# The wages of sin rise ever higher - and the net is thrown wider

By Bianca Capazorio

23 Feb 2017

If you enjoy a cigarette with your rum and coke, your wallet will face a triple threat this year.

Finance Minister Pravin Gordhan's budget increases the so-called "sin taxes" - excise taxes on tobacco and alcohol - to raise revenue of R5.1bn and make way for the introduction of a tax on sugar-sweetened beverages later this year.

The excise duty rate for beer, wine and spirits will increase by between 6.1% and 9%, while the rate for tobacco products will rise between 8% and 9.5%. While the price of traditional African beer and beer powder will remain unaffected, South Africans will be paying more for their tipple come 1 April.

Beer will cost approximately 11c more for a 340 ml can, while unfortified wine will increase by 30c a litre and fortified wine will increase 35c a litre. Those with a champagne lifestyle will be paying more for it - 93c a litre more. Spirits will cost R4.43 more per bottle.

South Africans' penchant for expensive cigars means that a higher than inflationary increase is on the cards for these, translating into an additional cost of R6.58 for 23g.

A pack of 20 cigarettes will cost R1.06 more while cigarette tobacco prices will rise by R1.19 for every 50g, and pipe tobacco by 40c for every 50g.

Gordhan said the proposed tax on sugary drinks "will be implemented later this year once details are finalised and the legislation is passed".

The tax will be calculated at a cost of 2.1c for every gram of sugar content in excess of 4g per 100ml. This is slightly lower than the originally proposed 2.29c/g.

The 2017 budget review document says the Treasury's "preliminary socioeconomic impact assessment shows a relatively small effect on job losses, most of which can be prevented if companies reformulate their products".

*Source: BDpro*