

A close-up photograph of several hands of different skin tones holding small green basil seedlings in dark soil. The hands are arranged in a circle, suggesting a collaborative effort. The background is softly blurred, showing more hands and soil. The top and bottom of the image feature a decorative border with vertical stripes in orange, red, grey, and yellow.

2023/24 Mid-Year Budget Review Highlights

October 2023

2023/24 Mid-Year Budget Review

Overview

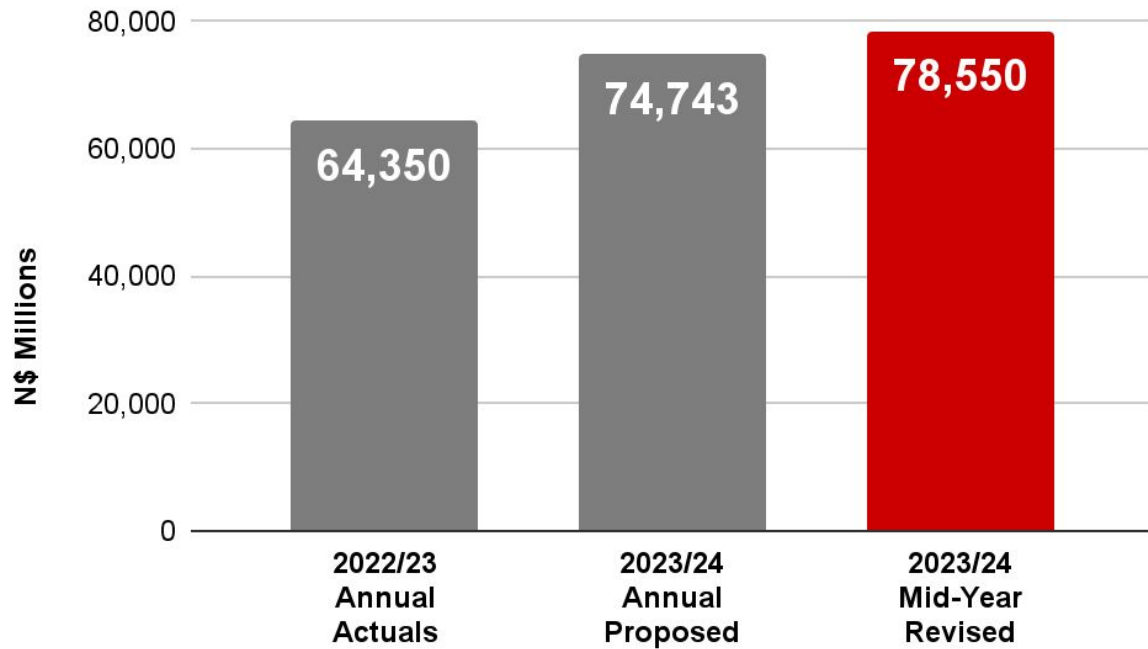
The Honourable Minister of Finance & Public Enterprises presented the Mid-Year Budget Review Policy Statement in Parliament on the 31st of October 2023. This overview summarises highlights from the speech.

***“...Domestic economy remains resilient despite vulnerabilities in the global economy...” - Hon. Ipumbu Shiimi,
Minister of Finance & Public Enterprises***

2023/24 Mid-Year Budget Review

Budget Comparisons (N\$ Millions)

Revenue Outlook



Revenue Comparison (N\$ Millions)

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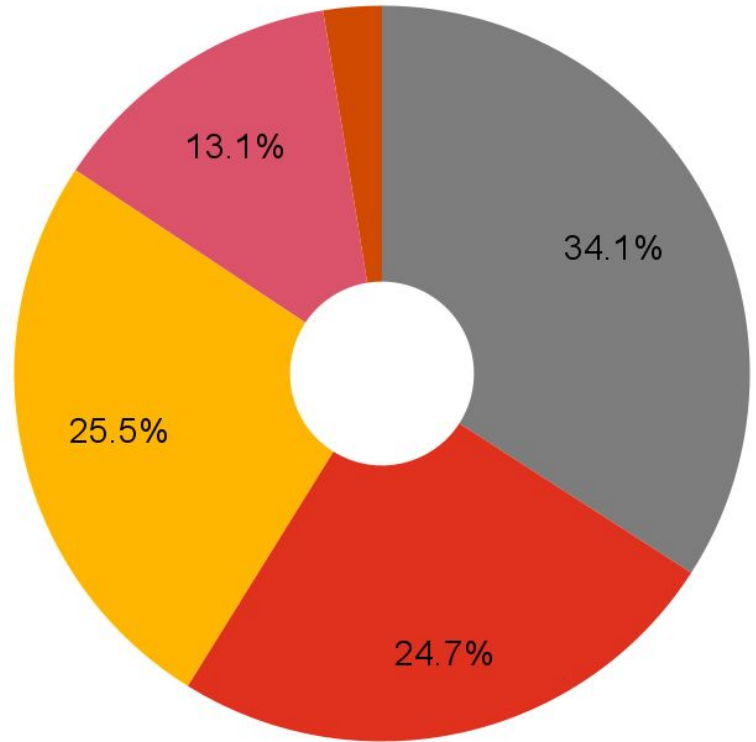


