CHANGE Ideas
A DGMT INITIATIVE

POLICY BRIEF

Implementing the WHO Best Buys

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Summary

South Africa, known for its alarmingly high levels of alcohol consumption globally – which also makes it the leading nation in Africa for drinking – has been dragging its feet in introducing practical, cost-effective measures to bring down the rate of binge drinking.

This is glaringly evident when we consider the lengthy period that has transpired since the introduction of the draft Liquor Amendment Bill, which was initiated seven years ago.

The most recent update from the Department of Trade and Industry was provided in 2022 by Minister Ebrahim Patel when he informed Parliament that they had returned to the drawing board. This action was prompted by the belief that the lessons learned from the COVID-19 pandemic demanded a more comprehensive response to alcohol consumption.[1]

But, while the draft Bill is being further developed, it means that the status quo remains.

The World Health Organisation's (WHO's) alcohol best practices present practical and cost-effective guidelines to effectively curb South Africa's high levels of binge drinking that can deter young people from initiating alcohol consumption.

This brief examines the WHO's alcohol best buys and explores how they align with some of the proposed changes outlined in the draft Bill.

Introduction

In its latest alcohol action plan, the WHO emphasises that, “Alcohol remains the only psychoactive and dependence-producing substance that exerts a significant impact on global population health that is not controlled at the international level by legally binding regulatory instruments”.[2]

The WHO Best Buys align with proposed changes in the draft Bill and underscores the urgency of government action.

The draft Bill proposes the following main changes:

- **Banning alcohol advertising and marketing;**
- **Raising the legal drinking age from 18 to 21;**
- **Restricting the trading days and hours for alcohol distribution, manufacturing and sales; and**
- **Prohibiting liquor outlets from being located within 500m of schools, residential areas, and places of worship and recreation.[3]**

Our focus

This brief focuses on three areas for practical and cost-effective interventions:

- **Increasing excise taxes on alcoholic beverages;**
- **Implementing and enforcing bans or comprehensive restrictions on alcohol advertising across various media channels; and**
- **Implementing and enforcing restrictions on the physical availability of retail alcohol, such as reduced operating hours.**

Key actions required

Increasing excise taxes

Ranking as the heaviest drinkers in Africa and being one of the world's worst in this regard should elicit immediate intervention.

South Africa has demonstrated significant success in altering behaviour by raising excise taxes on tobacco products. Smoking prevalence is just over 20%, substantially reducing from the rate above 30% in the early 1990s.[4] Contrary to industry claims of an increasing and uncontrollable illicit trade, government excise tax revenue from tobacco has risen 17 out of the 20 past years, exceeding the figure from two decades by over 200%.

Smoking prevalence among adults is currently just more than 20%, significantly down from well above 30% in the early 1990s. Despite all the industry's claims that illicit trade is increasing and out of control, real government excise tax revenue from tobacco has increased in 17 of the past 20 years and is now more than 200% higher than 20 years ago.

Moreover, it is essential to recognise that the narrative on illicit trade should not be dictated by the tobacco (and, by extension, the alcohol industry). South Africa has the opportunity to mitigate the harms resulting from alcohol use by implementing higher taxes and prices on alcohol products. Experience has shown that more than any other intervention, such as advertising and indoor public smoking, excise tax policies are pivotal in reducing prevalence. Notably, increasing the excise tax also results in increased revenue.[4]

The Pan American Health Organisation (PAHO) provides guidance on structuring alcohol taxes, suggesting they can take the form of a specific tax based on quantity (e.g. total product volume or ethanol content), an ad valorem tax based on the value of the alcoholic beverage (e.g. retail price), or a combination of both specific and ad valorem taxes.

The impact of tax and pricing policies on consumption is influenced by the price elasticity of demand. For all alcoholic beverages, the price elasticity is approximately -0.5. This means that a 10% price increase in alcohol results in a 5% reduction in alcohol consumption. These rates hold true for high-, low- and middle-income countries.[5]

PAHO recommends the following, which is aligned with the WHO best buys:

- Taxation rates should be periodically increased, exceeding inflation and income growth, to achieve a consistent decline in alcohol consumption and related harms.
- Increased tax rates are unlikely to promote unrecorded alcohol consumption if comprehensive alcohol control measures are concurrently implemented to combat the production and sale of illegal alcohol products.

