THE PARLIAMENT OF UGANDA

REPORT OF THE JOINT COMMITTEE ON TOURISM, TRADE AND INDUSTRY AND HEALTH ON THE ALCOHOLIC DRINKS CONTROL BILL, 2023

Office of the Clerk to Parliament,

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1.0 INTRODUCTION

Rt. Hon. Speaker and Hon. Colleagues,

On Tuesday 14th November, 2023, Hon. Opendi Sarah Achieng, Woman Representative, Tororo District read for the first time the Alcoholic Drinks Control Bill (Private Members Bill), and it was referred to the Committees on Health and Tourism, Trade and Industry for consideration in accordance with Rule 129 (1) of the Rules of Procedure of Parliament. For purposes of this Report, the two Committees shall be referred to as the Committee.

The Committee considered the Bill in accordance with Rules 129 (2) and 189(c) of the Rules of Procedure of Parliament, and hereby reports.

2.0 OBJECTIVES OF THE BILL

The Bill seeks to;

(a) regulate the manufacture, importation, sale, advertisement and consumption of alcoholic drinks;

(b) prohibit the sale of alcoholic drinks to persons under the age of eighteen years and other specified persons; and

(c) provide for measures to eliminate illicit trade in alcoholic drinks.

3.0 LEGISLATIVE AND POLICY FRAMEWORK OF THE BILL

Law is vital for the prevalence of peace, security, stability and development. It is a prerequisite for the prevention of conflicts and the promotion of lasting morals in the world. Legislation encompasses and touches on practically every aspect of our lives and must be clearly defined, guaranteed, guarded, defended and respected at all times. Respect for and enforcement of the legislations rests upon practical legislative frameworks in economic, social and legal structures in every society. Sound laws, democracy and economic viability are interdependent, interrelated and indivisible, and thus constitute inseparable ingredients in Uganda's quest for socio-economic prosperity and moral backbone.

In November, 2019, Uganda developed the National Alcohol Control Policy following broad consultations with key government sectors, regulatory and other agencies and civil society organizations. The Policy provides a framework within which government of Uganda, in association with other key stakeholders, are to develop and implement targeted alcohol control interventions in the best interest of all Ugandans.

The policy further indicates that unregulated alcohol consumption causes a heavy burden of infectious diseases, an upsurge in the occurrence of Non-Communicable Diseases (NCDs) such as hypertension, cancer, diabetes, mental illness and chronic heart diseases, which damage nearly every organ in the body and as well as induce alterations in most of the brain structures due to its psycho active nature.

The policy also recognises that alcohol consumption undermines commitments to achieve 13 of the 17 United Nations Sustainable Development Goals, (SDGs) impacting on a range of health related indicators, such as child health, infectious diseases and road injuries as well as a broader range of indicators related to economic and social development, environment and equality. (WHO, 2018) and further that the policy would contribute towards achievement of several alcohol related SDG targets including on reduction of premature mortality due to non-communicable diseases by one-third by 2030.

The Bill attempts to address the loopholes as some laws that regulated Alcohol use were repealed. These laws as discussed below addressed various issues.

3.1 The Enguli (Manufacture & Licensing) Act - Cap 86

The Enguli (Manufacture and Licencing Act) which was repealed prohibited consumption and export of enguli and created institutions, procedures and offices to issue licences, regulated, control and monitoring, manufacturing and trading in enguli, which was intended for refinement into Uganda Waragi. However, poor enforcement; complex investigative procedures and evidential requirements; excessively low and inadequate penalties for contravention of the law were the grey areas which were not addressed hence hindering its effectiveness.

3.2 The Liquor Act – Cap. 93

The Liquor Act regulated the manufacture and sale of intoxicating liquor; provided for the issue and use of licences; premises and hours for the manufacture and sale of liquor. It also restricted consumption of liquor by children. However, the Act provided very low fines; suffered from poor enforcement; made cancellation of licences upon conviction discretional; and did not adequately deal with drunkards; hence the need for repealing it.

3.3 The Potable Spirits Act - Cap. 97

The legislative objective of the Potable Spirits Act is to control the compounding of potable spirits. The Act creates a general prohibition against compounding for profit or sale any spirits without a licence, and where one has been issued with a licence he or she may only compound spirits in accordance with the licence.

Compounding spirits without a licence carries a sentence of a fine not exceeding five hundred pounds or imprisonment for a term not exceeding twelve months or both. (It would appear that stating the fine in pounds was an oversight as fines in all Ugandan laws are usually stated in Uganda shillings). However, due to poor enforcement of the law it is highly probable that many sellers of spirits do compound them unlawfully, sometimes to the extent of denaturing them. This exposes the public to serious problems, in worst cases resulting into death or serious harm to the consumers. Enforcement of the law should obviously be stepped up.

