

Craft brewers battling to survive blanket ban on alcohol

According to a survey conducted by The Craft Brewers Association of South Africa (CBASA), the vast majority of local craft brewers don't see themselves surviving the third alcohol ban.



Credit: Daria via Pexels

The poll was conducted among CBASA members following the announcement made by President Cyril Ramaphosa on 11 January 2021. The survey found that:

- 87.5% of craft brewers (7 out of 8) are at risk of shutting down permanently due to the economic impact of the third ban on alcohol;
- 60.3% of small business owners of craft breweries have had to retrench staff, with job losses occurring as a result of depleted reserves and savings which were used to survive the previous blanket bans on alcohol;
- 41.3 % of craft brewers will have to consider destroying stock which was prepared for the festive season, as it will soon expire in storage; and,
- 77.8% are unable to pay their rent, suppliers or employees due to debt accrual.

These results confirm that the extended ban on alcohol has devastated the craft brewing industry, with no targeted relief, communication or aid from government. CBASA and the Beer Association of South Africa (Basa) maintain that it is urgent that the blanket ban on alcohol trade be reversed without delay.



Extended alcohol ban pushes craft brewers to the brink of closure

8 Jan 2021



Drowning in debt

In an effort to keep their businesses open, CBASA members have maximised their credit extensions, and are now drowning in waves of debt with no ability to pay off their loans or rental fees. Already, 30% of local breweries have been forced to permanently shut their doors and 165,000 people have lost their jobs.

BASA and CBASA have had to start issuing food vouchers for the employees that remain in the employ of the few craft breweries left standing. This is a tragic tale for an industry that previously used its resources to deliver 2.9 million meals during the hard lockdown last year.

South Africa's first black female brewery owner, Apiwe Nxusani-Mawela of Brewsters Craft, is one of the many small business owners that stands to lose everything. "This is a young woman who has risen up against adversity to build a successful business, only to see it collapse around her as a result of the ban," said Basa.



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No end in sight

"While Basa remains acutely aware of the need for urgent interventions to curb the spread of Covid-19, the blanket ban has come at the expense of thousands of livelihoods. To make matters worse, the plight of craft-brewers has fallen on deaf ears," the association said.

Basa has written to the Presidency and the Department of Trade, Industry and Competition (DTIC). Both the Presidency and DTIC have acknowledged receipt of the letter and Basa awaits further communication from their offices with regards to urgent engagements.

"The industry requires clarity on when the ban will be lifted – without this information, craft brewers are unable to mitigate the impact of the ban and to plan the rebuilding of their businesses. If the ban was to be lifted soon, some businesses and jobs could be saved as they would at least be able sell their stock before it reaches its expiry date. We call on government to act urgently to save these livelihoods in a way that does not risk lives," the association said.



SAB suspends 550 temporary workers as production stagnates

25 Jan 2021



The organisation emphasised that the lifting of the ban on alcohol sales can be done in a way that protects people from Covid-19 and does not compromise the stability of our healthcare system. For example:

- Lifting the ban on off-site consumption will allow people to enjoy a beer responsibly in their homes without the risks associated with on-site consumption;
- Basa members have launched a number of 'click-and-collect' platforms that make it possible for customers to place their

orders online or via SMS, and pick up their purchases at designated times to avoid crowding; and,

- Basa will cut off supply to any outlets and establishments that are found guilty of flouting Covid-19 directives and health regulations.

"Last week Friday, [South African Breweries announced](#) the indefinite suspension of the contracts of 550 temporary workers with immediate effect. The situation is indeed dire. We need to know when the ban will be lifted, and we need the assurance that – at the very least – the ban on off-site consumption will be lifted soon," Basa said.

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