



MINISTRY OF ECONOMY
GOVERNMENT'S THIRD QUARTER FISCAL PERFORMANCE 2020-2021

Fiscal Outturn

As at the end of the third quarter of the fiscal year 2020-2021, Government's total revenue collection stood at \$1,368.5 million, while total expenditure amounted to \$2,273.7 million. This resulted in a net deficit of \$905.2 million, equivalent to 9.2 percent of GDP.

Table 1 below provides a summary of fiscal position of Government at the end of third quarter of FY2020-2021.

Table 1: Fiscal Performance for Third Quarter (as at 30 April 2021)

Summary	Annual	9 months	9 months	9 months	9 months
	Budget	Forecast	Actual	Variance	Variance
	2020-2021	2020-2021	2020-2021	2020-2021	2020-2021
	(\$m)	(\$m)	(\$m)	(\$m)	(%)
Total Revenue	1,673.6	1,211.8	1,368.5	156.8	12.9%
Tax Revenue	1,465.7	1,066.1	1,097.8	31.6	3.0%
Non-Tax Revenue	207.9	145.6	270.8	125.1	85.9%
Total Expenditure	3,674.6	2,840.2	2,273.7	-566.5	-19.9%
Operating Expenditure	2,421.5	1,965.9	1,616.4	-349.5	-17.8%
Capital Expenditure	1,208.3	832.9	639.6	-193.3	-23.2%
SEG 13 VAT	44.8	41.4	17.7	-23.7	-57.2%
Net Deficit	-2,001.0	-1,628.5	-905.2	723.3	-44.4%
% of GDP	-20.2	-16.5	-9.2	7.3	-44.4%
Nominal GDP	9,905.3	9,890.4	9,890.4	9,890.4	

Total revenues were above the forecast by \$156.8 million or 12.9 percent at the end of third quarter. This was attributed to the higher-than-expected collections from both tax and non-tax revenues. Tax revenue was above the forecast by \$31.6 million or 3.0 percent, while non-tax revenues exceeded estimated collections by \$125.1 million or 85.9 percent.

Total revenue collections of \$1,368.5 million for the first nine months represent around 81.8 percent of the annual projected revenue of \$1,673.6 million. Based on this trend, the Government is on track to realise the projected revenue collections for 2020-2021, however, the revenue trend may be negatively affected in the coming months due to the recent lockdown, which has caused disruptions to economic activity.

The higher than budgeted non-tax revenue collection is largely attributed to grants received during the financial year. A total of \$84.8 million has been received in the form of grants by the end of third quarter of this fiscal year.

However, while overall collections are on track compared to the budget, it is important to note that total revenue collections is down by 38.9 percent compared to the third quarter collections in the same period last financial year (August 2019 to April 2020). Similarly, tax revenue collection compared to pre-COVID (August 2018 to April 2019) is down by 47.4 percent.

As highlighted in the last two budgets, the COVID-19 crisis has severely impacted Government revenues. Monthly tax collections since April 2020 have averaged around 50 percent lower than the same period in 2019.

Table 2: Recent Trend in Tax Collections

\$M	Aug	Sep	Oct	Nov	Dec	Jan	Feb	Mar	Apr
2019-2020	203.8	269.5	200.8	190.5	295.7	202.0	171.0	162.2	131.0
2020-2021	105.4	122.2	129.7	112.6	149.0	142.4	100.6	124.4	113.9
Change	-98.4	-147.3	-71.1	-77.8	-146.8	-59.7	-70.4	-37.8	-17.1
%	-48.3	-54.7	-35.4	-40.9	-49.6	-29.5	-41.2	-23.3	-13.1

In terms of expenditures, total expenditure at the end of third quarter amounted to \$2,273.7 million, around \$566.5 million or 19.9 percent lower compared to the forecast for the period. Total expenditure at the end of third quarter represents around 61.9 percent of the total annual budget. Compared to the same period last financial year, total expenditure at the end of third quarter is down by \$288.2 million or 11.3 percent.

