

Labour Research Service

**Budget Presentation
to the Worker's College
May 1996**

THE 1996/97 BUDGET

Budget summary

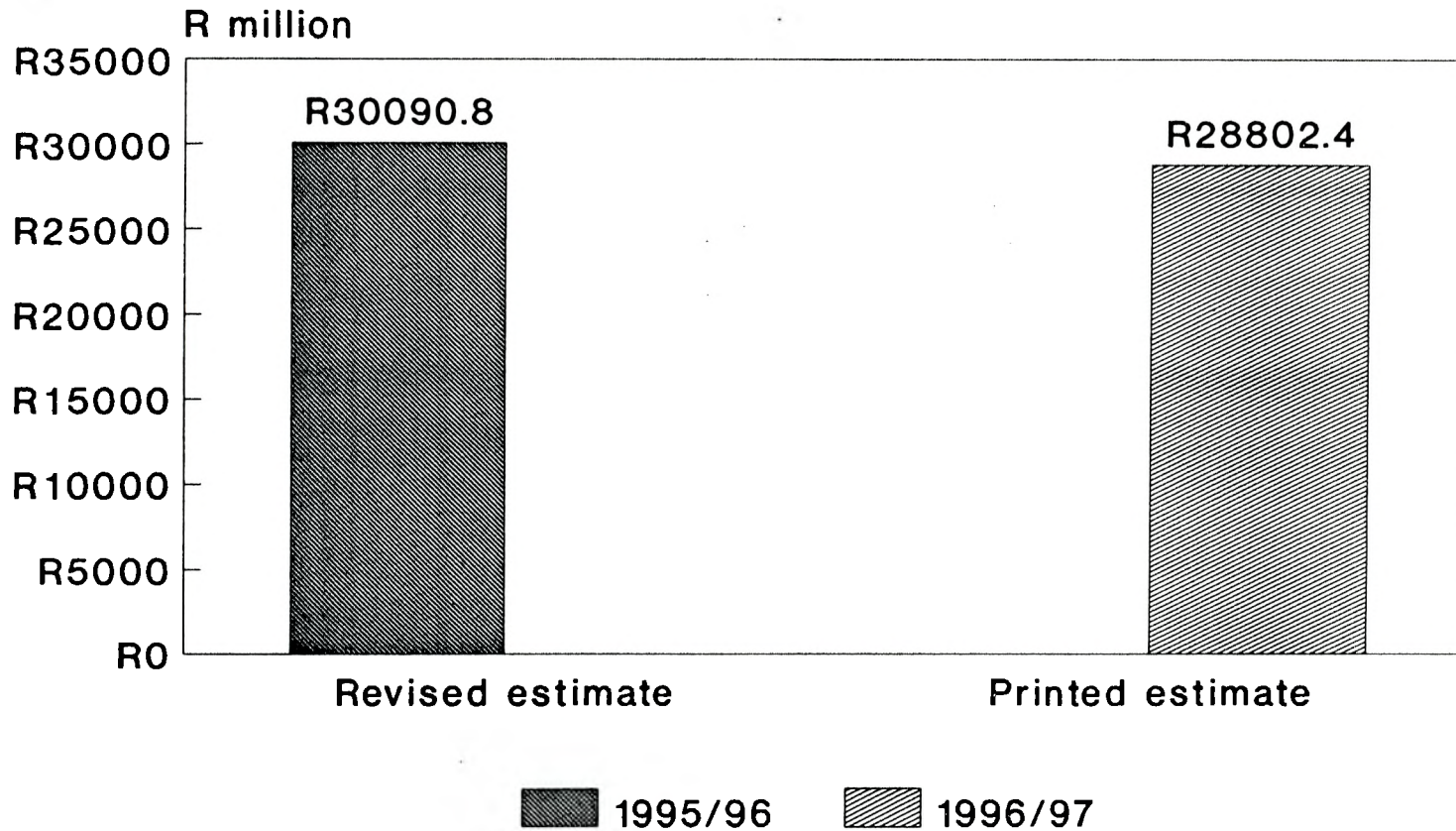
	1996/7 R000	1995/6 R000	
Revenue	144 857	127 269	+13,8%
Expenditure	173 659	157 360	+10,4%
Deficit	28 802	30 091	+ 9,6%
Est. GDP	564 753	501 513	+12,6%
Budget deficit as % of GDP	5,1%	6%	
Inflation projection	7% - 7,5%		
Growth projection	3,5% - 4%		

