



**MINISTRY OF FINANCE, STRATEGIC PLANNING,
NATIONAL DEVELOPMENT AND STATISTICS**

GOVERNMENT'S MID YEAR FISCAL PERFORMANCE FY2024-2025

In the first half of FY2024-2025 (August 2024 to January 2025), Government recorded a net deficit of \$35.7 million, equivalent to -0.3 percent of GDP. Total revenue stood at \$2,090.3 million (14.9 percent of GDP), whilst total expenditure amounted to \$2,126.0 million (15.2 percent of GDP). In the same period last financial year (August 2023 to January 2024), the net deficit was \$114.9 million, equivalent to -0.9 percent of GDP.

Table 1 below provides a summary of the Government's fiscal position cumulative to the second quarter of FY2024-2025. A detailed Government's Cashflow Statement is provided as **Annex 1**.

Table 1: Fiscal Performance in the First Half of FY2024-2025

Particulars	2024-2025 Annual Budget	2024-2025 6 months Forecast	2024-2025 6 months Actual	2024-2025 6 months Variance	2024-2025 6 months Variance	2023-2024 6 months Actual
	(\$m)	(\$m)	(\$m)	(\$m)	(%)	(\$m)
Total Revenue	3,916.7	1,997.2	2,090.3	93.1	4.7%	1,798.4
Tax Revenue	3,299.0	1,670.6	1,810.1	139.5	8.3%	1,542.9
Non - Tax revenue	617.7	326.6	280.3	-46.4	-14.2%	255.5
Total Expenditure	4,552.2	2,912.3	2,126.0	-786.3	-27.0%	1,913.3
Operating Expenditure	3,235.7	2,093.4	1,565.0	-528.4	-25.2%	1,411.0
Capital Expenditure	1,199.4	724.7	531.1	-193.6	-26.7%	471.7
VAT (SEG 13)	117.1	94.2	29.9	-64.3	-68.3%	30.6
Net Deficit/Surplus	-635.5	-915.1	-35.7	879.4	-96.1%	-114.9
As % of GDP	-4.5%	-6.5%	-0.3%			-0.9%
Nominal GDP	14,022.8	14,028.7	14,028.7			12,988.6

Total revenue in the first six months of the fiscal year was above the forecast by \$93.1 million or 4.7 percent and represented around 53.4 percent of the annual budgeted revenue of \$3,916.7 million. This strong performance in overall Government revenue was largely attributed to the higher than forecast collections of \$139.5 million or 8.3 percent in tax revenue while non-tax revenue underperformed by \$46.4 million or -14.2 percent. Compared to the same period last financial year, total revenue was higher by \$291.9 million or 16.2 percent.

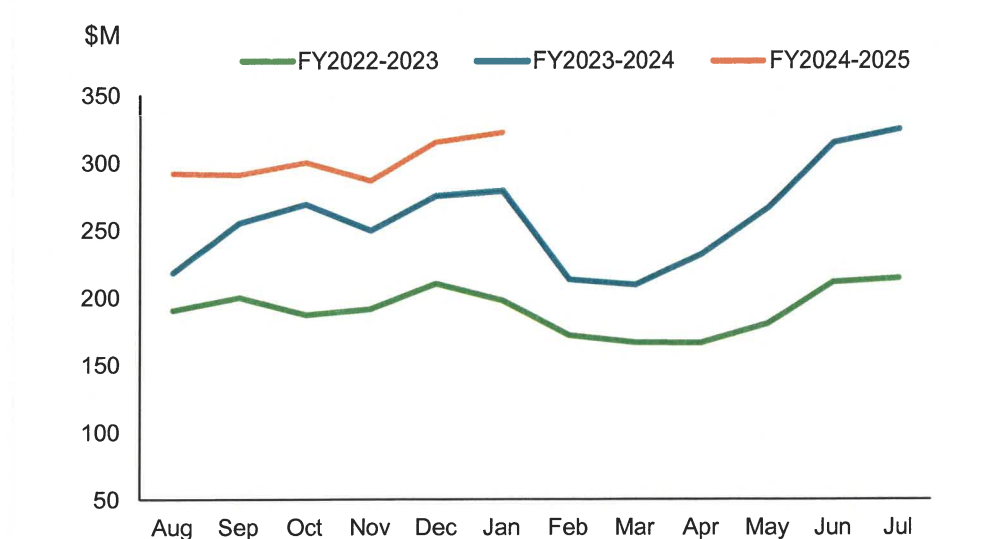
Tax revenue receipts for the review period totaled \$1,810.1 million and represented around 54.9 percent of the total tax revenue budgeted for this financial year. The positive outturn in tax collections was driven by above forecast collections from VAT (above by \$86.8 million), corporate tax (above by \$18.4 million), withholding taxes (above by \$12.0 million), fiscal duty (above by \$11.9 million), personal taxes (above by \$11.0 million), other taxes (above by \$5.2 million), import excise duty (above by \$4.4 million), water resource tax (above by \$1.6 million), fringe benefit tax (above by \$1.4 million), excise duty (above by \$1.3 million), service turnover tax (above by \$0.1 million), yacht agent registration (above by \$0.1 million) and other sundries (above by \$0.1 million). On the other hand, while lower tax collections were noted from departure tax (below by

