TRADE & INDUSTRIAL POLICY STRATEGIES

MANUFACTURING SUBSECTORS

Beverages

March 2021

Industrial policy interventions aim to promote structural transformation and structural change in pursuit of economic growth. The effectiveness of these interventions depends to a crucial extent on the ability of policymakers to tailor interventions to the specific needs of individual manufacturing subsectors.

To support evidence-based policymaking, TIPS has completed a series of notes on the various manufacturing subsectors in South Africa. The aim is to provide synthesised data on the dynamics of the South African manufacturing subsectors, specifically in their contribution to the GDP, employment, profitability and assets, market structure and major companies, and international trade. The main data sources are Statistics South Africa, Quantec, Who Owns Whom, and the International Trade Centre.

This note provides an overview of the South African beverages subsector as of December 2020.

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Executive summary

The beverages subsector encompasses both alcoholic and non-alcoholic beverages, except for fruit juices, which are classified as fruit and vegetable processing. Between 2008 and 2019, the subsector employed an average of 70 000 people, or less than 1% of total manufacturing employment. Employment in the informal sector dominated this subsector, accounting for 18% of the total beverages labour force in 2019. This percentage was, however, significantly lower than the manufacturing average of 25%, implying that informality was lower compared to the rest of manufacturing.

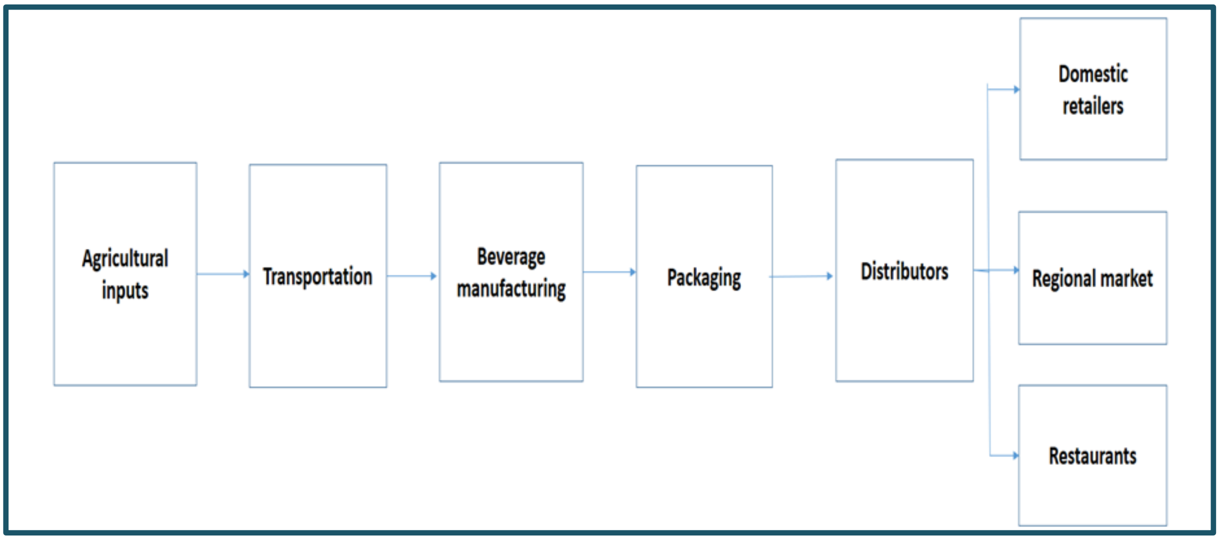
Between 1994 and 2019, beverage production increased at a rate of 0.4% per year. As a result, its share of total manufacturing value added has decreased by 3% annually, stabilising at around 7% in 2019.

Beverage exports totalled R19 billion in constant (2020) rands in 2019, accounting for about 1.8% of total South African exports. Imports were slightly lower at about R17 billion, or 1% of total imports. In 2019, South Africa's beverage exports were led by wine, which accounted for more than half of the total. Soft drinks were the second largest export, accounting for one-seventh of the total in the same year. Ethyl alcohol and spirits exports each accounted for one-tenth of the total in the same year. South Africa's primary beverage export markets are Namibia, Botswana and Mozambique, as well as Swaziland, Lesotho, Zambia, Zimbabwe, and Angola. The overwhelming majority of these products were alcoholic beverages, most notably non-vintage spirits, soft drinks, beers and ciders.

Spirits accounted for more than two-fifths of all beverage imports into South Africa. However, in constant (2020) rand terms, South African imports of syrup for Coca-Cola products from Swaziland (classified as flavourings under essential oils in the trade data) exceeded the value of spirits imports in 2019. By far the largest supplier of beverages was the United Kingdom (UK), followed by France and Namibia. The UK's beverage exports to South Africa were dominated by alcoholic beverages, while France supplied the country primarily with wine.

Beverages value chain

The beverages value chain far extends the production of beverages and incorporates upstream sectors within the agricultural sector which provides inputs.

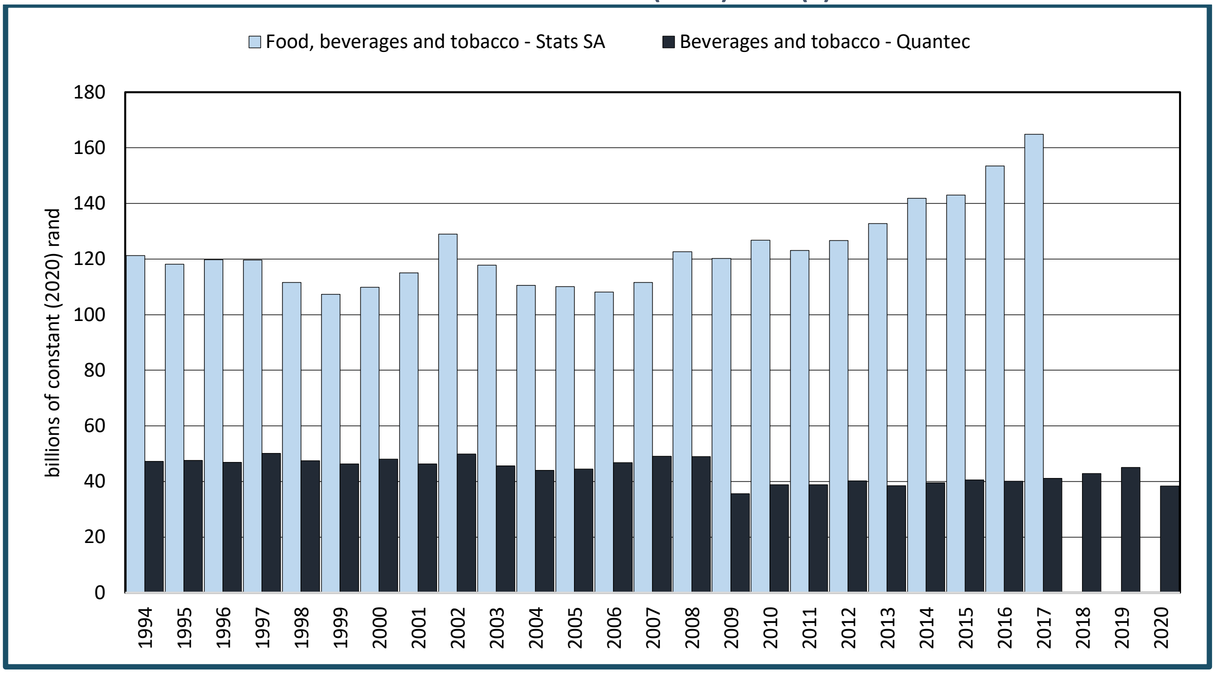


1. Contribution to GDP

Data for the contribution of manufacturing industries to the GDP (that is, for value add by industry) come from two sources: the GDP data published by Statistics South Africa, and Quantec, which develops estimates based on the Statistics South Africa figures for sales, production and employment by industry and subindustries. The figures are not identical, although they typically show the same trends. This note provides both. Neither Quantec nor Statistics South Africa provides data on the contribution to value add of beverages alone. Statistics South Africa groups beverages with food processing and tobacco, while Quantec estimates combine beverages and tobacco.

Between 1994 and 2007, beverages and tobacco grew at a rate of about 0.4% per year in constant rand, according to Quantec estimates. It fell by a quarter during the global financial crisis of 2008/9, regained somewhat more than 9% from 2009 to 2010, but then rose at a 0.5% annual rate through 2020 – slower than the population growth rate. As illustrated in Graph 1, the rate of growth of value added in beverages and tobacco was significantly slower than the rate of growth in food, beverages and tobacco. Production in beverages fell by a quarter in 2020 from 2019 due in part to the global pandemic in 2020.