While Government had a satisfactory fiscal outturn at the end of third quarter of the financial year, fiscal risks remain for the remaining months of the financial year associated with second wave of COVID-19 cases.

Fiscal Policy, Research and Analysis Division
Ministry of Economy
May 2021

Cashflow Statement

Particulars	Annual	9 months	9 months	9 months	9 months	9 months	9 months	9 months	9 months	9 months
	Budget	Forecast	Actual	Variance	Variance	Actual	Actual	Variance	Variance	% of
	2020-2021	2020-2021	2020-2021	2020-2021	2020-2021	2019-2020	2020-2021	2020-2021	2020-2021	2020-2021
	(\$m)	(\$m)	(\$m)	(\$m)	(%)	(\$m)	(\$m)	(\$m)	(%)	Annual Budget
CASH FLOWS FROM OPERATING ACTIVITIES										
Receipts										
Direct Taxes	498	341.5	358.6	17.1	5.0%	473.7	358.6	-115.1	-24.3%	72.0%
Indirect Taxes (excluding Government VAT)	922.9	683.2	721.4	38.3	5.6%	1324.6	721.4	-603.2	-45.5%	78.2%
Fees, Fines & Charges	89.1	63.8	98.5	34.8	54.5%	103.7	98.5	-5.2	-5.0%	110.6%
Sales Revenue	0	0.0	0.0	0.0	-100.0%	0.0	0.0	0.0	0.0%	0.0%
Grants in aid	29.1	21.8	84.8	63.0	288.5%	30.7	84.8	54.1	176.5%	291.5%
Dividends from Investments	45.4	30.0	36.3	6.3	20.9%	31.3	36.3	5.0	15.9%	79.9%
Reimbursement & Recoveries	11.1	6.7	23.1	16.4	243.5%	12.6	23.1	10.6	84.0%	208.3%
Other Revenue & Surpluses	25.9	18.0	22.1	4.1	22.8%	29.5	22.1	-7.5	-25.2%	85.3%
Total operating receipts	1,621.40	1165.0	1344.9	179.8	15.4%	2006.1	1344.9	-661.2	-33.0%	82.9%
Payments										
Personnel	987.4	780.3	709.1	-71.2	-9.1%	760.4	709.1	-51.3	-6.7%	71.8%
Transfer payments	662.3	552.5	432.1	-120.4	-21.8%	528.4	432.1	-96.3	-18.2%	65.2%
Supplies and consumables	259.1	242.5	176.5	-65.9	-27.2%	202.9	176.5	-26.4	-13.0%	68.1%
Purchase of outputs	82.4	61.9	37.5	-24.4	-39.4%	38.2	37.5	-0.7	-1.9%	45.5%
Interest paid	403	307.2	260.5	-46.7	-15.2%	259.1	260.5	1.4	0.5%	64.6%
Other operating payments	27.2	21.5	0.7	-20.8	-96.8%	3.8	0.7	-3.1	-82.2%	2.5%
Total operating payments	2,421.50	1965.9	1616.4	-349.5	-17.8%	1792.9	1616.4	-176.5	-9.8%	66.8%
Net cash flows from operating activities	-800	-800.9	-271.5	529.4	-66.1%	213.2	-271.5	-484.7	-227.3%	
As % of GDP	-8.08%	-8.1%	-2.7%			2.0%	-2.7%			
CASH FLOWS FROM INVESTING ACTIVITIES										
Receipts										
Sale of Government Assets	0	0.0	0.5	0.5	0.0%	206.4	0.5	-205.9	-99.7%	0.0%
Interest from Bank Balance	0.2	0.0	1.6	1.6	0.0%	1.4	1.6	0.2	17.9%	812.6%
Interest on Term Loans	2.9	2.2	0.3	-1.8	-84.7%	0.4	0.3	0.0	-11.9%	11.4%
Return of Surplus Capital from Investment	4.2	3.2	3.5	0.3	9.9%	4.3	3.5	-0.9	-20.1%	82.5%
Total investing receipts	7.3	5.3	5.9	0.6	11.5%	212.5	5.9	-206.5	-97.2%	81.4%
Payments										
Loans	113.6	82.6	62.4	-20.3	-24.5%	115.7	62.4	-53.3	-46.1%	54.9%
Transfer Payments	908.8	641.9	501.2	-140.7	-21.9%	530.5	501.2	-29.3	-5.5%	55.1%
Purchase of physical non-current assets	185.9	108.4	76.1	-32.3	-29.8%	100.5	76.1	-24.4	-24.3%	40.9%
Total investing payments	1,208.30	832.9	639.6	-193.3	-23.2%	746.7	639.6	-107.0	-14.3%	52.9%
Net cash flows from investing activities	-1,201.00	-827.6	-633.7	193.9	-23.4%	-534.2	-633.7	-99.5	18.6%	
As a % of GDP	-12.12%	-8.4%	-6.4%			-5.0%	-6.4%			
Net (Deficit)/Surplus	-2001	-1628.5	-905.2			-321.0	-905.2			
% of GDP	-20.20%	-16.5%	-9.2%			-3.0%	-9.2%			
GDP at Market Prices	9,905.30	9890.4	9890.4			10604.7	9890.4			

