



BUDGET HIGHLIGHTS 2018/2019

Ministry of Finance; Republic of Namibia



“ SHARED PROSPERITY ”

WHAT IS A NATIONAL BUDGET?

- The national budget is a financial plan that provides details of how the Government intends to raise money and how it intends to spend it.
- Revenue is mostly sourced through various taxes whereas expenditure entails the allocation of financial resources to the different Offices, Ministries and Agencies to finance their programmes.
- The budget runs over one financial year, which in Namibia, runs from April 1 to March 31.
- As Namibia adopted the rolling budget system, the budget covers the Medium-Term Expenditure Framework (MTEF), which is based on projections of revenue and expenditure over a 3-year period (2018/19– 2020/21).

WHY IS THE NATIONAL BUDGET IMPORTANT?

The budget provides the necessary financial resources to the Government to spend on the implementation of its national development programmes and normally consists of the following key elements:

- **Revenue:** This is the total of all income that accrues to Government from taxes and non-tax sources
- **Expenditure:** Entails the allocations to the various OMAs to fund their programmes
- **Budget balance:** This is the difference between revenue and expenditure. If the revenue is greater expenditure, there is a surplus. The opposite would result in a deficit.
- **Borrowing plan:** In the case of a deficit, the Government needs to have a sustainable borrowing plan to cater for the shortfall.

GOVERNMENTS REVENUE SOURCES

The Government mobilizes financial resources in the following different ways in order to attain national development aspirations:

- The majority of the Government's income (over 95%) comes from taxes on items such as the incomes of individuals, profits of companies, goods and services bought by consumers (Value Added Tax), property, and transfers from the Southern African Customs Union (SACU) – as receipts from international trade .
- The Government also collects revenue from sources such as dividends from State-Owned Enterprises (SOEs), diamond and other mining royalties, various levies, administrative fees, fines and charges and grants.