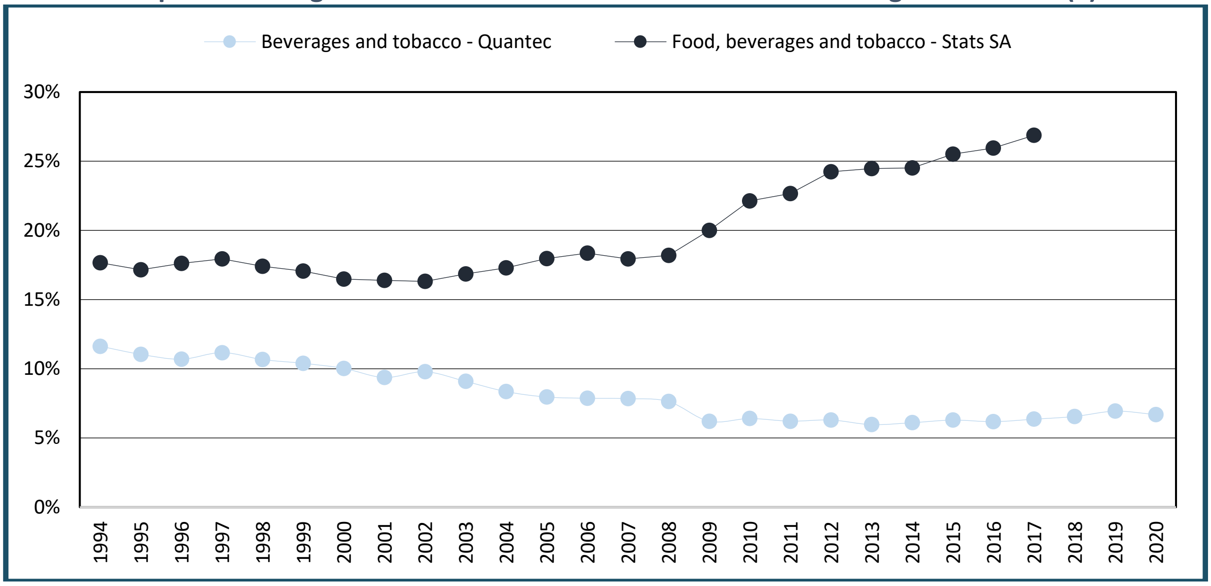
Graph 1. Value added in beverages and tobacco, 1994 to 2020, in billions of constant (2020) rand (a)



Note: (a) Deflated by calculating the deflator used in the sources from figures in current and constant rand, and then rebasing to 2020. Source: Statistics South Africa, GDP P0441. Excel spreadsheet. Series on manufacturing subsectors in current and constant rand. Downloaded from www.statssa.gov.za in July 2021; and Quantec EasyData. Standardised regional data. Database in electronic format. Series on value added in current and constant rand. Downloaded from https://www.quantec.co.za/easydata/ in January 2021.

According to Quantec estimations, beverages and tobacco's share of overall manufacturing value added dropped by 3% annually stabilising at roughly 7% from 2009 to 2019 (see Graph 2). By extension, the quick increase in the share of food, beverages, and tobacco in total manufacturing was fuelled by relatively stable growth in food processing, rather than beverage and tobacco manufacturing.

Graph 2. Beverages and tobacco's contribution to manufacturing value added (a)



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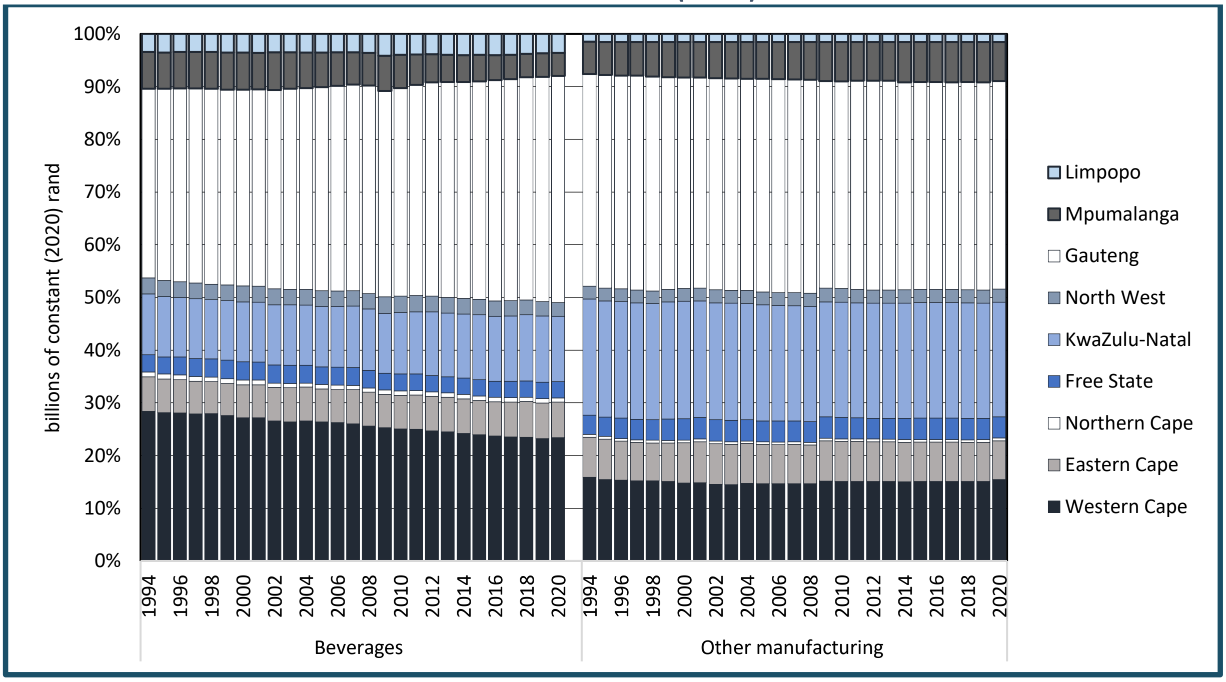
Since 1994, the beverages subsector has been relatively concentrated in Gauteng, the Western Cape, and KwaZulu-Natal. The concentration of beverages in Gauteng dates back to the apartheid marketing system, which imposed a national marketing price on items, removing incentives for rural producers to locate in rural areas. Western Cape captures the second highest value add in beverages, due partly to the concentration of wine production in the province.

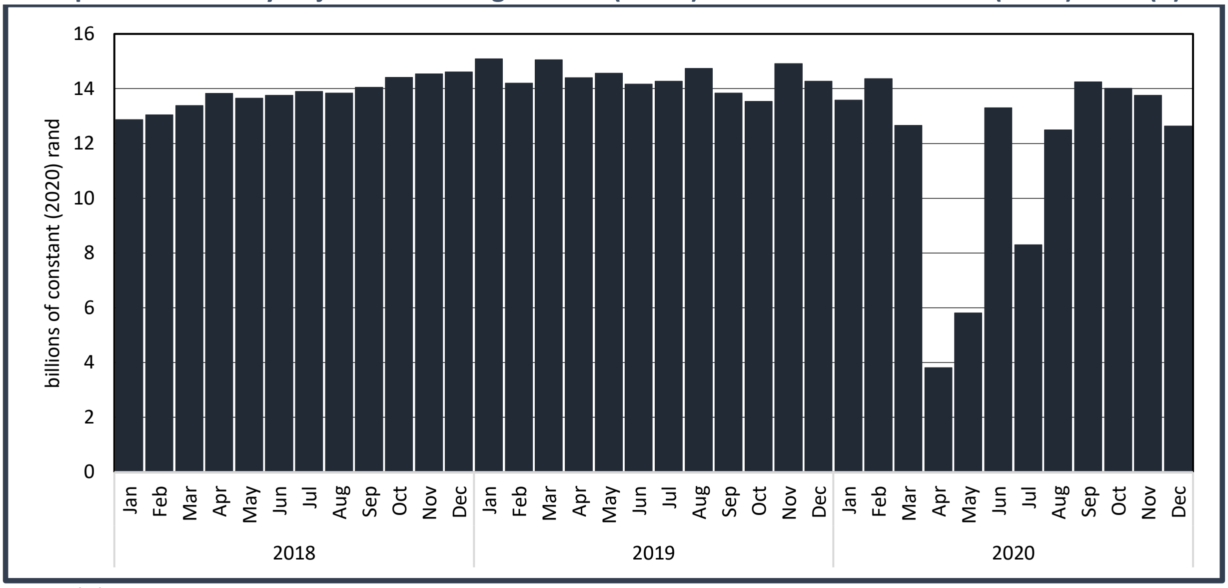
Graph 3. Value added in beverages and tobacco across provinces, 1994 to 2020, in billions of constant (2020) rand



Source: Statistics South Africa, P3041.2. Excel spreadsheet. Downloaded from www.statssa.gov.za in January 2021 P30412December2020.pdf (statssa.gov.za). The Northern Cape Province's share of beverages and tobacco is not clearly visible in the graph due to its small size.

The COVID-19 pandemic effect was particularly severe in beverages due to the prohibition of alcoholic beverages sales from the latter part of March 2020. Monthly beverage sales plummeted 69% month-on-month in April 2020, from R13 billion to R4 billion constant 2020 rand, according to Statistics South Africa’s monthly production and sales data. On a year-over-year basis, beverage sales decreased 74% from R14 billion in April 2019 to R3 billion in April 2020.

