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25 September 2022

Honourable Enoch Godongwana

Minister of Finance

Per e-mail: mary.marumo@treasury.gov.za / minreg@treasury.gov.za

Dear Mr Godongwana

REQUEST FOR MINISTER TO SUBJECT THE DA'S PROPOSALS FOR ITEMS TO BE ZERO VAT RATED TO EXPERT ANALYSIS

I am writing to you amidst a crisis. Soaring food prices are wreaking havoc on low- and middle income South African consumers, the consequence of which is that more and more households are unable to put enough food on the table.

In your response to my question regarding whether your department will consider increasing the number of food items that are zero rated for VAT you cited a study completed in 2018 that deemed an enlargement of the zero-rated food basket to be inefficient and to the benefit of wealthier consumers. Economic conditions have however deteriorated significantly since then.

Minister, you have further stated that, if requested, your department will subject the proposals by the DA to drop VAT duties for basic food items including chicken, beef, tinned beans, wheat flour, margarine, peanut butter, baby food, tea, coffee, and soup powder to an expert panel's analysis.

Today vast amounts are spent by the Government on budget items such as the so-called R 50 million donation to Cuba, the allocated R 2 billion VIP Protection budget for the SAPS to protect high ranking government officials, and the billions of rands that are spent on luxury accommodation and catering by

ministerial departments. Minister, these budget items do not serve the public and the funds are surely better applied serving the South African citizenry.

I hereby formally request that you do subject the basic food items proposed by the DA to expert analysis. Even though zero-rating the items proposed by the DA will have a negligible impact on the fiscus, it will make a significant impact on the grocery bills of struggling households. Your urgent action to assist increasingly hungry South Africans would be greatly appreciated.

Dr Dion George MP
Shadow Minister of Finance
Democratic Alliance