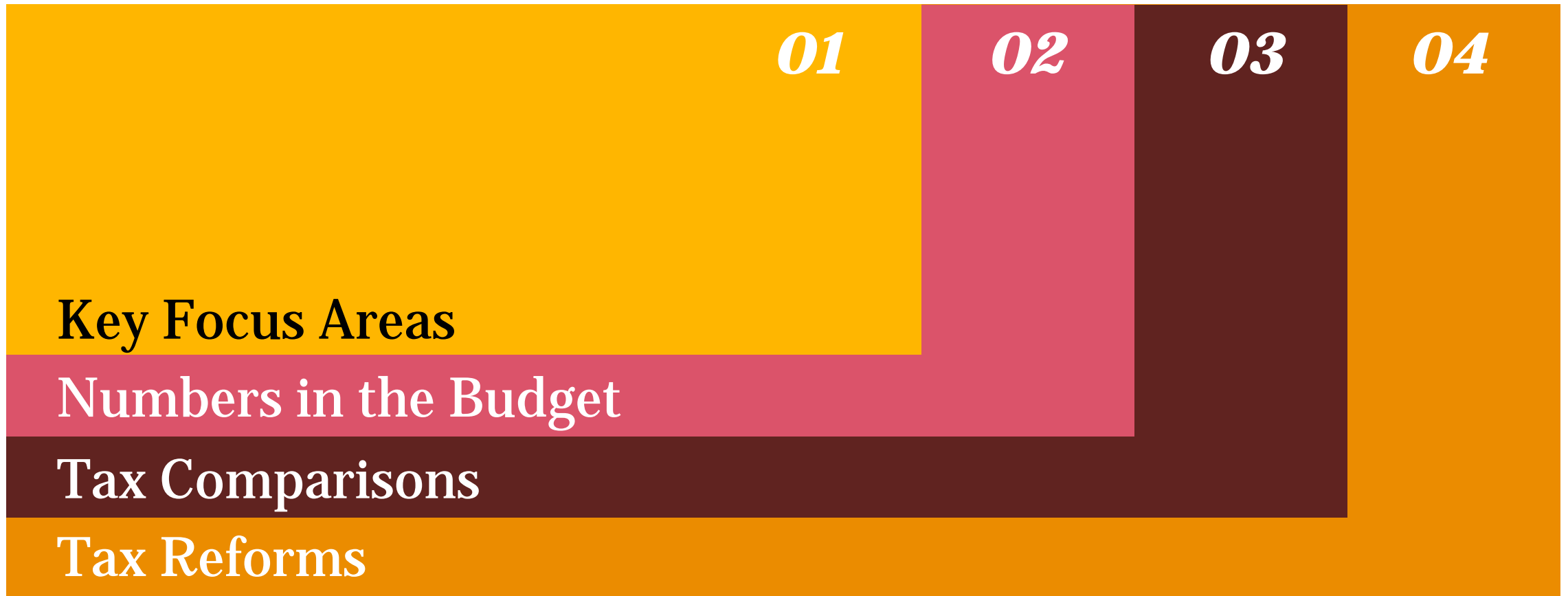


# *Re-Imagine the Possible* 2018/2019

The Dome -  
Swakopmund  
March 2018



# ***Budget Review 2017/2018***

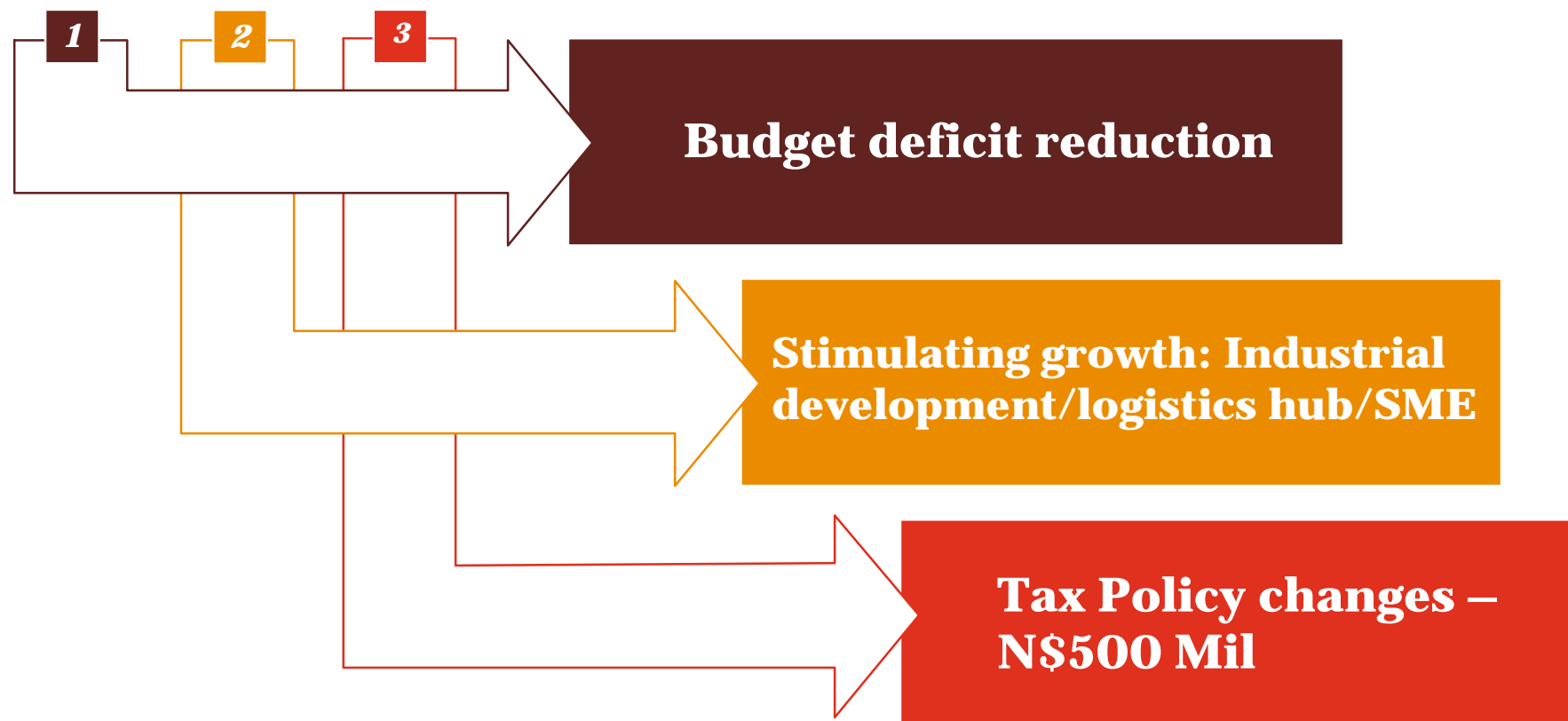


# ***Key Focus Areas***

# ***1***



# ***Three-pronged fiscal policy actions***



# ***Key Focus Areas***

**01**

**Macroeconomic Stability and  
Fiscal Sustainability**

**02**

**Inclusive Growth & Economic  
Diversification**

**03**

**Core Spending on Social Sectors**

**“...We must do what we know must be done, we must do it with confidence and conviction and then we shall be more and better...”**