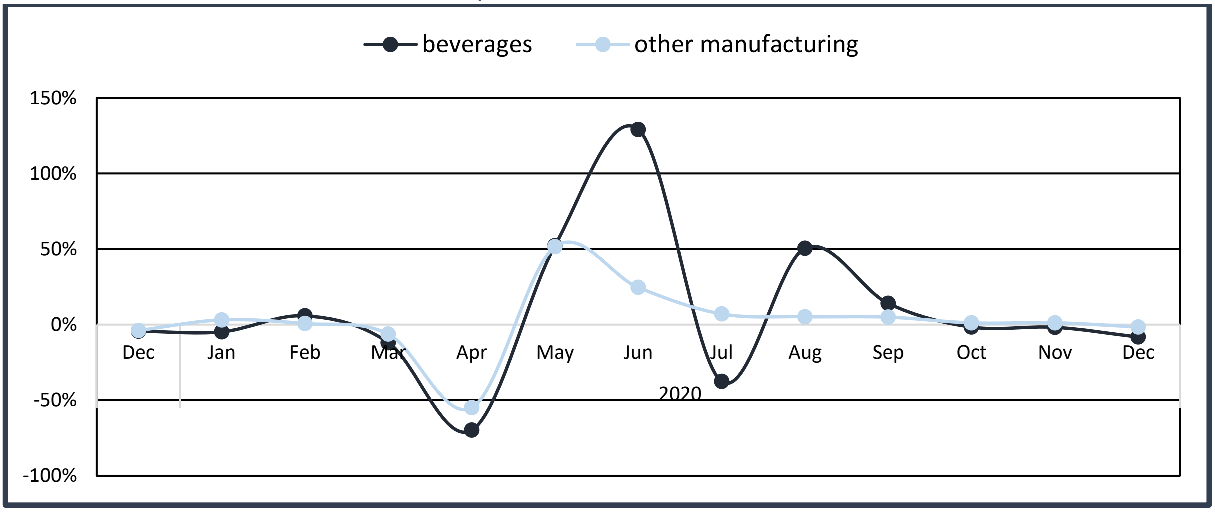
Graph 4. Seasonally adjusted beverages sales (value) in billions of constant (2020) rand (a)



Note (a) Deflated with CPI. Source: Statistics South Africa, P3041.2. Excel spreadsheet. Downloaded from www.statssa.gov.za in January 2021. Statistical Release P3041.2 December2020.

By the end of December 2020, beverage sales remained 11% below their pre-pandemic levels.

Graph 5. Month-on-month percentage change in seasonally adjusted beverages sales in constant rand, December 2019 to December 2020.



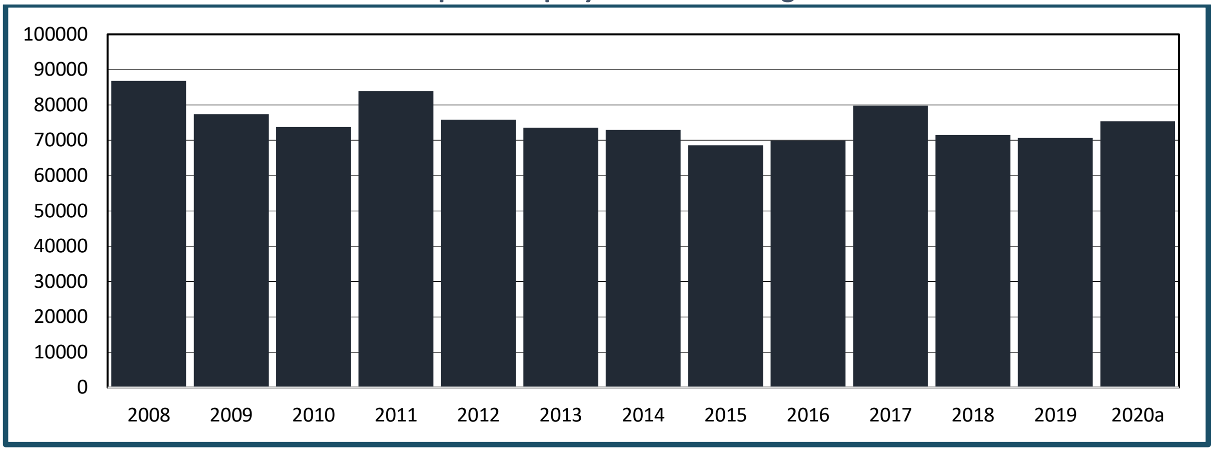
Source: Statistics South Africa, P3041.2. Excel spreadsheet. Downloaded from www.statssa.gov.za in January 2021 P30412 December2020. (statssa.gov.za).

2. Employment

The employment statistics in this section are derived from Statistics South Africa’s Quarterly Labour Force Survey, which was introduced in 2008. Its annual figures, in the Labour Market Dynamics, are averages of the quarterly findings. This methodology is used to derive annual data for total employment by industry in 2019 and the year to the third quarter of 2020.

Employment in the beverage industry has decreased by about 3.5% annually from 2008 to 2019, with about 20 000 fewer jobs created throughout that period. There was a notable comeback in beverage employment from 2019 to the third quarter of 2020, but this is a one-time occurrence as the Quarterly Labour Force data is not adjusted for seasonal changes.

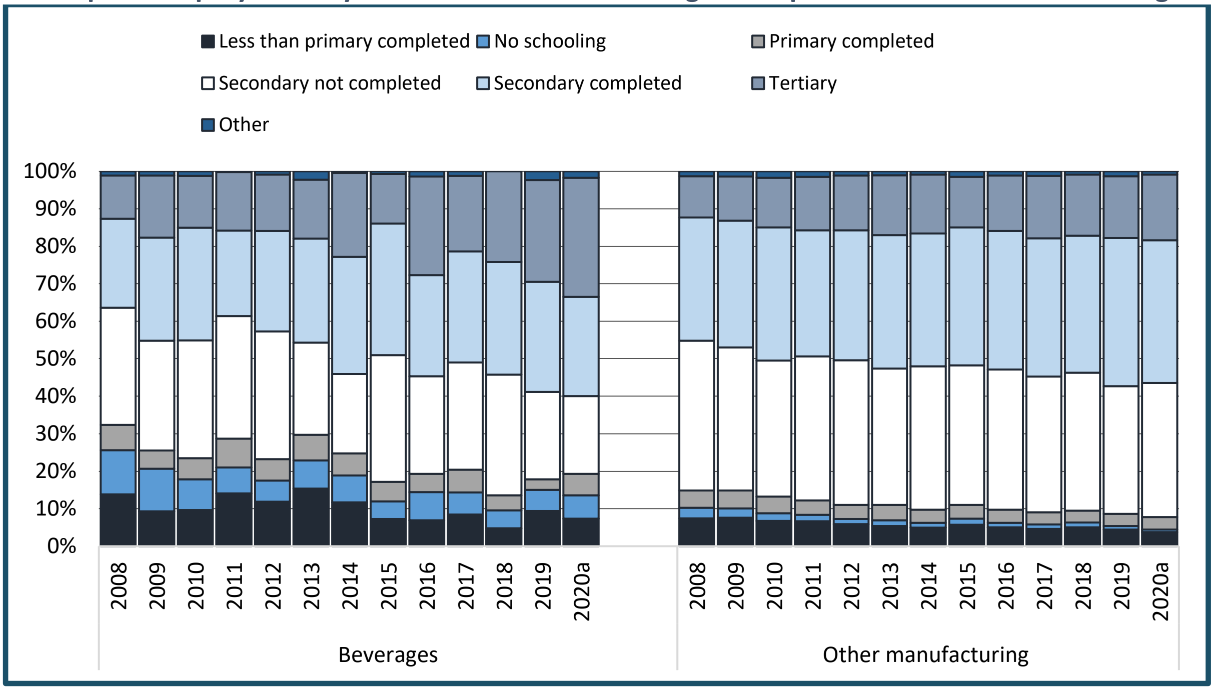
Graph 6. Employment in beverages



Note: (a) Calendar years except for 2020, which is the year to the first three quarters of 2020. Source: Calculated from Statistics South Africa. Labour Market Dynamics. 2008 to 2019. Series on employment by industry. Electronic databases. Downloaded from www.statssa.gov.za Nesstar facility in January 2021; and Quarterly Labour Force Survey. Q1 2020 to Q3 2020. Series on employment by industry. Electronic databases. Downloaded from www.statssa.gov.za Nesstar facility in January 2021.

Education levels in drinks were consistent with those in the rest of manufacturing. However, beverages had a higher proportion of employees with a post-secondary degree than other manufacturing sectors.

Graph 7. Employment by education level in beverages compared to other manufacturing



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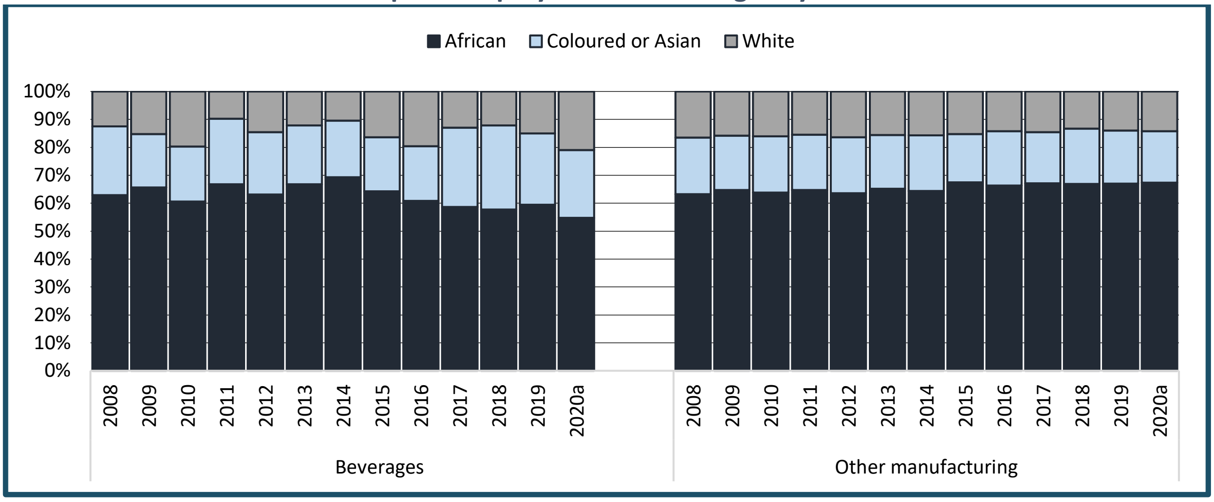
Employment in beverages was roughly comparable to that of the rest of manufacturing, with around two-thirds of employees being African, a fifth being Coloured or Asian, and a seventh being White.

