



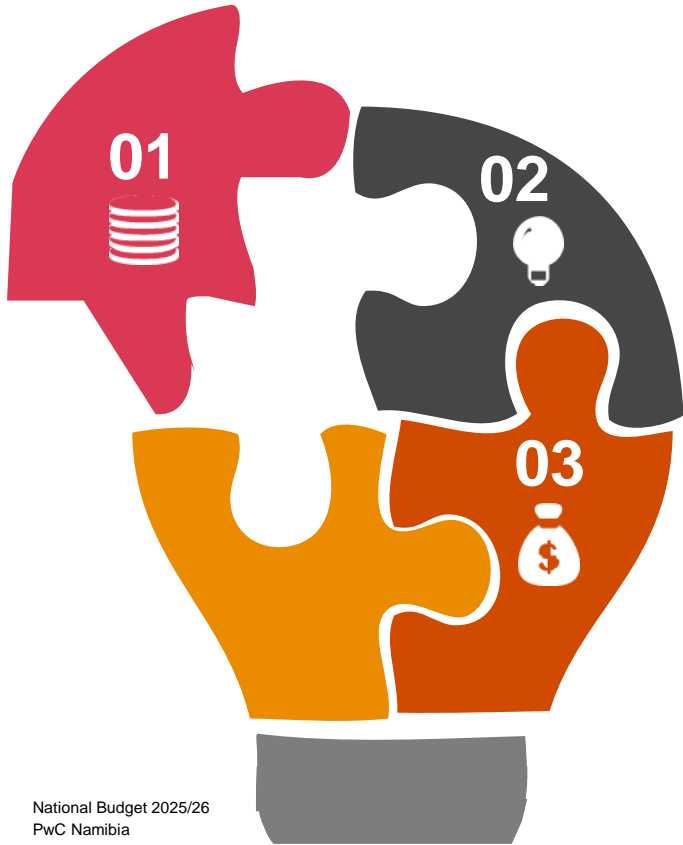
National Budget 2025/26 PwC Analysis

A New Dawn: Beyond 35, for a
prosperous future.

National Budget 2025/26



Honorable Ericah B. Shafudah
Minister of Finance and Social
Grants Management



**Stimulate
domestic
demand**



**Accelerate investment in
public infrastructure**



Cultivate fiscal prudence



“... all Namibians... join me in
envisioning and working
towards making Namibia
prosperous and a better
place for all.”

Budget Highlights

01

Revenue collections amounts to 90.0% over the first 11 months of the financial year and revenue is subsequently revised downwards for FY2024/25 by N\$1.2 billion to N\$90.9 billion.

02

N\$200 million for the construction of Category 2 stadiums across the country, N\$200 million for basic sports infrastructure

03

N\$2.7 billion allocated to Transport, which also caters for the completion of ongoing road construction projects, including rural feeder roads to schools and clinics

04

Redemption of the US\$750 million Eurobond on 29 October 2025:

- US\$463 million already collected in the Sinking Fund;
- aim to add a further US\$162 million during the current year;
- US\$125 million will be refinanced through the domestic market.

Budget Highlights...(2)

05

Principal repayments to settle the IMF Rapid Financial Instrument (RFI) financing to the tune of N\$2.3 billion in FY2025/26 and the final tranche of N\$1.2 billion in FY2026/27.

06

Over 80% of remaining debt stock will be denominated in the domestic currency - shielded from exchange rate risks.

07

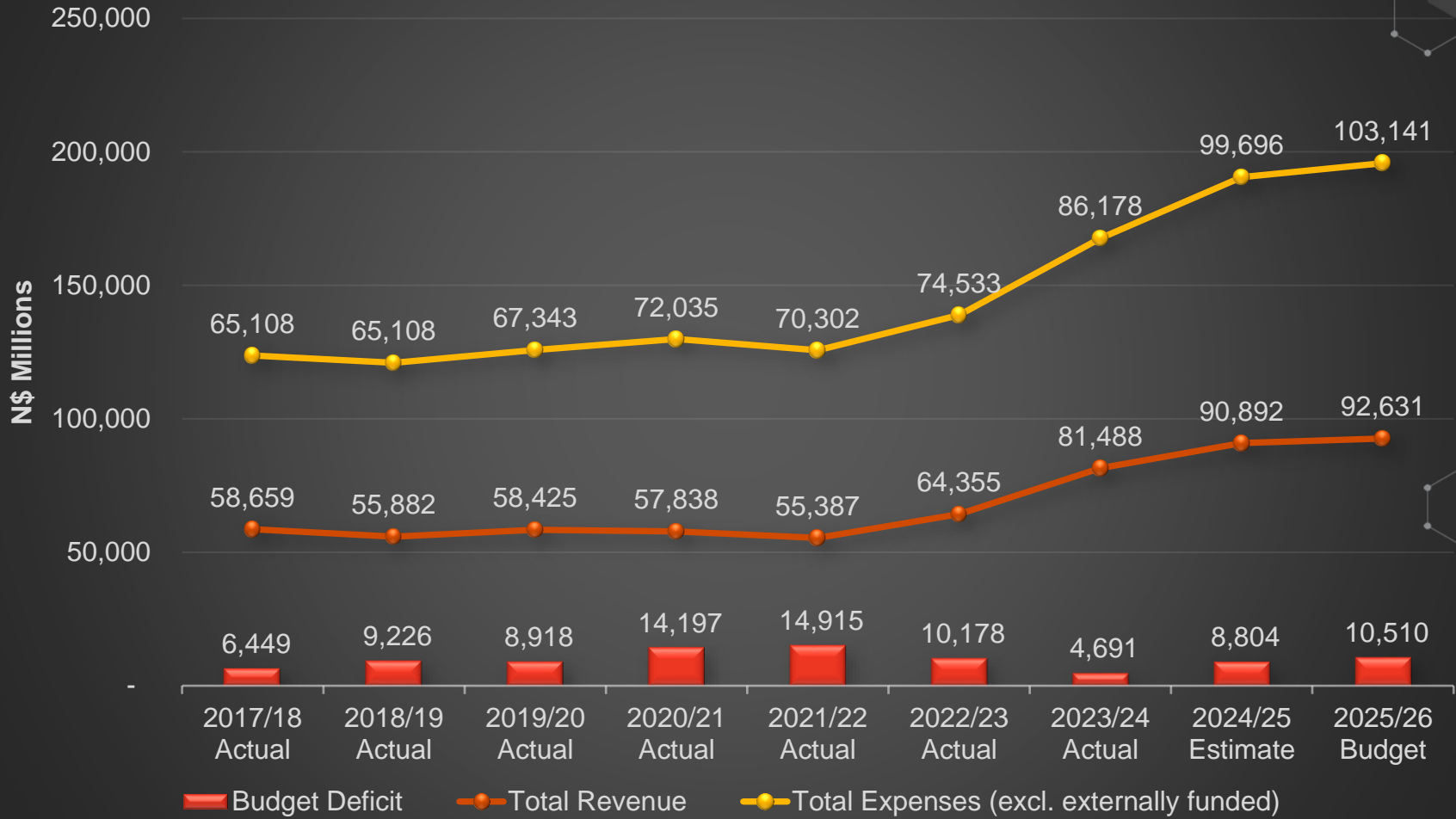
N\$780 million in FY2025/26 and N\$2.7 billion over the MTEF in the development budget to expand the network of health infrastructures countrywide.

