



**MINISTRY OF FINANCE, STRATEGIC PLANNING,
NATIONAL DEVELOPMENT AND STATISTICS**

**GOVERNMENT'S THIRD QUARTER FISCAL PERFORMANCE FY2023-2024
(Provisional)**

At the end of the third quarter of FY2023-2024 (August 2023 to April 2024), Government recorded a net deficit of \$304.4 million equivalent, to -2.3 percent of GDP, lower than the net deficit target of -5.7 percent for the same period. Total revenue stood at \$2,522.5 million (19.1 percent of GDP), while total expenditure was \$2,826.9 million (21.4 percent of GDP) in the first nine months of FY2023-2024. In the same period last financial year (August 2022 to April 2023), the net deficit was \$700.4 million, equivalent to -5.9 percent of GDP.

Table 1 below provides the summary of Government's fiscal position cumulative to the third quarter of FY2023-2024. A detailed Government's Cashflow Statement is provided as **Annex 1**.

Table 1: Fiscal Position for the Third Quarter (as at 30 April 2024)

Particulars	2023-2024 Annual Budget	2023-2024 9 Months Forecast	2023-2024 9 Months Actual	2023-2024 9 Months Variance	2023-2024 9 Months Variance
	(\$m)	(\$m)	(\$m)	(\$m)	(%)
Total Revenue	3,700.7	2,697.4	2,522.5	-174.9	-6.5%
Tax Revenue	3,107.7	2,290.1	2,195.1	-95.0	-4.1%
Non - Tax Revenue	593.1	407.3	327.4	-79.9	-19.6%
Total Expenditure	4,339.9	3,452.8	2,826.9	-625.9	-18.1%
Operating Expenditure	3,036.9	2,452.6	2,093.8	-358.8	-14.6%
Capital Expenditure	1,192.1	892.1	686.6	-205.5	-23.0%
VAT (SEG 13)	110.9	108.0	46.5	-61.5	-57.0%
Net Deficit/Surplus	-639.1	-755.3	-304.4	451.0	-59.7%
as % of GDP	-4.8%	-5.7%	-2.3%		
Nominal GDP	13,266.6	13,208.8	13,208.8		

At the end of the third quarter, total revenue was below the forecast by \$174.9 million or 6.5 percent. The underperformance in overall Government revenue was largely attributed to the below forecast collection of \$95.0 million or 4.1 percent in tax revenue and \$79.9 million or 19.6 percent in non-tax revenue. Compared to the same period last financial year, total revenue collection was higher by \$601.1 million or 31.3 percent. In the first nine months of the current fiscal year, Government has collected around 68.2 percent of the annual projected revenue of \$3,700.7 million.

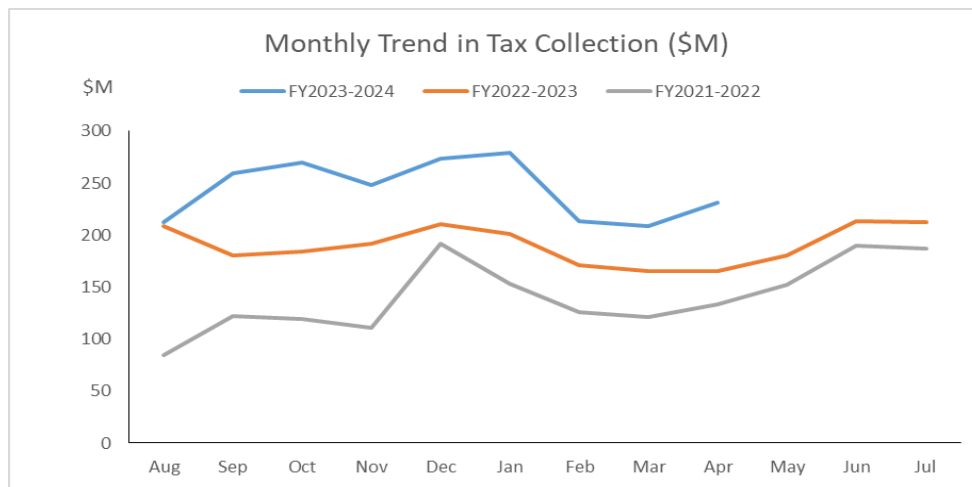
Tax revenue receipts at the end of the third quarter was \$2,195.1 million¹, below the budgeted collections by \$95.0 million or 4.1 percent. The lower outturn was largely attributed to the below forecast collection from VAT (below by \$103.8 million), Water resource tax (below by \$16.3

