

South Africa's Wine Industry Bubbling with Success

The wine industry in South Africa is bubbling on good times as of late. The future looks bright for growth and expansion based on current projections.

South Africa's wine tourism is due to benefit from the sector being the fastest growing and most lucrative of the global tourism market, Tourism Minister Marthinus van Schalkwyk said.



“In South Africa, our wine industry plays an important role in terms of its contribution to specifically regional and rural economic growth and job creation,” he said at a stakeholder workshop at the Spier Estate outside Stellenbosch. “In 2009 wine tourism contributed an estimated R4.3 billion to our country’s tourism revenue, and we believe there is still great potential for growth in this regard.”

The wine industry has suffered in recent years through factors such as changes in foreign currency and demand fluctuations. But van Schalkwyk said increasing its revenue from tourism could counteract this.

He announced South Africa’s ambitious plans to increase the number of tourists to 15 million by 2020. Wine and gourmet tourism, van Schalkwyk said, could also play a role in terms of South Africa’s goal of increasing the geographic spread of tourism as it provided additional options for tourists.

“Wine tourism is vital for South Africa’s tourism product as it helps improve the country’s competitiveness against destinations like Brazil, Australia, Kenya and Thailand,” he said. “We believe stakeholder inclusivity and alignment is fundamental to the adoption and implementation of a winning wine tourism strategy.”

When it comes to wine, South Africa is not exactly the first country that comes to mind for a lot of people. Many people do not associate South Africa with wine at all, which might be somewhat surprising when you consider that wine has been made there for hundreds of years.

When wine exploded as a global commodity half a century ago, South African wines were largely off limits to the rest of the world because of the country’s apartheid policies. As apartheid ended, the industry gradually grew and improved as foreign investment-trade came in.



Initially, wines exported from South Africa were of poor quality. When wines from South Africa were introduced, they tasted unfamiliar and cheap. Brand “South Africa” fared poorly in public opinion, not only because of social stigma, but also because the wine exports were ultimately not very good.

This was primarily a byproduct of well-established wine cooperatives having the capital and capacity to supply the world. In this context, cooperatives in South Africa were massive joint winemaking entities that focused primarily on volume and price control and reduction of both at each stage of production.

But as times have changed, so has the country’s wine industry. South Africa’s commitment a few years ago to shift their focus from a higher-volume, lower quality “bulk wine” strategy to a higher-quality bottled wine focus has had an impact. While the country’s wine industry is relatively young compared to Europe or American wine industries, it is a positive development for the country as it

tries to diversify economically.

Arguably the largest and most influential wine publication in the world, Wine Spectator, that professionally reviews more wine from more countries than any group of people in the world have South Africa as one of the world's top wine producers. In their March issue, Wine Spectator had a section called the Year in Review in which they showed the hard numbers behind all of that sipping and spitting and judging and rating.



The results were:

“Old World” producers Germany, France and Italy had highest percentage of reviewed wines rate 90+. Not surprising. They were also among the most expensive. Of the “New World” countries, California is tied for the highest percentage of reviewed wines that rated 90+ at 29%. And their 90+ rated wines are pretty expensive. South African wines were tied with California and ahead of every other country, also with 29% of their submitted wines rating 90+. And, they had the lowest average price for 90+ rated wines.

South Africa is now what must be one of the best and most exciting wine tourist destinations in the world. While Napa has beautiful wineries, in South Africa the idea is that you spend a day - or at least several hours - visiting a facility. Virtually all of them have at least one restaurant, with most offering tours and some boasting museums or jeep tours.

All the wineries open to the public have tasting rooms, and these are very elegant places - most have been rebuilt and almost all offer some sort of food or pairing option.

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