The UNBS Act establishes the UNBS to determine, formulate and enforce standards for commodities sold in Uganda including alcohol, for purposes of protecting the public. UNBS's capacity to enforce the law is however, limited due to inadequate resources. This coupled with the low penalties for contravention of its provisions affect the effectiveness of this law and should be addressed.

While the Food and Drugs Act creates offences in relation to the preparation, offering, labeling, advertisement, possession and sale of injurious food and adulterated food for human consumption, the penalties provided for contravention of this provision are too low and until they are revised upwards its effect cannot be realised.

4.0 METHODOLOGY

The Committee was guided by the provisions of Rule 129 of the Rules of Procedure of Parliament to examine the Bill in detail and make all such inquiries in relation to it. As such, the Committee employed the following methods of work;

4.1 Meetings

During the consideration of the Bill, the Committee called for public participation in the legislative process by running adverts in the Daily Monitor and New Vision Newspapers, upon which the Committee held consultative meetings with the following stakeholders;

(1) Hon. Opendi Sarah Achieng
(2) Ministry of Trade Industry and Cooperatives
(3) Ministry of Health
(4) Ministry of Tourism, Wildlife and Antiquities
(5) Ministry of Local Government
(6) Ministry of Education and Sports
(7) Directorate of Government Analytical Laboratory (Ministry of Internal Affairs)
(8) Uganda Export Promotion Board
(9) Uganda Revenue Authority (URA)
(10) Private Sector Foundation Uganda (PSFU)

(11) Uganda Law Society (ULS)

(12) Uganda Law Reform Commission (ULRC)

(13) Uganda Manufacturers Association (UMA)

(14) Uganda National Bureau of Standards (UNBS)

(15) Kampala Capital City Authority

(16) Makerere University, College of Natural Sciences

(17) Inter Religious Council of Uganda

(18) Kampala City Traders Association (KACITA)

(19) Uganda Youth Development Link (UYDEL)

(20) Uganda Small Scale Industries Association (USSIA)

(21) Civil Society Organizations

(22) National Culture Forum (NCF)

(23) Uganda Alcoholic Policy Alliance (Umbrella organization for all NGOs working in alcohol control)

(24) Addiction Prevention and Rehabilitation Association of Uganda Umbrella Organization for Addiction Service Providers (Private)

(25) Uganda Alcohol Industry Association (UAIA)

(26) LEGIT Bar, Entertainment and Restaurant Owners' Association Uganda Limited

(27) Uganda Supermarket Owners' Association Limited.

(28) Uganda Police Force

(29) Uganda Local Government Association.

(30) Uganda Retailers and Wholesalers Association

4.2 Review of Literature

The Committee also received and reviewed written submissions for consideration from the following stakeholders:

(1) Dr. Alfred Jatho (PHD), Uganda Cancer Institute

(2) Butabika National Referral Mental Hospital

(3) The Federation of Uganda Football Associations (FUFA)

(4) Uganda Alcohol Policy Alliance (UAPA)

(5) Medific wise-SMC Ltd.

(6) Ker Kal Kwaro Pajule

(7) She LEADS Uganda Programme

(8) The Attorney General

5.0 GENERAL UNDERSTANDING OF ALCOHOL

(1) Alcohol is the active ingredient in drinks such as beer, wine and spirits that when abused makes someone to lose the ability to control their actions/reactions, commonly known as being drunk. This ingredient is called ethanol (ethyl alcohol).

(2) Alcohol is toxic and addictive if consumed without control.

(3) Alcohol is usually made by adding yeast to ferment the sugars in grains, fruits and vegetables i.e. wine is made from the sugar in grapes and vodka is made from the sugar in potatoes.

6.0 THE NATIONAL DEVELOPMENT PLAN III (NDP III)

The NPD III 2020/21- 2024/25 is rooted in a vision of a transformed Ugandan society from a peasant to a modern and prosperous country within thirty years. One of the NDP III Development Strategies adopted to attain the strategic objectives was improving access and quality of social services on the premises that a skilled, innovative and healthy labour force is essential for attracting local and foreign investment, which is essential for driving industrialization and sustained acceleration of growth. To this end, government is meant to restructure Health services to focus more on disease prevention using a multi-sectoral approach as opposed to the current curative focused model. Interventions focused on the ever-increasing burden of non-communicable diseases (NCDs) are to be stressed to reduce mortality and impoverishment due to prolonged ill-health

The Goal of the Manufacturing Programme is **"to increase the range and scale of locally manufactured products for import substitution and increased exports"** and the objectives are;

(1) Increase the share of Manufactured exports from 12.3 to 19.8%

(2) Increase the industrial sector contribution to GDP from 27.1% to 28.6%;

The Committee observes that while the Bill seeks to regulate the manufacture, sale, importation and consumption of alcohol, Uganda has set targets as seen above which may not be achieved, given the objectives of this Bill.

