



MINISTRY OF FINANCE AND ECONOMIC DEVELOPMENT

"Pushing Production Frontiers Across all Sectors of the Economy"

PRESS STATEMENT BY THE MINISTRY OF FINANCE AND ECONOMIC DEVELOPMENT ON STATUS OF VAT ON BASIC PRODUCTS

1. The Minister of Finance and Economic Development, Hon. P.A. Chinamasa MP, announced on the 7th of February 2017, in Parliament, withdrawal of Statutory Instrument 20 of 2017 in view of the impact on prices of affected basic products, which was in most cases much higher than justified by the quantum of the new taxation thresholds.
2. Statutory 20 of 2017 provided for the charging of VAT at a standard rate of 15% on selected basic products.
3. Following the Hon. Minister's review of this policy stance, Treasury is, thus, gazetting a new Statutory Instrument to exempt from VAT, products which include beef, chicken and fish as well as rice, potatoes, margarine and mahewu.
4. The Statutory Instrument takes effect from 16 February 2017, and all traders in such products should no longer charge VAT on the following items:
 - Beef;
 - Chicken;
 - Fish;
 - Rice;
 - Potatoes
 - Margarine; and Mahewu.
5. Consumers should, therefore, not be made to pay VAT on beef, chicken, fish, rice, potatoes, margarine and mahewu, effective from 16 February 2017.
6. The co-operation of all traders is much appreciated.

W.L. Manungo
Secretary to Treasury
Harare
15 February 2017