



 **GOVERNMENT OF  
THE TURKS AND CAICOS ISLANDS**



**APRIL 2020**  
**FINANCIAL REPORT**

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## KEY POINTS

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- ❖ *The monthly Financial Report for April 2020 shows the actual position against the expected profile based on the 2020-21 estimates as well as the prior year's outturn.*
  - ❖ *The April 2020 results includes the initial impact of the Turks and Caicos Island's Government response to COVID-19.*
  - ❖ *The operating balance for the month of April 2020 was a deficit of \$6.1million against the profiled deficit of \$5.0 million*
  - ❖ *The underlying cash balance for the month ending 30 April 2020 was a deficit of \$5.5 million against the profiled deficit of \$6.4 million.*
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## OVERVIEW

The Estimates of Revenue and Expenditure for FY 2020-21 were approved in the House of Assembly on April 23, 2020 and came into effect on April 30, 2020. Prior to the passage of the Estimates MDAs operated from a Provisional Warrant which equate to one-third of the 2019-20 expenditure estimates.

The Turks and Caicos Islands Government presented a deficit budget of approximately \$73 million as a response to the global COVID-19 pandemic. The budget deficit reflects the associated economic disruption, revenue fallout and the Government's economic policy response designed to support incomes and minimize business failures to prevent greater economic damage. Included in the estimates were costs associated with the COVID-19 public health response and \$25.5 million in direct stimulus.

Fiscal actions have been announced on an enormous scale. Some of these measures include:

- *\$15 million in Cash Grants for individuals in the tourism/hospitality sector who became unemployed or underemployed as a result of the COVID-19 pandemic. \$10 million in Cash Grants Allocated to Micro, Small and Medium Enterprises (MSME) Sector;*
- *\$500 thousand for social welfare services.*
- *The waiver of payment of HRTT which was due and payable on the 21st April 2020, in accordance with section 13 (1) of the Hotel, Restaurant & Tourism Tax Ordinance and the payment of HRTT which became due and payable on 21st May 2020 and 21st June 2020, in accordance with section 13 (1) of the HRTT has been deferred until 21st July 2020;*
- *As of 1st April until 30th June 2020 (unless extended) the importation of construction materials were exempted from import duty chargeable under the Customs Ordinance;*
- *From the 1st April 2020 until 30th June 2020 (completion to have occurred on or before 30th June 2020) a 50% reduction in stamp duty payable on real estate transactions;*
- *Suspension of the mortgage payments and accrual of ordinary and default interest on existing TC Invest mortgages during the period April 2020 to September 2020;*
- *Extension of the grace period to renew 2020/2021 Business Licenses on or before 31st July, 2020 without penalty.*
- *Write off of outstanding amounts for the municipal water and waiver of charges for the period 1<sup>st</sup> April to 30<sup>th</sup> June 2020.*

These economic policy responses to the COVID-19 pandemic provides support for individuals and businesses through grants and concessions and comes with substantial direct budgetary costs. All of the measures are designed specifically to support the economy through this temporary shock and shall help prevent greater economic and fiscal damage in the long term. Proper execution of these measures require accurate accounting as well as timely and transparent disclosure.

The results from Government's support for individuals and businesses will begin to be seen in May's financial report.

## OPERATING BALANCE

	Month			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	10,258.5	20,035.9	31,676.4	(9,777.4)	(49%)	(21,417.9)	(68%)	10,258.5	20,035.9	31,676.4	(9,777.4)	(49%)	(21,417.9)	-68%
Recurrent Expenditure	15,963.1	24,420.9	14,265.0	8,457.8	35%	(1,698.1)	(12%)	15,963.1	24,420.9	14,265.0	8,457.8	35%	(1,698.1)	(12%)
<b>Net Recurrent Surplus</b>	<b>(5,704.6)</b>	<b>(4,385.1)</b>	<b>17,411.5</b>	<b>(1,319.5)</b>	<b>30%</b>	<b>(23,116.1)</b>	<b>(133%)</b>	<b>(5,704.6)</b>	<b>(4,385.1)</b>	<b>17,411.5</b>	<b>(1,319.5)</b>	<b>30%</b>	<b>(23,116.1)</b>	<b>(133%)</b>
Non-Recurrent Revenue	25.0	22.0	22.8	3.0	-	2.2	9%	25.0	22.0	22.8	3.0	-	2.2	9%
Non-Recurrent Expenditure	402.2	682.0	671.2	279.8	41%	269.0	40%	402.2	682.0	671.2	279.8	41%	269.0	40%
<b>Net Operating Balance</b>	<b>(6,081.8)</b>	<b>(5,045.1)</b>	<b>16,763.1</b>	<b>(1,036.7)</b>	<b>21%</b>	<b>(22,844.9)</b>	<b>(136%)</b>	<b>(6,081.8)</b>	<b>(5,045.1)</b>	<b>16,763.1</b>	<b>(1,036.7)</b>	<b>21%</b>	<b>(22,844.9)</b>	<b>(136%)</b>

