

Level 1 relief: Alcohol industry reliant on December trade to recover

South Africa's alcohol industry has welcomed the government's decision to increase vaccination mobilisation in response to the [Omicron variant of Covid-19](#), as outlined in President Ramaphosa's address to the nation on Sunday night, and to maintain the country on Alert Level 1 and permit the sale of alcohol as per normal licence conditions.



Source: [Pexels](#)

“Economic recovery of the alcohol, tourism and hospitality sectors is paramount to protect employment and grow the economy to pre-Covid-19 levels. We recognise that the vaccine response can and should run in parallel with economic recovery. The alcohol industry has been and is still committed to play its part in increasing the uptake of Covid-19 vaccinations,” Kurt Moore, CEO of the South African Liquor Brand Owners Association (Salba), said.

The Beer Association of South Africa (Basa) welcomed Ramaphosa's announcement that government has set up a task team to investigate making vaccinations compulsory for certain locations and activities.

The beer association, which comprises the Craft Brewers Association, Heineken South Africa and South African Breweries, said its members are also exploring the enforcement of mandatory rapid PCR testing at all their events over the festive season, in order to fight the spread of Covid-19.



SA stays on Alert Level One with mandatory vaccinations to be investigated

Danette Breitenbach 28 Nov 2021



Desperate for successful December season

Salba strongly urged that any further responses to the growth in infections should avoid sudden restrictions that would cause needless financial shocks to businesses and their employees.

"Despite all the knee-jerk global response to the announcement of the new variant in SA, the government of SA has some control over what happens to the domestic market. The alcohol, tourism and hospitality industries still desperately need a successful December season to recover and survive through to the off-season period," said Moore.

Moore added that Salba shares the view of government that travel restrictions imposed by other countries on the southern Africa region are unjustified. "We appeal to our government going forward not to apply restriction shock and cause the further harm to the domestic economy by imposing unsound economic restrictions in the coming weeks," said Moore.

Basa CEO Patricia Pillay added, "With thousands of businesses, who have barely survived the year, relying on the festive season to recover, our sector can simply not afford another ban – like the one enforced last December."

Impact of bans

Salba noted that previous alcohol bans in 2020 and 2021 caused:

- Potential risk to jobs of more than 233,547 (equivalent to 1.49% of national jobs in the informal and formal sector);
- An estimated annualised loss to the GDP of R60.7bn (equivalent to 1.2% of GDP);
- An estimated direct excise tax loss of R10.2bn (equivalent to 18.4% of excise revenue); and
- An estimated direct tax revenue loss (excluding excise) of R34.2bn (equivalent to 2.6% of national tax revenue for 2020).

Basa stated that the prohibition on alcohol also resulted in 30% of local breweries shutting their doors permanently and 165,000 people in the beer sector losing their jobs by January 2021.

Both Basa and Salba said that any new restrictions on alcohol would permanently entrench the illicit trade in alcohol, which has flourished under previous bans and already comprised more than 20% of the market and caused immeasurable suffering and job losses across the entire value chain.



Govt's reliance on alcohol restrictions "immensely damaging" - PnP chairman

22 Oct 2021



Call for consultation

Basa continues to call for "proper consultation" by government before considering any new regulations to stop the spread of Covid-19 over the coming festive season. Pillay said that to date, government has failed to provide the evidence or data on which it based its decisions to enforce the last four alcohol bans. "Another immediate ban on the legal trade of alcohol over the holiday season, without any prior warning or an opportunity to properly engage with government, will be the death knell for thousands of businesses and the livelihoods they support," she said.

Pillay concluded, "We call on all liquor outlets and establishments to continue playing their part by enforcing the wearing of masks and social distancing in their establishments. We also call on consumers to drink in moderation and continue taking

the necessary precautions to protect themselves and others from Covid-19 over the coming festive season.

"Finally, we also encourage all South Africans who are eligible to get vaccinated. This is the only way we will be able to mitigate the impact of a fourth wave over the coming weeks."

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