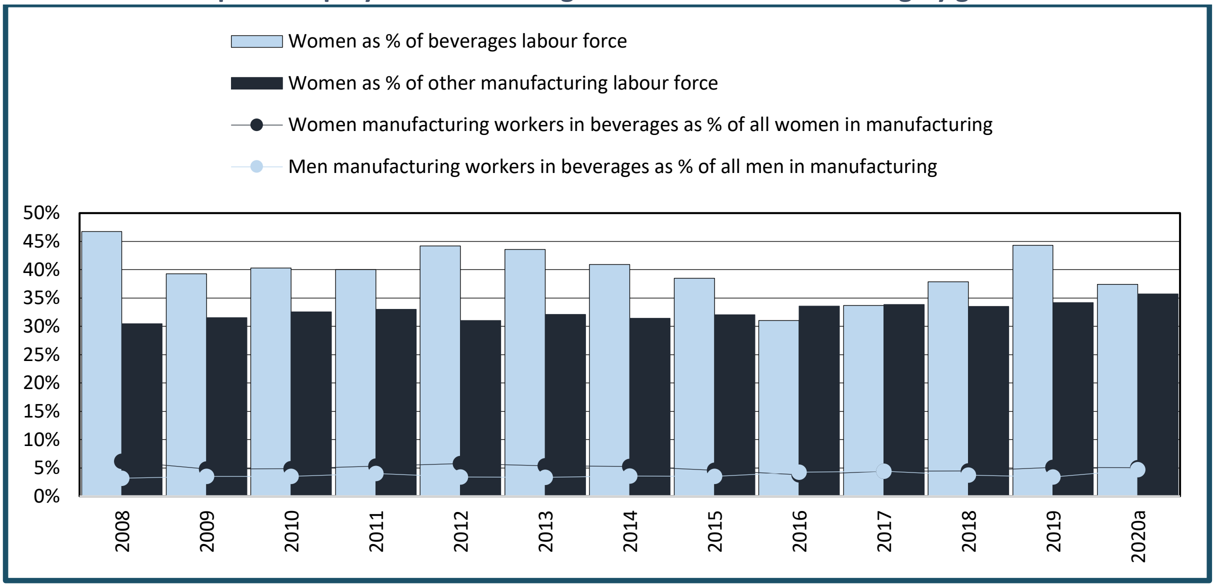
Graph 8. Employment in beverages by race



Note: (a) Calendar years except for 2020, which is the year to the first three quarters of 2020. Source: Calculated from Statistics South Africa. Labour Market Dynamics. 2008 to 2019. Series on employment by industry. Electronic databases. Downloaded from www.statssa.gov.za Nesstar facility in January 2021; and Quarterly Labour Force Survey. Q1 2020 to Q3 2020. Series on employment by industry. Electronic databases. Downloaded from www.statssa.gov.za Nesstar facility in January 2021.

Women made up about 45% of the workforce in beverages in 2019, compared to 32% in the rest of manufacturing. In 2019, the estimated ratio of women working in beverages to all women manufacturing workers was about 20:1.

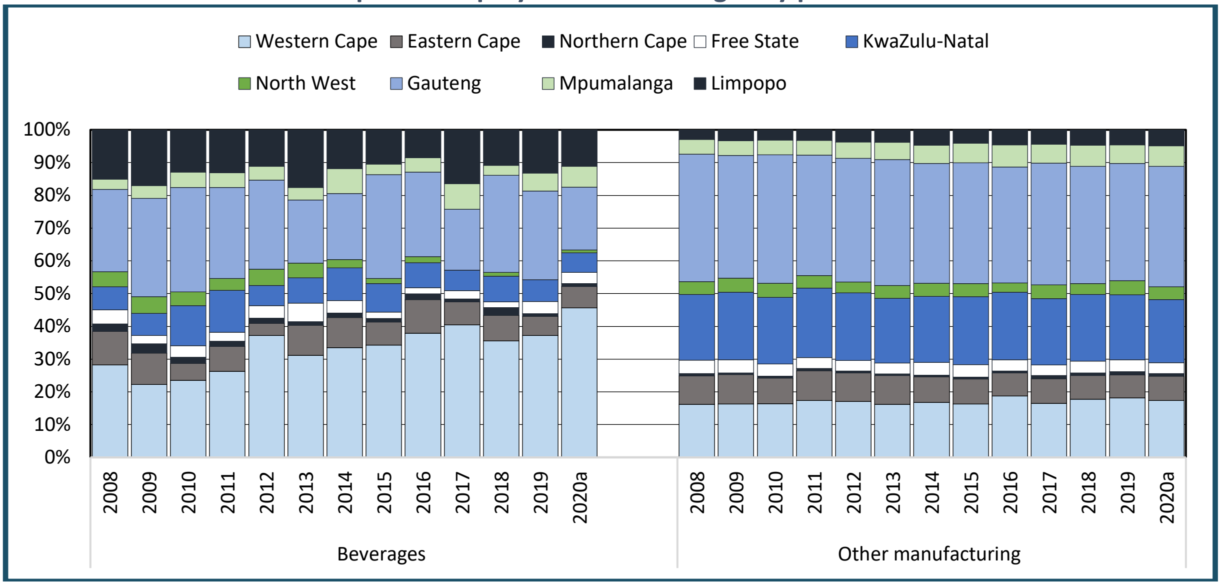
Graph 9. Employment in beverages and other manufacturing by gender



Source: Note: (a) Calendar years except for 2020, which is the year to the first three quarters of 2020. Source: Calculated from Statistics South Africa. Labour Market Dynamics. 2008 to 2019. Series on employment by industry. Electronic databases. Downloaded from www.statssa.gov.za Nesstar facility in January 2021; and Quarterly Labour Force Survey. Q1 2020 to Q3 2020. Series on employment by industry. Electronic databases. Downloaded from www.statssa.gov.za Nesstar facility in January 2021.

Statistics South Africa provides employment statistics broken down by province. As shown in Graph 11, in 2019 over a third of beverages employment was in the Western Cape. Gauteng accounted for about one-quarter of the total labour force. Limpopo accounted for over a tenth of the total, which was significantly higher than its share in other manufacturing sectors. By comparison, KwaZulu-Natal's share in beverages was around a quarter of the rest of the manufacturing.

Graph 10. Employment in beverages by province

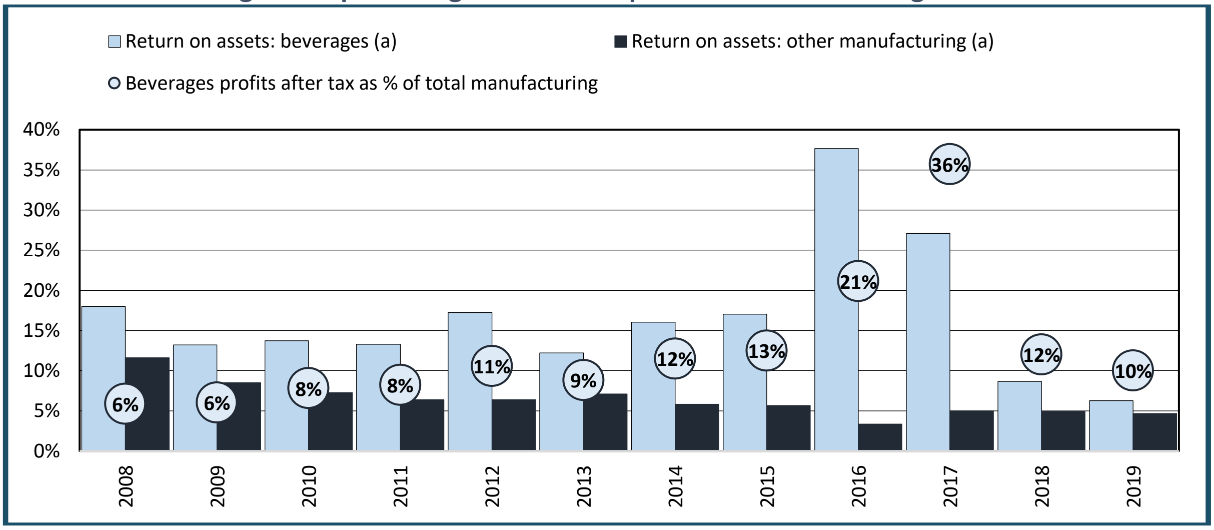


Note: (a) Calendar years except for 2020, which is the year to the first three quarters of 2020. Source: Calculated from Statistics South Africa. Labour Market Dynamics. 2008 to 2019. Series on employment by industry. Electronic databases. Downloaded from www.statssa.gov.za Nesstar facility in January 2021; and Quarterly Labour Force Survey. Q1 2020 to Q3 2020. Series on employment by industry. Electronic databases. Downloaded from www.statssa.gov.za Nesstar facility in January 2021.

3. Profitability and assets

From 2008 to 2019, the after-tax return on assets in beverages averaged 17% a year. That rate was significantly higher than other manufacturing, where the after-tax returns on assets averaged 6% a year. This may be due in part to the relatively higher mark-up in beverages than other manufacturing. Beverages provided around 10% of all manufacturing profits in 2019.

