

Vinpro raises concerns about consequences of alcohol ban for SA wine industry

Representing the South African wine industry, Vinpro has raised concerns about the dire consequences that the reinstated alcohol ban will hold for wine-related businesses. This follows an announcement by President Cyril Ramaphosa on 28 December that the country would revert back to Alert Level 3 which prohibits the domestic sale of alcohol for on- and off-site consumption until 15 January 2021.



Image source: www.pixabay.com

“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.

Further strain on businesses

According to Vinpro, the previous two bans had a devastating impact on the wine industry with a loss of more than R7.5bn 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, says Vinpro.

The wine industry proactively implemented preventative measures to protect employees and visitors to farms and the 533 wineries. According to Vinpro, 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.

Fuelling illicit market

“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.

Enforcing regulations

Vinpro is urging 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-site 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 0800014856. 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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