¹ In the first nine months of the current fiscal year, Government has collected around 70.6 percent of total tax revenue budgeted for this financial year.

million), Fiscal duty (below by \$14.4 million), Departure tax (below by \$9.3 million), Telecommunication levy (below by \$0.1 million) and other sundries (below by \$0.1 million). On a positive note, higher tax collections were noted from Corporate tax (above by \$63.2 million), Dividend withholding taxes (above by \$19.1 million), Personal taxes (above by \$12.7 million), Import excise duty (above by \$11.8 million), Capital gains tax (above by \$9.2 million), Social responsibility tax (above by \$5.2 million), Luxury vehicle levy (above by \$0.4 million), Export duty (above by \$0.3 million), Excise duty (above by \$0.3 million), Environment and Climate Adaptation Levy (above by \$0.2 million), Stamp duties (above by \$0.1 million) and Service turnover tax (above by \$0.1 million).

Overall tax collections increased by \$516.3 million or 30.8 percent when compared to the same period last financial year. In particular, increases were noted in VAT (above by \$233.3 million), Corporate tax (above by \$136.4 million), Fiscal duty (above by \$34.7 million), Dividend withholding tax (above by \$26.7 million), Personal taxes (above by \$23.8 million), Departure tax (above by \$16.4 million), Other miscellaneous tax (above by \$16.1 million), Import excise duty (above by \$13.1 million), Capital gains tax (above by \$12.7 million), Excise duty (above by \$10.2 million), Other tax (above by \$6.6 million), Environment and Climate Adaption Levy (above by \$1.1 million), Fringe benefit tax (above by \$1.1 million), Export duty (above by \$0.8 million), Social Responsibility tax (above by \$0.5 million), Luxury duty (above by \$0.4 million) and service turnover tax (above by \$0.1 million). The monthly trend in tax collections compared to the previous two financial years is provided in **Figure 1** below.

Figure 1: Monthly Trend in Tax Collections



In terms of non-tax revenue, a total of \$327.4 million was collected at the end of third quarter, which was below the anticipated collections by \$79.9 million or 19.6 percent. The lower outturn was largely attributed to the below forecast collection from Grants in aid (below by \$100.8 million), Fees, fines & charges (below by \$10.8 million), Reimbursement & recoveries (below by \$3.3 million), Interest on term loans (below by \$0.5 million), Return of surplus capital from investment (below by \$0.1 million), while better than forecast collections were noted in Dividends from Investment (above by \$24.4 million), Other revenue & surpluses (above by \$7.6 million), Sale of government assets (above by \$2.6 million), and Interest from bank balance (above by \$1.0 million).

Government expenditure at the end of the third quarter totaled \$2,826.9 million, was lower than the forecast by \$625.9 million or 18.1 percent. This spending level represents around 65.1 percent of the total budgeted expenditure. In the review period, both Operating and Capital expenditure were below forecast by \$358.8 million and \$205.5 million, respectively. The Operating to Capital mix stood at 75:25 for the first nine months of FY2023-2024.

Compared to the same period last financial year, total expenditure was higher by \$201.5 million or 7.8 percent. Operating expenditure increased by \$244.3 million or 13.2 percent, while Capital expenditure decreased by \$57.6 million or 7.7 percent.

Government Debt

Government's total debt stood at \$10,036.9 million, equivalent to 76.0 percent of GDP at the end of April 2024. In terms of the debt mix, domestic debt was 65.0 percent, while external debt was 35.0 percent in the review period. In the first nine months of FY2023-2024, Government has utilized around 50.2 percent or \$580.5 million of the total appropriated borrowing. Of this, 68.4 percent or \$523.1 million of the domestic borrowing limit has been utilized while in terms of external borrowing, the Government has accessed 14.7 percent or \$57.4 million of the approved external borrowing.

Government will continue to raise funds as per the approved borrowing plan for the fiscal year and the drawdown of major external policy-based loans by Government is anticipated in June and July 2024. Consequently, Government debt is projected to reach \$10,386.7 million or 78.6 percent of GDP by the end of July 2024.

