

Re-Imagine the Possible

2018/2019

The Dome -
Swakopmund

March 2018



Budget Review 2017/2018

01

Key Focus Areas

02

Numbers in the Budget

03

Tax Comparisons

04

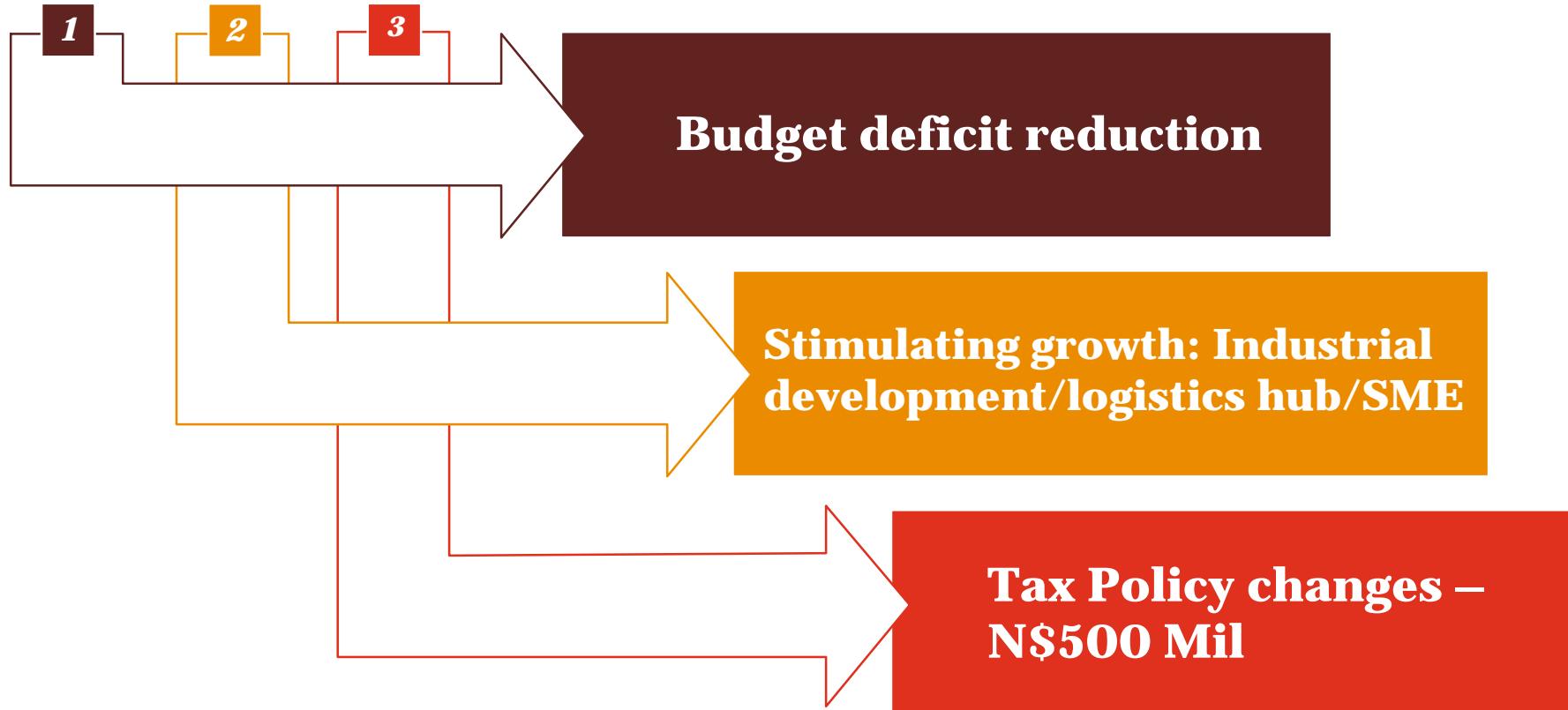
Tax Reforms

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

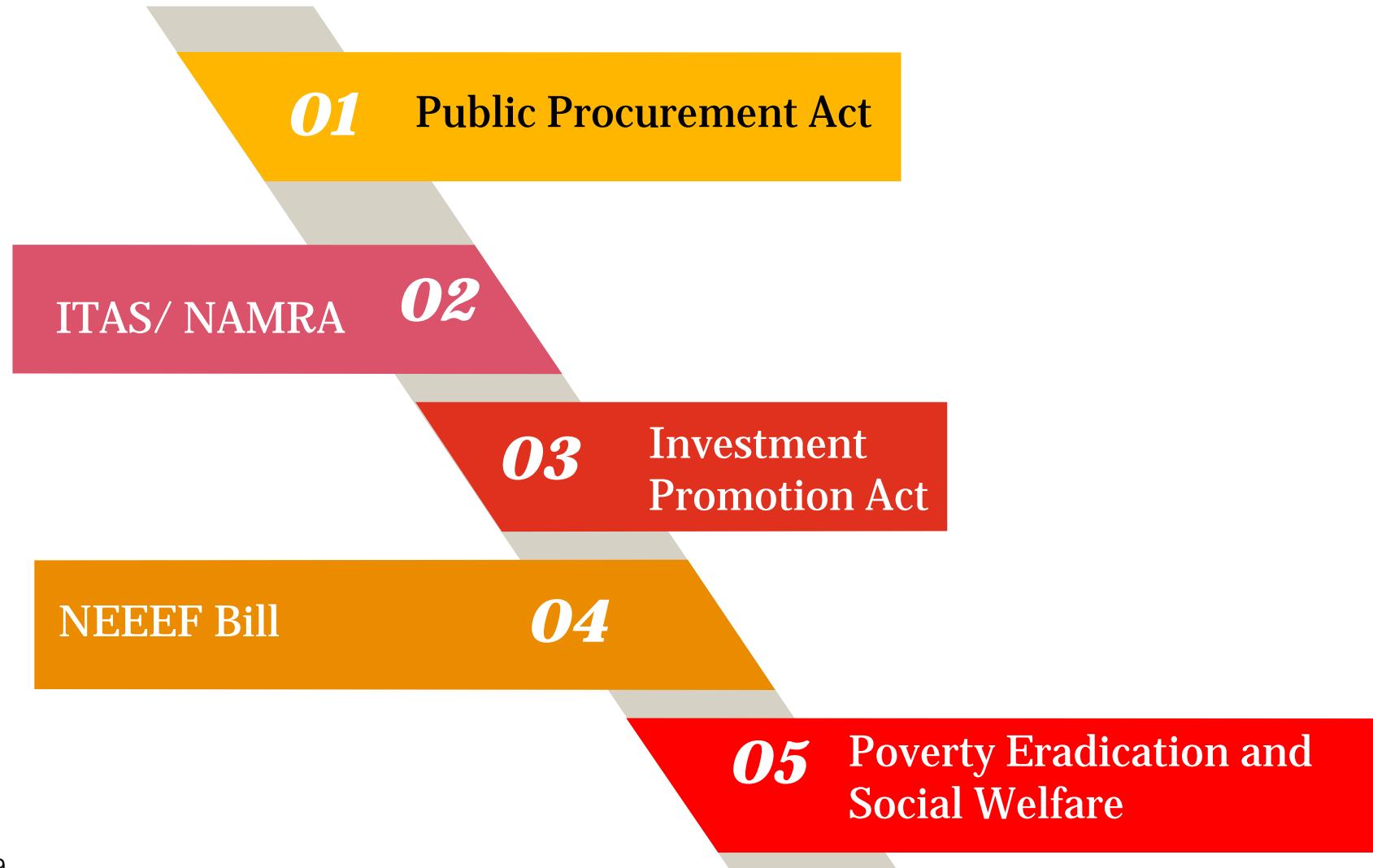
Fair Tax Policies and Efficient Tax Administration

