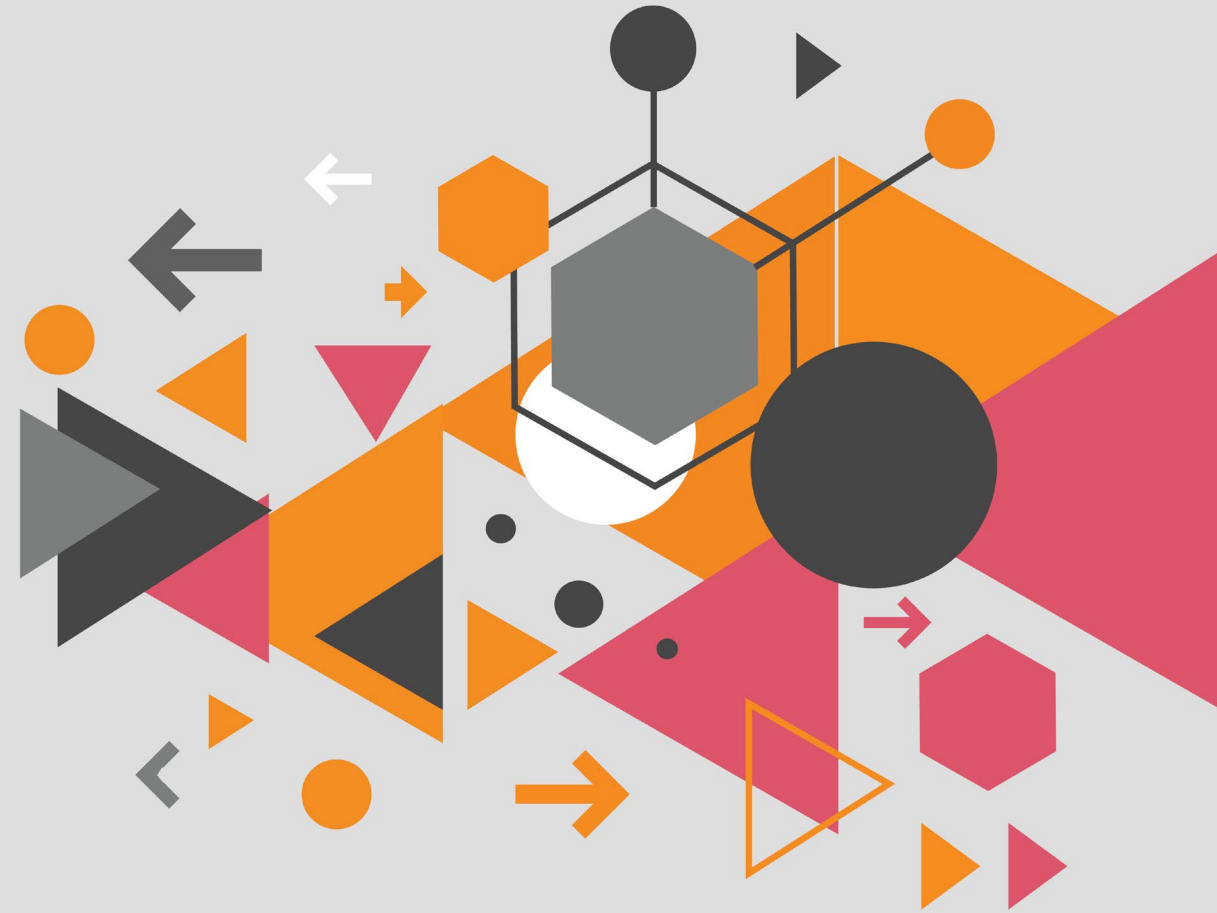


**PwC Namibia's
Mid-Year Budget 2024/25
Analysis and Dissect**



Mid-Year Budget 2024/25 Review

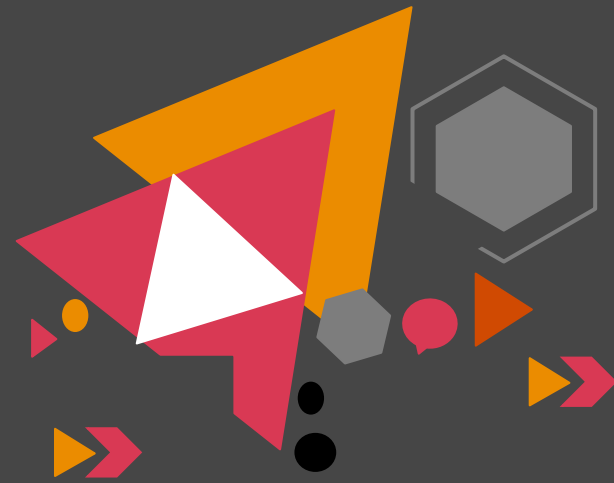
Overview

The Honourable Minister of Finance & Public Enterprises presented the Mid-Year Budget Review Policy Statement in Parliament on the 29th of October 2024.

This overview summarises highlights from the speech.

“The Namibian government remains committed to improve the standard of living of all Namibians.”