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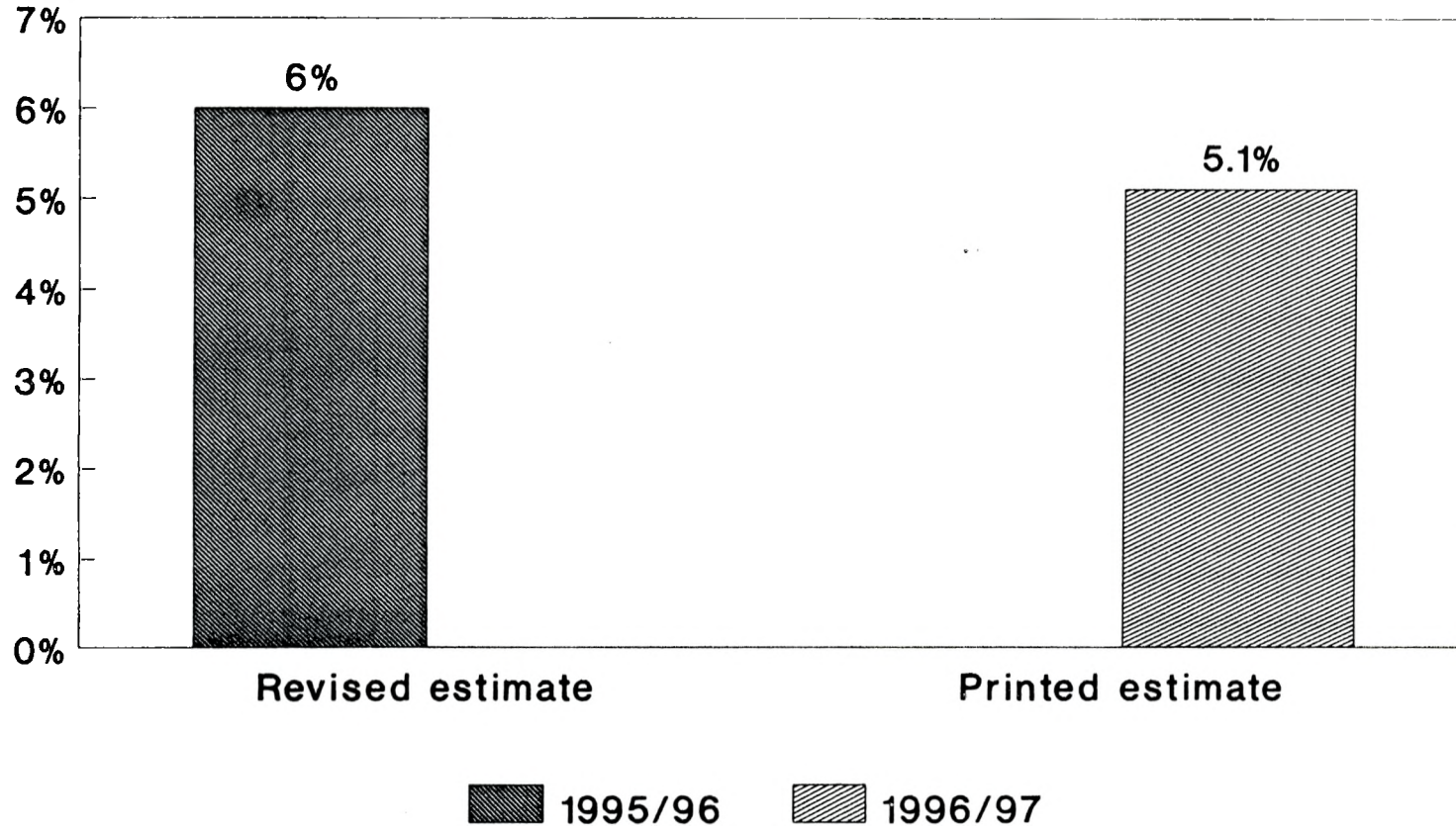
THE 1996/97 BUDGET