05

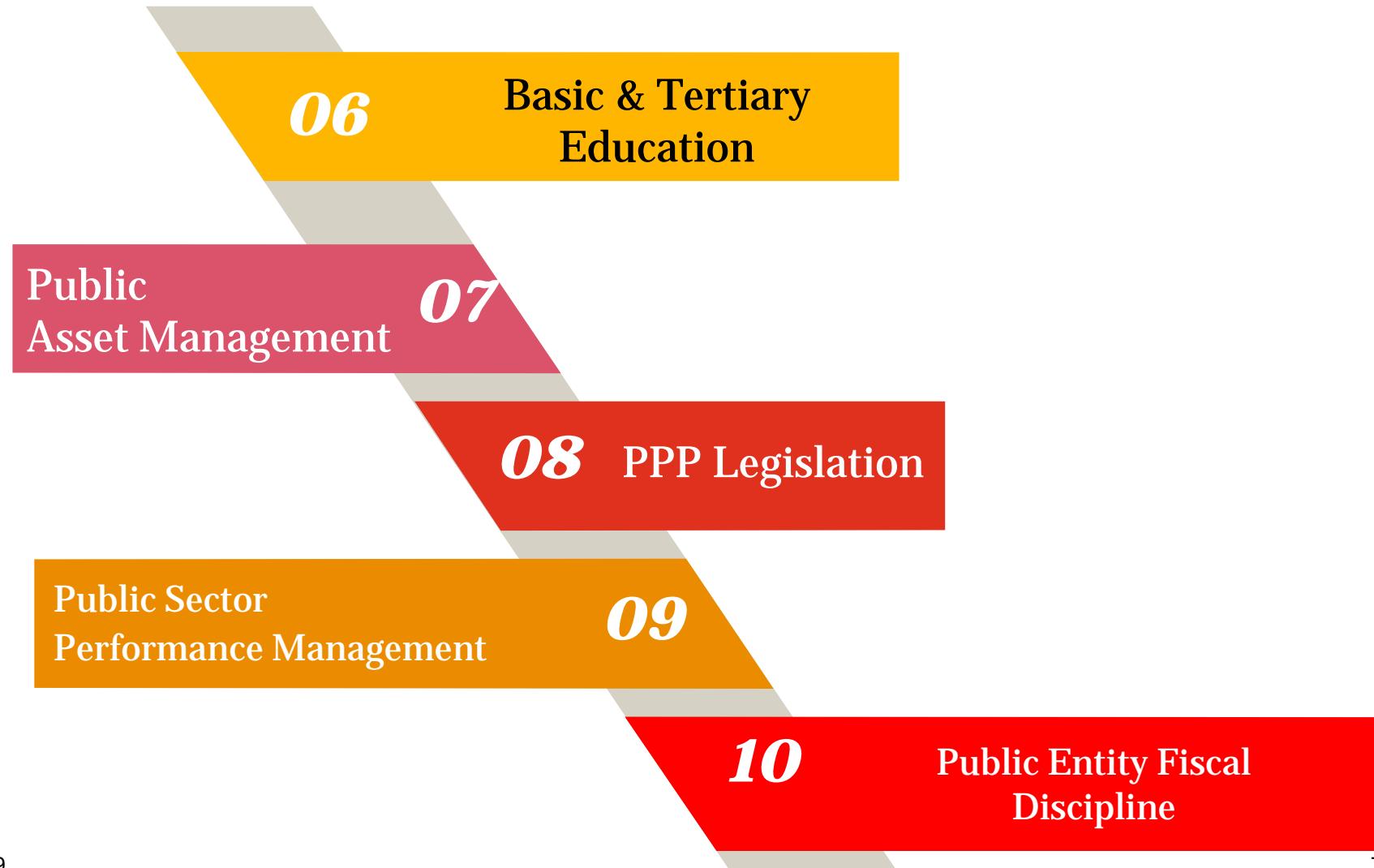
Enhanced policy effectiveness and strengthened economy competitiveness

