

How did loadshedding impact the fiscus?

While a diesel shipment arrived and provided relief to the dire stage 4 loadshedding in South Africa last month, this may be short-lived if the boiler tubes are not repaired by the time the diesel is burnt by the open-cycle gas turbines.



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“We have recently seen many articles about how the economy is hurting due to loadshedding. If we assume that loadshedding has potentially cost the South African economy R38bn by 20 March 2019, what would the loss to the South African Revenue Services (Sars) be?” asks Madelein Grobler, South African Institute of Chartered Accountants (Saica) project director: tax.

“If we take the current estimated tax-to-GDP ratio of 28.8% per the 2019 National Budget Review into account, Sars may have lost almost R11bn in revenue collections since January 2019,” says Grobler.

“Interesting enough, Sars announced on 1 April 2019 the preliminary outcome for the financial year ending 31 March 2019 fell short by R14.6bn. This raises the question if the R11bn could possibly be contributed to the current deficit or impact National Treasury’s budget in future.

The R11bn does not take into account the R5bn spent by Eskom on diesel in the past three to five months due to unavailable plants and shortage of coal supply,” she says.

"It is not just the private sector within South Africa that suffers, but government and every individual living in South Africa also bears the brunt of loadshedding."

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