Budget deficit



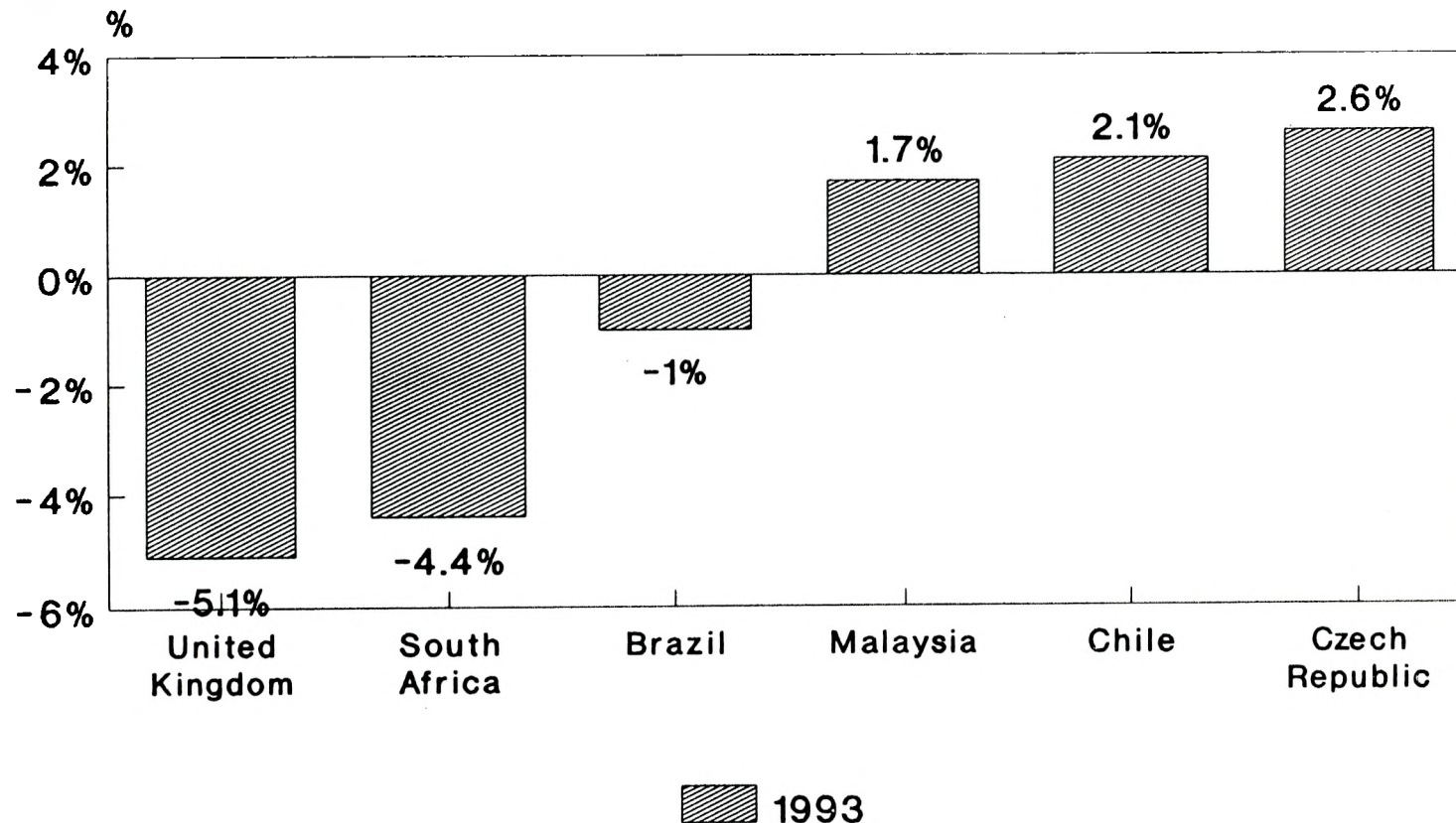
THE 1996/97 BUDGET

Budget deficit as % of GDP