- Hon. Ipumbu Shiimi,
Minister of Finance & Public Enterprises

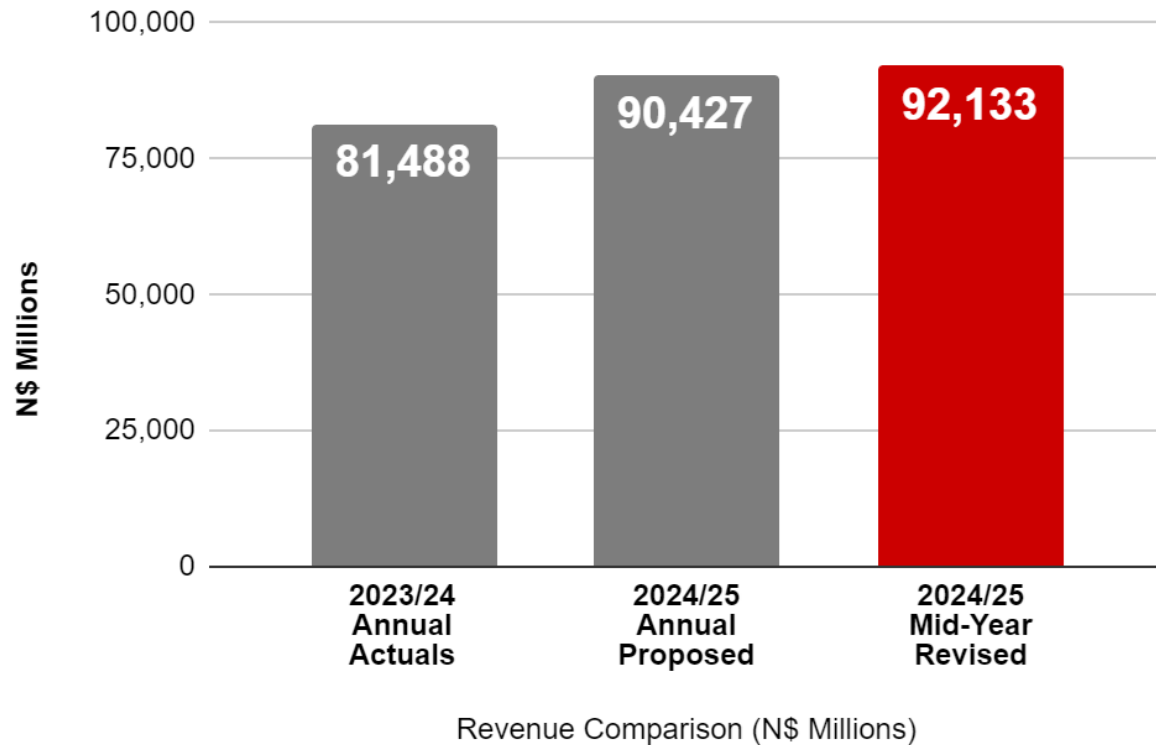


Mid-Year Budget 2024/25 Review



Budget Comparisons (N\$ Millions)

Revenue Outlook



Chantell Husselmann
Country Senior Partner
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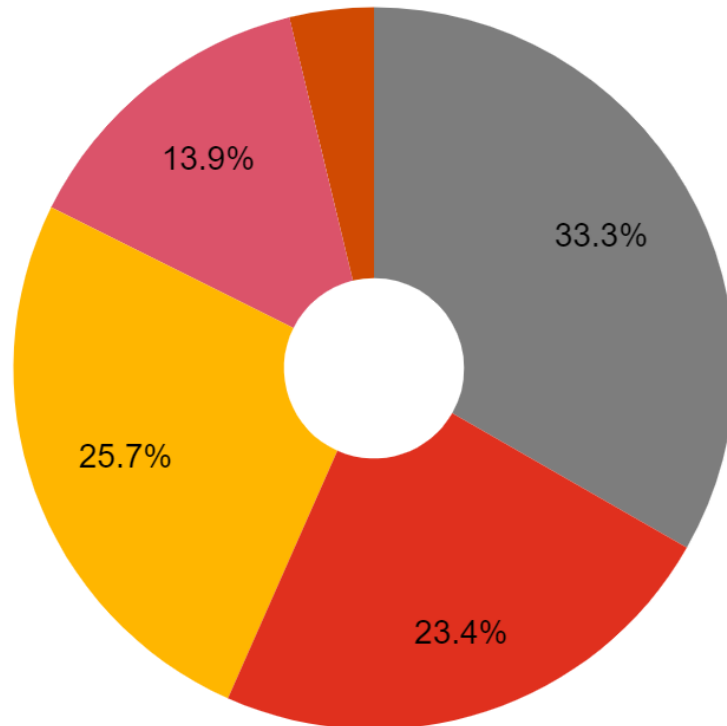


“Revised Revenue **increased** by **1.89%**, from what was initially expected with the annual budget speech earlier this year.”