# ***Key Focus Areas***

**04**

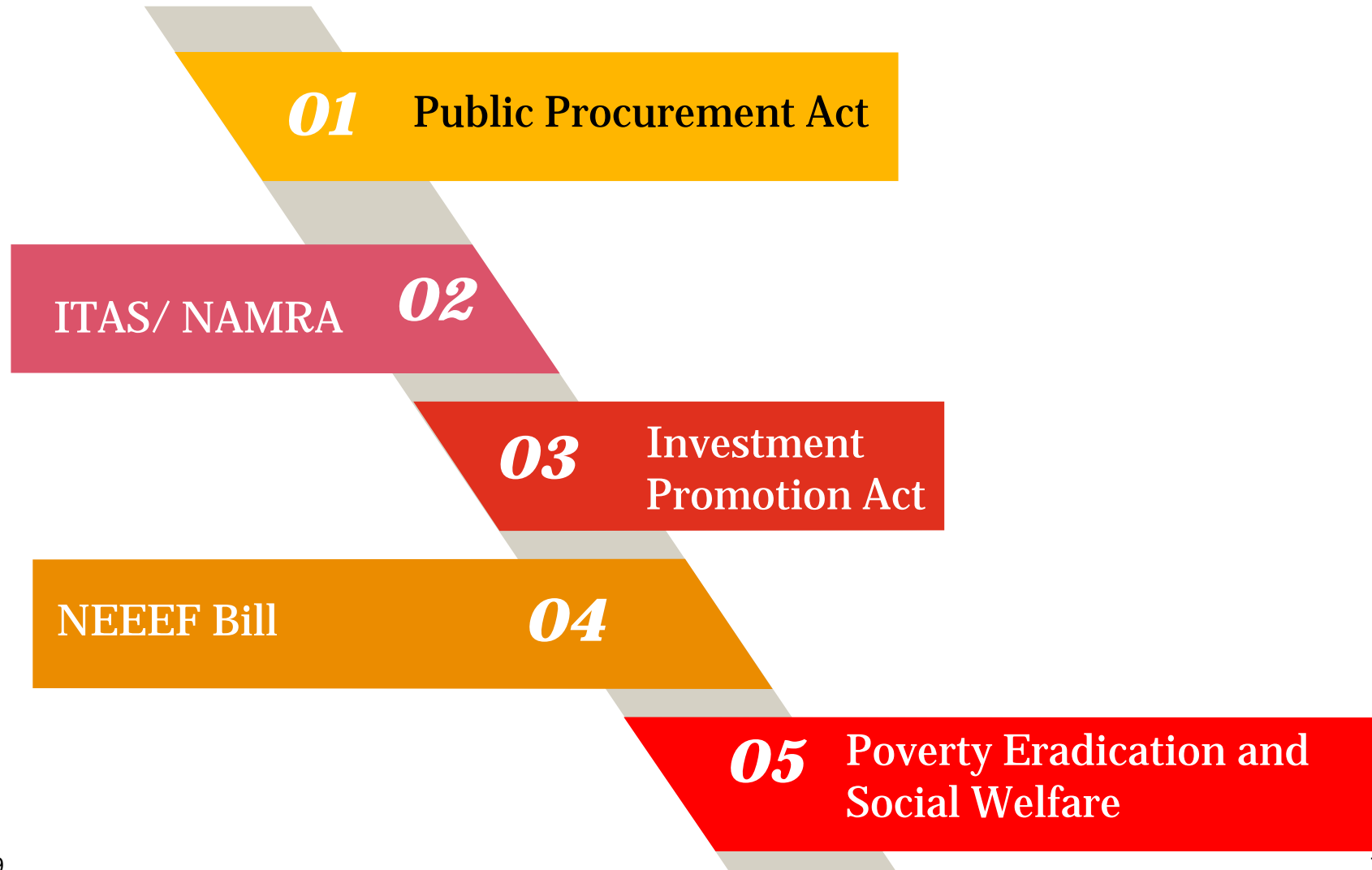
**Fair Tax Policies and Efficient Tax Administration**

**05**

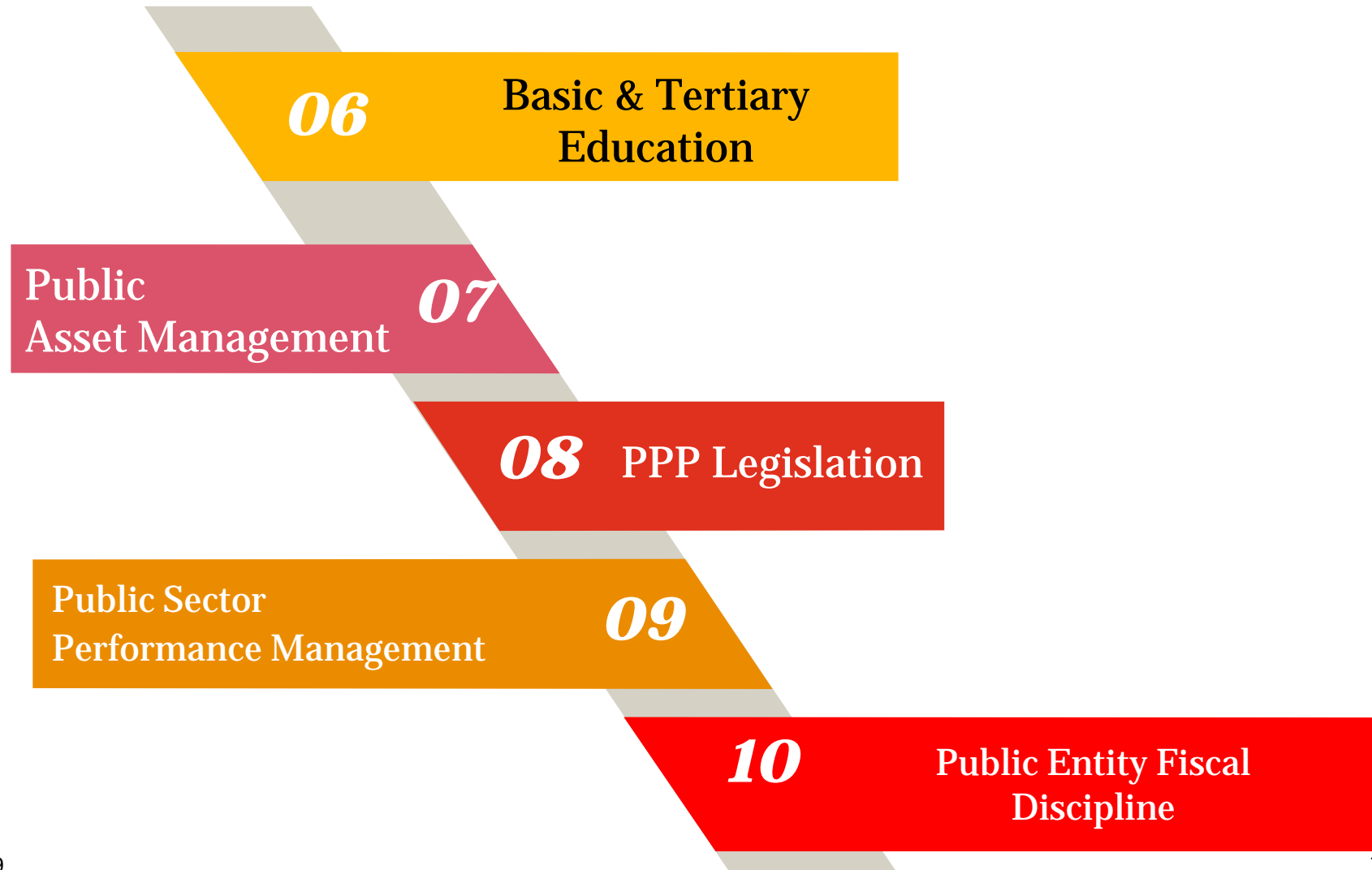
**Enhanced policy effectiveness and strengthened economy competitiveness**