6.1 Effects of consumption of an alcoholic drink

Alcohol is among the best commodities which generate internal revenue towards the national budget. However, although the alcohol industry is an important source of revenue, the importance of regulating the importation, manufacture, trade, sale and consumption of all types of alcohol should not be overlooked, because society must be protected from its negative effects.

6.2 Employment

There is also need to underscore the importance of the alcohol industry in terms of job creation. According to the Uganda Alcohol Industry Association (UAIA) an organization that brings together the alcoholic beverages manufacturers, the industry is responsible for direct employment of 804,020 people across the value chain and impacting over 6.3 million livelihoods across Uganda. per (Private Sector Foundation). This excludes the informal sector.

Table 2: Showing Total Direct Jobs within the Regulated Alcohol Industry in 2023

Sector	Number of Employees within the sectors	% Number of Employees
Regulated alcohol manufacturers (Nile Breweries and Uganda Breweries)	970	0.1
Distributors	3,800	0.4
Grain Farmers	53,750	7
Bar and Retail outlets	745,500	92.5
Total	**804,020**	**100**

Source: Nile Breweries Limited and Uganda Breweries Limited data.

6.3 Revenue generation

Table 3: showing the contribution of revenue by the manufacturing sector in the alcohol industry for financial years 2019-2020 to 2022-2023

Year	Contributed Revenue (Tn)	Percentage Contributed	Total revenue for the year (Tn)
2019-2020	3.500	20.4	17.13
2020-2021	4.5	22.68	19.65
2021-2022	5.0	22.62	22.10
2022-2023	5.9	23.16	25.75

Source: URA performance reports FY 2019/2020 – 2022/2023

From the table above, the contribution of the manufacturing sector in the alcohol industry has been registering an average increase of 19% for the last 4 years (FY2019- 2023) and this contribution by the alcohol industry to the Economy cannot be underrated.

According to the Uganda Manufacturers Association (UMA), the top two alcohol players (Nile Breweries Limited and Uganda Breweries Limited) contribute **UGX 1.1Trillion** annually as tax revenue.

Alcohol Industry also contributes **UGX 205 billion** towards the revenues by grain farmers in Uganda.

According to Euromonitor (2021) a report commissioned by Nile Breweries Company to assess the market size of alcohol beverages in Uganda, of the 110.6 million litres of alcohol in Uganda, 67.7 million are from the illicit alcohol accounting for 52% of the alcohol beverage market share. Informal alcohol in Uganda is estimated at UGX 2 trillion but is not monitored by the Uganda National Bureau of Standards (UNBS) and the alcohol content

The Committee observed that whereas regulating consumption of alcoholic drinks could have serious economic impacts on the economy, it would be paramount to also highlight that alcohol consumption could have adverse social and economic impacts on the individual, his or her immediate environment and society as a whole.

Health Consequences: Alcohol abuse is linked to countless health problems, including liver disease, heart disease, cancers, and mental health disorders. These conditions not only reduce quality of life but also incur substantial healthcare costs.

The committee was informed by Dr. Alfred Jatho (PHD) of Uganda Cancer Institute that the cost of treating alcohol associated cancer in Uganda is as follows;

The cost of cancer treatment is catastrophic even for people who have higher levels of income above the national average, including those with insurance coverage. Many health insurances avoid covering cancer treatment because they know it is very expensive, except when the risk is well shared as is the case with mandatory national health insurance. The cost of treating cancer seems to be more expensive in low-income countries because currently anti-cancer medicine and medical devices are imported, thus exacerbating the cost even further. The main cancer treatment cost areas are the cost of surgery, radiation therapy, chemotherapy and other treatments such as hormonotherapy and immunotherapy. The high costs of cancer care are projected to continue rising due to emerging advances in cancer therapy and advanced technology options.

Financial Strain: Alcohol abuse can lead to decreased productivity, and constrained financial streams. This creates a vicious cycle of poverty and high dependency.

