



TURKS AND CAICOS ISLANDS



GOVERNMENT OF THE TURKS AND CAICOS ISLANDS



JANUARY 2023

FINANCIAL REPORT

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FOREWORD

This report presents the financial results of the Turks and Caicos Islands Government (TCIG) or (the "Government") as of January 31, 2023.

The preparation and publication of this report reflect the Government's commitment to transparent and timely reporting of the country's financial position contributing to the overall accountability arrangement and improved quality of governance and decision-making.

BUDGETARY OVERVIEW

The Estimates of Revenue and Expenditure (the "Estimates") for the financial year (FY) 2022-23 were approved in the House of Assembly on May 5, 2022, to implement the strategies, development programmes and projects, concentrating on the well-being of the people of the Turks and Caicos Islands, national transformation and economic development.

The Government presented a budget including revenues of \$395 million, operating expenditures of \$338.5 million and contributions to the Development Fund of \$50 million, resulting in a budgeted surplus of \$6.8 million.

A supplementary budget was approved in July 2022 to increase the grants and contributions expenditure estimates by \$14 million as part of a planned citizen's inflation adjustment stimulus package and the works programme and to increase Revenues from Hotel and Restaurant tax by \$6 million and Seaport departure tax by \$1 million.

A second supplementary budget was approved by the House of Assembly on October 7 2022, to increase operating Expenditure by \$15.7 million (for priority areas like; increasing in police salaries, fuel factor subsidies, restoration, repairs and clean-up projects, and additional citizen's inflation adjustment stimulus.) and to increase the Revenue from Grants by \$0.79 million and Insurance proceeds by \$0.67 million An additional \$3.5 million was also allocated to Capital expenditure through the Development Fund.

Inclusive of all approved supplementary budgets as of January 31, 2023, Government revised estimates comprise Revenue of \$404.2 million, operating expenditures of \$421 million and Capital expenditure of \$53.5 million resulting in a planned operating deficit of \$16.95 million.

As at January 31 2023, 84% of the revised annual revenue budget has been met, 61% of the revised annual planned Operating Expenditure has been executed, and 28% of the revised Capital Expenditure budget has been absorbed.

ECONOMIC OVERVIEW

The local economy and, by extension, the world have faced inflationary pressures in the past ten months, mainly arising from global logistical bottlenecks coming out of the pandemic and the Ukraine war.

The International Monetary Fund (IMF), in its January 2023 edition of the World Economic Outlook (WEO), made a slight increase to its global growth outlook for 2023, due to resilient demand in the United States and Europe, easing energy costs and the reopening of China's economy after Beijing abandoned its strict COVID-19 restrictions. It still sees the pace of global growth falling in 2023 compared with 2022, but by a smaller margin than it predicted in October 2022. The IMF is now forecasting 2.9% growth for 2023 – up from a 2.7% forecast in October – versus 3.4% growth last year.

The global economy is experiencing a number of turbulent challenges; Inflation higher than seen in several decades, tightening financial conditions in most regions, Russia's invasion of Ukraine, and the lingering COVID-19 pandemic all weigh heavily on the outlook. Normalization of monetary and fiscal policies that delivered unprecedented support during the pandemic is cooling demand as policymakers aim to lower inflation back to target. But a growing share of economies are in a growth slowdown or outright contraction. The global economy's future health rests critically on the successful calibration of monetary policy and the course of the war in Ukraine.

Central banks are likely to continue to tighten monetary policy to fight inflation, and concerns that this restrictive stance could tip the economy into a recession have increased in major advanced economies

The IMF now expects US GDP growth of 1.4% this year, up from a 1.0% prediction in October and following 2.0% growth in 2022. This is down to stronger-than-expected consumption and investment in the third quarter of 2022, a robust labour market and strong consumer balance sheets. The IMF has revised China's growth outlook sharply higher, to 5.2% from a 4.4% forecast in October. Zero-COVID policies in 2022 slashed China's growth rate to 3.0%, putting it below the global average for the first time in more than 40 years. India's outlook remains robust, with unchanged forecasts for a dip in 2023 growth to 6.1% but a rebound to 6.8% in 2024, matching its 2022 performance. Britain is the only major economy the IMF expects to shrink this year. It forecasts a 0.6% fall in GDP as households struggle with rising living costs, including for energy and mortgages.

For 2024, the IMF has cut its global growth forecast very slightly to 3.1%, from 3.2% in October.

For the Caribbean region, the Caribbean Development Bank forecasts economic growth of 5.7% in 2023. This is based on the continued revival of tourism arrivals and investments in the energy sector. The performance is, however, subject to some risks associated with Advanced Economies which are on track to register lower growth

relative to 2022. The CDB further indicated that increased economic activity spurred strong regional economic growth that averaged 10.3% largely because of increased energy production in Guyana and Trinidad and Tobago, higher international oil prices in commodity-exporting countries and economic growth of 4.6% in tourism-dependent countries. This performance helped buoy increased Government revenues and improved fiscal positions. According to the Bank, the challenges associated with past economic performance and global conditions place the region at a critical juncture, adding that the impact of protracted shocks compounded the Region's socio-economic difficulties. The Bank also shared some recommendations which could be implemented to aid in growth and development and increase resilience of Caribbean economies and societies. This includes supporting comprehensive debt management strategies, public financial management, and promoting access to adequate and affordable financing; promoting gender equality, women's reintegration into the work force and the prevention of discrimination; promoting a private sector ecosystem that has innovation, diversification, financial inclusion of the most vulnerable; key priority actions in strengthening governance capacity to deliver through implementation of cross-sectoral policies and programmes, and protecting the poorest as well as revolutionizing digital infrastructure and technical proficiency and mainstreaming environmental sustainability and climate change.

According to the TCI government's Department of Statistics forecast, the territory's real Gross Domestic Product (GDP) is projected to have grown by 6.2% this year, with nominal GDP growing to \$1.14 Billion and GDP per capita to \$25,985. Powered by tourism and the construction sector, the economy is achieving a remarkably fast recovery from the recession that ripped through the nation in 2020/2021 on the heels of the Coronavirus pandemic. Due to inflation, the Consumer Price Index rose by 6% this year. The Department of Statistics projects that real Gross Domestic Product (GDP) is will grow by 5.5% in 2023, with nominal GDP increasing to \$1.23 Billion and GDP per capita to \$27,784. The Consumer Price Index is expected to ease to 3.5% in 2023.

Government revenue generation has shown significant growth from the beginning of the year to the present. It remains to be seen whether the global headwinds mentioned above will significantly impact revenue. Actively monitoring revenue collection, cash balance position and cash flow requirements remains at the forefront of the Treasury's immediate agenda to safeguard TCIG's liquidity position.

Within this context, the Government continues to act decisively in the national interest. This is done while providing value for money and efficient and effective public service. TCIG will also continue to focus on prudent expenditure management and strengthening and broadening the revenue enhancement efforts, especially during these uncertain times.

- The Government has undertaken interventions to reduce the cost of living burden on the citizens and mitigate the contraction in economic activity. These measures are reflected in some of the movements in income and Expenditure during the month and year to date. These have included;
- Direct Assistance through a citizen inflation adjustment stimulus with the one-off payment intended to assist citizens with their general living expenses.
- The Fuel Tax was reduced from 85 cents per gallon to 64 cents per gallon; effective date - April 1, 2022 – March 31, 2023.
- Customs Processing fees were reduced from 7.5 % to 5%, effective April 1, 2022 – March 31, 2023.
- Import duties and customs fees were waived on essential basket items from August 1, 2022, to November 30, 2022. (The concession has been extended to March 31 2023)
- A \$2.5 Million supplementary Expenditure was introduced to subsidise the electricity bills of citizens and residents. Fuel factor stabilisation credit was capped at \$0.2 per kilowatt hour for the period October to December 2022.