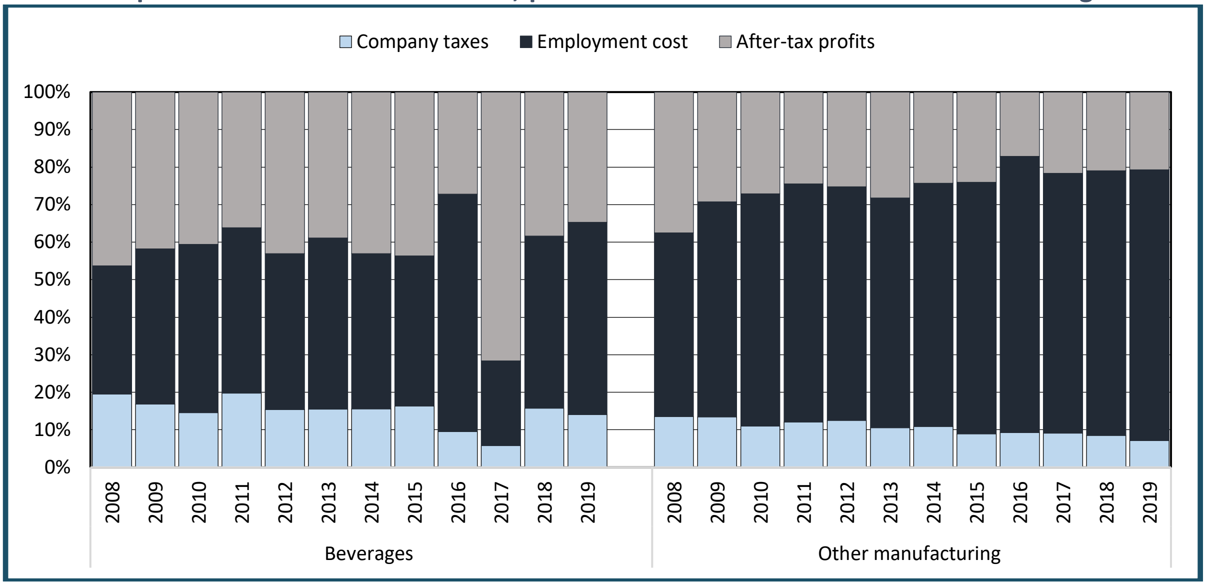
Graph 11. Return on assets (a) in beverages and other manufacturing, and after-tax profits in beverages as a percentage of after-tax profits in manufacturing as a whole



Note: (a) Profits before taxes and dividends less company tax as percentage of total assets. Source: Calculated from Statistics South Africa. Annual Financial Statistics. Disaggregated Industry Statistics for relevant year. excel spreadsheet. Downloaded from www.statssa.gov.za in January 2021.

In 2019, beverages generated an after-tax profit margin of about 35% of value added, compared to 20% in the rest of manufacturing. In contrast, employment costs in beverages were around 50%, while they exceeded 70% in the rest of manufacturing in 2019. Company taxes on beverages surpassed 10% in the same year, but were just over 5% in the rest of manufacturing.

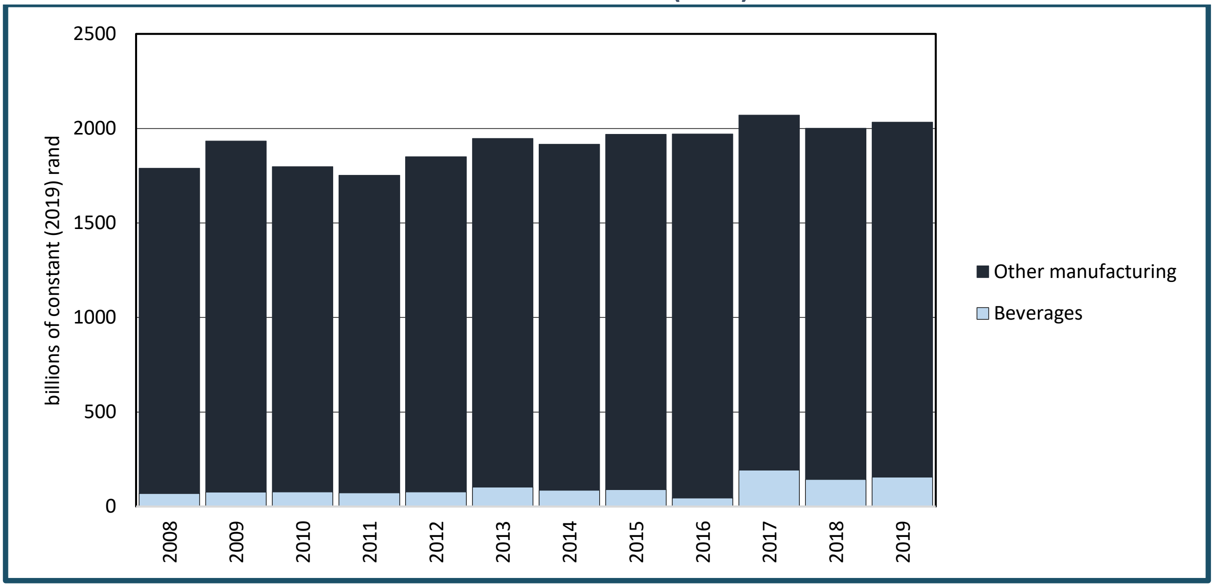
Graph 12. Share of remuneration, profits and taxation in income from beverages



Source: Calculated from Statistics South Africa. Annual Financial Statistics. Disaggregated Industry Statistics for relevant year. Excel spreadsheet. Downloaded from www.statssa.gov.za in January 2021.

Between 2008 and 2019, the value of assets in beverages increased much faster than the rest of manufacturing. They increased by 126%, while the rest of manufacturing's assets increased by 9%. As a result, the beverage industry's share of total manufacturing assets doubled during this time period, increasing from 4% to 8%.

Graph 13. Value of total assets in beverages and other manufacturing in billions of constant (2019) rand



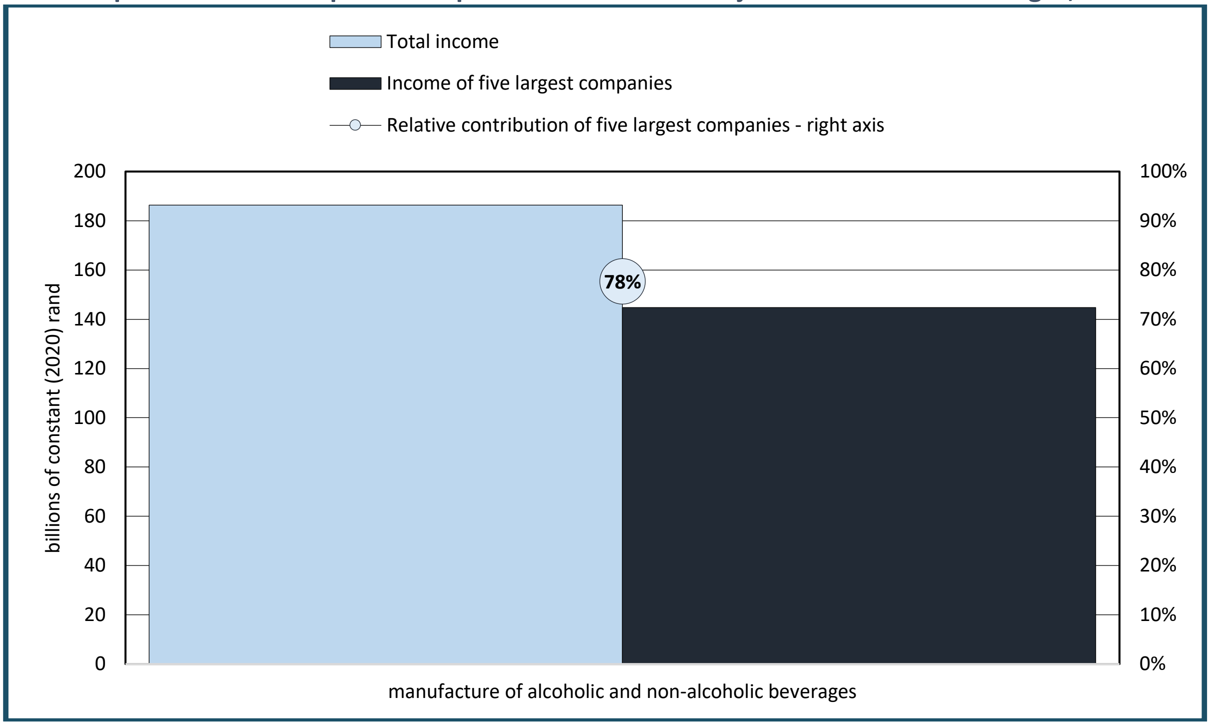
Source: Calculated from Statistics South Africa. Annual Financial Statistics. Disaggregated Industry Statistics for relevant year. Excel spreadsheet. Downloaded from www.statssa.gov.za in January 2021.

4. Market structure and major companies

According to Statistics South Africa's Manufacturing Financial Statistics, the beverage industry's top five manufacturers earned 78% in 2017. As evidenced by this statistic, beverage production in South Africa is heavily concentrated: Even so, small craft breweries and wineries accounted for a negligible proportion of overall sales. The soft drink industry has shown a growth of small firms selling lower-cost soft drinks as a result of larger beverage manufacturers' efforts to attract the lower-end market. There is also an increasing number of informal sector players in the beer brewing industry, although their links with the formal sector is less understood.

According to the Labour Market Dynamics, there were an estimated 8 838 enterprises in South African beverage industry in 2019. Over 85% (8 600) of the total were informal sector enterprises, while formal sector enterprises accounted for the rest (1 237). On average formal sector enterprises were likely to be classified as small with around 10 to 19 employees.

