



2018/19 Mid-Year Budget Review Highlights

October 2018



2018/19 Mid-Year Budget Review

Overview

The Minister of Finance presented the Mid-Year Budget Review Policy Statement in Parliament on the 24th of October 2018. This overview summarises highlights from the speech.

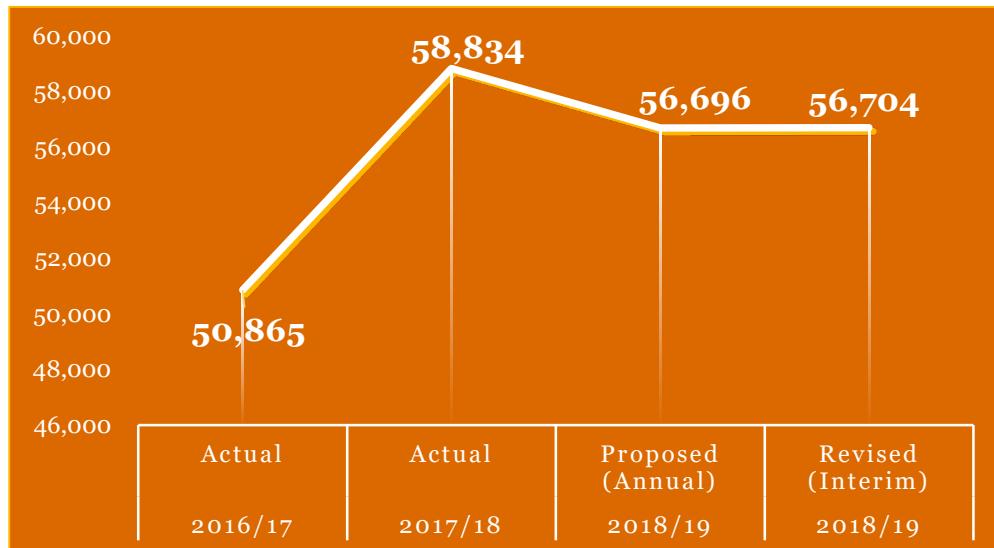


“In our quest to continually improve the living conditions of all Namibians, we need to restart the growth engines within the constraints of a sustainable framework” – Hon. Calle Schlettwein, Minister of Finance

2018/19 Mid-Year Budget Review

Budget Comparisons (N\$ Millions)

Total Revenue Comparison (N\$ Million)



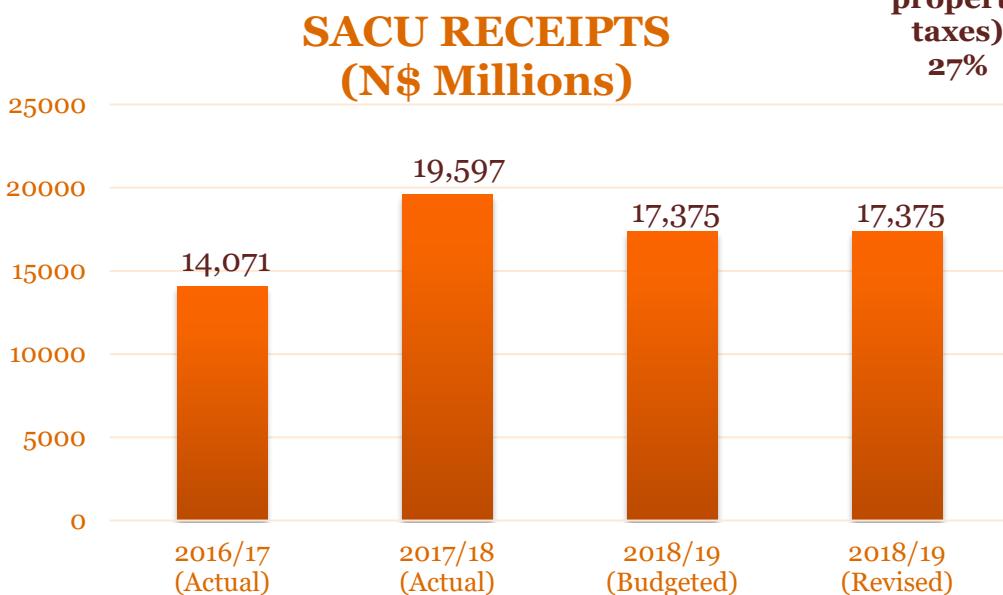
Revenue has shown a slight increase over the first half of the year, with a Mid-Year revenue out-turn amounting to N\$28.8 billion. This is equivalent to 50.8% of the budgeted revenue. This indicates better collection performances by government on taxes.



