

REPUBLICAN PARTY OF NAMIBIA

PARLIAMENTARY OFFICE

Tel. +264 (0)61 288 2624 • Fax: +264 (0)61 235 547 • Email: rpnamibia@gmail.com

PO Box 22605 Windhoek, Namibia • № 13 Am Wasserberg Street

FY2023/24 Mid-year Budget Review Contribution

By Hon. M.S. Mbundu

November 15, 2023

Honourable Speaker,
Honourable Members,

“Apparently if you don't pay your taxes the government will give you free housing free food and a roommate” and for those who don't know where that is; it is in prison! That is a joke with a message about what should happen to those who don't honor their responsibility as taxpayers.

I rise in response to the Appropriation and Amendment Bill as tabled by the Minister of Finance & Public Enterprises; Honorable Ipumbu Shiimi on 31st October 2023 in this august House. The Minister in his statement indicated that our total debt stock stood at N\$149.3 billion, equivalent to 64.1 percent of our GDP, which brings me to the basis of our Party's contribution today. The Minister has done justice to this budget throughout & the team under his leadership should be commended for having kept the government coffers in good shape, particularly our debt deficit.

Honourable Speaker,
Honourable Members,

Allow me your ears as I don't intend to take up much of my allocated time focusing on this singular issue, which is debt servicing within this context. The Honorable Minister has clearly indicated that our collective debt still requires much attention for it to be reduced; such reduction then means more available funding to cater for the State's social spending needs such as the construction of

hospitals & specialized schools throughout the country and greater inclusion of social grant beneficiaries.

Honorable Minister in our view as the Republican Party are we of the belief that if we are to get this country's economic needs in order and honor our international and local debts, should we empower the Namibia Revenue Agency to execute its primary objective to the fullest of their abilities. For this to happen should your Ministry see to it that you look at increasing the operational budget of the agency to such a point where those tasked with collecting taxes, don't have to look for "greener pastures" but see NamRA as the only green pasture. Our argument is that it makes no sense that the government spends large amounts on granting companies tenders, while some or most of these companies fail to pay their taxes as is the case of Zhong Mei Engineering Group which has been alleged to not have paid taxes between 2013 and 2018, although having benefitted a whopping N\$1 billion from government projects!¹ NamRA has shown to be competent & able to recover taxes from companies as the one mentioned, so our task is to improve the efficiency of NamRA through empowering & protecting their administrative teams from possible abuse and/or neglect.

Honourable Speaker,

The biggest contributor to tax have always been the ordinary person which we too as MPs fall under; because we get taxed like any other person. We have been paying our taxes because we understand that it is a necessary process that can't be cheated on. Unfortunately, is it not enough to collect individual taxes as data

¹ <https://www.namibian.com.na/tax-dodging-chinese-firm-confirmed-as-n343m-tender-winner/>

from The World Bank shows the percentage of Tax revenue slumping over the past years to 28% of our GDP.²

Honourable Speaker,
Honourable Members,

As I conclude my contribution on this matter of national interest; do I want to make a recommendation to the Finance Minister, for an increase of his Ministry's operational budget with the purpose of diverting that increase towards NamRA and/or the Tax Policy Unit in the Department of Economic Policy; which I believe NamRA to be the key figure in it. Increasing their budget should however come with checks & balances. Whereby it will be required of the NamRA Commissioner Mr. Sam Shivute to clearly outline what priorities his Agency intends to revisit with the possible increment of their operational budget. Tax evasion costs the government and Namibian people billions of dollars each year and the solution should be to have a strong enforcing body that can deter any possible offender, while at the same time collecting as much taxes from all who are supposed to pay up. ***"Pay up, or face jail time"*** should be the message for all taxpayers, regardless of their social status. So, your Ministry has a greater duty to make all necessary provisions for a better tax system as outlined in your statement; in the interest of a more efficient taxation system.

I thank you all, for your considerations.

²

https://data.worldbank.org/indicator/GC.TAX.TOTL.GD.ZS?end=2021&locations=NA&most_recent_year_desc=false&start=2011&view=chart