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Media Statement

COPE REJECTS VAT INCREASE AS ANTI-POOR PUNISHMENT AND FALSE BINARY

For Immediate Release

The Congress of the People (COPE) unequivocally rejects the proposed Value-Added Tax (VAT) increase as a cruel, anti-poor punishment inflicted on South Africa's most vulnerable citizens.

We condemn the Minister of Finance's attempt to present a false binary, claiming that the nation must either accept this regressive tax hike or lose the Social Relief of Distress (SRD) grant. This is not a choice but a shameless tactic to shield government failures while squeezing the poor to the breaking point.

South Africa stands at a precipice. With unemployment at 40%, a crippling cost-of-living crisis, and a youth population abandoned to joblessness, the last thing our people need is a tax increase that disproportionately harms struggling households. VAT, as a consumption tax, strikes hardest at the poor, the unemployed and the marginalised, those who can least afford it, while the wealthy and corrupt elite remain untouched. This anti-poor stance is not fiscal responsibility. It is budgetary cowardice, a refusal to confront the real culprits: rampant corruption, mismanagement and economic stagnation.

COPE has long warned voters not to trust the ANC, a party that now proves its betrayal by punishing the poorest of the poor to prop up a broken system. The government's skewed priorities -24 % of the budget servicing unsustainable public debt and over 36% funding bloated public sector salaries, leave little for the investments needed to grow the economy and create jobs. Raising VAT to sustain this mess is morally indefensible and economically disastrous.

For many years, COPE has warned about the uncontrolled, creeping and irresponsible national debt that has now resulted in trillions of Rands and needs to be repaid. This is a serious indictment of the leaders who dumped debt on future generations.

The Minister has ignored the wise counsel of SARS Commissioner Edward Kieswetter, who cautioned that raising taxes would dampen investment and undermine growth. Instead of heeding this advice, the government opts to burden a population already reeling from poor service delivery, load-shedding and the high cost of living. We call on the Minister to heed the sensible Kieswetter's advice.

COPE demands that the Minister abandon this punitive VAT increase and false binary narrative. Deliver a budget that restores trust, prioritises the welfare of the people, and sets South Africa on a path to prosperity for all and not one that protects the corrupt at the expense of people experiencing poverty.

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