**NATIONAL ASSEMBLY**

**QUESTION FOR WRITTEN REPLY**

**QUESTION NUMBER:** **265 [NW269E]**

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**265. Mr D W Macpherson (DA) to ask the Minister of Finance:**

Whether, with reference to the press statement issued by the National Treasury on 1 April 2022 where it was announced that the 4,5% increase in the Health Promotion Levy will be postponed for a year in order for consultations to take place on lowering the 4g threshold and extending the levy to fruit juices, the specified consultations have taken place; if not, (a) why not and (b) on what date will the consultations take place; if so, (i) on what date did the consultations take place, (ii) with whom and (iii) what were the outcomes?  NW269E

**REPLY**

As announced in the 2023 Budget, the planned increase on the health promotion levy on 01 April 2023 has been suspended for two years. This has been done to enable stakeholders in the sugar industry to restructure or diversify, given the challenges on jobs and farmers from greater regional competitive pressures and the effect of recent floods and public violence.

No consultations generally take place before any tax announcement but is done after such an announcement as part of the legislative process that follows.

Government does, however, consult on policy proposals as explained in the 2022 and 2023 Budget. Government will also soon publish a discussion paper on the levy for consultation on proposals to extend the levy to pure fruit juices and lower the 4-gram threshold. Consultations on the proposals will take place after written comments on the discussion document have been received.