Summary	Annual	9 months	9 months	9 months	9 months	9 months	9 months	9 months	9 months	9 months
	Budget	Forecast	Actual	Variance	Variance	Actual	Actual	Variance	Variance	% of
	2020-2021	2020-2021	2020-2021	2020-2021	2020-2021	2019-2020	2020-2021	2020-2021	2020-2021	2020-2021
	(\$m)	(\$m)	(\$m)	(\$m)	(%)	(\$m)	(\$m)	(\$m)	(%)	Annual Budget
Total Revenue	1,673.6	1,211.8	1,368.5	156.8	12.9%	2,241.0	1,368.5	-872.5	-38.9%	81.8%
Tax Revenue	1,465.7	1,066.1	1,097.8	31.6	3.0%	1,820.7	1,097.8	-723.0	-39.7%	74.9%
Non-Tax Revenue	207.9	145.6	270.8	125.1	85.9%	420.3	270.8	-149.5	-35.6%	130.2%
Total Expenditure	3,674.6	2,840.2	2,273.7	-566.5	-19.9%	2,561.9	2,273.7	-288.2	-11.3%	61.9%
Operating Expenditure	2,421.5	1,965.9	1,616.4	-349.5	-17.8%	1,792.9	1,616.4	-176.5	-9.8%	66.8%
Capital Expenditure	1,208.3	832.9	639.6	-193.3	-23.2%	746.7	639.6	-107.0	-14.3%	52.9%
SEG 13 VAT	44.8	41.4	17.7	-23.7	-57.2%	22.4	17.7	-4.7	-21.0%	39.5%
Net Deficit	-2,001.0	-1,628.5	-905.2	723.3	-44.4%	-321.0	-905.2	-584.2	182.0%	45.2%
% of GDP	-20.2	-16.5%	-9.2%	7.3%	-44.4%	-3.0%	-9.2%	-6.1%	202.4%	
Nominal GDP	9,905.3	9,890.4	9,890.4			10,604.7	9,890.4			

