

Joint statement of NGOs on the VAT increase from 17 to 19%

We strongly condemn the intention of the Government of Montenegro to, unilaterally and without broader consultation and comprehensive analysis, increase the rate of value added tax from 17 to 19%, and thus additionally burden the poorest and most marginalized groups of the population with new levies.

In less than a year, the Government has introduced a number of new legal solutions that were aimed at filling the budget, but did not increase the allocation for social welfare, education and other services from which citizens benefit directly.

This led first to the introduction of fees on electricity meters and mobile phones “euro plus euro”, then the so-called crisis tax that additionally reduced the amount of salaries, and finally to the shameful Draft Law on Social and Child Protection, that significantly limited the rights of the poorest groups of population.

Yesterday's adoption of this Law that limited the rights of pregnant women and beneficiaries of children's allowance and material family benefit only confirmed that the Government continues to solve the problems with the budget's deficit at the expense of citizens, and unfortunately, the most vulnerable groups of population.

The adoption of new, higher VAT rate additionally helped bring a large number of citizens closer to the poverty line, and the expected general increase in prices will push the poorest citizens over the border of basic existence.

Although we understand that in the years of crisis we must economize, it is absolutely unacceptable that only citizens and the most vulnerable population groups alone bear the burden of the crisis and bad moves of the Government. This is particularly important when we take into consideration that so far the Government has only economized on social benefits, while other budget expenditures and benefits enjoyed by civil servants at high positions remain insufficiently reduced.

We are particularly concerned about the suspicion that, as in the case of the “euro plus euro” tax, a new higher VAT rate was introduced with the aim to remediate the consequences of bad privatization decisions and for the payment of debts and loans of others, instead of using the money to improve the standard of living. A serious state must be able to collect the tax, not to fill the budget by increasing it, at the expense of all citizens.

That is why we once again urge the Government of Montenegro to withdraw from the Parliament the amendments to the Law on VAT that would increase the tax and to initiate public debate on this issue, and, through discussion, find other ways to remediate the budget deficit, which do not include only shifting the burden to the most vulnerable citizens of Montenegro.

Undersigned NGOs:

Women's group "Stela" - Cetinje

Women's Rights Centre

Montenegrin LGBT Association "Queer Montenegro"

Montenegrin Committee of Lawyers for the Protection of Human Rights

NGO Prima

Green Home

League of Woman Voters in Montenegro

Human Rights Action

Ozon

Expeditio

Women's Safe House

Women's Safe House Nora

NGO Anima, Kotor

Association of Youth Podgorica

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