

Summary of the national budget

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R million	2004/05		2005/06	2006/07	2007/08
	Budget estimate	Revised estimate	Budget estimate	Medium term estimates	
REVENUE					
Estimate of revenue before tax proposals			379 250		
Tax proposals					
Taxes on individual and companies			-10 862		
Personal income tax			-7 110		
Adjust personal income tax rate structure for inflation			-6 800		
Increase in interest and dividend exemption under 65 years			-170		
Increase in interest and dividend exemption 65 years and over			-140		
Corporate income tax			-2 000		
Reduction in corporate tax			-2 000		
Small business incentives			-1 752		
Introduce VAT payments from every 2 months to every 4 months			-275		
Exemption from Skills Development Levy			-92		
Graduated rate structure			-900		
Accelerated depreciation for all assets			-485		
Financial transaction taxes			-800		
Adjust for transfer duties			-450		
Elimination of stamp duties on debit entries			-350		
Taxes on goods and services			2 281		
Increase in duties on alcohol			690		
Increase in duties on tobacco products (52% incidence)			620		
Abolish <i>ad valorem</i> excise duties on sun protection products			-10		
Abolish duty on base oils for lubricating			-1		
Increase in Air Passenger Departure Tax			32		
Increase in fuel levy			950		
Estimate of revenue after tax proposals	326 956	337 960	369 869	405 427	444 643
Percentage change from previous year			9,4%	9,6%	9,7%
EXPENDITURE					
Statutory and standing appropriations					
Cost of servicing state debt	50 432	48 901	53 125	56 603	59 381
Provincial equitable share	159 971	164 084	134 706	146 757	157 678
Skills development levy	4 300	4 300	5 000	5 600	6 000
Other 1)	963	975	1 060	1 121	1 177
	215 666	218 260	193 891	210 081	224 235
Appropriated by vote					
Current payments	58 860	59 004	66 133	71 858	77 696
Transfers and subsidies	85 284	87 454	149 140	162 149	174 806
Payments for capital assets	5 594	5 395	6 155	6 305	6 656
	149 738	151 853	221 428	240 312	259 159
Plus:					
Unallocated funds	1 000	-	500	2 000	3 500
Contingency reserve	2 500	-	2 000	4 000	8 000
Estimate of national expenditure	368 904	370 113	417 819	456 393	494 894
Percentage change from previous year			12,9%	9,2%	8,4%
2004 Budget estimate of expenditure		368 904	404 654	439 058	
Increase / decrease		1 209	13 165	17 335	

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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R million					
Revenue	326 956	337 960	369 869	405 427	444 643
Expenditure	368 904	370 113	417 819	456 393	494 894
National budget deficit	-41 948	-32 152	-47 950	-50 966	-50 251
<i>Percentage of GDP</i>	-3,1%	-2,3%	-3,1%	-3,0%	-2,7%
Plus: Extraordinary transfers	-7 000	-7 136	-7 000	-	-4 328
Less: Extraordinary receipts	2 742	1 720	1 529	527	712
Net borrowing requirement	-46 206	-37 569	-53 421	-50 438	-53 867
Financing					
Change in loan liabilities					
Domestic short-term loans (net)	6 000	6 000	4 974	6 000	6 000
Domestic long-term loans (net)	34 328	31 045	25 768	40 299	42 247
Loans issued for financing:	27 328	24 540	18 768	40 299	42 247
New Loans	57 526	53 902	48 431	70 589	74 548
Less: Discount	-3 666	-3 013	-3 291	-5 222	-3 957
Redemptions (net of book profit)	-26 532	-26 350	-26 372	-25 067	-28 344
Loans issued for switching	-	-494	-	-	-
New Loans	7 000	8 031	7 000	10 000	-
Less: Discount	-	-171	-	-	-
Loans switched (net of bookprofit)	-7 000	-8 354	-7 000	-10 000	-
Loans issued for extraordinary purposes	7 000	7 000	7 000	-	-
New Loans	7 000	7 000	7 000	-	-
Foreign loans (net)	5 878	4 795	12 039	2 639	4 120
Market loans	7 400	6 533	9 390	7 090	7 870
Arms procurement loan agreements	4 675	3 683	4 708	3 860	2 800
Less: Discount on issues of new loans	-	-85	-	-	-
Redemptions (including revaluation of loans)	-6 198	-5 336	-2 059	-8 311	-6 550
Change in cash balances	-	-4 271	10 640	1 500	1 500
Total financing (net)	46 206	37 569	53 421	50 438	53 867