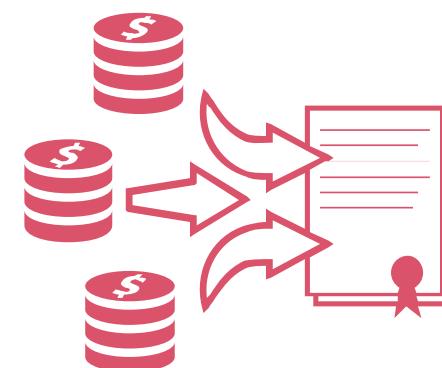
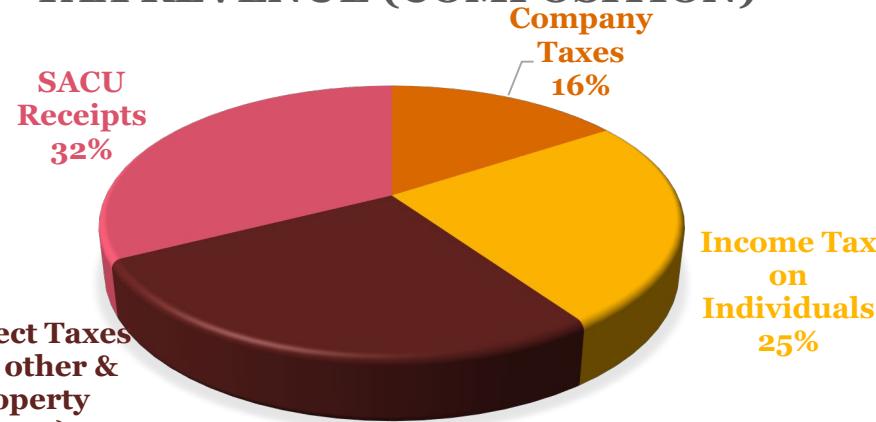
Chantell Husselmann
Tax Leader
Email:
chantell.husselmann@pwc.com

2018/19 Mid-Year Budget Review

Revenue Analysis



TAX REVENUE (COMPOSITION)



2018/19 Mid-Year Budget Review

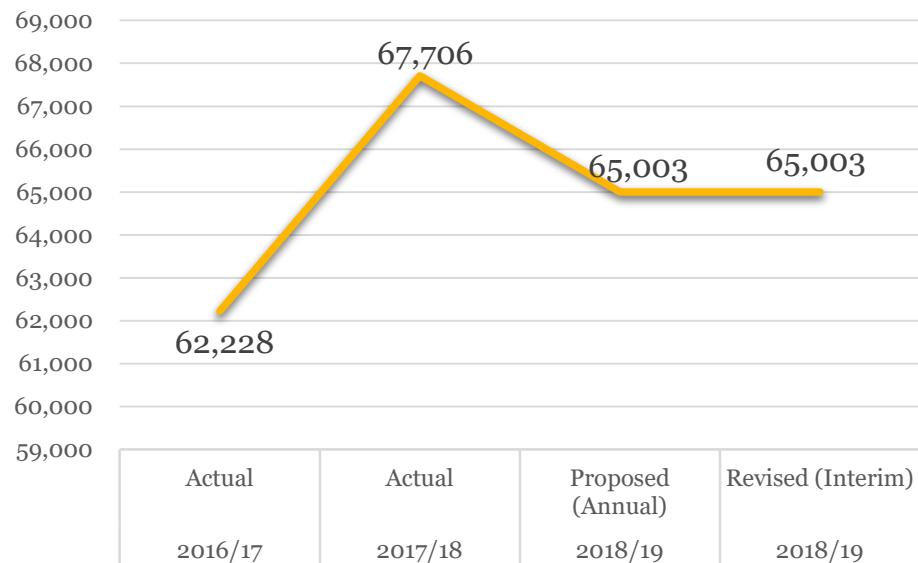
Budget Comparisons (N\$ Millions)