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

Structural Policy Reforms



Structural Policy Reforms

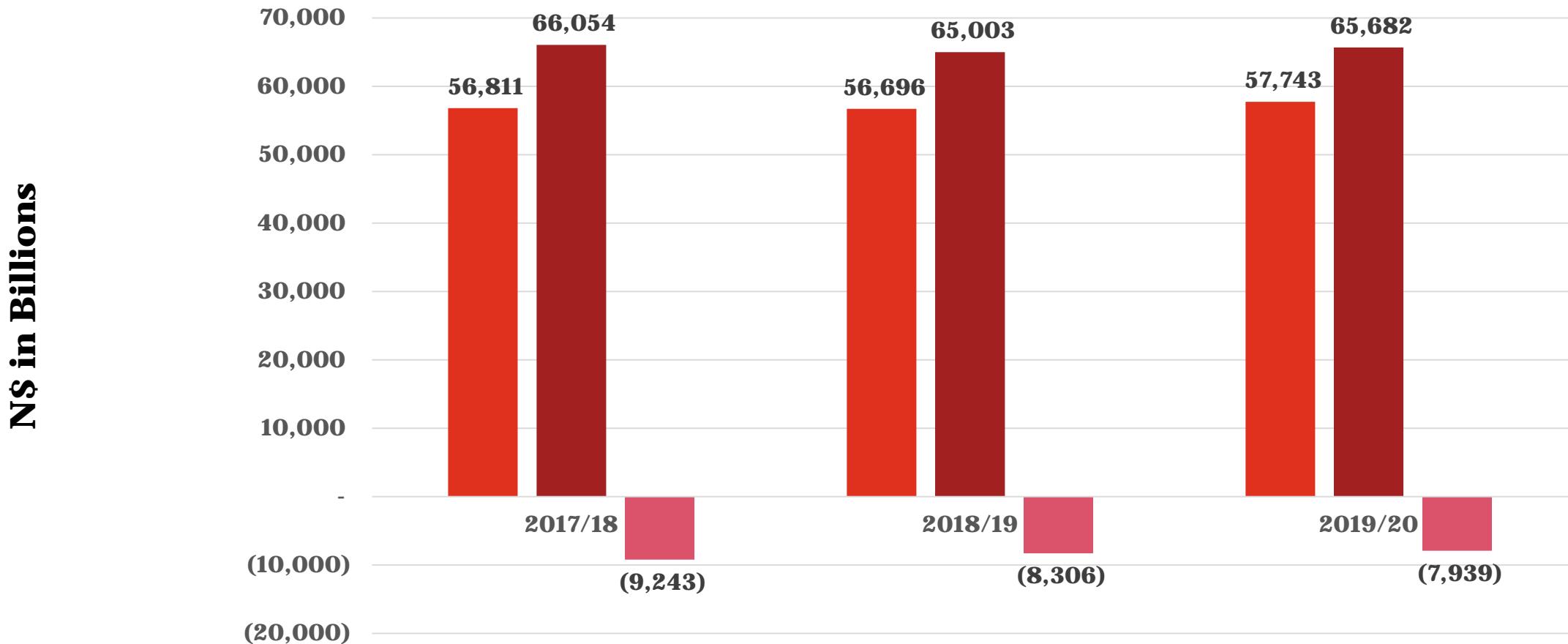


The Numbers

