

# LIQUOR REGULATION CONFERENCE

Presentation on the Liquor Act 59 of 2003: The highlights and gaps

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# OVERVIEW

- Background
- Highlights and gaps
  - Continued existence of the 1989 dispensation;
  - A 2003 dispensation and concurrent jurisdiction;
    - National and Provinces
  - Coordination of cooperative structures and governance:
    - DTI and provinces (regulators and MINMEC)
    - Transformation of the liquor industry (BEE, HDI, SMMEs);
    - Balancing the effects of liquor abuse; social responsibility aspects and community involvement against promoting the economic imperatives of the liquor industry (DTI, Health, Agriculture, Social Development);
    - Land zoning (Business Act ); and
    - Competition laws and over dominance
- Conclusion



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# BACKGROUND

- The Liquor Act No. 59 of 2003 came into law at a time when the liquor industry had been characterized by disparities informed by the country's historical legacies. Through which disparities, a large informal liquor segment thrived.
- The main objectives of the Liquor Act are:
  - to reduce the socio economic and other costs of alcohol abuse;
  - to promote the development of a responsible and sustainable liquor industry in a manner that facilitates entry for new participants and diversity of ownership; and
  - to promote an ethos of social responsibility in the industry.



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# THE HIGHLIGHTS AND THE GAPS

- **Continued existence of the 1989 dispensation:**
  - The continued application of the 1989 Act in certain provinces remain a hindrance in fully realising the primary objectives of the Liquor Act of 2003.
  
- **A 2003 dispensation echoed by concurrent jurisdiction:**
  - Concurrent jurisdiction brings forth difficulty in the proper regulation of liquor;
  - It demands coordination of cooperative structures at National and Provincial government which is at times weak, the result being a failure to set essential national norms and standards (Policy Council).



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# THE HIGHLIGHTS AND THE GAPS

- **Coordination of cooperative structures and governance:**
  - Furthermore different departments have different interests with regard to liquor which requires balance and cooperation:
    - Competition laws have not effectively dealt with over dominance in the industry;
    - transformation and diversity of ownership has still not been achieved. Provinces and NLA should put as conditions issues of transformation;
    - health and social issues relating to liquor need to be closely looked at e.g issues relating liquor advertising;
    - land zoning remains a serious challenge (Business Act in relation to provincial and municipal activities); and
    - trade and economic development issues should also be enhanced and balanced liquor trade and consumption.

# DEVELOPMENTS

- The dti is in the process of conducting the first impact assessment study on the Liquor Act. It is trusted that impact assessment study will also contribute to alleviating the existing gaps.



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# CONCLUSION

- It is hoped that the identified gaps are in line with the expectations of the participants.
- Participants are requested to give further improvement on the identified gaps



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# THANK YOU



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