**“...a budget anchored on the gains of the necessary but difficult decisions which we have taken since 2016...”**

# ***Structural Policy Reforms***



# ***Structural Policy Reforms***



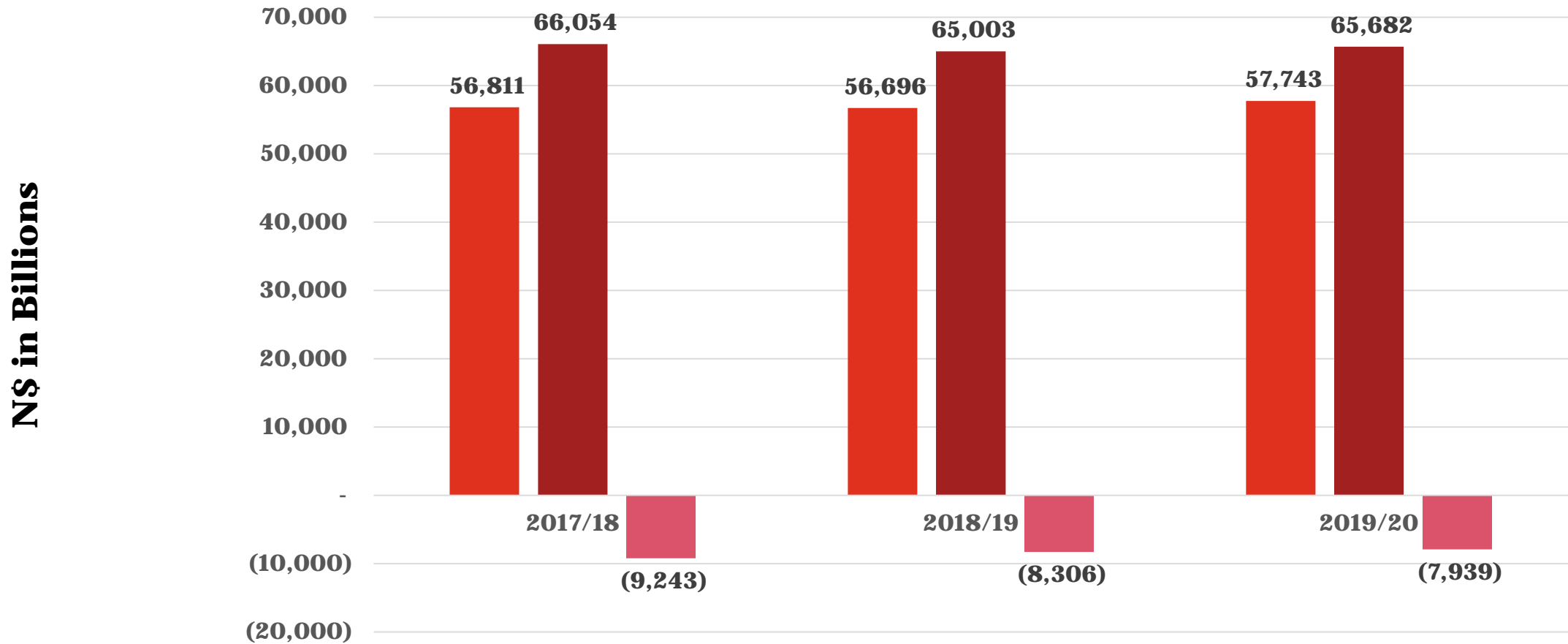


# ***The Numbers***

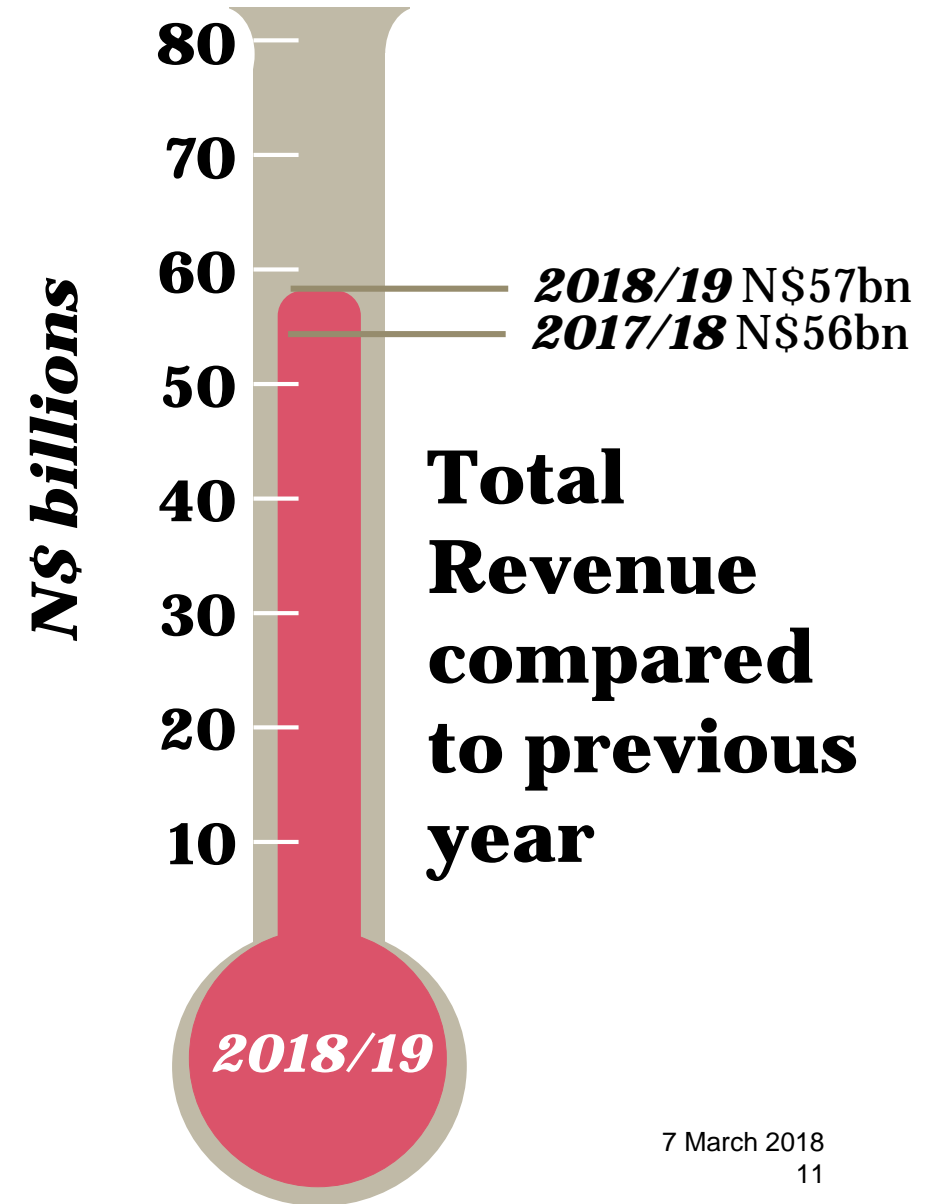
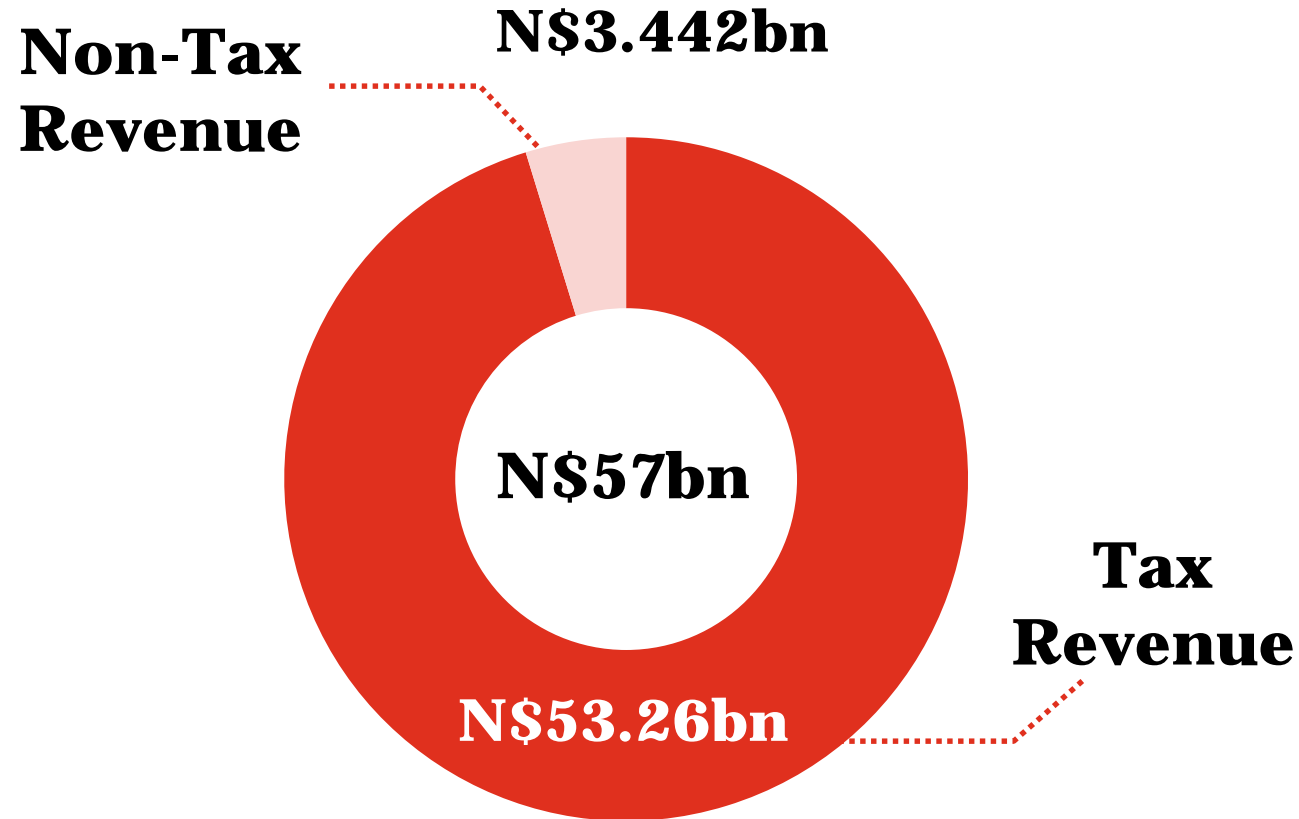
# 2