FISCAL OVERVIEW

For January 2023 and for the fiscal year to date, the Government response has been and still is important in mitigating the contraction in economic activity while providing relief for citizens and businesses. The Government has ended the month with an operating surplus of \$11.5 million (Year to date - \$82.4 million surplus) and a cash increase of \$9.4 million (Year to date an increase of \$69.2 million) to a closing cash balance of \$266.2 million. TCIG has continued to see a vast improvement in revenue collection since the resumption of normal operations following the disruptions caused by Covid-19. Despite the uptick in the economy, it is still imperative to closely monitor expenditure against revenues and both budget and the prior year while continue reinforcing the current macroeconomic strategies.

Despite the inflationary pressures during the period, the Turks & Caicos Islands Government saw continued growth in its operating surplus with increased cash flow, strong employment growth and a rebound following the sluggish performance relating to the pandemic. The Turks & Caicos Islands improved economic resilience was primarily attributable to the high volume of tourist arrivals which led to increased HRT, and revenue intake on Import Duty.

KEY HIGHLIGHTS

- The monthly Financial Report for January 2023 shows the performance against estimates and comparisons to the prior year's performance.
- The net operating surplus for January 2023 totaled \$11.5 million. Year to date, the net operating surplus stands at \$82.4 million.
- Development Fund Expenditure for the month totaled \$1.9 million. Year to date Capital Expenditure is \$15.1 million
- Outstanding Public Debt stood at \$0.4 million.
- The underlying cash balance increased by \$9.4 million in January, bringing Cash and Cash equivalents to \$266.2 million.

OPERATING BALANCE

Net Operating Surplus: *Month \$11.5 million, Year to Date \$82.4 million*

FISCAL SUMMARY	Month of January 2023			Variance				Year to Date			Variance			
	Actual	Budget	Prior Year	Budget		Prior Year		Actual	Budget	Prior Year	Budget		Prior Year	
	\$ 000's	\$ 000's	\$ 000's	\$ 000's	%	\$ 000's	%	\$ 000's	\$ 000's	\$ 000's	\$ 000's	%	\$ 000's	%
Recurrent Revenue	36,848	33,681	31,967	3,166	9%	4,881	15%	332,773	324,116	306,572	8,657	3%	26,201	9%
Recurrent Expenditure	25,906	25,889	20,141	17	0%	5,764	29%	243,773	290,097	202,046	(46,324)	-16%	41,728	21%
Net Recurrent Surplus	10,942	7,792	11,825	3,149	40%	(883)	-7%	89,000	34,019	104,526	54,981	162%	(15,526)	-15%
Non-Recurrent Revenue	1,231	388	388	844	218%	843	218%	5,077	3,200	1,564	1,877	59%	3,513	225%
Non-Recurrent Expenditure	653	4,448	1,148	(3,795)	-85%	(495)	-43%	11,708	25,616	20,388	(13,908)	-54%	(8,680)	-43%
Net Operating Surplus	11,520	3,732	11,065	7,788	209%	455	4%	82,369	11,603	85,702	70,766	610%	(3,333)	-4%

January 2023 recorded a net operating surplus of \$11.5 million. Compared to the same period in the prior year, there was a \$0.5 million or 4% increase in the net operating surplus. This is mainly attributed to increases in import duty collections and civil recovery income and offset by expenditure towards the inflation adjustment stimulus program.

Against budget, there was a \$7.8 million or 209% favorable variance in the operating surplus. This is attributed to highest than estimated Hotel and Restaurant tax collections, Increased stamp duty revenue in addition to lower than expected non-recurring expenditure on contingency and statutory land acquisition costs

CASH FLOW

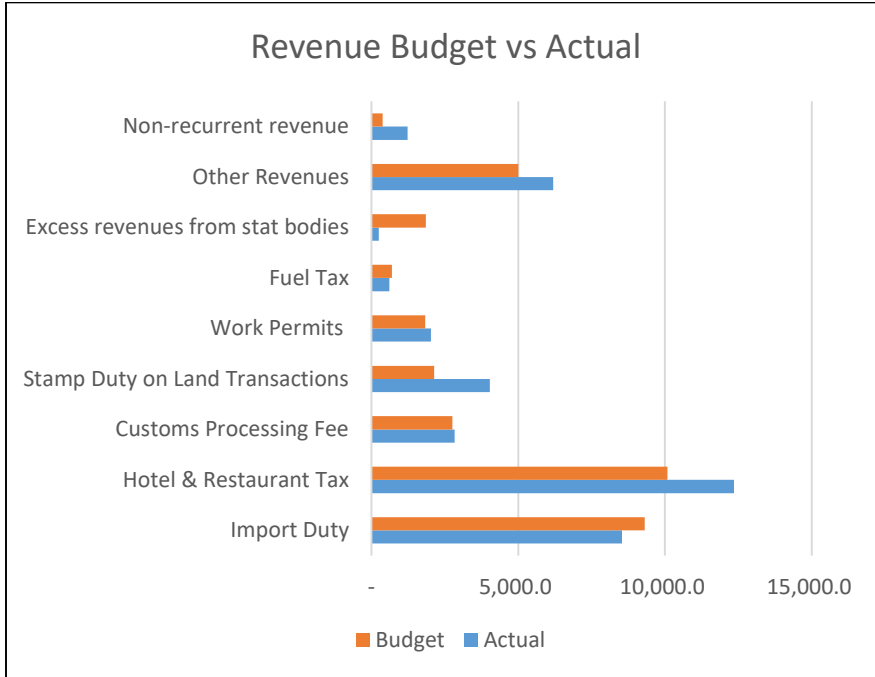
	Month of January 2023			Variance				Year to Date			Variance			
	Actual	Budget	Prior Year	Budget		Prior Year		Actual	Budget	Prior Year	Budget		Prior Year	
	\$ 000's	\$ 000's	\$ 000's	\$ 000's	%	\$ 000's	%	\$ 000's	\$ 000's	\$ 000's	\$ 000's	%	\$ 000's	%
Cash Flow from Operations	11,520	3,732	11,065	7,788	209%	455	4%	82,369	11,603	85,702	70,766	610%	(3,333)	-4%
Less:				-										
Development Fund Expenditure	(1,934)	(4,355)	(1,378)	2,421	-56%	(556)	40%	(15,132)	(64,088)	(18,636)	48,956	-76%	3,504	-19%
Debt Repayments	(47)	-	-	-	-	-	-	(177)	-	(565)	-	0%	565	0%
Borrowing	-	-	-	-	-	-	-	-	-	-	-	0%	-	0%
Bond Inflows	-	-	-	-	-	-	-	-	-	886	-	0%	(886)	0%
Net receipts/(payments) of public accounts	(110)	-	3,955	(157)	0%	4,112	104%	2,160	-	-	-	-	-	-
Net Cash Flow	9,429	(624)	13,642	10,053	-1611%	(3,101)	-23%	69,220	(52,485)	67,387	21,809	-42%	(6,516)	-10%
Opening cash balance	256,786							196,995						
Closing cash balance	266,215							266,215						
Attributable to:														
Consolidated Fund	135,250							135,250						
Development Fund	79,912							79,912						
National Forfeiture Fund	7,273							7,273						
National Wealth Fund	43,780							43,780						
Closing cash balance	266,215							266,215						

The net cash flow outturn showed a \$9.4 million increase from the previous month. As a result, Cash and Cash Equivalents increased from \$256.8 million at the beginning of the month, to \$266.2 million at the end of January. Year to date, cash has increased by \$69.2 million from \$197 million at the beginning of the year to \$266.2 million at the end of January. The results also reflect Development Fund Expenditure of \$1.9 million in January and \$15.1 million Year to date.

