Overview

The Honourable Minister of Finance presented the Mid-Year Budget Review Policy Statement in Parliament on the 3rd of November 2021. This overview summarises highlights from the speech.

“As Namibians, we are tough people, so we shall overcome!” - Hon. Iipumbu Shiimi, Minister of Finance
Revise Revenue increased by 2.95%, from what was initially expected with the annual budget speech earlier this year.
### 2021/22 Mid-Year Budget Review

#### Budget Comparisons (N$ Millions)

<table>
<thead>
<tr>
<th>Revenue Type</th>
<th>Amount</th>
<th>Percentage</th>
</tr>
</thead>
<tbody>
<tr>
<td>Total Revised Revenue for 21/22</td>
<td>N$53,601 Million</td>
<td>100%</td>
</tr>
<tr>
<td>Non-Tax Revenue for 21/22</td>
<td>N$4,115 Million</td>
<td>7.68%</td>
</tr>
</tbody>
</table>

#### Revised Tax Revenue Composition

- Customs & Excise: 29.9%
- Income Taxes on Individuals: 29.5%
- Indirect Taxes: 14.3%
- Company Taxes: 24.0%
- Property & Other Taxes: 29.9%

Total Revised Revenue for 21/22 = N$53,601 Million
Non-Tax Revenue for 21/22 = N$4,115 Million (7.68% of total revenue)
2021/22 Mid-Year Budget Review

Budget Comparisons (N$ Millions)

SACU Receipts

<table>
<thead>
<tr>
<th></th>
<th>2020/21 Annual Actuals</th>
<th>2021/22 Annual Proposed</th>
<th>2021/22 Mid-Year Revised</th>
</tr>
</thead>
<tbody>
<tr>
<td>N$ Millions</td>
<td>22,252</td>
<td>14,750</td>
<td>14,750</td>
</tr>
</tbody>
</table>
2021/22 Mid-Year Budget Review

Revised Expenditure increased by 2.54%, from what was initially forecasted with the annual budget speech earlier this year.

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2021/22 Mid-Year Budget Review

Budget Comparisons (N$ Millions)

Major Spending Reallocations

- N$477 Million
  Ministry of Defence and Veteran Affairs

- N$400 Million
  Ministry of Health and Social Services

- N$400 Million
  Ministry of Education, Arts and Culture

- N$230 Million
  Ministry of Finance

- N$220 Million
  Ministry of Public Enterprises

- N$166 Million
  Ministry of Higher Education, Technology and Innovation

Total Funds Re-allocated = N$2.2 billion

*Mainly consisting of Operational Budget
The revised Budget Deficit for the period increased by 1.20%, from what was initially anticipated with the annual budget speech earlier this year.
2021/22 Mid-Year Budget Review

Budget Comparisons (N$ Millions)

**Domestic Debt vs Foreign Debt**

<table>
<thead>
<tr>
<th>Debt Composition (N$ Millions)</th>
<th>Domestic Debt</th>
<th>Foreign Debt</th>
</tr>
</thead>
<tbody>
<tr>
<td>2021/22 Annual Proposed</td>
<td>32,818</td>
<td></td>
</tr>
<tr>
<td>2021/22 Mid-Year Revised</td>
<td>32,817</td>
<td></td>
</tr>
<tr>
<td></td>
<td></td>
<td>68.7%</td>
</tr>
</tbody>
</table>

Revised: Debt as a % of GDP 68.7%
Amongst others, the following **MTEF Policy** priorities were noted during the Honourable Minister of Finance’s Mid-Year Budget Speech.

- **1.** The Office of the Prime Minister appointed a team of consultants to map out and finalise the **wage bill reforms**.
- **2.** The **Special Economic Zone (SEZ)** policy framework is currently making rounds through stakeholder consultations.
- **3.** Reviewing the mechanism on **SME financing facilities** administered by the Bank of Namibia and the Development Bank of Namibia.
- **4.** Concerted efforts to attract private sector investment in a potential new sector of **green hydrogen**.
During the Honourable Minister of Finance's Mid-Year Budget Speech, the following **Tax Proposals** were noted.

- **Dividend Withholding Tax on Residents**
  - Introduction of 10% tax on dividends paid to Namibian shareholders

- **Zero Rated Supply of Sanitary Pads**
  - Amend Schedule III of the VAT Act to include the supply of sanitary pads as a zero rated supply

- **Deductibility of Pension Fund and Educational Policy Contributions**
  - Deduction to increase from a maximum of N$ 40 000 to a maximum of N$ 150 000

- **Withholding Tax on Services**
  - Improved administration by requiring taxpayers to provide proof of actual tax withheld from payments

- **Asset Management Fees**
  - Extending the VAT charge on the fees of all asset managers to ensure fairness of the tax system

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2021/22 Mid-Year Budget Review

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