

‘Hike in VAT should be called a Zuma tax as it’s due to graft’

SIYABONGA MKHWANAZI

MINISTERS in the economics cluster have welcomed the Budget, but opposition parties have been angered by the increase in VAT from 14% to 15%.

Public Works Minister Nathi Nhleko said yesterday it was a tough balancing act by Finance Minister Malusi Gigaba.

He said there were many priorities that Gigaba had to consider in tabling the Budget.

“It’s a balanced Budget. It recognises the difficulties from the fiscal point of view,” said Nhleko.

He also did not say how long the audit of government’s 195 000 properties to be sold to generate revenue for the state would take.

Gigaba said the sale of some

of the non-core assets would raise R40 billion for the government.

Trade and Industry Minister Rob Davies also described the Budget as balanced with competing needs.

He said what was important was that investment tools would be made in the incentive schemes.

The announcement on R57bn for fee-free education would ensure the increase in young people entering

universities, said Davies.

He believes South Africa can reach the projected 1.5 percentage economic growth this year. He said there was much more certainty in the country, and investments would flow in.

ANC treasurer-general Paul Mashatile said the Budget had made efforts to support small businesses.

He said the increase in VAT

would raise R36bn. VAT would be mitigated by the zero rating in basic foodstuffs.

But DA leader Mmusi Maimane would have none of it and described the 1% increase in VAT as an assault on the poor. “VAT is a crime against the poor. It is an assault against the poor. It should be called a Zuma tax because of the ANC corruption,” said Maimane.