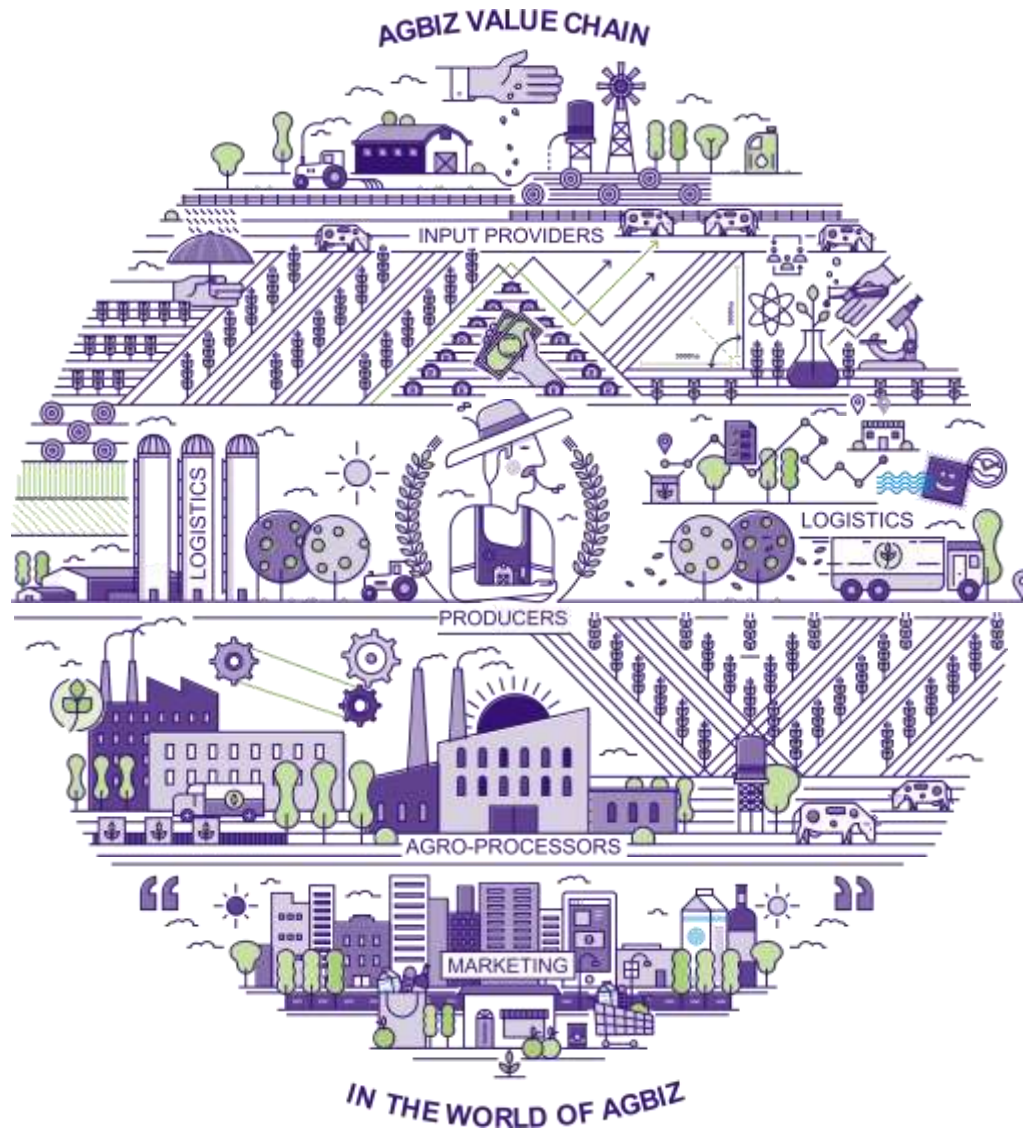


Agbiz inputs National Road Traffic Amendment Bill

16 March 2021

Portfolio Committee on
Transport

By Theo Boshoff



www.members.agbiz.co.za





Focus of our input

- Proposal for a 0.00% BAC level (amendment of s65);
- Will be looking at:
 - Need to improve road safety;
 - Link between BAC proposal & road safety;
 - Unintended consequences;
 - Potential effect on the agribusiness industry; and
 - Alternative considerations.