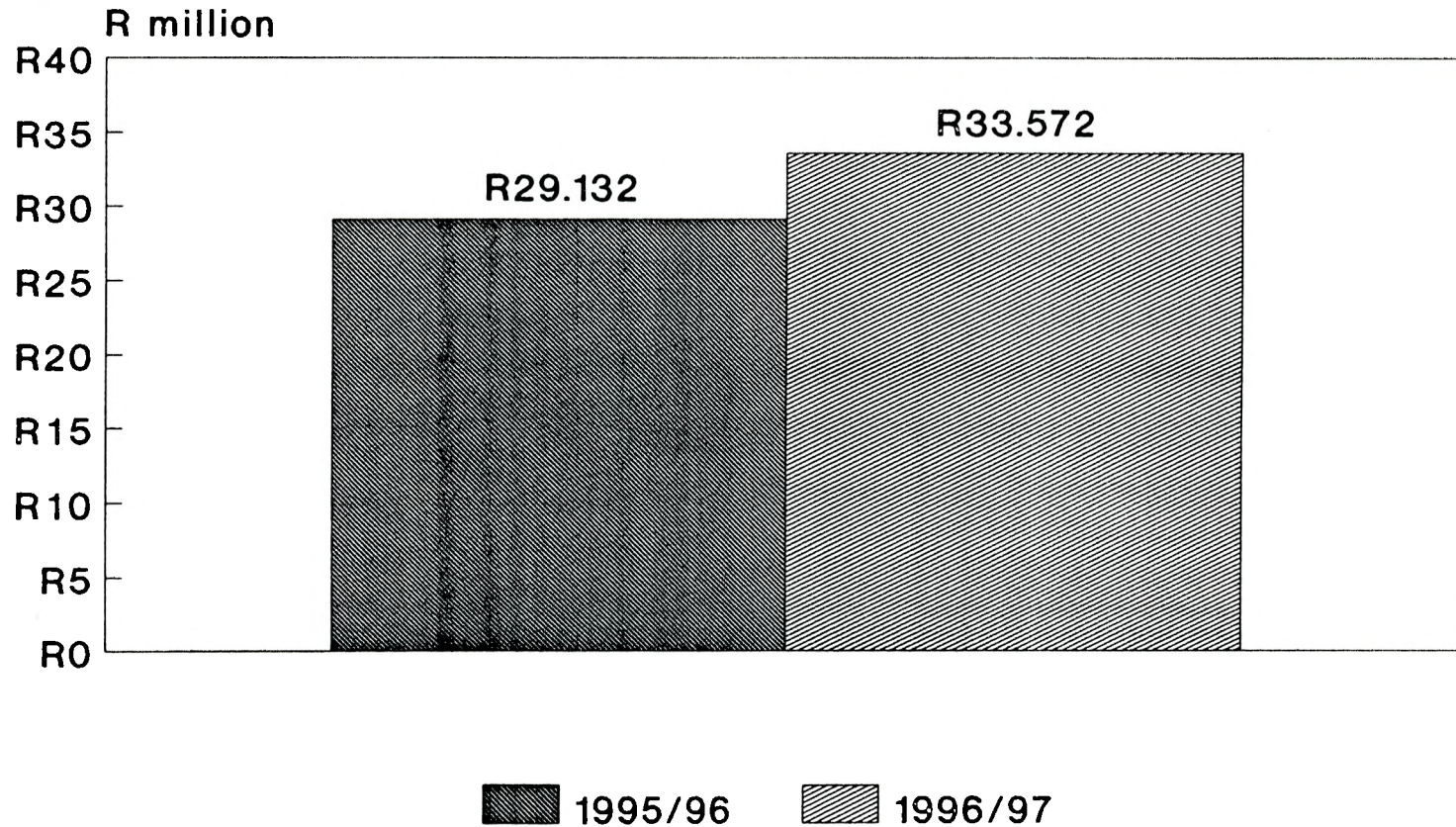
Central Government Expenditure

Overall surplus/deficit (% of GNP)