08

N\$420 million allocated towards transfers to public enterprises that are under pressure. Some of the most significant contributions are:

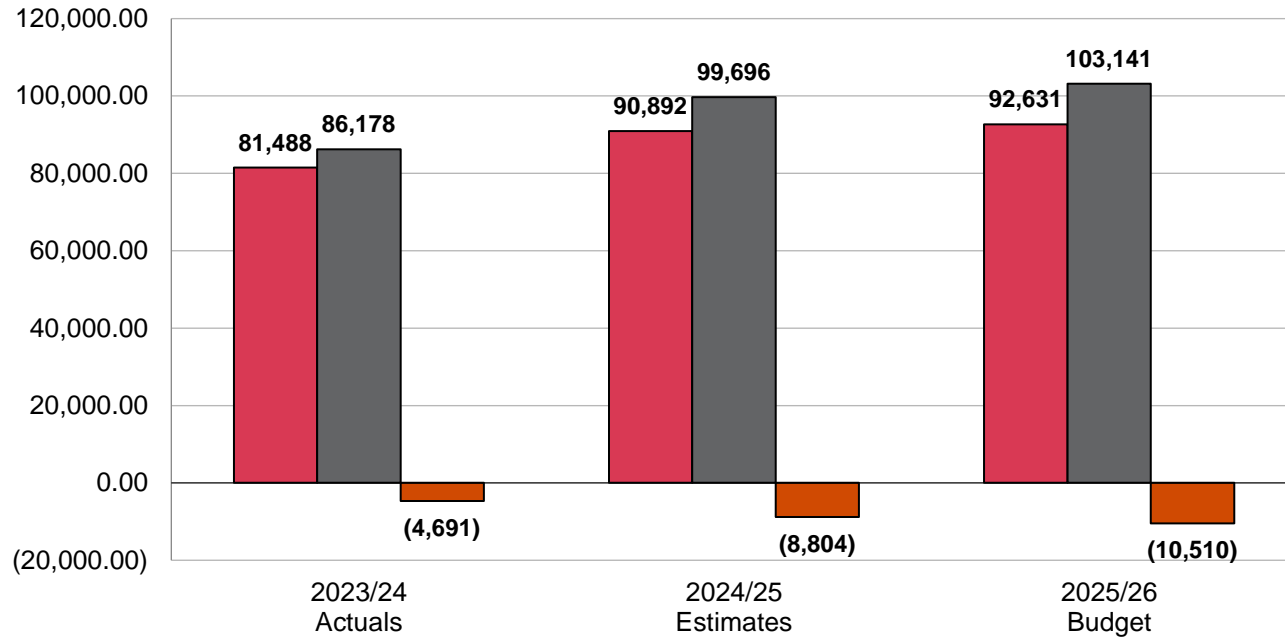
- Meatco - N\$100 million
- Trans Namib - N\$320 million

Budget balance



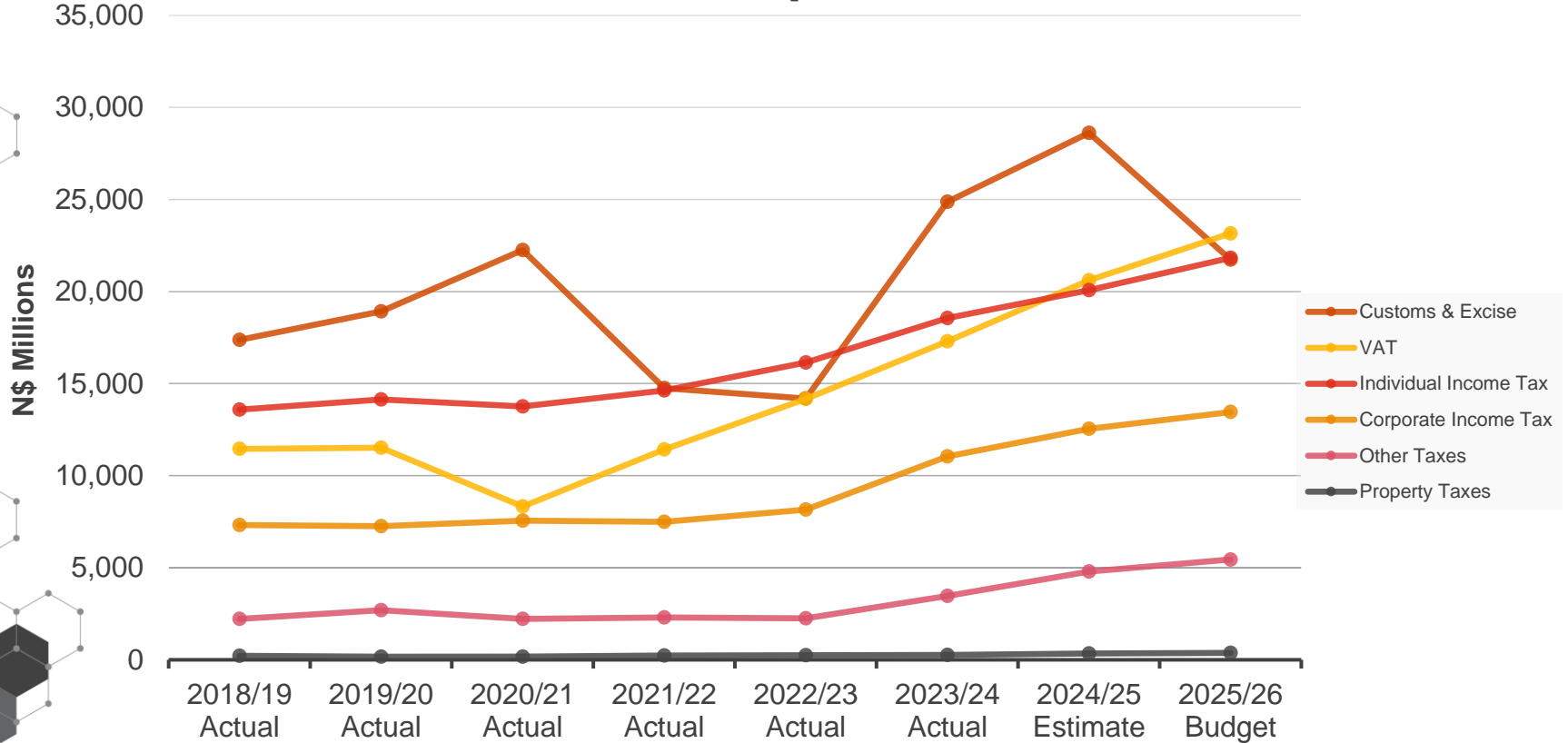
Revenue vs. Expenditure

Revenue & Expenditure Comparison (N\$ Millions)



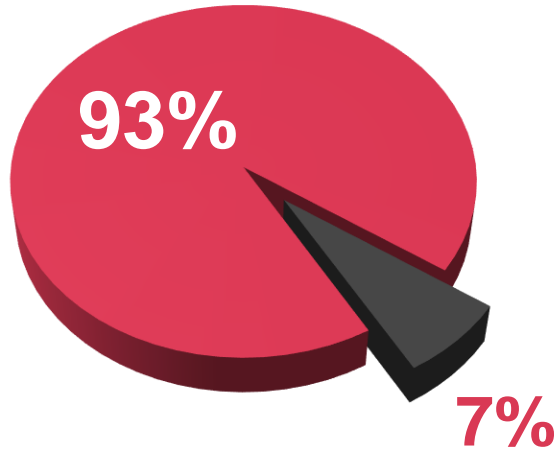
■ Revenue ■ Expenses (excl. externally funded) ■ Deficit