The revised estimated expenditure remains constant as compared to the 2018/19 annual budget. This is a reflection of government's cautious spending practices and focus on priority areas such as settling expenses in arrears.



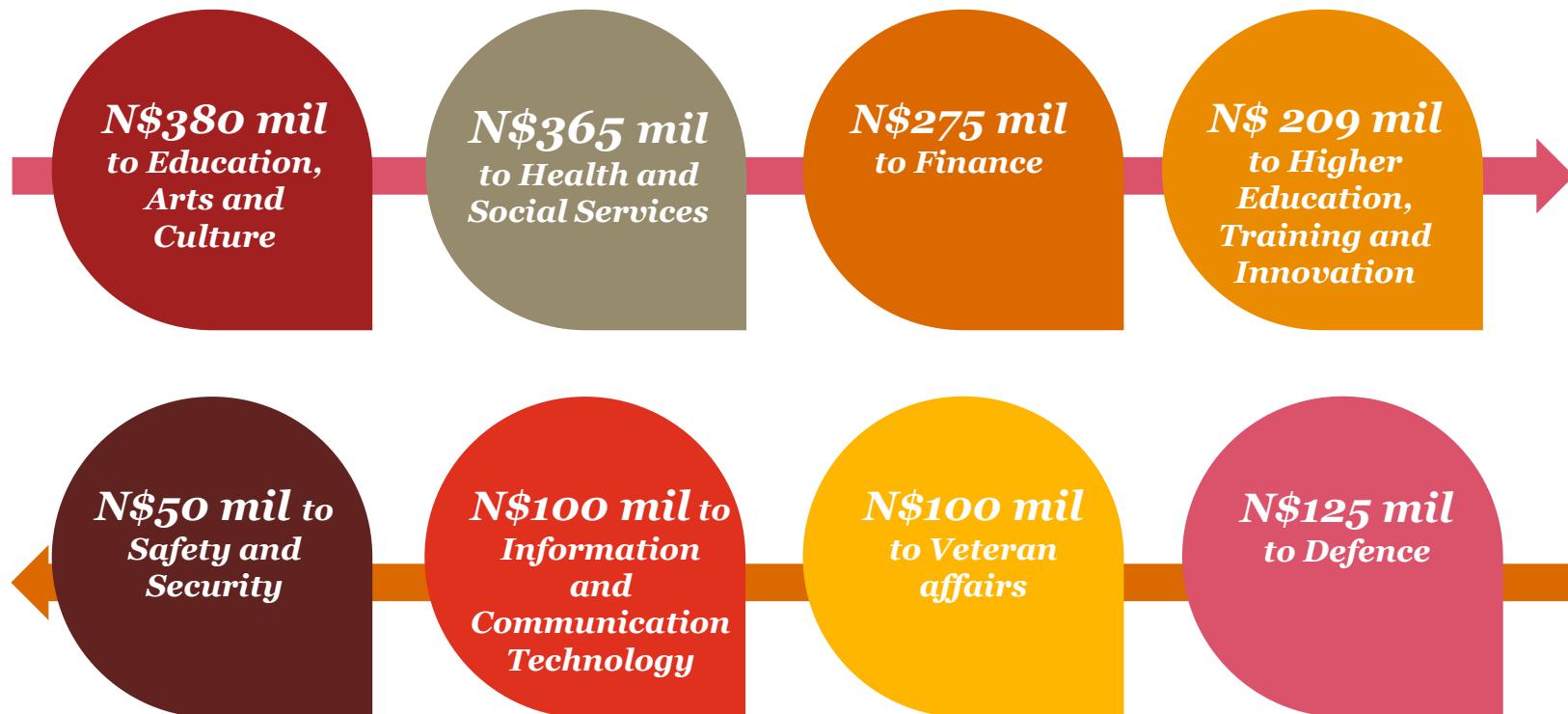
Johan Nel
Director
Corporate Tax Services
Email: johan.nel@pwc.com

