p>	<p>Treasury SARS Commissioner, SAPS</p>	<p>aware.org; ARB Inspectors</p>
Sanction	<p>Criminal offence: Time to remedy; withdrawal of licence; fine or prison (not used)</p>	<p>Criminal offence: fine or prison Time to remedy; withdrawal/suspension of licence</p>	<p>Municipality-specific</p>	<p>Criminal offence: Fine or prison and forfeiture of goods</p>	<p>Warnings; withdrawal of ad; suspension of AWARE.org membership Criminal offence: fine or prison (Foodstuffs Act)</p>



Support efforts for regulation....



NATIONAL LIQUOR POLICY 2016 (DTI)

Informs proposed amendments to the current regulatory framework: to enhance transformation in the industry, to reduce the socio-economic impact of alcohol abuse; and to improve industry compliance with liquor regulation

- Increase the legal drinking age (LDA) from 18 to 21;
 - Increase the regulation of beer advertising;
 - Introduce vicarious liability of beer manufacturers and distributors which sell beer to unlicensed persons; and
 - Introduce a B-BBEE amendment to empower the National Liquor Regulator to consider, amongst others, compliance with BEE levels when registering license applications.
- Over 1500 signatures obtained through petition with limited resources
 - Engage the relevant provincial authorities and departments understand the rationale for the legislation
 - The Western Cape Liquor Act of 2008, section 49(4) states: *“The licensee of premises upon which the business of a retail food store is carried on, may not sell liquor other than table wine.”*

 **#LetUsBuyBeer**





Thank You



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