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“Revised Revenue **increased** by **5.09%**, from what was initially expected with the annual budget speech earlier this year.”

2023/24 Mid-Year Budget Review

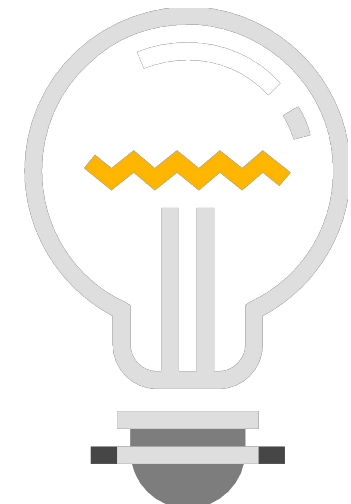
Revised Tax Revenue Composition



- Customs & Excise
- Income Taxes on Individuals
- Indirect Taxes
- Company Taxes
- Property & Other Taxes

Total Revised Revenue for 23/24
= N\$78.5 Billion

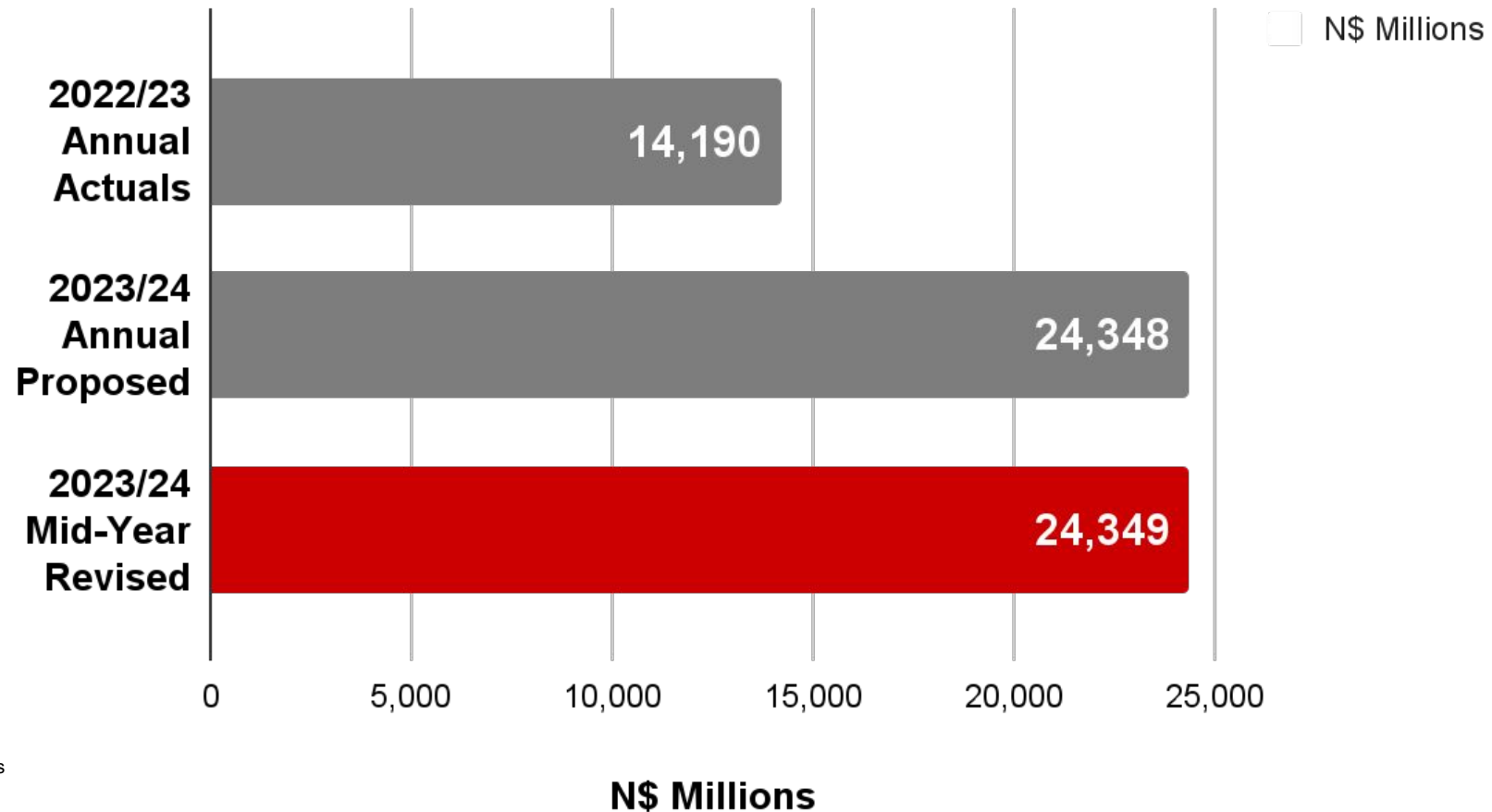
Non-Tax Revenue for 23/24
= N\$7.2 Billion
(9.12% of total revenue)