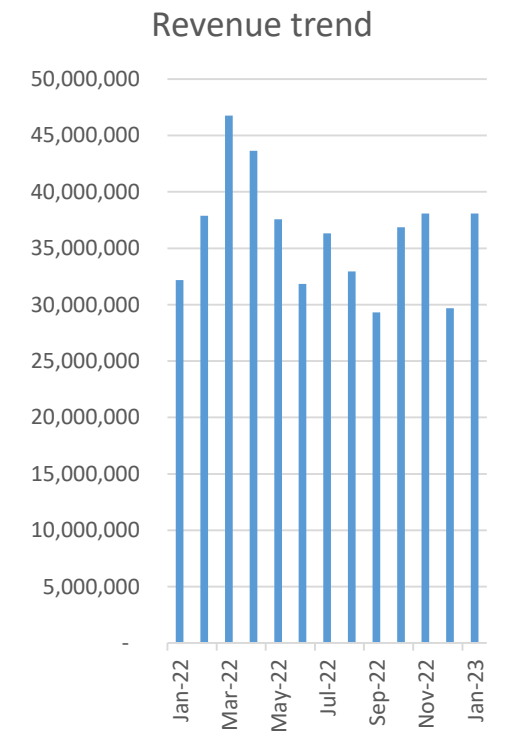
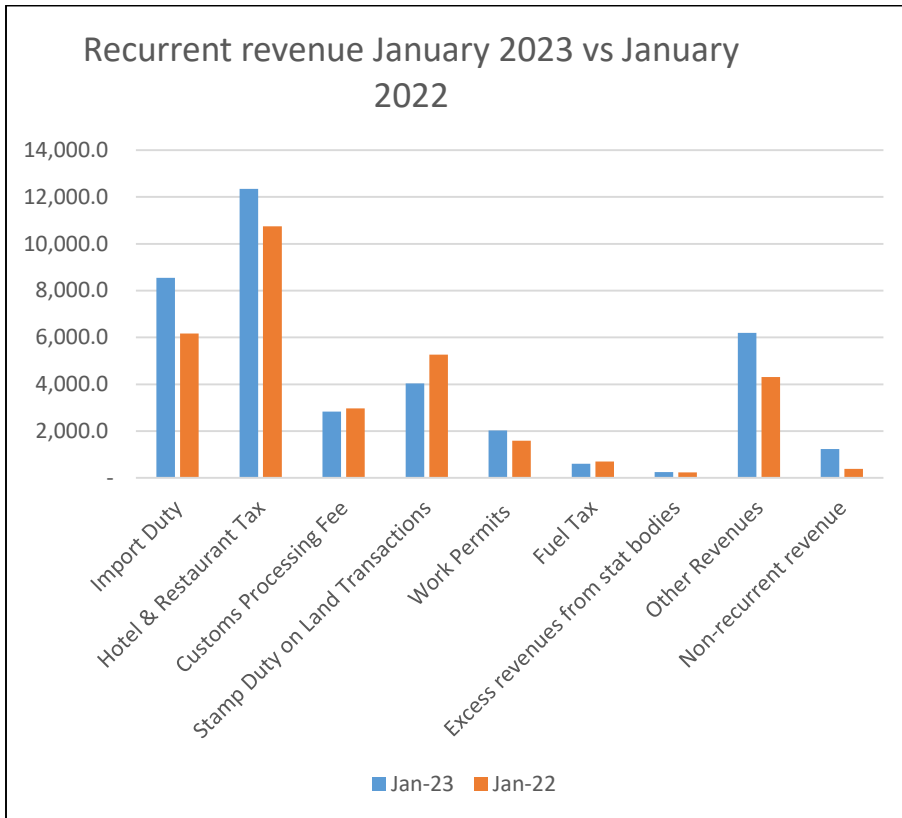
The cash balance is broken down as follows:

<i>Cash Balances as at 31 January 2023:</i>	<i>US\$ '000</i>	<i>% share</i>
<i>Unrestricted cash balances</i>	<i>135,080</i>	<i>51%</i>
<i>Development Fund</i>	<i>79,912</i>	<i>30%</i>
<i>National Forfeiture Fund</i>	<i>7,273</i>	<i>3%</i>
<i>National Wealth Fund</i>	<i>43,780</i>	<i>16%</i>
<i>TCI Bank</i>	<i>170</i>	<i>0%</i>
<i>Cash and cash equivalents</i>	<i>266,215</i>	<i>100%</i>

REVENUE



In January, total revenue collection totaled \$38.1 million, an increase of \$5.7 million or 18% when compared to the prior year period. The revenue collections were \$4 million or 12% above the estimates. The top five revenue generating lines accounted for 78% of TCIG's revenue performance for the month of January. YTD actual collections of \$337.9 million surpassed both budget and prior year by \$10.5 million & \$29.7 million respectively due to the outstanding performance in Hotel & Restaurant Tax and Import Duty.

