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Greetings

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# Business Strategy

## Trends that determine the course of consumption

A report by Wine Intelligence states that this year, consuming patterns, during summer in the northern hemisphere, will be divided in two areas: small format containers (bottles and cans of 250ml or below) and wine in carton packaging, typically Tetra-Pak or equivalent.

It is believed that the new dimension in the summer drinking patterns will be less to do with the product itself, and more to do with the container it comes in.



In research published last year it is reported that just under half of UK consumers have bought a small format (typically 187.5 or 250ml) bottle at some point in the past, and around 8%, or just over 2 million consumers, buy this format at least once a month. Around half a million consumers say they buy wine in a carton every month (about 2% of all regular wine consumers), out of a total population of “ever boughts” of just under 4 million, or 13% of the UK regular wine drinking population.

Buyers are more likely to be females in their 30s and 40s, and part of the appeal of the format is its practicality – lightweight, difficult to break – as well as (generally) costing less than a standard 75cl bottle.

More recently, some new research in the Netherlands has exposed a similar pattern. Here, one in 5 consumers say they buy small format bottles at least once a month and around 8% of Dutch consumers say they buy wine in a carton. The main drivers are again outdoor occasions and, interestingly, as a cooking ingredient.

[www.winesur.com/news/trends-that-the-determine-the-course-of-consumption](http://www.winesur.com/news/trends-that-the-determine-the-course-of-consumption)

# Women Make Better Business Decisions

Companies hoping to make better decisions should hire more women, a new study finds.

Research from McMaster University in Ontario revealed that women's abilities to make fair decisions when competing interests are at stake make them better corporate leaders. Specifically, the study found that women are more likely to consider the rights of others and to take a cooperative approach to decision-making, which ultimately translates into better performance for their companies.

According to Chris Bart, a study co-author and professor of strategic management at McMaster University, the findings show that having women on the board is no longer just the right thing, but also the smart thing to do. Companies with few female directors may actually be shortchanging their investors.

The study, which surveyed more than 600 board directors, revealed that male directors, who made up 75 percent of the survey sample, prefer to make decisions using rules, regulations and traditional ways of doing business and getting along. In comparison, female directors felt less constrained by these parameters and more prepared to rock the boat.

The research also discovered that female corporate directors are significantly more inclined to take the interests of multiple stakeholders into account in order to arrive at a fair and moral decision. In addition, women tend to



use cooperation, collaboration and consensus-building more often, and more effectively, in order to make sound decisions.

According to Gregory McQueen, one of the study's co-authors and a McMaster graduate, women seem to be predisposed to be more inquisitive and to see more possible solutions.

The researchers said their findings that women's higher-quality decision-making abilities make them more effective, gives corporate boards a method to deal with the multifaceted social issues and concerns currently confronting corporations.

[www.livescience.com/28193-women-may-make-better-business-decisions.html?utm\\_source=feedburner&utm\\_medium=feed&utm\\_campaign=Feed%3A+Livesciencecom+%28LiveScience.com+Science+Headline+Feed%29&utm\\_content=Google+Reader](http://www.livescience.com/28193-women-may-make-better-business-decisions.html?utm_source=feedburner&utm_medium=feed&utm_campaign=Feed%3A+Livesciencecom+%28LiveScience.com+Science+Headline+Feed%29&utm_content=Google+Reader)

# Five Economies That Work: Global Success Stories

Reining in taxes and spending may be the wrong prescription for what's ailing the world's economies. A few success stories – Israel, Brazil, Chile, Uruguay, and Russia – illustrate how increased taxing and spending are adding bounties of new jobs and cutting poverty.

Countries like Brazil, Chile, Uruguay, Israel, and Russia, among others – are achieving these results by doing the exact opposite of their wealthier counterparts: Instead of spending less, their governments are spending more.

