

www.pwc.com/na

Creating opportunities in tough times

Namibia Budget Review 2012/2013

At PwC we turn adversity and challenges into opportunities – this means doing things differently and acting boldly. Our tax brochure provides an overview and numeric summary of the Budget Speech



Budget Overview

The 2012/2013 Budget and Fiscal Policy outlook

N\$ Millions				
	2011	2012	2013	2014
	Actual	Estimate	Budget	Forecast
Tax Revenue	21,518	25,406	33,811	33,587
Non-Tax Revenue	1,698	1,402	1,565	1,624
Return on Capital from Lending and Equity Participation	4	20	20	20
External Grants	24	24	25	26
Loan Proceeds	-	-	-	-
Total Revenue	23,244	26,853	35,420	35,257
Total Expenditure	(27,553)	(37,166)	(40,157)	(41,001)
Total Budget Deficit	(4,309)	(10,313)	(4,737)	(5,744)

Fiscal Targets

	Target	2011/12 Estimates	2012/2013 Budget	2013/14 Forecast
GDP (N\$ million)	n/a	92,196	102,356	113,958
Revenue as % of GDP	n/a	29%	35%	31%
Spending as % of GDP	40%	40%	39%	36%
Deficit as % of GDP	7%	-11%	-5%	-5%
Public debt as % of GDP	35%	27%	28%	30%

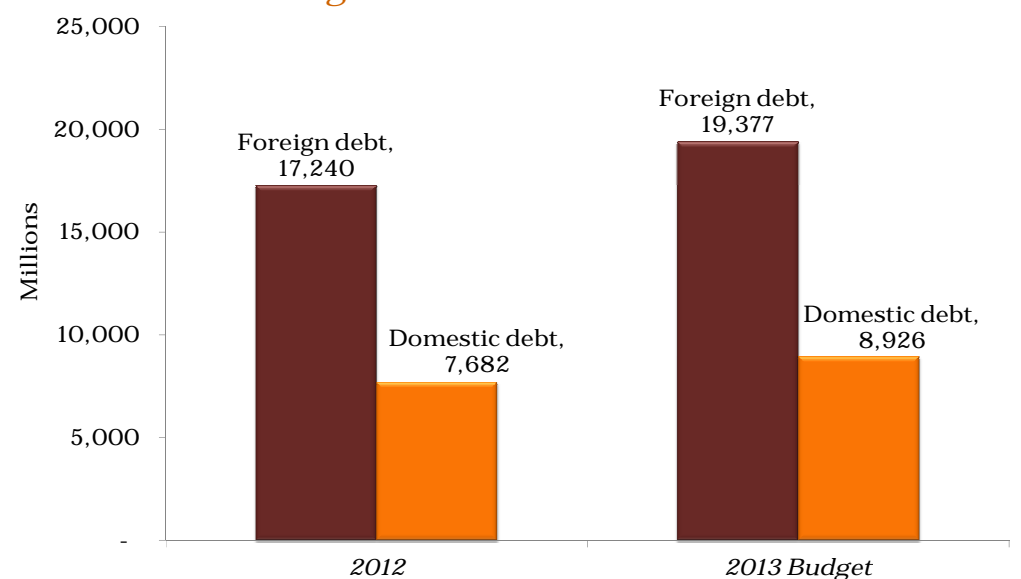
Debt Financing

Debt Financing plan for the Medium Term Expenditure

Forecast (MTEF) for 2012/2013 to 2013/2014

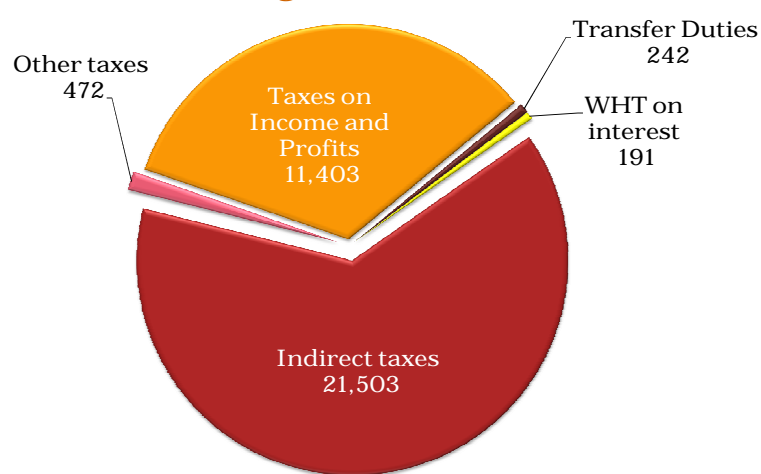
N\$ Millions			
	2011/12	2012/13	2013/14
Budget Balance	(10,313)	(4,737)	(5,744)
Utilization of Cash Reserves	0	0	0
Expenditure outside Budget (new foreign borrowing)	(245)	(860)	-
Bond redemption	(187)	0	0
Foreign loans repayment	-	-	-
Borrowing (own funds for bond redemption)	0	0	0
Net Borrowing Requirement	(10,746)	(5,597)	(5,744)