Mid-Year Budget 2024/25 Review

Revised Tax Revenue Composition

Revised Tax Revenue Composition



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



Total Revised Revenue for 24/25
= N\$92.1 Billion

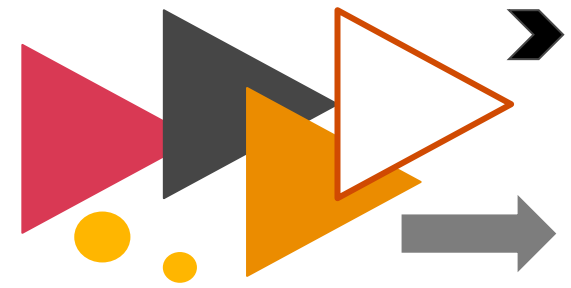
Non-Tax Revenue for 24/25

= N\$6.18 Billion
(6.71% of total revenue)

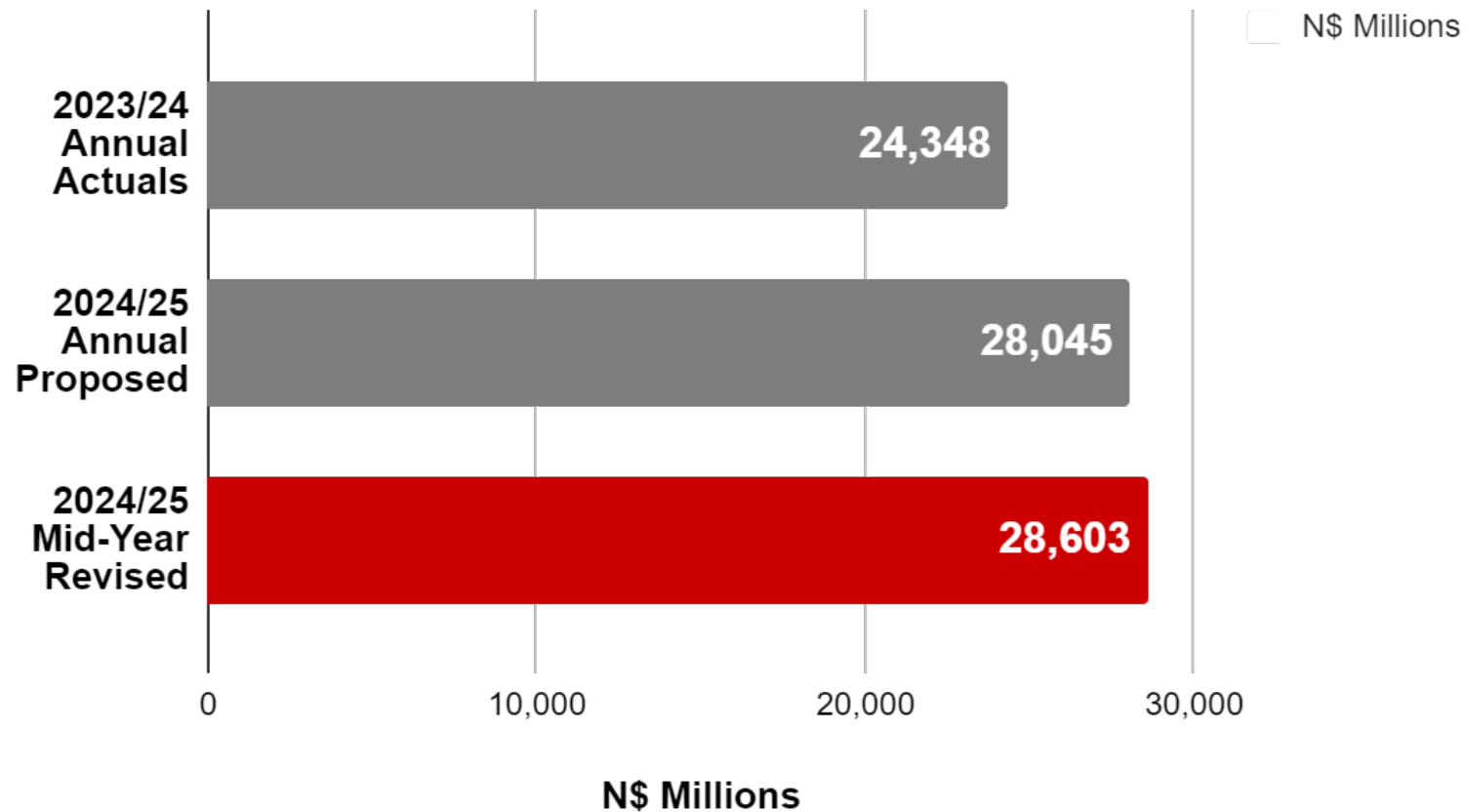


Mid-Year Budget 2024/25 Review

Budget Comparisons (N\$ Millions)