Graph 14. Share of top five companies in income of major subsectors in beverages, 2017



Source: Calculated from Statistics South Africa. Manufacturing Industry: Financial, 2019. Pretoria. Table 9, p 33,ff.

The largest beverage companies are listed in Table 1. The dominant company historically was South African Breweries (SAB) which undertook large acquisitions globally in the 1990s, then listed overseas in 1999, and was taken over by InBev in 2016. Distell, which is controlled by Remgro, dominates the local alcoholic beverage manufacturing industry, while Coca-Cola licensees dominate the soft drink manufacturing industry.

Table 1 Major manufacturing companies in the beverages industry

A. Alcoholic beverages

Company	Employees	Operations
ABI SAB Inbev	7 000	The world's second-largest brewer measured by revenues, and a major bottler of Coca-Cola and other soft drinks. Produces leading brands including Castle, Hansa, Brutal Fruit and Appletiser. Among others, operates seven breweries in South Africa and the Appletiser factory.

		SAB listed in London in 1999; merged to become SABMiller in 2002; was taken over by InBev in 2016
Distell Beverages RF (Pty) Ltd	4 845	Producer and global marketer of wines, spirits, ciders and other ready-to drink beverages.
Newshelf 1167 (SA) (Pty) Ltd t/a United National Breweries (SA)	1 000	Manufacturer and distributor of sorghum beer. The company has two breweries and one malt plant.
Heineken South Africa (Pty) Ltd	810	Brews and distributes Heineken products. These products include Amstel, Tafel, Heineken, Sol, Miller, Desperados, Windhoek beer and also Strongbow ciders.
Oranjerivier Wynkelders Co-Operative Limited t/a OWK/ Oranjerivier Concentrate Producers	782	Produces wine and manufactures concentrated grape juice, which is exported to Japan. There are cellars in Keimoes, Kakamas, Grootdrink and Upington. Grape juice production is managed from a separate, specialised facility at Upington, and is produced at the Grootdrink and Kakamas wineries.
Graham Beck Enterprises (Pty) Ltd	480	Operates as a wine estate. It operates through the following divisions: • Highlands Stud and Racing Farm: Involved in the breeding of racehorses • Graham Beck Wines: Produces wine under Graham Beck Wines brands, supplying to the local and export markets • Steenberg Vineyards: A vineyard producing a variety of wines, under the Steenberg brand • Steenberg Hotel: Comprises the Steenberg Hotel, two restaurants, a Spa and 18 hole golf course
Warshay Investments (Pty) Ltd t/a KWV	450	Manufacturer of wines and spirits and undertakes the bottling of various alcoholic beverages, wholesaling to the local and export markets. The company operates a distillery in Paarl.
DGB (Pty) Ltd	433	Producer and wholesaler of a range of wines and spirits, sold both locally and internationally. The company imports, exports and distributes fortified wines, spirits, liqueurs, as well as soft drinks and bottled waters. Major clients include bottle stores and businesses. It has a manufacturing facility in Wellington and there are 14 independent distribution depots around the country through which the products are sold.
Diageo South Africa (Pty) Ltd	417	Manufactures, imports and exports beer and alcoholic beverages.
Backsberg Estate Cellars CC t/a Backsberg Estate Cellars/ Backsberg Wine Estate	400	Operates as a wine estate and is involved in the production of red, white and sparkling wine as well as rose and brandy. The company also bottles wines, supplying to the private sector, wholesalers and retailers under the Backsberg label. Wine tasting is offered to the public. Backsberg Estate also has a restaurant and can hold conference, functions, corporate events, team building and weddings. Wines are exported worldwide.
Edward Snell and Company (Pty) Ltd	318	Produces, bottles, markets and distributes spirits and liquor, supplying to producers, wholesalers and retailers. The company has production facilities in Johannesburg and Cape Town.
Pernod Ricard South Africa (Pty) Ltd	275	Wholesales imported liquors and spirits such as Jameson Irish Whisky, Chivas Regal, Absolut Vodka, Pernod and Ricard Aniseed Based Aperitifs, Irish and Scottish Whiskeys, and Cognac. It is the sole importer of Jacobs Creek wine and its range of products from Australia. Since 1994, Pernod Ricard South Africa has been partnering the Robertson winery in its preparation of Long Mountain wines. The

		company is also the local producer of Red Heart Rum, Martell Brandy, Elala Cream and Malibu for the local and export market
Van Loveren Vineyards (Pty) Ltd	214	Grape growing and winemaking farm. The wine farm also offers a hiking trail, garden and cellar tours, wine tasting, wine pairing and a bistro. Wine is exported worldwide.
Simonsig Wines (Pty) Ltd t/a Simonsig Wine Estate	180	Cultivates grapes and produces wine on a 210 hectare estate, which it leases from Simonsig Landgoed (Pty) Ltd. The company supplies liquor outlets, hotels, restaurants and a wholesaler. Exports to about 45 countries worldwide. Exports makes up about 50% of the turnover.
Fairview Wines (Pty) Ltd	170	Operates as a wine estate, with its own vineyards, producing and selling wine.
Vergelegen Wines (Pty) Ltd	130	Operates in the Cape as a winery, manufacturing, bottling and marketing its own wines. The company has its own vineyard from which it sources its grapes to produce wine. The company exports 50% worldwide, with the majority going to Europe. The remaining 50% is sold locally.
Spier Farm Management (Pty) Ltd	124	Operates through the following divisions: • Spier Wines – produces wine, distributing locally and internationally • Spier Properties – operates as a property and investment concern, leasing properties to other businesses
NCP Alcohols (Pty) Ltd	100	Manufactures ethanol, produced from sugar-cane molasses, for the South African and international cosmetic, pharmaceutical and beverage markets. Products include extra neutral potable ethanol, rectified extra neutral ethanol, anhydrous ethanol, matured distillate, light spirit and coloured methylated spirits for use in the beverage, medicinal, personal care and heating industries.
Excelsior Marketing (Pty) Ltd t/a Excelsior Estate	90	Involved in the cultivation of grapes and the production of red and white dry wine under the Excelsior label, for local and export markets. Excelsior Estates also has a deli.
De Wetshof Estate (Pty) Ltd	88	Involved in the cultivation of grapes and the production of wine. The wine is bottled on the premises and available for sale to the local and global export markets.
Kleine Zalze Wines (Pty) Ltd	75	Wine estate, producing and distributing various wines locally and internationally. The company purchases its grapes from the holding company, Kleine Zalze (Pty) Ltd, and from farmers in the surrounding areas.
Boland Wingerde Internasionaal (Pty) Ltd t/a Boland Kelder	68 (29 – wage; 39 – salaried)	Involved in the processing of grapes, acquired from local farmers and growers, and the marketing of the produced wine, both locally and internationally. The company sells to retailers, wine agents and exporters. Barrels are imported from the United Kingdom and wine is exported worldwide. Boland Kelder also offers wine tasting by appointment.
Robertson Kooperatiewe Wynmakery Beperk Primary Co-Operative	68	Production of red, white and sparkling wines, supplying in bulk to Robertson Winery (Pty) Ltd which undertakes the bottling under its own brand names. Grapes are obtained from the members of the Co-Operative.
Lanzerac Estate Investments (Pty) Ltd t/a Lanzerac Wines	65	Produces and bottles wine from grapes grown on the Lanzerac Estate. The company exports about 45% to Europe, the United Kingdom and the United States. Lanzerac Wines also offers wine tasting.
Morgenster (1711) (Pty) Ltd	62	Operates as a farm which splits its cultivation between olive trees and grape vines. The grapes and olives are harvested, bottled and then

t/a Morgenster Wine & Olive Estate		sold. The company specialises in four Bordeaux red wine cultivars: Cabernet, Merlot, Cabernet Franc and Petit Verdot, and has also planted small quantities of Italian varieties, Nebbiolo and Sangiovese. Products are exported worldwide. The company also offers wine tasting and has a restaurant, 95 at Morgenster.
Rustenberg Wines (Pty) Ltd	55	Operates a wine estate, and is involved in the growing of grapes and the production of red and white wines, which are bottled under the Rustenberg label and sold locally and exported worldwide. Wine tastings are arranged by appointment.
Stellenbosch Vineyards (Pty) Ltd	50	Involved in the cultivation of grapes and the making, bottling and marketing of wine. Grapes are also purchased from local farmers. Wines are exported worldwide
P C Kelders (Pty) Ltd t/a Paul Cluver Wines	14	Involved in the production, bottling, corking and labelling of red and white wine under the Paul Cluver label, supplying to local and export markets. The company also has apple and pear orchards.
Zandwijk Wines (Pty) Ltd	7	Involved in grape farming and producing wine for sale under the Kleine Draken label, for private consumers and liquor wholesalers. It also exports to Canada, Israel, Mauritius, Republic of Panama and the United Kingdom.
Zidela Wines (Pty) Ltd	7	Operates as a wine estate, purchasing grapes from surrounding farmers and processing them into wine for distribution to the local and export markets.
De Waal Wines (Pty) Ltd	6	Involved in winemaking, and grapes that used for production are grown at its own vineyard. Wines are available at specialist wine shops, gourmet restaurants, or from the wine farm. The estate also offers wine tasting and wine is exported worldwide.