Tax Revenue Composition over time

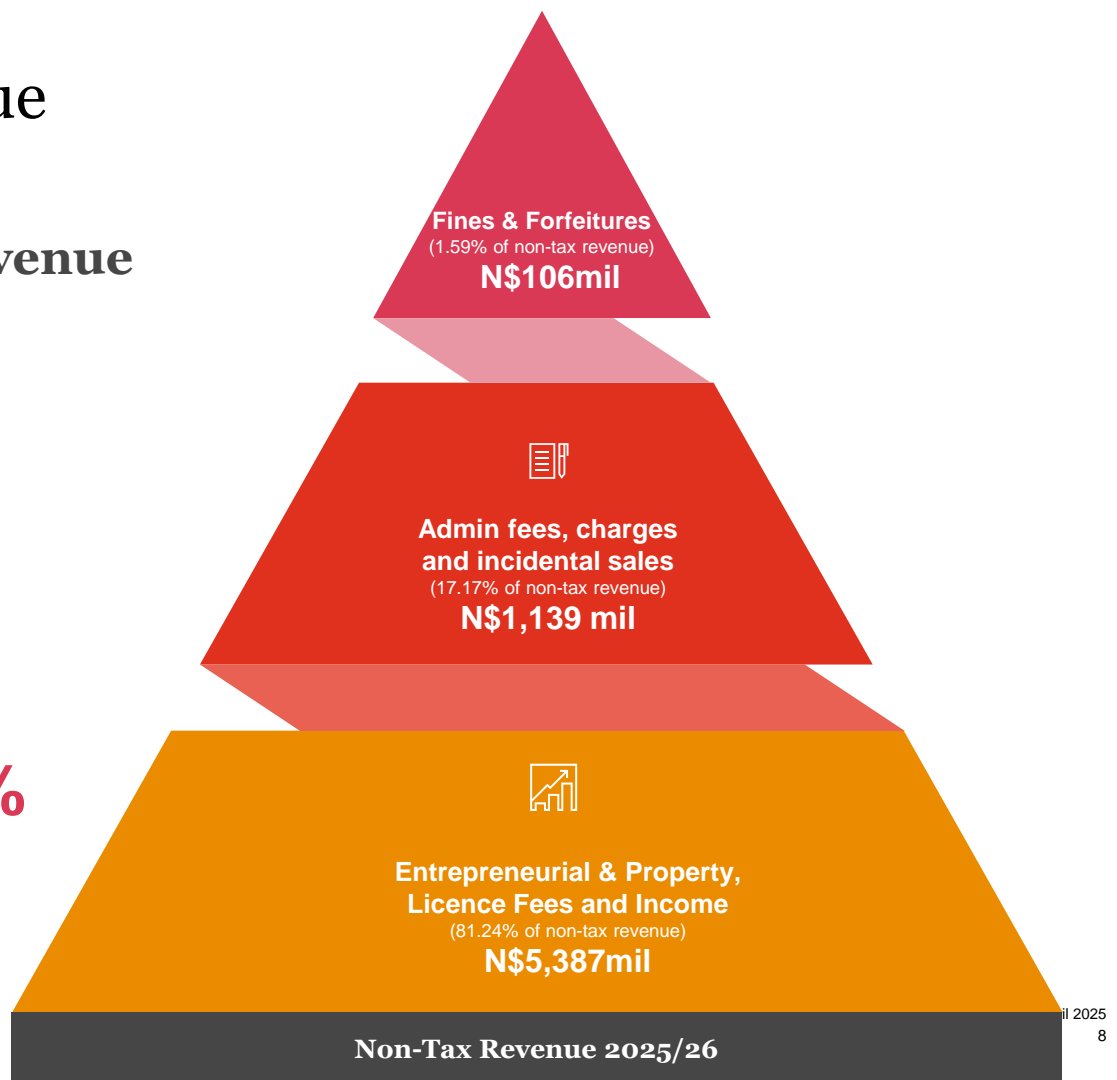


Tax vs. Non-Tax Revenue

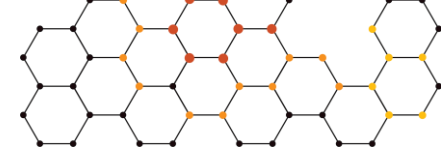
Tax Revenue vs Non-Tax Revenue



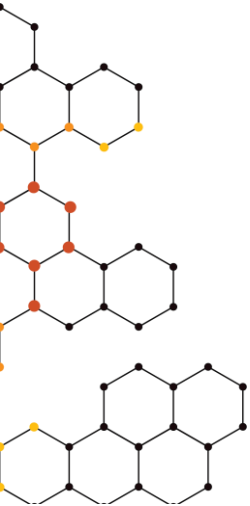
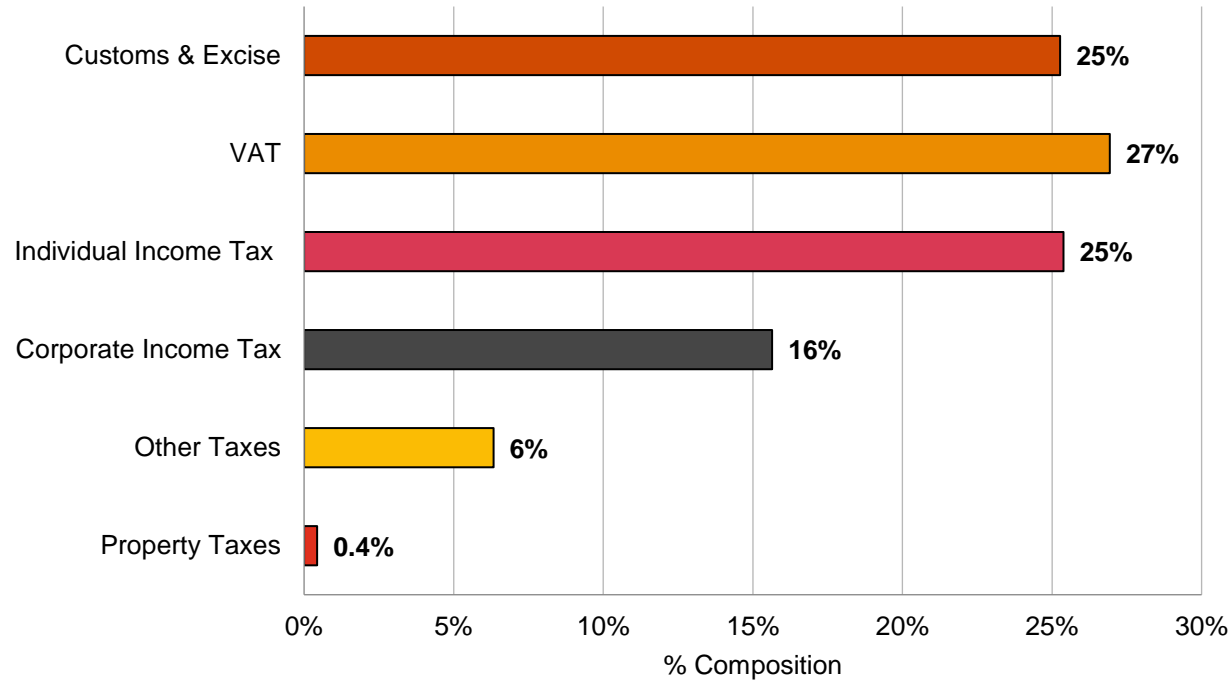
■ Tax Revenue ■ Non-Tax Revenue



