



MINISTRY OF ECONOMY

GOVERNMENT'S SECOND QUARTER FISCAL PERFORMANCE FY2019-2020

At the end Quarter 2 of FY2019-2020, Government recorded a marginal surplus position of \$22.5 million, equivalent to 0.2 percent of GDP.

Table 1 below provides a summary of Government's fiscal performance for the review period. A copy of the cashflow statement is given in Annex 1.

Table 1: Summary of Quarter 2 FY2019-2020 Fiscal Position

Description	2019-20 (Budget) (\$m)	2019-20 (Actual) (\$m)	Variance (\$m)	Variance (%)
Tax Revenue	1,605.0	1,356.5	-248.5	-15.5%
Non - Tax revenue	227.6	372.3	144.8	63.6%
Total Revenue	1,832.5	1,728.8	-103.8	-5.7%
Operating Expenditure	1,505.0	1,203.6	-301.3	-20.0%
Capital Expenditure	726.2	488.2	-238.0	-32.8%
VAT (SEG 13)	43.1	14.5	-28.6	-66.5%
Total	2,274.3	1,706.3	-567.9	-25.0%
Net Deficit/Surplus	-442	22.5		
as % of GDP	-3.6%	0.2%		

Source: Ministry of Economy

Government's total revenue collection stood at \$1,728.8 million at the end Quarter 2, below the forecast by \$103.8 million or 5.7 percent. This was mainly attributed to under-collection in tax revenue. On the other hand, non-tax revenue collections were above forecast by \$144.8 million or 63.6 percent, largely owing to more than anticipated receipts from the divestment of shares in EFL.

Total expenditure for Government at the end of Quarter 2 accumulated to \$1,706.3 million, representing around 44.4 percent of the total budget for this financial year. The lower spending level compared to the budget is recorded for both operating and investing activities. The operating to capital mix at the end of the review period was 71:29, compared to the 67:33 targeted expenditure mix for this financial year.

Annex 1: Government's Quarter 2 FY2019-2020 Cashflow Statement¹

(\$m)	Quarter 2 2019-2020 Forecast	Quarter 2 2019-2020 Actuals
CASH FLOWS FROM OPERATING ACTIVITIES		
Receipts		
Direct Taxes	422.1	351.2
Indirect Taxes (excluding Government VAT)	1,139.8	990.8
Fees, Fines & Charges	79.9	73.3
Grants in aid	6.9	23.5
Dividends from Investments	30.5	30.8
Reimbursement & Recoveries	7.2	10.0
Other Revenue & Surpluses	16.7	22.8
Total operating receipts	1,703.1	1,502.3
Payments		
Personnel	558.6	500.9
Transfer payments	483.0	374.8
Supplies and consumables	226.1	126.5
Purchase of outputs	50.7	28.4
Interest paid	182.0	170.9
Other operating payments	4.6	2.2
Total operating payments	1,505.0	1,203.6
Net cash flows from operating activities	198.1	298.7
<i>As % of GDP</i>	1.6%	2.4%
CASH FLOWS FROM INVESTING ACTIVITIES		
Receipts		
Sale of Government Assets	80.0	206.3
Interest from Bank Balance	0.6	1.0
Interest on Term Loans	2.6	0.4
Return of Surplus Capital from Investment	3.2	4.33
Total investing receipts	86.4	212.0
Payments		
Loans	108.7	66.7
Transfer Payments	518.2	356.0
Purchase of physical non-current assets	99.3	65.5
Total investing payments	726.2	488.2
Net cash flows from investing activities	-639.8	-276.2
<i>As a % of GDP</i>	-5.2%	-2.2%
Net (Deficit)/Surplus	-441.7	-276.2
% of GDP	-3.6%	-2.2%
GDP at Market Prices	12,291.0	12,291.0

¹ Cashflow Statement excludes Government VAT or SEG 13.