

As travel rebounds businesses must support SA's local wine industry

By Clinton Thom

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If you're looking for a true testament of resilience, look no further than the grapevine. If they aren't too terribly burned, wine grape vines can <u>recover from exposure to fires</u> and produce new fruit the next year and leaves covered in smoke will have no impact on the quality of wine the vine produces.

Meanwhile, wine grape vines are <u>resistant to air bubble formation</u> which prevents water from moving from roots to leaves, causing the plant to die, meaning few if any vines are unlikely to die from drought.



Source: Kelsey Knight via Unsplash

It's no surprise then that as hardy as the plants themselves, South Africa's wine industry has showcased this same resilience over the last few years in spite of what has been a fairly volatile socio-political and economic landscape.

Lockdown measures such as restrictions on the sale of alcohol during the start of the Covid-19 pandemic, restrictions on exports to prevent the spread of the virus, and the resulting constricted economy resulting in less spend on "luxury" items like wine, have led to a significant stock build up and weaker prices.

This is set to cost South Africa's wine producers <u>R3.6bn</u> in gross production value from 2020 to 2027. On top of this, intensifying loadshedding blackouts are <u>negatively impacting all stages of the wine production</u> value chain, from production to irrigation and bottling. Not to mention the added costs of other power-generating avenues such as solar panels and generators and the diesel fuel needed to run them, as well as inflated electricity supply rates.

With South Africa's wine industry ready to rebuild beyond simply recovering to pre-pandemic levels and onto redefining the sector to become more robust and competitive, now is the perfect time to drive the much-needed support the industry needs to turn its ambitions into reality. Luckily, the resurgence of travel and tourism in South Africa presents a unique opportunity for local businesses to help strengthen the local wine industry.

Bringing wine tourism to local businesses

Borders are open and people around the globe are ready and eager to travel and see the world again. We can see it today as tourists are flocking back to the sandy beaches, lush greenery, and vibrant cities of South Africa, with <u>5.8 million visitors</u> recorded in 2022 - a whopping 152.6% increase from 2021.

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This burgeoning tourism sector opens up numerous opportunities for businesses to leverage local wines to cater to tourists looking to sample South African tastes and flavours. Our country's wine industry is a major attraction for visitors around the world, with visitation to vineyards, wineries, wine festivals, and shows acting as major motivating factors for tourists.

Local businesses can both support local wine producers and attract more tourists to their establishments by taking advantage of this appetite and bringing the wine tourism experience to their own premises.

For example, restaurants could feature exclusive pairing menus which showcase wines from different producers monthly, including desserts such as chocolate or ice cream or other food dishes that incorporate local wines, or just simply increase the range of local wines available on their menus. Craft and farmers markets could provide a platform for local producers to sell or gain exposure to their products through tastings and enable them to interact directly with consumers.

There is also substantial room for improvement for local retailers to reduce barriers for new entrants and lesser-known brands to have their products sold in stores. This is especially true for small, medium-sized, black and women-owned wine producers.

A rich, full-bodied industry worth preserving

South Africa's wine industry has a deep history which is entrenched in the country's identity since the first bottle was produced in Cape Town in 1659, although with over 300 years of experience in making wine, it is still considered a "New World" wine region.

Today, South Africa is ranked as the world's eighth-biggest wine producer, with the local industry currently sitting as the country's second-largest export product in the agriculture sector. According to Wines of South Africa, 40.4% of wine (or 268.5 million litres) produced in the country was exported in 2022, a huge rebound from the 35.4% exported in 2020.

As such, supporting the local wine industry is vital to safeguarding the job creation, tourism, and economic recovery and growth that the industry plays a key role in contributing to. More importantly, such support would help to protect an industry

that garners the country's global attention and respect as a cultural export which continues to compete with the best in the world.

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