

Gigaba's Budget blasted as a Zuma tax

Opposition angered at VAT hike, slam it as assault on the poorest

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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 it was a tough balancing act by Finance Minister Malusi Gigaba.

He added there were many priorities that Gigaba had to consider in tabling his maiden Budget.

"It's a balanced budget. It recognises the difficulties from the fiscal point of view," said Nhleko.

Gigaba said the sale of some non-core assets would raise R40 billion for the government.

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

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

The announcement of R57bn for fee-free education would ensure an increase in young

people entering universities, said Davies.

He believed that South Africa could reach the projected 1.5% economic growth this year.

He added that there was now 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 generate R36bn.

Mashatile added that the VAT hike would be mitigated by the continued zero-rating of basic foodstuffs.

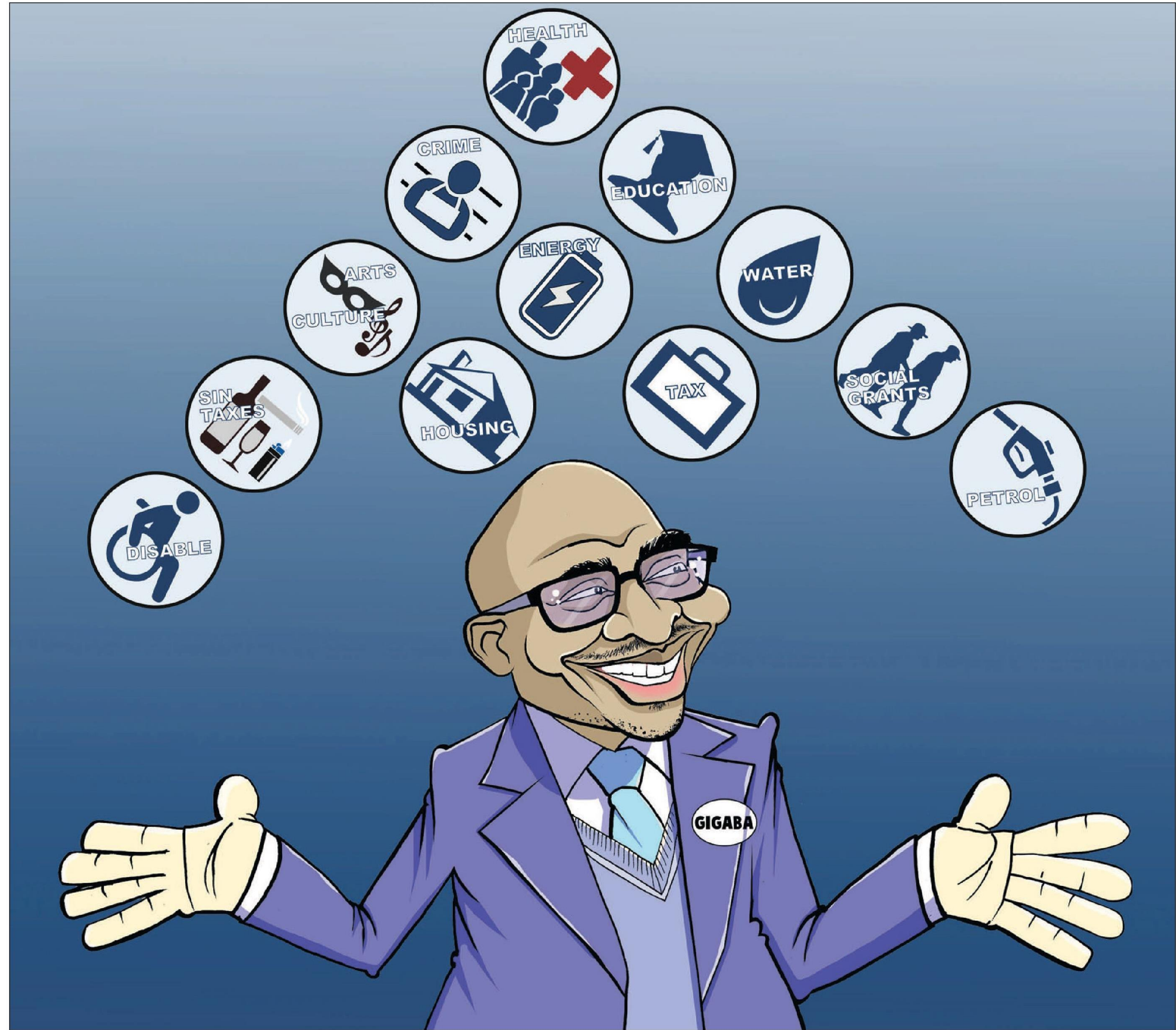
But DA leader Mmusi Maimane had none of it and described the 1 percentage-point increase in VAT as an assault on the poor.

"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 in state capture," Maimane said.

He added that fee-free education was not sustainable.

“**VAT increase is a crime against the poor**”



Cope leader Mosiuoa Lekota said the increase in VAT would hit the poorest of the poor in the pocket.

He also warned against the country's rising debt, saying it was not sustainable and needed to be brought down urgently.

Cosatu described the Budget as a missed opportunity by Gigaba to address key challenges facing the nation.

It said he should have dealt with corruption, state capture and the needs of the poor.

The trade union federation

said economic growth was not about numbers but rather about meaningful change in the lives of poor people.

"We enthusiastically welcomed the vision and plan that was outlined in the State of the Nation Address by Presi-

dent Cyril Ramaphosa last week. However, it's obvious that he sold us a dummy and that the whole vision was nothing but a false prospectus," said Cosatu.

"While the president was emphatic on the need for the

government to kickstart the economy, create jobs to absorb the millions of unemployed and to tackle the scourge of corruption and state capture, which there has been a deafening silence on, how is that going to be achieved?" it asked.