Tax Performance										
Particulars	Annual	9 months	9 months	9 months	9 months	9 months	9 months	9 months	9 months	9 months
	Budget	Forecast	Actual	Variance	Variance	Actual	Actual	Variance	Variance	% of
	2020-2021	2020-2021	2020-2021	2020-2021	2020-2021	2019-2020	2020-2021	2020-2021	2020-2021	2020-2021
	(\$m)	(\$m)	(\$m)	(\$m)	(%)	(\$m)	(\$m)	(\$m)	(%)	Annual Budget
Income Tax Collection										
PAYE Tax	111,748,658.0	82,691,186.5	97,076,021.8	14,384,835.3	17.4%	114,137,524.6	97,076,021.8	-17,061,502.9	-14.9%	86.9%
Withholding & Dividend Tax	86,457,765.0	62,585,642.3	59,361,242.7	-3,224,399.6	-5.2%	86,881,248.7	59,361,242.7	-27,520,006.0	-31.7%	68.7%
Company Tax	229,290,843.0	171,968,132.0	157,042,608.6	-14,925,523.4	-8.7%	241,295,575.0	157,042,608.6	-84,252,966.4	-34.9%	68.5%
Other Taxes	26,474,354.0	19,855,765.4	22,731,968.0	2,876,202.6	14.5%	25,564,233.2	22,731,968.0	-2,832,265.2	-11.1%	85.9%
Provisional Tax	33,044,656.0	24,646,356.0	12,952,153.7	-11,694,202.4	-47.4%	47,357,113.3	12,952,153.7	-34,404,959.6	-72.7%	39.2%
Other Misc Tax	1,931,673.0	1,505,645.7	3,591,639.6	2,085,993.9	138.5%	2,184,752.3	3,591,639.6	1,406,887.3	64.4%	185.9%
Branch Profit Remittance	0.0	0.0	5.0	5.0	0.0%	0.0	5.0	5.0	0.0%	0.0%
ICT Business Licence Fee	0.0	0.0	1,125.0	1,125.0	0.0%	1,125.0	1,125.0	0.0	0.0%	0.0%
Tourist VAT Refund Registration Fee	18,122.0	17,951.4	0.0	-17,951.4	-100.0%	153,228.7	0.0	-153,228.7	-100.0%	0.0%
Yacht Agent Registration	13,552.0	8,826.3	5,000.0	-3,826.3	-43.4%	29,877.6	5,000.0	-24,877.6	-83.3%	36.9%
Gross Revenue	488,979,622.0	363,279,505.6	352,761,764.3	-10,517,741.3	-2.9%	517,604,678.5	352,761,764.3	-164,842,914.2	-31.8%	72.1%
Less: Refunds	-26,517,230.0	-22,190,124.6	-25,563,596.6	-3,373,472.0	15.2%	-41,088,145.9	-25,563,596.6	15,524,549.3	-37.8%	96.4%
Less: Film Tax Rebates	0.0	0.0	0.0	0.0	0.0%	-39,943,024.8	0.0	39,943,024.8	-100.0%	0.0%
Net Income Tax	462,462,393.0	341,089,381.0	327,198,167.7	-13,891,213.3	-4.1%	436,573,507.7	327,198,167.7	-109,375,340.1	-25.1%	70.8%
Value Added Tax										
Customs Import VAT	359,828,073.0	268,241,932.3	250,120,436.4	-18,121,495.9	-6.8%	307,466,490.1	250,120,436.4	-57,346,053.7	-18.7%	69.5%
Domestic VAT	414,107,882.0	309,883,794.3	255,849,324.1	-54,034,470.2	-17.4%	384,278,973.7	255,849,324.1	-128,429,649.6	-33.4%	61.8%
Other Government Departments	13,551,947.0	9,292,390.8	8,249,979.9	-1,042,410.9	-11.2%	10,578,808.2	8,249,979.9	-2,328,828.3	-22.0%	60.9%
Gross VAT Collection	787,487,902.0	587,418,117.4	514,219,740.4	-73,198,377.0	-12.5%	702,324,272.0	514,219,740.4	-188,104,531.6	-26.8%	65.3%
Less: VAT Refunds	-218,339,742.0	-162,626,966.9	-166,565,190.6	-3,938,223.6	2.4%	-175,901,579.3	-166,565,190.6	9,336,388.7	-5.3%	76.3%
Less: Tourist VAT Refunds	0.0	0.0	-208.8	-208.8	0.0%	-673,898.8	-208.8	673,689.9	-100.0%	0.0%