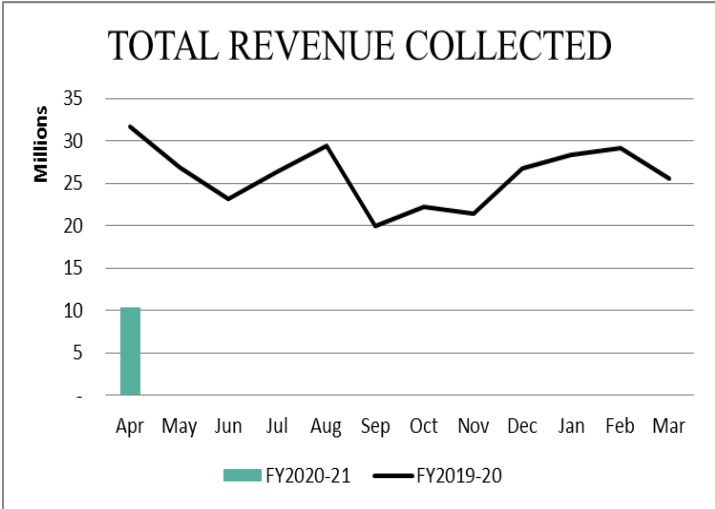
The Consolidated Fund recorded a deficit of \$6.1 million in April, which compared unfavorably to the projected deficit of \$5.0 million. On a year-over-year basis, the Consolidated Fund saw a decrease when compared to April of the previous year by \$22.8 million or 136%. As noted, this significant underperformance is directly as a result of the TCIG's response to COVID-19 which saw the closure of borders and a lockdown resulting in little to no economic activity.

