



MINISTRY OF ECONOMY

GOVERNMENT'S FIRST QUARTER FISCAL PERFORMANCE 2018-2019 (Provisional)

Government achieved a net surplus position of \$31.7 million, equivalent to 0.3 percent of GDP at the end of first quarter of the Fiscal Year ('FY') 2018-2019. The total revenue collection was \$843.1 million compared to total expenditure level of \$811.4 million.

Table 1 below provides the summary of Government's fiscal position for the first quarter of FY 2018-2019 compared to the same period last financial year.

Table 1: Summary of Fiscal Position

Description	Quarter 1 2017-2018 (\$M)	Quarter 1 2018-2019 (\$M)	Variance (\$M)	Variance (%)
Total Revenue	904.5	843.1	(61.4)	(6.8)
<i>Tax Revenue</i>	757.5	750.4	(7.1)	(0.9)
<i>Non-Tax Revenue</i>	147.0	92.7	(54.3)	(37.0)
Total Expenditure	744.7	811.4	66.7	9.0
<i>Operating Expenditure</i>	535.5	588.1	52.6	9.8
<i>Capital Expenditure</i>	202.0	216.8	14.8	7.3
<i>SEG 13 VAT</i>	7.2	6.4	(0.7)	(10.4)
Net Surplus/(Deficit)	159.8	31.7		
% of GDP	1.5	0.3		
Nominal GDP	10,442.9	11,140.3		

Source: Ministry of Economy

Total revenue receipt of \$843.1 million represents around 19.9 percent of total revenue projected for the FY 2018-2019. The slight decline in total tax revenue compared to the same period last financial year is mainly attributed to large film tax rebate provided in the first quarter. For non-tax, the negative variance is mainly due to projected dividend revenue of around \$45 million in 2018-2019 received during late last financial year. However, this dividend revenue was forecast to be received earlier in the current fiscal year.

On the contrary, some of the major categories of revenue that has increased compared to the same period last year include capital gains tax (up by 82.2 percent), Environment and Climate Adaptation Levy (up by 26.6 percent), stamp duties (up by 28.5 percent), social responsibility

tax (up by 24.1 percent), VAT (up by 2.4 percent), customs duties (up by 9.6 percent), departure tax (up by 6.5 percent) and water resource tax (up by 111.5 percent).

Total spending by end of first quarter amounted to \$811.4 million representing around 17.4 percent of the total budget. The total spending level has increased compared to the same period last year by 9.0 percent. Capital expenditure has increased compared to the same period last year by around 7.3 percent. The operating expenditure to capital expenditure mix at the end of first quarter was 73:27.

In terms of the debt position, Government had a total debt of \$5,267.5 million equivalent to 47.3 percent of GDP at the end of October 2018. Of this, 72.3 percent comprised of domestic debt and remaining 27.7 percent was dominated in foreign currency. The total debt position of Government has declined from end of FY 2017-2018 from 50.0 percent to 47.3 percent of GDP by the end of first quarter FY 2018-2019.

Fiscal Policy, Research and Analysis Division
Ministry of Economy
January 2019

Annex 1: Government's Cashflow Statement

(\$million)	Cumulative Quarter 1 2017-2018	Cumulative Quarter 1 2018-2019
CASH FLOWS FROM OPERATING ACTIVITIES		
Receipts		
Direct Taxes	245.9	193.5
Indirect Taxes (excluding Government VAT)	504.5	550.5
Fees, Fines & Charges	18.7	29.2
Grants in aid	8.9	9.3
Dividends from Investments	101.9	33.3
Reimbursement & Recoveries	5.7	2.0
Other Revenue & Surpluses	8.9	13.7
Total operating receipts	894.4	831.5
Payments		
Personnel	216.8	241.8
Transfer payments	184.3	195.6
Supplies and consumables	46.8	59.7
Purchase of outputs	17.1	14.1
Interest paid	70.5	76.8
Other operating payments	0.0	0.0
Total operating payments	535.5	588.1
Net cash flows from operating activities	358.9	243.4
<i>As % of GDP</i>	3.4%	2.2%
CASH FLOWS FROM INVESTING ACTIVITIES		
Receipts		
Sale of Government Assets	0.3	0.0
Interest from Bank Balance	0.4	0.3
Interest on Term Loans	0.2	0.2
Return of Surplus Capital from Investment	2.0	4.6
Total investing receipts	2.9	5.2
Payments		
Loans	36.2	23.5
Transfer Payments	134.8	169.6
Purchase of physical non-current assets	31.0	23.8
Total investing payments	202.0	216.8
Net cash flows from investing activities	-199.1	-211.7
<i>As a % of GDP</i>	-1.9%	-1.9%
Net (Deficit)/Surplus	159.8	31.7
% of GDP	1.5%	0.3%
GDP at Market Prices	10,442.9	11,140.3