

2019/20 BUDGET HIGHLIGHTS



KEY BUDGET INTERVENTIONS

- Increase in development budget allocation by 42% to N\$7.9 billion
- Support the recovery economy through infrastructure funding amounting to N\$4 billion secured from the African Development Bank
- Avail N\$3 billion to improve water supply security over a period of 3 years
- Avail funding for the operationalization of the SMEs Financing Strategy, with earmarked funding amounting to N\$48 million
- Implement PPP projects and offload some of the capital projects with revenue flows to PPP formations
- Implement local sourcing directives for goods and services available locally
- Avail resources necessary to combat illegal poaching
- Availing resources for drought relief programme, amounting to N\$304 million

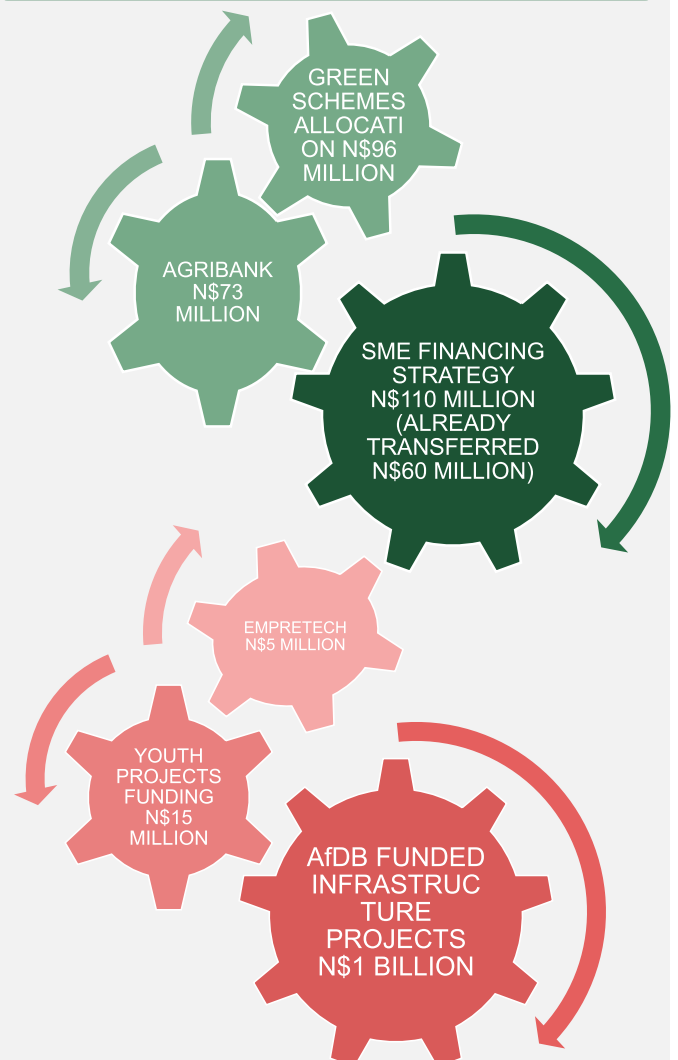
TOTAL GOVERNMENT EXPENDITURE

N\$66.5BN

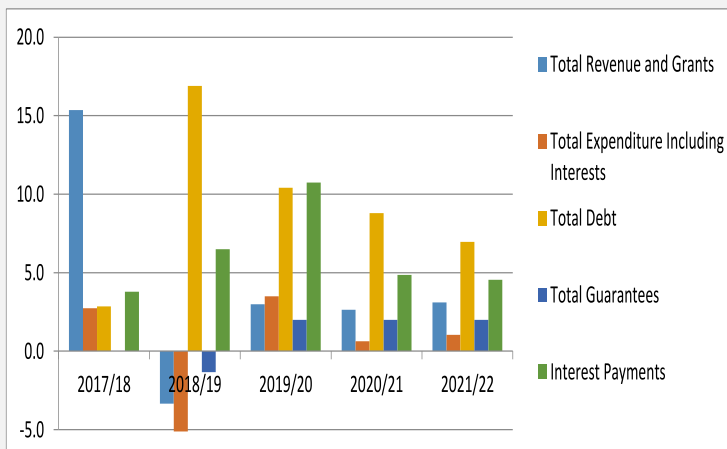
OPERATIONAL BUDGET N\$52.2BN

DEVELOPMENT BUDGET N\$7.9BN

DEFENDING JOBS AND SUPPORTING ECONOMIC RECOVERY



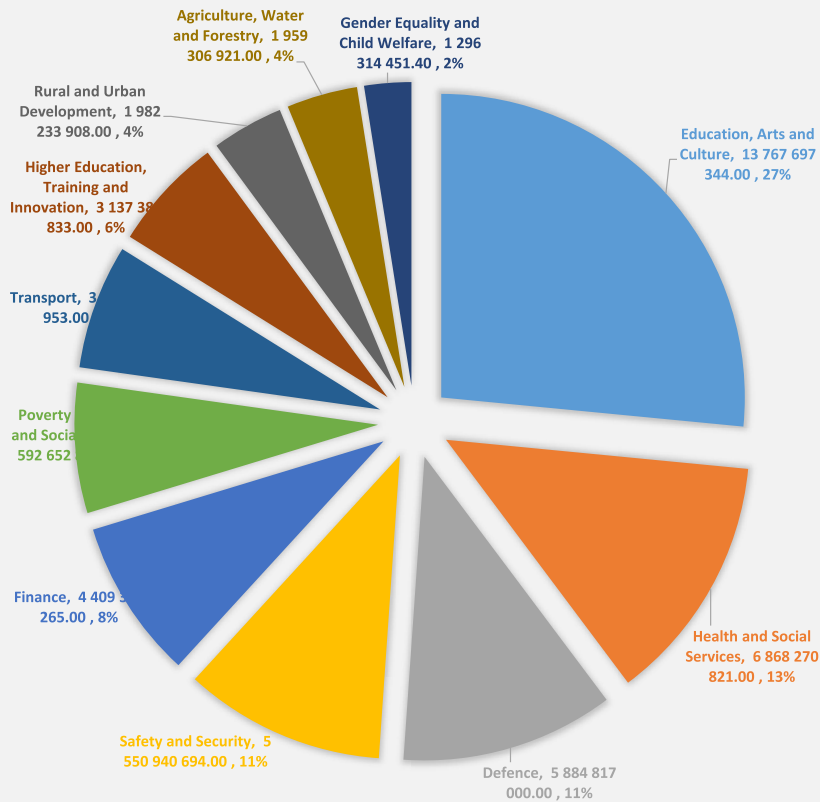
KEY FISCAL INDICATORS TREND



