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## **Summary of national budget**

2003 Budget Review

Summary of National Budget

R million	2002/03		2003/04	2004/05	2005/06
	Budget estimate	Revised estimate	Budget estimate	Medium term estimates	
<b>Revenue</b>					
Estimate of revenue before tax proposals			319 516		
<b>Tax proposals</b>					
<b>Direct tax proposals</b>			-15 821		
Personal income tax			-13 427		
Adjust personal income tax rate structure			-13 250		
Increase interest and dividend exemption			-227		
Losses from secondary trades to be ring-fenced			50		
Corporate income tax			-2 060		
Lower rate for retirement Fund Industry			-1 850		
Accelerated depreciation for urban development			-60		
Increase turnover limit for small business corporations			-10		
General business tax stimulus measures			-80		
Extend deductible donations to PBOs			-60		
Financial transaction taxes			-335		
Adjust table for transfer duties			-435		
Amend transfer for duty nominee transactions			300		
Remove stamp duty on insurance policies and fixed deposits			-200		
<b>Indirect tax proposals</b>			764		
Specific excise taxes: Net Impact			907		
Increase in duties on alcoholic beverages			460		
Increase in excise duties on tobacco products (50% incidence)			447		
Increase in air departure tax			30		
Increase in fuel levy			642		
Remove ad valorem duties on computers			-572		
Adjust ad valorem duties on passenger vehicles			-243		
Estimate of revenue after tax proposals	265 217	275 745	304 459	330 955	361 210
Percentage change from previous year			10,4%	8,7%	9,1%
<b>Expenditure</b>					
<b>Statutory and standing appropriations</b>					
Cost of servicing state debt	47 503	47 250	50 986	53 079	55 070
Provincial equitable share	119 452	123 457	142 386	155 313	167 556
Skills development levy	2 950	2 950	3 600	3 900	4 300
Other 1)	389	355	386	409	420
	170 294	174 011	197 359	212 702	227 347
<b>Appropriated by vote</b>					
Current	97 301	99 233	110 926	122 861	134 890
Capital	17 014	18 578	22 681	23 783	25 370
	114 315	117 812	133 607	146 644	160 260
<b>Plus:</b>					
Contingency reserve	3 300	-	3 000	4 000	8 000
Estimate of national expenditure	287 909	291 823	333 965	363 345	395 606
Percentage change from previous year			14,4%	8,8%	8,9%
<b>2002 Budget estimate of expenditure</b>		287 909	311 231	334 561	
Increase / decrease		3 914	22 734	28 784	

1) Salaries of Members of Parliament, salaries of judges and standing appropriations (claims on guarantees and subscriptions to funds of the World Bank, African Development Bank and International Monetary Fund).

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Revenue	265 217	275 745	304 459	330 955	361 210
Expenditure	287 909	291 823	333 965	363 345	395 606
National budget deficit Percentage of GDP	-22 692 -2,1%	-16 077 -1,4%	-29 506 -2,4%	-32 390 -2,4%	-34 397 -2,3%
Plus: Extraordinary transfers	-1 571	-7 889	-7 000	-7 000	-7 000
Less: Extraordinary receipts	12 000	10 219	6 341	6 250	4 626
Net borrowing requirement	-12 263	-13 747	-30 165	-33 140	-36 771
<b>Financing</b>					
Change in loan liabilities					
Domestic short-term loans (net)	4 000	4 000	6 000	6 000	8 000
Domestic long-term loans (net)	-10 960	-3 124	9 298	14 425	21 520
Loans issued for financing:	-11 460	-3 394	9 298	14 425	21 520
New Loans	13 259	23 103	36 280	41 576	48 811
Less: Discount	-91	-344	-544	-655	-558
Scheduled redemptions	-21 628	-21 642	-26 439	-26 496	-26 734
Buy back (net of book profit)	-3 000	-4 510	-	-	-
Loans issued for switches	500	270	-	-	-
New Loans	-	7 675	-	-	-
Less: Discount	-	-247	-	-	-
Loans switched (net of bookprofit)	-	-7 158	-	-	-
Foreign loans (net)	16 275	14 521	11 767	12 715	7 251
New loans	10 770	11 031	9 310	29 490	11 684
Export credit facilities	5 533	5 100	5 276	4 788	5 720
Less: Discount	-	-226	-	-	-
Redemptions	-28	-1 384	-2 819	-21 563	-10 153
Change in cash balances	2 948	-1 651	3 100	-	-
Opening balance	6 948	7 949	9 600	6 500	6 500
Closing balance	-4 000	-9 600	-6 500	-6 500	-6 500
Total financing (net)	12 263	13 747	30 165	33 140	36 771