Domestic vs Foreign Debt

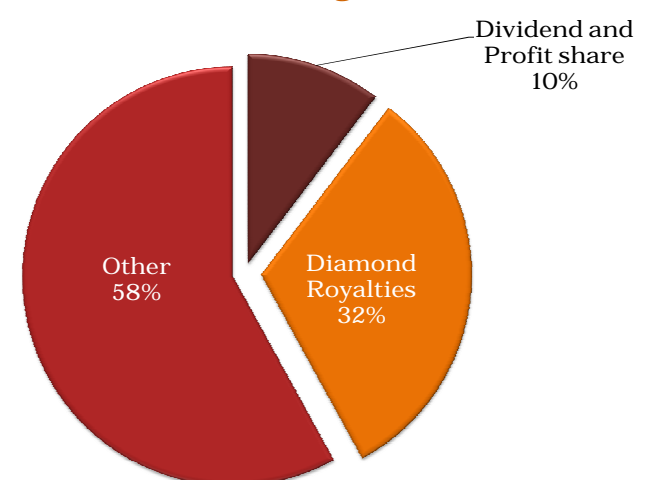


Revenue

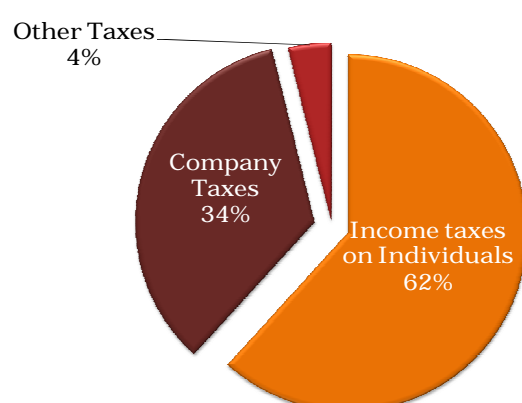
Tax Revenue 2013 Budget (N\$ Millions)



