

2025/2026 TAX AND BUDGET UPDATES

BUDGET DEFICIT

-R370.4 billion
2025/26

4.6% of Gross
Domestic Product

GROWTH AND EXPENDITURE

1,9% for 2025

DEBT SERVICE COST

2024/25
R389.6bn

2025/26
R424.9bn

2026/27
R449.2bn

2027/28
R478.6bn

16% debt service cost of total budget
expenditure by 2025/26

TAX REVENUE PROJECTIONS

Personal
Income Tax
40%

Corporate
Income tax
17%

VAT
25%

Customs
and Excise
4%

Other
14%

REVENUE

increased by **8.7%** from
2024/25

Total Projected Revenue

R2 006 BILLION

GOVERNMENT EXPENDITURE

Social
Development
16%

Community
Development
11%

Economic
Development
11%

Peace and
security
10%

Health
12%

Learning and
culture
20%

General public
services
3%

Other
17%

R2592.3 BILLION

increased by **7.8%** from
2024/25

PROPOSED VAT INCREASE

VAT rate increase of **0.5 percentage
points** in **2025/26** and by **0.5 percentage
points** in **2026/27** i.e to **15,5%** from
1 May 2025 and **16%** from 1 April 2026.

SOCIAL GRANTS

OLD AGE

DISABILITY

CHILD SUPPORT

Old age and disability grants up by **R130** from
R2185 to **R2315**. Child support grants up by
R30 from **R530** to **R560**.