Every medical related cost in managing cancer is counted in three phases irrespective of who pays for it (government, donation, (out-of-pocket (OOP) or by waiver). These three phases are: (1) initial care which happens in the first 12 months after diagnosis; (2) continuing care, that is the period between initial care and end-of-life; and (3) end-of-life care, the last 12 months of life. According to an Article that was written by Marriotto AB and others titled "Medical Costs associated with cancer survivorship in the United States", irrespective of the type of cancer, the current average per-patient cost of treating cancer: is \$43,516 for initial care; \$5,516 for continuing care; and \$109,727 in the last year of life (Mariotto et al 2021). The estimated costs do not even include the costs of taking time off work, travelling to cancer treatment centres, taking care of or hiring caregivers and covering other sickness related expenses, including home care in the absence of the sick person and the caretaker.

According to Dr. Jethro, when the pure cost of treating one cancer patient is computed as is the case in many developed countries such as the USA, the annualized cost of treating the alcohol attributable fraction of ten alcohol-associated cancers in Uganda is \$ 677,990,237.00 which is equivalent to 2,508,563,876,900/= at 3700 Uganda shillings per US dollar exchange rate.

Domestic Violence: Alcohol abuse is one of the key factors that contribute to increased domestic violence.

Public Health Burden: The treatment and prevention of alcohol related ailments place a significant burden on healthcare systems.

Lost Productivity: Alcohol related absenteeism and decreased work performance impact economic productivity at both individual and societal levels.

7.0 COMMITTEE ANALYSIS, OBSERVATIONS AND RECOMMENDATIONS.

7.1 Certificate of Financial Implications

The Committee is alive to the fact that whereas Section 76 of the Public Finance Management Act, 2015 requires that a Bill shall be accompanied by a Certificate of Financial Implications issued by the Minister responsible for finance, the Committee was not presented with the same by the Sponsor of the Bill. The Committee is however alive to Section 76(4) of the Public Finance Management Act, 2015 which states that the Certificate of Financial Implications shall be deemed to have been issued after 60 days from the date of request of the Certificate. The Committee hence proceeded to consider the Bill.

7.2 Analysis of the Bill:

Regulation of the Alcohol industry is good, however, such regulation should be fair, balanced, evidence based and sustainable taking into account the various stake holders.

According to the World Travel and Tourism Council (WTTC), the Tourism Sector contributed USD2.1billion to the economy of Uganda in 2022. This is equivalent to 4.7% of the country's GDP. In 2023 this contribution increased to 5.5%. This is still USD 400million less than what was contributed during pre-Covid 2019. The tourism sector requires all the support to recover from effects of Covid 19 and the legal frame work should support and not hurt recovery of the sector.

According to 2021 Euro Monitor Study on Illicit trade of Alcohol in Uganda, it was found that regulated alcohol industry only accounts for 35% of all alcohol consumed in Uganda while illicit alcohol accounts for 65%. Illicit alcohol not only poses serious health risks to its consumers, but also denies the country the much needed revenue in form of unpaid taxes.

It is therefore critical that Government applies the right level of focus to curb significant problems of illicit alcohol trade in Uganda by putting in place robust, legal and regulatory framework with specific provisions to prohibit illicit alcohol including native brews which are increasingly becoming commercialized without being subjected to any production standards or payment of taxes. This creates an unfair playing field for legitimate alcohol players since it does not pay related taxes.

The Committee observes that under the Memorandum of the Bill, the Bill does not clearly state the problem that it is trying to cure. It is important to identify what mischief the Bill intends to cure. The other question is whether the proposed regulation is the best form of action in the circumstances. The Bill also does not indicate how it intends to eliminate illicit trade in alcoholic drinks.

The Committee observes the need for a detailed Regulatory Impact Assessment of the alcohol industry on the economy. The stakeholders who interfaced with the Committee expressed mixed reactions on the different provisions of the Bill. One of the outstanding concerns was the absence of a detailed cost analysis of the economic benefits of the alcohol industry in terms of job creation, tax base and income earned from sale of alcohol.

The Bill seeks to regulate the manufacture, importation, sale, consumption and advertisement of alcoholic drinks, the time allowed for sale of alcoholic drinks, prohibition of on-line sale of alcoholic drinks, prohibit the selling of alcoholic drinks packed in sachets and plastic bottles and to stipulate the places for sale of alcoholic drinks. The Committee notes that there is still absence of a documented study on the implication of the illicit alcohol or native liquor on the economy since most of it is home brewed hence its alcohol content is not known. Furthermore, illicit alcohol has no known quality control measures or regulation as to who it is sold to, which poses a great danger to the citizens of Uganda.