SACU Receipts



Mid-Year Budget 2024/25 Review

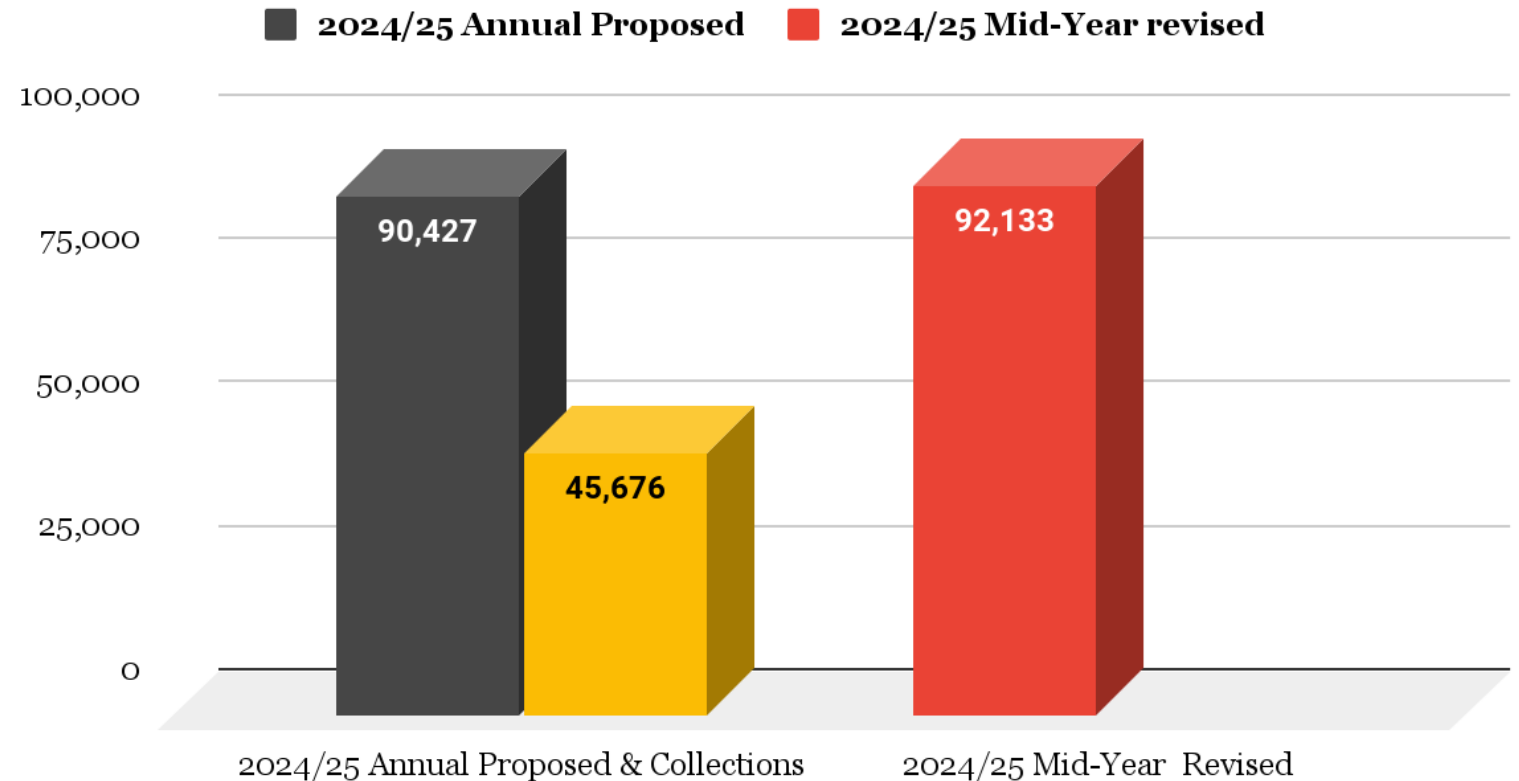


Budget Comparisons (N\$ Millions)

Total Revised
Revenue for 24/25
= N\$92.1 Billion

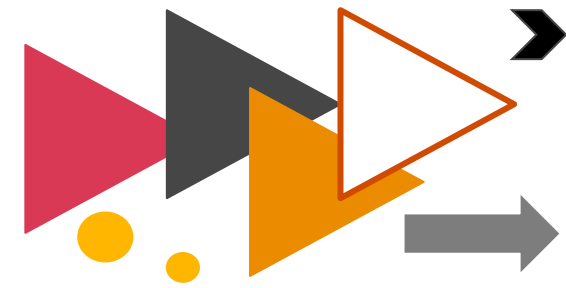
Collection Year-to-
Date
= 50.51%

Revenue Collection (N\$ Millions)