\$12.3 million), other miscellaneous taxes (below by \$6.3 million), export duty (below by \$0.3 million), ECAL (below by \$0.3 million), luxury vehicle levy (below by \$0.2 million), telecommunication levy (below by \$0.2 million) and capital gains tax (below by \$0.1 million).

Compared to the same period last financial year, total tax revenue increased by \$267.2 million or 17.3 percent. Higher collections were noted in VAT (above by \$151.4 million), departure tax (above by \$20.6 million), personal taxes (above by \$18.5 million), withholding taxes (above by \$16.5 million), corporate tax (above by \$16.0 million), fiscal duty (above by \$11.2 million), excise duty (above by \$9.4 million), water resource tax (above by \$6.1 million), import excise duty (above by \$5.2 million), other taxes (above by \$5.1 million), capital gains tax (above by \$3.8 million), fringe benefit tax (above by \$1.9 million), provisional tax (above by \$0.7 million), yacht agent registration (above by \$0.1 million) and service turnover tax (above by \$0.1 million). On the other hand, lower tax revenue collections were recorded from social responsibility tax (below by \$5.2 million), other miscellaneous taxes (below by \$5.0 million), environment and climate adaptation levy (below by \$0.1 million) and telecommunication levy (below by \$0.1 million), export duty (below by \$0.1 million), luxury vehicle levy (below by \$0.1 million), stamp duty (below by \$0.1 million) and miscellaneous charges (below by \$0.1 million).

The monthly trend in tax collections compared to the previous two financial years is provided in **Figure 1** below.

Figure 1: Monthly Trend in Tax Collections



Non-tax revenue collections for the first six months amounted to \$280.3 million, which was below the forecast collections by \$46.4 million or -14.2 percent. The lower outturn was largely attributed to the lower collection from grants in aid (below by \$69.8 million), reimbursement and recoveries (below by \$2.4 million), while higher than forecast collections were noted from dividends from investments (above by \$14.9 million), other revenue and surpluses (above by \$7.7 million), interest from term loans (above by \$2.0 million), interest from bank balance (above by \$0.5 million) and fees, fines and charges (above by \$0.6 million).

Compared to the same period last financial year, non-tax revenue increased by \$24.7 million or 9.7 percent. Higher collections were largely driven by dividends from investments (above by \$43.7 million), other revenue and surpluses (above by \$8.2 million), fees, fines & charges (above by \$2.7 million), interest on term loan (above by \$2.3 million), interest from bank balance (above by \$0.5 million), whilst lower collections were noted in grants in aid (below by \$24.5 million), sale of Government assets (below by \$7.5 million) and reimbursement & recoveries (below by \$0.7 million).

In terms of expenditure, total Government spending in the first six months totaled \$2,126.0 million, lower than the forecast by \$786.3 million or -27.0 percent. The spending level represents around 46.7 percent of the total budgeted spending for this financial year. In the review period, both operating and capital expenditure were below the forecast by \$528.4 million and \$193.6 million, respectively. The Operating-to-Capital expenditure mix stood at 75:25 in the first six months of FY2024-2025.