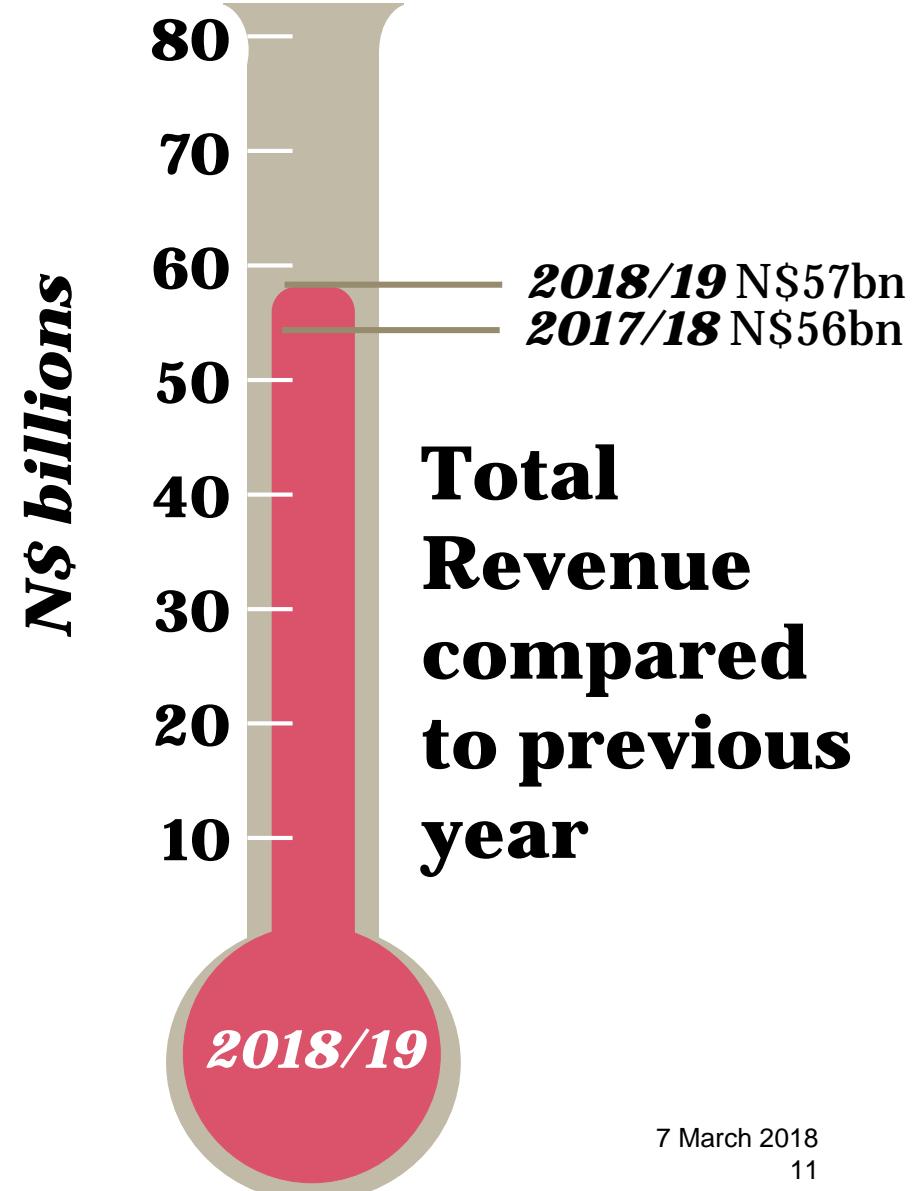
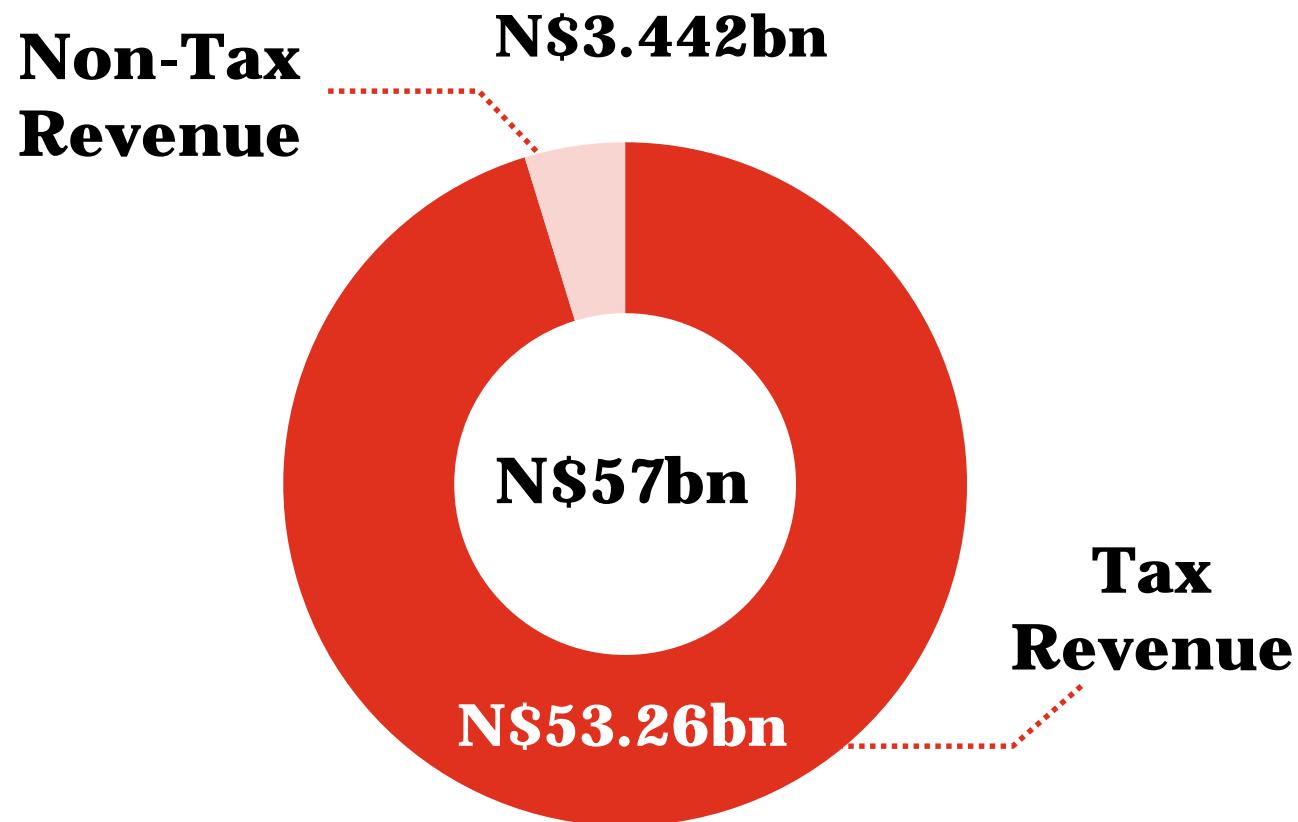
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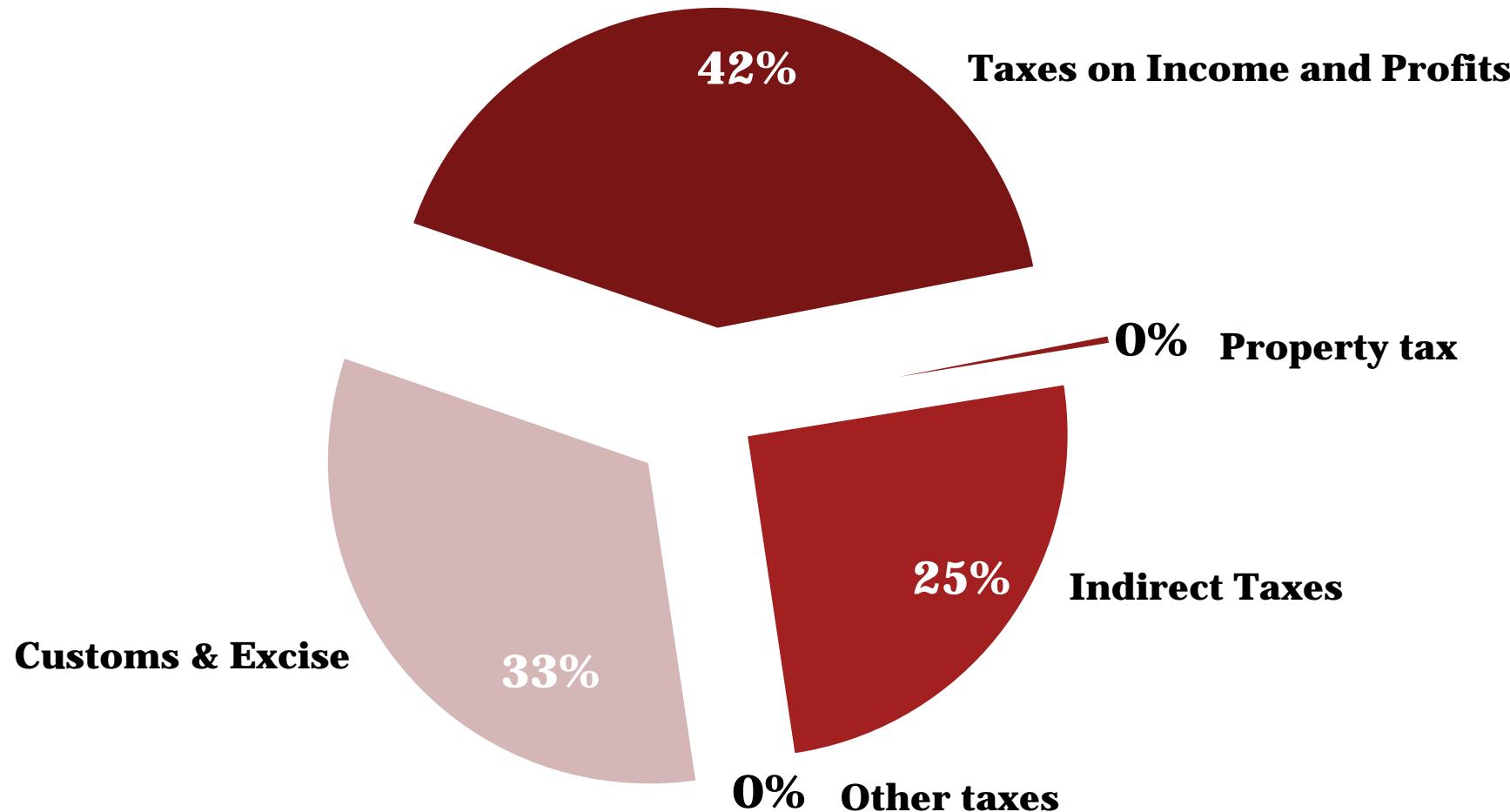
Revenue vs. Expenditure