Mid-Year Budget 2024/25 Review

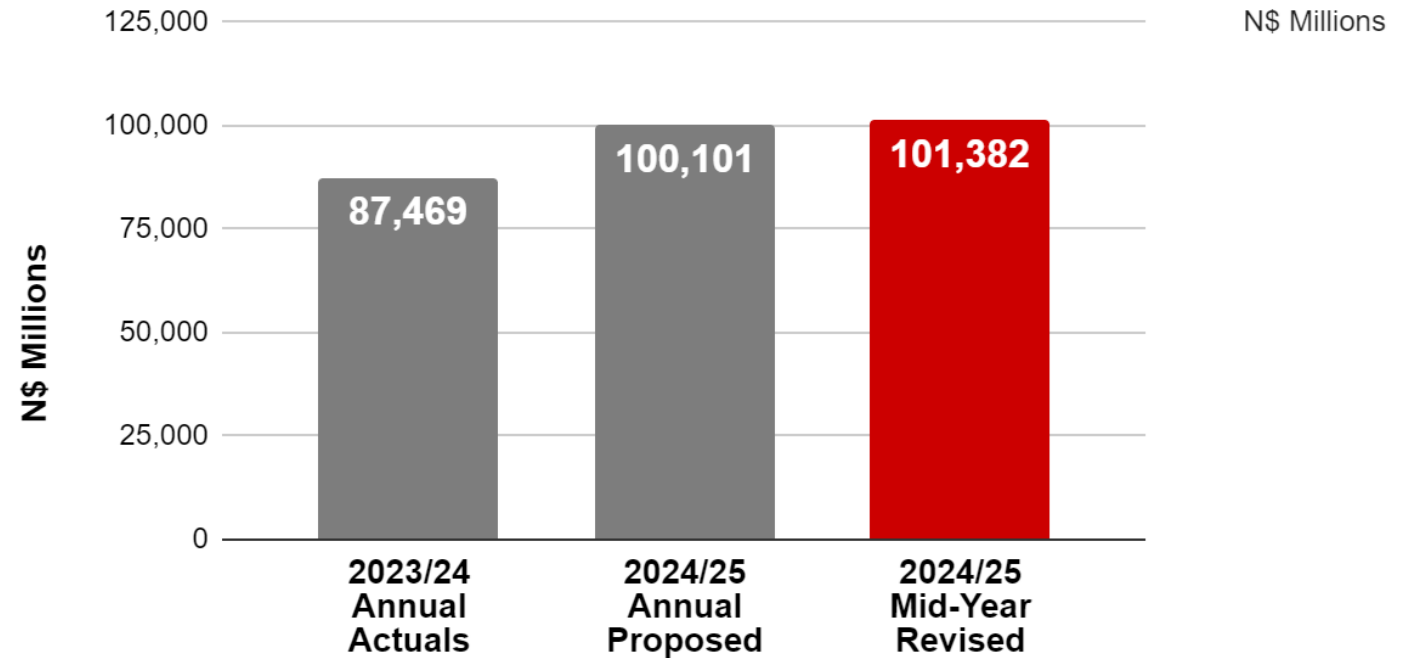
Budget Comparisons (N\$ Millions)



Anneri Lück
Tax Associate Director
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“Revised Expenditure increased by **1.3%**, from what was initially forecasted with the annual budget speech earlier this year.”

Expenditure Outlook



Expenditure Comparison (N\$ Millions)

