



MINISTRY OF ECONOMY

GOVERNMENT'S SECOND QUARTER FISCAL PERFORMANCE 2017-2018 (Provisional)

At the end of the first half of the financial year, Government's total revenue collection amounted to \$1,711.8 million whilst total expenditure stood at \$1,686.8 million. As a result, Government achieved a net surplus position of \$25.1 million equivalent to 0.2 percent of GDP.

Table 1 below provides the summary of Government's fiscal position for the first half of the year 2017-2018 compared to the same period last financial year.

Table 1: Summary of Fiscal Position

Description	Quarter 2 2017-2018 (\$M)	Quarter 2 2016-2017 (\$M)	Variance (\$M)	Variance (%)
Total Revenue	1,711.8	1,437.3	274.5	19.1
<i>Tax Revenue</i>	1,497.8	1,314.5	183.3	14.0
<i>Non-Tax Revenue</i>	214.0	122.9	91.1	74.2
Total Expenditure	1,686.8	1,285.4	401.3	31.2
<i>Operating Expenditure</i>	1,086.7	925.5	161.2	17.4
<i>Capital Expenditure</i>	585.8	345.9	239.9	69.3
SEG 13 VAT	14.3	14.0	0.3	2.0
Net Surplus/(Deficit)	25.1	151.9		
% of GDP	0.2	1.5		
Nominal GDP	10,989.1	10,252.9		

Source: Ministry of Economy

The total revenue collection of \$1,711.8 million has increased compared to the same period last year by \$274.5 million or 19.1 percent. The increases were noted in both tax and non-tax revenues. Tax revenues increased by \$183.4 million or 14 percent while non-tax revenues increased by \$91.1 million or 74.2 percent. Some of the major revenue categories that has increased compared to the same period last year include income taxes (up by 23.6 percent), VAT (up by 14.6 percent) and customs duties (up by 10.4 percent).

The non-tax revenues were mainly boosted through large collection of dividends from State Owned Enterprises (SOEs) in particular Airports Fiji Limited and Energy Fiji Limited.

On the other hand, total expenditure of \$1,686.8 million has increased compared to the same period last financial year by \$401.3 million or 31.2 percent. The operating expenditure has increased by \$161.2 million or 17.4 percent while capital expenditure has increased by \$239.9 million or 69.3 percent.

The total spending by first half of the financial year represents around 38.7 percent of the total budgeted spending for the financial year. The operating expenditure to capital expenditure mix was 65:35.

Overall, the Government has achieved a decent fiscal position for the first half of the financial year with a marginal surplus position of around 0.2 percent of GDP.

The Government's debt position at the end January 2018 stood at \$4,824.6 million or 43.9 percent of GDP. Debt to GDP ratio has declined from 45.6 percent of GDP at the end of the last financial year (July 2017).

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Annex 1: Government's Cashflow Statement

<i>(\$million)</i>	Cumulative Quarter 2 2016-2017	Cumulative Quarter 2 2017-2018
CASH FLOWS FROM OPERATING ACTIVITIES		
Receipts		
Direct Taxes	378.7	464.1
Indirect Taxes (excluding Government VAT)	921.8	1,019.4
Fees, Fines & Charges	60.9	70.2
Grants in aid	9.3	11.0
Dividends from Investments	21.7	102.1
Reimbursement & Recoveries	11.9	6.8
Other Revenue & Surpluses	15.6	16.7
Total operating receipts	1,419.9	1,690.3
Payments		
Personnel	417.6	459.9
Transfer payments	250.0	340.7
Supplies and consumables	94.4	105.7
Purchase of outputs	25.7	37.6
Interest paid	136.5	142.6
Other operating payments	1.3	0.1
Total operating payments	925.5	1,086.7
Net cash flows from operating activities	494.4	603.6
<i>As % of GDP</i>	4.8%	5.5%
CASH FLOWS FROM INVESTING ACTIVITIES		
Receipts		
Sale of Government Assets	2.4	0.5
Interest from Bank Balance	0.0	0.9
Interest on Term Loans	0.4	0.3
Return of Surplus Capital from Investment	0.6	5.6
Total investing receipts	3.4	7.3
Payments		
Loans	30.5	36.2
Transfer Payments	280.2	487.8
Purchase of physical non-current assets	35.2	61.8
Total investing payments	345.9	585.8
Net cash flows from investing activities	-342.5	-578.5
<i>As a % of GDP</i>	-3.3%	-5.3%
Net (Deficit)/Surplus	151.9	25.1
% of GDP	1.5%	0.2%
GDP at Market Prices	10,276.9	10,989.1