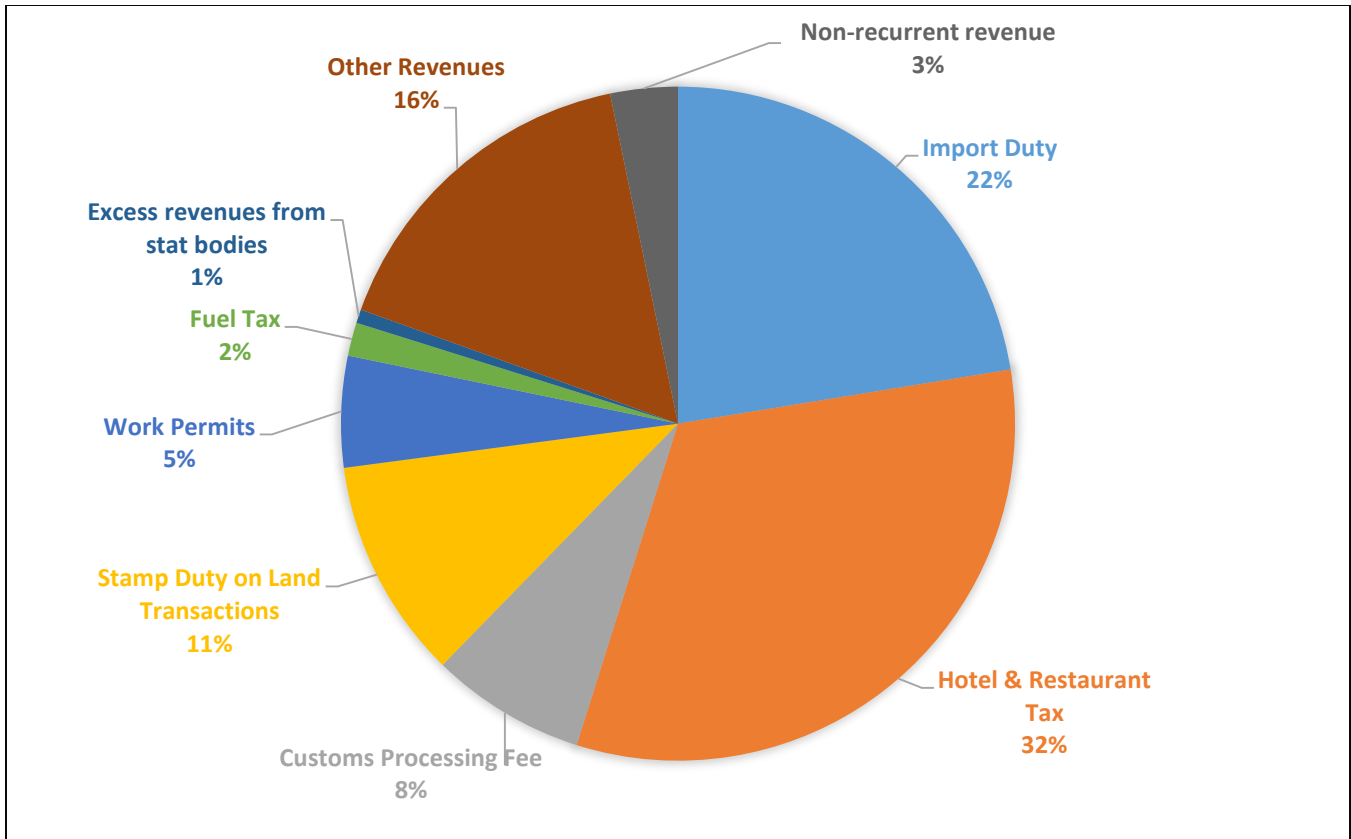


Revenue: Month \$38.1 million, Year to Date \$337.9 million

	Month of January			Variances				Year to date			Variances			
	Actual	Budget	Last Year	Budget		Last Year		Actual	Budget	Last Year	Budget		Last Year	
	\$000	\$000	\$000	\$000	%	\$000	%	\$000	\$000	\$000	\$000	%	\$000	%
Recurrent Revenues														
Import Duty	8,541	9,314	6,164	(773)	-8%	2,377	39%	78,828	71,553	62,229	7,276	10%	16,600	27%
Hotel & Restaurant Tax	12,351	10,085	10,740	2,266	22%	1,611	15%	81,844	73,895	66,586	7,949	11%	15,258	23%
Customs Processing Fee	2,833	2,762	2,969	71	3%	(137)	-5%	27,875	24,239	30,574	3,636	15%	(2,699)	-9%
Stamp Duty on Land Transactions	4,036	2,135	5,267	1,901	89%	(1,231)	-23%	50,048	70,100	67,813	(20,052)	-29%	(17,765)	-26%
Work Permits	2,031	1,837	1,586	194	11%	445	28%	21,032	18,846	16,885	2,186	12%	4,147	25%
Fuel Tax	609	697	705	(89)	-13%	(96)	-14%	6,327	6,190	8,264	137	2%	(1,937)	-23%
Excess revenues from stat bodies	250	1,850	231	(1,600)	-86%	19	8%	16,097	12,787	13,001	3,310	26%	3,096	24%
Other Revenues	6,196	5,001	4,304	1,196	24%	1,893	44%	50,723	46,506	41,221	4,216	9%	9,501	23%
Total Recurrent Revenue	36,848	33,681	31,967	3,166	9%	4,881	15%	332,773	324,116	306,572	8,657	3%	26,201	9%
Non- Recurrent Revenues														
Civil Recovery Income	1,183	-	-	1,183	0%	1,183	0%	1,183	-	-	1,183	0%	1,183	0%
Land Sales	45	388	388	(343)	-88%	(343)	-88%	2,105	1,341	1,185	764	57%	920	78%
Revenue From Grants	3	-	0	3	0%	3	6345%	1,789	1,859	379	(71)	-4%	1,410	372%
Insurance Proceeds	-	-	-	-	0%	-	0%	-	-	-	-	0%	-	0%
	1,231	388	388	844	218%	843	218%	5,077	3,200	1,564	1,877	59%	3,513	225%
Total Revenue	38,079	34,069	32,354	4,010	12%	5,724	18%	337,850	327,316	308,136	10,534	3%	29,715	10%

Recurrent Revenue for January totaled \$36.9 million against the Estimates of \$33.7 million. As a result, revenue exceeded estimates by \$3.2 million or 9%, and increased by \$4.9 million or 15% when compared to the prior year's similar period. Year to date, Revenue collections are outpacing both estimates and prior year numbers. Actual recurrent revenue of \$332.8 million in the ten months since April 2022 represents a 3% favorable variance against budget and a 9% increase from the prior year.

Comparatively, the January results show improvement in the collection from Import duty and Hotel and restaurant tax and a decrease in Stamp duty on a year-to-year basis. They accounted for approximately 65 percent of the revenue collection for the month. The resilient performance continues to be encouraging as it signals a better than expected tourist season. The chart below shows the revenue share per head.



The major Revenue Heads are summarised as follows:

Stamp Duty on Land Transactions:

Stamp Duty collected during January totaled \$4 million compared to a budget of \$2.1 million. As a result, a \$1.9 million favourable variance for the month. Revenue collected from Stamp Duty has shown a promising trend since the beginning of the last financial year due to many high-value transactions leading up to YTD actuals of \$50 million in the first ten months of the year. This result is, however, below budget by \$20 million and prior year results by \$17.8 million. This is mainly attributed to the fact that 2021/22 was an exceptional year for land transactions. Due to global economic headwinds and a looming threat of a recession, high-net-worth individuals may hesitate to purchase real estate properties.

Hotel & Restaurant Tax:

For January, Hotel & Restaurant Tax (HRT) receipts totaled \$12.4 million. The current month's actuals were above the estimates by \$2.3 million and above the prior year's receipts by \$1.6 million, respectively. The Tourism Industry was the most impacted during this COVID-19 pandemic but has had a resounding rebound during the year. However, revenue collections have been vastly improving since the last; the summer and winter months showed

unprecedented performance leading up to the same trend in this financial year. As a result, YTD collections amount to \$63.1 million. This has exceeded the prior year by \$14.9 million due to increased tourist arrivals as hotels and restaurants are now fully open. The data released by the Turks and Caicos Islands Airports Authority (TCIAA) revealed that long stay visitors in the 2022-2023 holiday season exceeded the two best years on record for the country and attracted just under 7,000 more guests. In December, there were 24,102 arrivals who entered the Providenciales International Airport on 241 commercial flights. Hotels recorded positive numbers as well and expect a good outlook for the season. HRT is expected to increase even further as TCI expects the continued uptick in tourist arrivals as the winter months continue.

Import Duties:

Import Duties collected for January totaled \$8.5 million, \$0.8 million lower than budget and \$2.4 million higher than the prior year's receipts. These results were expected as high volume of goods are being imported and the imported inflation has impacted the prices of goods. Year-to-date actuals of \$78.8 million outpaced the preceding year by \$16.6 million and \$7.3 million higher than Estimates. Local economic activities on the island continue to pick up. As a result, the need for imported goods relatively increases as tourist-related consumption increases due to the growth in tourist arrivals.

Customs Processing Fees:

For January, Customs Processing Fees (CPF) totaled \$2.8 million, which was in line with the estimates and prior year's results, respectively. Year to date, actuals totaled \$27.9 million. This result was down by \$2.7 million compared to prior year receipts of \$30.6 million and greater than estimates by \$3.6 million.

Work Permits:

Receipts from Work Permits totaled \$2 million for January. These results were above budget by \$0.2 million and greater than the prior year's results by \$0.4 million. Year-to-date actuals totaled \$21 million compared to a budget of \$18.8 million and was above prior year results by \$4.1 million. Revenue collection is expected to increase as most work permit holders are employed in the tourism and hospitality sector, significantly affected as major hotels and the Cruise Port was closed last year.

Fuel Tax:

For January, fuel tax receipts were \$0.6 million, in line with budget and the prior year's outturn. Revenue collected from Fuel Tax only accounted for 2% of total income but has shown an optimistic outturn to date where YTD actuals of \$6.3 million was favourable as the results surpassed budget by \$0.1 million while being down \$1.9 million when compared to prior year results.

Excess revenues from Statutory Bodies

In January, excess revenue totaling \$0.3 million was received from the statutory bodies. This was \$1.6 million or 86% below Estimates and in line with the collections in the same period in the prior year. Year to date, Excess revenue from statutory bodies stands at \$16.1 million, which is \$3.3 million or 26% above estimates and \$3.1 million or 24% greater than the same period in the prior year.