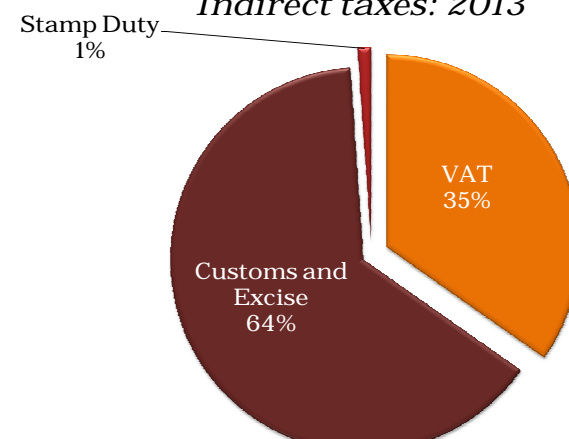
Non Tax Revenue 2013 Budget



Income on profits and taxes: 2013



Indirect taxes: 2013

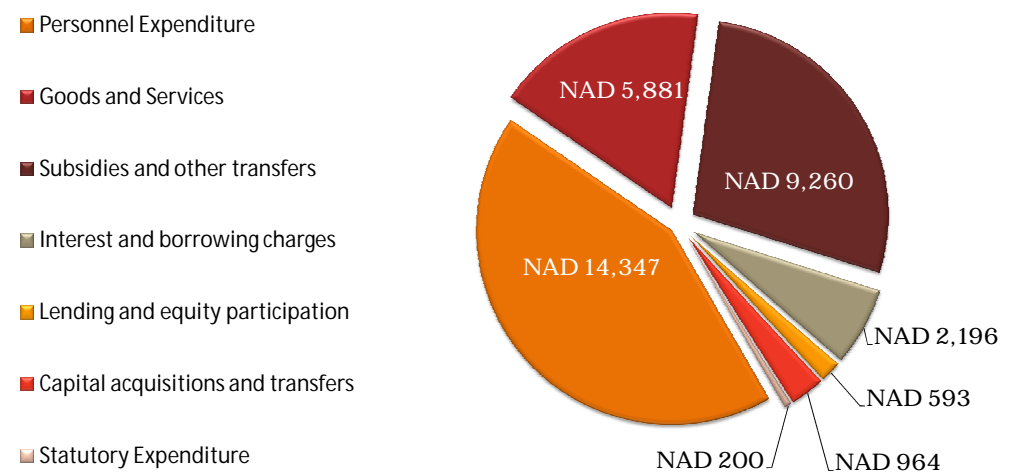


Expenditure

Government expenditure estimates by main items for 2012/2013

NS Millions			
	2011/12	2012/13	2013/14
Personnel Expenditure	11,979	14,347	14,735
Goods and Services	5,253	5,881	5,830
Subsidies and other transfers	8,201	9,260	9,431
Interest and borrowing charges	1,282	2,196	2,440
Lending and equity participation	1,359	593	0
Capital acquisitions and transfers	1,008	964	1,171
Statutory Expenditure	13	200	200
Total operational expenditure (A)	29,096	33,441	33,807
Total capital expenditure (B)	7,520	6,454	6,890
Total Expenditure (A) + (B)	36,616	39,895	40,697

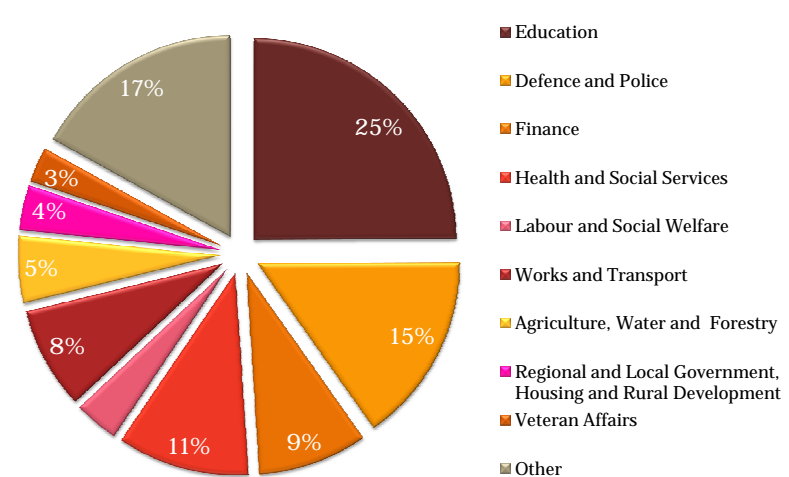
Operational expenditure estimates by main items 2012/13 (NS million)



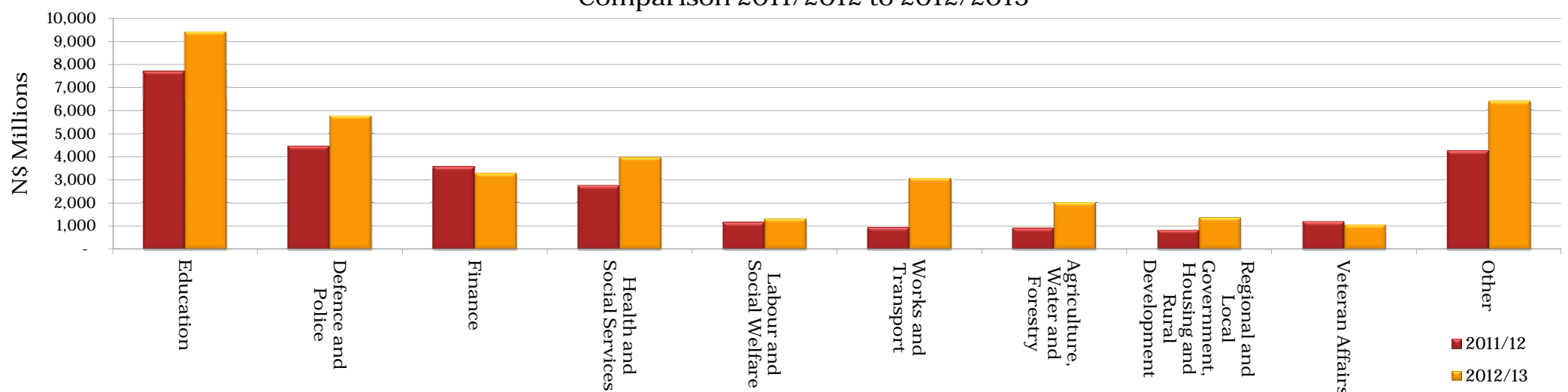
Government expenditure estimates by Department for 2012/2013

NS Millions			
	2011/12	2012/13	% Increase
Education	7,680	9,416	23%
Defence and Police	4,461	5,777	30%
Finance	3,572	3,295	-8%
Health and Social Services	2,758	3,976	44%
Labour and Social Welfare	1,164	1,329	14%
Works and Transport	952	3,084	224%
Agriculture, Water and Forestry	915	2,034	122%
Regional and Local Government, Housing and Rural Development	836	1,375	65%
Veteran Affairs	1,198	1,061	-11%
Other	4,264	6,413	50%
Total	27,799	37,760	36%