Total Expenditure (N\$ Million)



2018/19 Mid-Year Budget Review

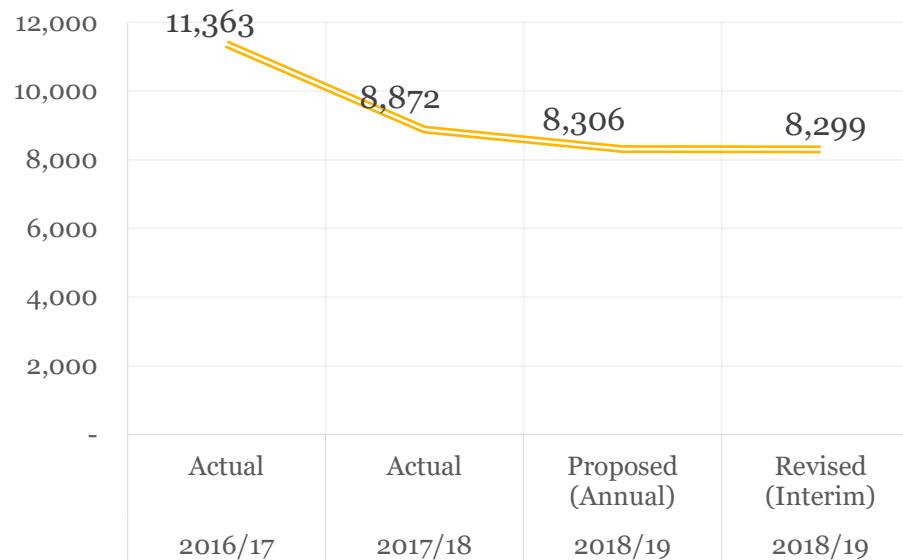
Major reallocations



2018/19 Mid-Year Budget Review

Budget Comparisons (N\$ Millions)

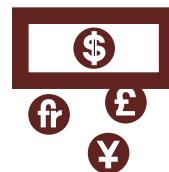
Total Deficit Comparison (N\$ Million)



The 2018/19 Mid Year budget review reflects a budget deficit that has decreased slightly in comparison to the 2018/19 annual budget. The budget deficit is -4.4% of GDP. This demonstrates Government's intentions in reducing growth in public debt as well as keeping expenditure at acceptable levels.



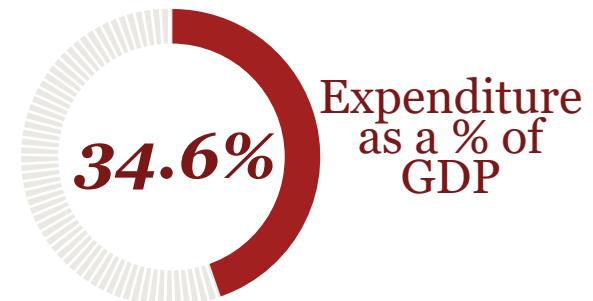
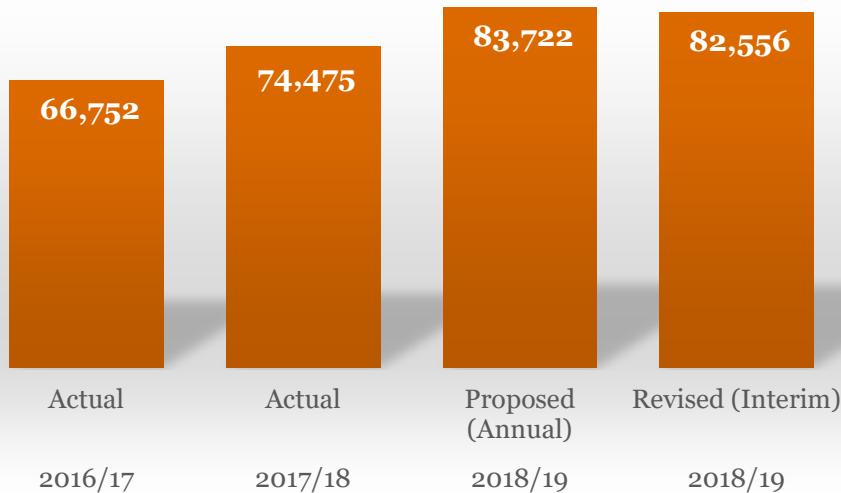
Nelson Lucas
Director
Indirect Tax Services
Email: nelson.lucas@pwc.com