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TOTAL BUDGET TOP 11 VOTE ALLOCATIONS



- 2019/20 Expenditure is projected at **N\$66.6bn** (inclusive of interest payments) representing an increase of 3.6% from the revised 2018/19 budget of N\$64.3 billion.
- Development spending N\$7.9bn (11.9%)
- Operational budget N\$52.2bn (78.5%)
- Debt servicing interest repayment is N\$6.4bn (9.6%)
- 2019/20 State revenue is **N\$58.4bn**, higher by 3.0% from N\$56.7bn in 2018/19. An improvement due to strong receipts.
- 2019/20 **budget deficit at 4.1%** of GDP is projected for, representing a decrease from deficits of 4.4% of GDP in 2018/19.

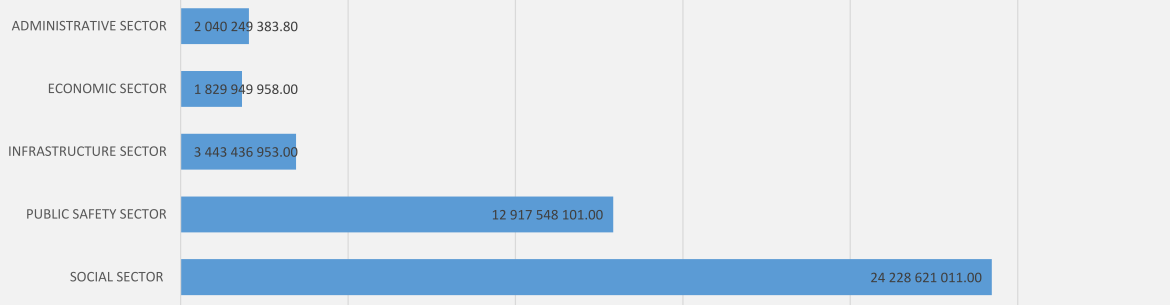
GOVERNMENT OPERATIONAL TABLE

N\$'000	2018/19 REVISED ESTIMATE	2019/20	2020/21	2021/22
Gross domestic product (GDP)	187 896 000	196 775 080	205 436 709	214 738 688
Total Revenue	56 704 168	58 396 619	59 937 486	61 795 539
Expenditure	58 489 011	60 145 513	60 412 965	60 806 430
Interest payments	5 782 798	6 404 183	6 715 414	7 020 645
Budget Balance	-8 313 453	-8 153 077	-7 190 893	-6 031 535