It is crucial for government to carry out a detailed impact assessment of alcohol to the economy. This need is buttressed by some clauses in the Bill as discussed below:

Clause 1(b) of the Bill provides that the Bill does not apply to the sale of native alcohol for domestic use and traditional ceremonies. The Committee observes that this clause creates a risk of increased illicit trade in the alcohol business which is already at about 65% of the total alcohol consumed in Uganda. Illicit alcohol is made under the disguise of home brew for domestic use and is instead sold to the public. The Committee further observes that the proposal is counterproductive by not providing for the regulation of illicit alcohol (which includes native liquor) while at the same time excluding native liquor that is intended for domestic use or traditional ceremonies. This clause undermines the formal alcohol industry as they are already regulated by URA, for taxes, UNBS for quality standards and local authorities for trading licenses.

The Committee recommends that the Bill should focus on regulating all alcohol production and consumption and must not exempt any category including the unregulated homemade and traditional brews (native alcohol). The failure to regulate home brews and traditional brews will exacerbate the challenges associated with illicit alcohol which is not subjected to any production standards hence often unfit for human consumption. Having this exception in the Bill would not demonstrate how the Bill intends to eliminate illicit trade in alcoholic drinks provided for under Clause 2 of the Bill.

Clauses 4, 5, 6, 7 and 8 seek to regulate licensing for manufacture, sale, importation, exportation and other dealings in alcoholic drinks. Clause 5 (2) provides that a person who intends to sell alcoholic drinks shall apply to the relevant licensing authority for a licence.

The Committee observes that, there are different types of licenses issued depending on the place of sale, reason of sale, type of alcoholic drink sold among other criteria therefore there are a number of licenses issued for example; the general retail alcoholic licence, the general retail alcoholic drink licence ,the brewers alcoholic drinks licence, wholesale alcoholic drink licence, distributors alcoholic drinks licence, hotel alcoholic drinks licence, restaurant alcoholic drinks licence, bars alcoholic drinks licence, temporary alcoholic drinks licence, this specialization would help in regulating of the industry better. Accordingly, a single omni bus licensing regime will cause ambiguity as the Bill suggests.

Secondly, a specific payment for alcoholic drinks license would imply more capital investment especially the fact that these businesses already pay for local trading licenses, in effect this would amount to double taxation on the business. In **Misc. Cause No. 439 of 2017; Uganda Clearing Industry & forwarding Association Vs Kampala Capital City Authority & Attorney General,** court declared double licensing an illegality since such businesses would already have been licensed by another authority. It was particularly held that the decision of the Minister was ultra vires to the existing laws (East African Customs Management Act) in respect of licensing of clearing and forwarding firms in Uganda as it was unfair and amounted to double taxation. The same principle was discussed in **Uganda Law Society Vs KCCA & AG Misc cause No. 243 of 2017** protesting against the requirement to pay for trading licenses whereas they already pay for practicing licenses.

Attempting to introduce additional licensing for alcohol business to retailers, wholesalers and others who are already licensed under the Trade (Licensing) Act Cap. 101 and Industrial Licensing Act, would be inconsequential as the matter of double licensing has been determined by court.

Clause 5(7) seeks to provide for the business premises that are considered suitable for licensing if: (a) not within four hundred meters to a school, health unit, residential area or place of worship; (b) not situated at a fuel station.

The Committee observes that this provision is discriminative and amounts to an indirect ban on sale of alcoholic drinks by legitimate businesses holding trading licenses. It is contrary to **Article 40(2) of the 1995 Constitution,** which provides that every person has the right to carry on any lawful occupation, trade or business. Further the proposal is impractical given that Uganda's physical planning set-up is such that social amenities are already deeply embedded within proximity of each other therefore enforceability of the clause will be a multi hydrant cracker choker.

The Bar Owner's Association further informed the Committee that the associated cost of shifting away from restricted areas would have significant capital expenditure including cost of tearing down bar fixtures from current buildings they occupy to costs and refurbishing new bar premises. That the projected rent based on 170 SQM as the average for prime retail locations at a current rate of USD 22 per square metre comes to USD 3,740 compared to the current monthly rent of a 3-bedroom residential property USD 2,600 (Knight Frank, 2023) which are typically refurbished into bars in residential areas. Bar relocation away from residential areas as proposed by the bill would most likely mean a spike in rent expenses of USD 1,140 per month impacting the working capital of many bars. This increased spending will have implications for the tax contribution of the business. A 40% drop in bar and retail outlet revenue and a UGX 2.6 trillion loss is projected.