2023/24 Mid-Year Budget Review

Budget Comparisons (N\$ Millions)

SACU Receipts



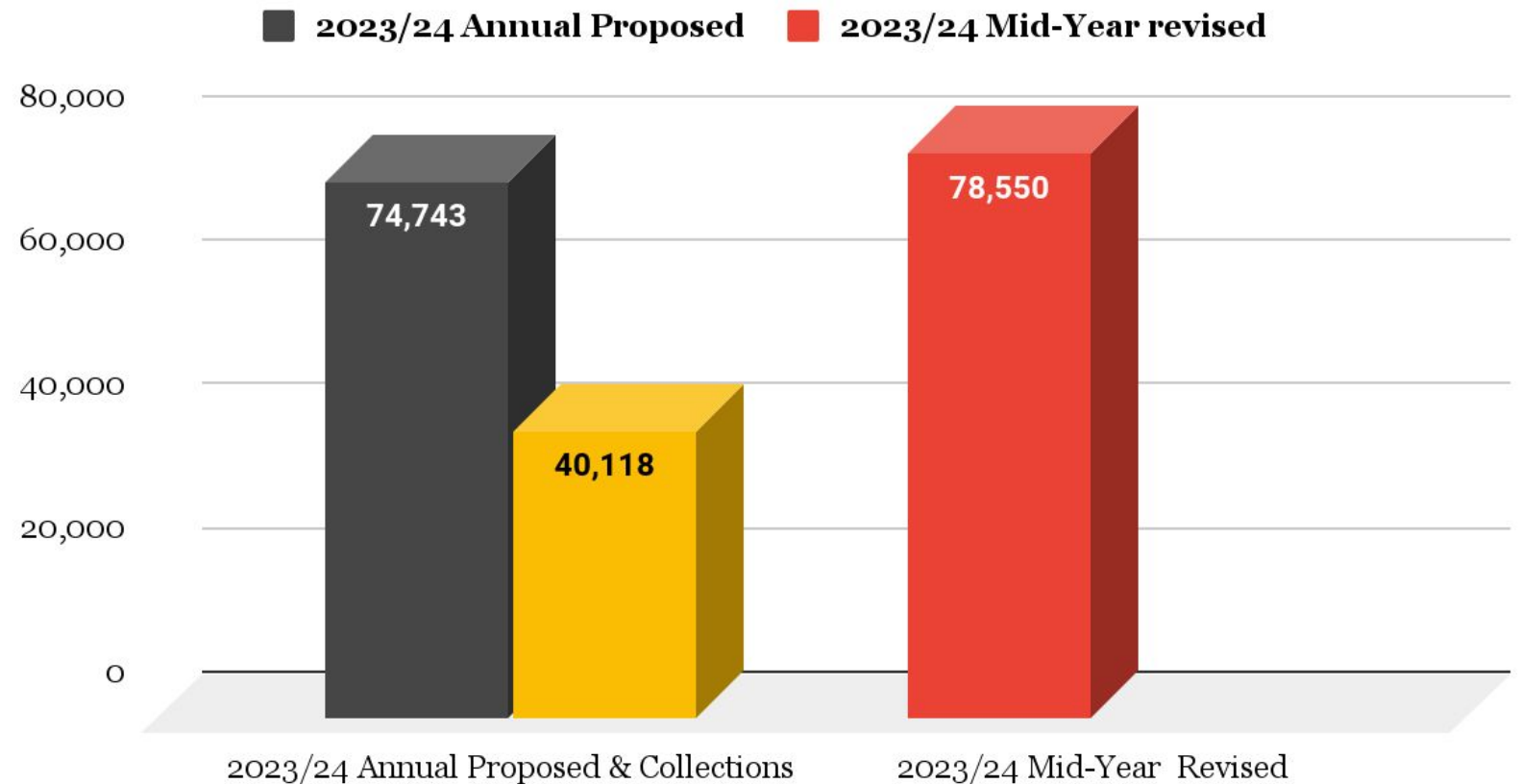
2023/24 Mid-Year Budget Review

Budget Comparisons (N\$ Millions)

Total Revised
Revenue for 23/24
= N\$78.5 Billion

Collection
Year-to-Date
= 53.67%

Revenue Collection (N\$ Millions)



2023/24 Mid-Year Budget Review

Budget Comparisons (N\$ Millions)