Conclusion

The lower net deficit for the first nine months for FY2023-2024 is largely driven by the underspending in both operating and capital expenditure. On the revenue front, income taxes have performed strongly but there is a need for close monitoring of the underperformance in consumption taxes despite increased income levels. In terms of expenditure, Government spending is expected to pick up in the last quarter of FY2023-2024.

Fiji's economy has fully recovered to 2019 GDP levels in 2023, and medium-term growth is expected to return to pre-pandemic trend of around 3.0 percent. The economy continues to be supported by tourism-related sectors as notable increase was recorded in visitor arrivals in the first quarter of 2024. However, on-going challenges in the labour market due to loss of skilled workers and associated slowdown in consumer spending, rising cost of doing business and domestic weather-related shocks is expected to weigh on domestic economic activity going forward. In light of this, Government needs to closely monitor the fiscal situation and prudently manage the financial resources.

Shiri Gounder

Permanent Secretary for Finance

Ministry of Finance, Strategic Planning, National Development & Statistics

21 May 2024

Annex 1
Cashflow Statement

	Annual Budget	9 Months Forecast	9 Months Actual	9 Months Variance	9 Months Variance	9 Months Actual	9 Months Actual	9 Months Variance	9 Months Variance	9 Months % of
	2023-2024	2023-2024	2023-2024	2023-2024	2023-2024	2022-2023	2023-2024	2023-2024	2023-2024	2023-2024
	(\$m)	(\$m)	(\$m)	(\$m)	(%)	(\$m)	(\$m)	(\$m)	(%)	Annual Budget
CASH FLOWS FROM OPERATING ACTIVITIES										
Receipts										
Direct Taxes	816.4	596.3	694.7	98.4	16.5%	467.4	694.7	227.2	48.6%	85.1%
Indirect Taxes (excluding Government VAT)	2,180.34	1585.8	1454.0	-131.8	-8.3%	1183.3	1454.0	270.7	22.9%	66.7%
Fees, Fines & Charges	166.6	125.0	114.2	-10.8	-8.7%	119.9	114.2	-5.7	-4.7%	68.5%
Sales Revenue	0.0	0.0	0.0	0.0	0.0%	0.0	0.0	0.0	0.0%	0.0%
Grants in aid	216.8	150.9	50.1	-100.8	-66.8%	36.2	50.1	14.0	38.6%	23.1%
Dividends from Investments	124.6	93.3	117.6	24.4	26.1%	49.4	117.6	68.2	138.0%	94.4%
Reimbursement & Recoveries	46.7	8.1	4.8	-3.3	-40.5%	6.3	4.8	-1.5	-23.5%	10.3%
Other Revenue & Surpluses	31.7	23.6	31.2	7.6	32.1%	28.1	31.2	3.1	10.9%	98.4%
Total operating receipts	3,583.2	2,583.0	2,466.6	-116.4	-4.5%	1,890.6	2,466.6	576.0	30.5%	68.8%
Payments										
Personnel	1064.0	808.3	742.5	-65.8	-8.1%	705.5	742.5	37.0	5.2%	69.8%
Transfer payments	874.4	698.6	596.9	-101.7	-14.6%	498.0	596.9	98.9	19.9%	68.3%
Supplies and consumables	335.1	318.7	214.3	-104.5	-32.8%	210.7	214.3	3.5	1.7%	63.9%
Purchase of outputs	226.7	218.4	160.0	-58.5	-26.8%	109.9	160.0	50.0	45.5%	70.6%