These findings correspond with that of the International Monetary Fund (IMF), whose country-level data on unemployment for these five countries are as follows:

Country	2007	2010	2012
Brazil	9.3%	6.7%	6.0%
Chile	7.0	8.2	6.6
Israel	9.2	8.3	7.0
Russia	7.2	7.5	6.0
Uruguay	9.2	6.7K	6.7

## Why They Are Winning

What sets these successful economies apart from the many others whose economies remain in the doldrums? Is it lower taxes, fewer regulations, and fiscally conservative government expenditures – i.e., the standard policy prescriptions that many of today's orthodox economists advise? Actually, no: While the five countries outlined above do exhibit legal structures that are friendly to businesses and business development, if you place them all next to the United States, you will find that each one's government collects and spends *significantly higher* levels of taxes from its citizens every year. From the *CIA World Factbook*:

Country	Taxes as a Percentage of GDP
Brazil	39.9%
Chile	22.7
Israel	27.8
Russia	21.2
Uruguay	29.7
United States	15.5

These higher tax revenues do not squelch economic growth and job creation in these countries at all; rather, they boost them. This is because the governments wisely return those incoming tax revenues to the people in the forms of public works projects; health-care services; education, job training, and school-tuition assistance; and social-welfare services, such as unemployment assistance and meal vouchers.



Country	Net Public Debt as a Percentage of GDP, 2012
Brazil	34.4%
Chile	0 (fiscal surplus of 6.9%)
Israel	67.0
Russia	11.0
Uruguay	33.2
United States	83.8

The United States' five counterparts in the table above do better at restraining their public debts, in part, through sheer fiscal discipline: They refrain from enacting programs for which funding is not available; they eliminate costly inefficiencies within government operations and services; and they maintain sufficiently stringent oversight of public and private banking, financing, and credit.

### Lessons on Economy Building

"It is high time for a move toward a growth- and jobs-oriented strategy. This would help coordinate policies and avert further contraction caused by fiscal austerity," states World of Work 2012. The report encourages countries to undertake the following program steps:

Strengthen the labor market conditions so that wages grow in line with productivity; this would include consistent increases in the minimum wage.

Restore credit conditions and build a positive business environment for small enterprises; there may be a case for more heavily taxing firms that do not reinvest their profits, and for lowering taxes on firms that actively invest their profits and create jobs.

Promote employment while meeting fiscal goals. In developing countries, this should center on public investment to reduce poverty and income inequality and to stimulate domestic demand. In advanced economies, this should center on supporting job seekers' searches for new jobs.

### Moving toward Stability

On the other hand, the five countries that we have explored in this report – Brazil, Chile, Israel, Russia, and Uruguay – are, whether they realize it or not, exemplary case studies in the ILO's plan of action. They illustrate the benefits that a country's people can enjoy if its government carries it through to completion. Rather than muddle through austerity, they have been taking proactive steps to boost domestic demand, public investment, and labor protections.

In so doing, they underscored the value of two words: work and save. These countries beat unemployment by spending to create work opportunities, while at the same time managing to save money from unnecessary consumer spending binges. By setting clear goals and focusing fiscal expectations on them, they earn their ways to financial stability.

They also validate the findings of a 2005 Harvard report cautioning that, while government shouldn't interfere too much in an economy, it should also not interfere too little.

[www.wfs.org/futurist/2013-issues-futurist/march-april-2013-vol-47-no-2/five-economies-work-global-success-stories](http://www.wfs.org/futurist/2013-issues-futurist/march-april-2013-vol-47-no-2/five-economies-work-global-success-stories)

# Markets/Regions

## New wine group for independent growers

A new wine group called Independent Fine Wine Growers of Australia has been created to support a group of small wineries with low yields and production under 20,000 cases a year.

According to Tom Portet, founding chairperson, the group has been developed based on four principles. The wineries are independently owned and operated; they have low yields of below two tonnes an acre or 30 hl per hectare; production under 20,000 cases per year as well as sustainable and hand managed vineyard practices.

He says that they have come together to test the fine wine market in the emerging markets of Europe and to gauge the expectations of wine buyers.

[www.theshout.com.au/2013/03/28/article/New-wine-group-for-independent-growers/FZPFMTPZGS.html](http://www.theshout.com.au/2013/03/28/article/New-wine-group-for-independent-growers/FZPFMTPZGS.html)



# Packaging

## Confusing wine descriptions revealed

New research by Laithwaite's has picked out the words and phrases that consumers find the least and most useful when describing wine.

When polled, 55% of the 1,000 volunteers (who were all “reasonably well-informed” about wine) said that many descriptions did not help them understand the taste.

Firm skeleton”, with 37%, was judged the most useless, “old bones” (35%) wasn’t far behind and nor was “nervy” (31%).

Other less-than-helpful terms included: “wet stone” (27%); “tongue spanking” (21%); “haunting” (21%); “spring hedgerows” (19%) and “brooding” (18%) as well as “vegetal”,

“leathery”, “chunky” and the word of the moment, “minerality”.