2018/19 Mid-Year Budget Review

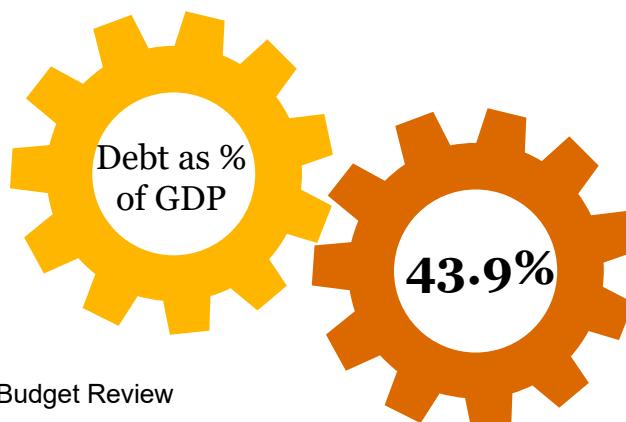
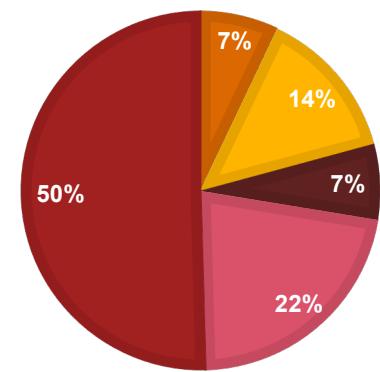
Budget Comparisons (N\$ Millions)

Total Debt



Public Expenditure (Revised budget sectoral allocations)