The Committee noted from data from the World Health Organization that drinking in public is regulated differently in the European countries depending on the premises. For example, there is a ban on consumption of alcohol in educational buildings, government buildings and healthcare establishments for Cyprus, Czech Republic, Finland, Hungary, Latvia, Lithuania, Luxembourg, Poland, Romania, Slovakia, Slovenia and Spain. For places of worship, the ban is in Cyprus, Finland, Romania, partial restriction in France and Portugal and voluntary/self-restriction in Belgium, Bulgaria, Czech Republic, Hungary, Ireland, Latvia, Malta, and Sweden. Where there is a ban, the consumption of alcohol is prohibited by law, and violation may result in punishment and where there is partial restriction, the consumption of alcohol is prohibited by law; or the consumption is restricted at certain places but not generally prohibited.

The Committee observes that the restriction on sale of alcohol at fuel stations assumes that all alcohol purchased at fuel stations is consumed at the purchase point which is misguided and unrealistic. Shops at fuel stations are shopping points just like any other outlet selling alcohol and are intended to provide convenience to consumers who may purchase the product for many reasons including future consumption and gifting.

The Traffic and Road Safety Act, 1998 as amended imposes penalties on consumption of an alcoholic drink while driving, therefore, the law already addresses the mischief of drink driving if that is what the clause is intended to address.

Clause 14, seeks to regulate the time of sale of alcoholic drinks on the different days. The Committee was informed by stakeholders that restriction on hours of sale may have adverse effects on revenue collection and tax contribution to the economy. This is because bars generally rely on the sale of alcoholic drinks to generate income, and these sales typically peak during late-night hours, that is past the 10:00PM hour compared to any other time of the day. By limiting the hours that bars can operate, they may lose out on valuable business opportunities and revenue, due to a lack of sufficient demand for alcoholic drinks by the clients.

The Committee observes that the restrictions amount to an infringement on the economic right to carry out lawful trade and business granted under **Article 40(2)** of the 1995 Constitution of the Republic of Uganda by limiting the hours when businesses can work. The clause does not take into account different employment including those who work during the night, those on holiday and on leave (leisure tourists) and wish to enjoy their right to alcoholic drinks during the day time.

The restriction on selling hours will impact the sales volumes which will ultimately reduce the level of raw materials demanded from the farmers for use in the manufacture of alcohol, for example, sorghum, barley, millet, cassava, wheat, corn and fruits and thus will have an effect on the economy.

It is important to underscore the entire alcoholic drinks value chain including the livestock and poultry farmers that supply meat and chicken to food vendors around bars (***nyama choma, chapati, rolex, mulokonyi***); motor cyclists (*boda bodas*), special hire drivers, security guards (*bouncers*), artistes (musicians, comedians, karaoke artistes), among others.

Further, the Bill presumes that bars and restaurants will remain open to sell soft drinks while restricting the sale of alcoholic drinks after 22:00 hours, this is not only impractical but onerous to enforce. The Committee also observes discrimination and unfairness under clause 14 (2) which allows supermarkets or depots to sell alcoholic drinks between 10:00 hours and 22:00 hours and under 14 (3) which allows sale of alcoholic drinks in nightclubs, theaters, fetes, bazaars and trade shows without time limitations. This would directly discriminate the other businesses involved in sale of alcoholic drinks.

The Committee envisages a likelihood of increased illicit trade sales as was witnessed during the covid-19 lockdown. It will increase cartel and black-market business and encourage corruption as people will be looking forward to access alcoholic drinks outside the stipulated time. The proposed sanction for contravention of this clause is so punitive and excessive which will have the unintended consequence of sending legitimate alcohol traders to a black market and will create a breeding ground for corruption. The Committee is further concerned that the tourism sector will be made less attractive by the said restrictions. Most inbound tourists come to Uganda for holiday and restricting their leisure will deny them the opportunity to freely enjoy Uganda's heritage and night economy.

Limiting the time of sale under clause 14 of the Bill may not necessarily translate into people drinking less thus the clause will be redundant. High consumption of alcohol may not be tagged to the amount of time taken while drinking.

Clause 17 seeks to regulate advertisement of alcoholic drinks. Sub clause (2) obligates the Minister by regulations to regulate advertisement of alcoholic drinks and sub clause (3) imposes a fine of 20,000,000/= or imprisonment for a period not exceeding ten years for a person who contravenes the clause.

The Committee observes that the clause is redundant since there are other legal frameworks that deal with quality of advertisements. Clause 17 is not necessary because there is already a regulatory framework in place under the UNBS, particularly standard US EAS 38:2014 which regulates against labelling information that is false, misleading and deceptive or is likely to create an erroneous impression regarding the character of the product in any respect. In addition, there are existing advertising rules by the Uganda Communications Commission (UCC).

