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## **Summary of national budget**

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R million	2003/04		2004/05	2005/06	2006/07
	Budget estimate	Revised estimate	Budget estimate	Medium term estimates	
<b>Revenue</b>					
<b>Estimate of revenue before tax proposals</b>			<b>329 256</b>		
<b>Tax proposals</b>					
<b>Direct tax proposals</b>			<b>-4 432</b>		
<b>Personal income tax</b>			<b>-4 062</b>		
Adjust personal income tax rate structure			-4 000		
Increase interest and dividend exemption under 65 years			-50		
Increase interest and dividend exemption age 65 years and older			-12		
<b>Financial transaction taxes</b>			<b>-370</b>		
Adjust table for transfer duties			-100		
Remove stamp duty on mortgage loans			-250		
Remove stamp duty on NCD			-20		
<b>Indirect tax proposals</b>			<b>2 132</b>		
Specific excise taxes: Net Impact			1 453		
Increase in duties on beer			303		
Increase in duties on fortified wine			11		
Increase in duties on sparkling wine			6		
Increase in duties on unfortified wine			98		
Increase in duties on cider			21		
Increase in duties on spirits			220		
Increase in excise duties on tobacco products (52% incidence,			794		
Increase in fuel levy			909		
Remove ad valorem duties on computers			-230		
<b>Estimate of revenue after tax proposals</b>	<b>304 459</b>	<b>300 300</b>	<b>326 956</b>	<b>360 266</b>	<b>394 002</b>
Percentage change from previous year			8,9%	10,2%	9,4%
<b>Expenditure</b>					
<b>Statutory and standing appropriations</b>					
Cost of servicing state debt	50 986	47 326	50 432	53 986	57 945
Provincial equitable share	142 386	144 743	159 971	173 852	186 392
Skills development levy	3 600	3 700	4 300	4 500	4 700
Other 1)	386	386	409	420	445
	<b>197 359</b>	<b>196 154</b>	<b>215 113</b>	<b>232 758</b>	<b>249 482</b>
<b>Appropriated by vote</b>					
Current payments	53 521	54 138	59 810	64 002	69 025
Transfers and subsidies	75 545	76 942	85 308	96 175	103 678
Payments for capital assets	4 540	4 451	5 174	5 719	5 873
	<b>133 607</b>	<b>135 531</b>	<b>150 291</b>	<b>165 896</b>	<b>178 575</b>
<b>Plus:</b>					
Unallocated funds	-	-	1 000	2 000	3 000
Contingency reserve	3 000	-	2 500	4 000	8 000
<b>Estimate of national expenditure</b>	<b>333 965</b>	<b>331 685</b>	<b>368 904</b>	<b>404 654</b>	<b>439 058</b>
Percentage change from previous year			11,2%	9,7%	8,5%
2003 Budget estimate of expenditure		333 965	363 345	395 606	
Increase / decrease		-2 280	5 559	9 047	

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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<b>Revenue</b>	<b>304 459</b>	<b>300 300</b>	<b>326 956</b>	<b>360 266</b>	<b>394 002</b>
<b>Expenditure</b>	<b>333 965</b>	<b>331 685</b>	<b>368 904</b>	<b>404 654</b>	<b>439 058</b>
<b>National budget deficit</b>	<b>-29 506</b>	<b>-31 385</b>	<b>-41 948</b>	<b>-44 388</b>	<b>-45 056</b>
<i>Percentage of GDP</i>	<i>-2,4%</i>	<i>-2,6%</i>	<i>-3,1%</i>	<i>-3,0%</i>	<i>-2,8%</i>
Plus: Extraordinary transfers	-7 000	-7 443	-7 000	-7 000	-
Less: Extraordinary receipts	6 341	889	2 742	2 567	121
<b>Net borrowing requirement</b>	<b>-30 165</b>	<b>-37 939</b>	<b>-46 206</b>	<b>-48 821</b>	<b>-44 935</b>
<b>Financing</b>					
<b>Change in loan liabilities</b>					
<b>Domestic short-term loans (net)</b>	<b>6 000</b>	<b>6 000</b>	<b>6 000</b>	<b>8 000</b>	<b>8 000</b>
<b>Domestic long-term loans (net)</b>	<b>9 298</b>	<b>26 081</b>	<b>34 328</b>	<b>30 739</b>	<b>32 589</b>
Loans issued for financing:	2 298	18 924	27 328	23 739	32 589
New Loans	29 280	46 130	57 526	55 014	60 363
Less: Discount	-544	-647	-3 666	-4 505	-4 622
Scheduled redemptions	-26 439	-26 558	-26 532	-26 770	-23 151
Buy back (net of book profit)	-	-	-	-	-
Loans issued for switches	-	-120	-	-	-
New Loans	7 000	10 167	7 000	7 000	10 000
Less: Discount	-	-116	-	-	-
Loans switched (net of bookprofit)	-7 000	-10 171	-7 000	-7 000	-10 000
Loans issued for extraordinary purposes	7 000	7 276	7 000	7 000	-
New Loans	7 000	7 276	7 000	7 000	-
Less: Discount	-	-	-	-	-
Buy back (net of book profit)	-	-	-	-	-
<b>Foreign loans (net)</b>	<b>11 767</b>	<b>1 151</b>	<b>5 878</b>	<b>10 082</b>	<b>4 346</b>
New loans	9 310	10 657	7 400	8 100	8 910
Export credit facilities	5 276	3 876	4 675	4 229	4 343
Transfer from IMF accounts at SARB	-	-	-	-	-
Less: Discount	-	-81	-	-	-
Redemptions	-2 819	-13 302	-6 198	-2 247	-8 908
<b>Change in cash balances</b>	<b>3 100</b>	<b>4 708</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Total financing (net)</b>	<b>30 165</b>	<b>37 939</b>	<b>46 206</b>	<b>48 821</b>	<b>44 935</b>