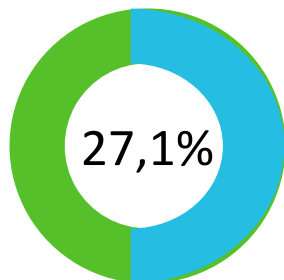
Road safety

South Africa has a serious alcohol problem
(RTMC / UNISA study 2016 – 2018)



17 597

Road traffic mortalities
in 2012



Road traffic deaths in South Africa
are linked to alcohol consumption –
RTMC / UNISA study



Link with BAC proposal

There is no doubt that DUI is a huge challenge in SA, but will adjusting the limit lead to safer roads?

- BAC limit was reduced from 0.08% to 0.05% in 1996 but road deaths have still increased from 10 256 in 1996 to 17 597 in 2017;
- More that 58% of driver fatalities tested positive for alcohol with a mean level of 0.18g/100ml – most drivers were way over the limit, will changing the limit make a difference?
- 1/3 of road fatalities (5339 in 2017) are pedestrians (AA);

Moving to a 0% BAC will be symbolic, but is there sufficient evidence to suggest it will improve road safety?

Unintended consequences

- False negatives:
 - prescription medication;
 - Medical conditions (endogenous ethanol fermentation)
- May result in more arrests but will it improve the conviction rate?
- May bring SA out of line with international norms.

International norm 0.02 – 0.08

- Austria-0.05
- Brazil- 0.02
- Chile- 0.03
- Colombia- 0.04
- Cote d'Ivoire-0.08
- Cuba-0.05
- Cameroon-0.08
- Denmark-0.05
- France- 0.05
- Germany-0.05
- Guinea-0.08
- Italy-0.05
- Jamaica-0.08
- Lebanon-0.08
- Malawi-0.08
- Mauritius-0.05
- Netherlands-0.05
- Portugal-0.05
- Spain-0.05
- Seychelles-0.08
- Singapore-0.08
- Tanzania-0.08
- Turkey-0.05
- Venezuela-0.08
- Virgin Islands-0.08
- United States of America-0.08
- Zambia-0.08
- Uganda-0.08

Unintended consequences for the wine & liquor industry

- Wine & liquor industry plays a unique role in the economy:
 - One of South Africa's leading exports & earners of foreign revenue;
 - Employs approximately 30 000 people directly but many more through wine related tourism;
 - Wine tourism a unique feature of South African tourism;
 - Predominately rural industry – lifeblood of several small towns;
- Directly impacts by the following developments:
 - 16,1% increase in the minimum wage for farm workers;
 - Covid 19 lockdown & 3 successive prohibitions.

Unintended consequences for the wine & liquor industry

Sub-sector facing 3 major challenges:

1. Recovery from Covid-19 bans;
 2. 16,1% increase in labour costs; and
 3. 0.0% BAC
- Impact of BAC:
 - Wine tastings & restaurant sales key;
 - No Uber or meter taxis in remote wine growing regions;
 - Industry is socially aware & can make a positive contribution to road safety & fighting social ills associated with alcohol.

Please consider alternative proposals put forth by the industry.

Impact of Covid 19 restrictions

- Agriculture as a whole largely performed well in 2020:
 - Agricultural gross value add expanded by 13,1 % y/y in 2020 vs -7% for the economy as a whole in 2020 (BER);
 - Largest citrus export in history & 2nd largest grains harvest;
- Due primarily to favourable weather conditions and agriculture allowed to operate as an essential service during the lockdown; however
- This hides the immense impact which Covid-19 & the lockdown had on the wine industry.