Other Revenue: Month \$6.2 million, Year to date \$50.7 million

	Month of January			Variances				Year to date			Variances			
	Actual	Budget	Last Year	Budget		Last Year		Actual	Budget	Last Year	Budget		Last Year	
	\$000	\$000	\$000	\$000	%	\$000	%	\$000	\$000	\$000	\$000	%	\$000	%
Business Licence renewal	44	62	36	(18)	(29%)	7	20%	2,722	2,947	2,731	(225)	(8%)	(9)	(0%)
Communication Tax	452	436	448	17	4%	4	1%	4,217	4,506	4,110	(288)	(6%)	107	3%
Gaming Machine Tax	633	327	401	307	94%	233	58%	4,438	3,367	4,277	1,070	32%	160	4%
Seaport Departure Tax	891	180	186	711	395%	705	100%	4,973	2,590	186	2,384	92%	4,787	100%
Telecommunication Licences	200	146	83	55	37%	117	141%	3,139	2,746	2,077	392	14%	1,062	51%
Overtime Costs Recovered	310	390	271	(81)	(21%)	39	14%	2,629	3,243	2,390	(614)	(19%)	239	10%
Vehicle Licence Renewals	953	913	916	41	4%	38	4%	4,385	3,903	3,753	482	12%	632	17%
Permanent Residency Fees	150	205	205	(56)	(27%)	(56)	(27%)	2,240	2,263	2,285	(24)	(1%)	(45)	(2%)
Crown lands rent	60	46	16	15	32%	44	277%	892	825	705	67	8%	188	27%
Insurance Premiums tax	88	117	96	(29)	(25%)	(9)	(9%)	1,160	1,307	1,251	(147)	(11%)	(91)	(7%)
Bank services tax	90	90	85	0	0%	5	6%	733	851	857	(118)	(14%)	(124)	(14%)
Stamp duty - vehicle hire	191	181	189	10	6%	2	1%	1,772	1,524	1,383	248	16%	389	28%
Drivers Licence	132	109	103	24	22%	29	28%	1,176	1,044	1,002	132	13%	174	17%
Duty free shops Royalties	112	112	65	1	1%	48	74%	1,053	1,079	666	(26)	(2%)	387	58%
ID Card Fees	106	99	81	8	8%	26	32%	940	805	722	135	17%	217	30%
Labour Clearance Fees	83	81	68	2	2%	16	23%	953	761	691	192	25%	262	38%
PDA application fees	71	126	132	(55)	(44%)	(61)	(46%)	1,746	1,288	1,188	458	36%	558	47%
Work Permits Repatriation Program	198	94	69	103	110%	129	186%	1,476	961	824	515	54%	652	79%
Temporary Work Permits	150	109	143	41	38%	7	5%	1,195	1,146	1,087	49	4%	108	10%
Other Revenues	1,281	1,179	711	102	9%	570	80%	8,884	9,349	9,037	(465)	(5%)	(153)	(2%)
TOTAL OTHER REVENUE	6,196	5,001	4,304	1,196	24%	1,893	44%	50,723	46,506	41,221	4,216	9%	9,501	23%

Other Revenues for January totaled \$6.2 million, which was 24% above budget and 44% above the prior year. The top performing heads consist mainly of \$1 million in Vehicle License renewals and \$0.9 million in Seaport departure tax. Year-to-date actuals of \$50.7 million were above both estimates and the prior year by \$4.2 million and \$9.5 million respectively, due to the over performance in the Seaport departure tax to date.

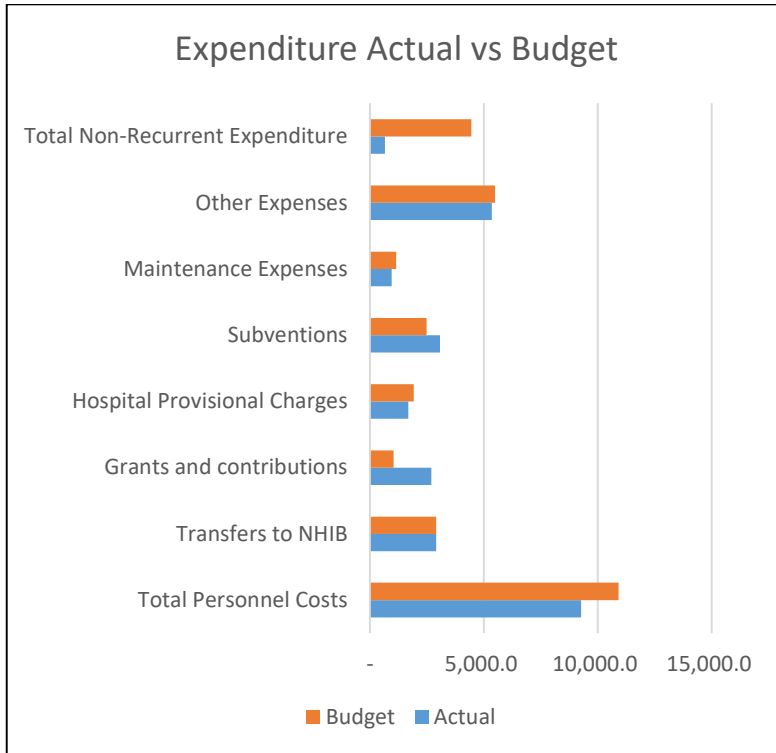
Non-Recurrent Revenue: *Month \$1.2 million, Year to date \$5.1 million*

For the month of January, there were civil recoveries made by AG Chambers amounting to \$1.2 million and this formed the major portion of the non-recurrent revenues. YTD actual non-recurrent revenue collections are \$5.1 million, which are \$1.9 million ahead of the budget and exceed the prior year's outturn by \$3.5 million.

REVENUE BY MINISTRY

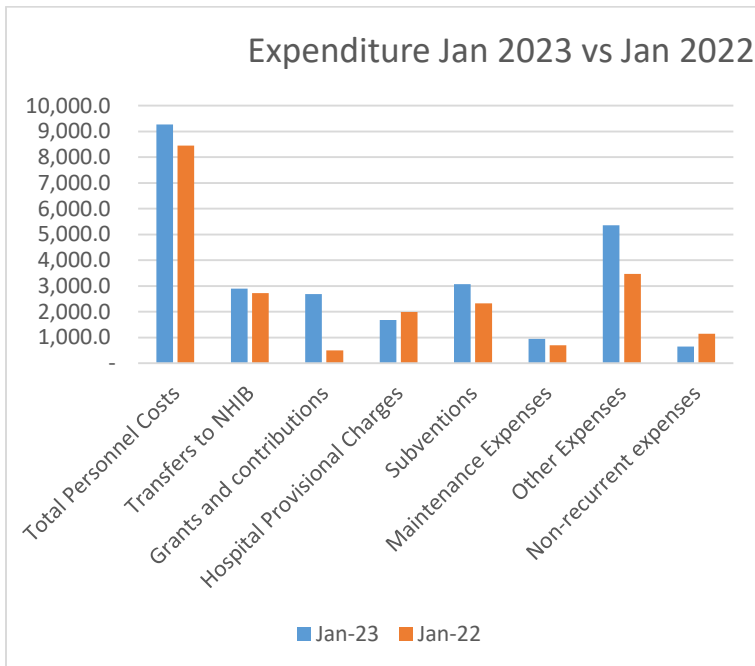
		January			Variances				Year to date			Variances			
		Actual	Budget	Last Year	Budget		Last Year		Actual	Budget	Last Year	Budget		Last Year	
		\$000	\$000	\$000	\$000	%	\$000	%	\$000	\$000	\$000	\$000	%	\$000	%
01	Office of the Governor	-	319	6	(319)	0%	(6)	-100%	397	954	418	(556)	0%	(20)	-5%
03	Police	41	45	27	(4)	-8%	14	51%	17	210	526	(193)	-92%	(509)	-97%
04	Attorney General's Chambers	5,331	2,228	5,315	3,104	139%	16	0%	52,619	71,408	68,944	(18,789)	-26%	(16,325)	-24%
05	Judiciary Administration	84	76	76	7	10%	8	10%	563	693	693	(130)	-19%	(130)	-19%
14	Statutory Charges	45	388	388	(343)	-88%	(343)	-88%	2,105	1,341	1,185	764	57%	920	78%
16	Immigration and Border services	12,601	15,202	10,375	(2,601)	-17%	2,226	21%	120,335	114,940	75,711	5,396	5%	44,624	59%
54	Finance Trade & Investment	14,900	11,464	12,124	3,435	30%	2,776	23%	116,107	96,947	126,185	19,160	20%	(10,078)	-8%
57	Education, Labour Employment & Customer services	2,569	2,232	1,950	337	15%	618	32%	25,658	22,783	17,766	2,875	13%	7,891	44%
59	Home Affairs Transportation	1,498	1,495	1,399	3	0%	99	7%	10,474	9,363	8,588	1,111	12%	1,886	22%
60	Physical Planning & Infrastructure Development	74	129	135	(55)	-43%	(61)	-45%	1,770	1,318	1,214	452	34%	555	46%
61	Tourism, Agriculture Fisheries Heritage Religious Affairs & Environment	872	451	527	421	93%	346	66%	7,345	6,301	6,078	1,045	17%	1,267	21%
62	Health & Human Services	64	40	33	24	61%	31	95%	460	1,060	828	(601)	-57%	(368)	-44%
	TOTAL RECEIPTS	38,079	34,069	32,354	4,010	12%	5,724	18%	337,850	327,316	308,136	10,534	3%	29,715	10%

EXPENDITURE



\$26.6 million was expended during the month of January (\$25.6 million recurrent expenditure and \$0.7 million non-recurrent expenditure). These results were down by \$3.8 million when compared to the estimates and \$5.3 million above the prior year's results. The under performance against budget for the month is mainly due to planned statutory land acquisitions that were not implemented. In addition, variances are seen in PE costs which is mainly due to current vacancies throughout TCIG. These were offset by stimulus payments made in January that had been planned and budgeted for in November and December.