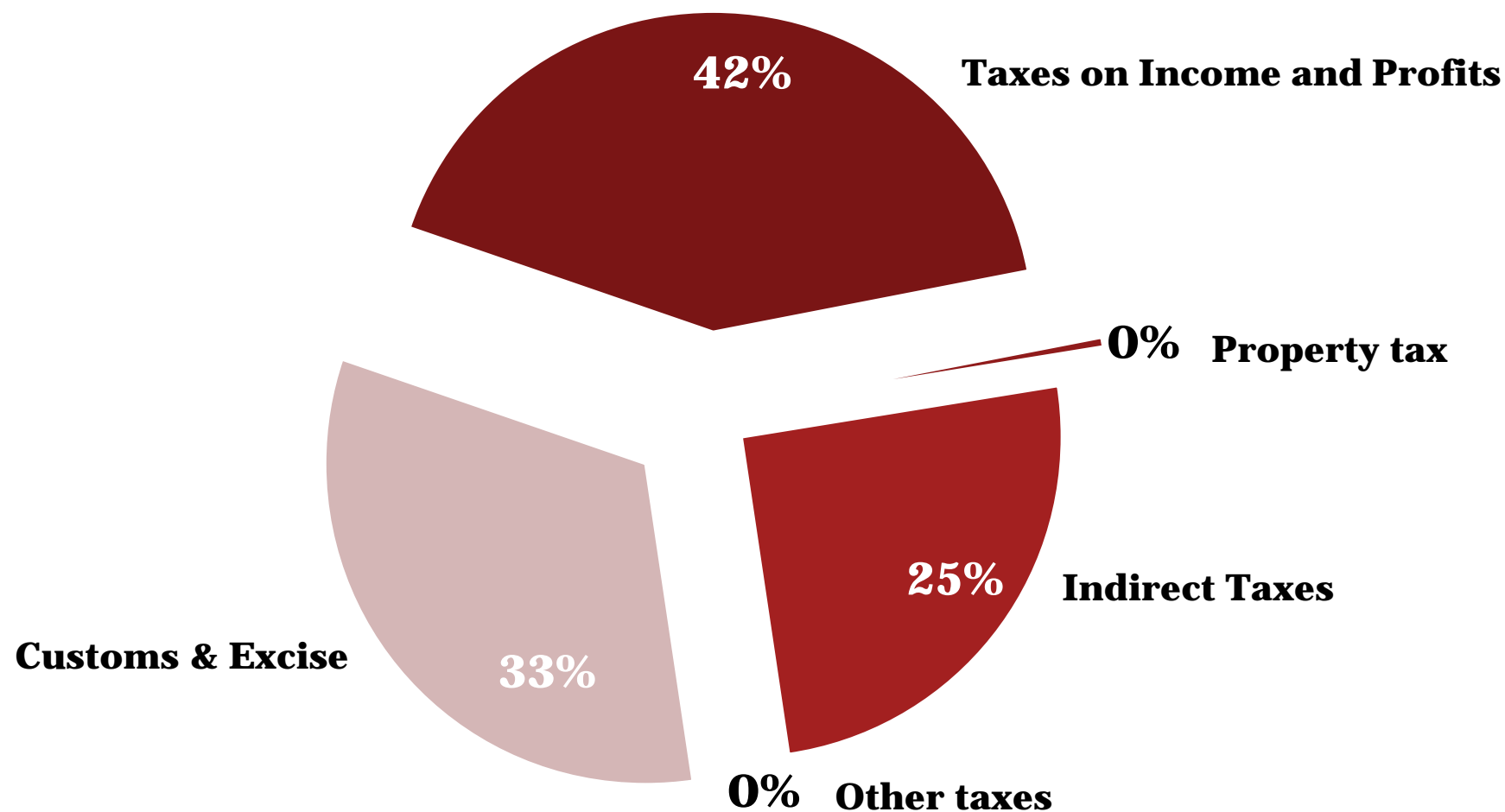
# ***Revenue vs. Expenditure***



# ***Tax Revenue vs. Non-Tax Revenue***

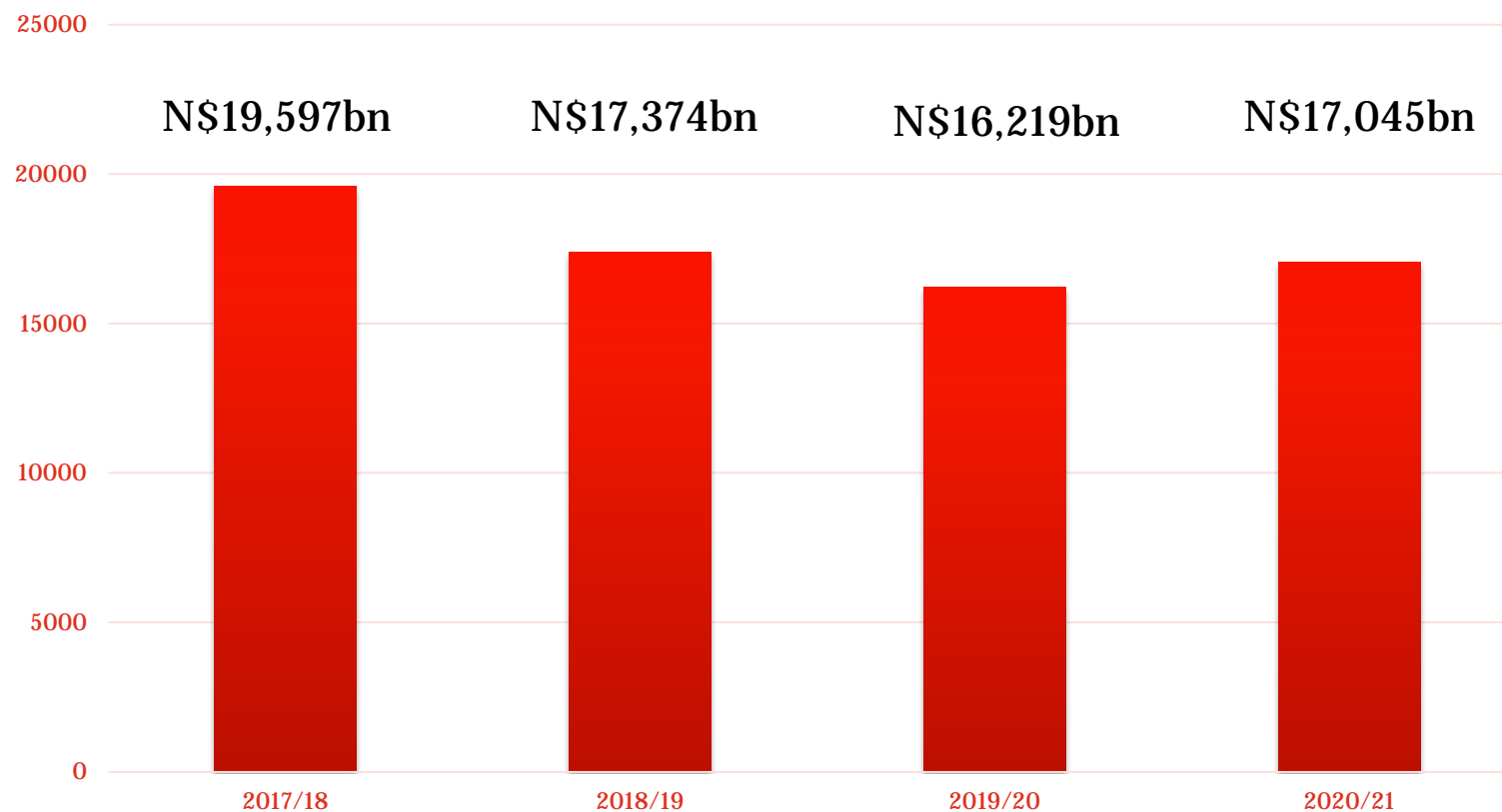


# ***Total Tax Revenue (N\$ 53.26 billion)***



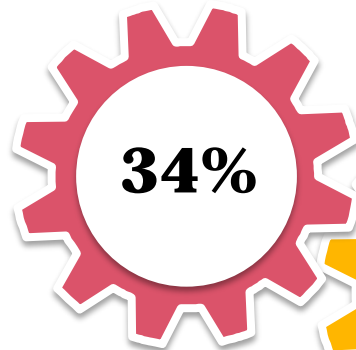
# ***SACU Receipts***

**N\$ in Billions**



# ***Namibian Economic Statistics***

Unemployment  
Rate

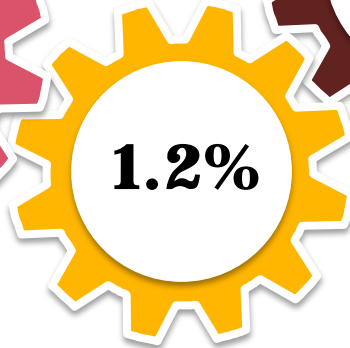


**34%**

Inflation at  
January 2018



**3.6%**



**1.2%**

GDP Growth

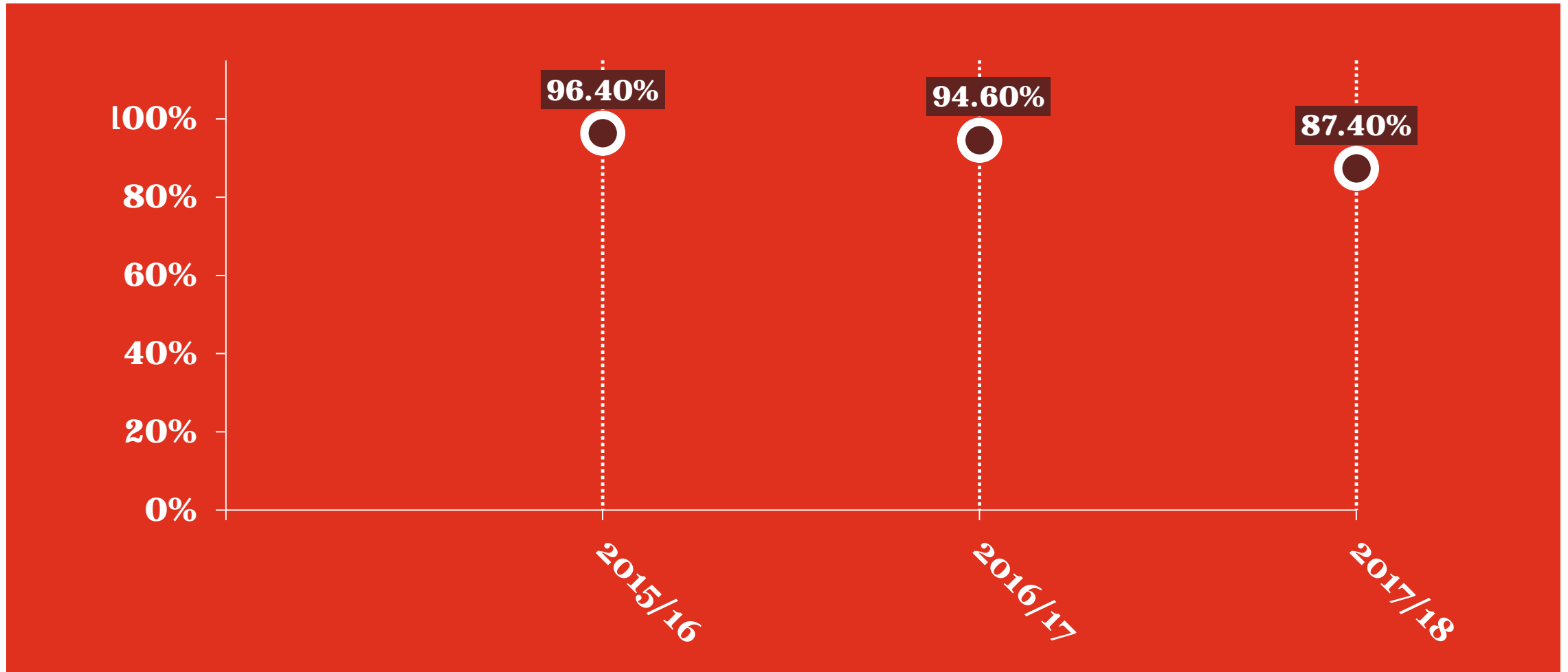


**N\$  
11.89**

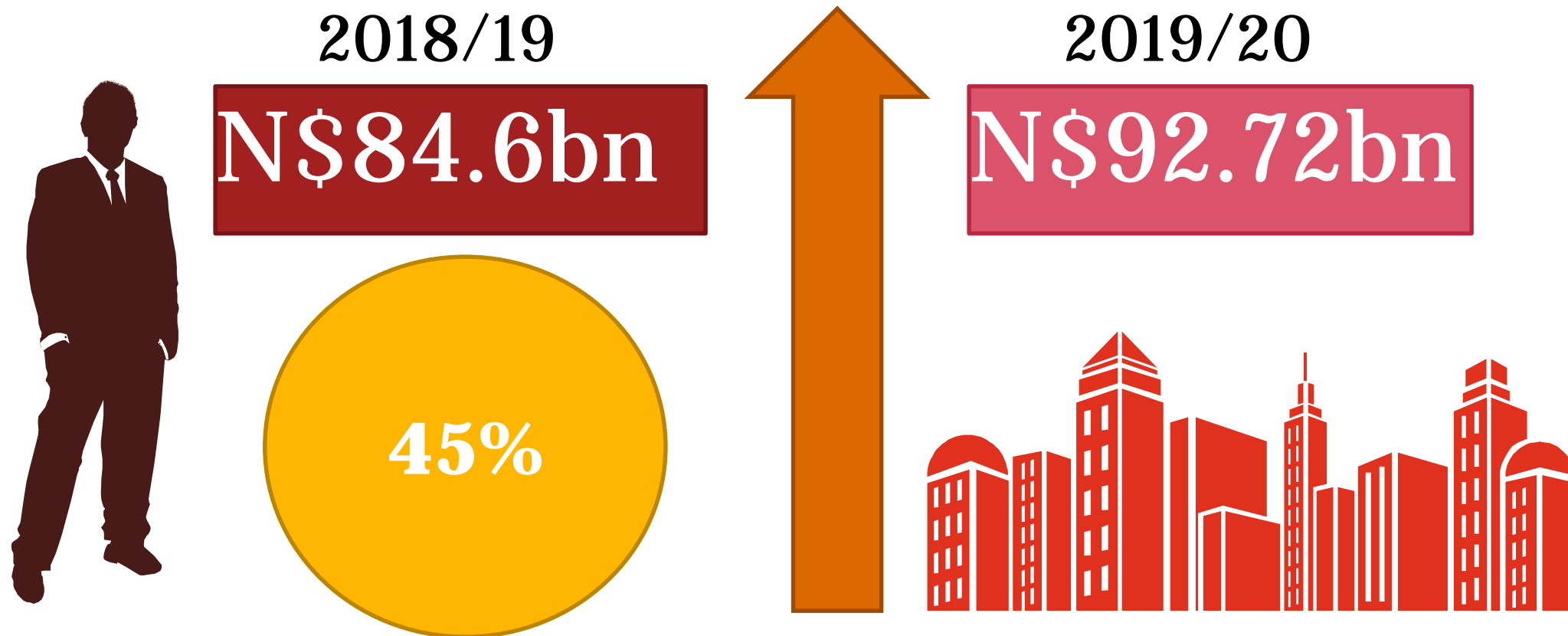
USD: NAD  
Exchange Rate



# ***Expenditure Execution Rates***

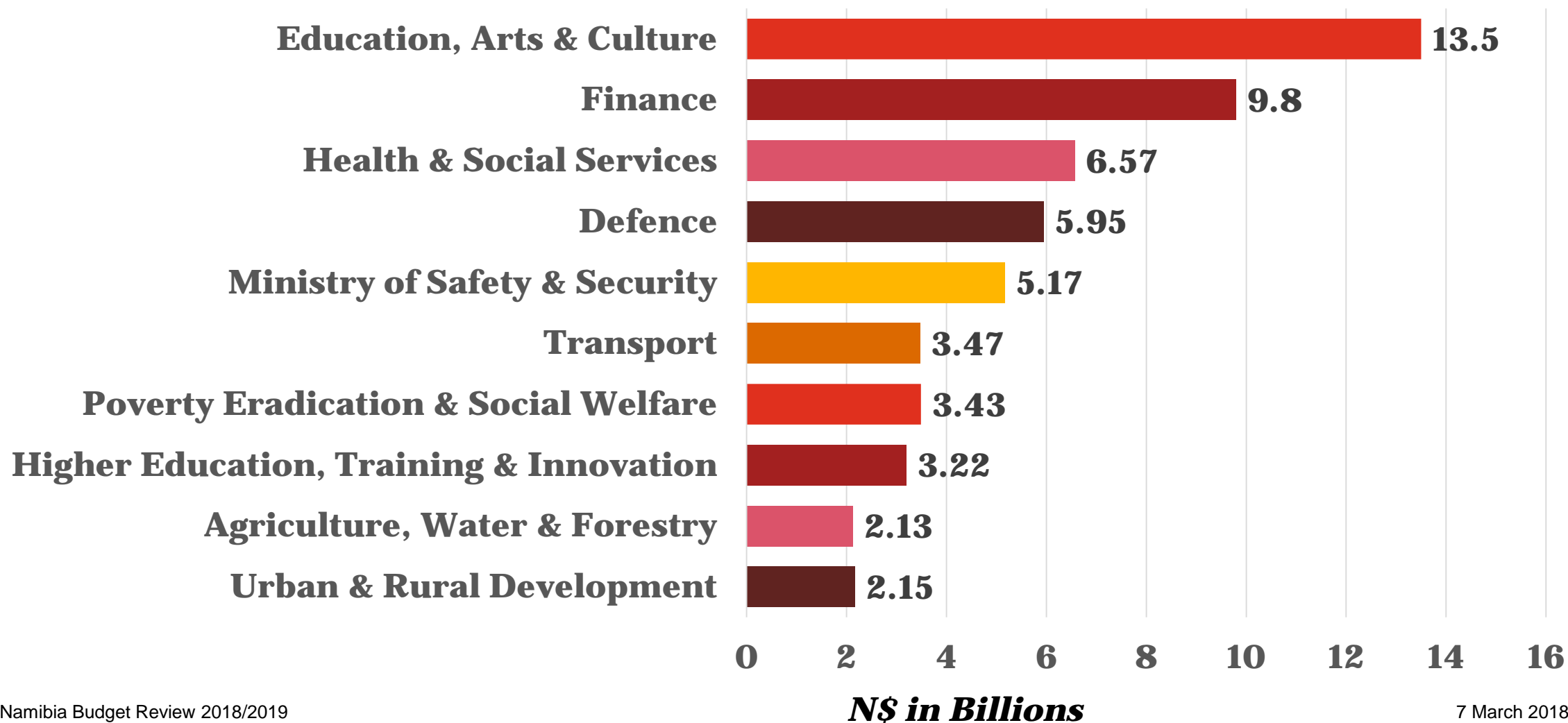