Tax Revenue vs. Non-Tax Revenue

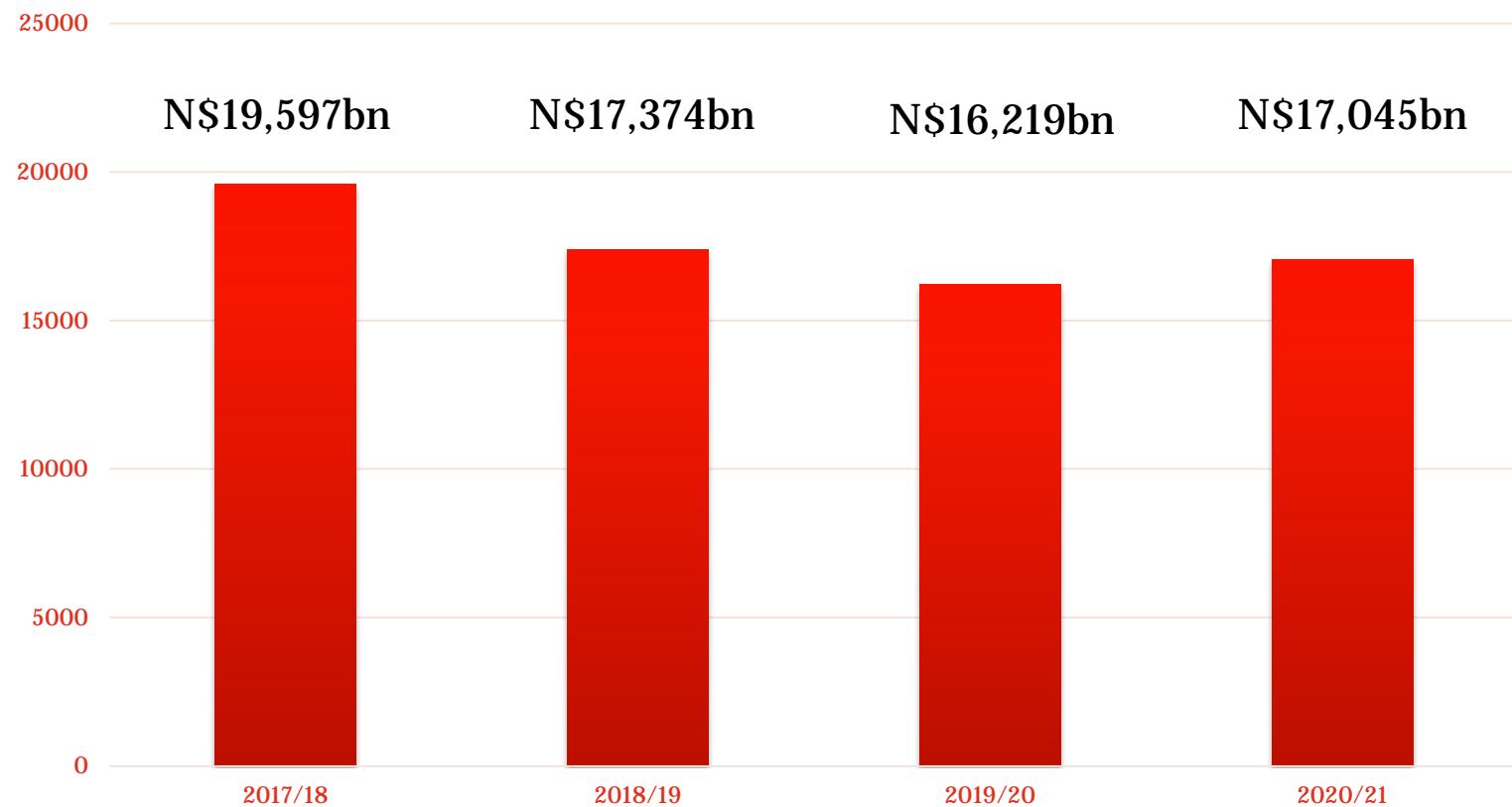


Total Tax Revenue (N\$ 53.26 billion)