- Alcohol taxation rates should not be reduced during economic recessions as harmful drinking may increase during these periods.
- Increased tax rates are unlikely to harm the economy, and the public health benefits of alcohol pricing policies far outweigh any potential economic disadvantages.
- Excise taxation measures should complement other evidence-based, country-specific, alcohol control policies to reduce alcohol consumption.[6]

"Policies that increase alcohol prices delay the initiation of alcohol use, slow young people's progression towards consuming larger amounts, and reduce heavy episodic use of alcohol among them. At the same time, these taxes can continue to generate positive revenue for governments. Pricing and taxation have been assessed as highly cost-effective best-buy interventions for NCD (non-communicable diseases) prevention."[7]

The World Health Organisation

In addition to raising taxes, the WHO recommends:

- Regularly reviewing prices in line with inflation and income;
- Banning or restricting direct and indirect price promotions, discount sales, sales below cost and flat rates for unlimited drinking or other volume sales; and
- Establishing minimum alcohol prices where applicable.

Banning advertising and marketing of alcohol

In June 2022, a tragic incident occurred at Enyobeni Tavern in East London, where 21 teenagers, all under 18, lost their lives. While the exact cause of their deaths has yet to be announced, this event raised significant concerns regarding teenagers' access to alcohol, and the factors that entice young people to consume alcohol in South Africa.

One of the central proposals of the draft Bill is to restrict alcohol advertising across various media platforms, including print, television, radio, billboards and all public areas, with exceptions only at the point of sale. This aligns with the WHO Best Buy recommendations.

In its Global Strategy to Reduce the Harmful Use of Alcohol report, the WHO underscores the critical importance of limiting alcohol marketing, particularly among young people. It states that alcohol is marketed through increasingly sophisticated advertising and promotion techniques, including linking alcohol brands to sports and cultural activities, sponsorships and product placements, and new marketing techniques such as e-mails, SMS and podcasting, social media and other communication techniques."[8]

South Africa currently lacks legally binding regulations concerning alcohol advertising, product placement, alcohol sponsorship and sales promotion.[9]

Globally, beer brands dominate alcohol advertising, and the Dutch company Heineken stands out as the largest global spender with 25 deals to its name, including the notable $21.4 million Formula One sponsorship in 2018.[10]

In South Africa, alcohol brands, particularly beer brands, foster long-term partnerships with sporting events. For instance, SA Breweries brand, Castle Lager, sponsored the 2021 Lions rugby tour to South Africa. In 2023, it solidified its presence by renewing its soccer sponsorship of the Carling Knockout and the Carling Black Label Cup, which started in 2011. Another instance is Castle Double Milk Stout's sponsorship of radio station Metro FM's Disaster Dating show.

Back in 2017, when the Bill was under consideration, the business council, Nedlac, commissioned Genesis Analytics to investigate the potential impact of raising the legal drinking age from 18 to 21 and restricting alcohol advertising. The findings indicated that exposure to alcohol advertisements influenced young people to start drinking at an earlier age, consume more and engage in binge drinking. Furthermore, advertising had the effect of encouraging heavy drinkers to increase their consumption.

Genesis Analytics also found that implementing the two measures would lead to an annual saving of 185 lives due to a 3% reduction in alcohol-related traffic fatalities. Additionally, it would result in a 4% reduction in the overall alcohol consumption by South Africans, with an estimated 700 000 adults changing their drinking patterns.[11]

Combined, the two interventions would reduce public health costs by R1.9 billion annually.[12]

It's evident from the report that the most significant impact would be on media revenue generated from alcohol advertising. In 2017, roughly R2 billion was spent on above-the-line alcohol advertising, with television capturing the largest share at 60%. Major beneficiaries included SABC, Multichoice and e.tv, while SA Breweries and Distell emerged as the leading spenders at R806 million and R521 million, respectively.

Genesis Analytics projected that an advertising ban could result in a media revenue loss of R800 million, potentially impacting 1 184 jobs in the media industry. Additionally, if alcohol volumes were to decrease by 7.4%, it might result in 1 533 job losses in the alcohol industry.