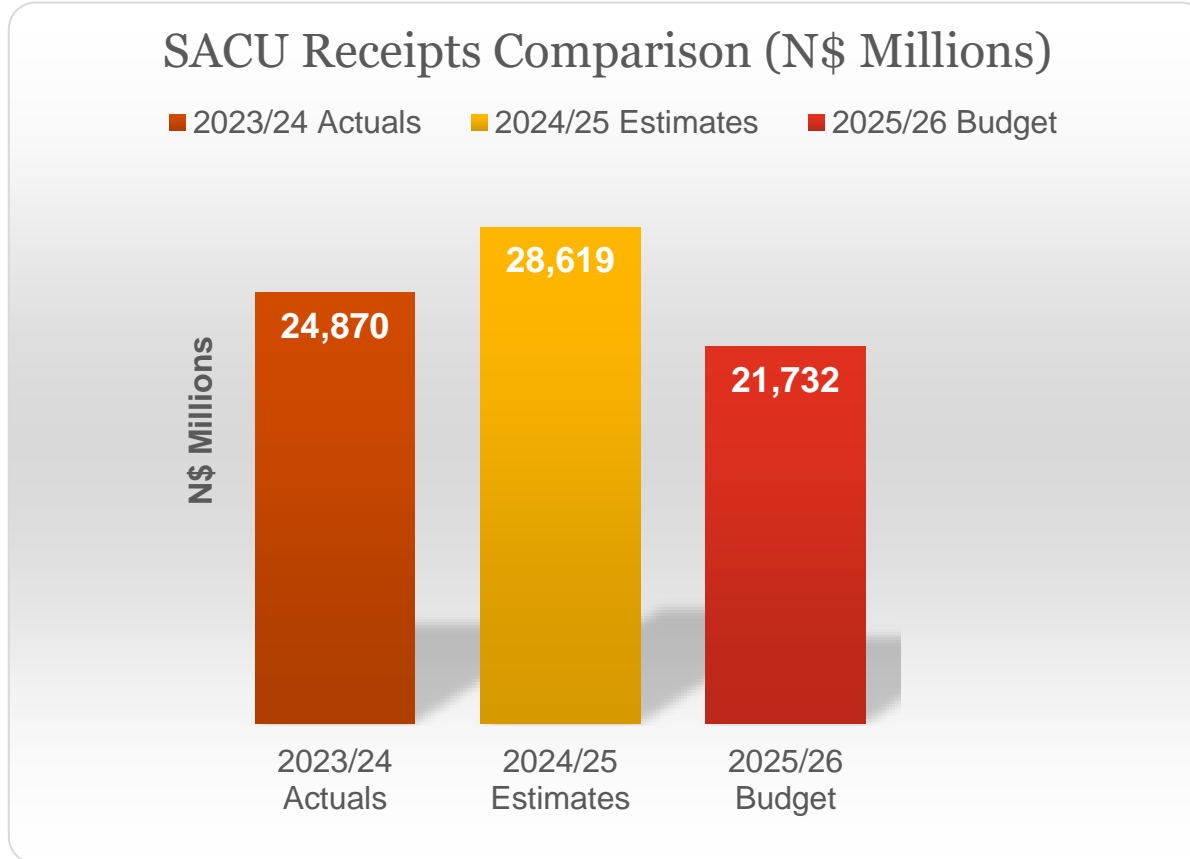
Tax Revenue Composition



Tax Revenue Composition 2025/26

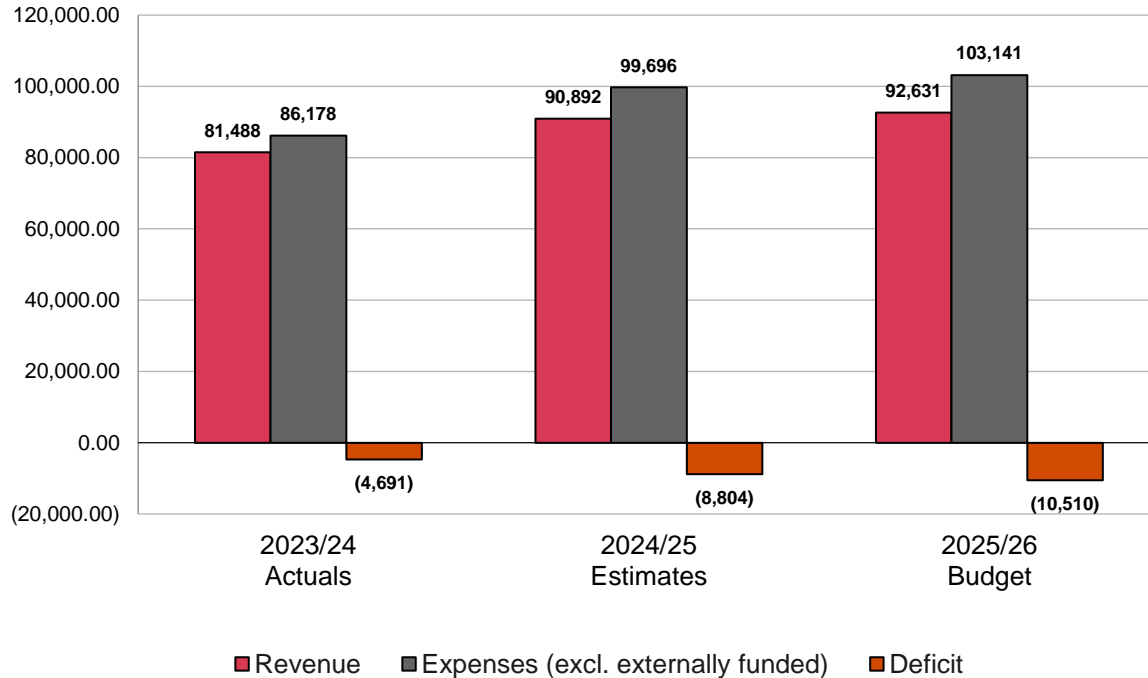


SACU Receipts



Revenue vs. Expenditure

Revenue & Expenditure Comparison (N\$ Millions)