“Fresh” was regarded as the most useful word, along with “zesty” and “peachy”.

Justin Howard-Sneyd MW, a consultant for Laithwaite’s Wine, said that the results were not surprising: “Describing wine is not an exact science; wine and taste are very personal, very subjective things.” A wine that I think tastes of cherry, could taste totally different to someone else, so it’s no wonder that there is such a vast variety of language when it comes to wine descriptions.

[www.thedrinksbusiness.com/2013/04/confusing-wine-descriptions-revealed/](http://www.thedrinksbusiness.com/2013/04/confusing-wine-descriptions-revealed/)



# Technology

## Fingertip alcohol scanner launches today



The world's first system to test alcohol levels at the touch of a finger is being launched by AlcoDigital today.

The system can determine a person's level of intoxication in seconds with just a touch of a finger. The technology has been shown to be 96% accurate.

The scanner uses a near-infrared light to measure blood alcohol content in the skin via contact with an optical pad. The light reflected back by the skin is then analysed to determine alcohol concentration in the tissue.

The system can also determine the identity of the user meaning it could be used at entranc-

es or turnstiles, enabling companies in sectors like construction, mining and heavy industry to test every employee before they start work.

According to Suzannah Robin, sales director of AlcoDigital, alcohol abuse is not a problem restricted to transport. Screening every employee, every day can produce a step-change in underlying behaviour. Vehicle interlocks can ensure drivers are tested on a daily basis, but TruTouch introduces the same safety culture to every environment.

[www.thedrinksbusiness.com/2013/04/fingertip-alcohol-scanner-launches-today/?article-source=newsletter&source=556&date=2013-04-09](http://www.thedrinksbusiness.com/2013/04/fingertip-alcohol-scanner-launches-today/?article-source=newsletter&source=556&date=2013-04-09)

# Fungus resistant grape variety unveiled

A French laboratory has unveiled a new grape variety that is resistant to mildew and other fungal diseases.

It is a red grape and apparently needs just one to three treatments a year according to Agroscope, the laboratory that developed it, rather than the more usual six to 10.

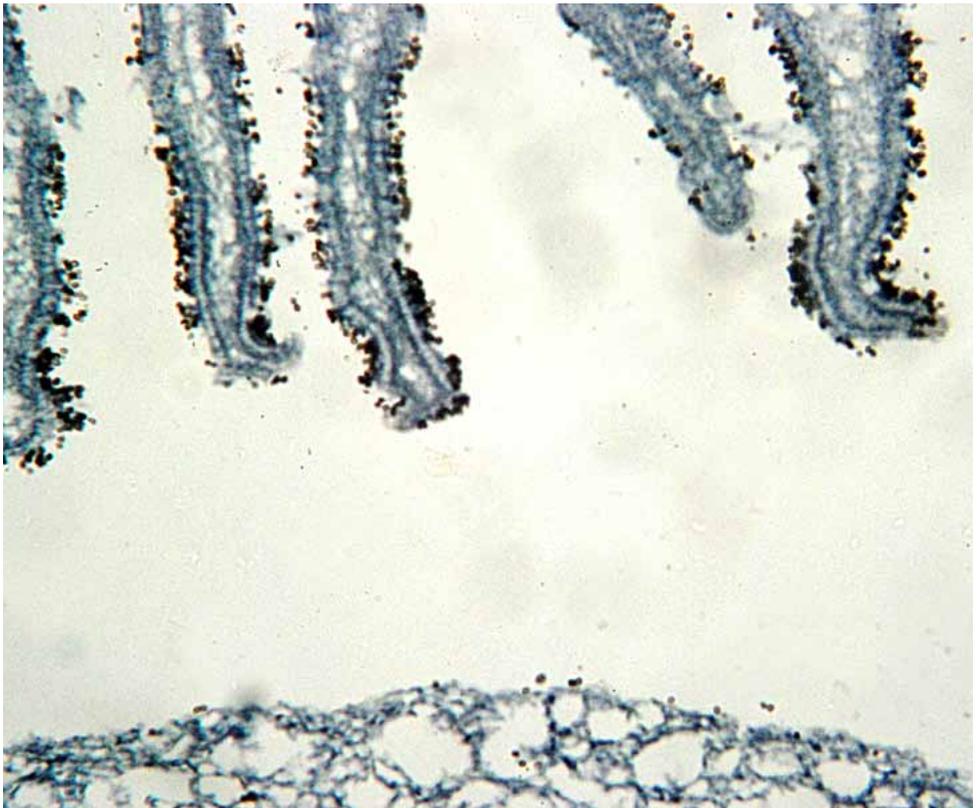
French newspaper Le Matin said that the grape had “an interesting aromatic personality” and produced wines with good colour and tannins.