Compared to the same period last financial year, total expenditure increased by \$212.7 million or 11.1 percent. Operating expenditure increased by \$153.9 million or 10.9 percent, and capital expenditure increased by \$59.4 million or 12.6 percent. The increase in operating expenditure over the year were largely driven by wages and salaries (above by \$95.5 million), transfer payments (above by \$65.5 million), supplies and consumables (above by \$13.1 million) and interest payments (above by \$4.6 million), while underspending was observed in purchase of outputs (below by \$24.5 million), and other operating payments (below by \$0.1 million). In terms of capital expenditure, transfer payments were above by \$51.2 million, and purchase of physical non-current assets were above by \$8.2 million. Value Added Tax (SEG 13) was below by \$0.7 million.

Government Debt

At the end of January 2025, Government debt stood at \$10,758.5 million, equivalent to 76.7 percent of GDP. The debt mix comprised 63.7 percent (\$6,848.4 million) in domestic debt and 36.3 percent (\$3,910.1 million) in external debt during the review period. Government debt is projected at \$10,944.7 million or 78.0 percent of GDP by the end of July 2025.

In the first six months of the fiscal year, Government has utilised around 51.2 percent or \$489.7 million of the total appropriated borrowing. This includes 59.2 percent or \$289.8 million of the domestic borrowing limit and 40.8 percent or \$199.9 million of the approved external borrowing limit. In terms of debt servicing, Government has utilised 47.3 percent or \$415.4 million of the budget. Of this amount, \$263.2 million is the total interest payments and \$152.2 million is principal repayments.

Conclusion

The mid-year fiscal performance for FY2024-2025 has significantly improved compared to the same period last year, which was largely driven by the strong tax revenue growth and lower-than-anticipated spending in both operating and capital expenditures.

On the revenue side, income and consumption taxes have consistently performed well, supported by improved business turnover, higher profitability, increased consumer spending including

strengthened compliance measures. A notable pick-up has been recorded in Government spending recently which will provide further impetus to the growth momentum.

While revenues and expenditure are tracking relatively well with the 2024-2025 National Budget, closer monitoring will be required to ensure that capital projects are implemented in a timely manner.