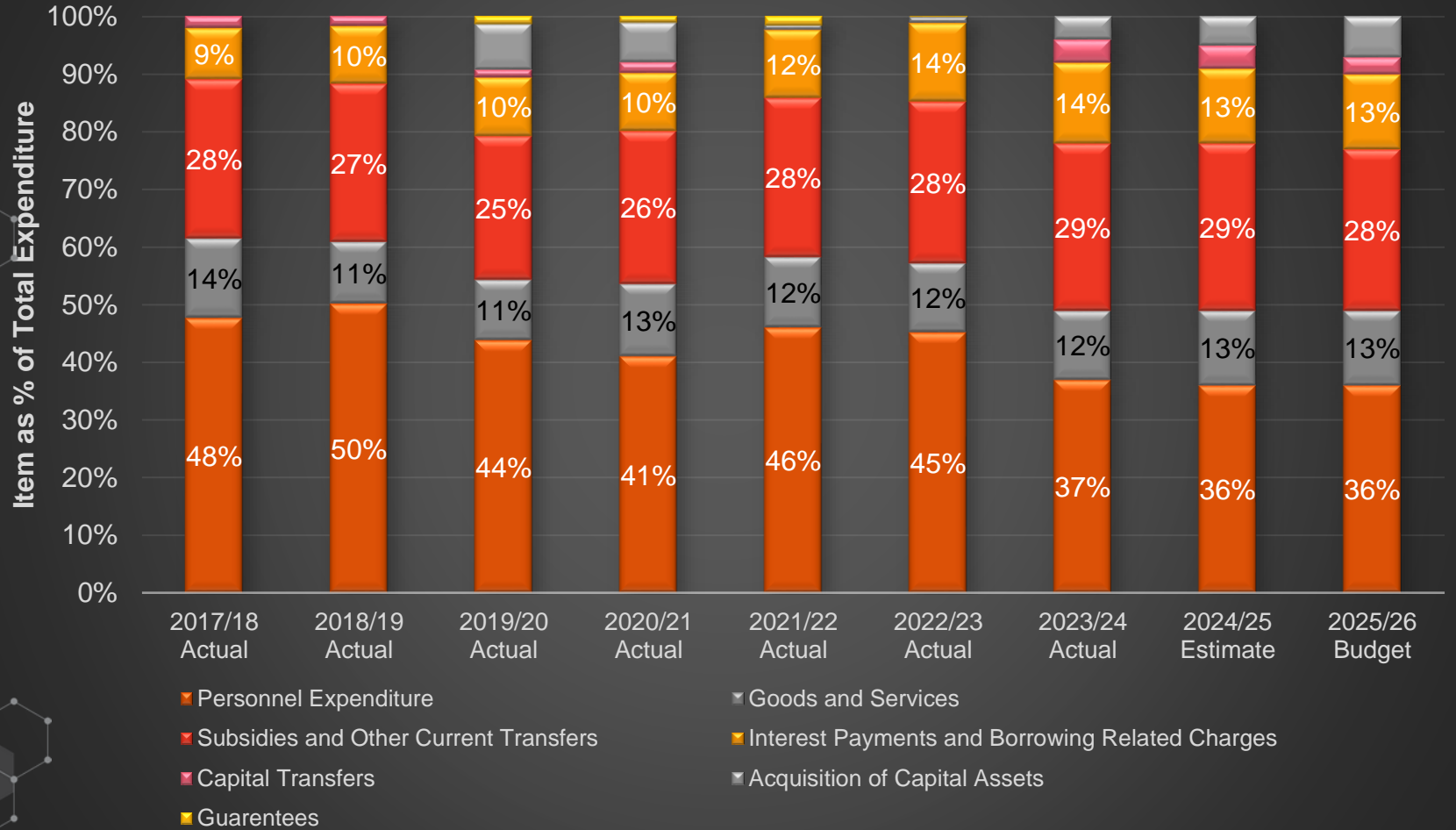


**Interest Payments =
N\$13.7 billion. 4.6% of
GDP**

**Development =
N\$9.6 billion
(Excl. externally-
funded projects)**

**Operational =
N\$79.8 billion
(Excl. Interest)**

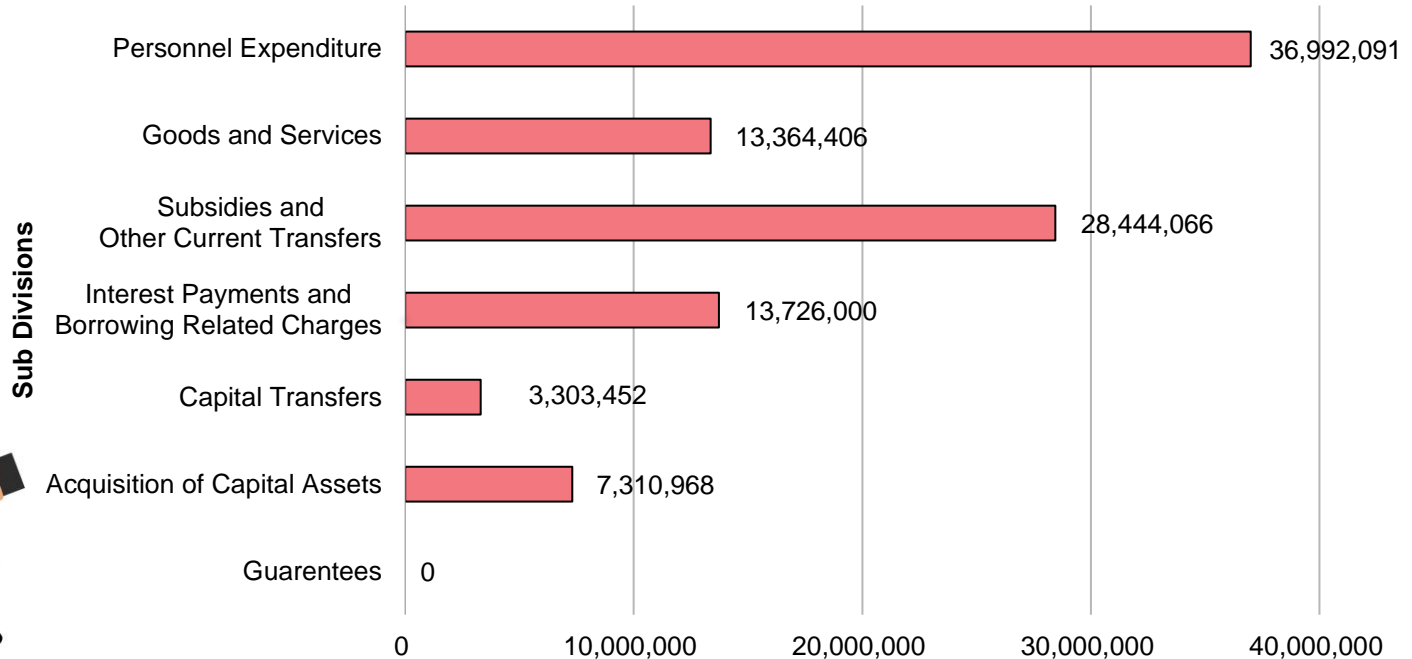
Expenditure by main item



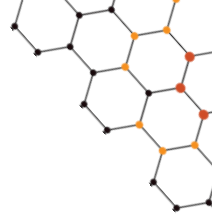
Government Expenditure – excl. externally financed



Government Operational and Development Expenditure Estimates by main items / sub divisions (including statutory) N\$ '000



Spending Priorities



Health

- N\$780 million in FY2025/26 and N\$2.7 billion over the MTEF in the development budget to expand the network of health infrastructures countrywide.



Transport

- N\$2.7 billion to fast-track the upgrading of the railway network, completion of ongoing road construction projects, including rural feeder roads to schools and clinics.



Education, Arts & Culture

- A total of N\$24.8 billion has been allocated to Education, Innovation, Arts and Culture in FY2025/26 and some N\$76.1 billion over the MTEF.



