

SA wine exports set to soar over 10 years

South African wine exports are projected to grow 13% in the next decade, according to the latest Bureau for Food and Agricultural Policy baseline report, which provides a snapshot of the country's wine industry and the broader agricultural sector.



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The bureau's annual report, produced by researchers from the universities of Pretoria and Stellenbosch as well as the Western Cape Department of Agriculture, says wine exports reached 313 million litres last year, up from 122 million litres in 2000.

The Western Cape produces more than 50% of South Africa's agricultural exports, with the EU being the wine industry's biggest export destination, accounting for almost 75% of annual offshore sales volumes worth R5-billion.

South Africa's nearly 100 000ha of vineyards, mostly in the Western Cape, generate about 3% of the world's wine production. Western Cape Economic Opportunities MEC Alan Winde said yesterday that exports to key markets in the rest of Africa, the US and China were growing.

South African wine sales to China rose almost 30% last year, statistics from the SA Wine Industry Information and Systems show. “As part of our Project Khulisa [the province’s economic growth strategy], we have set ourselves the goal of boosting wine exports to strategic markets and the latest trends are excellent indicators,” Winde said.

According to a report by the Bureau for Food and Agricultural Policy, the South African wine industry incorporates 100 000ha, and comprises 3 300 producers. It supports employment for close to 300 000 residents, directly and indirectly.

Winde said the South African wine industry had formulated the Wine Industry Strategic Exercise, which set clear goals for the sector. This included boosting jobs to 375 000 by 2025 and growing the value of wine tourism from R6-billion to R15-billion.

Transforming the wine industry was a vital part of the strategic exercise, Winde said.

The importance of negotiating smart trade agreements was also highlighted in the baseline report. It found removing tariffs in crucial markets would be a key contributor to increased wine exports.

Earlier this year, South Africa and other countries in the region concluded a trade pact with the European Union.

The Economic Partnership Agreement with the EU will allow South Africa to export 110 million litres of wine to Europe, up from the current annual duty-free quota of 48 million litres.

Source: Herald Live

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