Shiri Gounder

Permanent Secretary for Finance

Ministry of Finance, Strategic Planning, National Development & Statistics

March 2025

Annex 1:
Cashflow Statement

	Annual Budget 2024-2025 (\$m)	6 Months	6 Months	6 Months	6 Months	6 Months	6 Months	6 Months	6 Months	6 Months	6 Months
		Forecast	Actual	Variance	Variance	Actual	Actual	Variance	Variance	Actual	% of
		2024-2025 (\$m)	2024-2025 (\$m)	2024-2025 (\$m)	2024-2025 (\$m)	2024-2025 (\$m)	2024-2025 (\$m)	2024-2025 (\$m)	2024-2025 (\$m)	2024-2025 (\$m)	2024-2025 %
CASH FLOWS FROM OPERATING ACTIVITIES											
Receipts											
Direct Taxes	1,029.7	510.5	553.7	43.2	8.5%	493.3	553.7	60.4	12.2%	53.8%	
Indirect Taxes (excluding Government VAT)	2,153.5	1065.8	1226.4	160.7	15.1%	1019.0	1226.4	207.5	20.4%	57.0%	
Fees, Fines & Charges	169.4	74.9	75.4	0.6	0.8%	72.7	75.4	2.7	3.7%	44.5%	
Sales Revenue	-	0.0	0.0	0.0	0.0%	0.0	0.0	0.0	0.0%	0.0%	
Grants in aid	178.6	85.6	15.8	-69.8	-81.5%	40.3	15.8	-24.5	-60.7%	8.9%	
Dividends from Investments	162.3	138.3	153.3	14.9	10.8%	109.6	153.3	43.7	39.9%	94.4%	
Reimbursement & Recoveries	61.1	6.4	4.0	-2.4	-37.8%	4.7	4.0	-0.7	-14.7%	6.5%	
Other Revenue & Surpluses	39.2	20.1	27.9	7.7	38.4%	19.6	27.9	8.2	41.9%	71.1%	
Total operating receipts	3,793.8	1,901.7	2,056.5	154.9	8.1%	1,759.2	2,056.5	297.4	16.9%	54.2%	
Payments											
Personnel	1,188.3	721.6	590.9	-130.7	-18.1%	495.5	590.9	95.5	19.3%	49.7%	
Transfer payments	932.0	651.3	472.2	-179.1	-27.5%	406.8	472.2	65.5	16.1%	50.7%	
Supplies and consumables	367.9	310.4	158.4	-152.0	-49.0%	145.3	158.4	13.1	9.0%	43.1%	
Purchase of outputs	203.9	124.6	80.5	-44.1	-35.4%	105.0	80.5	-24.5	-23.4%	39.5%	
Interest paid	540.0	285.0	262.8	-22.2	-7.8%	258.2	262.8	4.6	1.8%	48.7%	
Other operating payments	3.7	0.5	0.1	-0.3	-72.8%	0.2	0.1	-0.1	-49.7%	3.3%	
Total operating payments	3,235.7	2,093.4	1,565.0	-528.4	-25.2%	1,411.0	1,565.0	153.9	10.9%	48.4%	
Net cash flows from operating activities											
As % of GDP	556.9 4.0%	-191.7 -1.4%	491.6 3.5%	683.2	-356.5%	348.1 2.7%	491.6 3.8%	143.4	41.2%	88.3%	
CASH FLOWS FROM INVESTING ACTIVITIES											
Receipts											
Sale of Government Assets	1.2	0.0	0.0	0.0	0.0%	7.5	0.0	-7.5	-100.0%	0.0%	
Interest from Bank Balance	1.8	0.9	1.4	0.5	57.1%	0.9	1.4	0.5	50.9%	76.0%	
Interest on Term Loans	4.0	0.4	2.5	2.0	482.5%	0.2	2.5	2.3	1499.7%	62.4%	
Return of Surplus Capital from Investment	0.0	0.0	0.0	0.0	0.0%	0.0	0.0	0.0	0.0%	0.0%	
Total investing receipts	7.0	1.3	3.9	2.6	199.5%	8.6	3.9	-4.7	-55.1%	55.3%	
Payments											
Loans	0.0	0.0	0.0	0.0	0.0%	0.0	0.0	0.0	0.0%	0.0%	
Transfer Payments	963.4	588.3	478.7	-109.5	-18.6%	427.5	478.7	51.2	12.0%	49.7%	
Purchase of physical non-current assets	236.0	136.4	52.4	-84.0	-61.6%	44.2	52.4	8.2	18.6%	22.2%	
Total investing payments	1,199.4	724.7	531.1	-193.6	-26.7%	471.7	531.1	59.4	12.6%	44.3%	
Net cash flows from investing activities											
As a % of GDP	-1,192.4 -8.5%	-723.4 -5.2%	-527.3 -3.8%	196.1	-27.1%	-463.1 -3.6%	-527.3 -4.1%	-64.2	13.9%		
Net (Deficit)/Surplus											
% of GDP	-635.5 -4.5%	-915.1 -6.5%	-35.7 -0.3%			-114.9 -0.9%	-35.7 -0.3%				
GDP at Market Prices	14,022.8	14,028.7	14,028.7			12,988.6	14,028.7				

	Summary									
	Annual Budget	Forecast	Actual	Variance	Variance	Actual	Actual	Variance	Variance	% of
	2024-2025	2024-2025	2024-2025	2024-2025	2024-2025	2023-2024	2024-2025	2024-2025	2024-2025	2024-2025
	(\$m)	(\$m)	(\$m)	(\$m)	(%)	(\$m)	(\$m)	(\$m)	(%)	Annual Budget
Total Revenue	3,916.7	1,997.2	2,090.3	93.1	4.7%	1,798.4	2,090.3	291.9	16.2%	53.4%
Tax Revenue	3,299.0	1,670.6	1,810.1	139.5	8.3%	1,542.9	1,810.1	267.2	17.3%	54.9%
Non-Tax Revenue	617.7	326.6	280.3	-46.4	-14.2%	255.5	280.3	24.7	9.7%	45.4%
Total Expenditure	4,552.2	2,912.3	2,126.0	-786.3	-27.0%	1,913.3	2,126.0	212.7	11.1%	46.7%
Operating Expenditure	3,235.7	2,093.4	1,565.0	-528.4	-25.2%	1,411.0	1,565.0	153.9	10.9%	48.4%
Capital Expenditure	1,199.4	724.7	531.1	-193.6	-26.7%	471.7	531.1	59.4	12.6%	44.3%
SEG 13 VAT	117.1	94.2	29.9	-64.3	-68.3%	30.6	29.9	-0.7	-2.3%	25.5%
Net Deficit	-635.5	-915.1	-35.7	879.4	-96.1%	-114.9	-35.7	79.2	-68.9%	5.6%
% of GDP	-4.5%	-6.5%	-0.3%	6.3%	-96.1%	-0.9%	-0.3%	0.6%	-71.2%	
Nominal GDP	14,022.8	14,028.7	14,028.7			12,988.6	14,028.7			

* Compared to the overall Net Tax Revenue Collections, the difference in tax revenue arises due to the timing of revenue receipts. Minor difference between constituent figures and totals are due to rounding.