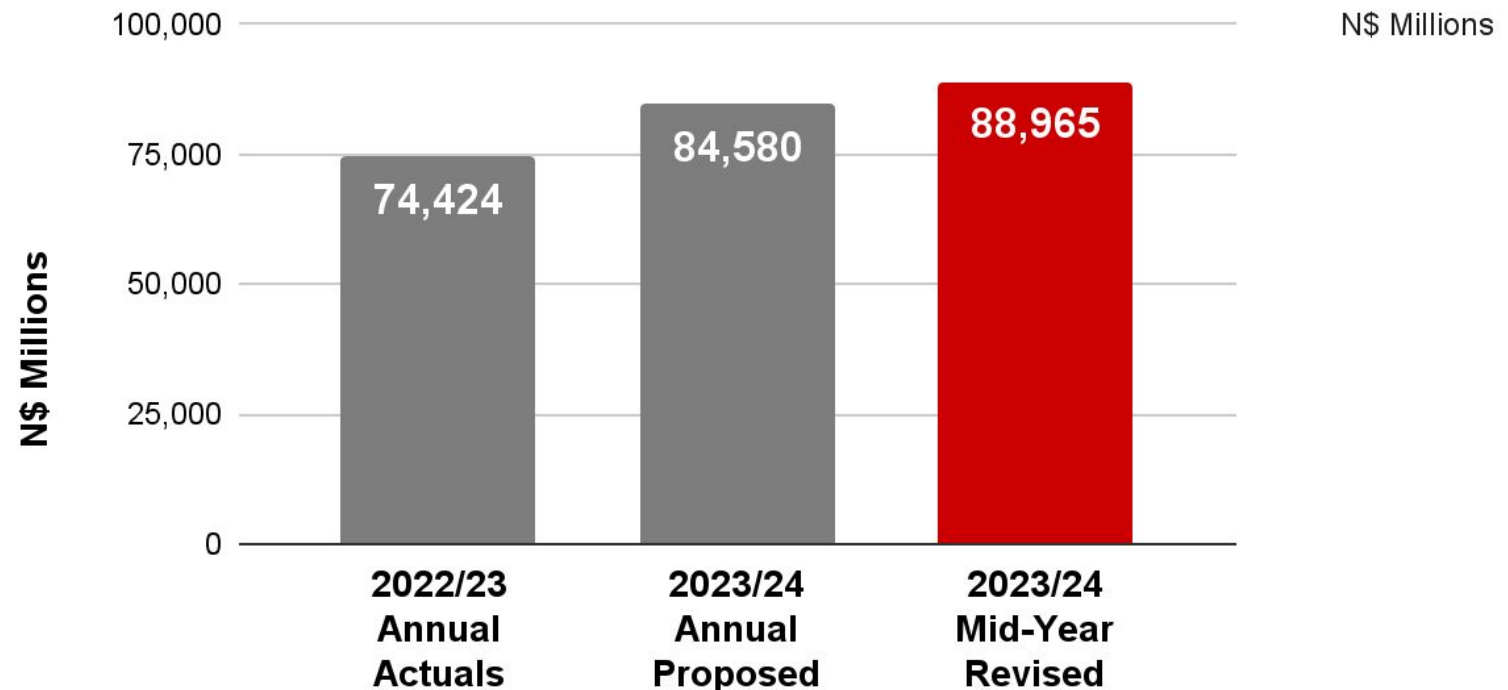
Johan Nel

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“Revised Expenditure increased by **5.18%**, from what was initially forecasted with the annual