



## **MINISTRY OF ECONOMY**

### **GOVERNMENT'S THIRD QUARTER FISCAL PERFORMANCE 2018-2019 (Provisional)**

Government's total revenue collection cumulative to third quarter stood at \$2,337.9 million whilst total expenditure for the period amounted to \$2,520.3 million. As a result, Government achieved a net deficit position of \$182.4 million equivalent to 1.5 percent of GDP.

Table 1 below shows summary of fiscal position of Government at the end of third quarter of 2018-2019 compared against the same period last financial year.

**Table 1: Summary of Fiscal Position**

Description	Quarter 3 2017-2018 (\$M)	Quarter 3 2018-2019 (\$M)	Variance (\$M)	Variance (%)
<b>Total Revenue</b>	<b>2,337.3</b>	<b>2,337.9</b>	<b>0.6</b>	<b>0.03</b>
<i>Tax Revenue</i>	2,048.9	2,085.1	36.2	1.8
<i>Non-Tax Revenue</i>	288.4	252.8	-35.6	-12.3
<b>Total Expenditure</b>	<b>2,512.2</b>	<b>2,520.3</b>	<b>8.1</b>	<b>0.3</b>
<i>Operating Expenditure</i>	1,666.3	1,777.8	111.5	6.7
<i>Capital Expenditure</i>	822.8	716.6	-106.2	-12.9
<i>SEG 13 VAT</i>	23.1	25.9	2.8	11.9
<b>Net Surplus</b>	<b>-174.9</b>	<b>-182.4</b>		
<b>% of GDP</b>	<b>-1.5</b>	<b>-1.5</b>		
Nominal GDP	11,361.3	12,063.7		

Source: Ministry of Economy

Total revenue receipt of Government was slightly higher compared to the same period last year by 0.03 percent. The tax revenue collection was higher by around 1.8 percent whilst non-tax revenue collection declined by 12.3 percent. The slow growth in revenue, in particular tax revenue, is in line with current moderation experienced in domestic economic activity and the slowdown in the global economy.

On the other hand, total spending for nine months was around 54.2 percent of the total annual budget. The spending on operating activities increased by 6.7 percent whilst capital spending declined compared to the same period last financial year by 12.9 percent. The operating spending to capital spending mix stood at 71:29.

Given the trend in fiscal performance by end of third quarter, Government is on track to remain within its fiscal net deficit target of 3.5 percent of GDP budgeted for this financial year.

The Government's debt stock at the end of nine months (April 2019) stood at \$5,498.8 million or 45.6 percent of GDP. Of this, around 73.7 percent comprised of domestic debt and 26.3 percent external debt.

**Fiscal Policy, Research and Analysis Division**  
**Ministry of Economy**  
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## **Annex 1: Government's Cashflow Statement**

<i>(\$million)</i>	<b>Cumulative Quarter 3 2017-2018</b>	<b>Cumulative Quarter 3 2018-2019</b>
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>		
<b>Receipts</b>		
Direct Taxes	589.1	534.3
Indirect Taxes (excluding Government VAT)	1,436.7	1,524.9
Fees, Fines & Charges	103.1	87.0
Grants in aid	37.1	29.6
Dividends from Investments	102.8	76.6
Reimbursement & Recoveries	13.2	7.4
Other Revenue & Surpluses	23.9	30.9
<b>Total operating receipts</b>	<b>2,305.9</b>	<b>2,290.7</b>
<b>Payments</b>		
Personnel	689.2	747.2
Transfer payments	532.6	528.9
Supplies and consumables	171.9	195.5
Purchase of outputs	56.2	66.7
Interest paid	216.3	239.4
Other operating payments	0.1	0.1
<b>Total operating payments</b>	<b>1,666.3</b>	<b>1,777.8</b>
<b>Net cash flows from operating activities</b>	<b>639.6</b>	<b>512.9</b>
<i>As % of GDP</i>	<b>5.6%</b>	<b>4.3%</b>
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>		
<b>Receipts</b>		
Sale of Government Assets	0.7	5.0
Interest from Bank Balance	1.5	0.9
Interest on Term Loans	0.5	9.0
Return of Surplus Capital from Investment	5.6	6.4
<b>Total investing receipts</b>	<b>8.3</b>	<b>21.3</b>
<b>Payments</b>		
Loans	55.5	70.5
Transfer Payments	665.0	540.1
Purchase of physical non-current assets	102.2	106.0
<b>Total investing payments</b>	<b>822.8</b>	<b>716.6</b>
<b>Net cash flows from investing activities</b>	<b>-814.5</b>	<b>-695.3</b>
<i>As a % of GDP</i>	<b>-7.2%</b>	<b>-5.8%</b>
<b>Net (Deficit)/Surplus</b>	<b>-174.9</b>	<b>-182.4</b>
<b>% of GDP</b>	<b>-1.5%</b>	<b>-1.5%</b>
<b>GDP at Market Prices</b>	<b>11,361.3</b>	<b>12,063.7</b>