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Consumer Countries/Markets

**America is drinking its way through the coronavirus crisis**

In the midst of the COVID-19 epidemic, it has become easier to buy alcohol than toilet paper or eggs.

Across the U.S., governors are terming alcohol sales an essential business and loosening restrictions to permit home delivery and carryout cocktails, throwing an economic lifeline to one group of small businesses.

Are alcohol sales actually essential? According to the federal government, just over half of Americans age 18 and above (55.3%) drank alcohol in the past 30 days; just over a quarter binged – more than four drinks on an occasion for women, or five for men – and 1 in 17 (5.8%) had an alcohol use disorder, ranging from mild to severe. [Click here to read more](#)

Economic Environment

**COVID-19 tax relief: a snapshot of what’s out there**

Across the globe, many governments have been forced to lockdown their countries in an attempt to curb the spread of the COVID-19 pandemic. A number of African countries have adopted similar measures. This has stalled, if not brought to a halt, economic activity, resulting in loss of income for businesses, workers (both in formal and informal sectors) as well as the self-employed.

In response, governments worldwide have implemented economic and tax relief packages to help businesses and workers mitigate the impact of these measures.

South Africa’s relief measures

South Africa’s tax relief package contains four overarching proposals.

First, the existing Employment Tax Incentive regime is expanded by the introduction of a subsidy of up to R500 a month for the next four months. Certain categories of employees qualify. An estimated 4 million workers will benefit from this. The South African Revenue Service will accelerate employment tax incentive reimbursements from twice a year to monthly. This will help compliant employers with their cash flow.
The second and third proposals relate to employees’ and provisional taxes. Tax compliant SMEs that meet certain criteria will be allowed to delay 20% of the employees’ tax liabilities and a portion of their provisional tax payments without penalties and interest for a number of months. About 75,000 SMEs are expected to be assisted by this intervention.

The fourth proposal creates a special tax dispensation for funds established to assist with the COVID-19 disaster relief effort. These funds, which include the national Solidarity Response Fund, may be approved as public benefit organisations. As a result, donations made to such tax-approved funds qualify for the usual 10 percent income tax deduction.

As South Africa finalises its Disaster Management Tax Relief Bill, a couple of suggestions come to mind. These include allowing a full tax deduction for donations to approved COVID-19 disaster-relief funds and welfare efforts. Another is to grant zero-rated VAT on hand sanitisers and related medical supplies. Click here to read more

Major Wine Producing Countries

SOUTH AFRICA: INDUSTRY STILL CLARIFYING WINE EXPORT DETAILS

The South African wine industry would like to provide further feedback following the release of the Government Gazette (Click here to read more yesterday and the industry communique last night, which refers to an exemption with regard to wine exports.

Given the complexities of the interpretation of the Gazette, the South African wine industry’s Exporters Task Team is still in deliberations with the relevant Government departments and stakeholders to ensure clarification on various aspects linked to the regulations published.

This process is taking longer than anticipated and we are aware of frustrations that the industry might be experiencing while wine businesses are awaiting our feedback to plan accordingly.

We would like to assure you that the Task Team has your best interests at heart and is working tirelessly to ensure that we have the absolute correct legal clarification before communicating it to the industry in the course of tomorrow.

We would like to thank you for the positive feedback thus far, and would like to request your further patience in this regard.

Kind regards,
WoSA Team

VinIntell

VinIntell March 2020 Issue 43: ...AND THEN CORONA STRUCK

By the time of writing, South Africa as indeed the world is trying to make sense of this new dystopian world we live in. Whereas this edition would have been dedicated to packaging in a world in climatic crisis, Covid-19 (coronavirus disease 2019) struck and suddenly that theme seemed inappropriate for now at least. All over the world extreme measures are implemented and extraordinary plans made to save people and economies. Socially and professionally everything is different, unknown at times scary.

The particulars are startling: companies such as GE and Ford retooling to make ventilators, the scramble for protective gear, beaches and malls deserted, city centres quiet and empty, the economy in freefall. We feel overwhelmed because so much is beyond our control. We wonder how we are going to pay salaries and wages. A restaurant in Cape Town is selling vouchers for meals redeemable in the future just to be able to keep the engine room open.

We are bunkered in our homes and so much feels unreal, detached. It’s as if we are in a movie.
There is no one that with confidence predict what the future post corona will look like. A disruptor that has no historical equivalent, no handbook; yet history will show that South Africa became the first country in the world to impose a strict shutdown before a single death due to the virus. Although it saved the lives of countless people, it also came at a massive economic cost, and poorest citizens are suffering worst. The state is not moving fast enough to feed and help them.