Limiting the physical availability of retailed alcohol via reduced sales hours

The draft WHO Alcohol Action Plan (2022-2030) attributes the limited global progress in tackling alcohol-related issues to inadequate adoption, implementation and enforcement of the most cost-effective alcohol policies and interventions.[13]

The WHO believes that governments have a range of options to choose from to reduce the physical availability of alcohol:

- Implementing a system to regulate the production, distribution, and service of alcoholic beverages that places reasonable restraints on alcohol distribution and the operation of alcohol outlets. This can be achieved through measures such as:
    - Introducing, where appropriate, a licensing system for retail sales;.
    - Regulating the number and location of on-site and off-site alcohol outlets;
    - Regulating the days and hours alcohol can be sold;
    - Regulating the methods of alcohol retail sales; and
    - Controlling retail sales in certain places or during special events.
- Establishing a suitable minimum age for purchasing or consuming alcohol and implementing other measures to create barriers against alcohol sales to adolescents.
- Adopting policies aimed at preventing sales to intoxicated people and minors, potentially considering the introduction of mechanisms for holding sellers and servers liable through national legislation.
- Formulating policies concerning public alcohol consumption or during official public agency activities and functions.
- Enacting policies to reduce and eliminate the availability of illicitly produced, sold and distributed alcoholic beverages and to regulate informal alcohol markets.

These restrictions must consider the relatively new phenomenon of buying alcohol online and through third parties such as Uber Eats and Mr D.

Lessons from other countries

A 2022 review of seven European countries showed that various restrictions on alcohol advertising were implemented in alignment with WHO recommendations:

- Lithuania instituted a comprehensive ban on alcohol marketing, including online and social media, broadcast media, outdoor and cinema promotions, sports and event sponsorships, branded merchandise and competitions.
- Estonia, Finland, and Ireland have partial bans on sport and event sponsorship, depending on the exposure to children.
- France, Italy, Denmark and Belgium have set partial bans on alcohol advertising, allowing advertising in print but not broadcast media.[14]
- When Diadema, Brazil, imposed an 11 p.m. closing time for on-site premises, homicides saw a 44% reduction compared to what would have been expected without the law. Interventions in Switzerland and Germany, which restricted on-site sales (such as closing earlier on Friday nights), contributed to a decrease in hospital admissions for alcohol intoxication, particularly among young people.[15]
- According to the Pan American Health Organisation, research that examined the extension of on-site trading hours, especially late at night, consistently reveals an increase in alcohol-related harm. Conversely, even relatively minor reductions in allowable hours seem to reduce violence. For instance, in Newcastle, Australia, a change from a 5 a.m. closing time to 3:30 a.m. led to a 33% decrease in assaults.

Conclusion

If South Africa's unchecked binge drinking culture continues, it will perpetuate numerous adverse consequences. The measures we have proposed are both rational and effective. These recommendations align with the WHO's SAFER initiative and its Global Alcohol Action Plan, which was unanimously adopted by member states, including South Africa, at the World Health Assembly in May 2022.

Most importantly, the South African government should take prompt action on the pending draft Liquor Amendment Bill. The delay contradicts President Cyril Ramaphosa's commitment to addressing alcohol abuse after the Enyobeni tragedy in 2022 when he proposed a "frank conversation".

He said the following measures should be considered: age limits, adjusting the legal drinking age, and revisiting trading hours for alcohol – all of which are already outlined in the proposed Bill.

The question is: What are we waiting for?

Endnotes

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What is
Change Ideas?

DGMT's Change Ideas is a new initiative that makes cost-effective and scalable policies accessible to the public and politicians. These policies, drawn from years of implementation experience, research, and embeddedness in South African civil society, offer opportunities to get South Africa out of the inequality trap. Change Ideas aims to empower you with comprehensive policy briefs, research findings, and expert perspectives on 10 key opportunities identified as pivotal for fostering sustainable change.

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Making change possible

This policy brief was written by Phylicia Oppelt, Project Lead of Change Ideas, with contributions from other pivotal projects within DGMT. We want to thank DGMT's Alcohol Harms Reduction Campaign and its partners in civil society for laying the groundwork for the policy proposals contained in this brief.

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