



UGANDA MANUFACTURERS
ASSOCIATION

UMAs POSITION ON THE ALCOHOLIC DRINKS CONTROL BILL, 2023
SUBMISSION TO THE HEALTH AND TOURISM, TRADE AND INDUSTRY COMMITTEES
28TH FEBRUARY 2024

Bill Proposal	Issue/ Concern	Recommendation
Interpretation Clause 3, 'Minister' meaning the Minister responsible for health:	The purpose of the Bill is to regulate the manufacture, importation and sale of alcohol which mandate would be best suited to the Minister for Trade, Industry and Cooperatives .	The clause should be amended to 'Minister responsible for trade' This is especially true with the exclusion of the clauses on 'Awareness, rehabilitation and treatment of addicts' in the previous version of the Bill.
Application of licences i. Clause 5 (2) A person who intends to sell alcoholic drinks shall apply to the relevant authority for a license. ii. Clause 22 the Prohibition of manufacturing, or sale of alcoholic drinks without a license.	<ul style="list-style-type: none">• Manufacturers currently pay for numerous licenses, and obtaining additional licenses is expensive and time-consuming.• Application for multiple licenses is a complex and costly process for businesses, as each license typically comes with its own set of requirements, fees, and renewal costs.• With the cost of doing business significantly increasing, the business of 'manufacturing or sale of alcohol' will become extremely unprofitable, taking	These clauses are redundant and should be removed or referred to the Licencing Act Cap 101.



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	<p>away the opportunity for contribution to the national basket.</p> <ul style="list-style-type: none">• A licensing regime already exists under the Trade (Licensing) Act Cap 101 which falls under the Ministry of Trade, Industry and Cooperatives.	
<p>Radius Restriction as a pre-requisite for the grant of a license.</p> <p>Clause 5(7) business premises considered suitable if they are:</p> <ul style="list-style-type: none">a) not within 400 metres of a school, health unit, residential area or place of worship.b) not situated at a fuel station;	<ul style="list-style-type: none">• Considering Uganda's physical planning layout, which places social amenities close to one another, this provision is impractical.• Businesses already have authorized building plans, the bill shouldn't attempt to impose an unenforceable requirement. <p>In addition, by confining operations to a restricted radius, companies may face challenges in recruiting and retaining qualified employees, leading to potential skill shortages and decreased productivity.</p>	<ul style="list-style-type: none">• Sub-clauses 5(7)(a) and (b) should be deleted.
<p>Restrictions on hours of sale.</p> <p>14(1) A licensee shall not sell an alcoholic drink or native liquor before-</p>	<ul style="list-style-type: none">• The time restriction will require that manufacturers set up multiple facilities to ensure other value chain players are effectively served. This duplication of infrastructure will significantly raise operating	<ul style="list-style-type: none">• The clause should be deleted.



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<p>a) 17:00 hours and after 22:00 hours on working days;</p> <p>b) 12:00 hours and after 00:00 hours on public holidays and weekends.</p> <p>14(2) Notwithstanding subsection (1), a licensee who operates a supermarket or depot may sell alcoholic drinks between 10:00 hours and 22:00 hours.</p> <p>14(3) Subsection (1) shall not apply to a person who sells an alcoholic drink in a licensed tourist camp, nightclub, theatre, fetes, bazaar or a trade show.</p> <p>14(4) A person who contravenes subsection (1) or (2) commits an offence and is liable, on conviction, to a fine not exceeding one thousand currency points (UGX 20Mn) or imprisonment for ten years, or both.</p>	<p>expenses, including rent, utilities, maintenance, and transportation costs for particularly the employees.</p> <p>Over 1.3 million jobs were created by the Alcohol Industry.</p> <ul style="list-style-type: none"> • Also, the economic significance of the night economy to the national treasury cannot be underestimated. • The proposed penalty for contravention is excessive. 	
<p>Regulation of advertisement of alcoholic drinks.</p> <p>Clause 17(1) A person shall not advertise alcoholic drinks using information that is misleading or deceptive.</p>	<p>Clause 17 is not necessary as there is already a regulatory framework in place under various UNBS and the Uganda Communications Commission (UCC) advertising rules.</p>	<p>The clause should be deleted.</p> <p>The status quo should be maintained and advertisements left under the mandate of the UCC.</p>



