



**NUMSA condemns the GNU for attempting to punish the over-burdened working class  
with a proposal to increase VAT  
25 February 2025  
Press Statement**

The National Union of Metalworkers of South Africa (NUMSA) is disturbed that the budget proposal of the Government of National Unity, is to punish the already overburdened South African working class with a massive 2% increase, (from 15% to 17%) in VAT, purportedly so that the GNU can continue to service its social commitments to the South African people! We condemn in the strongest terms this blatant disregard of, and cold insensitivity to, the actual lived, hard and cruel conditions of the majority of the people of this country who are the Black and African working class.

More than at any time in the post 1994 South African dispensation, no government today with a conscience can propose to increase VAT on the broad masses of the working class, as a means of raising government revenues. Unemployment, poverty and inequality have exploded and are at dangerous levels. It is in fact the failure of the ANC, over the 30 years when it had a majority in parliament, to tackle the crisis of unemployment, poverty and inequality affecting largely the Black and African working class, which has led to the drastic loss of electoral support for the ANC. Now the first GNU budget wants to increase the suffering of the Black and African working class by increasing VAT, massively.

It is also important to note that the first time that VAT was increased from 14% to 15% was under the administration of Cyril Ramaphosa in April 2018, and if this proposal is implemented, it means that VAT would have been increased twice under the leadership of Ramaphosa.

VAT is a regressive tax that disproportionately negatively affects the poor. Many households are currently overburdened financially. They are suffocating under the crushing burden of debt caused by trying to survive from month to month on their poor earnings. The cost of transport and food is very expensive and most people cannot afford. Research by the Pietermaritzburg Economic Justice and Dignity Group (PMBEJD) shows that the working class spends 57% of their wages on food, transport and electricity. Therefore, a 2% increase in VAT would cripple them even further financially. In April this year, Eskom intends to implement a 12.7% tariff increase which will significantly affect a household's ability to survive month to month. The state talks about prioritising debt and payment of international loans, but these loans are not taken to serve the interests of the working class majority.

The DA, as the party of White Power and Privilege in South Africa and in the GNU, claims not to support increasing VAT, rather, it wants to dismantle ANC "Holy Cows" of already severely scaled down social spending through the neo-liberal austerity measures the South African and foreign capitalist class and the ANC have imposed on South Africa since 1994! The DA, consistent with its mission of protecting White economic power and social privileges, has not accepted a VAT increase but has already instead, proposed further cuts to social programmes which benefit largely the Black and African working class such as money for the SETAs and government funding for skills. They have also proposed to deepen privatization of energy and the ports. And they want to attack all the gains made by workers by introducing 'labour market flexibility' through reducing "*barriers to entry, and foster a more competitive environment by*

*eliminating excessively strict hiring and firing regulations that discourage job creation and limit small business growth”, as reported in [Businesslive](#). In short, the DA wants to make it easier to dismiss workers and it seeks to remove basic labour law protections that workers fought for decades to secure. NUMSA condemns the DA for continuing to promote policies that will deepen the exploitation of workers, for the benefit of capital.*

The DA will not accept any measures which will force South African and foreign capitalists to share the massive profits they make out of our labour and natural wealth, through appropriate taxes. The ANC itself in the GNU is too weak, too pro-business and therefore incapable of protecting the interests of the majority of the people of this country, who are the working class, in the Government of National Unity.

### ***What is to be done?***

It is time for the working class of all races, unionised or un-unionised, to unite in opposition to the attacks on our lives by the GNU government. The DA is deceiving the entire South African working class by pretending to be fighting for its interests by rejecting the VAT increase while simultaneously not proposing measures to tax the owners of capital to fund vital government programmes!

The working class must wake up and see the GNU government for what it is: a coalition government of and for foreign, Black, African and White capitalists.

Only a united, militant and very well organised working class can stop greedy capitalists, their foreign partners and the GNU from further worsening the conditions of life of workers and their families. They can demand that South African and foreign capital pay the right taxes to guarantee full employment, end poverty, eliminate gross inequality and guarantee a decent life for the working class in the country.

NUMSA is ready to play its part in uniting the entire South African working class to defend and protect its class interests, during this most difficult of times.

### **ENDS**

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