

STATUS UPDATE ON EXPORTS AND PORTS

EXPORTS

Actions:

The Industry Exporters Task Team submitted a proposal to Government on 1 April 2020, upon which the Departments of Agriculture, Rural Development and Land Reform, and Trade, Industry and Competition acknowledged receipt.

The Task Team has over the past week and weekend been in ongoing discussions with the relevant Government departments, organised agriculture (including Agbiz and Agri SA), the National Joint Command Centre (NJCC) and Presidential Economic Advisory Council (PEAC). This included clarification with regard to the safety of workers, protocol for wine exports, the industry's reputation as well as potential job and financial losses.

Status:

At this stage we unfortunately do not have a final answer or outcome and whilst we are well aware of concerns and uncertainty in the industry, we would like to request patience to enable us to find an amicable solution. We need to take note that Government has to consider proposals from other industries exporting non-perishable goods, while also being guided by the World Health Organisation (WHO) with regard to this global pandemic.

The South African wine industry remains supportive of Government's efforts to find a balance between protecting its citizens from the health risk posed by the COVID-19 virus, and the keeping the country's economy afloat during and beyond the 21-day lockdown.

We would like to emphasize again that each business and employer should strictly adhere to the regulations and safety guidelines as set out by the South African Government.

Next steps:

While the Exporters Task Team will follow up with both the Department of Trade, Industry and Competition and the Department Agriculture, Rural Development and Land Reform they are also working on a next phase of the proposal focusing on exports following the lockdown from 17 April 2020 onward.

PORTS

We are aware that there is some confusion in the public domain with regard to the export of wine and more specific the status quo of Cape Town Port, in dealing with essential and non-essential exports and imports.

Background:

The initial regulations were not clear in allowing containers to be removed from the port after arrival. Transnet requested clarification from Government on this, given that ports became congested due to containers remaining within the port areas. Government adapted the regulations in Gazette 43199, on 2 April 2020, and reads as follows:

Paragraph (a)(iii)(bb) of the lockdown regulations:

“For the period of lockdown...movement between provinces and between metropolitan and district areas is prohibited except – transportation of cargo from ports of entry to their intended destination, on condition that necessary precautions have been taken to sanitise and disinfect such cargo.”

There is no differentiation between cargo being essential or non-essential in these adapted regulations.

Interpretation of regulation changes gazetted on 2 April 2020:

- Transnet – sent out a letter to inform port users that cargo can now be removed from the port, avoiding the ambiguity that exists for containers inside the port.
- SAPS – police is still applying essential vs non-essential cargo differentiation at road blocks and inspection areas.
- Shipping lines – some of the shipping lines are also applying essential vs non-essential differentiation.
- SAAF (SA Freight Forwarders Association) – not differentiating between essential vs non-essential in terms of cargo and adapting a position that all cargo could be delivered. However, since non-essential businesses are not allowed to open (or personnel to move), the receiving of cargo is thus not allowed.

In conclusion:

Unfortunately, non-essential cargo such as wine is still not allowed to move. The classification of the industry or business as essential or non-essential is thus still relevant for the moment. What is positive is that Transnet Port Terminals (TPT) and relevant stakeholders are collaborating to address the uncertainty with relevant authorities and to ensure optimal operational activities.

We undertake to communicate any further developments as they unfold.

Information from Vinpro www.vinpro.co.za (6 April 2020)