

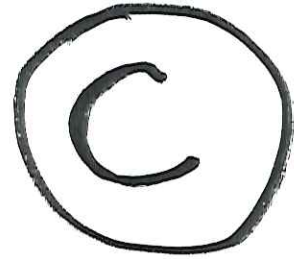
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DISTELL

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3 August 2017

Honourable Mlungisi Johnson MP
Chairperson of the Portfolio Committee on Agriculture, Forestry and Fisheries



For attention: Ms Albertina Kakaza
Per email: akakaza@parliament.gov.za

Hon Johnson MP,

Written Submission on the Liquor Products Amendment Bill: Distell Limited

We would like to thank you for the opportunity to make a formal submission concerning the Liquor Products Amendment Bill (LPA). We have been following the development of the Bill with interest and are in full support of the passing of this legislation. We appreciate the broad consultation process that has been ongoing for a number of years and the wide participation it encouraged. It is our sincere wish that this Bill be expedited.

The LPA provides a framework for the introduction of beer and other fermented beverages into the Liquor Products Act and consequently to bring these products under the control of the Department of Agriculture, Forestry and Fisheries (DAFF).

From an industry perspective, our concern has been that until the Amendment Bill is approved, there are no legal requirements as far as the manufacturing and labelling of beer/ale products are concerned. There is also very little control over the selling of these products. This loophole is currently used by traders of illicit products, without the risk of being prosecuted or of the products being confiscated by any authority.

As the Committee is aware, the forthcoming Liquor Amendment Bill, currently before NEDLAC, will introduce a raft of measures to regulate the sales and marketing of alcohol products. The World Health Organisation (WHO) is on record stating that unless enforcement measures are adequate, the implementation of measures such as those within the Liquor Amendment Bill will be at risk, creating unfair advantage for illicit products. The WHO has in its 2014 Global Status Report on Alcohol and Health already found that unrecorded products constitute just over 26% of all alcohol consumed in South Africa, and a subsequent Euromonitor study has found that the majority of these unrecorded products are from the illicit ale category. This highlights the current weaknesses in our enforcement infrastructure.

The Liquor Products Amendment Bill will bring illicit products into the regulatory environment. However, the enforcement infrastructure is still inadequate, both inside the Department of Agriculture Forestry and Fisheries and inside the prosecution authorities. We therefore request that the Committee investigate and consider ways to improve enforcement through these entities, to enable the successful and equitable implementation of this legislation.

The Amendment Bill only provides a broad framework for beer products (and other fermented beverages and traditional beer) to be regulated by the LPA and detailed requirements for these products and for the different classes thereof still need to be drafted in Regulations. We look forward to being part of this consultation process with industry and hope to play a constructive role in developing new standards for beer products, including standards around the malt and hop content thereof.

HOLDING COMPANY / BEHEERENDE MAATSKAPPIJ
DISTELL GROUP LTD./DISTELL GROEP BPK.
Company Registration No. / Maatskappij Registrasie Nr. 1568-021801-06

OPERATING COMPANY / BEDRIJFSMAATSKAPPIJ
DISTELL LIMITED / DISTELL BEPERK
Company Registration No. / Maatskappij Registrasie Nr. 1568-021801-06

It is our hope that the Amendment Bill will be approved and implemented as soon as possible.

Sincerely,

A handwritten signature in black ink, appearing to read 'P. Naidoo', with a large, stylized flourish extending to the right.

PRAVESHAN NAIDOO
Head of Public Policy and Regulatory Affairs
Distell Limited

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