As expected, Personnel Costs was the highest expenditure for the month totaling \$9.3 million, Subventions amounted to \$3.1 million, Transfers to NHIB totaled \$2.9 million and Hospital Charges of \$2.2 million were reported for the month. Those four expenditure lines alone represented 67% of actual recurrent expenditure for the month of January. The largest non-recurrent expense for January was SIPT cost at \$1 Million



Recurrent Expenditure: Month \$25.9 million, Year to Date \$243.8 million

	Month of January			Variances				Year to date			Variances			
	Actual	Budget	Last Year	Budget		Last Year		Actual	Budget	Last Year	Budget		Last Year	
	\$000	\$000	\$000	\$000	%	\$000	%	\$000	\$000	\$000	\$000	%	\$000	%
Total Personnel Costs	9,268	10,922	8,445	(1,654)	-15%	822	10%	91,414	104,402	83,423	(12,988)	-12%	7,991	10%
Transfers to NHIB	2,898	2,899	2,717	(1)	0%	182	7%	28,803	29,107	27,101	(304)	-1%	1,702	6%
Grants and contributions	2,688	1,037	499	1,652	159%	2,189	439%	22,295	31,155	8,407	(8,860)	-28%	13,888	165%
Hospital Provisional Charges	1,683	1,916	1,989	(233)	-12%	(306)	-15%	22,425	22,922	19,910	(496)	-2%	2,515	13%
Subventions	3,074	2,484	2,323	590	24%	752	32%	21,001	22,308	17,482	(1,307)	-6%	3,519	20%
Maintenance Expenses	945	1,143	700	(198)	-17%	245	35%	10,005	11,076	7,751	(1,070)	-10%	2,254	29%
Other Expenses	5,349	5,488	3,469	(139)	-3%	1,880	54%	47,830	69,128	37,972	(21,297)	-31%	9,858	26%
Total Recurrent Expenditure	25,906	25,889	20,141	17	0%	5,764	29%	243,773	290,097	202,046	(46,324)	16%	41,728	21%

Recurrent expenditure for January totaled \$25.9 million. The results were in line with estimates and more than prior year results by \$5.8 million. The overspending against budget came from grants and contributions, where disbursement of stimulus funds planned for earlier months was carried out in January, offset by PE costs where several vacancies still exist throughout TCIG.

Personnel Costs accounted for 36% of the recurrent expenditure, totaling \$9.3 million, compared to estimates of \$10.9 million. As a result, a variance of \$1.7 million was recorded. These results consist of Salaries, Wages, allowances, and pension and gratuity costs for the month.

Transfers to NHIB totaled \$2.9 million which was in line with budget. This result was up by \$0.2 million compared to the prior year's results.

Hospital provisional charges totaled \$1.7 million, below estimates by \$0.2 million and \$0.3 million above prior year results.

Subvention performance of \$3.1 million was \$0.6 million above the Estimates and \$0.8 million higher when compared to prior year results.

Year to date, recurrent expenditure stands at \$243.8 million which is \$46.3 million or 16% behind Estimates and \$41.7 million or 21% above prior year expenditure. This performance against budget is driven mainly by delays in recruitment for various vacancies across TCIG and unexpended funds for the grants and contributions.

Other Recurrent Expenditure: Month \$5.3 million, Year to date \$47.8 million

	Month of January			Variances				Year to date			Variances			
	Actual	Budget	Last Year	Budget		Last Year		Actual	Budget	Last Year	Budget		Last Year	
	\$000	\$000	\$000	\$000	%	\$000	%	\$000	\$000	\$000	\$000	%	\$000	%
Rental of assets	504	416	440	88	21%	64	15%	4,854	5,445	4,442	(591)	-11%	411	9%
Social welfare	753	393	279	360	92%	474	170%	5,438	6,639	2,159	(1,200)	-18%	3,280	152%
Professional and Consultancy Services	97	610	182	(513)	-84%	(85)	-47%	3,315	8,149	2,379	(4,834)	-59%	937	39%
Recurrent Sub Programmes and Projects	301	335	294	(35)	-10%	6	2%	2,858	4,118	2,031	(1,260)	-31%	827	41%
Utilities	926	493	245	433	88%	681	279%	4,228	4,079	2,874	149	4%	1,354	47%
Security expenses	165	187	113	(22)	-12%	52	46%	1,670	1,837	1,262	(167)	-9%	408	32%
Local Travel and Subsistence	267	502	157	(235)	-47%	110	70%	2,919	4,015	1,929	(1,095)	-27%	990	51%
International Travel and Subsistence	236	160	105	76	48%	131	125%	1,858	2,702	628	(843)	-31%	1,230	196%
Communication Expenses	219	168	121	52	31%	99	82%	1,499	1,937	1,544	(438)	-23%	(45)	-3%
Bank charges	112	118	17	(5)	-4%	95	547%	1,018	1,192	1,179	(174)	-15%	(161)	-14%
Data Communication cost	81	159	284	(78)	-49%	(203)	-71%	739	1,211	1,142	(472)	-39%	(403)	-35%
Insurance Expenses	2	(26)	-	28	-108%	2	0%	1,419	2,213	1,489	(794)	-36%	(70)	-5%
Hosting and Entertainment	88	81	67	7	9%	21	32%	1,940	2,605	743	(665)	-26%	1,197	161%
Repatriation and exportation expenses	351	250	263	101	41%	88	33%	2,807	3,267	2,208	(460)	-14%	599	27%
Other supplies, material & Equipment	116	(9)	142	125	-1318%	(27)	-19%	1,448	2,538	1,122	(1,090)	-43%	326	29%
Computer Licence & Hardware maintenance	(27)	304	92	(331)	-109%	(119)	-129%	474	1,828	721	(1,354)	-74%	(247)	-34%
Fuel	204	74	49	130	176%	155	317%	1,082	1,139	752	(58)	-5%	329	44%
Other Recurrent Expenditure	953	1,273	618	(320)	-25%	335	54%	8,264	14,213	9,367	(5,949)	-42%	(1,103)	-12%
TOTAL OTHER RECURRENT EXPENDITURE	5,349	5,488	3,469	(139)	-3%	1,880	54%	47,830	69,128	37,972	(21,297)	-31%	9,858	26%

The major head comprising of all other recurrent expenditure was slightly below the estimates for January, resulting in a variance of \$0.1 million compared to budget. The largest underspend is attributed to professional and consultancy fees where expenditure for the month was 84% below budget. This variance is mainly due to budget profiling and is expected to normalize in the following months.

Year-to-date actual of \$47.8 million is showing a variance of \$21.3 million recorded against estimates due to underperformance in all the major accounts except utilities. The gap is expected to close in the next two months as departments and ministries work towards implementing their goals and projects.

Non-Recurrent Expenditure: Month \$0.3 million, Year to date \$5 million

Non-Recurrent Expenditure results for January totaled \$0.7 million, 85% below estimates for the month, mainly due to statutory land acquisitions planned but not executed in January and contingency costs not incurred. YTD actuals of \$11.7 million were significantly below estimates by \$13.9 million and down by \$8.7 million compared to prior year results. The underperformance is due to planned land acquisitions, contingency costs and SIPT expenses that were not expended.