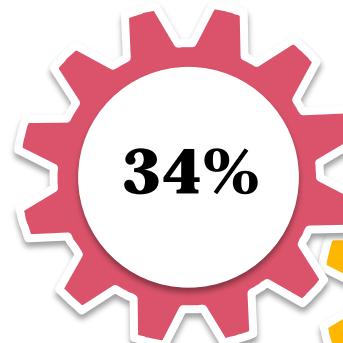
SACU Receipts

N\$ in Billions

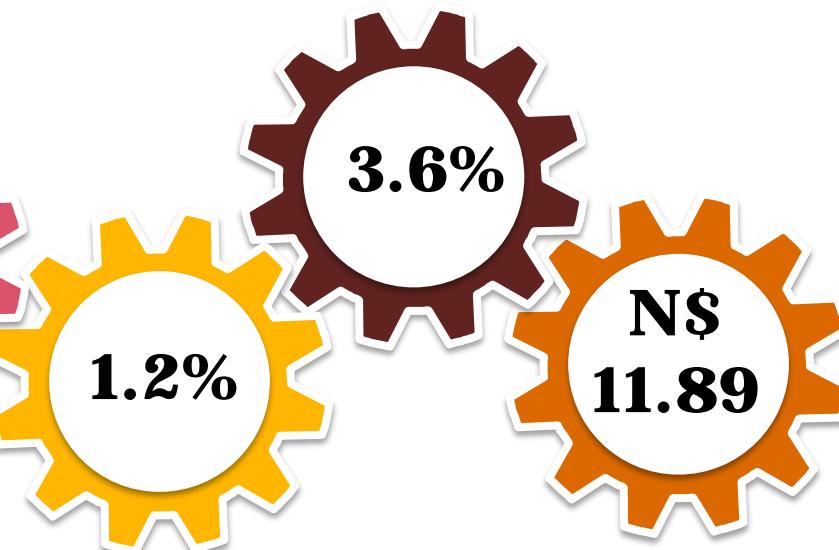


Namibian Economic Statistics

Unemployment
Rate



GDP Growth



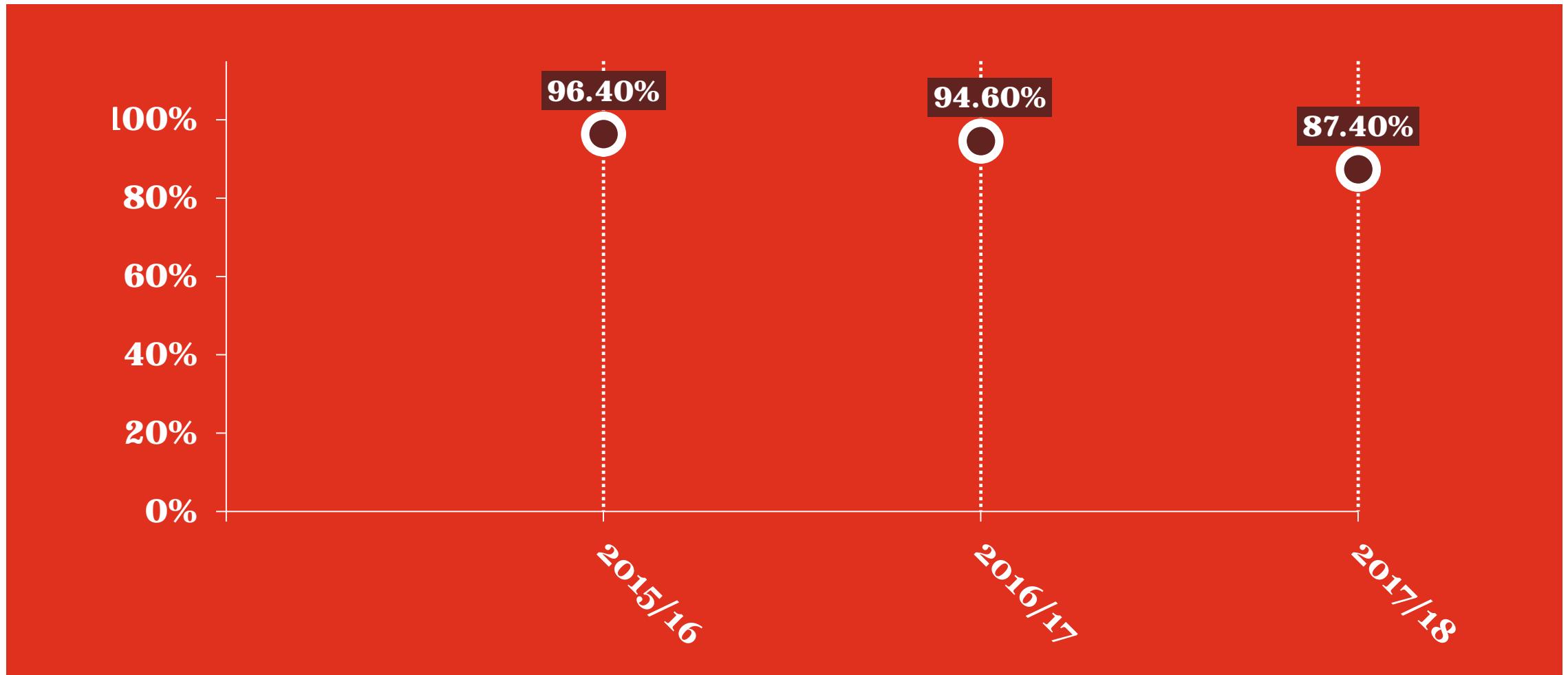
Inflation at
January 2018



USD: NAD
Exchange Rate



Expenditure Execution Rates

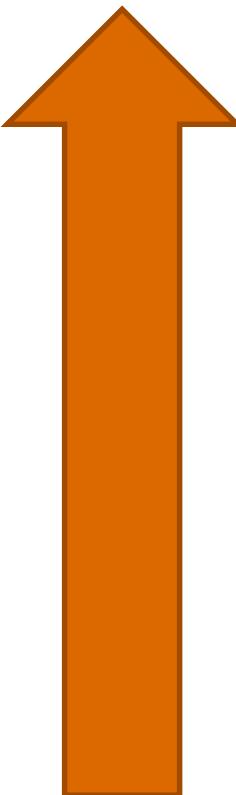


Debt Stock as % of GDP



2018/19

N\$84.6bn