# ***Debt Stock as % of GDP***



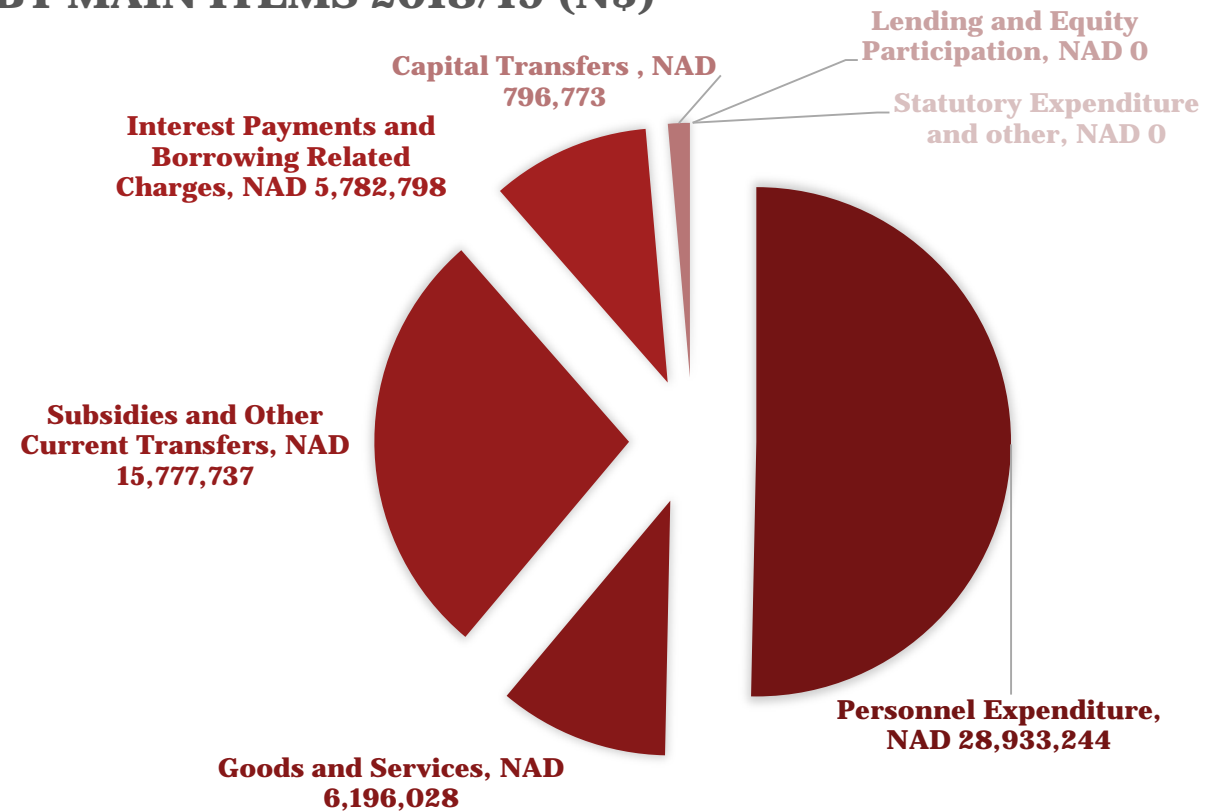


# ***Top 10 Budget Allocations***



# ***Estimates of total expenditure***

## **EXPENDITURE ESTIMATES BY MAIN ITEMS 2018/19 (N\$)**

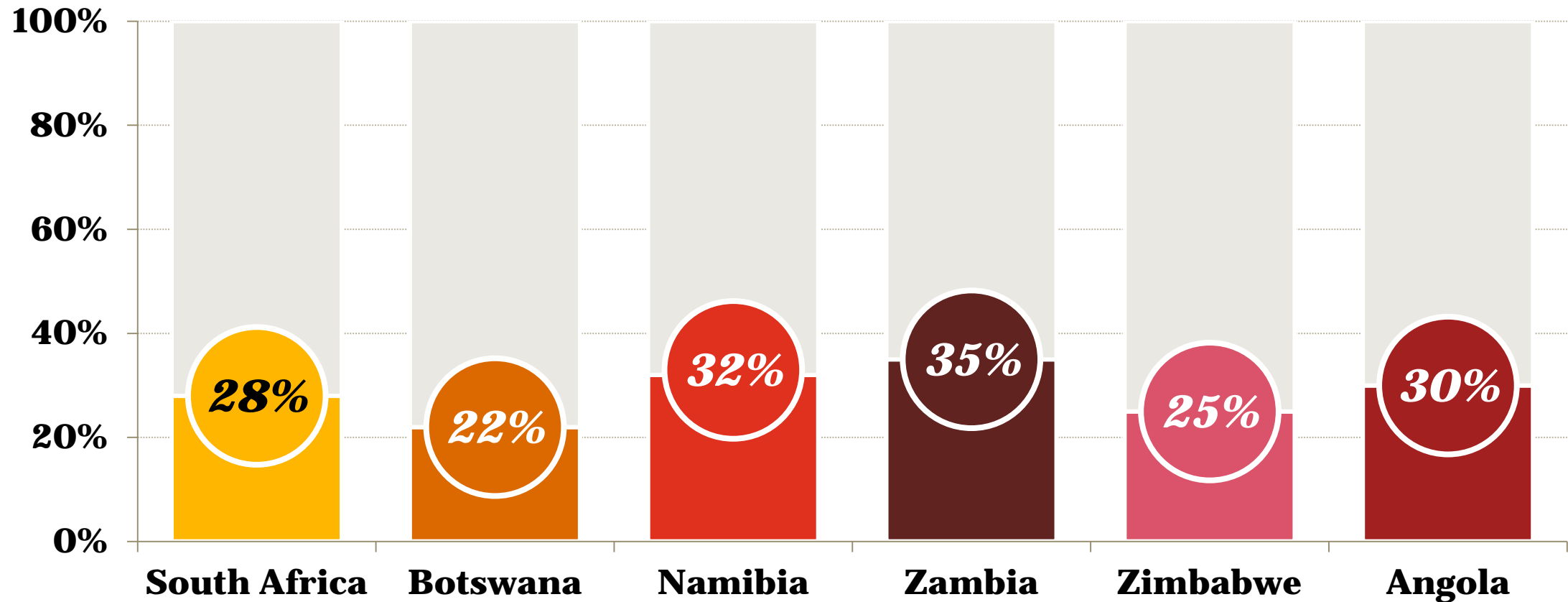


# ***Tax Comparisons***

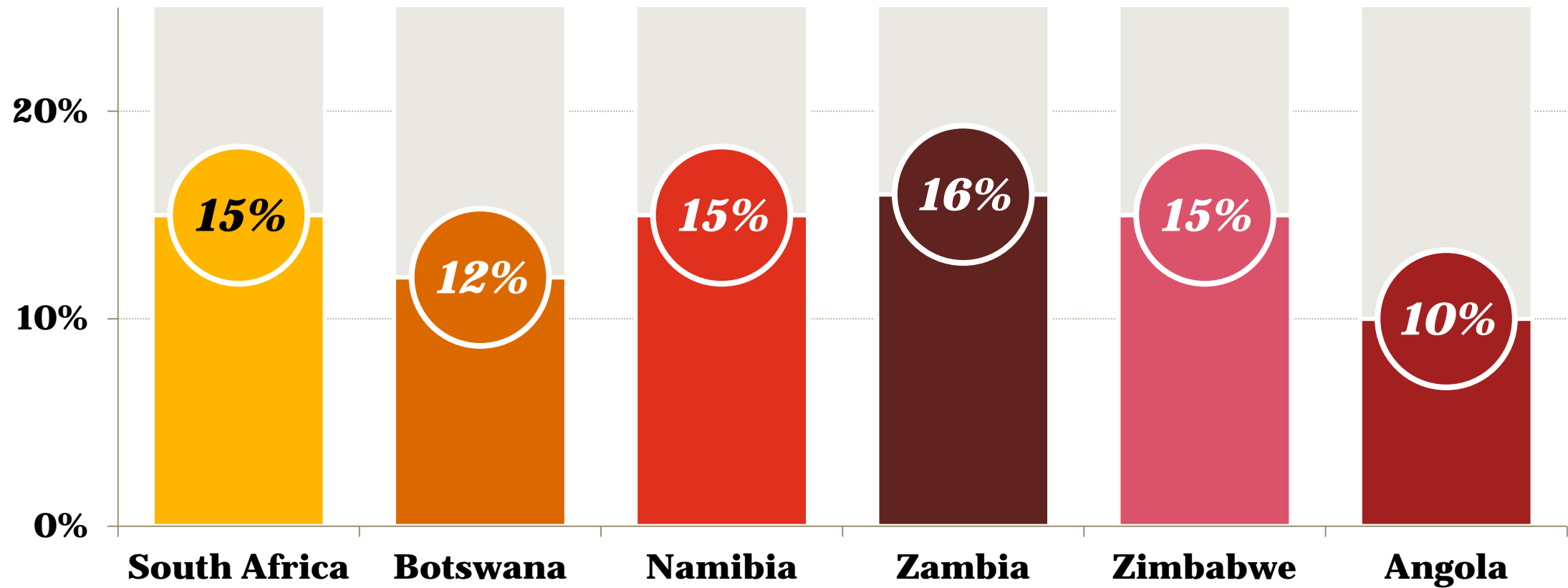
# 3



# ***Comparisons: Corporate Tax Rates***



# ***Comparisons: VAT Rates***



# ***Tax Reforms***

# **4**



# ***Proposed Tax Amendments – Revenue Expectancy N\$500 million***

**01**

Preferential Tax Treatment - Manufacturers

**02**

EPZ Act replaced with Special Economic Zones – sunset clause