Finance & Social Grants Management

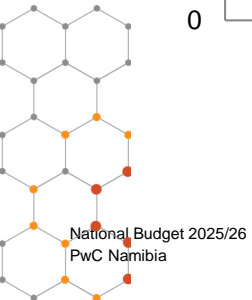
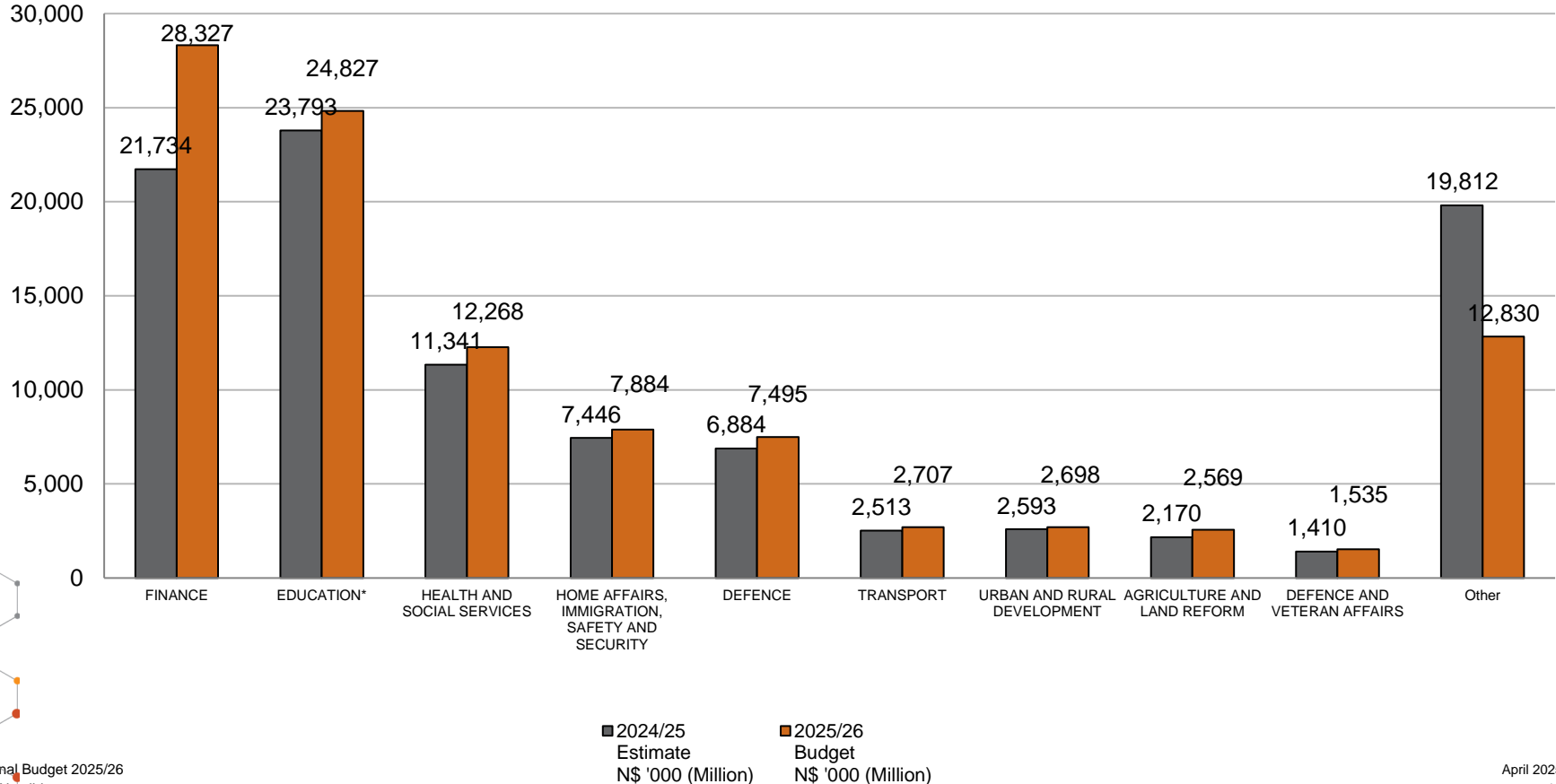
- N\$7.2 billion for the various social grants
- N\$100.0 million for Meatco
- N\$320 million for Trans Namib



Agriculture and Land Reform

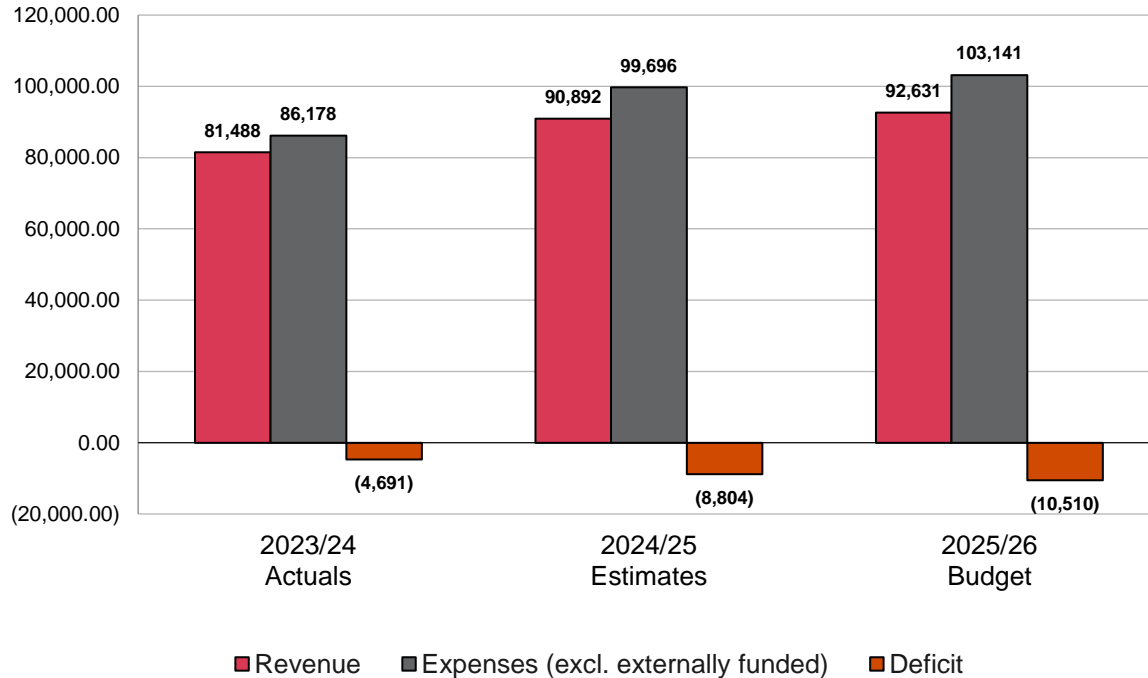
- N\$2.6 billion in FY2025/26 for improving food systems and Green Scheme programme, including Phase II of the Neckartal Dam Irrigation Project

Expenditure Allocations by Department (N\$ Million)



Deficit and Debt

Revenue & Expenditure Comparison (N\$ Millions)