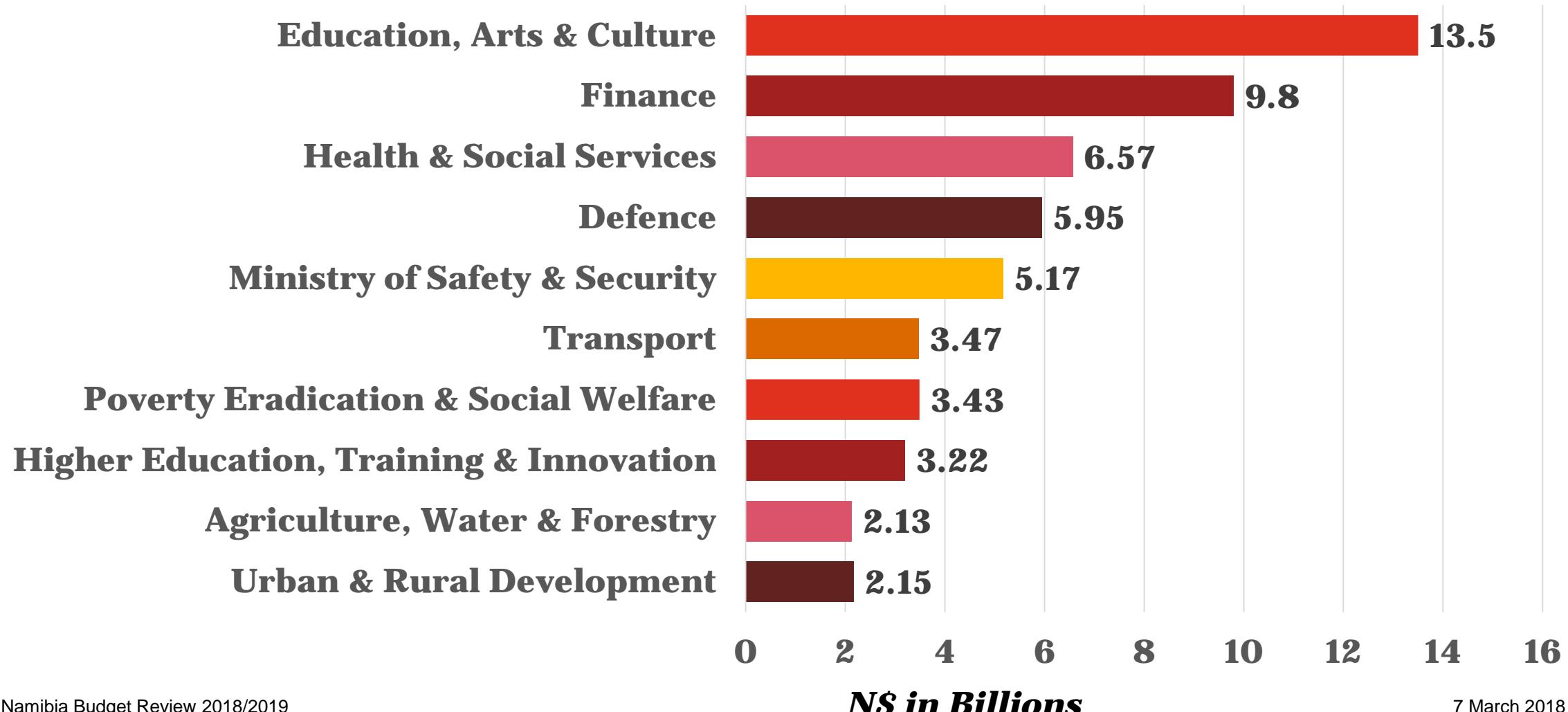


2019/20

N\$92.72bn

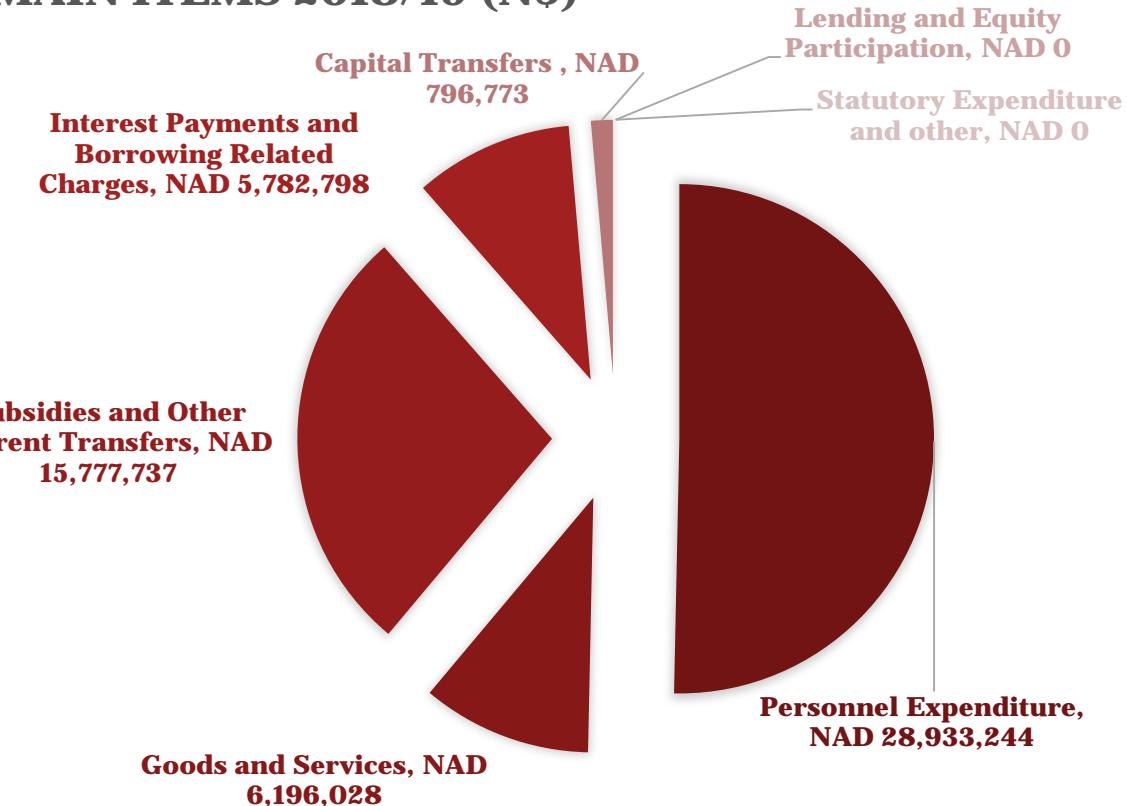


Top 10 Budget Allocations



Estimates of total expenditure

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

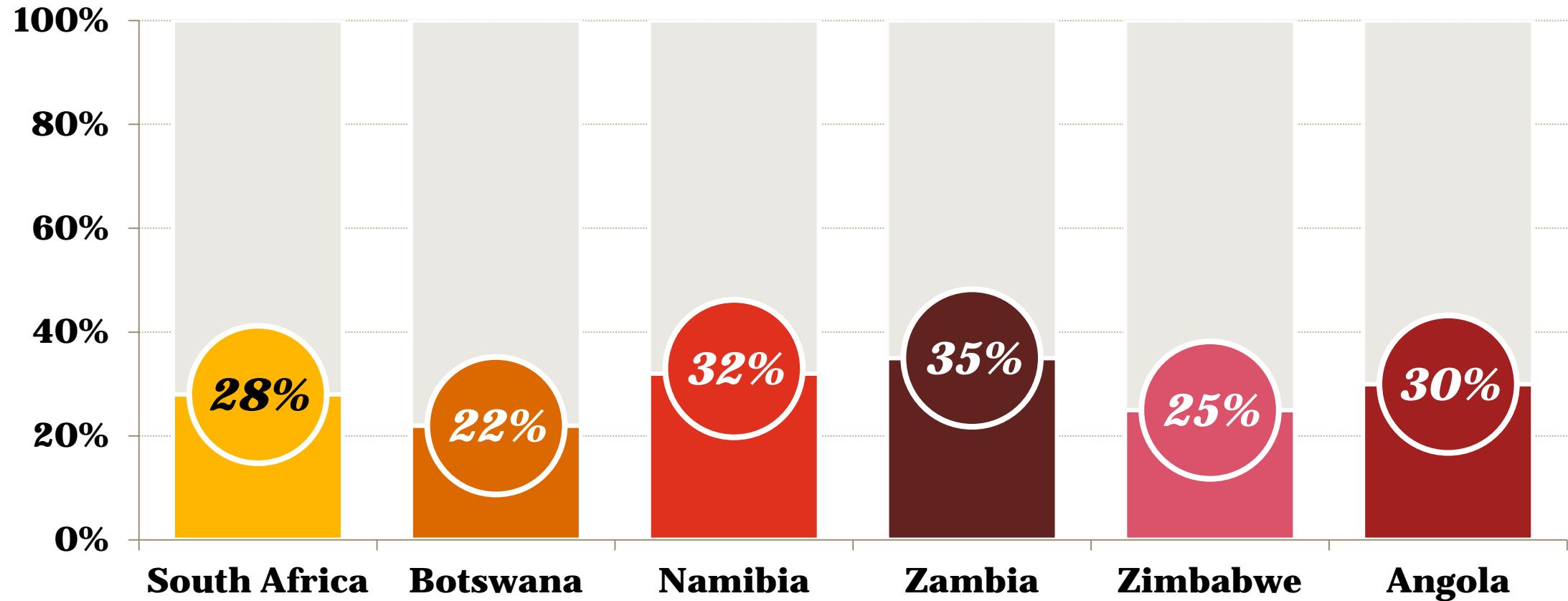


Tax Comparisons

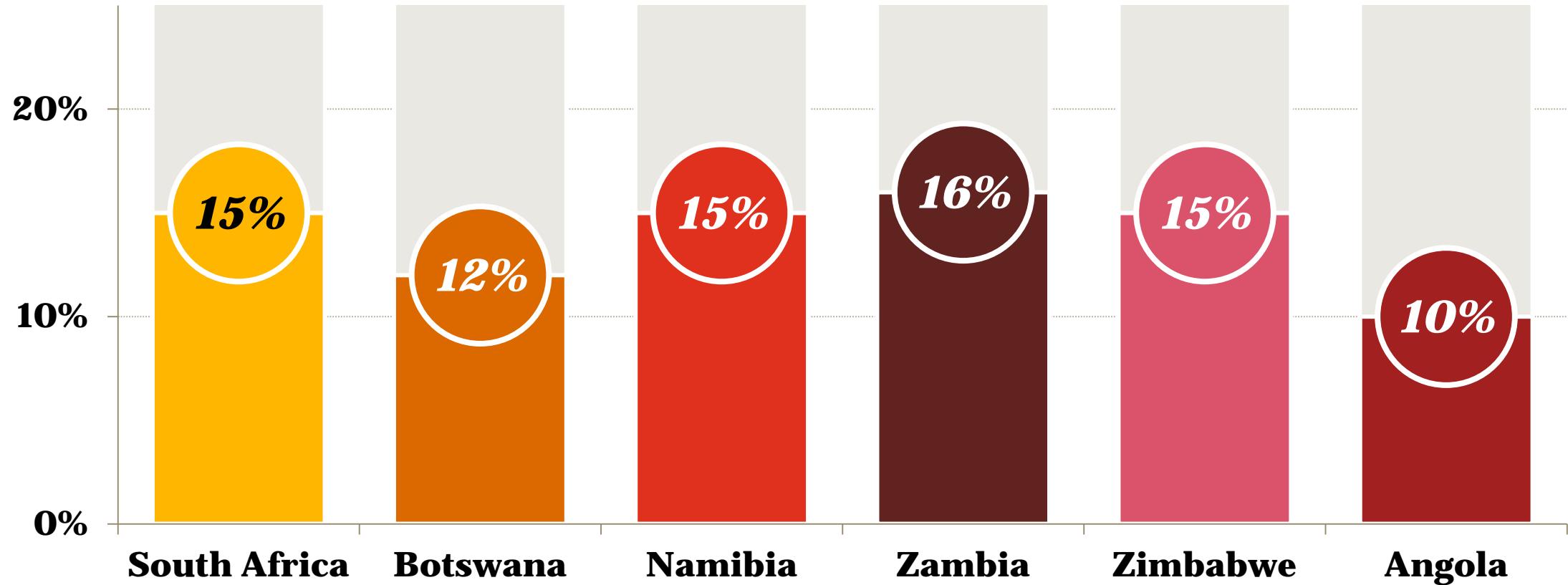
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Comparisons: Corporate Tax Rates