■ Administrative ■ Economic ■ Infrastructure ■ Public Safety ■ Social



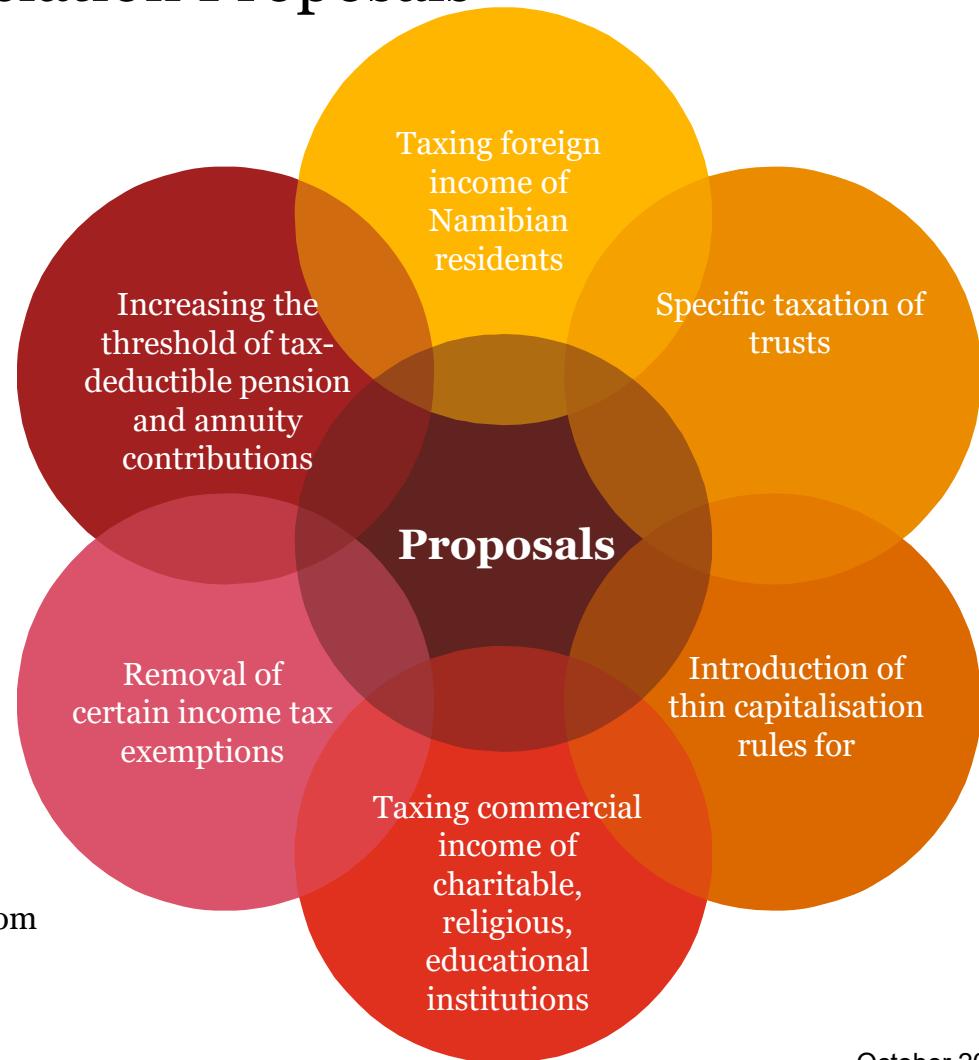
2018/19 Mid-Year Budget Review

Main **Income** Tax Legislation Proposals

The proposal to tax foreign income earned by Namibian residents, is a significant change in tax policy that will require additional resources for enforcement. Double Taxation Agreements often limit the ability of Namibia to tax this income.



Riana Esterhuyse
Associate Director
Walvis Bay - Tax
Email: riana.estenhuyse@pwc.com



2018/19 Mid-Year Budget Review

Main *Indirect* Tax Legislation Proposals

There were no new proposed amendments during the 2018/19 Mid Year budget review for indirect taxes. The proposed amendments for indirect taxes which arose from the 2018/19 Budget speech as read March 2018 are still being considered by government in collaboration with various industry champions.



Chantell Husselmann
Tax Leader
Email:
chantell.husselmann@pwc.com

Indirect Tax Proposals arising from the March 2018 Budget Speech

Additional Sin Tax

Export levy expansion

VAT on income of listed asset managers

Sale of shares/ interest in property company vatable

Any questions?

Contact one of our tax experts below:



Chantell Husselmann
Tax Leader
Email:
chantell.husselmann@pwc.com



Johan Nel
Director
Corporate Tax Services
Email: johan.nel@pwc.com



Nelson Lucas
Director
Indirect Tax Services
Email: nelson.lucas@pwc.com



Riana Esterhuyse
Associate Director
Walvis Bay - Tax
Email: riana.estenhuyse@pwc.com

The information contained in this booklet is based on current Namibian legislation and practice as well as the 2017/2018 Budget speech of the Minister of Finance. Amendments after publication of this brochure as well as the DIR's departmental practice may lead to further changes. This brochure is intended for general information only and does not deal exhaustively with any topics. No responsibility can be accepted for any errors or loss, however caused or sustained. The firm's partners should be contacted for tax planning issues.