

Budget Snapshot

The budget is aimed at a growth-friendly fiscal consolidation, with specific focus on reducing public expenditure. The budget proposes to target resources to the productive sectors of the economy, solidifying gains in the social sector and introducing measures to improve the quality of spending. The focus areas of the budget are economic growth and sustainable development, poverty eradication and improvement of the social welfare, progress towards prosperity and; lastly, improved delivery of timely, reliable and affordable services to the public. The policy is to diversify and industrialise the economy, develop the skills base and implement structural policy reforms to draw more Namibians into the mainstream economic activity. This budget provides resources and funding strategies aimed at addressing structural challenges affecting development potential of the economy and improving the welfare of Namibians. It's a budget with a pro-growth dimension.

Spending Programme

The budget presents a total expenditure outlay of N\$65,99 billion for 2016/17. The proposed expenditure is an increase of 2% over the previous year. This represents 34,9% of the GDP. Operational expenditure for 2016/17 is budgeted at N\$53,97 billion. The development budget is proposed to increase to N\$10,9 billion. The budget deficit is projected at N\$8,15 billion.

Expenditure priorities include:

- N\$12,795 for Education
- N\$7,231 for Health and Social Services
- N\$6,601 for Defence

Tax Proposals

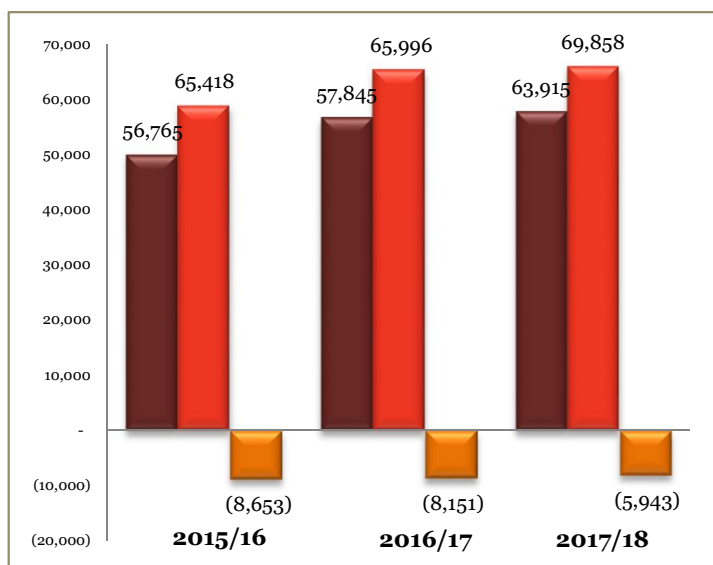
The following tax changes are proposed:

- Proceed to finalise the approval and implementation of the environmental and export taxes
- Increase in fuel levy
- Assess the feasibility of a presumptive tax on the informal sector
- Develop the Double Taxation Agreement policy and increase collaboration with the international tax authorities to encounter transfer pricing
- Tabling of the Customs Bill
- Continue to finalise public consultation under proposed introduction of Solidarity Tax
- Strengthening the provisions for recovery of tax debts
- Deploy new Integrated Tax System
- Implement the transitional modalities for the establishment of a Semi-Autonomous Revenue Agency

The 2016/17 Budget Overview

| | N\$ Millions | | |
|---|-------------------|----------------------|-------------------|
| | 2015/16 Actual | 2016/17 Estimates | 2017/18 Budget |
| GDP | 165,671 | 189,156 | 219,532 |
| Tax Revenue | 54,290 | 55,543 | 60,084 |
| Non-Tax Revenue | 2,300 | 2,122 | 3,644 |
| Return on Capital from Lending and Equity Participation | 1 | 21 | 25 |
| External Grants | 173 | 159 | 163 |
| Loan Proceeds | - | - | - |
| Total Revenue | 56,765 | 57,845 | 63,915 |
| As % of GDP | 34% | 30% | 29% |
| Total Expenditure | (65,418) | (65,996) | (69,858) |
| As % of GDP | 37,3% | 41,8% | 40,8% |
| Total Budget Deficit | (8,654) | (8,151) | (5,943) |
| As % of GDP | -5,2% | -4,3% | -2,7% |
| Public Debt | 12,072 | 9,314 | 6,688 |
| As % of GDP | 7,3% | 4,9% | 3,0% |

Revenue & Expenditure Comparisons



2016/2017 Excise Duty effective 24 February 2016

| Product | Excise Duty Increases | New Excise Duty |
|----------------------------------|-----------------------|-----------------|
| 340ml Malt Beer | 7c | N\$1,24 |
| 750ml bottle of Unfortified Wine | 15c | N\$2,48 |
| 750ml bottle of Sparkling Wine | 48c | N\$7,90 |
| 750ml bottle of Whiskey | N\$3,77 | N\$48,13 |
| Pack of 20 cigarettes | 82c | N\$13,24 |