Interest paid	535.4	407.7	380.1	-27.6	-6.8%	324.3	380.1	55.8	17.2%	71.0%
Other operating payments	1.2	0.9	0.1	-0.8	-89.2%	0.9	0.1	-0.9	-89.7%	8.1%
Total operating payments	3,036.87	2,452.6	2,093.8	-358.8	-14.6%	1,849.5	2,093.8	244.3	13.2%	68.9%
Net cash flows from operating activities	546	130.4	372.8	242.4	186.0%	41.1	372.8	331.7	807.2%	68.2%
As % of GDP	4.1%	1.0%	2.8%			0.3%	3.1%			
CASH FLOWS FROM INVESTING ACTIVITIES										
Receipts										
Sale of Government Assets	5.2	5.2	7.8	2.6	50.6%	1.4	7.8	6.4	451.1%	150.6%
Interest from Bank Balance	0.5	0.4	1.4	1.0	245.3%	0.4	1.4	1.0	255.9%	259.0%
Interest on Term Loans	0.9	0.7	0.2	-0.5	-66.4%	0.8	0.2	-0.6	-70.9%	28.8%
Return of Surplus Capital from Investment	0.1	0.1	0.0	-0.1	-100.0%	0.1	0.0	-0.1	-100.0%	0.0%
Total investing receipts	6.7	6.4	9.5	3.0	47.2%	2.7	9.5	6.7	245.0%	141.6%
Payments										
Loans	0.0	0.0	0.0	0.0	0.0%	0.0	0.0	0.0	0.0%	0.0%
Transfer Payments	965.6	761.5	608.9	-152.6	-20.0%	676.8	608.9	-68.0	-10.0%	63.1%
Purchase of physical non-current assets	226.5	130.6	77.7	-52.9	-40.5%	67.4	77.7	10.4	15.4%	34.3%
Total investing payments	1,192.12	892.1	686.6	-205.5	-23.0%	744.2	686.6	-57.6	-7.7%	57.6%
Net cash flows from investing activities	-1,185.4	-885.7	-677.2	208.5	-23.5%	-741.5	-677.2	64.3	-8.7%	
As a % of GDP	-8.9%	-6.71%	-5.13%			-6.2%	-5.7%			
Net (Deficit)/Surplus	-639.1	-755.3	-304.4			-700.4	-304.4			
% of GDP	-4.8%	-5.7%	-2.3%			-5.9%	-2.3%			
GDP at Market Prices	13,266.6	13,208.8	13,208.8			11,868.7	13,208.8			
Summary										
	Annual Budget	Forecast	Actual	Variance	Variance	Actual	Actual	Variance	Variance	% of
	2023-2024	2023-2024	2023-2024	2023-2024	2023-2024	2022-2023	2023-2024	2023-2024	2023-2024	2023-2024
	(\$m)	(\$m)	(\$m)	(\$m)	(%)	(\$m)	(\$m)	(\$m)	(%)	Annual Budget
Total Revenue	3,700.7	2,697.4	2,522.5	-174.9	-6.5%	1,921.4	2,522.5	601.1	31.3%	68.2%
Tax Revenue	3,107.7	2,290.1	2,195.1	-95.0	-4.1%	1,678.8	2,195.1	516.3	30.8%	70.6%
Non-Tax Revenue	593.1	407.3	327.4	-79.9	-19.6%	242.6	327.4	84.8	35.0%	55.2%
Total Expenditure	4,339.9	3,452.8	2,826.9	-625.9	-18.1%	2,621.8	2,826.9	205.1	7.8%	65.1%
Operating Expenditure	3,036.9	2,452.6	2,093.8	-358.8	-14.6%	1,849.5	2,093.8	244.3	13.2%	68.9%
Capital Expenditure	1,192.1	892.1	686.6	-205.5	-23.0%	744.2	686.6	-57.6	-7.7%	57.6%
SEG 13 VAT	110.9	108.0	46.5	-61.5	-57.0%	28.1	46.5	18.3	65.2%	41.9%
Net Deficit	-639.1	-755.3	-304.4	451.0	-59.7%	-700.4	-304.4	396.0	-56.5%	47.6%
% of GDP	-4.8%	-5.7%	-2.3%	3.4%	-59.7%	-5.9%	-2.3%	3.6%	-61.0%	
Nominal GDP	13,266.6	13,208.8	13,208.8			11,868.7	13,208.8			

* Compared to the overall Net Tax Revenue Collections, the difference in tax revenue arises due to the timing of revenue receipts. Minor difference between constituent figures and totals are due to rounding.