budget speech earlier this year.”

Expenditure Outlook



Expenditure Comparison (N\$ Millions)

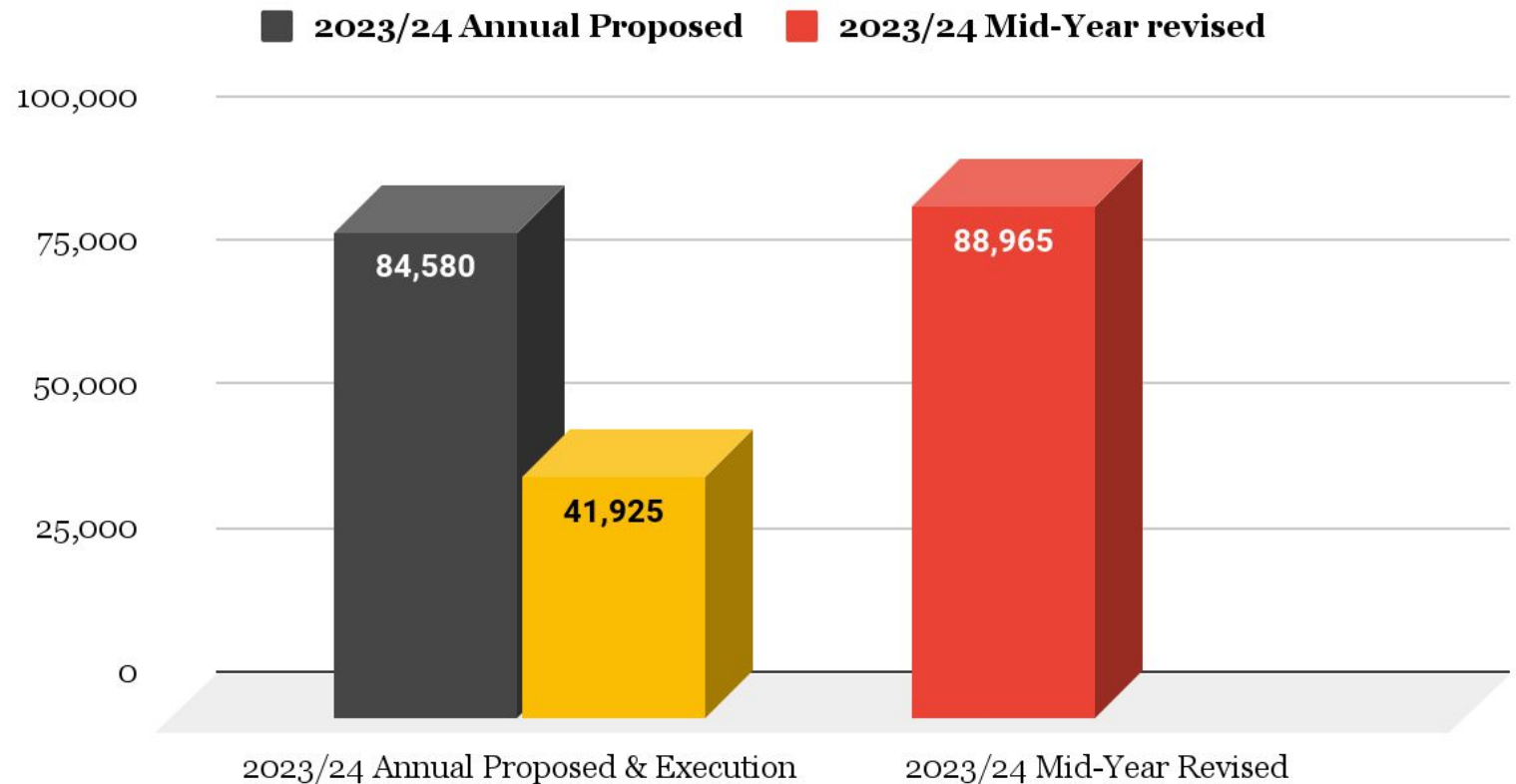
2023/24 Mid-Year Budget Review

Budget Comparisons (N\$ Millions)