Mid-Year Budget 2024/25 Review

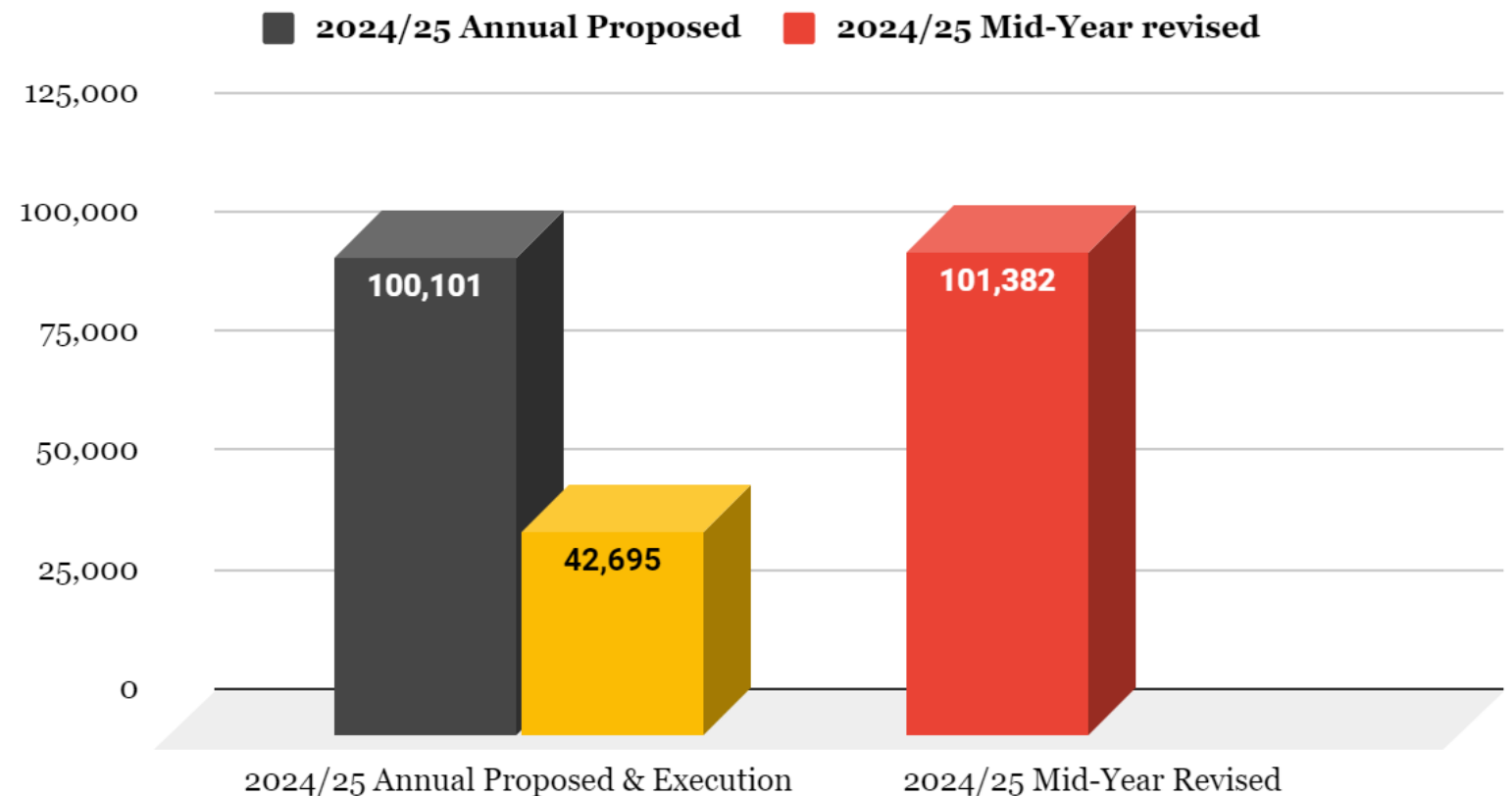


Budget Comparisons (N\$ Millions)

Total Revised
Expenditure for 24/25
= N\$101.38 Billion

Budget executed to
date
= 42.65%

Expenditure Execution (N\$ Millions)



Mid-Year Budget 2024/25 Review



Additional Expenditure Allocations



Additional Expenditure Allocations (excl. Interest repayments and externally funded projects)
= N\$2.77 Billion

* Development budget sacrifice and reallocated to operations

Development Budget decreased by **N\$746 Million** for self funded projects

N\$698.8 Million to the Office of the Prime Minister for drought relief

N\$687 Million added to the operational budget for the Ministry of Finance and Public Enterprises

Ministry of Higher Education, Technology, and Innovation received **N\$474 Million** for NSFAF & UNAM

N\$200 Million for Electoral Commission of Namibia for election admin and coordination

N\$233 Million for summer cropping for Green Scheme Projects

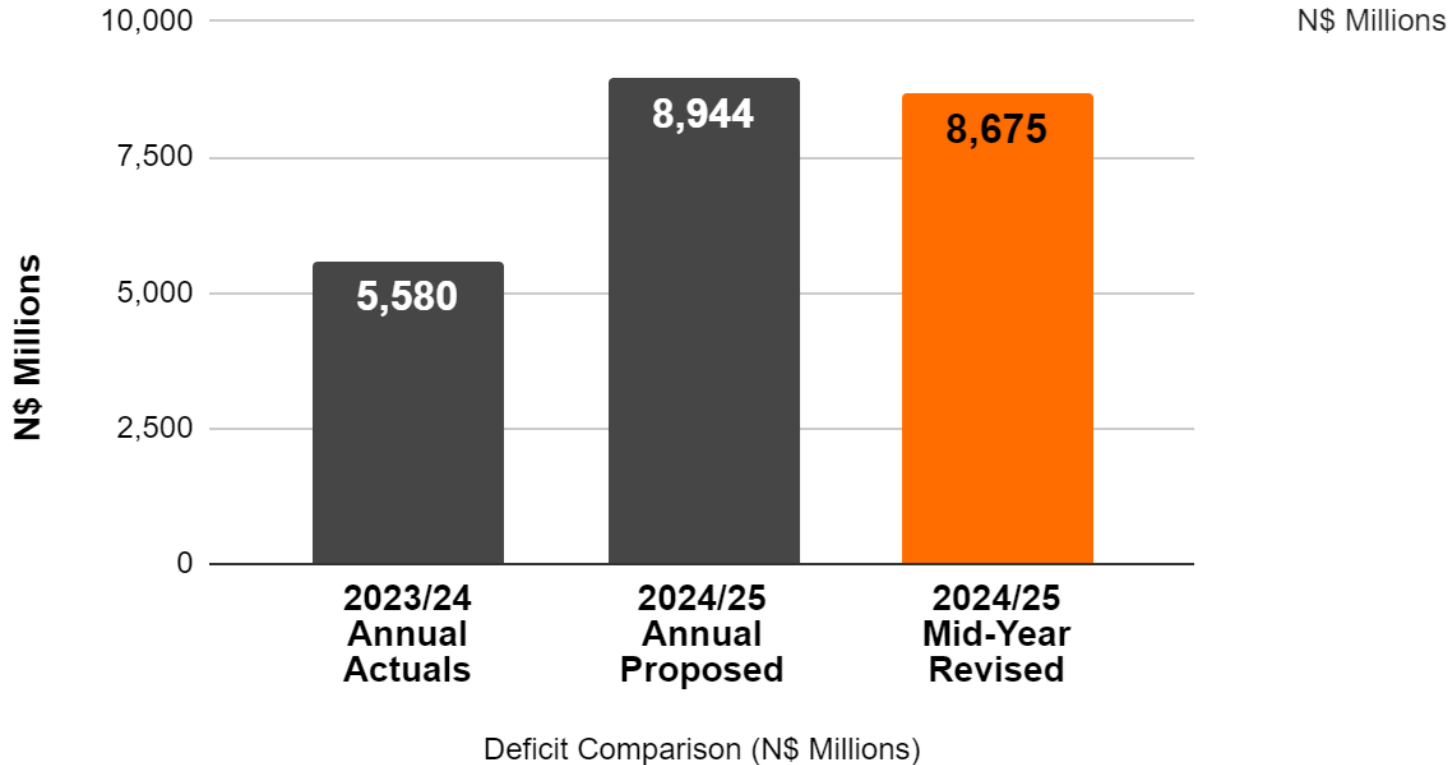
Interest payments allocation increased by N\$25 Million