Tax Performance	Particulars	Annual Budget	9 Months	9 Months	9 Months	9 Months	9 Months	9 Months	9 Months	9 Months	
			Forecast	Actual	Variance	Variance	Actual	Actual	Variance	Variance	
		2023-2024	2023-2024	2023-2024	2023-2024	2023-2024	2022-2023	2023-2024	2023-2024	2023-2024	% of
		(\$)	(\$)	(\$)	(\$)	(%)	(\$)	(\$)	(\$)	(%)	Annual Budget
Income Tax Collection											
PAYE Tax	178,020,012.1	131,609,349.1	144,277,776.3	12,668,427.2	9.6%	120,490,343.3	144,277,776.3	23,787,433.0	19.7%	81.0%	
Withholding & Dividend Tax	120,091,492.2	92,607,197.5	111,666,578.2	19,059,380.7	20.6%	84,999,998.2	111,666,578.2	26,666,580.0	31.4%	93.0%	
Company Tax	415,361,742.9	300,211,772.6	363,362,599.8	63,150,827.2	21.0%	226,922,415.0	363,362,599.8	136,440,184.8	60.1%	87.5%	
Other Taxes	29,186,181.4	17,242,289.0	22,462,302.5	5,220,013.5	30.3%	15,825,924.7	22,462,302.5	6,636,377.8	41.9%	77.0%	
Provisional Tax	20,575,342.7	15,783,402.4	11,262,614.2	-4,520,788.2	-28.6%	14,486,878.0	11,262,614.2	-3,224,263.8	-22.3%	54.7%	
Other Misc Tax	24,234,535.9	17,363,890.0	32,036,385.4	14,672,495.4	84.5%	15,937,536.8	32,036,385.4	16,098,848.6	101.0%	132.2%	
ICT Business Licence Fee	88,459.5	88,459.5	0.0	-88,459.5	-100.0%	0.0	0.0	0.0	0.0%	0.0%	
Tourist VAT Refund Registration Fee	201,367.8	201,367.8	194,382.2	-6,985.5	-3.5%	266,019.5	194,382.2	-71,637.3	-26.9%	96.5%	
Yacht Agent Registration	64,646.8	54,407.3	70,980.0	16,572.7	30.5%	49,938.0	70,980.0	21,042.0	42.1%	109.8%	
Gross Revenue	787,823,781.3	575,162,135.2	685,333,618.6	110,171,483.4	19.2%	478,979,053.6	685,333,618.6	206,354,565.0	43.1%	87.0%	
Less: Refunds	-14,612,746.0	-10,668,246.4	-34,756,781.6	-24,088,535.2	225.8%	-8,884,219.3	-34,756,781.6	-25,872,562.3	291.2%	237.9%	
Less: Film Tax Rebates			0.0	0.0	0.0%	-22,583,008.3	0.0	22,583,008.3	-100.0%	0.0%	
Net Income Tax	773,211,035.3	564,493,888.8	650,576,837.0	86,082,948.2	15.2%	447,511,826.0	650,576,837.0	203,065,011.0	45.4%	84.1%	
Value Added Tax											
Customs Import VAT	928,866,095.0	692,466,075.4	656,631,908.8	-35,834,166.6	-5.2%	445,437,826.9	656,631,908.8	211,194,081.9	47.4%	70.7%	
Domestic VAT	972,155,632.0	727,919,835.1	605,499,909.1	1/22,419,926.0	-16.8%	464,887,169.3	605,499,909.1	140,612,739.8	30.2%	62.3%	
Other Government Departments	17,744,065.5	13,971,024.0	10,117,834.4	-3,853,189.6	-27.6%	8,922,616.8	10,117,834.4	1,195,217.6	13.4%	57.0%	
Gross VAT Collection	1,918,765,792.5	1,434,356,934.4	1,272,249,652.3	162,107,282.1	-11.3%	919,247,613.1	1,272,249,652.3	353,002,039.2	38.4%	66.3%	
Less: VAT Refunds	-383,753,158.5	-287,871,386.9	-291,119,062.9	-3,247,676.0	1.1%	-171,434,511.6	-291,119,062.9	119,684,551.3	69.8%	75.9%	
Less: Tourist VAT Refunds	-1,938,359.7	-1,453,769.8	-1,465,883.4	-12,113.6	0.8%	-1,425,481.7	-1,465,883.4	-40,401.7	2.8%	75.6%	