***2018***

**03**

Individual Tax:  
Lower bracket – 17%  
from 18%

**04**

Individual Tax:  
Higher brackets  
> N\$1.5mil 39%,  
> N\$2.5mil 40%

# ***Proposed Tax Amendments – Revenue Expectancy N\$500 million***

**05**

Resident Dividend Tax  
= 10%

**06**

Taxing of trusts –  
Abolish conduit  
principle

**07**

Charitable/Religious/  
Educational with  
commercial activities –  
compulsory registration

**08**

Taxation of foreign  
income

***2018***



# ***Proposed Tax Amendments – Revenue Expectancy N\$500 million***

**09**

Betting and gaming activities – 37%

**10**

VAT on income of listed asset managers

**11**

Sale of shares/cc membership in property company Vatable

**12**

Fuel levy increase – 25c per litre

***2018***

# ***Proposed Tax Amendments – Revenue Expectancy N\$500 million***

**13**

Export levy  
expansion on  
agricultural,  
forestry, game and  
mining products



**14**

Additional  
National Sin Tax  
on Alcohol and  
Tobacco products  
– 5%



***2018***

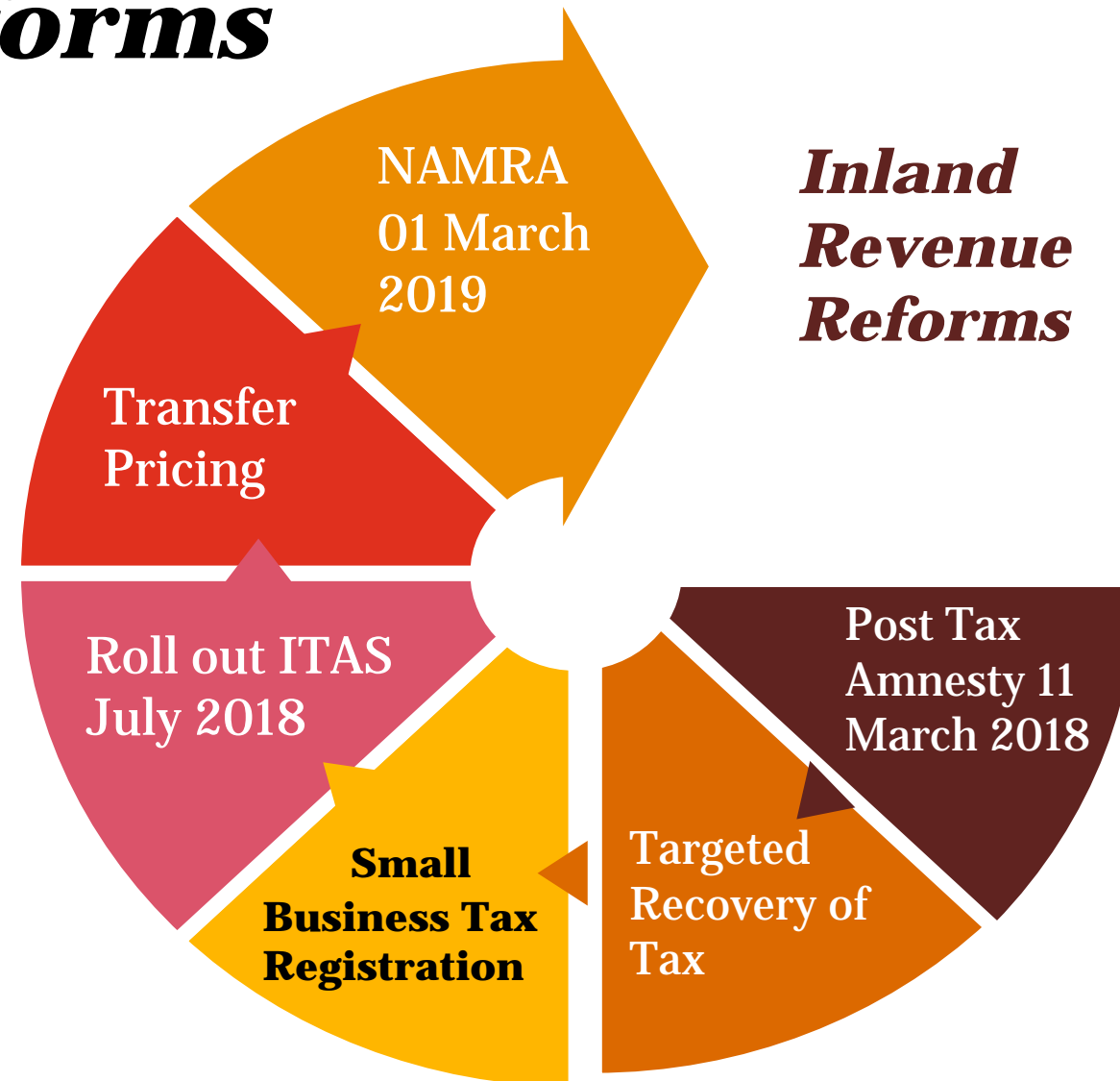
# ***SACU Excise Duty Increases***

**Sin Taxes effective 21 February 2018**



<b>Rise in tobacco and alcohol excise duties:</b>	<b>Increase</b>
340 ml malt beer	N\$0.15
750 ml bottle of unfortified wine	N\$0.23
750 ml bottle of sparkling wine	N\$0.73
750 ml bottle of spirits (whiskey, brandy, vodka etc.)	N\$4.80
Pack of 20 cigarettes	N\$1.22
340 ml bottle ciders & alcoholic fruit beverages	N\$0.15

# ***Other Reforms***



# ***Reimagine the possible***



“Change is evident, and in tough times that we are facing we can be sure that new challenges will come forward. Our duty is to re-imagine the possible.

**Nangula Uaandja – Managing Partner – PwC Namibia**

***Thank you***

**The Budget Speech and presentations  
are available on:**

**[www.pwc.com.na](http://www.pwc.com.na)**

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