



MINISTRY OF ECONOMY

GOVERNMENT'S FIRST QUARTER FISCAL PERFORMANCE FY2020-2021

Government's total revenue for the first quarter of FY2020-2021 stood at \$466.0 million while the total expenditure amounted to \$793.3 million. This resulted in a net deficit of \$327.3 million, equivalent to 3.3 percent of GDP.

Table 1 below provides the summary of Government's fiscal position for the first quarter of financial year 2020-2021 compared to the first three months' forecast. Government's cashflow statement is provided in Annexure 1.

Table 1: Summary of Quarter 1 FY2020-2021 Fiscal Position

\$ Millions	FY2020-2021 Annual Budget	Quarter 1 Forecast	Quarter 1 Actuals	Variance (\$m)	Variance (%)
Total Revenue	1,673.6	415.3	466.0	50.7	12.2
Tax Revenue	1,465.7	348.8	354.1	5.3	1.5
Non-Tax Revenue	207.9	66.5	111.9	45.4	68.2
Total Expenditure	3,674.6	1,202.5	793.3	-409.2	-34.0
Operating Expenditure	2,421.5	804.0	555.6	-248.5	-30.9
Capital Expenditure	1,208.3	373.3	232.1	-141.3	-37.8
SEG 13 VAT	44.8	25.2	5.7	-19.5	-77.5
Net Deficit	-2,001.0	-787.2	-327.3		
% of GDP	-20.2%	-7.9%	-3.3%		
Nominal GDP	9,905.3	9,905.3	9,905.3		

The total revenue of \$466.0 million collected in the first quarter of FY2020-2021 was above the forecast by \$50.7 million or 12.2 percent, of which tax revenue collected amounted to \$354.1 million and non-tax revenue amounted to \$111.9 million. The non-tax revenue was around 68.2 percent higher than the forecast largely due to dividends received from the Reserve Bank of Fiji of around \$29.1 million and Grants in Aid receipt amounting to \$31.8 million.

Government's total expenditure during the first quarter of FY2020-2021 amounted to \$793.3 million, which was 34.0 percent below the forecast of \$1,202.5 million. Both operating

expenditure and capital expenditure performed below the forecast by \$248.5 million and \$141.3 million, respectively.

This resulted in an overall net deficit of \$327.3 million (3.3 percent of GDP) during the first three months of FY2020-2021, lower than the forecast net deficit of \$787.2 million (7.9 percent of GDP) for the review period.

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Annexure 1

2020-21 CASHFLOW STATEMENT – FIRST QUARTER					
	Annual	Quarter 1 FY2020-2021			
	2020-21 (B)	2020-21 (B)	2020-21 (A)	Variance	Variance
	(\$m)	(\$m)	(\$m)	(\$m)	(%)
CASH FLOWS FROM OPERATING ACTIVITIES					
Receipts					
Direct Taxes	463.0	114.2	128.4	14.3	12.5%
<i>Personal Taxes</i>	111.7	27.0	32.4	5.5	20.3%
<i>Corporate Taxes</i>	229.3	57.3	62.8	5.4	9.5%
<i>Dividend Withholding Taxes</i>	86.5	22.1	20.6	-1.4	-6.4%
<i>Capital Gains Tax</i>	15.0	3.1	4.2	1.1	37.2%
<i>Social Responsibility Tax</i>	5.7	1.2	1.0	-0.2	-13.6%
<i>Fringe Benefit Tax</i>	14.8	3.6	4.1	0.49	13.6%
<i>Others</i>					
<i>total direct taxes</i>	463.0	114.18	125.15	10.97	9.6%
Indirect Taxes (excluding Government VAT)	958.7	209.4	220.0	10.6	5.1%
<i>Fiscal Duty</i>	174.6	46.8	73.0	26.2	56.0%
<i>Import Excise Duty</i>	5.1	1.2	0.5	-0.7	-59.4%
<i>Excise Duty</i>	109.4	22.4	22.6	0.2	0.8%
<i>Export Duty</i>	6.1	1.2	2.4	1.1	89.4%
<i>Luxury Vehicle Levy</i>	0.0	0.0	0.0	0.0	0.0%
<i>Other Sundaries</i>	0.8	0.2	0.2	0.0	-17.5%
<i>VAT (less SEG 13 VAT)</i>	528.9	118.3	92.8	-25.5	-21.5%
<i>Service Turnover Tax</i>	0.5	0.5	0.8	0.3	59.9%
<i>Telecommunication Levy</i>	0.9	0.2	0.2	0.0	-7.0%
<i>Credit Card Levy</i>	0.0	0.0	0.0	0.0	0.0%
<i>Stamp Duties</i>	0.0	0.0	7.4	7.4	0.0%
<i>Fish Levy</i>	0.00	0.0	0.0	0.0	0.0%
<i>Third Party Insurance Levy</i>	0.0	0.0	0.0	0.0	0.0%
<i>Departure Tax</i>	21.3	0.0	0.2	0.2	0.0%
<i>Environment and Climate Adaptation Levy</i>	24.7	0.8	4.9	4.2	546.7%
<i>Water Resource Tax</i>	51.5	11.6	16.2	4.5	38.8%
<i>total indirect taxes</i>	923.7	203.4	221.2	17.8	8.8%
<i>total Customs</i>	295.9	71.7	98.5	26.8	37.3%
Fees, Fines & Charges	89.1	19.7	34.8	15.1	76.9%
Sales Revenue	0.0	0.0	0.0	0.0	
Grants in aid	29.1	7.3	31.8	24.5	336.8%
Dividends from Investments	45.4	30.0	29.2	-0.8	-2.5%