Industry	Level 5 26 March – 30 April	Level 4 1 May to 31 May	Level 3 1 June -17 Aug
Maize	Minimal disruptions at the ports	Improved sea port operations	No impact
Soybeans	No impact	No impact	No impact
Wheat	No impact	No impact	No impact
Sunflower	No impact	No impact	No impact
Canola	No impact	No impact	No impact
Barley	No impact	No impact	Impact due to weaker demand from the brewers
Grain sorghum	No impact	No impact	No impact
Oats	No impact	No impact	No impact

Industry	Level 5	Level 4	Level 3
	26 March – 30 April	1 May to 31 May	1 June – 17 August
Beef cattle	Reduced demand and lower prices:	Reduced demand and lower prices:	Temporary disruptions in supply chains under exponential infection rates
Dairy	Reduced demand and lower prices due to bans on QSR.	Reduced demand and lower prices due to bans on QSR.	Temporary disruptions in supply chains under exponential infection rates
Lamb and Mutton	Reduced demand and lower prices: Minimal impact	Minimal impact Prices back to pre-COVID-19 levels	No impact
Wool	Auctions and all fibre activities suspended. Cash flow impact for farmers with wool in value chain/auctions	No impact	No impact
Mohair	Auctions and all fibre activities suspended. Cash flow impact for farmers with mohair in value chain/auctions	No impact	No impact
Animal skins/leather	Trading and transport suspended – cash flow impact on abattoirs and beef and lamb farmers	No impact	No impact
Broilers	Drop in volumes and prices due to bans on take-aways, hot meals, roast chickens (20% of normal market demand destroyed)	Drop in volumes and prices due to bans on take-aways, hot meals, roast chickens (20% of normal market demand destroyed)	Temporary disruptions in supply chains under exponential infection rates
Eggs	Drop in volumes and prices due to bans on take-aways & restaurants	Drop in volumes and prices due to bans on take-aways & restaurants	Temporary disruptions in supply chains under exponential infection rates

Industry	Level 5 26 March – 30 April	Level 4 1 May to 31 May	Level 3 1 June -?
Potatoes	Potato market prices In April 2020 R10/packet lower than the same month in 2018, 2019	Impact (prices and volumes not back to normal levels)	Impact due to weaker demand and restaurants that remain closed
Tomatoes	Reduced demand and lower prices:	Reduced demand and lower prices:	Reduced demand and lower prices:
Other vegetables	Reduced demand and lower prices:	Reduced demand and lower prices:	Reduced demand and lower prices:
Citrus	Minimal impact due to logistical bottlenecks at ports but support from the weak exchange rate	Minimal impact due to logistical bottlenecks at ports but support from the weak exchange rate	Minimal impact due to logistical bottlenecks at ports but support from the weak exchange rate
Deciduous fruit	No impact	No impact	Potential impact on seasonal labour under exponential infection rate
Table Grapes	No impact	No impact	Potential impact on seasonal labour under exponential infection rate
Wine grapes	Some wineries/cellars were not able to pay producers for Feb/March deliveries	Minimal impact	Potential impact on seasonal labour under exponential infection rate
Wine cellars and estates	Full impact – all sales and exports prohibited. The dramatic impact on stock levels and cash flow and profitability. South African wines lose market share abroad. No other wine exporting country banned exports!	Wine cellars and wine cooperatives continue to experience cash flow strain due to the ban on local sales.	Reduced demand due to no tourism, & restaurant sales.

Alternatives to consider

Challenge

- Those who currently exceed the limit have criminal intent. Will a change in the limit serve as a deterrent?
- Traffic incidents associated to alcohol disproportionately affects youth
- Enforcement
- Unintended consequences on the wine & liquor industry

Proposal

- Introduce a minimum sentence (punishment) for DUIs as a priority crime or for repeat offenders.
- 0.00% BAC for drivers below the age of 21? – WHO reported success rate in reductions of 4-24%
- Dedicated & directed policing
- Work with industry to find innovative solutions & compacts to address alcohol abuse.

Conclusion

- DUI an immense social issue in South Africa;
- Cannot over emphasise the need to address this challenge; but
- There are legitimate concerns about the ability of the amendment to make a lasting difference;
- Can the amendment achieve its purpose?
- Should not pursue the amendment if it is merely symbolic – must have an ability to make a difference as it will have adverse affects on the wine & liquor industry;
- Have the alternatives been fully considered?

NB – no question of profits vs people. Must consider if the amendment will achieve the purpose?

Thank you

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