Government expenditure per Department 2012/2013 (NS million)



Comparison 2011/2012 to 2012/2013



Excise Duties

Excise duty has been adjusted as follows:

Namibian Dollars (NS)				
	2011/12	2012/13	% Increase	Measure
Cigarettes	9.74	10.32	5.95%	packet
Malt Beer	53.97	59.36	9.99%	litre absolute alcohol
Unfortified Wine	2.32	2.50	7.76%	litre
Sparkling Wine	6.97	7.53	8.03%	litre
Fortified Wine	4.33	4.59	6.00%	litre
Spirits	93.03	111.64	20.00%	litre absolute alcohol

Taxation - Proposed changes

The following tax proposals will be introduced during the course of 2012:

- Differentiated rate on the export of natural resources
- A revised Income Tax rate for non-diamond mining companies
- Environmental levy on a range of environmentally harmful products
- Introduction of a transfer duty on the sale of shares in companies owning fixed property and mineral rights or licences

The Minister indicated that the following will be key focus areas regarding taxes in 2012/13:

- Tax policy reforms
- Introduction of an integrated computerised tax system
- A Voluntary Disclosure Program
- Special tax regime for SME businesses
- A review of the individual tax regime
- Feasibility study for an Independent Revenue Authority

PwC Contact Persons



Stéfan Hugo
 Partner
 Corporate International Tax
 stefan.hugo@na.pwc.com
 Telephone +264 (61) 284 1102
 Mobile +264 81 141 0504



Christina Swart-Opperman
 Partner
 Human Resource Services
 christina.swart-opperman@na.pwc.com
 Telephone +264 (61) 284 1063
 Mobile +264 81 129 3088



Chantell Husselmann
 Partner
 Indirect Tax Services
 chantell.husselmann@na.pwc.com
 Telephone +264 (61) 284 1327
 Mobile +264 81 122 4181



Patty Karuaihe-Martin
 Partner
 Indirect Tax Services
 patty.karuaihe-martin@na.pwc.com
 Telephone +264 (61) 284 1258
 Mobile +264 81 122 6040



Johan Nel
 Senior Manager
 Corporate Tax
 johan.nel@na.pwc.com
 Telephone +264 (61) 284 1122
 Mobile +264 81 141 0497



Elria van der Merwe
 Senior Manager
 Human Resource Services
 elria.van.der.merwe@na.pwc.com
 Telephone +264 (61) 284 1201
 Mobile +264 81 445 6559



Denis Hyman
 Senior Manager
 Customs & Excise Duties
 denis.hyman@na.pwc.com
 Telephone +264 (61) 284 1045
 Mobile +264 81 122 4169



Gavin Frey
 Manager
 Customs & Excise Duties
 gavin.frey@na.pwc.com
 Telephone +264 (61) 284 1181
 Mobile +264 81 730 7308



Riana Esterhuyse
 Manager
 Corporate International Tax
 riana.esterhuyse@na.pwc.com
 Telephone +264 (64) 217 736
 Mobile +264 81 233 0904



Harold Mbuende
 Manager
 Human Resource Services
 harold.mbuende@na.pwc.com
 Telephone +264 (61) 284 1156
 Mobile +264 81 293 6206



Agartha Beukes
 Manager
 Indirect Tax
 agartha.beukes@na.pwc.com
 Telephone +264 (61) 284 1006
 Mobile +264 81 252 1060



Joseffine Keister
 Manager
 Indirect Tax
 joseffine.keister@na.pwc.com
 Telephone +264 (61) 284 1197
 Mobile +264 81 244 3526



Estelle Walters
 Manager
 Trusts, Estates, Co Secretarial
 estelle.walters@na.pwc.com
 Telephone +264 (61) 284 1208
 Mobile +264 81 141 0534



Jacolene Eagleton
 Manager
 Company Secretarial
 jacolene.eagleton@na.pwc.com
 Telephone +264 (61) 284 1036
 Mobile +264 81 122 4197



Dolly Mouton
 Manager
 Indirect Tax
 dolly.mouton@na.pwc.com
 Telephone +264 (61) 284 1031
 Mobile +264 81 295 2758



Nellie Du Toit
 Manager
 Indirect Tax
 nellie.du.toit@na.pwc.com
 Telephone +264 (64) 217 734
 Mobile +264 81 128 6838

The information contained in this booklet is based on current Namibian legislation and practice as well as the 2012/2013 Budget speech of the Minister of Finance. 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.

PwC Walvisbay Tel: +264 64 217 700
 PwC Windhoek: Tel: +264 61 284 1012
 Web Site: www.pwc.com/na
 Standard Bank Head Office: Tel: +264 61 294 9111
 Customer Contact Centre: Tel: +264 61 294 2126
 Web Site: www.standardbank.com.na