



MINISTRY OF ECONOMY

GOVERNMENT'S QUARTERLY FISCAL PERFORMANCE FY2018-2019

Government's total revenue at the end of Fiscal Year (FY) 2018-2019 stood at \$3,183.0 million while total expenditure totaled \$3,599.0 million, resulting in a net deficit of \$416.0 million which is equivalent to 3.5 percent of GDP.

The overall lower fiscal deficit compared to the 2018-2019 Budget was largely attributed to lower spending and revenue collections for the financial year. Table 1 below shows the cumulative quarterly fiscal positions for the financial year 2018-2019.

Table 1: Summary of FY2018-2019 Quarterly Fiscal Position

(\$m)	Annual Budget 2018-2019	Quarter 1 2018-2019	Quarter 2 2018-2019	Quarter 3 2018-2019	Quarter 4 2018-2019
Total Revenue	4,236.4	843.1	1,667.6	2,337.9	3,183.0
<i>Tax Revenue</i>	<i>3,412.1</i>	<i>750.4</i>	<i>1,513.9</i>	<i>2,085.1</i>	<i>2,819.8</i>
<i>Non -Tax Revenue</i>	<i>824.3</i>	<i>92.7</i>	<i>153.7</i>	<i>252.8</i>	<i>363.2</i>
Total Expenditure	4,650.5	811.4	1,724.8	2,520.3	3,599.0
<i>Operating Expenditure</i>	<i>2,728.7</i>	<i>588.1</i>	<i>1,196.8</i>	<i>1,777.8</i>	<i>2,428.4</i>
<i>Capital Expenditure</i>	<i>1,852.2</i>	<i>216.8</i>	<i>510.8</i>	<i>716.6</i>	<i>1,132.2</i>
<i>SEG 13 VAT</i>	<i>69.6</i>	<i>6.4</i>	<i>17.2</i>	<i>25.9</i>	<i>38.4</i>
Net Deficit	414.2	31.7	-57.3	-182.4	-416.0
as % of GDP	3.5%	0.3%	-0.5%	-1.5%	-3.5%
Nominal GDP	11,673.5	11,778.3			

Source: Ministry of Economy

The detailed FY2018-2019 Quarterly Fiscal Position is attached as **Annex 1**.

Table 2 provides the summary of Government's fiscal position for FY2018-2019 compared to the annual Budget.

Table 2: Summary of FY2018-2019 Fiscal Position

(\$m)	Budget FY2018-2019	Actuals FY2018-2019	Variance	Variance (%)
Total Revenue	4,236.4	3,183.0	-1,053.4	-24.9
<i>Tax Revenue</i>	<i>3,412.1</i>	<i>2,819.8</i>	<i>-592.4</i>	<i>-17.4</i>

(\$m)	Budget FY2018-2019	Actuals FY2018-2019	Variance	Variance (%)
<i>Non -Tax Revenue</i>	824.3	363.2	-461.1	-55.9
Total Expenditure	4,650.5	3,599.0	-1,051.6	-22.6
<i>Operating Expenditure</i>	2,728.7	2,428.4	-300.3	-11.0
<i>Capital Expenditure</i>	1,852.2	1,132.2	-720.1	-38.9
<i>SEG 13 VAT</i>	69.6	38.4	-31.2	-44.8
Net Deficit	414.2	-416.0	-1.9	0.4
as % of GDP	3.5%	-3.5%	-0.5%	-1.5%
Nominal GDP	11,673.5	11,778.3		

Source: Ministry of Economy

Government's total revenue of \$3,183.0 million for the period was below budget by \$1,053.4 million or 24.9 percent. Total tax collection of \$2,819.8 million was below by \$592.4 million with non-tax collections of \$363.2 million lower than budget by \$461.1 million due to rolling over of asset sales in FY2019-2020.

Government's total spending by end of FY2018-2019 was \$3,599.0 million, below budget by 22.6 percent. Operating and capital outlays were underspent by 11.0 percent and 38.9 percent respectively. The operating-to-capital mix for the period was 68-32.

Overall, the fiscal performance by end of July 2019 was satisfactory. Government was able to achieve a net deficit position of 3.5 percent of GDP, same as the anticipated target for FY2018-2019.

Government's total debt by the end of the period stood at \$5,735.2 million, equivalent to 48.9 percent of GDP, of which domestic debt comprised \$4,278.5 million and external debt \$1,456.8 million.

The detailed FY2018-2019 Fiscal Position is attached as **Annex 2**.

