

SAB suspends 550 temporary workers as production stagnates

South African Breweries (SAB) has had to suspend 550 temporary contract workers across its South African operations, as it navigates the unintended consequences of the third alcohol ban. These temporary contracts will predominantly affect positions within SAB's supply and logistics workforce.



Credit: SAB

The brewer, owned by AB InBev, said that the lack of trade coupled with reduced storage capacity has led to a slowing down of production. SAB is nearing maximum storage capacity at its nine brewing facilities in the region.

Having assessed the overall operation, the business has needed to suspend the contracts of temporary employees.

Zoleka Lisa, vice president of corporate affairs at SAB said, "The third alcohol ban has resulted in a reduced demand for the temporary workers skills, this is no fault of their own but rather a result of the current operating environment. We realise the impact this decision will have on the 550 families who will sadly have to go without because of the reduction of production levels due to the suspension of sales."



Extended alcohol ban pushes craft brewers to the brink of closure

8 Jan 2021



With SAB competitors like Heineken already retrenching parts of its South African workforce, Lisa said that SAB is doing everything in its power to avoid this outcome despite having to navigate an uncertain regulatory and policy environment.

"We are reviewing all measures available to us, but with minimal communication and engagement from government on timelines for the ban, this has made business planning, and the consequential impact, extremely difficult. Together with the broader industry we will continue in our attempts to engage government, ultimately to arrive at collaborative resolutions for a better sustainable future, which balances lives and livelihoods alike," said Lisa.

Report warns govts against using alcohol prohibition laws as emergency response

25 Jan 2021





Salaries cut, investments cancelled

“Every job and livelihood lost impacts our ability as a nation to put forward our best fight against the virus and is a meal taken off the table of a family,” commented Lisa. “The scale at which our value chain is being impacted by the ban is deeply concerning. We have already cut overall staff salaries by 10%. We have already cancelled R5bn in investments. We have reduced as much discretionary spend as possible, in order to deal with the uncertainty of subsequent bans and changes in regulations.”

“We respectfully ask government to engage with the industry and all social partners in an attempt to achieve greater responsibility in decision making as we continue to navigate the pandemic. This has to be a truly collaborative effort on all fronts so that we can all work together as partners in our fight against the pandemic.

“SAB remains committed to supporting the nation’s fight and we are determined to play our part in ensuring that we continue to contribute positively to our country’s economic recovery and stability. But we strongly believe that a more balanced approach would be better in the long run,” Lisa concludes.

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