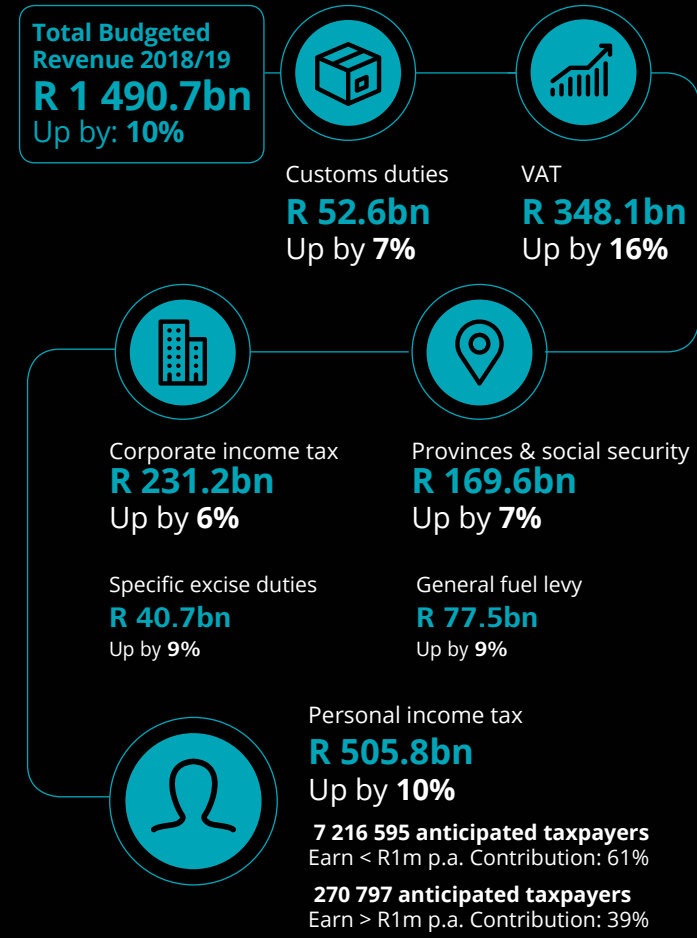
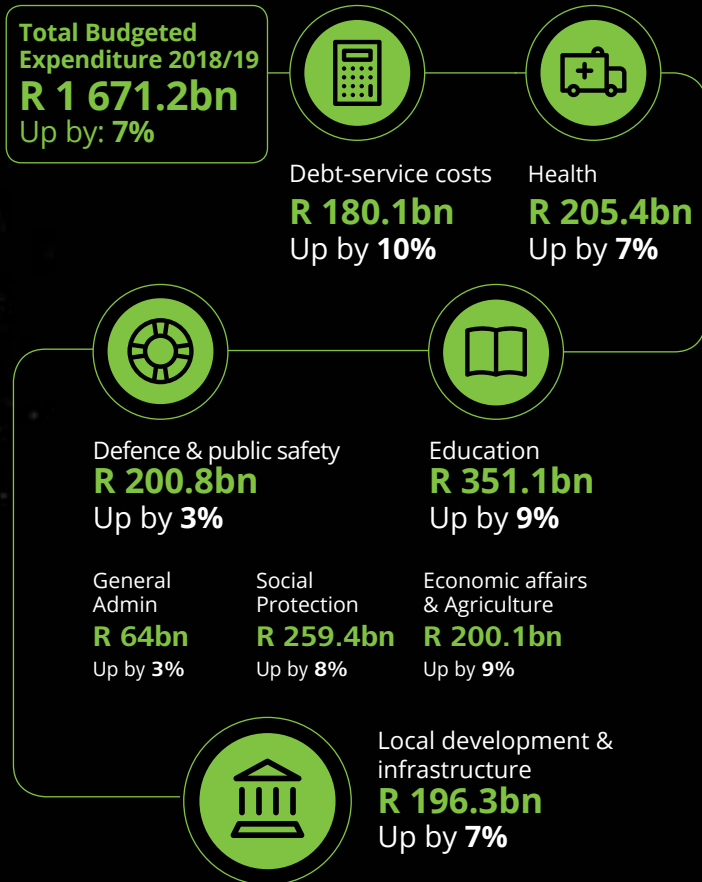


Measured as a percentage of GDP, the overall budget deficit is expected to be -4.3% in 2017/18, moving to -3.6% in 2018/19. With a revenue shortfall of R48.2 billion arising in the current year, government borrowing will increase, reflected in the debt-to-GDP ratio climbing from 53.3% in 2017/18 to 55.1% in 2018/19.



South Africa Budget 2018/19 Driving progress



Key Tax Proposals

- Increase in the VAT rate from 14% to 15% with effect from 1 April 2018
- Below inflation adjustments to **personal income tax brackets and rebates**
- **Higher estate duty of 25%** for estates greater than R30 million and accompanying increase in rate of donations tax for amounts over R30 million, effective 1 March 2018
- Increase in the **general fuel levy** by 22 cents per litre and in the **Road Accident Fund levy** by 30 cents per litre
- **Taxes on alcohol and tobacco increased** between 6% and 10%
- Increase in ad-valorem excise duty rate on luxury goods from 7% to 9%
- Health promotion levy (**sugar tax**) to come into effect on 1 April 2018
- **Carbon tax** to be implemented from 1 January 2019

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