



## **MINISTRY OF ECONOMY**

### **GOVERNMENT'S THIRD QUARTER FISCAL PERFORMANCE 2017-2018 (Provisional)**

Government's total revenue collection at the end of third quarter stood at \$2,337.3 million whilst total spending for the period amounted to \$2,512.2 million. This resulted in a net deficit position of \$174.9 million or 1.6 percent of GDP.

Table 1 below shows a summary of the fiscal position of Government at the end of the third quarter (for 9 months) of the financial year compared against the same period for last financial year.

**Table 1: Summary of Fiscal Position**

Description	Quarter 3 2017-2018 (\$M)	Quarter 3 2016-2017 (\$M)	Variance (\$M)	Variance (%)
<b>Total Revenue</b>	<b>2,337.3</b>	<b>2,044.8</b>	<b>292.4</b>	<b>14.3</b>
<i>Tax Revenue</i>	2,048.9	1,885.7	163.2	8.7
<i>Non-Tax Revenue</i>	288.4	159.1	129.3	81.2
<b>Total Expenditure</b>	<b>2,512.2</b>	<b>1,966.6</b>	<b>545.6</b>	<b>27.7</b>
<i>Operating Expenditure</i>	1,666.3	1,403.4	262.9	18.7
<i>Capital Expenditure</i>	822.8	540.1	282.7	52.4
<i>SEG 13 VAT</i>	23.1	23.2	(0.1)	(0.3)
<b>Net Surplus/(Deficit)</b>	<b>(174.9)</b>	<b>78.2</b>		
<b>% of GDP</b>	<b>(1.6)</b>	<b>0.8</b>		
Nominal GDP	10,989.1	10,252.9		

*Source: Ministry of Economy*

The total revenue collection for the period was higher than the same period in last financial year by \$292.4 million or 14.3 percent of GDP. The increase in collection was reflected in both tax and non-tax categories of revenue. Tax collection which makes up majority of the total revenue increased by \$163.2 million or 8.7 percent.

Major increases in tax revenues were noted in income taxes (up by 13.7 percent), VAT (up by 10.8 percent) and customs duties (up by 8.3 percent). The continued upbeat performances in major taxes such as income taxes, VAT and customs duties during the financial year indicates improved business and consumption activities in the economy. This is also in line with positive economic growth projections for the year.

Total spending for the nine months is around 57.7 percent of the total budget. The spending has increased compared to the same period last financial year by \$545.6 million or 27.7 percent. The spending on operating activities has increased by \$262.9 million or 18.7 percent whilst investment spending has increased by \$282.7 million or 52.4 percent. The operating spending to capital spending mix stood at 67:33.

The outturn at the end of the third quarter is satisfactory with a net deficit position of 1.6 percent of GDP.

The Government's debt stock at the end of nine months (April 2018) stood at \$4,962.0 million equivalent to 45.2 percent of GDP. Of this, around 71.7 percent comprised of domestic debt and 28.3 percent external debt.

**Fiscal Policy, Research and Analysis Division**  
**Ministry of Economy**  
**June 2018**

## **Annex 1: Government's Cashflow Statement**

<i>(\$million)</i>	<b>Cumulative Quarter 3 2016-2017</b>	<b>Cumulative Quarter 3 2017-2018</b>
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>		
<b>Receipts</b>		
Direct Taxes	529.4	589.1
Indirect Taxes (excluding Government VAT)	1,333.1	1,436.7
Fees, Fines & Charges	77.6	103.1
Grants in aid	11.7	37.1
Dividends from Investments	23.2	102.8
Reimbursement & Recoveries	18.7	13.2
Other Revenue & Surpluses	24.1	23.9
<b>Total operating receipts</b>	<b>2,017.8</b>	<b>2,305.9</b>
<b>Payments</b>		
Personnel	620.3	689.2
Transfer payments	373.0	532.6
Supplies and consumables	162.4	171.9
Purchase of outputs	39.3	56.2
Interest paid	206.7	216.3
Other operating payments	1.7	0.1
<b>Total operating payments</b>	<b>1,403.4</b>	<b>1,666.3</b>
<b>Net cash flows from operating activities</b>	<b>614.5</b>	<b>639.6</b>
<i>As % of GDP</i>	<b>6.0%</b>	<b>5.8%</b>
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>		
<b>Receipts</b>		
Sale of Government Assets	2.4	0.7
Interest from Bank Balance	0.0	1.5
Interest on Term Loans	0.4	0.5
Return of Surplus Capital from Investment	0.9	5.6
<b>Total investing receipts</b>	<b>3.8</b>	<b>8.3</b>
<b>Payments</b>		
Loans	39.7	55.5
Transfer Payments	431.9	665.0
Purchase of physical non-current assets	68.5	102.2
<b>Total investing payments</b>	<b>540.1</b>	<b>822.8</b>
<b>Net cash flows from investing activities</b>	<b>-536.2</b>	<b>-814.5</b>
<i>As a % of GDP</i>	<b>-5.2%</b>	<b>-7.4%</b>
<b>Net (Deficit)/Surplus</b>	<b>78.2</b>	<b>-174.9</b>
<b>% of GDP</b>	<b>0.8%</b>	<b>-1.6%</b>
<b>GDP at Market Prices</b>	<b>10,276.9</b>	<b>10,989.1</b>