Tax Performance

Particulars	Annual Budget		6 Months Forecast		6 Months Actual		6 Months Variance		6 Months Actual		6 Months Variance		6 Months Variance		6 Months % of Annual Budget
	2024-2025		2024-2025		2024-2025		2024-2025		2024-2025		2024-2025		2024-2025		
Income Tax Collection															
PAYE Tax	211,386,075.6	101,752,281.1	112,710,640.3	10,958,359.3	10.8%	94,209,658.3	112,710,640.3	18,500,982.0	19.6%						53.3%
Withholding & Dividend Tax	164,390,799.3	74,989,108.5	86,977,131.2	11,988,022.7	16.0%	70,429,912.0	86,977,131.2	16,547,219.2	23.5%						52.9%
Company Tax	515,612,917.3	263,885,270.8	282,264,372.6	18,379,101.7	7.0%	266,222,463.9	282,264,372.6	16,041,908.7	6.0%						54.7%
Other Taxes	33,063,835.3	13,670,705.5	18,909,503.6	5,238,798.1	38.3%	13,778,754.2	18,909,503.6	5,130,749.4	37.2%						57.2%
Provisional Tax	15,937,469.2	8,303,515.3	8,457,450.0	153,934.6	1.9%	7,798,677.2	8,457,450.0	658,772.7	8.4%						53.1%
Other Misc Tax	47,184,614.1	22,044,234.5	15,747,973.0	-6,296,261.4	-28.6%	20,703,986.5	15,747,973.0	-4,956,013.5	-23.9%						33.4%
ICT Business Licence Fee	0.0	0.0	0.0	0.0	0.0%	0.0	0.0	0.0	0.0%						0.0%
Tourist VAT Refund Registration Fee	211,160.8	202,306.5	186,250.0	-16,056.5	-7.9%	190,006.7	186,250.0	-3,756.6	-2.0%						88.2%
Yacht Agent Registration	75,574.9	57,007.1	120,753.7	63,746.6	31.5%	53,541.2	120,753.7	67,212.5	125.5%						159.8%
Gross Revenue	987,862,446.5	484,904,429.3	525,374,074.3	40,469,645.1	8.3%	473,386,999.9	525,374,074.3	51,987,074.4	11.0%						53.2%
Less: Refunds	-18,286,015.1	-9,181,222.8	-7,827,938.5	1,353,284.3	-14.7%	-13,039,391.6	-7,827,938.5	5,211,453.1	-40.0%						42.8%
Less: Film Tax Rebates				0.0	0.0%		0.0	0.0	0.0%						0.0%
Net Income Tax	969,576,431.4	475,723,206.5	517,546,135.8	41,822,929.3	8.8%	460,347,608.3	517,546,135.8	57,198,527.5	12.4%						53.4%
Value Added Tax															
Customs Import VAT	951,814,145.1	493,549,685.1	513,294,173.0	19,744,487.9	4.0%	463,086,657.6	513,294,173.0	50,207,515.4	10.8%						53.9%
Domestic VAT	929,241,501.3	472,414,382.6	552,423,691.8	80,009,309.2	16.9%	424,908,440.3	552,423,691.8	127,515,251.5	30.0%						59.4%
Other Government Departments	13,933,124.1	7,833,432.4	4,644,372.1	-3,189,060.3	-40.7%	7,357,174.4	4,644,372.1	-2,712,802.4	-36.9%						33.3%
Gross VAT Collection	1,894,988,770.5	973,797,500.1	1,070,362,236.9	96,564,736.8	9.9%	895,352,272.3	1,070,362,236.9	175,009,964.6	19.5%						56.5%
Less: VAT Refunds	-429,466,717.2	-221,827,244.6	-231,747,643.7	-9,920,399.1	4.5%	-208,032,054.0	-231,747,643.7	-23,715,589.7	11.4%						54.0%
Less: Tourist VAT Refunds	-2,224,415.0	-1,142,832.9	-990,554.8	152,278.1	-13.3%	-1,099,740.0	-990,554.8	109,185.2	-9.9%						44.5%