The grape has been bred to be resistant to mildew, grey rot and oidium. It is a crossing of

Gamaret, a Swiss grape well known for its rot-resistant properties, and another German variety that is also strongly resistant to diseases, Bronner.

Rather than some of the more prosaic names by which new varieties are known, Divico derives its name from the chief of a Helvetian tribe, the Tigurini, which, during the Cimbrian War of 113-101 BC, he led to victory against the Romans in Provence and decisively defeated them at the battle of Burdigala near Bordeaux in 107 BC.

[www.thedrinksbusiness.com/2013/04/fungus-resistant-grape-variety-unveiled/](http://www.thedrinksbusiness.com/2013/04/fungus-resistant-grape-variety-unveiled/)



# Health

## Scientists develop red wine wonder pill



Scientists have developed a pill harnessing the health-boosting benefits of red wine that claims to protect against a host of chronic, and often fatal, diseases.

A new study has found conclusive evidence that the red wine compound resveratrol directly activates a protein that promotes health and longevity in animals.

While red wine contains low concentrations of resveratrol, pharmaceutical compounds similar to it may be able to treat and prevent diseases related to ageing.

Instead of drinking 100 glasses of wine a day, you could just take a pill,” said author of the study David Sinclair, professor of genetics at Harvard Medical School.

According to David Sinclair, the studies are small so we can't claim victory yet, but the drugs appear to be safe in humans so far.

Mounting evidence has demonstrated that resveratrol increases the activity of a specific sirtuin, SIRT1, which protects the body from diseases.

[www.thedrinksbusiness.com/2013/03/scientists-develop-red-wine-wonder-pill/](http://www.thedrinksbusiness.com/2013/03/scientists-develop-red-wine-wonder-pill/)

## Red Wine Drinkers Digest Meals Better

Two new studies add to evidence that drinking red wine with meals brings health benefits. A recent study by the Hebrew University of Jerusalem found pairing turkey cutlets with red wine prevented the increase of malondialdehyde levels in human blood plasma.

In another study, conducted by a team at a German university hospital in Bochum and published in the *Journal of Cardiovascular Pharmacology*, subjects who drank red wine while eating a high-fat meal of French fries and pork sausages experienced lower levels of inflammation in their blood vessels than those who drank other beverages.

### Could alcohol help keep you trim?

A team of researchers at French universities in Lille, Toulouse and Strasbourg has found that daily responsible consumption of alcohol may help keep men thinner. For the study, published in the *Annals of Nutrition and Metabolism*, the team monitored nearly 8,000 men, ages 50 to 59, beginning in 1991. Men who drank daily – nearly 75 percent of the men in the study – were most likely to be trim, as long as they avoided heavy consumption. Occasional drinkers – one to two days a week – were more likely to show signs of obesity, followed by frequent drinkers – three to five days a week.

### Light drinking linked to lower blood pressure

Heavy consumption of alcohol is known to increase the level of hypertension in adults, potentially leading to heart disease and stroke. However, a recent meta-analysis of previous research by a team of cardiologists at St. Luke's Roosevelt Hospital Center and Columbia University finds that light drinking can either reduce the risk of hypertension or at least not elevate it.



The study concludes that alcohol intake should be limited to daily recommended allowances, and adults who drink should get their blood pressure checked regularly.

[www.winespectator.com/webfeature/show/id/48134](http://www.winespectator.com/webfeature/show/id/48134)

# Water Resources

## Looming Threat of Water Scarcity

Globally 1.2 billion people – almost a fifth of the world – live in areas of physical water scarcity, while another 1.6 billion face what can be called economic water shortage, according to a study by Worldwatch Institute.

The situation is only expected to get worse as population growth, climate change, investment and management shortfalls, and inefficient use of existing resources restrict the amount of water available to people.

It is estimated that by 2025, 1.8 billion people will live in countries or regions with absolute water scarcity, with almost half of the world living in conditions of water stress.