EXPENDITURE BY MINISTRY

		January			Variances				Year to date			Variances			
		Actual	Budget	Last Year	Budget		Last Year		Actual	Budget	Last Year	Budget		Last Year	
		\$000	\$000	\$000	\$000	%	\$000	%	\$000	\$000	\$000	\$000	%	\$000	%
01	Office of the Governor	823	881	489	(58)	-7%	334	68%	6,264	7,134	5,511	(870)	-12%	753	14%
03	Police	2,597	2,654	2,685	(57)	-2%	(87)	-3%	25,326	29,213	22,292	(3,887)	-13%	3,033	14%
04	Attorney General's Chambers	569	806	593	(238)	-29%	(24)	-4%	7,141	10,331	5,529	(3,190)	-31%	1,612	29%
05	Judiciary Administration	642	877	286	(235)	-27%	356	124%	5,625	8,295	5,935	(2,670)	-32%	(310)	-5%
14	Statutory Charges	638	4,769	549	(4,131)	-87%	89	16%	13,809	26,800	22,151	(12,991)	-48%	(8,342)	-38%
16	Immigration and Border services	1,544	1,349	1,276	196	15%	268	21%	12,232	14,152	10,761	(1,920)	-14%	1,471	14%
54	Finance Trade & Investment	1,910	2,627	1,511	(717)	-27%	400	26%	24,508	31,400	12,517	(6,892)	-22%	11,992	96%
56	Office of the Deputy Governor	259	196	165	62	32%	94	57%	1,980	2,603	1,729	(623)	-24%	251	15%
57	Education, Labour Employment & Customer services	4,767	3,769	3,114	998	26%	1,653	53%	34,573	38,363	30,051	(3,790)	-10%	4,522	15%
58	Director of Public Prosecutions	114	128	113	(14)	-11%	1	1%	1,305	1,533	1,101	(228)	-15%	203	18%
59	Home Affairs Transportation	1,913	1,770	1,319	143	8%	594	45%	17,449	23,504	13,379	(6,055)	-26%	4,070	30%
60	Physical Planning & Infrastructure Development	1,911	1,555	1,295	356	23%	616	48%	17,008	22,032	14,592	(5,024)	-23%	2,416	17%
61	Tourism, Agriculture Fisheries Heritage Religious Affairs & Environment	1,047	1,302	755	(255)	-20%	292	39%	11,338	12,823	7,602	(1,485)	-12%	3,736	49%
62	Health & Human Services	6,301	6,893	6,405	(592)	-9%	(104)	-2%	66,547	72,533	63,689	(5,986)	-8%	2,858	4%
63	House of Assembly	306	298	301	8	3%	5	2%	3,022	3,397	2,718	(375)	-11%	303	11%
64	Office of The Premier & District Administration	1,042	306	203	736	240%	840	414%	5,152	9,082	1,672	(3,930)	-43%	3,480	208%
65	National Security Secretariat	174	155	231	19	12%	(57)	-25%	2,203	2,518	1,205	(315)	-12%	998	83%
	TOTAL PAYMENTS	26,559	30,337	21,289	(3,779)	-12%	5,269	25%	255,481	315,713	222,434	(60,232)	-19%	33,048	15%

CAPITAL EXPENDITURE

The total amount spent on capital projects for January amounted to \$1.9 million. To date, the total amount spent on capital projects is \$15.1 million. The year-to-date Capital expenditure is 76% behind budget and 19% less than the similar period in the prior year.

YEAR TO DATE CAPITAL EXPENDITURE CATEGORISED BY PROJECT

Project number	Project name	US\$ '000
5566	Construction of New Primary School PLS- Phase 2	1,917
5506	NJS Francis Building	1,917
5584	Road - North Caicos	761
5722	Police Armoured vehicle	725
5561	South Dock Port Redevelopment	669
5572	Technical Block Raymond Gardiner High School	641
5604	Refurbishment of National Stadium	574
5606	Reconstruction of Lil Harkless Canal South-Caicos	560
5472	Prison Block Reconstruction	521
5592	Front Street GDT	509
5575	Upgrading of Water Storage and Distribution Facilities - GDT	462
5610	Grand Turk Sports Complex and Center	425
5699	Road Works Promenade	413
5605	Installation of Lights for Parade Ground - GDT	322
5678	Installation of Additional 1-million gallon tank	314
5612	IT Command and Control System (CAD Radio Upgrade All Islands)	300
5545	New Block, Enid Capron Primary School	262
5544	New Block, Helena Jones Robinson High School	248
5486	Refurbishment of Ministry Infrastructure	235
5546	New Roof Ianthe Pratt Primary School	230
5635	Ambulance for Islands	199
5622	Furniture for Ianthe Pratt Primary School	185
5543	Renovation of Governor's Office Residence	184
5621	Furniture for Raymond Gardiner	181
5611	Ballistic vests for Police	178
5627	Upgrading of DECR Laboratory	178
5496	Police Building Repairs for All Stations	165
5631	Upgrading of DECR Laboratory	159
5553	Police Vehicles	156
5619	Furniture for HJ Robinson	143
5600	Mental Health Facility (GDT)	136
5478	Reinstatement of Government Buildings All Islands	136
5579	Back up Generators for all Government Essential Facilities	116
5485	Furniture and Equipment for HASH	106
5616	Furniture and Equipment for Office Block South Caicos	89
5510	Rehabilitation of Salt Shed- Salt Cay	86
5603	Leeward Park Phase 2	77
5582	Vehicles for Government	73
5470	School Infrastructure Project Phase 2	72
5505	Government Complex PLS	58

5633	Agriculture Development	49
5481	Construction of Promenade/Boardwalk and Craft Market for Bottle Creek	48
5521	Farmer's Market	46
5590	Consultancy Framework Agreement	42
5270	Environmental Health Storage Buildings	39
5507	Road development Phase 5	37
5587	Upgrade of Public Tank – XSC	36
5255	Home for Domestic Violence	33
5487	Development of Non-Communicable Registers - and Sports Development	29
5517	Basketball Courts in All Islands	21
5466	Schools Infrastructure Recovery Project - Iris Stubbs Primary	15
5501	Conversion of PWD Building into Specialist Classroom for Adelaide Omler Primary School	10
5483	DECR and Tourism Facilities	10
5547	Boat Ramps - Wheeland, Blue Hills	9
5580	Heavy Equipment for PWD	8
5591	Redevelopment of Five Cays Community Centre	8
5540	Equipment for PWD	7
5511	Booster Pumps - Water Undertaking	2
TOTAL CAPITAL EXPENDITURE YEAR TO DATE		15,131

DEVELOPMENT FUND

Ordinance 23 of 2022 commenced on March 25, 2022, included an amendment to regulation 33 of the PFM Regulations to clarify the previous amendment in 2016. The effect of the amendment was to indicate that the entire appropriation for the Development Fund shall be committed for a period of two financial years once appropriated by the House of Assembly. The value of the Fund is represented by—

- (a) the value of noted development projects, where the procedural requirements have been fulfilled whereby the Secretary to the Procurement Board has reported the contract for noting by Cabinet as required under Part 6 of the Public Procurement Ordinance;
- (b) the value of ongoing development projects, already contracted and the unexpended balances of monies appropriated to the Fund; and
- (c) the value of new development projects, not yet contracted or noted by Cabinet, providing that the two-year appropriation has not lapsed.

Any balances of funds appropriated but not required after completion of a development project, including through a virement or otherwise not committed to a warrant project, are either returned to the Consolidated Fund or to the development partner providing the development grant or loan, as appropriate.

Development Fund expenditure for locally funded projects was budgeted at \$50,000,000. And \$1 million was budgeted for projects funded through external sources. A supplementary budget was approved by the House of Assembly on October 2022 to increase the locally funded projects by \$3.5 million. The development fund balance as at January 31 2023, was \$79.9 million, and the movement in the fund balance is as shown below.