THE 1996/97 BUDGET

Interest on state debt

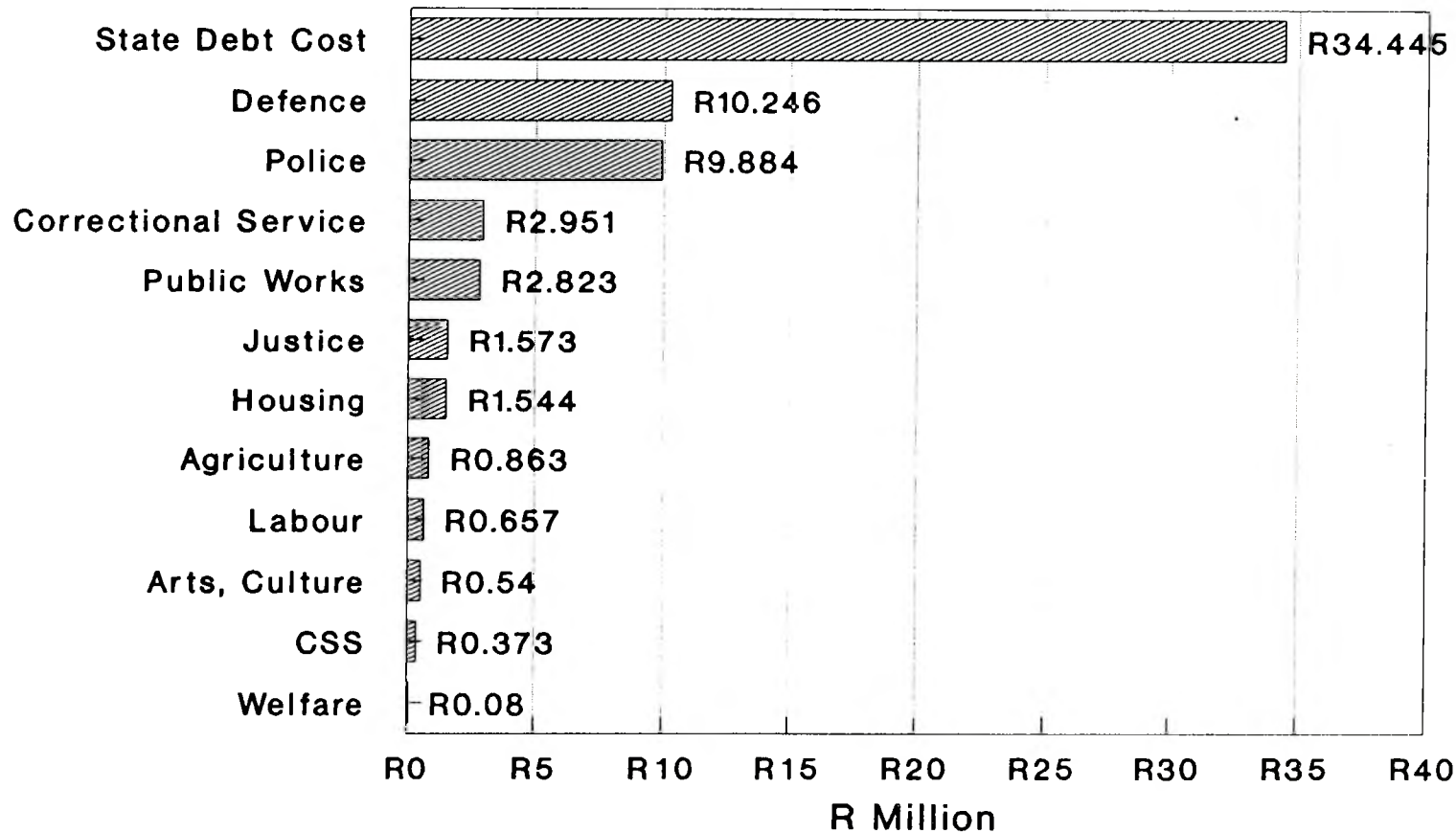


HIGHLIGHTS OF THE 1996/97 Budget

- Small reduction in personal income tax
- Company tax rate unchanged
- STC rate reduced to 12,5%
- Tax imposed on retirement funds
- VAT rate unchanged
- Donations tax rate increased to 25%
- Branch profits tax imposed
- Excise duties and fuel levy increased
- MST and Stamp Duty reduced on share transfers
- Estate Duty rate increased to 25%