Total Revised
Expenditure for 23/24
= N\$88.9 Billion

Budget executed to
date
= 49.57%

Expenditure Execution (N\$ Millions)



2023/24 Mid-Year Budget Review

Additional Expenditure Allocations



Additional Expenditure Allocations (excl. Interest repayments)
= N\$2.45 Billion

Slight development budget sacrifice and reallocated to operations

Development Budget decreased by **N\$20.1 Million**

N\$643 million to the Office of the Prime Minister for drought relief

N\$868 Million added to the operational budget for the Ministry of Finance and Public Enterprises

Ministry of Higher Education, Technology, and Innovation: received **N\$376.3 million** for NSFAP

N\$300 Million for pharmaceuticals, uncommon diseases and blood products

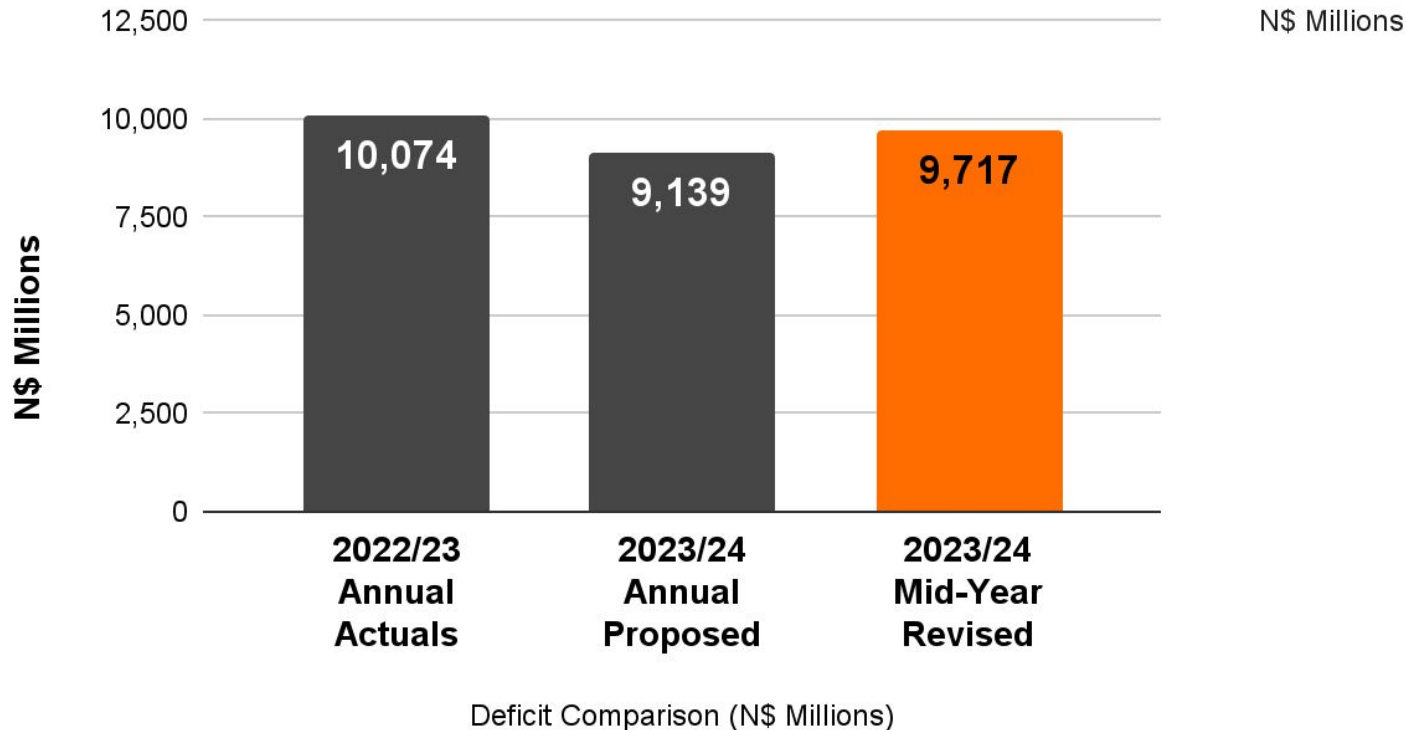
N\$20.5 million for land servicing and upgrading the sewer network.

