



MINISTRY OF ECONOMY

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

At the end of the first half of the financial year 2018-2019, Government achieved a net deficit position of \$57.3 million, equivalent to 0.5 percent of GDP. The total revenue receipt was \$1,667.6 million compared to total expenditure level of \$1,724.8 million.

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

Table 1: Summary of Fiscal Position

Description	Quarter 2 2017-2018 (\$M)	Quarter 2 2018-2019 (\$M)	Variance (\$M)	Variance (%)
Total Revenue	1,711.8	1,667.6	-44.3	-2.6
<i>Tax Revenue</i>	1,497.8	1,513.9	16.0	1.1
<i>Non-Tax Revenue</i>	214.0	153.7	-60.3	-28.2
Total Expenditure	1,686.8	1,724.8	38.1	2.3
<i>Operating Expenditure</i>	1,086.7	1,196.8	110.1	10.1
<i>Capital Expenditure</i>	585.8	510.8	-75.0	-12.8
<i>SEG 13 VAT</i>	14.3	17.2	2.9	20.5
Net Surplus/(Deficit)	25.1	-57.3		
% of GDP	0.2	-0.5		
Nominal GDP	11,361.3	12,063.7		

Source: Ministry of Economy

Government's total revenue collection of \$1,667.6 million was slightly below compared to the same period last financial year by around 2.6 percent. While tax revenue receipts were above by 1.1 percent, the non-tax revenue category was below compared to the same period last financial year by 28.2 percent. As stated in first quarter report, the negative variance in non-tax revenue is mainly due to projected dividend revenue of around \$45 million received late last financial year. This dividend revenue was however forecast to be received early this financial year.

Total expenditure by end of first half of the financial year amounted to \$1,724.8. The expenditure level was around 37.1 percent of the total annual budget. Overall, the total expenditure has increased by around 2.3 percent compared to the same period last financial

year. While operating expenditure has increased by 10.1 percent, capital expenditure declined by 12.8 percent. The operating expenditure to capital expenditure mix at the end of first half of the financial year was 70:30.

In terms of the debt position, Government had a total debt of \$5,326.3 million or 44.2 percent of GDP at the end of January 2019. Of this, 72.8 percent comprised of domestic debt and remaining 27.2 percent was dominated in external currency. The debt position of Government has declined from around 45.9 percent of GDP at the end of financial year 2017-2018 (July 2018) to 44.2 percent of GDP.

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

Annex 1: Government's Cashflow Statement

(\$million)	Cumulative Quarter 2 2017-2018	Cumulative Quarter 2 2018-2019
CASH FLOWS FROM OPERATING ACTIVITIES		
Receipts		
Direct Taxes	464.1	399.6
Indirect Taxes (excluding Government VAT)	1,019.4	1,097.0
Fees, Fines & Charges	70.2	62.7
Grants in aid	11.0	18.2
Dividends from Investments	102.1	40.2
Reimbursement & Recoveries	6.8	4.4
Other Revenue & Surpluses	16.7	22.2
Total operating receipts	1,690.3	1,644.4
Payments		
Personnel	459.9	509.4
Transfer payments	340.7	361.5
Supplies and consumables	105.7	128.6
Purchase of outputs	37.6	38.0
Interest paid	142.6	159.2
Other operating payments	0.1	0.1
Total operating payments	1,086.7	1,196.8
Net cash flows from operating activities	603.6	447.5
<i>As % of GDP</i>	5.3%	3.7%
CASH FLOWS FROM INVESTING ACTIVITIES		
Receipts		
Sale of Government Assets	0.5	0.0
Interest from Bank Balance	0.9	0.6
Interest on Term Loans	0.3	0.2
Return of Surplus Capital from Investment	5.6	5.1
Total investing receipts	7.3	6.0
Payments		
Loans	36.2	65.5
Transfer Payments	487.8	373.8
Purchase of physical non-current assets	61.8	71.5
Total investing payments	585.8	510.8
Net cash flows from investing activities	-578.5	-504.8
<i>As a % of GDP</i>	-5.1%	-4.2%
Net (Deficit)/Surplus	25.1	-57.3
% of GDP	0.2%	-0.5%
GDP at Market Prices	11,361.3	12,063.7