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Specific Excise Duties
("Sin Tax")

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Sin Taxes

The South African Minister of Finance, Mr Pravin Gordhan, announced in his budget speech yesterday that the specific excise duties known as sin taxes will increase. In line with the SACU agreement, these increases are also applicable in Namibia.

Excise duties on alcoholic beverages will increase by between 6.2% and 12% in 2014. The specific excise duty rate for traditional African beer and powder remain unchanged.

Excise duties on tobacco products will increase by between 2.5% and 9%.

The excise duty on malt beer will increase by 8.01% from N\$63.81 to N\$68.92 per litre of absolute alcohol. This will equate to an average increase of 8.52c per 340ml can to a total of 117c per 340ml can.

Wine will incur increases in excise duty of 6.30% unfortified, 7.42% fortified, and 10.02% sparkling. This will result in the rates per litre on these products equalling N\$2.87, N\$5.21 and N\$9.11 per litre respectively. Ciders and alcoholic fruit beverages will receive an increase in excise duty of 8.15%.

Duties on spirits will increase by 12.02% from N\$39.60 to N\$44.36 per 750ml bottle (compared to the 10% of the previous year).

Smokers will also face increased prices as a result of increases in the excise duties on cigarettes of 6.23%, cigarette tobacco of 7.15%, pipe tobacco of 2.54% and cigars of 9.0%.

The excise duty amendments on the above are effective from 26 February 2014.

South African Budget

For other comments and insights on the South African Budget, please visit:

<http://tax.deloitte.co.za>

Contact us

For more information on the topic covered in this newsletter please do not hesitate to contact our Deloitte Namibia Tax team:

Gerda Brand: gbrand@deloitte.co.za	Nikia Bauernschmitt: nbauernschmitt@deloitte.co.za
Katja Büttner: kbuttner@deloitte.co.za	Aron Haifene: ahaifene@deloitte.co.za
Rebekka Ninda: rninda@deloitte.co.za	Mercy Kuzeeko: mkuzeeko@deloitte.co.za
Rikotoka Swartz: riswartz@deloitte.co.za	

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