

NEWSLETTER FROM CATHY BUCKLE IN ZIMBABWE



Of sugar, sugar tax and passing the buck

23 January 2025



Dear Family and Friends,

This is a Letter about sugar, what's happening to the people that grow and mill it, the government's sugar tax, the money it raised and the questions that don't leave a sweet taste in your mouth at all.

Almost a year ago, in February 2024, the government of Zimbabwe introduced a Sugar Tax saying it wanted to reduce excessive sugar consumption that was bad for our health. The tax was US\$0.02 cents per gram of sugar in soft drinks. An outcry from manufactures led the tax to be reduced to US\$0.002 cents per gram and now, a year later, the tax is due to be reduced to US\$0.0005 cents a gram but doctors want to know what's happened to the money raised from the Sugar Tax so far.

In July 2024 the Finance Ministry said there was "US\$8 million now available for us to utilize,' and that this it was "going to target procurement of cancer treatment machines and cancer treatment supplies and drugs." Two months later, in Sept 2024, the Minister of Finance told parliament that US\$18 million Sugar Tax had been collected and said: "We are working speedily with the Health and Child Care Ministry through the procurement processes so that we can acquire these [cancer] machines and drugs as soon as possible." By November 2024 the Permanent Secretary in the Ministry of Finance said US\$30.8 million had been collected.

In November 2024 the Zimbabwe Association of Doctors for Human Rights wrote to the Ministry of Finance saying they wanted: 'an account of what cancer drugs and equipment have been procured since the introduction of the sugar tax and the list of hospitals to which these have been distributed to.'

The Ministry of Finance say they are waiting for details from the Ministry of Health and Child Care and so while they pass the buck we wait but subsequently it didn't go unnoticed that the Minister of Health and Child Care was part of a 'high powered Zimbabwean delegation,' that has gone to Russia.

The fact that government Ministers have gone to Russia to 'gather insights on how to remodel the Mbare Musika Traders Market' which was burnt down last year, has left us open-mouthed and wide-eyed. The delegation consists of the Minister of Health and Child Care, the Minister of Women Affairs, Community, Small and Medium Enterprises Development, the Minister of National Housing and Social Amenities, the Harare Mayor and a team of 'technical experts and senior government officials.' (ZBC) How can Zimbabwe be constructing huge mansions, resorts and shopping malls but we can't cope with building a Market in Mbare and need Ministers to go to Russia to get ideas?

But sadly, the sugar story doesn't end here because the first big warning bell of the impact of Zimbabwe's unceasing economic and currency crisis has just been rung. Triangle Limited, the second largest employer in the country, second only to the government, has just announced that it is to lay off 1,000 workers between now and August. Triangle and Hippo Valley Estates make up the sugar capital of Zimbabwe. Operational since the mid 1930's they employ 16,000 people, produce half a billion US dollars a year, generate electricity for Lowveld communities, establish and maintain schools, clinics, hospitals and roads and employ over 400 medical staff in their huge sugar business.

A thousand employees, think of the impact of that number: add a thousand spouses, perhaps five thousand children and countless thousands of elderly relations, extended family members and then there's the lost revenue for thousands more who benefitted from the spending of all those people.

Reasons for the lay-off at Triangle Limited include escalating operational costs, currency losses, and competition from low-cost, duty-free imported sugar. The inability to claim VAT on inputs after sugar was exempted from VAT have significantly strained operations, Triangle Limited said, adding: 'The current economic environment in Zimbabwe has presented unprecedented challenges for Triangle Limited over the past three years.'

So, when you stir that spoon of sugar into your tea this morning think of us, the sugar tax and the 30.8 million US dollars collected, the Ministers in Russia learning how to build a traders Market and the thousands and thousands of people who will be affected by the massive lay off-of at Zimbabwe's sugar giant, Triangle Limited.

There is no charge for this Letter From Zimbabwe but if you would like to donate please visit my website.

Until next time, thanks for reading this Letter From Zimbabwe now in its 24th year, and my books about life in Zimbabwe, a country in waiting. My new evocative photobook 'Zimbabwe's Timeless Beauty The 2024 Collection' and my Beautiful Zimbabwe 2025 Calendar are now available. Visit my website or follow the links below.

Ndini shamwari yenyu (I am your friend)

Love Cathy 23 January 2025. Copyright © Cathy Buckle <https://cathybuckle.co.zw/>

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