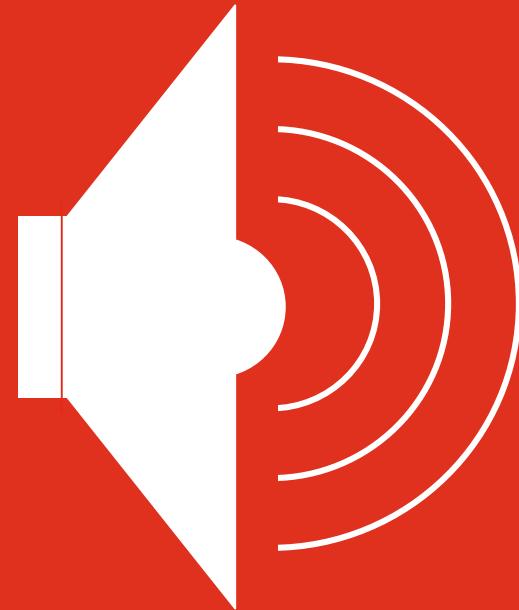


Comparisons: VAT Rates



Tax Reforms

4



Proposed Tax Amendments – Revenue Expectancy N\$500 million

01

Preferential Tax Treatment - Manufacturers



2018

02

EPZ Act replaced with Special Economic Zones – sunset clause



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%



2018

06

Taxing of trusts –
Abolish conduit
principle



07

Charitable/Religious/
Educational with
commercial activities –
compulsory registration



08

Taxation of foreign
income

Proposed Tax Amendments – Revenue Expectancy N\$500 million

09

Betting and gaming activities – 37%



2018

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

Proposed Tax Amendments – Revenue Expectancy N\$500 million



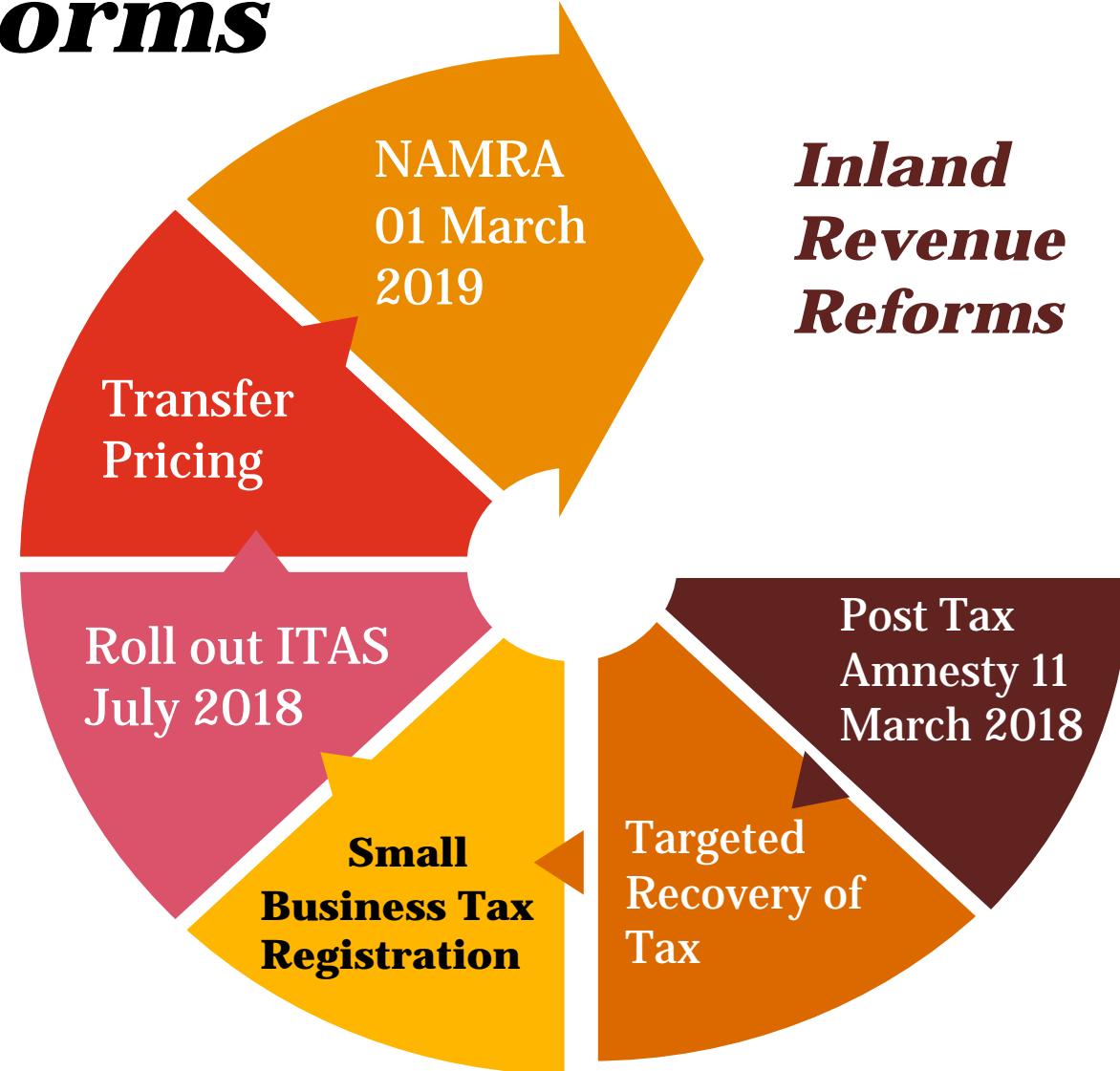
SACU Excise Duty Increases

Sin Taxes effective 21 February 2018



Rise in tobacco and alcohol excise duties:	Increase
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

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