

Commission 1 – Promotion of the Industry

The following issues regarding the current policy were raised during the deliberations:

1. Unavailability of a specific charter to transform the industry or if any, no visible enforcement thereof neither access thereto.
2. There are limitations on upward movement in the value chain by black entrepreneurs at retail level.
3. There is invasion of township / rural markets by big players presenting unfair competition challenges.
4. There is lack of access to franchise opportunities in this industry by Blacks.
5. Black industry retailers are excluded from commercial property / mall development.
6. There is no access to finance growth / expansion and diversification.
7. Black wine manufacturers' participation is invisible, minimal or non-existent.
8. Truck owner driver's schemes / programmes warrant transparency and review regarding their impact on empowerment.
9. There is no compliance among wholesalers and manufacturers pertaining to how they impact on retail.
10. There is preferential treatment of wholesalers established outlets by manufacturers with great potential to enhance or promote monopolistic tendencies.
11. Black entrepreneurs do not participate in the manufacturing /micro manufacturing sector.
12. Wine industry high growth potential areas in the Eastern Cape are not exploited (viz. Whittlesea area and Port Elizabeth).
13. The high potential maize production capacity to supply beer manufacturers is not exploited.
14. There is no information sharing by NLA / DTI on BBBEE compliance trends by big manufacturers.
15. Integration to tourism, township business revitalisation programme and hospitality is lacking.
16. Downstream and upstream activities linked to the value chain activity are minimal or no participation by black industry players.
17. Exploitation of free advertising of products at township / black-owned outlets vs paid for in well-established outlets.
18. Potential business opportunities presented at the level of managing negative

environmental impact are not exploited or ignored.

Recommendations

1. A clearly articulated charter to transform the industry should be drafted and enforced so that there are no longer issues of non-compliance.
2. The government should view liquor trade in relation to land ownership (for farming and business opportunities) for previously disadvantaged people.
3. The government should walk the talk and legislate that the local people be involved in the growing of raw materials that are used in the production systems of liquor.
4. The DTI and DEDEAT should allocate funding to enable emerging entrepreneurs to partake in the distribution chain of liquor.
5. Alcohol should not be banned in our Province as people can have alternative ways of getting high using battery acid, cough mixture, and other readily available drugs.
6. Red tape should be simplified when people want to access funding.
7. There should be a law that forces established brewers to engage outside distributors.
8. The government should provide a more conducive regulatory environment and framework that support upcoming entrepreneurs.
9. The Departments of Public works, Agriculture and Rural development should be involved in the transformation of the liquor industry.
10. The industry should be diversified so that it is linked to the Tourism and hospitality industry on a full scale than only focusing on taverns.
11. Franchising should also be introduced in the liquor industry as a way of involving more black people to the industry.
12. Responsible trading must be addressed and liquor outlets should be required to create awareness about dangers of alcohol and be forced to engage in social responsibility programmes.
13. There should be a resource person employed by the liquor board to which people interested in entering the industry should go.
14. The issue of land and property access by formerly disadvantaged people is also key to transformation in this industry.
15. The DTI should not only have the regulations but actually have the teeth to enforce compliance.

16. Regulate trading times and ensure that liquor outlets trade at the same time.
17. Preferential treatment of bigger players against smaller businesses which have no access to trade discounts should be changed.
18. The commercial banks' role is key to addressing the issues of access to land and property since the state does not support alcohol businesses.
19. Black communities should be supported to participate in the waste management industry that seeks to recycle and up cycle alcohol bottles, boxes and tins that have a negative environmental impact.