	US\$ '000
Opening 31/03/2020 –Based on consultant report	59,264
<i>Adjust to remove negative balances –(FSSM adjustment)</i>	<i>(4,203)</i>
Adjusted opening 31/03/2020	63,466
Contract awards and variations 2020/21	31,448
CAPEX 2020/21	(25,302)
Closing 31/03/2021	69,613
Contract awards and variations 2021/22	2,281
CAPEX 2021/22	(22,228)
Closing 31/03/2022	49,666
Contract awards and variations 2022/23	45,378
CAPEX 2022/23 -YTD	(15,132)
Closing 31/01/2023	79,912

NATIONAL WEALTH FUND (NWF)

Transfers to the Fund during the year were made based on Section 9 (1(a)) of the National Wealth Fund Ordinance which requires that where in any financial year the actual revenue exceeds the estimated revenue by 5% but is less than 20%, then 50% of the excess of the revenue for that financial year shall be withdrawn from the Consolidated Fund and deposited to the National Wealth Fund. The transfer is therefore based on the results of FY 2021/22.

A transfer of \$17.8 million was made during the year, and the balance in the NWF as of January 31, 2023, stood at \$43.8 million.

FY 2021-22 results (in US\$' '000)				Amount to be transferred to NWF in 2022/23 (50% of the variance) (US\$' 000)	Opening NWF 01/04/2022 (US\$' 000)	Closing NWF 31/01/2023 (US\$' 000)
Actual revenue	Revised Estimates	Variance	%			
398,777	363,088	35,689	10%	17,844.5	25,935	43,779.5

The value of the National wealth fund is attributable to;

(All figures in US\$' 000)	31-Jan-23 US\$'000	31-Jan-22 US\$'000
Stabilization Fund	30,664	18,147
Infrastructure and Competiveness Fund	8,751	5,182
Heritage Fund	4,375	2,591
National Wealth Fund balance at the end of the financial year	43,791	25,920

NATIONAL FORFEITURE FUND (NFF)

The National Forfeiture Fund had a balance of \$7.3 million as of January 31, 2023. No transfers have been made from the Fund during this period. Section 152 (4) of the Proceeds of Crime Ordinance requires that for any monies standing to the credit of the Fund exceeding \$2 million, the Anti-Money Laundering Committee shall pay a sum of the excess into the Consolidated Fund (any funds held in Escrow are excluded from this).

The Fund currently stands in excess by \$5.3 million or 265% above the required balance by Section 152 (4) of the Proceeds of Crime Ordinance.

PUBLIC DEBT

<i>(Figures in US\$'000)</i>	Month of January			Year to date		
	Opening	Principal Repayment	Outstanding Principal	Opening	Principal Repayment	Outstanding Principal
	\$ 000's	\$ 000's	\$ 000's	\$ 000's	\$ 000's	\$ 000's
TCIG Loans - Unsecured	408	(47)	360	538	(177)	360
Total Outstanding Public Debt	408	(47)	360	538	(177)	360

TCIG's outstanding debt as of January 31 2023, was \$0.4 million. Total principal debt repayment for the month was Forty-seven thousand, while total finance costs were three thousand. There were no new borrowings during the financial year

STATEMENT OF FINANCIAL POSITION

	31-Jan-23 US\$'000	31-Jan-22 US\$'000
ASSETS		
Current assets		
Cash and cash equivalents	266,215	190,782
Receivables from exchange transactions	6,354	6,613
Total current assets	272,569	197,395
Non-current assets		
Financial assets - investments	1,592	1,592
Receivables from exchange transactions	10,234	10,245
Fixed Assets	1,454,822	1,462,145
Total non-current assets	1,466,649	1,473,982
Total assets	1,739,217	1,671,377
LIABILITIES		
Current liabilities		
Payables from exchange transactions	21,119	18,774
Current portion of borrowings	23	158
Total current liabilities	21,142	18,932
Non-current liabilities		
Civil servants Pension fund provisions	7,803	-
Borrowings	337	530
Total non-current liabilities	8,140	530
Total liabilities	29,283	19,463
Net Assets	1,709,935	1,651,914
Supported by:		
FUND BALANCES		
Consolidated Fund	1,578,970	1,570,968
Development Fund	79,912	47,741
National Forfeiture Fund	7,273	7,276
National Wealth Fund	43,780	25,931
Total fund balances	1,709,935	1,651,914

HUMAN RESOURCE MANAGEMENT

Employees

There were 1,879 people employed by TCIG at the end of January 2023, consisting of 275 waged employees and 1,604 monthly paid employees, exclusive of the Royal Turks and Caicos Police Force.

Pensioners

The total number of Pensioners at the end of January 2023 was 306.

FINANCIAL OUTLOOK

TCIG has continued its rebound from the COVID crisis and has recorded a surplus in the month of January. Although the continued uncertainty of the impending global recession and other economic shocks, such as inflation, contributed towards decelerating global economic growth, the Turks and Caicos Islands economy continues to rebound financially. Revenue from Import Duty and HRT were major contributors to the total revenue collected for the month resulting in an overall collection of \$337.9 million during the first ten months in the financial year. Expenditure is still lagging behind estimates mainly due to delayed recruitments and spending on grants and contributions. Due to global inflation, living costs have increased exponentially during the year and the Government of the TCI has enacted fiscal policy to aid in economic relief. Inflation continues to rise and government interventions are being implemented to reduce the burden on the population. These may affect government revenue and expenditure in the near term. These include:

DIRECT ASSISTANCE - \$12M

Direct Assistance of US\$1000 was paid to approximately 12,000 Turks and Caicos Islanders and British Overseas Territory Citizens. This one-off payment is intended to assist citizens with general living expenses such as mortgages, rental accommodation payments, utility bills and food.

REMEDIAL WORKS PROGRAMME - \$2M

\$2 million has been allocated through the Ministry of Planning, Infrastructure and Development to expand the remedial works programme and increase the number of jobs in the local market.

FUEL STABILISATION FACTOR SUBSIDY-\$2.5M

Fuel factor stabilisation credit was capped at \$0.2 per kilowatt hour for October 2022 to December 2022 to assist with reducing household electricity costs.

REDUCTION IN THE FUEL TAX

Fuel Tax reduced from 85 cents per gallon to 64 cents per gallon – effective date - April 1, 2022 – March 31,2023.

REDUCTION IN CUSTOMS FEES

Across the board reduction in Customs Processing fees from 7.5 % to 5% - effective date - April 1, 2022 –March 31, 2023.

WAIVER OF IMPORT DUTIES AND CUSTOMS FEES - \$2M

Import duties and customs fees waived on the following items for the period August 1, 2022 to November 30, 2022 (extended to March 31 2023):

Rice, Flour, Grits, Bread, Spaghetti/ Instant Noodles, Macaroni & Cheese Dinner, Cornflakes - Cereal, Chicken Canned Sausage, Vienna, Fresh and Canned Meats, Cheese Evaporated Milk, Eggs, Cooking Oil, Fruits, Sugar, Instant Baby Food/Juices, Water, cleaning supplies (gloves, bleach, alcohol, Lysol, detergent), Disinfectant (bleach, hand sanitiser, anti-bacterial soap), Adult and Baby Diapers, Protein Nutritional Shakes such as Ensure, Boost or Glucerna, and Facial Masks.

Cash flow management will remain an urgent obligation for TCIG. In addition to providing value for money and effective and efficient public services, active monitoring of revenue collection, cash balance position, and cash flow requirements remains at the forefront of the Treasury's immediate plan to safeguard TCIG's liquidity position.

CONCLUSION

Prudent financial management has contributed to the operating surplus of \$82.4 million for the first ten months of the financial year and the consequent cash surplus of \$69.2 million, which, when combined with the cash at the beginning of the year, resulted in overall cash and cash equivalents of \$266.2 million at January 31 2023.

Notwithstanding the strong cash position, the Government continues to face various challenges in the global environment, including inflation, slower economic growth and susceptibility to external shocks and challenges, including natural disasters. There is uncertainty as to the looming recession that has been forecast for the global economy and what effect it would have on the Turks and Caicos Islands; however, the continued strong performance of the tourism/hospitality sector augurs well for the country.

The Government must continue to provide value for money and efficient and effective public services complemented by continued prudent expenditure management and strengthening its revenue enhancement efforts to achieve further economic growth.

