**MEDIA STATEMENT**

**FINANCE COMMITTEES BRIEFED ON NATIONAL TREASURY AND SARS’ STRATEGIC AND ANNUAL PERFORMANCE PLANS, AND BUDGET**

**Parliament, Tuesday, 5 May 2020 –**The Standing and Select Committees on Finance were briefed on the National Treasure and South African Revenue Services’ (Sars’) strategic and annual performance plans, and budget for the 2020/21 financial year by Minister Tito Mboweni and Deputy Minister David Masondo, together with the National Treasury Director-General and the Sars Commissioner.

The National Treasury presented an annual budget of R33.1 billion, which will be spent under the seven departmental programmes.

Co-Chairperson Mr Joe Maswanganyi advised the National Treasury to consider revising its annual plan to deal with the economic structural reform measures, in order to address the challenges of poverty and joblessness.

However, the two committees welcomed the statement from Minister Mboweni that small, medium and micro-enterprises and cooperatives should be given equal opportunity in the procurement of personal protective equipment for Covid-19, as long as they meet prescribed minimum standards.

The committees held the firm view that the national disaster arising from the Covid-19 pandemic is not a license to suspend application of the Constitution and other legislation concerning procurement. Mr Joe Maswanganyi emphasised that procurement processes during the state of national disaster must be conducted within the framework of existing statutes, including Section 217 of the Constitution, the Preferential Procurement Policy Framework Act and the Broad-Based Black Economic Empowerment Act.

He further called on lobbyists advocating for the sale of cigarettes during level 4 lockdown to base their argument on facts, with respect to the claim that the government stands to lose on tax revenue collection.

“The sale of cigarettes falls under the excise duty tax category, which contributes only 3.2% to the revenue. Under the same category, cigarette sales come second, below alcohol. The biggest contributors to the national revenue are personal income tax (38.3%); value-added tax (25.2%) and corporate tax (16.6%).,” said Mr Maswanganyi.

**ISSUED BY THE PARLIAMENTARY COMMUNICATION SERVICES ON BEHALF OF THE CHAIRPERSON OF THE STANDING COMMITTEE ON FINANCE, MR JOE MASWANGANYI, AND THE CHAIRPERSON OF THE SELECT COMMITTEE ON FINANCE, MR YUNUS CARRIM.**