Net VAT Collection	569,148,160.0	424,791,150.5	347,654,341.0	-77,136,809.4	-18.2%	525,748,793.9	347,654,341.0	-178,094,452.9	-33.9%	61.1%
Capital Gains Tax	14,974,664.0	9,130,209.7	16,641,884.1	7,511,674.4	82.3%	15,049,285.7	16,641,884.1	1,592,598.3	10.6%	111.1%
Service Turnover Tax	521,128.0	521,127.9	1,100,769.1	579,641.2	111.2%	61,079,572.6	1,100,769.1	-59,978,803.5	-98.2%	211.2%
Environment and Climate Adaptation Levy (ECAL)	24,665,936.0	12,954,195.5	15,948,281.7	2,994,086.2	23.1%	119,828,720.7	15,948,281.7	-103,880,439.0	-86.7%	64.7%
Stamp Duty	3,813,277.0		7,689,469.6	7,689,469.6	0.0%	55,676,683.3	7,689,469.6	-47,987,213.7	-86.2%	201.6%
Social Responsibility Tax	5,703,006.0	4,213,176.1	3,166,603.8	-1,046,572.3	-24.8%	5,544,833.7	3,166,603.8	-2,378,229.9	-42.9%	55.5%
Telecommunication Levy	878,541.0	636,600.0	648,364.7	11,764.7	1.8%	724,458.4	648,364.7	-76,093.7	-10.5%	73.8%
Credit Card Levy	0.0			0.0	0.0%		0.0	0.0	0.0%	0.0%
Third Party Insurance Levy	0.0		40.0	40.0	0.0%		40.0	40.0	0.0%	0.0%
Fringe Benefit Tax	14,827,427.0	10,948,293.3	11,590,149.1	641,855.7	5.9%	16,518,206.9	11,590,149.1	-4,928,057.8	-29.8%	78.2%
Customs Collections										
Fiscal Duty	178,400,944.0	132,806,257.0	223,738,556.8	90,932,299.8	68.5%	279,189,342.2	223,738,556.8	-55,450,785.4	-19.9%	125.4%
Import Excise Duty	5,088,520.0	3,777,165.5	3,125,285.7	-651,879.8	-17.3%	21,984,537.9	3,125,285.7	-18,859,252.2	-85.8%	61.4%
Excise Duty	109,377,276.0	75,441,847.6	82,618,231.7	7,176,384.1	9.5%	118,605,984.5	82,618,231.7	-35,987,752.9	-30.3%	75.5%
Export Duty	6,059,178.0	4,545,585.6	6,351,102.5	1,805,516.9	39.7%	6,444,893.1	6,351,102.5	-93,790.5	-1.5%	104.8%
Luxury Vehicle Levy	0.0			0.0	0.0%	15,000.0	0.0	-15,000.0	-100.0%	0.0%
Misc Fees/Charge	0.0			0.0	0.0%	471,000.0	0.0	-471,000.0	-100.0%	0.0%
Other Sundries	774,927.0	580,561.1	298,929.4	-281,631.7	-48.5%	435,081.9	298,929.4	-136,152.4	-31.3%	38.6%
Gross Customs Collections	299,700,846.0	217,151,416.8	316,132,106.1	98,980,689.3	45.6%	427,145,839.6	316,132,106.1	-111,013,733.4	-26.0%	105.5%
Less: Rebates	-3,841,674.0	-2,771,228.6	-4,649,801.7	-1,878,573.1	67.8%	-6,469,990.6	-4,649,801.7	1,820,188.9	-28.1%	121.0%
Less: Misc Fees/Charges	0.0	0.0	0.0	0.0	0.0%	0.0	0.0	0.0	0.0%	0.0%
Net Customs Collection	295,859,171.0	214,380,188.2	311,482,304.4	97,102,116.2	45.3%	420,675,849.0	311,482,304.4	-109,193,544.6	-26.0%	105.3%
Resource Tax	51,548,900.0	36,597,115.9	54,119,810.0	17,522,694.2	47.9%	43,322,373.8	54,119,810.0	10,797,436.3	24.9%	105.0%
Departure Tax	21,304,521.0	10,865,305.5	851,510.5	-10,013,795.0	-92.2%	106,662,078.8	851,510.5	-105,810,568.4	-99.2%	4.0%
Overall Net Tax Revenue Collections	1,465,707,124.0	1,066,126,743.6	1,098,091,695.7	31,964,952.1	3.0%	1,807,404,364.5	1,098,091,695.7	-709,312,668.8	-39.2%	74.9%