



**MEDIA STATEMENT
FOR IMMEDIATE RELEASE
TO: ALL MEDIA/NEWS EDITORS
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SUGAR TAX RELIEF

The South African farmers Development Association welcomes today's announcement by the Minister of Finance, Honourable Enoch Godongwana, to keep Health Promotion Levy (sugar tax) unchanged for the next two years. This is a relief to the sugar industry and most importantly to our farmers who have been anxiously waiting on the minister to announce this good news. This would enable the industry to pursue various diversification opportunities which would allow the industry to export less sugar and ensure the sustainability of the industry.

In 2018, Treasury introduced the Health Promotion Levy (HPL) on sugary drinks with more than four grams of sugar per 100 ml. The rate is currently fixed at 2.1 cents per gram of the sugar content that exceeds four grams per 100ml. This resulted in a decline of South African Sugar because the beverage producers reviewed their beverage recipes and formulated away from cane sugar in order to mitigate the magnitude of their tax exposure.

We are also pleased by the minister's announcement in relation to the floods that took place in 2021 and 2022, to make available an amount of R695 million for immediate relief and also a further R1 billion to be made available next year. We believe that this will assist our farmers as well that were affected by the floods and have not yet received any assistance to fix their infield roads, farmhouses etc. We hope that this financial relief will assist our farmers to get back to business as some have not been operational due to lack of assistance.

We would also wish to sincerely thank Ministers Thoko Didiza and Ebrahim Patel for their continued support of the recovery efforts aimed at boosting the struggling sugar sector.

ISSUED BY THE OFFICE OF THE EXECUTIVE CHAIRMAN: DR. SIYABONGA MADLALA

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