Water scarcity comes in several forms.

Physical scarcity occurs when there is not enough water to meet demand and its symptoms include severe environmental degradation, declining ground water and unequal water distribution.

Economic water scarcity occurs when there is a lack of investment and proper management to meet the demand of people who do not have the financial means to use existing water sources.

Large parts of Africa suffer from economic water scarcity.

A region is said to face water scarcity when supplies fall below 1,000 cubic meters per

person, and absolute water scarcity is when supplies drop below 500 cubic meters a year.

About 66 per cent of Africa is arid or semiarid, and more than 300 million people in sub-Saharan Africa currently live on less than 1,000 cubic meters of water resources per person.

World population is predicted to grow from 7 billion to 9.1 billion by 2050, putting a strain on water resources to meet increased food, energy, and industrial demands.

But there are many other pressures, including increased urbanisation and overconsumption, lack of proper management, and the looming threat of climate change.

According to the United Nations Food and Agriculture Organization and UN Water, global water use has been growing at more than twice the rate of population increase in the last century.

At the global level, 70 per cent of water withdrawals are for the agricultural sector, 11 per cent are to meet municipal demands, and 19 per cent are for industrial needs. These numbers, however, are distorted by the few countries that have very high water withdrawals, such as China, India and the United States.

[www.thebioenergysite.com/news/12527/looming-threat-of-water-scarcity](http://www.thebioenergysite.com/news/12527/looming-threat-of-water-scarcity)



## German wine exports continue downward trend

German wine exports slid by 15.2% in 2012 compared to 2011, continuing a declining trend from the previous year, according to statistics released by the German Wine Institute.

[www.decanter.com/news/wine-news/583742/german-wine-exports-continue-downward-trend](http://www.decanter.com/news/wine-news/583742/german-wine-exports-continue-downward-trend)

## World Wine Output Fell 6% on Plunge in France, Spain, Argentina

Output fell to 250.9 million hectoliters (6.63 billion gallons) from 266.8 million hectoliters in 2011, the OIV wrote in documents handed out to reporters in Paris today. That beat an October outlook for production of 248.2 million hectoliters.

[www.bloomberg.com/news/2013-03-21/world-wine-output-fell-6-on-plunge-in-france-spain-argentina.html](http://www.bloomberg.com/news/2013-03-21/world-wine-output-fell-6-on-plunge-in-france-spain-argentina.html)

## Israeli producers fight EU pressure

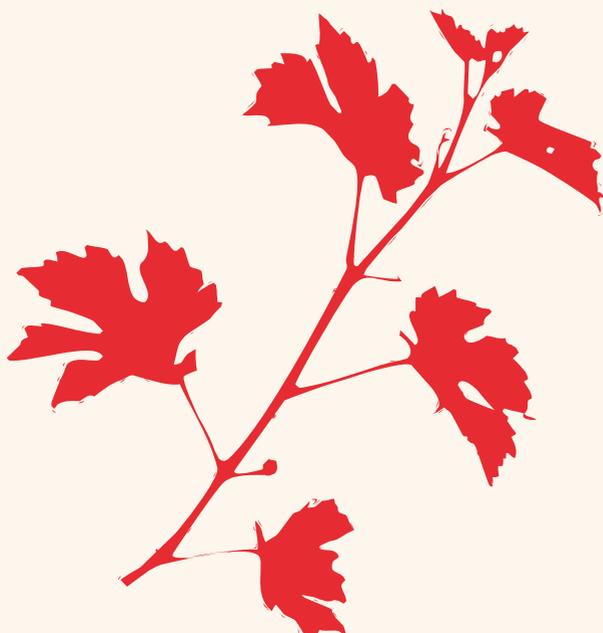
Israeli winemakers on the West Bank are facing a growing battle with the European Union over how they label produce from this politically sensitive region.

[www.thedrinksbusiness.com/2013/03/israeli-producers-fight-eu-pressure/](http://www.thedrinksbusiness.com/2013/03/israeli-producers-fight-eu-pressure/)

## California wine shipments dip for first time in 11 years

But retail value rises 9%; 'amazing diversity of choices'

[www.northbaybusinessjournal.com/71794/california-wine-shipments-dip-for-first-time-in-11-years/](http://www.northbaybusinessjournal.com/71794/california-wine-shipments-dip-for-first-time-in-11-years/)



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