**Interest Payments =
N\$13.7 billion. 4.6% of
GDP**

Foreign Debt: N\$25.4b

Domestic Debt: N\$147.0b

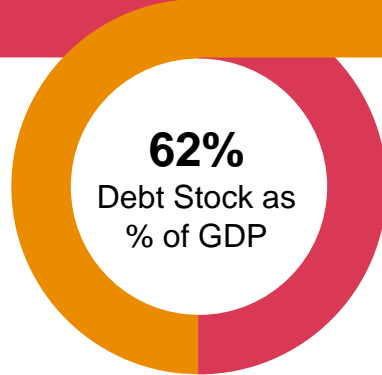
Debt Stock



3.9%
increase
in debt
from
prior year

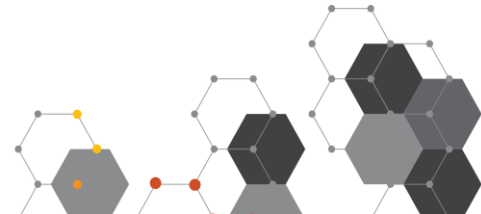
2024/25

2025/26

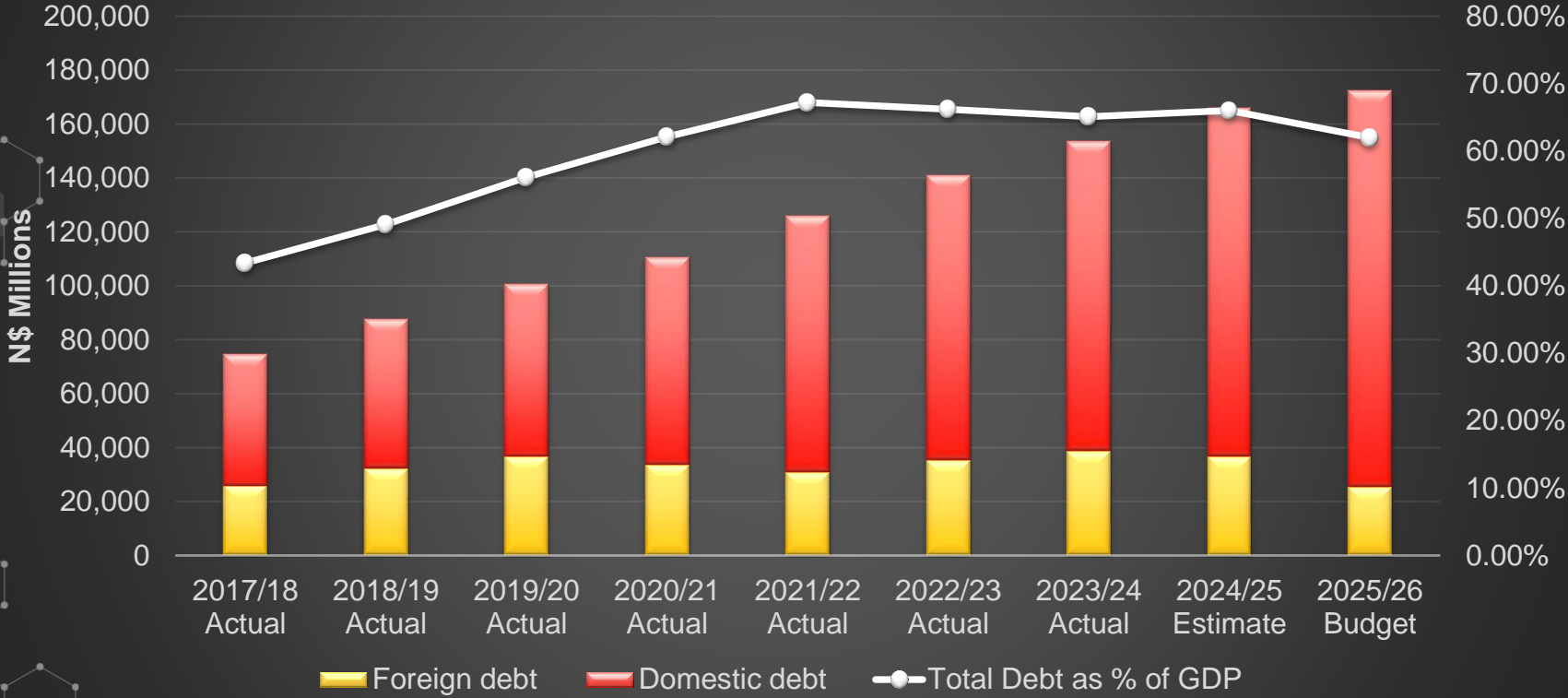


N\$ 165.9 Billion

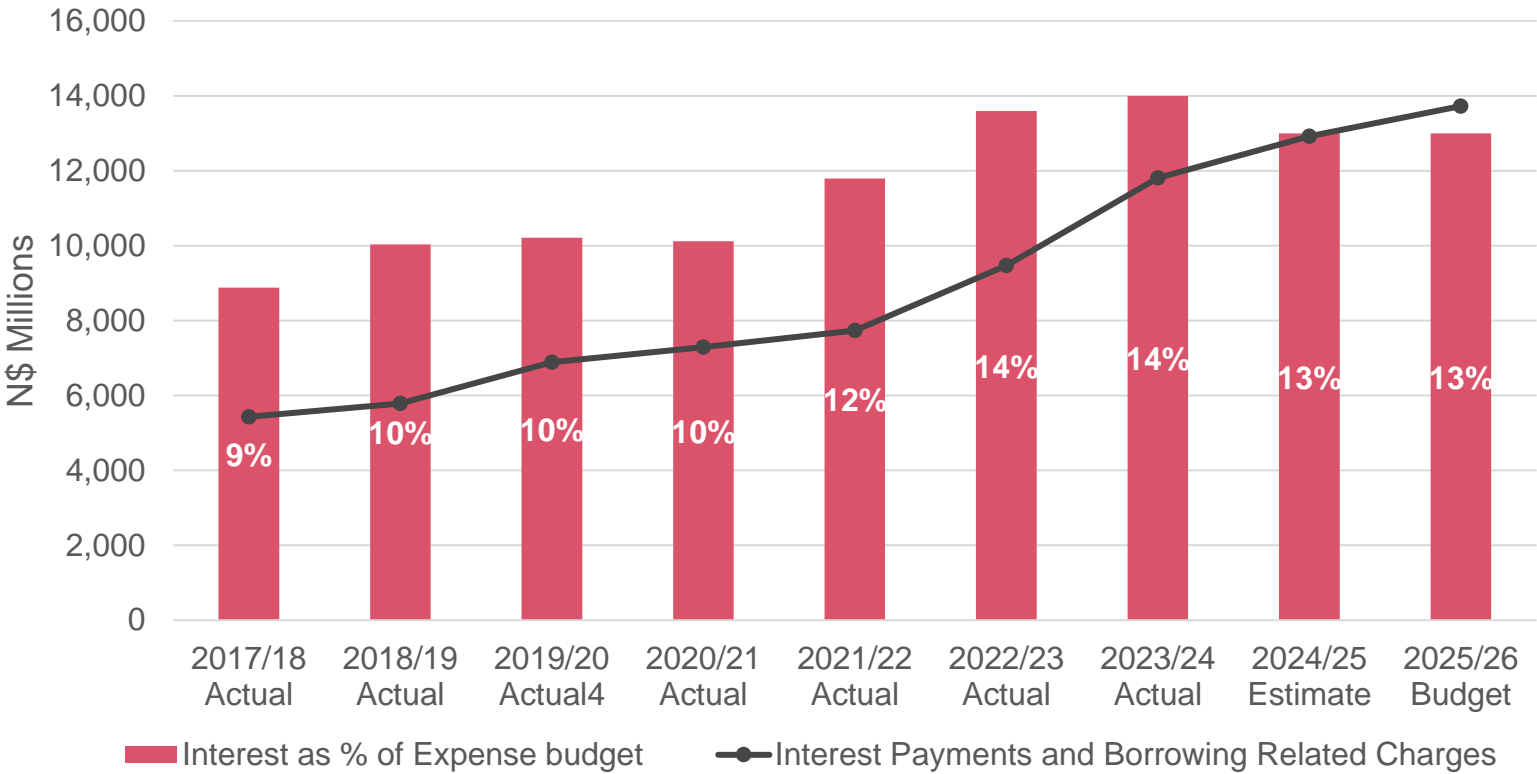
N\$ 172.4 Billion



National Debt



Interest Repayment





Tax Policy and Admin Reforms

Tax Policy and Admin Reforms



1

Retirement Fund single commutation threshold increase

Increase of retirement funds
single commutation
threshold at retirement from
N\$50,000 to N\$375,000.

2

Cap on Housing benefits

Annual tax benefit limit of
N\$400,000 on housing
benefits

3

Non-Mining Corporate Tax Rates

Corporate tax rate for non-
mining companies to reduce to
28% in FY2026/27

Tax Policy and Admin Reforms



4

Preference share dividends amendment

Anti-avoidance provision to ensure substance loans disguised as preference shares are deemed income and not tax-exempt.