Reimbursement & Recoveries	11.1	1.5	0.6	-1.0	-63.2%
Other Revenue & Surpluses	25.9	6.3	11.0	4.7	74.2%
Total operating receipts	1,622.2	388.4	455.8	67.4	17.4%
<i>total other revenue</i>	<i>200.5</i>	<i>64.8</i>	<i>107.3</i>	<i>42.6</i>	<i>4.2</i>
Payments					
Personnel	987.4	289.8	248.8	-41.0	0.0
Transfer payments	662.3	233.4	147.2	-86.2	-36.9%
Supplies and consumables	259.1	116.8	51.4	-65.4	-56.0%
Purchase of outputs	82.4	35.5	14.6	-20.9	-58.9%
Interest paid	403.0	104.8	92.6	-12.3	-11.7%
Other operating payments	27.2	22.59	0.68	-21.9	-97.0%
Total operating payments	2,421.5	802.9	555.2	-247.7	-30.8%
Net cash flows from operating activities	-799.3	-414.6	-99.5	315.1	-76.0%
<i>As % of GDP</i>	<i>-8.1%</i>	<i>-4.2%</i>	<i>-1.0%</i>		
CASH FLOWS FROM INVESTING ACTIVITIES					
Receipts					
Sale of Government Assets	0.0	0.0	0.1	0.1	0.0%
Interest from Bank Balance	0.2	0.0	1.0	1.0	0%
Interest on Term Loans	2.9	0.7	0.0	-0.7	-95%
Return of Surplus Capital from Investment	4.2	1.1	3.4	2.4	228%
Total investing receipts	7.3	1.8	4.6	2.8	157.8%
Payments					
Loans	113.6	5.4	3.7	-1.7	-32.2%
Transfer Payments	910.3	311.7	204.6	-107.1	-34%
Purchase of physical non-current assets	185.9	56.4	23.8	-32.6	-58%
Total investing payments	1,209.8	373.5	232.1	-141.4	-37.9%
Net cash flows from investing activities	-1,202.5	-371.7	-227.5	144.2	-38.8%
<i>As a % of GDP</i>	<i>-12.1%</i>	<i>-3.8%</i>	<i>-2.3%</i>		
Net (Deficit)/Surplus	-2001.7	-786.3	-327.0		
% of GDP	-20.2%	-7.9%	-3.3%		
VAT (SEG 13)	44.0	25.2	5.7	-19.5	-77.5%
GDP at Market Prices	9,905.3	9,905.3	9,905.3		