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The Chairperson, Portfolio Committee on Transport
Parliament Street
Cape Town
8000

Attention: Ms Valarie Carelse

Per email: trafficbill@parliament.gov.za

**WRITTEN COMMENTS ON THE NATIONAL ROAD TRAFFIC AMENDMENT BILL
[B 7 – 2020]**

Dear Honourable Zwane, MP

Agbiz would like to thank the Portfolio Committee for the opportunity to submit written inputs on the National Road Traffic Amendment Bill, 2020.

Who we are:

The Agricultural Business Chamber (Agbiz) is a voluntary, dynamic and influential association of agribusinesses operating in South and Southern Africa. Key constituents of Agbiz include the major banks in South Africa, Development Finance Institutions, short term and crop insurance companies, commodity organisations, agribusinesses and co-operatives providing a range of services and products to farmers, and various other businesses and associations in the food and fibre value chains in the country. Conservative estimates attribute 14% of South Africa's GDP to the food and fibre value chain, although its proportionate contribution to the rural economy and rural job creation is significantly higher.

Agbiz is also proud to be associated with the South African wine industry and wishes to express its support to the comprehensive inputs provided by the wine industry association, Vinpro, supported by the trade and investment promotion agency Wesgro.

Introduction

Agbiz's function is to ensure that agribusiness plays a constructive role in the country's economic growth, development and transformation, and to create an environment in which agribusinesses of all sizes, can thrive, expand and be competitive. One way in which we seek to achieve this is by providing thoroughly researched inputs on draft laws and policies affecting our members. Agbiz is also firmly involved in the development of the Agricultural and Agro-processing Master Plan as well as the post Covid-19 economic recovery plan. In both processes, agriculture is rightly touted as a key industry that can help to drive environmentally friendly and sustainable economic development in the rural areas of South Africa.

In areas such as the Western and Northern Cape, the wine industry plays a leading role in rural development by creating employment opportunities, earning foreign revenue through tourism and exports and contributes significantly to the fiscus through excise duties. Unfortunately, it is one of the industries that have been severely impacted by the restrictions imposed on the sale of liquor, dining at restaurants and prohibition of foreign tourism during the various stages of the Covid-19 lockdown. If this industry is to play a leading role in the economic recovery of the sector and the economy, it is vital that Parliament creates an enabling regulatory environment for the industry to grow sustainably and responsibly.

With this in mind, Agbiz is deeply concerned about the unintended consequence which the amendments to section 65 of the Bill may have on the industry. The Bill seeks to remove the threshold of 0.05 grams of alcohol per 100 millilitres of blood and to replace it with a zero threshold.

To be clear, we recognise that South Africa has a serious challenge with road accidents and fatalities caused by drivers operating vehicles under the undue influence of alcohol. It is a social ill which causes untold misery and suffering. However, it is our reasoned opinion that this is attributed to enforcement challenges and a culture of impunity, not the provisions of the law. Should the law be amended as proposed, it will criminalise responsible drivers who currently adhere to the legal limit with no perceivable benefit to road safety. To put it bluntly, those drivers who are do not adhere to the current limit and pose a safety risk are unlikely to change their behaviour by reducing the limit as they are already breaking the law. Behavioural change can only be achieved through education, rigorous and creative strategies to improve enforcement. An amendment to zero BAC may have little or no impact on road safety but cause disproportional harm to the responsible wine tourism.

Wine industry disproportionately affected by the Covid-19 lockdown

When the National Development Plan was drafted, it set the target for the agricultural sector to create one million employment opportunities by 2030. This was an ambitious target in 2012 and has become even more so after subsequent years of sluggish economic growth and the after effects of the Covid-19 lockdown. The wine industry

and associated activities is due to play a critical role as it already accounts for 300 000 out of roughly 800 000 formal sector jobs in the agricultural sector.

Unfortunately, the sector was severely impacted by the Covid-19 lockdown as the sale of alcohol, dining at restaurants and leisure tourism establishments were prevented from operating longer than the bulk of the economy. The agricultural covid-19 tracker furthermore showed that the Department of Agriculture, Land Reform and Rural Development's support programme did not mitigate the effects of the lockdown as the wine industry was not eligible to receive support. The industry therefore experienced the biggest set-back amongst agricultural commodities and could not benefit from the relief package. The table below provides a snapshot of the quantitative assessment of the losses per industry.

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.

Figure 1: A qualitative assessment of the losses per industry (agriculture) – selected horticulture

Source: Kirsten, Sihlobo and Meyer (2020)

In the most recent Quarterly Labour Force Survey, agricultural employment as a whole was down by 8% compared to the corresponding period last year but the most shocking statistic is that the Western and Northern Cape experienced a 31% and 15% drop in employment. It is no coincidence that these are also the provinces where the majority of the wine industry is located.

If the wine industry is to recover and fulfil its desired role in the post-covid economic recovery, then it will require a regulatory environment that is conducive to responsible and inclusive growth. The proposed amendment may well be a shift in the opposite direction, and as such we urge the committee to reconsider the amendment of section 65.

Impact of the proposed amendment and alternatives

As indicated above, we fully support the submissions made by Vinpro and Wesgro as it highlights the unintended consequences of the amendment and provides rational alternatives. For ease of reference, their submissions highlight the following issues in great detail:

- The objective of the amendment, namely to improve road safety, will not be achieved by a legislative amendment but through focused enforcement;
- Wine tourism predominantly takes place in rural areas where public transport infrastructure or e-hailing services are simply not available. There is therefore no economically viable alternative for tourists or restaurant patrons to use private road transport. This amendment will prevent even the most responsible tourists from taking part in wine-tourism activities. The only practical alternative is to avoid these activities all together, which will have a devastating impact on rural economies and jobs;
- From our own research it is clear that a zero rate will place South Africa as an outlier when compared to both developed, emerging market and developing nations. The following list serves as an example to showcase that the current provisions of section 65 already errs on the conservative side of international standards:
 - 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
- Effective alternatives contained in the Western Cape Government's alcohol-related harms reduction White Paper can be implemented to give effect to the objects of the amendment without the unintended consequences;

Conclusion

The wine industry can play a critical role in the broader Agricultural and Agro-processing Master Plan, the NDP and the Economic Recovery Plan's efforts to stimulate growth and job creation. However, this requires a conducive policy environment. The proposed amendment to section 65 is likely to have severe, but unintended consequences on the sector. As such, it can serve as the first 'litmus test' to showcase the state's commitment to providing a rational and enabling policy environment.

The industry and the wider agricultural sector are committed to formulating partnerships with the state to address social ills plaguing South African society. The sector is already involved in numerous projects to encourage the responsible use of alcohol and to combat the negative consequences associated with alcohol abuse. The challenges which alcohol abuse poses to road safety should be no different. We therefore urge the Committee to reconsider the amendment to section 65 and engage with the industry on viable alternatives that can meet the objective without the unintended consequences which a zero BAC may result in.

Yours sincerely



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