Fiscal Policy, Research and Analysis Division
Ministry of Economy

Annex 1: Government's Quarterly Cashflow Statement - FY2018-2019

(\$million)	Quarter 1 2018-2019	Quarter 2 2018-2019	Quarter 3 2018-2019	Quarter 4 2018-2019
CASH FLOWS FROM OPERATING ACTIVITIES				
Receipts				
Direct Taxes	193.5	399.6	534.3	754.4
Indirect Taxes (excluding Government VAT)	550.5	1,097.0	1,524.9	2,026.9
Fees, Fines & Charges	29.2	62.7	87.0	135.0
Grants in aid	9.3	18.2	29.6	42.0
Dividends from Investments	33.3	40.2	76.6	106.6
Reimbursement & Recoveries	2.0	4.4	7.4	12.7
Other Revenue & Surpluses	13.7	22.2	30.9	43.0
Total operating receipts	831.5	1,644.4	2,290.7	3,120.7
Payments				
Personnel	241.8	509.4	747.2	1,016.9
Transfer payments	195.6	361.5	528.9	719.9
Supplies and consumables	59.7	128.6	195.5	277.5
Purchase of outputs	14.1	38.0	66.7	87.4
Interest paid	76.8	159.2	239.4	322.8
Other operating payments	0.0	0.1	0.1	3.9
Total operating payments	588.1	1,196.8	1,777.8	2,428.4
Net cash flows from operating activities	243.4	447.5	512.9	692.3
<i>As % of GDP</i>	2.1%	3.8%	4.4%	5.9%
CASH FLOWS FROM INVESTING ACTIVITIES				
Receipts				
Sale of Government Assets	0.0	0.0	5.0	5.2
Interest from Bank Balance	0.3	0.6	0.9	1.4
Interest on Term Loans	0.2	0.2	9.0	10.9
Return of Surplus Capital from Investment	4.6	5.1	6.4	6.4
Total investing receipts	5.2	6.0	21.3	23.9
Payments				
Loans	23.5	65.5	70.5	96.1
Transfer Payments	169.6	373.8	540.1	874.9
Purchase of physical non-current assets	23.8	71.5	106.0	161.1
Total investing payments	216.8	510.8	716.6	1,132.2
Net cash flows from investing activities	-211.7	-504.8	-695.3	-1,108.3
<i>As a % of GDP</i>	-1.8%	-4.3%	-5.9%	-9.4%
Net (Deficit)/Surplus	31.7	-57.3	-182.4	-416.0
% of GDP	0.3%	-0.5%	-1.5%	-3.5%
GDP at Market Prices	11,778.3			

Annex 2: Government's FY2018-2019 Fiscal Position

(\$million)	2018-2019 Budget	2018-2019 Actuals
CASH FLOWS FROM OPERATING ACTIVITIES		
Receipts		
Direct Taxes	1,011.3	754.4
Indirect Taxes (excluding Government VAT)	2,331.2	2,026.9
Fees, Fines & Charges	158.0	135.0
Grants in aid	19.6	42.0
Dividends from Investments	157.7	106.6
Reimbursement & Recoveries	25.2	12.7
Other Revenue & Surpluses	50.6	43.0
Total operating receipts	3,753.69	3,120.7
Payments		
Personnel	1,093.2	1,016.9
Transfer payments	839.9	719.9
Supplies and consumables	320.2	277.5
Purchase of outputs	134.0	87.4
Interest paid	332.2	322.8
Other operating payments	9.2	3.9
Total operating payments	2,728.7	2,428.4
Net cash flows from operating activities	1,025.0	692.3
<i>As % of GDP</i>	8.8%	5.9%
CASH FLOWS FROM INVESTING ACTIVITIES		
Receipts		
Sale of Government Assets	395.4	5.2
Interest from Bank Balance	1.6	1.4
Interest on Term Loans	10.2	10.9
Return of Surplus Capital from Investment	5.9	6.4
Total investing receipts	413.1	23.9
Payments		
Loans	205.6	96.1
Transfer Payments	1,308.2	874.9
Purchase of physical non-current assets	338.5	161.1
Total investing payments	1,852.2	1,132.2
Net cash flows from investing activities	-1,439.1	-1,108.3
<i>As a % of GDP</i>	-12.3%	-9.4%
Net (Deficit)/Surplus	-414.2	-416.0
% of GDP	-3.5%	-3.5%
GDP at Market Prices	11,673.5	11,778.3