Interest payments allocation increased by N\$1.74 Billion

2023/24 Mid-Year Budget Review

Budget Comparisons (N\$ Millions)

Deficit Outlook



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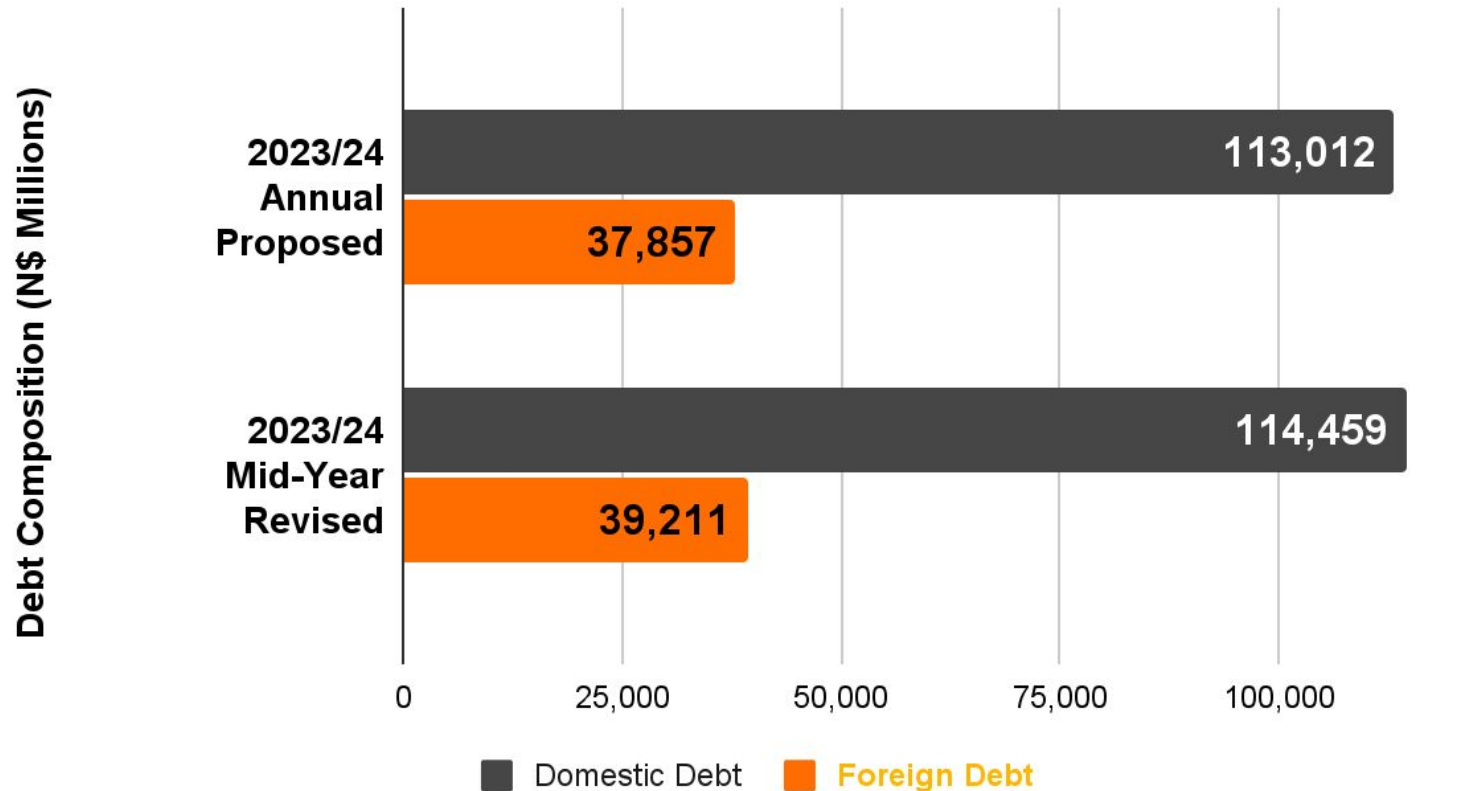


“The revised Budget Deficit for the period increased by **6.32%**, from what was initially anticipated with the annual budget speech earlier this year.”