## CASH FLOW

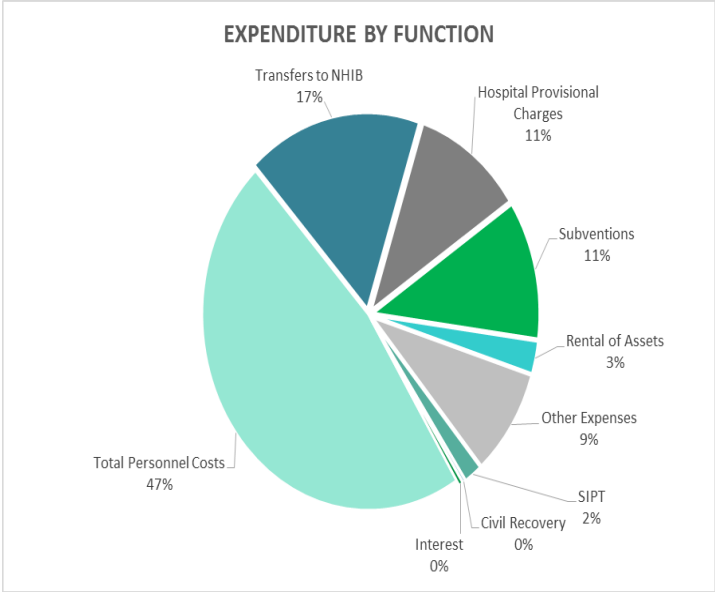
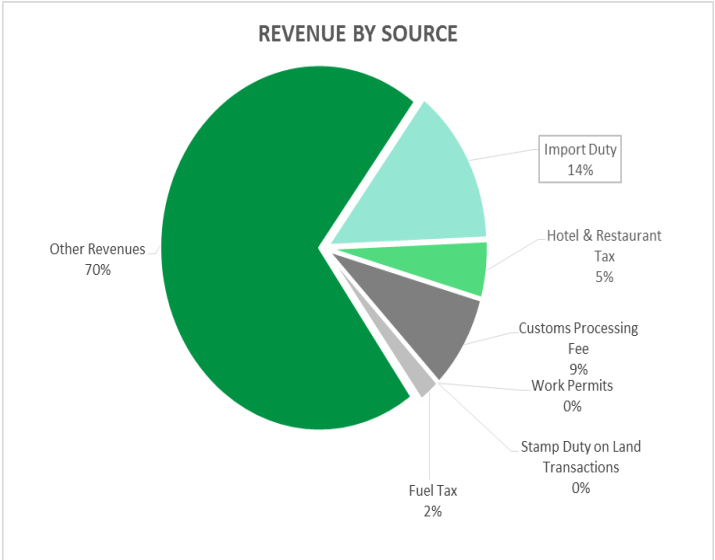
	Month			Variance				Year to Date			Variance			
	Actual	Budget	Prior Year	Budget		Prior Year		Actual	Budget	Prior Year	Budget		Prior Year	
	\$ 000's	\$ 000's	\$ 000's	\$ 000's	%	\$ 000's	%	\$ 000's	\$ 000's	\$ 000's	\$ 000's	%	\$ 000's	%
<b>Cash Flow from Operations</b>	<b>(6,081.8)</b>	<b>(5,045.1)</b>	<b>16,763.1</b>	<b>(1,036.7)</b>	<b>21%</b>	<b>(22,844.9)</b>	<b>(136%)</b>	<b>(6,081.8)</b>	<b>(5,045.1)</b>	<b>16,763.1</b>	<b>(1,036.7)</b>	<b>21%</b>	<b>(22,844.9)</b>	<b>-136%</b>
<b>Less:</b>														
Capital Contributions	-	(500.0)	(490.6)	500.0	-	490.6	-	-	(500.0)	(490.6)	500.0	-	490.6	-
Debt Repayments	(834.1)	(834.1)	(863.8)	-	-	29.7	-	(834.1)	(834.1)	(863.8)	-	-	29.7	(3%)
Borrowing	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Bond Inflows	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Transfers from/(to) NWF	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Net Working Capital	1,375.8	-	7,085.8	1,375.8	-	(5,710.1)	(81%)	1,375.8	-	7,085.8	1,375.8	-	(5,710.1)	(81%)
<b>Net Cash Flow</b>	<b>(5,540.1)</b>	<b>(6,379.2)</b>	<b>22,494.6</b>	<b>839.1</b>	<b>(13%)</b>	<b>(28,034.6)</b>	<b>(125%)</b>	<b>(5,540.1)</b>	<b>(6,379.2)</b>	<b>22,494.6</b>	<b>839.1</b>	<b>(13%)</b>	<b>(28,034.6)</b>	<b>(125%)</b>

The underlying cash balance at the end of April was \$5.5 million, which was \$0.8 million ahead of the estimates while 28.0 million below the prior year's outturn.

\$83.4 million sits in an on-call money market account at Scotiabank (Turks and Caicos) currently earning interest at a rate of 0.55% per annum. An additional amount of \$30.0 million was placed on a fixed term deposit with CIBC First Caribbean International Bank currently earning interest at a rate of 0.18% for six (6) months. The cash flow forecast for the ensuing month indicates that flows should remain positive.



Aggregate Revenue for the month of April totaled \$10.3 million, 66% of which came from excess revenue returns from Statutory bodies. This result was \$9.7 million (49%) behind projected revenue of \$20.1 million. On a year-over-year basis, Revenue was down \$21.4 million (68%) when compared to the results of the same period last year. This significant fallout in revenue is expected to continue in the ensuing months as the country's borders remains closed and business activity remains restricted. While the country's borders are expected to open late in the summer months with business activity being fully restored, it should be noted that historical data will show this is usually the time of year when revenue begins trending downwards as it is the peak of the Atlantic hurricane season. Therefore, it remains uncertain whether revenue collections will begin to make any significant gains until the late fall/ winter months.