Secondly, the proposed sanction of contravention of this provision is disproportionate and excessive as compared to the offence committed. This will deter potential investors from investing in the alcohol industry and yet it is a source of revenue for the country.

Clause 19(1) (a) seeks to grant powers of authorized officers to examine or conduct a scientific test on alcoholic drinks to ascertain whether they meet the standards prescribed in the regulations. The Committee notes that the function of setting standards in Uganda is the mandate of Uganda National Bureau of Standards (UNBS) Act, Cap. 210 and not the authorized officers as proposed in the Bill. The Attorney General reiterates this observation in his submission to the Committee.

It was also the considered opinion of the Attorney General that the Bill is inconsistent with, and contravenes various laws of the land; including the 1995 Constitution, the Employment Act, the (UNBS) Act, Cap. 210, among others and therefore should not be enacted into law.

Clause 27 seeks to regulate the alcoholic drinks in a package of not less than five hundred milliliters. The Committee observes that this clause is in direct conflict with the Weights and Measures (Sale and Labelling of Goods) (Amendment) Rules 2020 which allows for alcoholic products to be packaged in containers of a minimum size of 200 milliliters. UNBS has the mandate to determine packaging formats and sizes for alcoholic products pursuant to the Weights and Measures Act, 103 and its attendant Regulations.

In addition, the purpose of the Bill is to, among others, control excessive or high consumption of alcohol and therefore to increase the packaging of alcohol to 500ml which will increase on the quantities of alcoholic drinks consumed. Thus the clause seems to advocate for excess consumption of alcohol rather than allowing small packaging.

The provision fails to take into consideration the significant levels of investment that manufacturers make in acquiring returnable glass in pack formats below 500ml for purposes of running their business operations and the significant losses/costs that this would present to them if the provision were to be passed into law.

8.0 CONCLUSION AND RECOMMENDATION

In light of the above, the Committee concludes that whereas it may be necessary to regulate the manufacture, importation, sale, consumption and advertisement of alcoholic drinks, the Bill in its current form falls short of addressing the real challenges like illicit trade in alcoholic drinks, alcohol abuse, quality control, enforcement mechanisms, personal freedoms, economic impact and efficacy of such controls, among others in the alcohol industry. The challenge lies in finding the right balance that safeguards public health without unduly infringing on economic rights and freedoms of individuals and government revenue.

Whereas the Bill was expected to fill the gaps that were created by the repeal of The Enguli (Manufacture and Licensing) Act, Cap. 86, and the Liquor Act, Cap. 93, regarding the regulation of manufacturing, sale and consumption of native alcohol, to the contrary, the Bill seeks to exempt the manufacture and consumption of illicit or native alcoholic drinks for domestic use from application of the law and yet the Committee was informed that illicit or native alcoholic drinks are the largest form of alcoholic drinks in Uganda. If left unregulated, it will continue to be a danger to both the economy and health of Ugandans.

The Committee received significant proposed amendments to the Bill from stakeholders which if considered would have far reaching implications on the economy; and significantly change the nature of the Bill. Additionally, this being a Private Member's Bill, the Committee is constrained to consider the proposed amendments that have an effect of imposing a financial charge on the Consolidated Fund. Some of such proposed amendments include: establishment of an Alcohol Treatment and Rehabilitation Fund for rehabilitation of alcohol disorders; inclusion of the dangers of alcohol abuse in education institutions curricula, provision of public sensitization and education on the harmful health, economic and social consequences of alcohol abuse, among other provisions.

The Committee therefore, recommends that this august House should not proceed on the Motion for Second Reading of the Alcoholic Drinks (Control) Bill, 2023.

Rt. Hon. Speaker and Hon. Members, I beg to report.