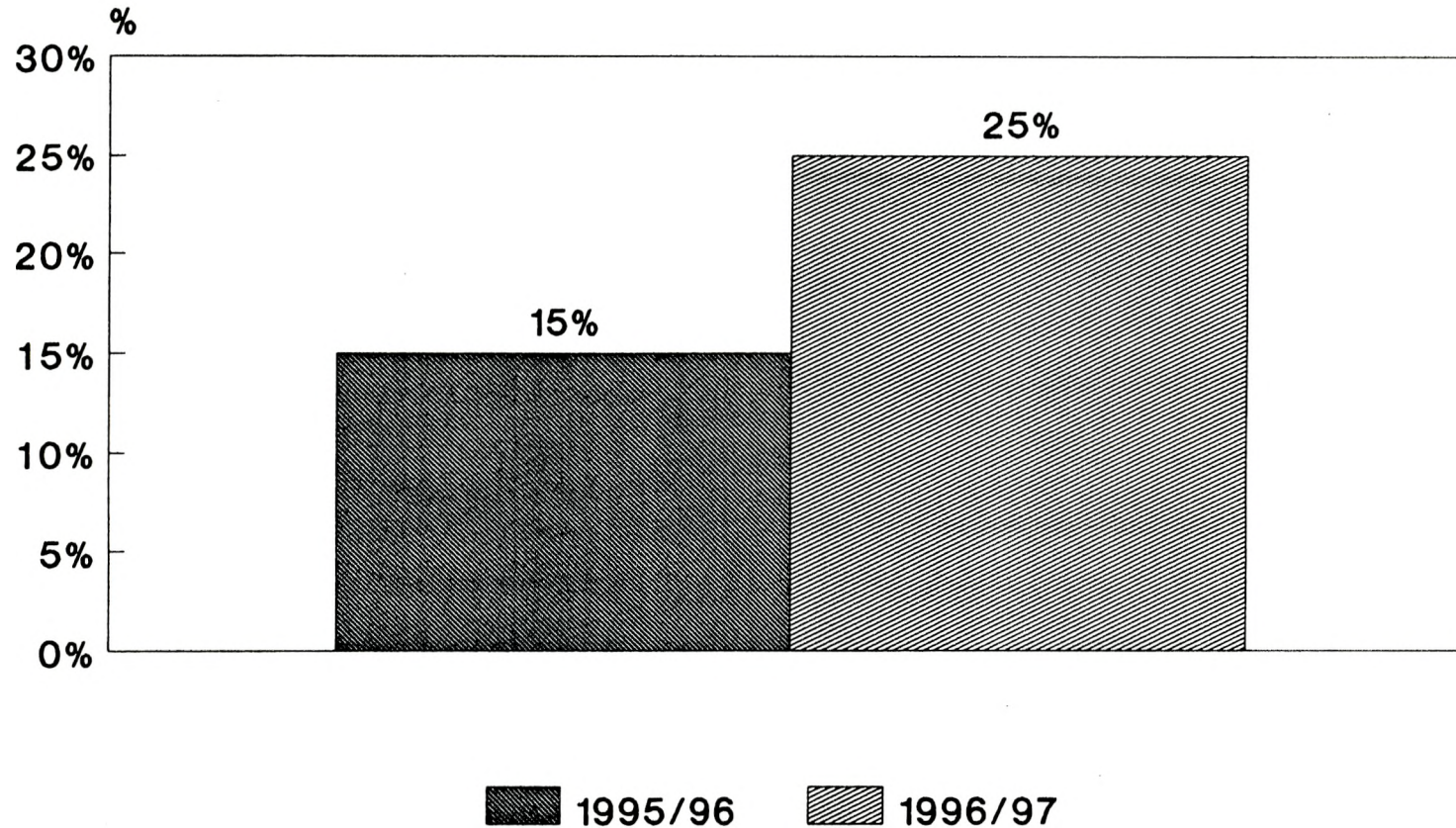
THE 1996/97 BUDGET

Top expenditure items



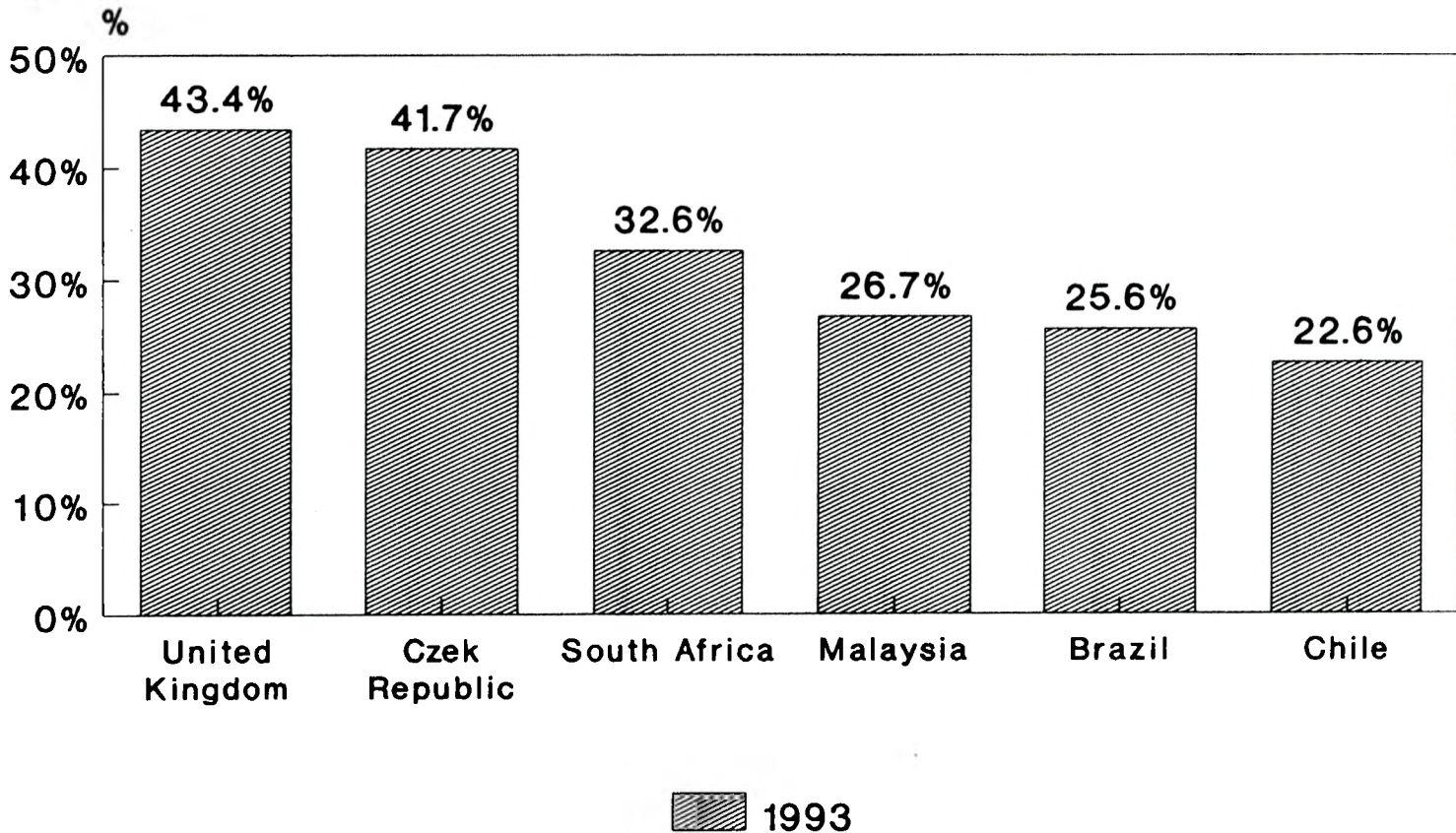
THE 1996/97 BUDGET

Estate duty & donations tax



Central Government Expenditure

Total expenditure as % of GNP



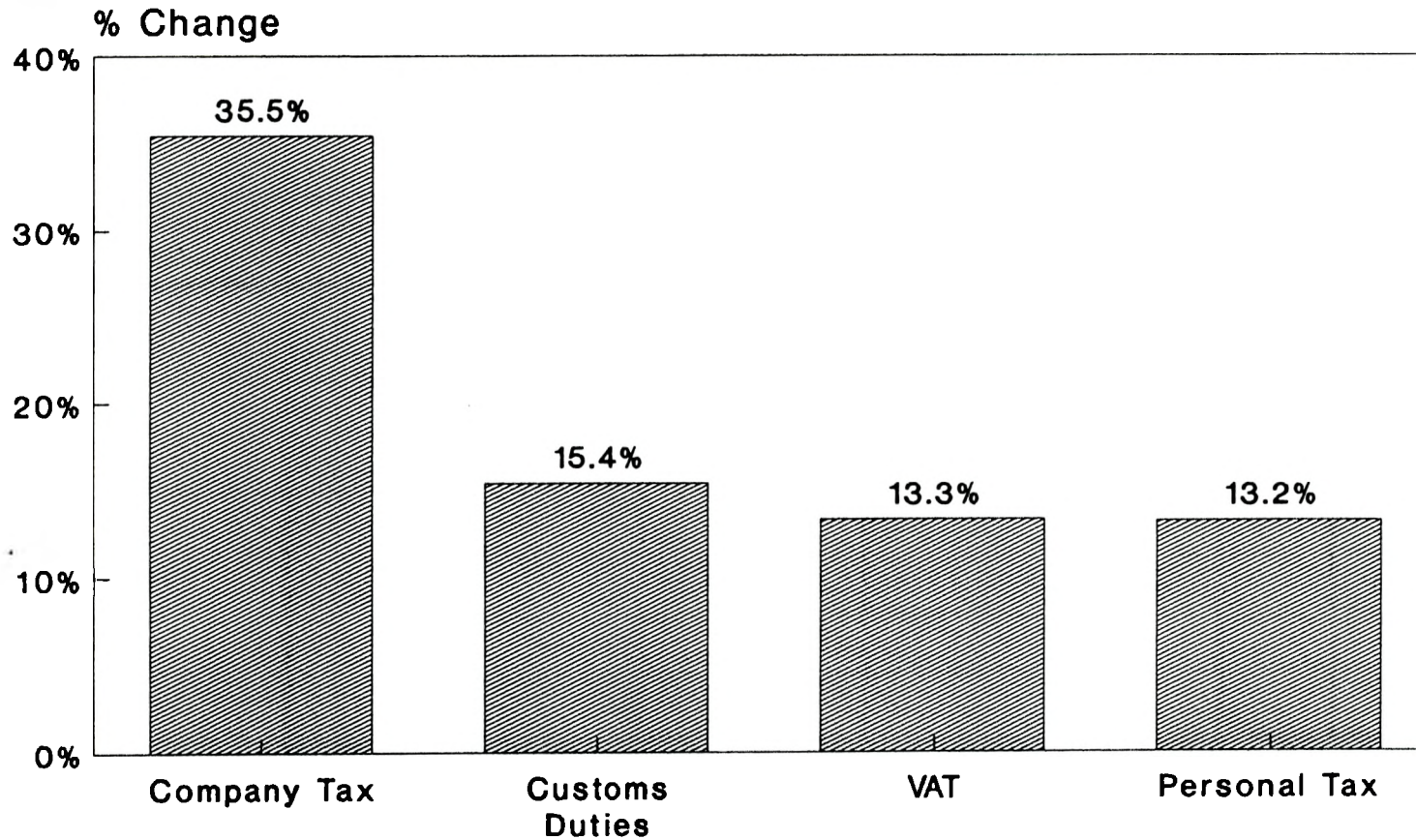
1996/97 BUDGET

Proposed increases in Excise Duties

Beer	about 2 cents per 340ml can
Sorghum beer	0.5 cents per litre
Sorghum flour	2.5 cents per kilogram
Unfortified wine	about 4 cents per 750ml bottle
Sparkling wine	about 8 cents per 750ml bottle
Other fermented drinks eg cider	about 3 cents per 340ml can
Spirits eg whisky, brandy gin	about 64 cents per 750ml bottle
Cigarettes	8 cents per 10 cigarettes
Cigarette tobacco	10 cents per 50 grammes
Pipe tobacco	73 cents per kilogram
Cigars	67,5 cents per kilogram

