

NOT FOR FILING

# People need protein – zero-rate chicken, MPs told in VAT hearings

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CHICKEN should be zero-VAT-rated to help combat malnutrition and the stunting of growth from lack of protein, several organisations argued in Parliament yesterday.

Parliament's Standing Committee on Finance (Scof) heard submissions from the public on the VAT panel's report. The public had until August 31 to make submissions, which Treasury is now considering.

Various organisations — including labour, civil society and even industry representatives — have asked Parliament to make a call on the inclusion of poultry products on the list, which the VAT panel advised against in its recommendations to Treasury.

The Budget Justice Coalition raised concerns over the lack of protein on the zero-VAT list. Paula Proudlock, representing the coalition, said there is a protein deficiency among the poor and malnutrition has contributed to high stunting and anaemia. Proudlock also suggested that more items be considered, such as peanut butter and soya mince, which is used in school feeding schemes.

Mervyn Abrahams for Pietermaritzburg Economic Justice and Dignity suggested that the extremely high stunting levels are impacting future economic productivity. "We are on a pathway to institutionalise low growth if stunting continues," he warned.

Although Cosatu supported the products recommended by the panel — which include white bread, sanitary products, school uniforms and nappies — the trade federation also proposed the inclusion of locally produced



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poultry products.

FairPlay (a non-profit trade movement) submitted that the inclusion of chicken on the zero-VAT list would be in the best interests of the poor, as it will assist in combating malnutrition while providing financial relief in the face of rising poverty levels. "Chicken is a staple of lower income households, not a luxury," said FairPlay's Lionel Adendorf.

He added that having policies in place that support protein intake would be better for productivity and the health status of South Africans.

The South African Poultry Association (Sapa) also pleaded a case to include chicken on the list. Based on Sapa's research, chicken is among the top 10 items consumed by low income households, accounting for the greatest (13%) portion in the food basket.

According to Sapa, based on its figures, the loss to the fiscus by including fresh or frozen whole bird products and portions would be between R1,3 billion and R1,9 billion. This is between six percent and eight percent of the additional revenue Treasury expected to collect through the increased VAT rate, explained Dr Ziyanda Majokweni, acting general manager of the Broiler Organisation.

Sapa has also committed to ensuring the VAT savings of chicken's inclusion on the zero-VAT list will be passed on to consumers and that it will not be accrued to producers.

Scof chair Yunus Carrim said it was much clearer from civil society which items should be included on the list to benefit the poor. He asked Treasury to take the public submissions far more seriously. — Fin24.