Mid-Year Budget 2024/25 Review



Budget Comparisons (N\$ Millions)

Deficit Outlook

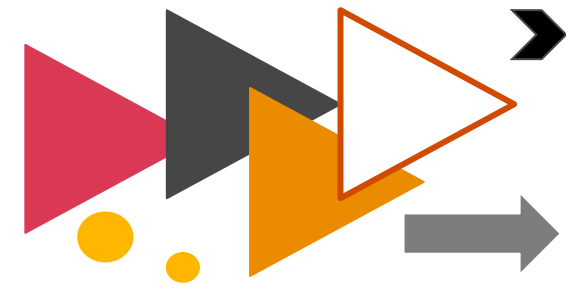


Ansie Rossouw
Partner in Charge - Walvis Bay
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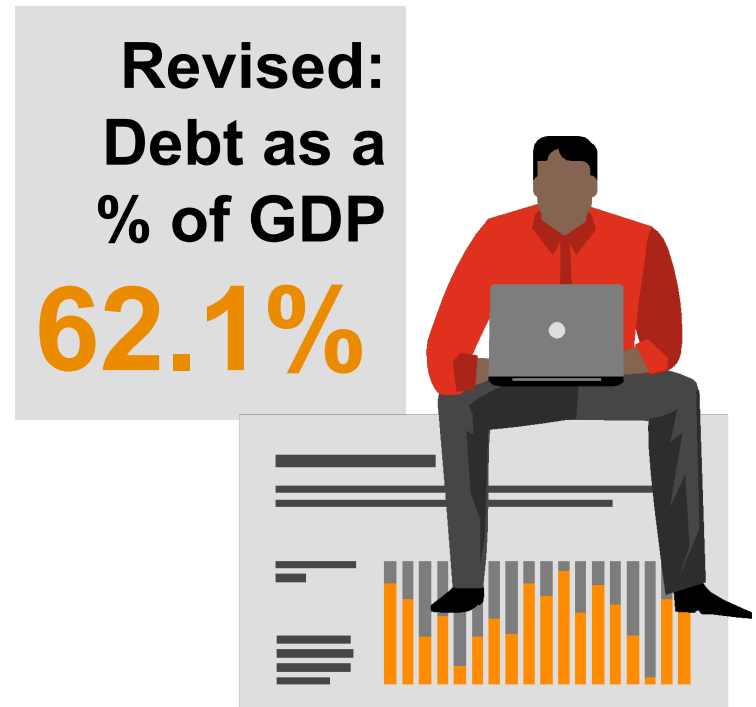
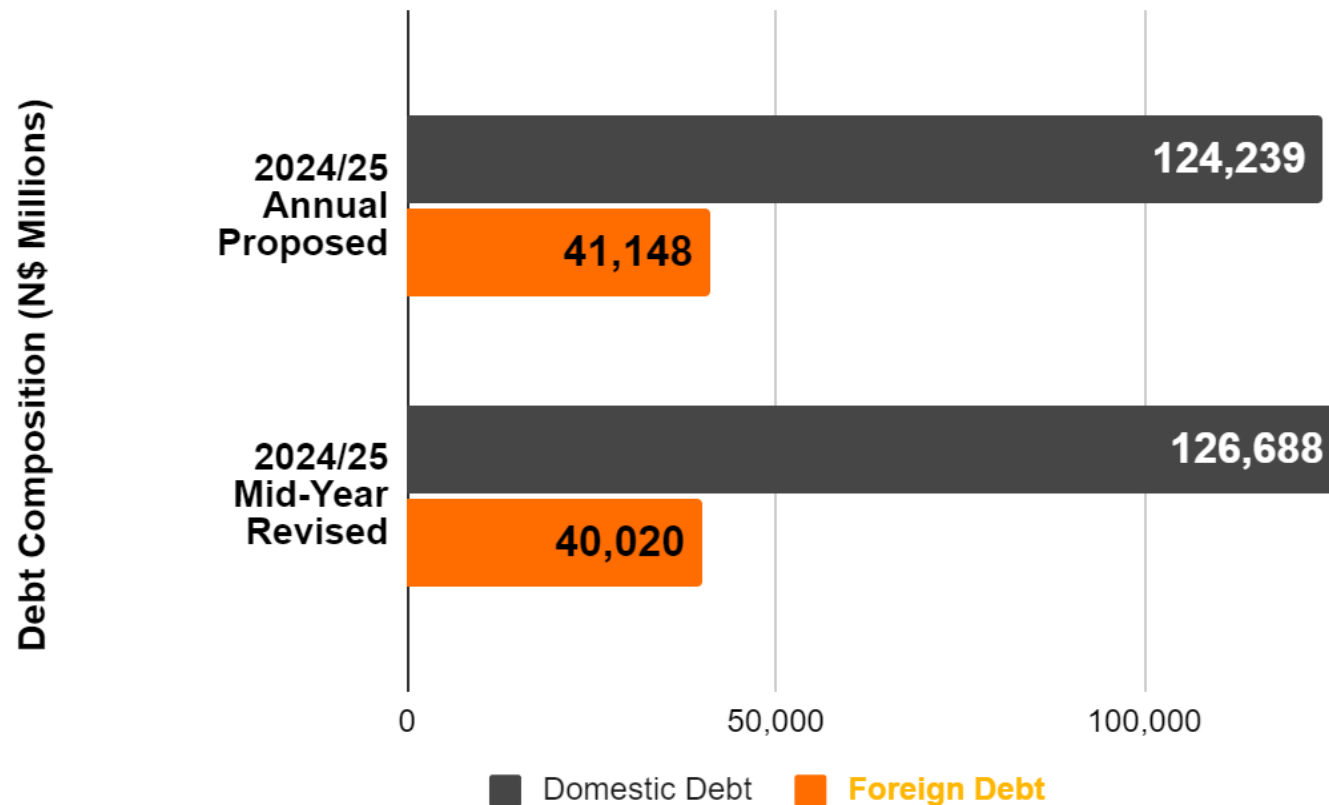
“The revised Budget Deficit for the period decreased by **3.0%**, from what was initially anticipated with the annual budget speech earlier this year.”