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<p>Clause 17(2) The Minister shall, by regulations made under this Act, regulate advertisement of alcoholic drinks.</p> <p>Clause 17(3) A person who contravenes subsection (1), commits an offence and is liable, on conviction, to a fine not exceeding one thousand currency points (UGX 20 Mn), or to imprisonment for a period not exceeding ten years, or both.</p>		
<p>Packaging of Alcoholic Drinks in a package of less than 500ml</p> <p>Clause 27 – Packaging of alcoholic drinks in a package of less than five hundred millilitres.</p> <p>Clause 27(1) A person shall not pack o import an alcoholic drink in a package of less than five hundred millilitres.</p>	<ul style="list-style-type: none">• This provision is inconsistent with the Weights and Measures (Sale and Labelling of Goods) (Amendment) Rules 2020 which permits alcoholic products to be packaged in containers of a minimum size of 200 millilitres.• Further, the mandate to legislate on packaging formats and sizes for alcoholic products already sits with UNBS under the Weights and Measures Act 103 and regulations.• In addition, there is a possibility of increased costs associated with adopting new packaging proposals. New materials, designs, and production processes can be expensive, requiring significant investments in equipment, training, and research. This can strain the	<p>The clause should be deleted.</p>



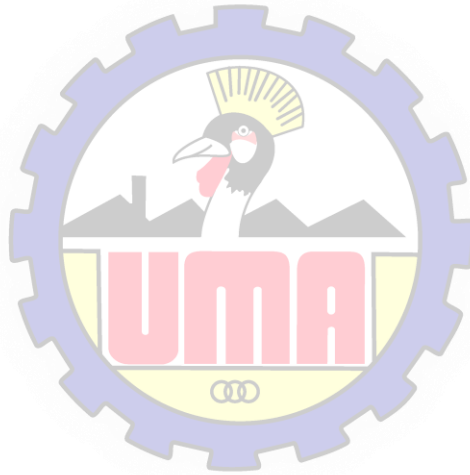
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	<p>budget of a manufacturer, potentially affecting their overall revenue and tax contribution.</p>	
<p>Packaging of alcoholic drinks in sachet or plastic bottle</p> <p>Clause 26 - Packaging of alcoholic drinks in a sachet or plastic bottle</p> <p>26(1) A person shall not pack, import or sell an alcoholic drink in a sachet, plastic bottle or such other form as may be prescribed by the Minister, by regulations, made under this Act.</p> <p>26(2) A person who contravenes this section commits an offence and is liable, on conviction, to a fine not exceeding one thousand currency points or imprisonment for a period not exceeding five years, or both.</p>	<ul style="list-style-type: none"> • The Weights and Measures (Sale and Labelling of Goods) (Amendment) Rules 2020 permits the use of plastic bottles from 200ml upwards. • Restriction limits opportunities for innovation and industrial advancement in the country. 	<p>The clause should be deleted and the status quo maintained.</p>
<p>Clause 38(2) - Saving Provision</p> <p>(2) A person who, immediately before the commencement of this Act, was in accordance with any law licensed to manufacture for sale, import or erect, establish or operate a factory for the manufacture for sale of beer or alcoholic beverages, or sale of liquor, shall, within twelve months from the</p>	<ul style="list-style-type: none"> • The 12-month period provided under clause 38(2) of the Bill is too short to ensure full compliance by sector players. • Compliance with almost all proposals in the Bill is capital-intensive. 	<p>A more reasonable transition period of 36 months is considered.</p>



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date of commencement of this Act, comply with the provisions of this Act.		



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