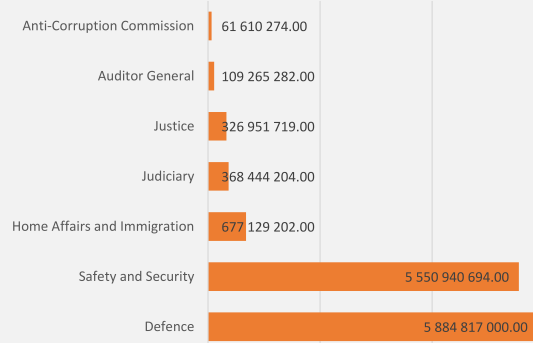
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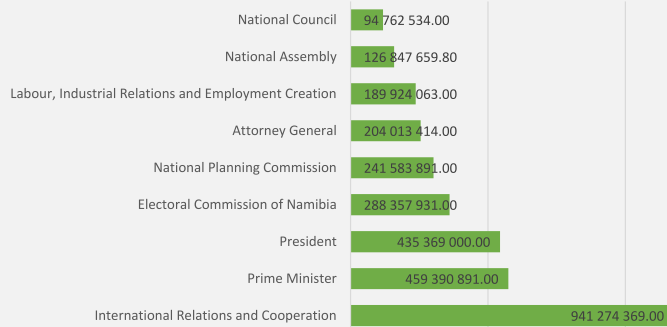
SECTOR ALLOCATION



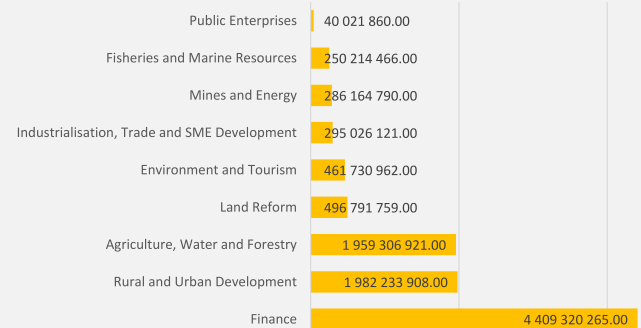
PUBLIC SAFETY SECTOR



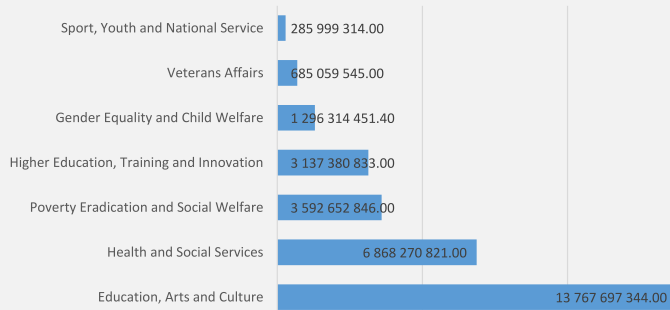
ADMINISTRATIVE SECTOR



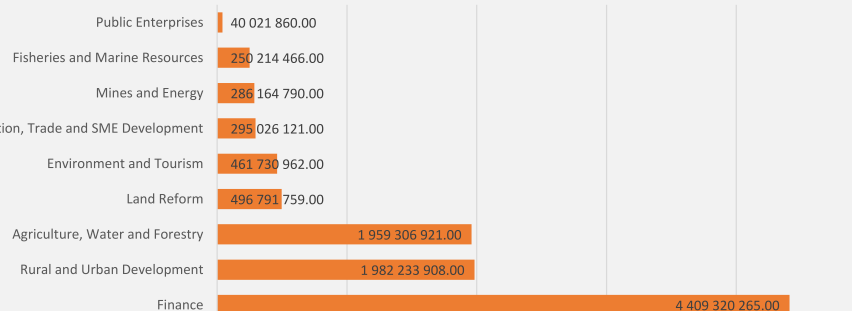
INFRASTRUCTURE SECTOR



SOCIAL SECTOR



ECONOMIC SECTOR



2019/20 BUDGET HIGHLIGHTS



SIN TAXES

Malt beer 12c per 340ml 

Unfortified wine 22c per 750ml

Whisky N\$ 4.54 per 750ml

Cigarettes N\$ 1.14 per packet of 20

Cigarette tobacco N\$1.19 per 50g

Cigars 64c per 23g

Explore a profit tax of 37 percent on betting and gaming entities

TAX ADMINISTRATION AND TRADE FACILITATION MEASURES

Namibia Revenue Agency establishment through a phased transitional arrangement with Day one earmarked for 1 October 2019,

Finalizing the review and phasing out of the Export Processing Zones Act

leverage regional and international tax cooperation as a mechanism to enhance national technical capacity in various areas of tax administration, specifically transfer pricing and addressing national tax compliance matters raised by the European Union,

TAX PROPOSALS

Phasing out the current manufacturing tax incentive scheme and graduating this to the Special Economic Zone regime

Introduce a 10 percent dividend tax for dividends paid to residents

Introduction of tax payments for charitable, religious, educational and other types of institutions on their commercial activities

Expansion of the tax base through deepening the current hybrid tax system by taxing all income earned from foreign sources.

Introduce Value Added Tax on income of listed asset managers

remove VAT zero-rating on sugar

EXCISE LEVIES AND DUTIES

Expand coverage of export levy to include agricultural, forestry and game products and on mining products currently not covered

Introduce additional 5 percent national "sin" tax on alcohol and tobacco products for national revenue purpose, and

Explore a profit tax of 37 percent on betting and gaming entities,