B. Non-alcoholic beverages

Company	Employees	Operations
Tiger Consumer Brands Ltd	11 348 (Group)	Consumer packaged goods company, with a broad portfolio of 44 manufacturing sites, 160 packing lines and 24 distribution centres for food, beverage, personal care, baby and home care brands, operating in South Africa and certain emerging markets in Africa and South America.
Clover SA (Pty) Ltd Incorporates: Clover Waters / The Real Beverage Company	8 044	Processing, marketing, and distribution of dairy, dairy-related, non-alcoholic beverages and other food products on the African continent. Clover has 12 factories and 20 distribution centres across South Africa.
The South African Breweries (Pty) Ltd	7 000	Operates as a brewer and distributor of beer as well as manufacturing non-alcoholic beer. The company operates seven breweries and 40 depots in South Africa.
Coca-Cola Sabco (Pty) Ltd	3 922 (90 – Head Office; 3 832 – Coca-Cola Fortune)	Involved in the manufacture, trade marketing, sales and distribution of various soft drink brands, energy drinks, bottled water, iced tea and fruit juices
Nestle (South Africa) (Pty) Ltd	3 200	Manufactures, imports, exports and markets consumer products, foodstuffs and milk products.
Lactalis South Africa (Pty) Ltd	3 127	Processes and distributes milk and dairy products, as well as fruit-based beverages for the dairy industry. Products offered include UHT (long life) milk, cream, cheeses, cream cheese portions, butter, yoghurt, maas, ice cream, custard and one-cup milk pods. The company has seven factories and 11 distribution centres. Butter brands are Bonnita, Parmalat and President.

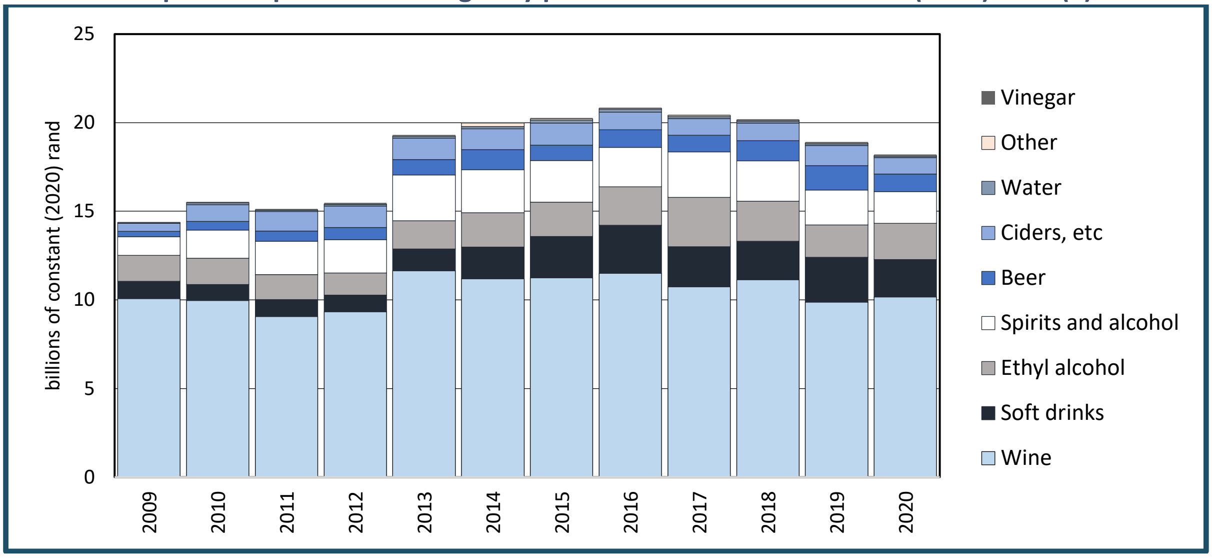
Pioneer Foods Groceries (Pty) Ltd	2 800	Operates through the following business units: • Cereals Accompaniments and Baking manufactures and markets a range of branded food products, groceries and cereals under the brand names Bokomo, Moir's, Wild Island and Safari. The business's primary operations are in South Africa where it sells fast moving consumer goods (FMCG), including pasta, to the retail market as well as bulk packed products to the industrial market. • Foods business unit, which comprises ambient, frozen and snacks portfolios, produces a range of condiments, spreads, pies and pastry as well as dried fruit and nuts. The foods and cereals business units have 18 production facilities. • The Beverages business unit produces fruit juices, fruit concentrate mixtures, mineral water, iced tea and carbonated soft drinks under the brand names Ceres, Fruitree and Liqui-Fruit. Ceres has two production facilities.
Adcock Ingram Holdings Ltd	2 610 (Group)	Importer, exporter, manufacturer, researcher, marketer and distributor of healthcare and pharmaceutical products. The group's geographical footprint extends across Africa and the product portfolio includes branded and generic prescription medicines, over the counter and FMCG products, intravenous solutions, blood collection products, and renal dialysis systems. The company also manufactures and distributes Bioplus, a range of carbonated energy drinks that contain B-complex vitamins.
Long4Life Ltd Incorporates Chill Beverages International	2 015 (Group)	Owns Inhle Beverages (Pty) Ltd, a beverage contract packaging (co-packaging) company involved in the production of canned and PET bottled carbonated soft drinks, energy drinks and natural mineral water for branded and private labelled customers.
Coca-Cola Peninsula Beverages (Pty) Ltd	1 300	Manufactures and bottles carbonated soft drinks, as well as a range of products including waters and energy drinks.
Little Green Beverages (Pty) Ltd t/a The Beverage Company	1 124	Manufacturer and distributor of carbonated soft drinks, energy drinks, mixers and still beverages. The company operates 2 manufacturing plants located in East London and Isando.
SoftBev (Pty) Ltd	980 (Group)	Operates as a holding company for its subsidiaries, which are involved in the manufacture, bottling, marketing and distribution of water and soft drinks. SoftBev is the sole licensed bottler for Pepsi and its related brands across South Africa, Lesotho and Eswatini and it has distribution rights in Botswana and Namibia.
Coca-Cola Shanduka Beverages South Africa (Pty) Ltd (CCSB)	800	Involved in bottling and manufacturing of aerated soft drinks under the licence of Coca-Cola Southern East Africa. The company also manufactures and distributes water and energy drinks. CCSB is one of the four Coca-Cola franchised bottlers in South Africa. Its franchise territory extends to about 15% of Gauteng, 65% of Mpumalanga and 3% of Limpopo. It has 2twomain plants, one in Nigel and one in Witbank with three production plants each. It has six sales centres in Nigel, Witbank, Steelpoort, Groblersdal, Standerton and Ermelo. CCSB services more than 10 000 retail customers across 8 trade channels.
Twizza (Pty) Ltd	665	Manufacturer of carbonated soft drinks and energy drinks. There are three bottling plants.
Kingsley Beverage (Pty) Ltd	500	Manufacturing, bottling and canning of non-alcoholic beverages such as water, soft drinks, fruit drinks, mixers, iced tea, sports and energy drinks. There are four manufacturing plants.

5. International trade

In 2019, beverage exports amounted to R19 billion in constant (2020) rands, accounting for around 1.8% South African exports. Imports were marginally lower, at roughly R17 billion, or 1% of total imports. South African beverage exports were led by wine, which accounted for half of the total in 2019. Soft drinks trailed wine, accounting for one-seventh of the total in 2019. In the same year, ethyl alcohol and spirits exports each accounted for one-tenth of the total.

Following a sharp surge in 2013, owing in part to the rand's devaluation following the end of the commodities price boom, the value of wine exports has remained relatively stable in constant rand terms. Soft-drink exports, on the other hand, more than doubled between 2013 and 2019.

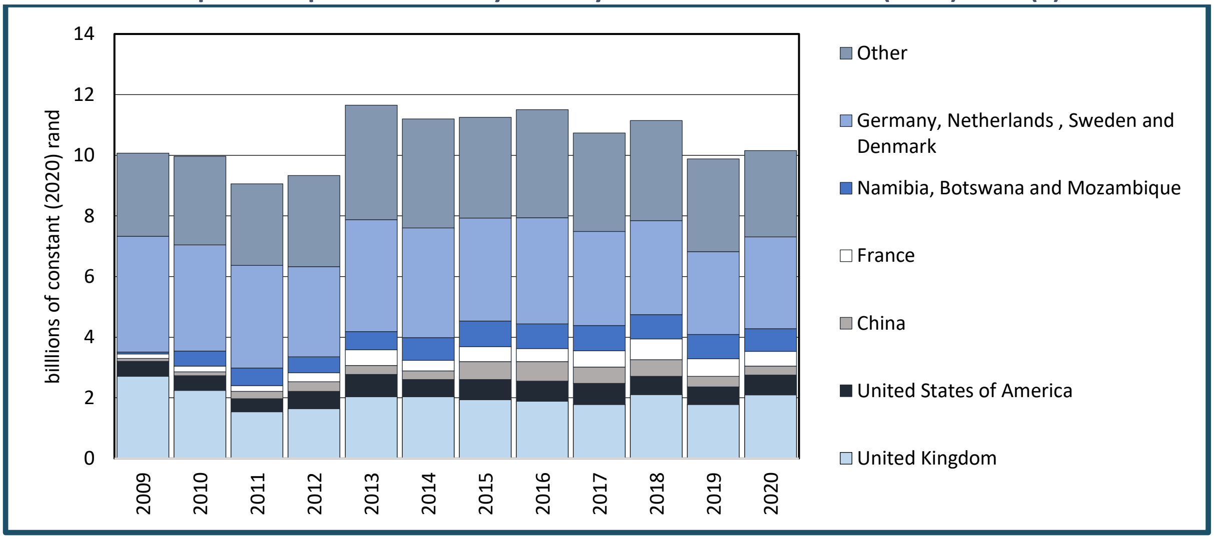
Graph 15. Exports of beverages by product in billions of constant (2020) rand (a)



Note: (a) Deflated with CPI. Source: Calculated from ITC. Trade Map. Electronic database. Series on exports of beverages and food flavourings in rand. Downloaded from www.trademap.org in January 2021

Wine's key markets included European countries (Germany, Sweden, Netherlands and Denmark), the United Kingdom, and the United States. Apart from wine, these countries imported barely a trace of other alcoholic beverages from South Africa.