Net VAT Collection	1,463,297,638.4	750,827,422.7	837,624,038.4	86,796,615.7	11.6%	686,220,478.3	837,624,038.4	151,403,560.1	22.1%						57.2%
Capital Gains Tax	40,019,732.7	25,841,748.1	25,696,143.0	-145,605.1	-0.6%	21,922,614.0	25,696,143.0	3,773,529.0	17.2%						64.2%
Service Turnover Tax	0.0	0.0	116,811.5	116,811.5	0.0%	36,096.0	116,811.5	80,715.5	223.6%						0.0%
Environment and Climate Adaptation Levy	10,151,016.0	5,365,153.0	5,098,449.9	-266,703.1	-5.0%	5,208,886.0	5,098,449.9	-110,436.1	-2.1%						50.2%
Stamp Duty	0.0	0.0	75.0	75.0	0.0%	66,001.0	75.0	-65,926.0	-99.9%						0.0%
Social Responsibility Tax	0.0	0.0	0.0	0.0	0.0%	5,195,759.0	0.0	-5,195,759.0	-100.0%						0.0%
Telecommunication Levy	823,714.9	432,187.4	276,606.2	-155,581.2	-36.0%	423,713.0	276,606.2	-147,106.8	-34.7%						33.6%
Fringe Benefit Tax	20,060,769.5	8,984,393.4	10,362,711.3	1,378,317.9	15.3%	8,438,159.0	10,362,711.3	1,924,552.3	22.8%						51.7%
Customs Collections															
Fiscal Duty	373,481,462.5	191,129,899.4	202,987,240.1	11,857,340.7	6.2%	191,805,206.6	202,987,240.1	11,182,033.5	5.8%						54.4%
Import Excise Duty	27,866,573.1	12,972,128.9	17,340,236.0	4,368,107.1	33.7%	12,183,447.9	17,340,236.0	5,156,788.1	42.3%						62.2%
Excise Duty	161,225,529.3	84,517,468.0	85,767,497.9	1,250,029.9	1.5%	76,398,069.6	85,767,497.9	9,369,428.2	12.3%						53.2%
Export Duty	8,957,361.4	4,451,519.1	4,175,308.2	-276,210.9	-6.2%	4,180,875.1	4,175,308.2	-5,566.9	-0.1%						46.6%
Luxury Vehicle Levy	970,000.0	760,000.0	520,000.0	-240,000.0	-31.6%	630,000.0	520,000.0	-110,000.0	-17.5%						53.6%
Misc Fees/Charge			-	0.0	0.0%	130,000.0	0.0	-130,000.0	-100.0%						0.0%
Other Sundries	322,770.5	108,631.0	159,107.6	50,476.7	46.5%	102,026.4	159,107.6	57,081.2	55.9%						49.3%
Gross Customs Collections	572,823,696.9	293,939,646.2	310,949,389.7	17,009,743.4	5.8%	285,429,625.6	310,949,389.7	25,519,764.1	8.9%						54.3%
Less: Rebates	-3,213,746.1	-1,648,550.0	-1,090,650.8	557,899.1	-33.8%	-1,556,420.3	-1,090,650.8	465,769.5	-29.9%						33.9%
Less: Misc Fees/Charges	0.0			0.0	0.0%		0.0	0.0	0.0%						0.0%
Net Customs Collection	569,609,950.8	292,291,096.3	309,858,738.8	17,567,642.6	6.0%	283,873,205.3	309,858,738.8	25,985,533.6	9.2%						54.4%
Resource Tax	81,247,025.2	38,358,218.6	39,966,001.2	1,607,782.7	4.2%	33,894,405.9	39,966,001.2	6,071,595.3	17.9%						49.2%
Departure Tax	144,210,651.9	72,739,980.7	60,395,361.0	-12,344,619.7	-17.0%	39,803,654.5	60,395,361.0	20,591,706.5	51.7%						41.9%
Overall Net Tax Revenue Collections	3,298,996,930.9	1,670,563,406.8	1,806,941,072.4	136,377,665.6	8.2%	1,545,430,580.8	1,806,941,072.4	261,510,491.6	16.9%						54.8%