
WINE INDUSTRY APPLICATION FOR THE CONTINUATION OF STATUTORY LEVIES NAMC REQUESTING COMMENTS / INPUTS FROM INDUSTRY ROLE PLAYERS

On 7 May 2021, an application was received from the South African Wine Industry Development Empowerment Foundation (SAWIDEF), in terms of the Marketing of Agricultural Products Act (MAP Act), Act No 47 of 1996, for the continuation of the statutory levies in the wine industry. It is proposed that statutory levies be implemented for a new four-year term from date of publication (1 January 2022) to 31 December 2025. SAWIDEF is a Non-Profit Company without members and is inclusive of black business, civil society and labour structures, with the company registration number 2020/909022/08.

Currently, the following statutory levies are applicable in the wine industry and will expire on 31 December 2021:

- Registration;
- Records & Returns; and
- Levies:
 - Information levy;
 - Research and development levy (R&D levy);
 - Wine export generic promotion levy (Export promotion levy); and
 - Empowerment and transformation levy (Transformation levy).

The following Non-Profit Companies are currently responsible for the implementation of the current statutory measures, namely -

- 1) SAWIS (SA Wine Industry Information and Systems), Information levy;
- 2) WINETECH (Wine Industry Network of Expertise and Technology), R&D levy;
- 3) WOSA (Wines of South Africa), Export promotion levy; and
- 4) Transformation Unit (SA Wine Industry Transformation Unit), Transformation levy.

SAWIDEF proposed the following budget for the 2022 - 2025 financial period:

Income:	Budget 2022	Budget 2023	Budget 2024	Budget 2025	Total	%
Export promotion levy	R40 000 000	R41 925 000	R43 421 000	R44 492 312	R169 838 312	74,3%
Transformation levy	R13 730 000	R10 980 000	R10 780 000	R10 930 000	R46 420 000	20,3%
R&D levy	R2 780 000	R2 250 000	R1 700 000	R1 700 000	R8 430 000	3,7%
Information levy	R1 300 000	R1 000 000	R850 000	R850 000	R4 000 000	1,7%
Total	R57 810 000	R56 155 000	R56 751 000	R57 972 312	R228 688 312	100%

According to SAWIDEF they will be the responsible entity and implementing agent and that they will commission or delegate assignments to its partner organisations where appropriate, and that a detailed implementation plan will be developed. SAWIDEF also indicated that they be a beneficiary and the implementer of the proposed statutory levies (e.g. the export promotion -, information -, research - and the transformation levies).

The current statutory levies applicable in the wine industry was initiated by SALBA (South African Liquor Brand owners' Association), representing manufacturers and distributors of liquor products in the liquor industry of South Africa and VinPro, representing wine grape producers, wineries and wine-related businesses. SALBA and Vinpro monitor the application process on behalf of the levy payers in the wine industry.

As the proposed statutory levy is consistent with the objectives of the MAP Act, the NAMC is investigating the possible implementation of the relevant statutory levies.

Directly affected groups (e.g. wine producers, wine traders, wine spirit producer, and exporters of drinking wine) in the wine industry are kindly requested to submit any comments, in writing, regarding the proposed statutory levies, to Mathilda van der Walt (mathildavdw@namc.co.za) on or before 11 June 2021, to enable the NAMC to finalise its recommendation to the Minister in this regard.