The BI Daily is compiled and submitted by the SAWIS BI Team. The content is for the exclusive attention of SAWIS members and may contain information that is privileged and confidential. Articles in the BI Daily have as far as possible been interpreted, put into context, validated and confirmed. If you as recipient have any queries, comments or would like to submit an article, please direct them to Charles Whitehead (charles@sawis.co.za).

**Consumer Countries/Markets**

**Rebalancing the ‘COVID-19 Effect’ on Alcohol Sales**
While approximately half of U.S. states plan to be partially re-opened by mid-May, nearly two months of lockdown orders have had an inordinate impact on the alcohol industry. Shelter-in-place restrictions have muted on-premise sales, and overall economic impacts to consumers and supply chain issues present challenges to a healthy retail sales outlook. Despite booming in-store and online sales, the reality is that the alcohol industry has a long road ahead to get to where conditions were before COVID-19.

But what would it take to rebalance topline market performance for alcohol given shifts in where people can purchase alcohol? And how can current behavioral shifts toward take-out restaurant services and "off-premise" alcohol sales be leveraged to offset the immense "on-premise" losses?
[Click here to read more](#)

**COVID-19: France vs Portugal**
Portugal and France represent two of the oldest, most involved and highest per capita consumption markets in the world, where wine is affordable, widely distributed and a historical habit. As such, one would expect a similar consumer behaviour pattern during lockdown. However, data is showing some significant contrasts – for instance, Portuguese consumers are decreasing their consumption while French consumers appear to be drinking more.
[Click here to read more](#)

**Global and SA Trends**

**The Post-COVID-19 World Will Be Less Global and Less Urban**
For the past four decades, globalization and urbanization have been two of the world’s most powerful drivers. Global trade increased from under 40% of the world’s GDP in 1980 to over 60% today. Over the same period, the number of people living in cities more than doubled to over 4 billion people today — more than half the world’s population.

COVID-19 will reverse both of these trends, increasing the distance both between countries and among people. Some will laud these changes for increasing safety and resilience. But a world that is less global and less urban would also be less prosperous, less stable and less fulfilling.

Here are two core predictions about the world after COVID-19:

Less global, more isolated.
Even before COVID-19, the decades-long trend toward ever-more globalization of trade, investment, supply chains and people flows was beginning to grind to a halt. We began to look closer to home in terms of the products we produce and consume, the people with whom we
interact, and where we get our energy and our money.

Less density, more distance. Urbanization is likely to be the other major casualty of the coronavirus. Unlike globalization, the trend of ever greater-urbanization was unaffected by the global financial crisis. Even America — the land of all things suburban — joined the global march into cities. People were attracted to cities not only for economic opportunity but also for the urban lifestyle.

After coronavirus, people will be more fearful of crowded trains and buses, cafes and restaurants, theaters and stadiums, supermarkets and offices. Crowded spaces are the lifeblood of cities. But now crowds are seen as major health risks.

Global Trends - Wine Industry Key Elements

Common experience, different response?
The first three Covid-19 Impact Reports from Wine Intelligence have focused on the English-speaking markets of Australia, the US, and the UK. Comparing the data shows some remarkable consistencies, but some equally interesting contrasts.

At first glance, and despite differences in infection rates and government responses, the behaviours and trends we have seen in those three markets seem remarkably consistent. Broadly, wine consumers have stayed strongly connected to the category, switching the volumes they consumed in on-premise into larger off-premise purchasing, and finding new occasions (online chats, earlier pre-dinner drinks) in which to enjoy a glass.

However, whilst the overall patterns seem similar, upon closer examination, the underlying drivers of behaviour and attitude are different. Younger adult consumers under 25 – also known as Gen Z – were infrequent wine drinkers before lockdown. In the UK and Australia, the pandemic has further reduced their connection with wine, most likely because wine was associated with a highly social public occasion in their lives previously. However, in the US Gen Zs are drinking a bit more often – probably due to having more meals at home.

The wine unicorns are (not) coming
Predictions about the post-pandemic environment are many and varied. Robert Joseph asks whether there will be a widespread return to the small and artisanal. If we are to believe some commentators, the Brave New post-COVID-19 World in which we will be living will see a wholesale return to small, local, family-run, sustainable agriculture. We will be tired of buying online from Big Business and will rush to create relationships with real human beings.

Homemade alcoholic brew finds a market as prices soar
With the sale of alcohol banned for over seven weeks, the illegal booze trade has mushroomed and prices rocketed. People who used to frequent shebeens in the southern Cape, say syndicates have stepped in and are charging exorbitant prices for conventional brands of alcohol. In response, people have started to brew their own liquor at home. Pineapples and apples are used mostly.

On the south coast, many people are now making a living from it, brewing up 25-litre buckets of iqhilika in places such as Nekkies in Knysna, Nonqaba in Mosselbay, Nokuthula in Plettenberg Bay, and Lawaaikamp and Thembalethu near George.

The home-brewed alcohol sells for about R10 a litre or R20 for a 2.5-litre bottle. In contrast, Zola Xhinwa, of Nokuthula, says a bottle of Smirnoff vodka is now going for R450 and beer prices have doubled, even trebled.