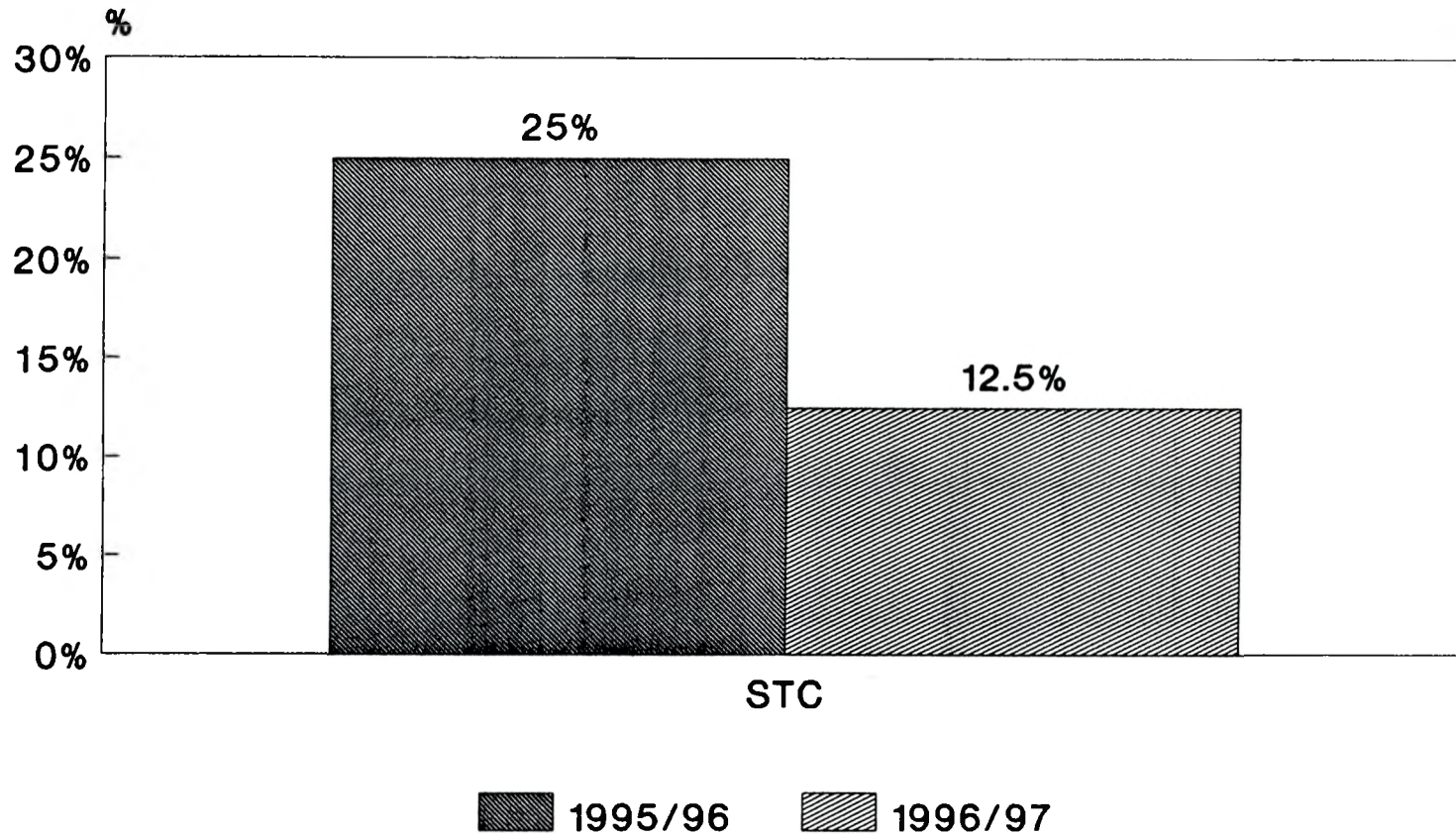
TOP REVENUE INCREASES

1996/97 Budget



STC HALVED

Investors made happy



THE 1996/97 BUDGET

Allocation to the provinces

