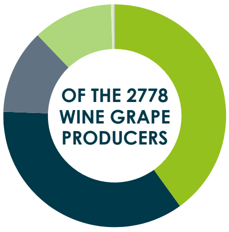
ECONOMIC REALITIES FACING

THE SA WINE INDUSTRY

INDUSTRY BREAKDOWN

WINE GRAPE PRODUCERS

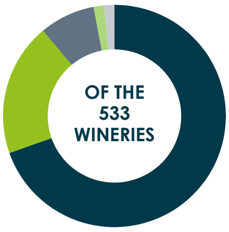
76% < 500 tons



Tons	No of producers
1 – 100	1 113
> 100 – 500	987
> 500 – 1 000	341
> 1 000 – 5 000	322
> 5 000 – 10 000	11
> 10 000	4

WINERIES

70% < R10 mn



Turnover	No of wineries
<R10 mn	371
>R10 mn to <R50 mn	103
>R50 mn to <R170 mn	43
>R170 mn to <R300 mn	8
>R300 mn	8

LOCAL SALES VS EXPORTS

49.5% Local sales

50.5% Export

More than **50%** of producers and wineries have no bridging finance. *(Vinpro survey)*

EFFECT OF LOCKDOWN

South Africa's Covid-19 restrictions started 26 March 2020, with serious implications for the wine industry

EXPORTS

5 WEEK BAN

26 March – 1 May 2020

319 m litres exported in 2020 (↓ 0.2%)

Logistical challenges remain at Cape Town Port Terminal. Reputational damage and lack of confidence in being able to supply timeously, resulting in loss of listings.

LOCAL SALES

19 WEEK BAN

26 March 2020 – 1 February 2021

(intermittent)

312 m litres sold locally in 2020 (↓ 20%)

INCOME

R8 bn* loss in direct sales

R400 m* lost for every week domestic sales remained closed

R3.7 bn lost in wine tourism revenue

** Includes wine tourism, but not potential recovery in wine sales*

BUSINESSES & JOBS

80 wineries

350 wine grape producers

20 000 people

Are estimated to shut down or are at risk of losing their jobs over the next 18 months.

TAX & ILLICIT TRADE

R3.0 bn* projected loss in tax (excise & other)

Illicit trade had grown significantly

** Wine only*

STOCK

650 m litres wine stock at end 2020

200 m litres uncontracted

Pressure on price, cellar capacity and taking in the 2021 wine grape crop.

Source: Vinpro and SAWIS, 1 April 2021. For more information visit www.sawis.co.za.