



MINISTRY OF ECONOMY

GOVERNMENT'S FISCAL PERFORMANCE FY2019-2020 (Provisional)

Government's total revenue for the FY2019-2020 stood at \$2,716.3 million whilst total expenditure amounted to \$3,352.9 million. As a result, a net deficit position of \$636.6 million or 6 percent of GDP was realised for the FY2019-2020.

Table 1 below provides a summary of Government's fiscal position for FY2019-2020 compared against the revised budget (**COVID-19 Response Budget**). A detailed cashflow statement is provided as **Annex 1**.

Table 1: Summary of FY2019-2020 Fiscal Position

\$ Millions	FY2018-2019 Actual	FY2019-2020 Revised Budget	FY2019-2020 Provisional	Variance (\$m)	Variance (%)
Total Revenue	3,181.1	2,507.6	2,716.3	208.7	8.3
<i>Tax</i>	2,819.8	2,022.0	2,194.0	172.0	8.5
<i>Non-Tax</i>	361.3	485.6	522.3	36.7	7.6
Total Expenditure	3,600.3	3,536.4	3,352.9	-183.4	-5.2
<i>Operating</i>	2,428.4	2,392.7	2,333.3	-59.4	-2.5
<i>Capital</i>	1,133.5	1,097.9	988.0	-110.0	-10.0
<i>SEG 13 VAT</i>	38.4	45.7	31.6	-14.1	-30.8
Net Deficit	-419.2	-1,028.7	-636.6	392.2	-38.1
% of GDP	-3.5	-9.0	-6.0		
Nominal GDP	11,851.4	11,479.9	10,604.7		

Total revenue of \$2,716.3 million for the financial year was higher than the revised budget by \$208.7 million or 8 percent. Higher than expected collection was noted in both tax and non-tax revenue. Tax revenue collection was higher by \$172 million or 8.5 percent while non-tax revenue was higher by 36.7 million or 7.6 percent.

While revenue was higher compared to the revised budget forecast, compared to last FY2018-2019, revenue is down by \$464.8 million or 14.6 percent. This is mainly due to the impact of COVID-19 which had a major blow on Government revenue following the closure of international borders in March 2020.

On the other hand, Government's total expenditure for the financial year amounted to \$3,352.9 million, lower than the revised budget by \$183.4 million or 5.2 percent. Under-spending was noted across both operating and capital expenditure by 2.5 percent and 10 percent, respectively. Total spending was around 94.8 percent of the total revised budgeted spending for the financial year.

In terms of Government debt, total debt level at the end of the financial year July 2020 stood at around \$6,686 million, equivalent to 65.5 percent of GDP.

Table 2: Government Debt

Particulars (\$m)	16-17	17-18	18-19	19-20
Domestic Debt	3,300.8	3,763.0	4,278.5	4,976.5
<i>As % of GDP</i>	<i>30.7</i>	<i>33.2</i>	<i>36.8</i>	<i>48.7</i>
External Debt	1,370.9	1,457.5	1,456.8	1,709.5
<i>As % of GDP</i>	<i>12.8</i>	<i>12.8</i>	<i>12.8</i>	<i>16.7</i>
Total Debt	4,671.7	5,220.5	5,735.2	6,686.0
<i>As % of GDP</i>	<i>43.5</i>	<i>46.0</i>	<i>49.3</i>	<i>65.5</i>

Domestic debt was around 48.7 percent of GDP and external debt was around 16.7 percent of GDP. By end of the financial year, domestic debt was around 74 percent of total debt whilst external debt was around 26 percent.

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Annex 1: 2019-2020 Cashflow Statement

	Revised Budget	Actual	Variance	Variance
	2019-2020	2019-2020	2019-2020	2019-2020
	(\$m)	(\$m)	(\$m)	(%)
CASH FLOWS FROM OPERATING ACT.				
Receipts				
Direct Taxes	546.0	610.5	64.6	11.8
Indirect Taxes (excluding Government VAT)	1,430.4	1,551.9	121.4	8.5
Fees, Fines & Charges	118.2	141.7	23.5	19.9
Sales Revenue	0.0	0.0	0.0	-100.0
Grants in aid	29.1	67.6	38.5	132.4
Dividends from Investments	55.6	49.5	-6.1	-11.0
Reimbursement & Recoveries	36.6	14.0	-22.6	-61.8
Other Revenue & Surpluses	29.6	31.3	1.7	5.7
Total operating receipts	2,245.5	2,466.5	221.0	9.8
Payments				
Personnel	990.1	987.8	-2.3	-0.2
Transfer payments	673.9	655.6	-18.3	-2.7
Supplies and consumables	264.6	275.8	11.2	4.2
Purchase of outputs	102.6	57.1	-45.5	-44.3
Interest paid	349.7	345.1	-4.6	-1.3
Other operating payments	11.8	11.9	0.1	0.5
Total operating payments	2,392.7	2,333.3	-59.4	-2.5
Net cash flows from operating activities	-147.3	133.2	280.4	-190.4
<i>As % of GDP</i>	<i>-1.3%</i>	<i>1.3%</i>		
CASH FLOWS FROM INVESTING ACT.				
Receipts				
Sale of Government Assets	206.1	211.3	5.2	2.5
Interest from Bank Balance	1.2	2.2	1.0	83.5
Interest on Term Loans	4.3	0.4	-3.9	-89.8
Return of Surplus Capital from Investment	4.9	4.3	-0.5	-11.2
Total investing receipts	216.5	218.2	1.8	0.8
Payments				
Loans	138.0	137.3	-0.7	-0.5
Transfer Payments	796.0	705.7	-90.3	-11.3
Purchase of physical non-current assets	163.9	145.0	-19.0	-11.6
Total investing payments	1,097.9	988.0	-110.0	-10.0
Net cash flows from investing activities	-881.5	-769.7	111.7	-12.7
<i>As a % of GDP</i>	<i>-7.7%</i>	<i>-7.3%</i>		
Net (Deficit)/Surplus	-1028.7	-636.6	392.2	-38.1
% of GDP	-9.0%	-6.0%		
GDP at Market Prices	11,479.9	10,604.7		

Actual	Actual	Variance	Variance
2018-2019	2019-2020		
(\$m)	(\$m)	(\$m)	(%)
754.4	610.5	-143.9	-19.1
2,026.9	1,551.9	-475.1	-23.4
133.1	141.7	8.6	6.4
0.0	0.0	0.0	-100.0
42.0	67.6	25.6	60.9
106.6	49.5	-57.2	-53.6
12.7	14.0	1.3	10.6
42.8	31.3	-11.5	-26.8
3,118.6	2,466.5	-652.1	-20.9
1,017.0	987.8	-29.1	-2.9
719.9	655.6	-64.3	-8.9
277.4	275.8	-1.6	-0.6
87.4	57.1	-30.3	-34.6
322.8	345.1	22.3	6.9
3.9	11.9	8.0	203.9
2,428.4	2,333.3	-95.1	-3.9
690.1	133.2	-557.0	-80.7
5.8%	1.3%		
5.4	211.3	205.9	3,812.6
1.4	2.2	0.7	50.9
10.9	0.4	-10.5	-96.0
6.4	4.3	-2.0	-31.8
24.1	218.2	194.1	805.3
101.0	137.3	36.3	35.9
871.3	705.7	-165.6	-19.0
161.2	145.0	-16.2	-10.1
1,133.5	988.0	-145.5	-12.8
-1,109.4	-769.7	339.6	-30.6
-9.4%	-7.3%		
-419.2	-636.6	-217.3	51.8
-3.5%	-6.0%		
11,851.4	10,604.7		

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