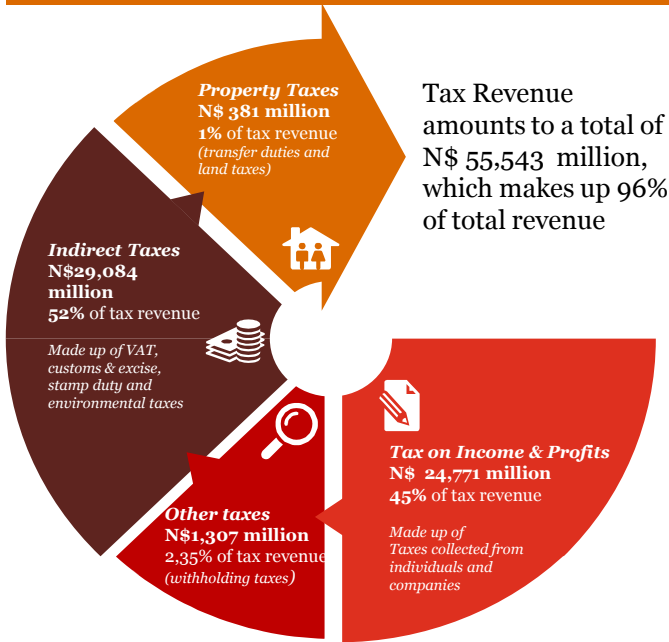
Queries: stefan.hugo@na.pwc.com or +264 61 284 1102

Follow us on  /pwcnamibia

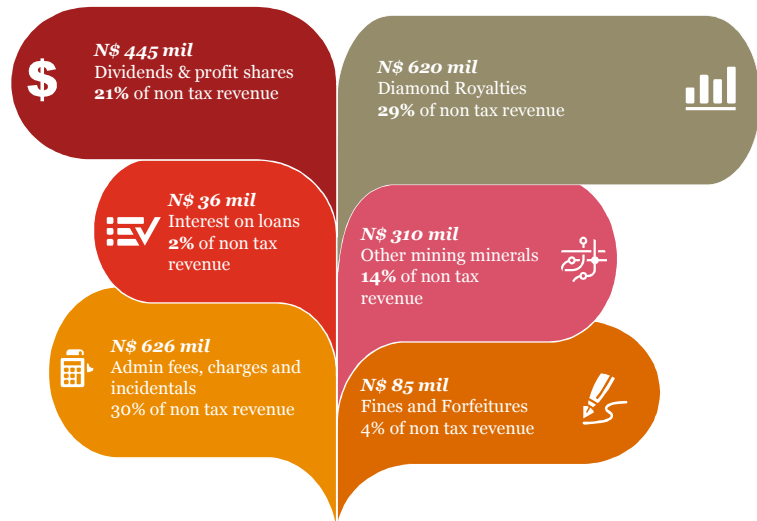
The Budget Speech and presentations are available on: www.pwc.com.na or scan this QR code:



Tax Revenue



Non - Tax Revenue



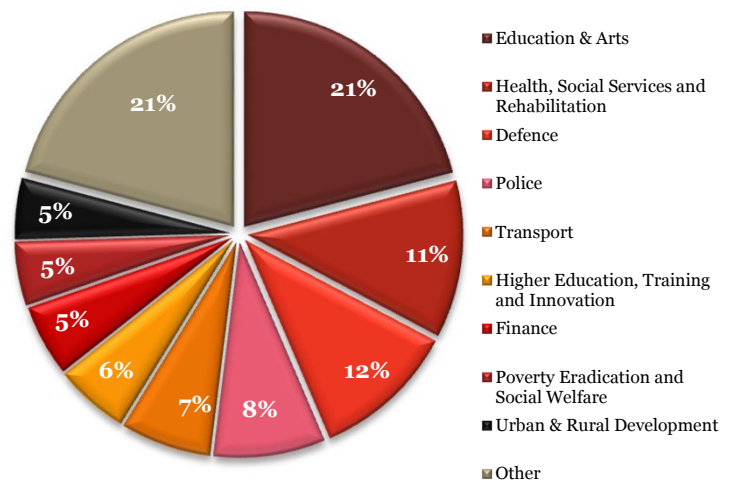
Non - Tax Revenue amounts to a total of N\$ 2,122 million.

Expenditure

Expenditure by Main Items for 2016/17



Expenditure by Department for 2016/17



Comparison 2015/2016 to 2016/2017 (N\$ millions)