Net VAT Collection	1,533,074,274.3	1,145,031,777.8	979,664,706.0	165,367,071.7	-14.4%	746,387,619.9	979,664,706.0	233,277,086.2	31.3%	63.9%	
Capital Gains Tax	23,403,383.3	17,710,228.1	26,885,244.5	17,710,228.1	100.0%	14,190,250.9	26,885,244.5	12,694,993.6	89.5%	114.9%	
Service Turnover Tax	0.0	0.0	162,677.5	0.0	0.0%	78,268.0	162,677.5	84,409.4	107.8%	0.0%	
Environment and Climate Adaptation Levy	9,759,364.5	7,084,633.5	7,323,917.4	7,084,633.5	100.0%	6,185,072.2	7,323,917.4	1,138,845.2	18.4%	75.0%	
Stamp Duty	0.0	0.0	96,526.8	0.0	0.0%	90,358.9	96,526.8	6,167.9	6.8%	0.0%	
Social Responsibility Tax	0.0	0.0	5,195,759.3	0.0	0.0%	4,736,743.7	5,195,759.3	459,015.6	9.7%	0.0%	
Telecommunication Levy	944,173.0	710,682.9	617,517.8	710,682.9	100.0%	652,304.0	617,517.8	-34,786.3	-5.3%	65.4%	
Credit Card Levy	0.0	0.0	0.0	0.0	0.0%	0.0	0.0	0.0	0.0%	0.0%	
Third Party Insurance Levy	0.0	0.0	0.0	0.0	0.0%	0.0	0.0	0.0	0.0%	0.0%	
Fringe Benefit Tax	19,823,803.1	14,085,169.3	14,049,372.5	14,085,169.3	100.0%	12,928,146.0	14,049,372.5	1,121,226.5	8.7%	70.9%	
Customs Collections											
Fiscal Duty	385,265,966.2	287,241,887.2	272,814,362.0	-14,427,525.2	-5.0%	238,162,654.6	272,814,362.0	34,651,707.4	14.5%	70.8%	
Import Excise Duty	9,204,244.5	6,760,733.1	19,344,076.3	12,583,343.2	186.1%	6,205,388.8	19,344,076.3	13,138,687.5	211.7%	210.2%	
Excise Duty	155,900,603.1	105,873,334.3	106,191,953.8	318,619.6	0.3%	95,949,479.3	106,191,953.8	10,242,474.5	10.7%	68.1%	
Export Duty	8,021,046.0	5,943,190.0	6,279,312.0	336,122.0	5.7%	5,454,987.8	6,279,312.0	824,324.2	15.1%	78.3%	
Luxury Vehicle Levy	470,000.0	340,000.0	740,000.0	400,000.0	117.6%	390,000.0	740,000.0	350,000.0	89.7%	157.4%	
Misc Fees/Charge			130,000.0	130,000.0	0.0%	0.0	130,000.0	130,000.0	0.0%	0.0%	
Other Sundries	326,171.6	256,409.6	178,649.7	-77,759.9	-30.3%	235,346.9	178,649.7	-56,697.1	-24.1%	54.8%	
Gross Customs Collections	559,188,031.5	406,415,554.1	405,678,353.9	-737,200.3	-0.2%	346,397,857.4	405,678,353.9	59,280,496.5	17.1%	72.5%	
Less: Rebates	-3,194,716.0	-2,356,470.9	-2,272,228.2	84,242.7	-3.6%	-1,882,649.2	-2,272,228.2	-389,579.0	20.7%	71.1%	
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	555,993,315.5	404,059,083.3	403,406,125.7	-652,957.6	-0.2%	344,515,208.1	403,406,125.7	58,890,917.6	17.1%	72.6%	
Resource Tax	91,640,358.0	67,305,450.5	51,031,490.4	-16,273,960.1	-24.2%	59,169,627.2	51,031,490.4	-8,138,136.8	-13.8%	55.7%	
Departure Tax	99,809,835.9	69,640,019.4	60,325,282.5	-9,314,736.9	-13.4%	43,960,964.3	60,325,282.5	16,364,318.2	37.2%	60.4%	
Overall Net Tax Revenue Collections	3,107,659,542.9	2,290,120,933.6	2,199,335,457.2	-90,785,476.4	-4.0%	1,680,406,389.1	2,199,335,457.2	518,929,068.1	30.9%	70.8%	