Mid-Year Budget 2024/25 Review

Budget Comparisons (N\$ Millions)



Domestic Debt vs Foreign Debt



Mid-Year Budget 2024/25 Review



MTEF Policy Priorities

01

National Disaster Management Unit continues to roll out the **drought relief programme** to affected regions with an estimated annual cost **above N\$ 1.4 Billion**.

02

- Development of the **sixth National Development Plan (NDP VI)**, as part of the second Harambee Prosperity Plan (HPP II) scheduled to be launched in April 2025.
 - expected to **outline the desired national macroeconomic policy pathway** over the next five years.

03

Prioritise resource allocations under the policy pillars of:

1. stimulating domestic demand
2. accelerating investments in productive public infrastructure
3. cultivating fiscal prudence



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

Mid-Year Budget 2024/25 Review

Status of tax proposals / previously proposed amendments



1

Increase the threshold for Income Tax on Individuals

✓ Enacted

2

Reduce Non-Mining Company Tax Rates

✓ Enacted

3

Internship Tax Incentive Programme

✓ Enacted

4

Changes to dividend withholding tax on the Insurance Sector

✓ Enacted

5

Replacing the 3:1 Thin Capitalisation Ratio

✓ Enacted

6

Capping Assessed Losses Carried Forward

✓ Enacted

7

10% Local Dividend Tax Effective on 01 January 2026

✓ Confirmed

8

Renegotiation of Namibia's Double Taxation Agreements

x Not yet Enacted

Mid-Year Budget 2024/25 Review

Status of tax proposals / previously proposed amendments



9

Building Improvement Deduction

 Not yet Enacted

10

Corporate tax rate of 20% for SMEs - turnover threshold

 Not yet Enacted

11

VAT e-invoicing System

 Not yet Enacted

12

Incentives for SEZ Participants

 Not yet Enacted

13

Increase the threshold for mandatory VAT Registration

 Enacted

14

Tax Relief Programme Amnesty

 Extended

15

Tax Reforms to be Implemented over the Medium Term

 Ongoing

16

Stamp Duty and Transfer Duty threshold increases.

 Enacted

Mid-Year Budget 2024/25 Review

New Tax Proposals

1

Gradual reduction in corporate tax rate to 28% during FY2026/27

2

Extension of tax amnesty for another 2 years until 31 October 2026

3

Review and update the petroleum upstream fiscal regime to ensure clarity and simplicity

4

Expressed commitment to adjust all tax brackets for individuals over the two outer years of the MTEF for inflation creep



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



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 2024/25 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.