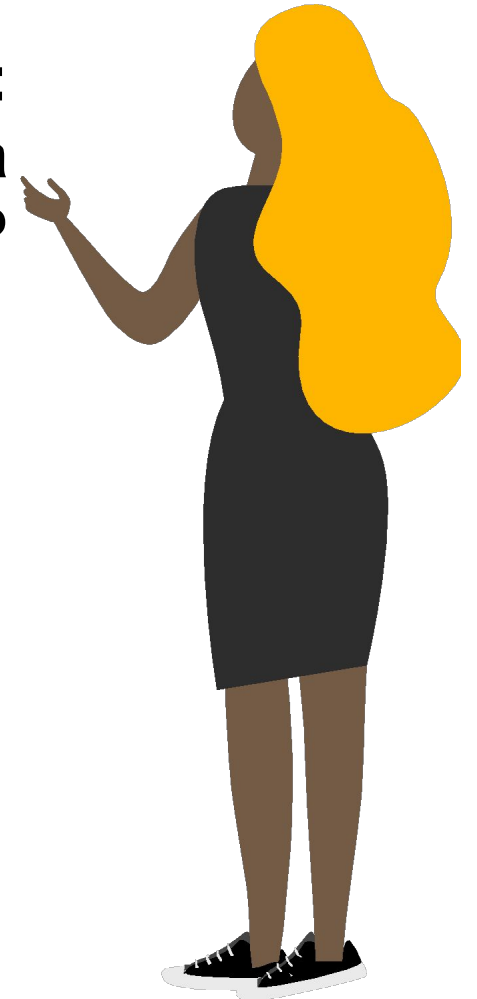
2023/24 Mid-Year Budget Review

Budget Comparisons (N\$ Millions)

Domestic Debt vs Foreign Debt



Revised:
Debt as a
% of GDP
66.0%



2023/24 Mid-Year Budget Review

MTEF Policy Priorities

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“Amongst others, the following **MTEF Policy** priorities were noted during the Honourable Minister’s Mid-Year Budget Review.”

1

Provisions are made for the upcoming Presidential, National Assembly and Regional, as well as Local Authorities Elections to be held in 2024 and beyond.

2

Allocations are made in the development budget to prioritise ongoing projects and projects contained in the second Harambee Prosperity Plan (HPP II).

3

Incorporating inflationary adjustments in the expenditure ceilings to keep up with rising costs of utilities and the general cost of living

4

New development projects are prioritized based on the gains on socio-economic impact

2023/24 Mid-Year Budget Review

Tax Proposals



Reduce non-mining company tax rates to 31% effective in FY2024/25, and a **further reduction** to 30% in FY2025/26.

The Tax Policy Unit in the Department of Economic Policy within the Ministry has developed a list of **potential areas of tax reforms** to be implemented over the medium term.

Internship Tax Incentive Programme
This is aimed at incentivising employers to enrol more interns by providing an additional corporate tax deduction.

Consideration to increase the **threshold for Income Tax on Individuals** from the current N\$50,000 to N\$100,000 in 2024/2025.

2023/24 Mid-Year Budget Review

Tax Proposals (Continued)

Review taxation of the insurance sector
Engage with relevant stakeholders on the application of equity and fairness principles in the taxation of the insurance sector.

Audit and compliance capabilities of NamRA
To ensure that the existing laws are fully complied with by continuing to strengthen its audit and compliance capabilities.

Tax Relief programme whereby interest and penalties will be fully written off if outstanding capital is fully settled by **30 October 2024** will end on this day and will not be extended again.

Renegotiation of Namibia's Double Taxation Agreements
In accordance with Namibia's trade profile, a schedule of DTAs to be renegotiated has been developed and will be presented to Cabinet.

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“During the Honourable Minister of Finance’s Mid-Year Budget Speech, the following **Tax Proposals** were noted.”

2023/24 Mid-Year Budget Review

Questions? Contact one of our Tax Experts below:



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The information contained in this document is based on current Namibian legislation and practice as well as the 2023/24 Mid Year Budget speech of the Minister of Finance and Public Enterprises. 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.

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