REPORT OF THE JOINT COMMITTEE ON TOURISM, TRADE AND INDUSTRY, AND HEALTH ON THE ALCOHOLIC DRINKS CONTROL BILL, 2023

COMMITTEE ON TOURISM, TRADE AND INDUSTRY

NO	NAME	CONSTITUENCY	SIGNATURE
1	**HON. NAYEBALE SYLIVIA**	**DWR, GOMBA**	
2	**HON.OKOT HENRY BONIFACE**	**YOUTH NORTHERN**	
3	HON.OSORU MOURINE	DWR-ARUA CITY	
4	HON.NINSIIMA BOAZ KASIRABO	KOOKI COUNTY	
5	HON.BRIGHT TOM AMOOTI	KYAKA CENTRAL	
6	HON.ALFRED EDAKAASI ELALU-OLALE	KABERAMAIDO	
7	HON.BUSINGE HARRIET	DWR-HOIMA	
8	HON.AWICH JANE	DWR-KABERAMAIDO	
9	HON.GAFABUSA RICHARD	BWAMBA	
10	HON.KULUO JOSEPH	TOROMA	
11	HON.WERE GODFREY ODERO	SAMIA BUGWE SOUTH	
12	HON.AVAKO MELLISA GULE	DWR-YUMBE	
13	HON.AFIDRA RONALD	LOWER MADI	
14	HON.OLOBO JAMES	KIOGA NORTH	
15	HON.ALEPER MARGARET	DWR-KOTIDO	
16	HON.KINOBERE HERBERT	KIBUUKU	
17	HON.NAMUKUTA BRENDA	DWR-KALIRO	
18	HON.KEMIREMBE PAULINE	DWR-LYANTONDE	
19	HON.KAALA KEVIN OJINGA	DWR-PALLISA	
20	HON.AWOR BETTY ENGOLA	DWR-APAC	
21	HON.MBWATEKAMWA GAFFA	IGARA WEST	
22	HON.KATO MUHAMMED	KATERERA	
23	HON.KIRABO AGNES	YOUTH-CENTRAL	
24	HON. SSIMBWA FRED	NAKIFUMA CENTRAL	
25	HON. KYEBATUTIKA MANJERI	DWR JINJA	

25	HON. NAMUGGA GORRETH	MAWOGOLA SOUTH	
26	HON. LUTAAYA GEOFFREY	KAKUUTO COUNTY	
27	HON. WAKAYIMA MUSOKE N.	NANSANA MUNICIPALITY	
28	HON. LUKYAMUZI DAVID K	BUSUJJU COUNTY	
29	HON.ALOBO JOAN ACHOM	DWR SOROTI CITY	
30	HON. KIRUMIRA HASSAN	KATIKAMU SOUTH	
31	HON. ISABIRYE ISAIAH AGA	JINJA NORTH	
32	HON. OKELLO GEOFREY	NWOYA EAST	
33	HON. EUNICE OTUKO APIO	OYAM SOUTH	
34	HON. KOLUO JOSEPH ANDREW	TOROMA COUNTY	
35	HON. ATUKWASA RITA	CWR MBARARA	
36	HON. MUSHEMEZA ELIJAH DICKENS	SHEEMA SOUTH	
37	HON. BYAKATONDA ABDULHU	WORKERS REP	

COMMITTEE ON HEALTH

NO	NAME	CONSTITUENCY	SIGNATURE
1	**HON. DR. RUYONGA JOSEPH**	**HOIMA WEST DIVISION, HOIMA CITY**	
2	**HON. DR. OPIO ACUTI SAMUEL**	**KOLE NORTH**	
3	HON.ISAAC OTIMGIW	PADYERE	
4	HON.CHELANI BETTY LOUKE	DWR-AMUDAT	
5	HON.SENKYANZI BERNAD KIRYA	BUDEYBO	
6	HON.SARAH NATALISIRE	DWR-NAMINSDWA	
7	HON.NINKUSIMA JOHN PAUL	IBANDA SOUTH	
8	HON.KAMATENITI JOSELYINE	DWR-NTUNGAMO	
9	HON.LAKER SHARON BALMOY	DWR-GULU	

10	HON.AYEBARE MARGARET	DWR-MBARARA	
11	HON.NEBENDA FLORENCE ANDIRU	DWR-BUTALEJA	
12	HON.BHOKA DIDI GEORGE	OBONGI COUNTY	
13	HON.AKAMPURIRA PROSSY MBABAZI	DWR-RUBANDA	
14	HON.RUTAHIGWA ELISA	RUKUNGIRI MUNICIPALITY	
15	HON.BEBONA BABUNGI JOSEPHINE	DWR-BUNDIBUGYO	
16	HON. NANDAGIRE CHRISTINE N	BUKOMANSIMBI NORTH	
17	HON. KAGABO TWAHA MZEE	BUKOTO SOUTH	
18	HON. DR. KAMALA NICHOLAS	KABALE MUNICIIPALITY	
19	HON. DR. BATUWA TIMOTHY	JINJA WEST	
20	HON. LULUME BAYIGA MICHEAL	BUIKWE SOUTH	
21	HON. AUMA KENNY	DWR KWANIA	
22	HON. ZAWEDDE VICTORIOUS	DWR NAKASONGOLA	
23	HON. MUKHAYE MIRIAM	DWR MBALE	
24	HON. NANTABA IDAH ERIOS	DWR KAYUNGA	
25	HON. COL. DR. VICTORIA NEKESA	UPDF	