



27 January 2021
Media release

UNDER STRICT EMBARGO UNTIL 27 JANUARY 2021 AT 13:00.

VINPRO APPROACHES COURTS TO SAVE THE SOUTH AFRICAN WINE INDUSTRY

As one of the oldest agricultural industries in the country, which supports the livelihoods of 269 000 employees, generates R55 billion in revenue for the economy and builds a strong brand reputation as a unique asset for the country, the South African wine industry has become part of our cultural and economic fabric.

During the past year our industry has worked tirelessly to be part of the solution when our country found itself in the grip of the deadly Covid-19 pandemic. This included collaborating with government and proactively implementing preventative measures from farm to retail to safeguard the lives and livelihoods of the people working throughout our value-chain and the broader community.

Despite continuous engagement with government to curb the spread of the virus through the implementation of a risk-adjusted approach to re-opening the economy and addressing the social ills of alcohol abuse through a social compact, our proposals were not taken into account when the third ban was introduced on 28 December 2020. Government has also not been transparent with us on justifying the continued ban, nor did they give any explanation or clarity on the timeline for a review of this ban. This makes planning and contingency plans impossible.

This proudly South African industry, which also strongly relies on tourism and hospitality, now finds itself in a dire position after a ban of 19 weeks since March 2020. This resulted in a loss of more than R8 billion in direct sales and the possible closure of cellars and producers, threatening 27 000 jobs and putting the most vulnerable in our communities in a poverty trap which will have far reaching socio-economic outcomes that will place an even greater strain on our healthcare system.

Furthermore, with the 2021 harvest commencing this week, the industry now has more than 640 million litres of stock of which 300 million is uncontracted. This poses a material risk of insufficient processing and storage capacity for the new harvest and threatens the sustainability of the wine industry.

While we share government's concern over the devastating effect of this pandemic and support meaningful measures to flatten the curve, we do not support the continued outright ban on the sale of wine while alternative interventions are available to mitigate risks.

Faced with the devastating impact that the third ban has had on the wine industry, Vinpro was left with no choice but to approach the Cape High Court.

Vinpro is not saying a liquor ban may not be justified when hospitals and particularly trauma units are under pressure. However, we believe that not only has the wrong level of government

been dealing with the retail sale of liquor during the national state of disaster, but government has used and maintained nationwide bans which are overbroad, unnecessary, unjustified and, indeed, counter-productive.

A more flexible, nimble approach is needed, based on credible empirical data, where the provincial executive should be empowered to deal with the retail sale of liquor for the rest of the pandemic, because provincial authorities are normally responsible for regulating the sale of liquor and in charge of healthcare and provincial hospitals, thus they are better equipped to manage the delicate balance between lives and livelihoods.

Although the liquor ban is intended to ensure that hospitals have the capacity to treat those who become ill, the pandemic affects provinces differently at any given point in time and capacity requirements in hospitals will therefore differ across the country. Despite this, government has never differentiated between provinces when it comes to implementing or lifting of the liquor ban. Instead, a nationwide ban has been imposed and then again lifted, without regard for the circumstances in individual provinces.

Urgent interim relief will be sought which would afford the Premier of the Western Cape the power to adopt deviations to enable off- and on-consumption sale of liquor in the province. Ultimately similar relief will be sought in respect of other provinces. The matter is set down for hearing on 5 February 2021.

Vinpro is relieved that the numbers of new infections, active cases and hospital admissions are now dropping fast across the country, but particularly in the Western Cape. In these circumstances, the liquor ban is simply no longer justified in the Western Cape. Accordingly, to the extent that the situation does not change for the worse, and if the liquor ban is still in force in the Western Cape by 5 February, the Western Cape High Court will be asked to invalidate Minister Dlamini-Zuma's ban in the Western Cape with immediate effect.

As honest brokers, we strongly believe in the power of a shared vision where we have the same objectives – a healthy and prosperous South Africa.

We will continue our support of government in the fight against Covid-19 while working for the economic survival of our sector and the people who rely on it for their livelihoods.

-ENDS-

MORE ABOUT VINPRO:

Vinpro represents 2 575 South African wine producers, sellers and industry stakeholders, consisting of a significant workforce, all of whom owe their livelihood to and are dependent upon the wine industry. Many of Vinpro's members also sell and distribute their wines to licenced restaurants and hotels, and furthermore, operate licenced restaurants on their own farms where wine-tastings are offered to consumers.

NOTE TO EDITORS:

Should you have any further questions, you are welcome to join Vinpro MD Rico Basson for an online media conference from 15:00 - 15:30 today, 27 January 2021.

To join the media conference, click here:

<https://zoom.us/j/96877749501?pwd=V2ZVTkdvcFUrZDRBWkI0SU1kTVpNdz09>

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