

2024/2025 Budget Highlights

The FY2024/25 Budget aims to maintain a people-centered yet sustainable framework to sustain social and economic gains

- Revenue estimates for FY2024/25 are projected at N\$90.4 billion, reflecting an 11.5% increase from the previous year, primarily due to positive adjustments in SACU receipts and domestic revenue streams.
- Total expenditure for FY2024/25 is proposed at N\$100.1 billion, including N\$3.2 billion for development projects funded through external loans and grants, and N\$12.8 billion for interest payments.
- The operational budget is estimated at N\$74.6 billion, with an 8.8% increase over the previous year, including a 5.0% adjustment in the civil service wage bill.
- The development budget is significantly increased by 58.1% to N\$12.7 billion, aiming to close infrastructure gaps and improve infrastructure through various ministries.
- Tax relief measures include increasing the threshold for Income Tax on Individuals from N\$50,000 to N\$100,000, with an injection of N\$646.0 million directly into taxpayers' pockets.
- The Old Age Grant and the Disability Grant will be increased from N\$1,400 to N\$1,600 per month effective on 01 April 2024.

Fig 1 Top 13 Budget Allocations in N\$'000, "The billion NAD receivers" for the FY2024/2025

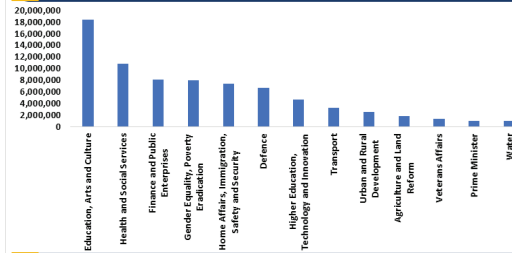


Fig 2 Year on Year % increase in the top 13 Allocations

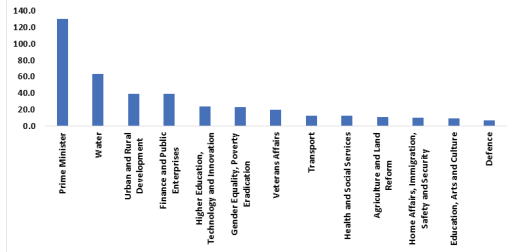


Fig 3 Old Pension Fund, (2010-2024)

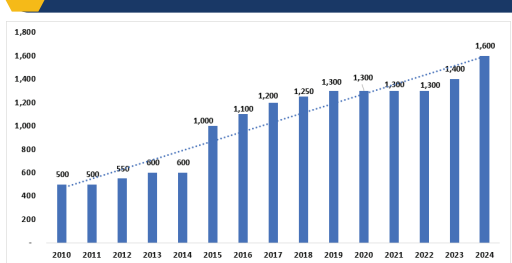


Fig 4 SACU Receipts, (2010-2024)

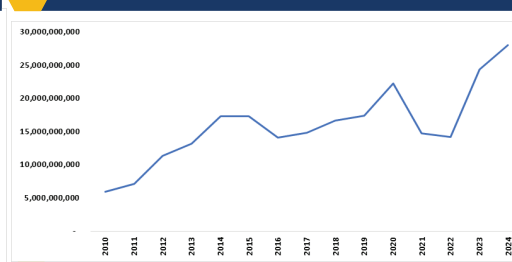
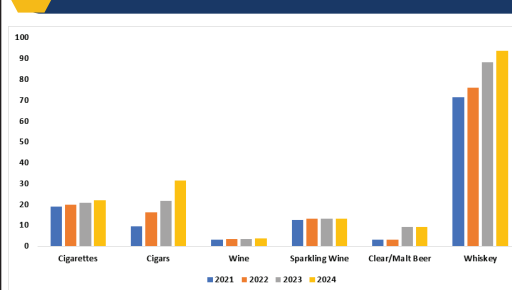


Fig 5 Sin tax, (2021-2024)



Tax Amendments since the 199's

1992	Corporate tax reduced from 42% to 40%
1992	Mining tax split into two categories: diamond mining and other mining
1993	Corporate tax reduced from 40% to 38%
1993	General sales tax reduced from 11% to 8%
1993	Creation of "manufacturing incentive tax"
1993	Creation of "additional sales levy"
1995	Corporate tax reduced from 38% to 35%
1995	Creation of "export processing zone" tax incentives
1999	Restructuring of diamond mining tax
2000	Creation of VAT to replace general sales tax and additional sales levy
2002	SACU revenue sharing formula updated
2004	Creation of mining royalty tax

2006	Creation of land tax
2008	Creation of minerals royalty and windfall tax
2009	Creation of withholding tax on interest
2011	Creation of withholding tax on services
2011	Corporate tax reduced from 35% to 34%
2013	Corporate tax reduced from 34% to 33%
2016	Creation of environmental levies
2016	Creation of "import levy"
2016	Corporate tax reduced from 33% to 32%
2018	Introduction of "In" tax
2020	Manufacturing and export process zone incentives are scrapped
2022	Zero VAT rating on sanitary pads
2023	The Income Tax Amendment Act, Value-Added Tax Amendment Act and the Stamp Duties Amendment Act that contains tax proposals from previous years were gazetted on 29 December 2022 and became effective on 1 January 2023
2024	Increasing the threshold for Income Tax on Individuals from N\$50,000 to N\$100,000 (Only individuals who earn approximately N\$ 8333.42 and above will pay tax)
	Adjustments for inflation creep in tax brackets will provide N\$712.9 million per annum in direct relief to taxpayers
	The non-mining company tax rate was reduced from 33% to 31% effective January 1, 2024, and further to 30% effective January 1, 2025
	Corporate income tax reforms include replacing the 3:1 thin capitalization ratio with a 30% limit on interest deductions, capping assessed losses carried forward, and introducing a 10% dividend tax effective January 1, 2026.
	Introduction of a Special Economic Zones (SEZ) regime with a reduced corporate income tax rate of 20%, applicable to SMEs with turnover below a pre-defined threshold
	Adjustments in VAT registration thresholds to relieve approximately 23,000 SMEs from VAT administration.
	The introduction of the Internship Tax Incentive Programme

Are the Budget Statement EXPECTATIONS met?

Expansionary Budget

Construction Sector Recovery (Hospitals & Schools)

Agri-Sector (Agri-Bank and Green Schemes)

Revenue Collection improved drastically

Potential Green Bond Issuance (EIF)

Potential Fuel Levy Increase

NWR (Potential Expansions)

Increase in SACU Revenue

Revision of tax brackets

Environmental Levies

Social safety net

SOE Reforms

SME Bank

Grey Areas

Investment Promotion and Facilitation Bill

No Exports of Raw Materials (White Paper)

Oil and Gas Local Content Policy