



Vinpro media release
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REINSTATED ALCOHOL BAN WILL HAVE DIRE CONSEQUENCES FOR SA WINE INDUSTRY

The South African wine industry is concerned about the dire consequences that yet another alcohol ban will hold for wine-related businesses.

This follows an announcement by President Ramaphosa on 28 December 2020 that the country would revert back to alert level 3, which prohibits the domestic sale of alcohol for on- and off-consumption until 15 January 2021.

“We share the President’s concern over the sudden and severe spike in positive Covid-19 cases and related deaths and understand the need for drastic measures to address it, but we are disappointed and deeply concerned by the blanket approach with regard to alcohol trade that government has taken yet again to curb the spread,” says Vinpro MD Rico Basson.

The previous two bans had a devastating impact on the wine industry with a loss of more than R7.5 billion in sales revenue, significant job losses and a number of wineries and tourism facilities being forced to shut their doors. As a result the industry now has more than 250 million litres of uncontracted wine, with the 2021 harvest to commence within the next two weeks, which will place further strain on businesses’ already dire financial position. This situation, combined with the third ban will do untold economic damage to the wine sector and the 290 000 livelihoods it supports.

The wine industry proactively implemented preventative measures to protect employees and visitors to farms and the 533 wineries. Wine farms are now getting the short end of the stick during the peak tourism season because of the blanket policy approach, the behaviour of the general public and non-compliance with Covid-19 regulations.

“Many lessons have been learned from lockdown level 5 and 4, including that the restriction of legal trade of alcohol fuels the growth of the illicit market. Because this illicit market is outside the regulatory reach of government and operates uncontrolled, it leads to devastating consequences from a health and economic perspective,” Basson says.

“We submitted proposals which included alternative interventions, as opposed to an outright ban, to mitigate risks and formally engage with government. It is unfortunate that these proposals did not find their way into the final regulations to ensure a differentiated approach. We truly believe limitations on wine sales can be imposed in a less damaging manner that would alleviate the impact on the healthcare system and decrease transmission, while still helping to preserve livelihoods.”

According to Basson it is positive to note that the transport and export of wine can continue, as well as storage and safekeeping.

Vinpro, together with the rest of the alcohol industry urge government to be transparent about the state of the health system over the next 14 days to enable an earliest possible review of the ban on retail and on-consumption sales. “We also call on government to enforce regulations to the teeth as it certainly does not help to impose harsh restrictions every time our healthcare system is in crisis, while regulations are not enforced.

“We advise every wine-related business to do their part and work together now to help flatten the curve, so that we can resume trade after 15 January 2021. We also ask everyone out there to please download the Covid Alert SA app, as well as make use of the hotline to report any violation of the regulations on 0800 014 856. We will continue to engage with government on what needs to be done to save lives and livelihoods as we work together to beat Covid-19. Let’s be part of the solution,” Basson says.

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