5

Individual Tax Thresholds not adjusted

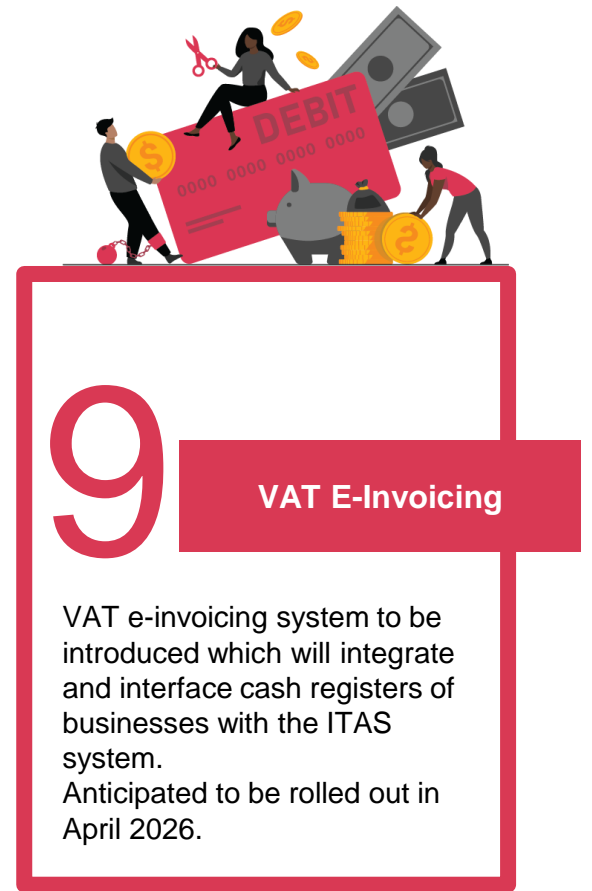
No amendments to individual tax thresholds - postponed to the two outer years of the MTEF - FY2026/27 and FY2027/28

6

Local Dividend WHT

10 percent dividend tax effective 01 January 2026

Tax Policy and Admin Reforms



7

SEZ and SME Tax regimes

Special Economic Zones (SEZ) regime and the annual turnover threshold for SMEs to benefit from the corporate income tax rate of 20 percent to be proclaimed under the proposed SEZ regime to be finalized

8

VAT on imported Digital Services

Finalising the VAT legislation on imported digital services

9

VAT E-Invoicing

VAT e-invoicing system to be introduced which will integrate and interface cash registers of businesses with the ITAS system.
Anticipated to be rolled out in April 2026.

Tax Policy and Admin Reforms



10

Zero-rating of commercial property

Schedule of zero-rated commercial properties to be amended to include state acquired commercial properties

11

Special Tax Court

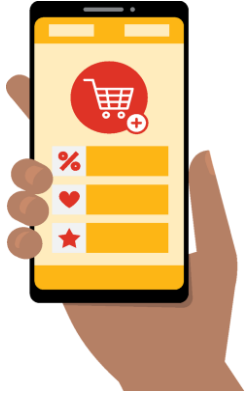
Establishment of a dedicated Tax Court - requisite legislation expected to be tabled during the course of the FY2025/26

12

Tax Amnesty

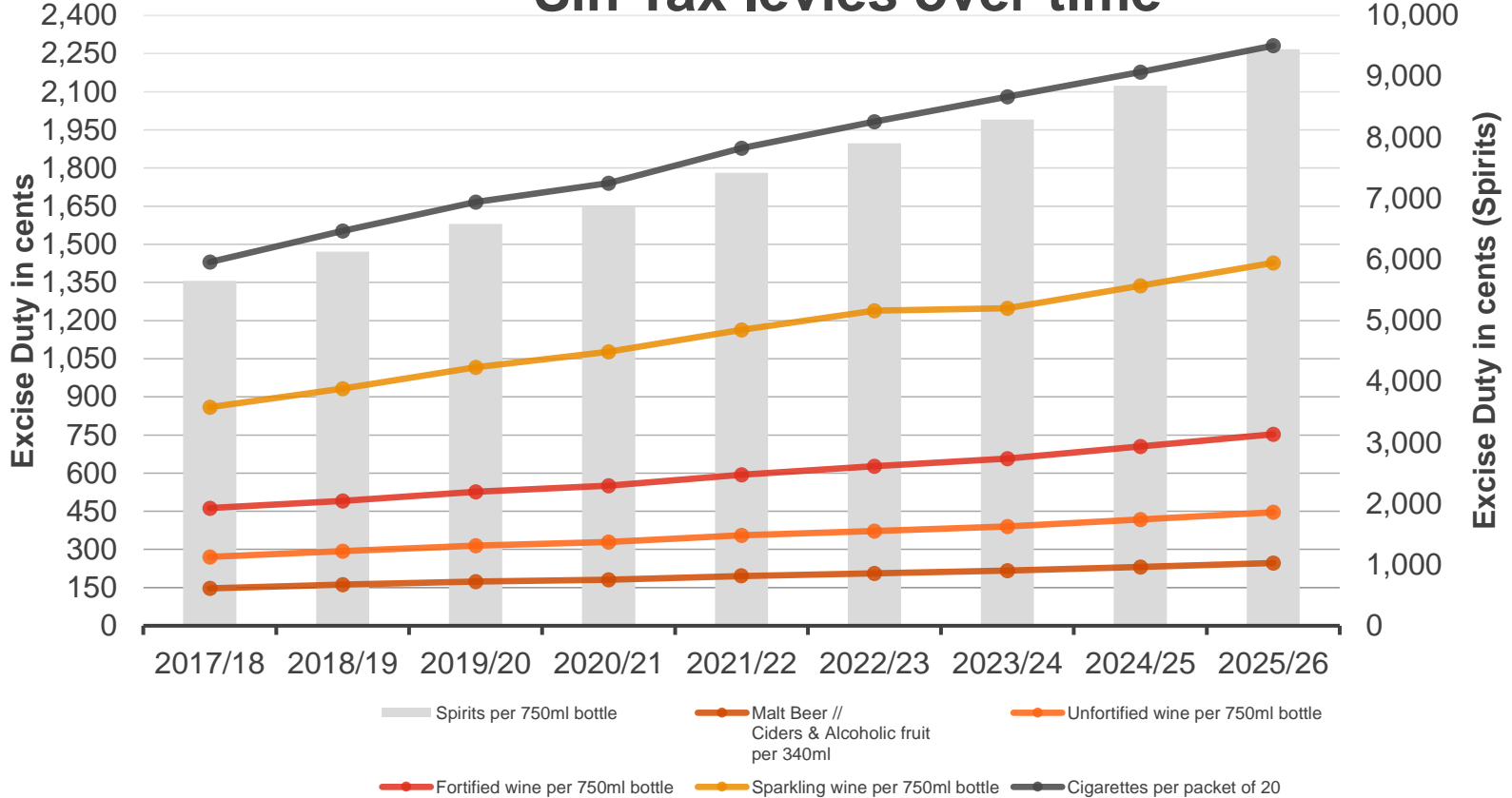
Reconfirmation that the Tax Amnesty Program will not be extended again – ends 31 October 2026

Excise Duty effective 12 March 2025



Product	Quantity	Increase in Namibian Dollars (N\$)
Spirits	per 750ml	5.97
Cigarettes	per packet of 20	1.04
Sparkling wine	per 750ml	0.90
Fortified wine	per 750ml	0.48
Unfortified wine	per 750ml	0.29
Malt Beer (5% alcohol)	per 340 ml	0.16
Ciders & Alcoholic fruit beverages	per 340 ml	0.16
Nicotine & Non-nicotine solution (e-cigarette/vaping)	per 1ml	0.14

Sin Tax levies over time



Africa: VAT rates by country



National Budget 2025/26

The comparison relies on publicly available information. We have made manual adjustments to ensure accuracy, considering the merging of ministries. This helps keep our data relevant and precise.

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