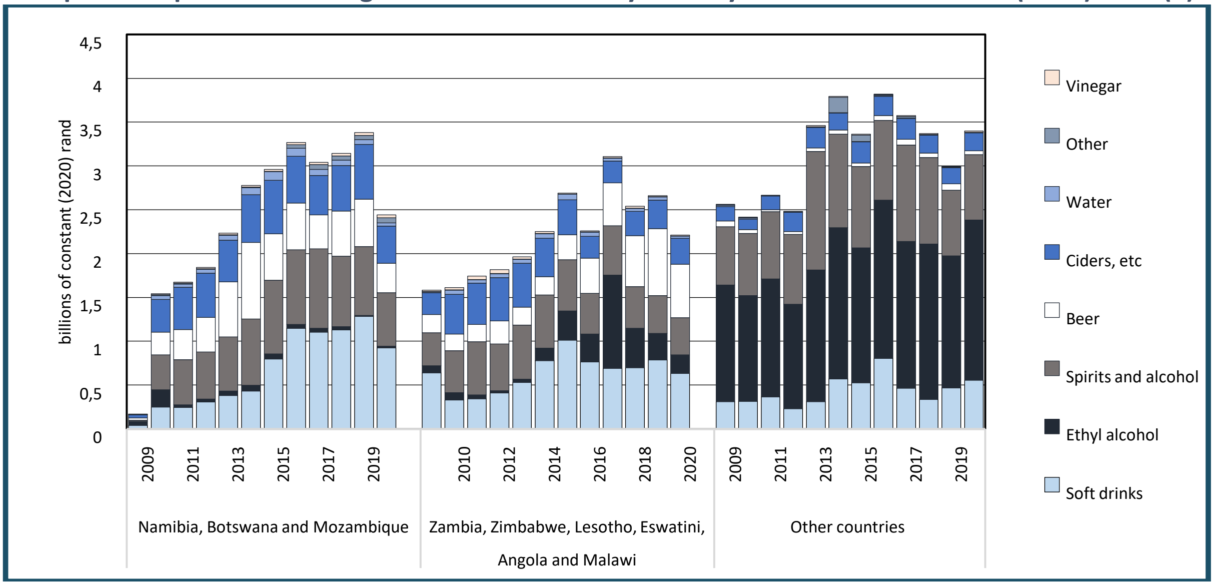
Graph 16. Exports of wine by country in billions of constant (2020) rand (a)



Note: (a) Deflated with CPI. Source: Calculated from ITC. Trade Map. Electronic database. Series on exports of beverages and food flavourings in rand. Downloaded from www.trademap.org in January 2021.

Namibia, Botswana, Mozambique, Swaziland, Lesotho, Zambia, Zimbabwe and Angola, are South Africa's primary beverage export markets. The vast majority of these products were alcoholic beverages, primarily non-vintage spirits, soft drinks, beers and ciders.

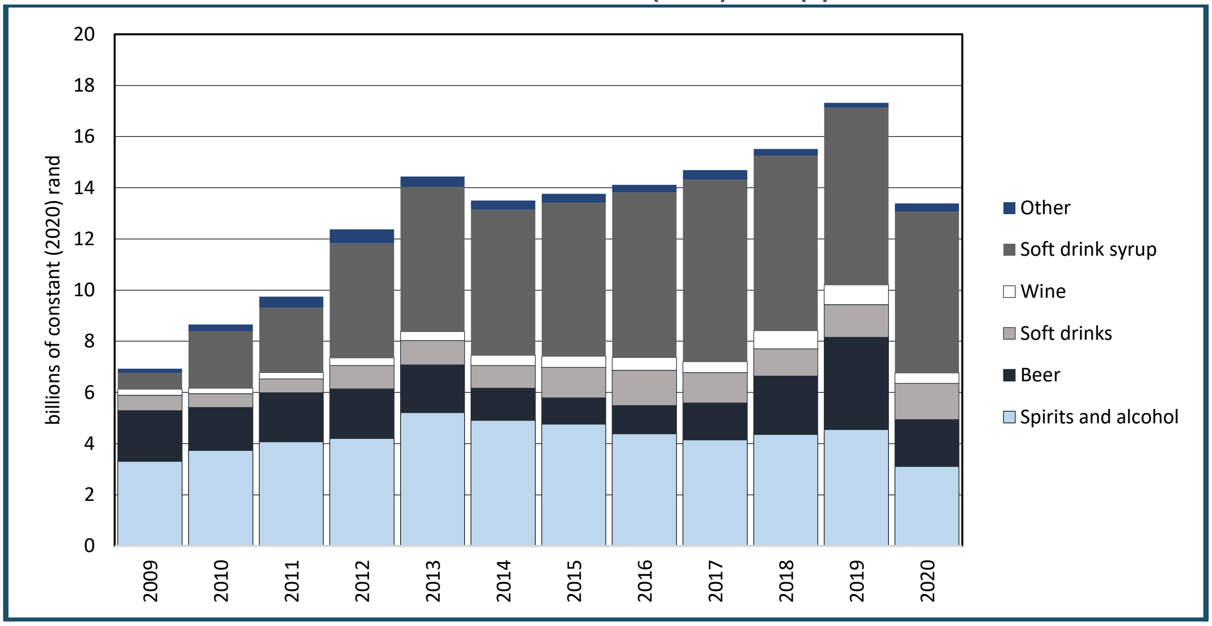
Graph 17. Exports of beverages other than wine by country in billions of constant (2020) rand (a)



Note: (a) Deflated with CPI. Source: Calculated from ITC. Trade Map. Electronic database. Series on exports of beverages and food flavourings in rand. Downloaded from www.trademap.org in January 2021.

In 2019, spirits accounted for more than two-fifths of all beverage imports into South Africa. However, in constant (2020) rand terms, South African imports of syrup for Coca-Cola products from Swaziland (classified as flavourings under essential oils in the trade data) exceeded the value of spirits imports in 2019. Beer's share of South Africa's beverage imports beer grew significantly from 2016, whereas that of soft drinks declined.

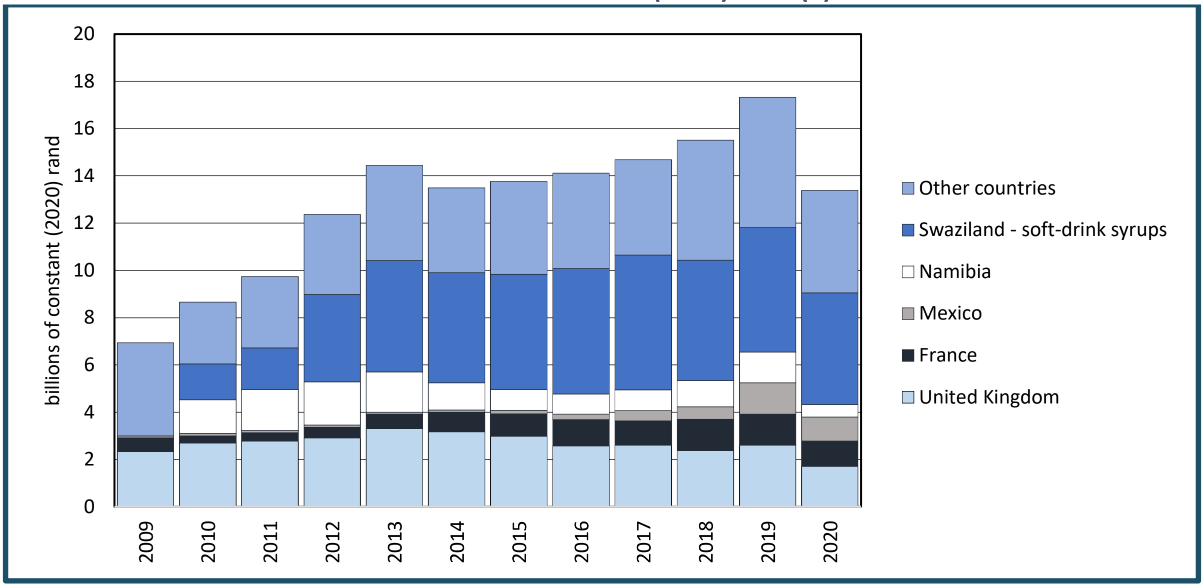
Graph 18. Imports of beverages and soft-drink syrup by product in billions of constant (2020) rand (a)



Note: (a) Deflated with CPI. (b) Mostly for Coca Cola products. Source: Calculated from ITC. Trade Map. Electronic database. Series on imports of beverages and food flavourings in rand. Downloaded from www.trademap.org in January 2021.

The United Kingdom was by far the greatest supplier of beverages, followed by France and Namibia. The United Kingdom's beverage exports to South Africa were dominated by alcohol, while France supplied the country mostly with wine. Namibian beverage imports to South Africa were primarily beer, but Mexico was the largest supplier of beer to South Africa in 2019.

Graph 19. Imports of beverages and soft-drink syrup by country in billions of constant (2020) rand (a)



Note: (a) Deflated with CPI. Source: Calculated from ITC. Trade Map. Electronic database. Series on imports of beverages and food flavourings in rand. Downloaded from www.tradematp.org in January 2021