Aggregate Expenditure for April was \$16.4 million, \$8.7 million (35%) below the projected amount while up \$1.4 million (10%) from the previous year's outturn. The increase in expenditure on a year-over-year basis is due to transfers to NHIB of \$2.8 million being processed during the current year whereas it was processed before year end in the prior year. Overall, an underperformance against projected and prior year's expenditure is expected over the ensuing month's as operational activity remains at a minimum due to nationwide lockdown orders. Anticipated costs will include the purchase of personal protective and health care related items.

## REVENUE

Recurrent Revenue: \$10.3 million

RECURRENT REVENUE	Month			Monthly Variance		Year To Date			Year to Date Variance	
	Actual	Budget	Last Year	Budget	Last Year	Actual	Budget	Last Year	Budget	Last Year
	\$000	\$000	\$000	\$000	\$000	\$000	\$000	\$000	\$000	\$000
Import Duty	1,445.7	2,844.0	6,977.5	(1,398.4)	(5,531.8)	1,445.7	2,844.0	6,977.5	(1,398.4)	(5,531.8)
Hotel & Restaurant Tax	517.8	-	11,101.9	517.8	(10,584.1)	517.8	-	11,101.9	517.8	(10,584.1)
Customs Processing Fee	858.6	687.8	3,020.7	170.7	(2,162.1)	858.6	687.8	3,020.7	170.7	(2,162.1)
Stamp Duty on Land Transactions	-	1,100.0	2,081.4	(1,100.0)	(2,081.4)	-	1,100.0	2,081.4	(1,100.0)	(2,081.4)
Work Permits	5.4	1,908.7	1,908.7	(1,903.4)	(1,903.4)	5.4	1,908.7	1,908.7	(1,903.4)	(1,903.4)
Fuel Tax	218.6	263.9	866.2	(45.3)	(647.7)	218.6	263.9	866.2	(45.3)	(647.7)
Other Revenues	7,212.5	13,231.3	5,720.1	(6,018.8)	1,492.5	7,212.5	13,231.3	5,720.1	(6,018.8)	1,492.5
<b>TOTAL RECURRENT REVENUE</b>	<b>10,258.5</b>	<b>20,035.9</b>	<b>31,676.4</b>	<b>(9,777.4)</b>	<b>(21,417.9)</b>	<b>10,258.5</b>	<b>20,035.9</b>	<b>31,676.4</b>	<b>(9,777.4)</b>	<b>(21,417.9)</b>

Recurrent Revenue for the month of April totaled \$10.3 million, which was \$9.8 million (49%) behind projected revenue. On a year-over-year basis, Revenue was down \$21.4 million (68%) when compared to the results of the same period last year.

### *The major Revenue Heads are summarised as follows:*

#### Import Duties

Import Duties collected for the month of April totaled \$1.4 million which was down \$1.4 million (49%) from projected receipts. In comparison to the prior year's receipts, Import Duties declined over the prior year by \$5.5 million as the need for imported goods declined due to the closure of the ports of entry and the imposition of a twenty-four-hour curfew on all islands in response to the COVID-19 pandemic. Additionally, as part of its measures to combat the economic fallout as a result of the COVID-19 pandemic, TCIG enacted Customs (Covid-19) (Duty Exemption) Order 2020 which gives the importation of essential items and construction materials an exemption from import duty chargeable under the Customs Ordinance from 1<sup>st</sup> April until 31<sup>st</sup> May for bread basket of goods and 30 June 2020 (unless extended) for construction materials. Total duties foregone as a result of this measure was \$0.2 million. Additionally, given the reduction of operating hours during the lockdown, cargo examinations were restricted to mostly essential supplies, resulting in deferred revenue totaling \$0.3 million.

While receipts from Import Duties are expected to perform less than optimal during the first Quarter of the FY, there will likely be gradual improvement, once country begins its phased reopening and economic activity increases.

#### Hotel & Restaurant Tax

Hotel & Restaurant Tax receipts for April amounted to \$0.5 million against prior year receipts \$11.1 million, a decline of 95%. However, it should be noted that prior year receipts for Hotel & Restaurant Tax are reflective of the amnesty programme that was approved in March 2020 that returned approximately \$2.7m in revenue in 2019-20.

Nevertheless, as part of its measures to combat the economic fallout as a result of the COVID-19 pandemic, TCIG waived payment of tax which is due and payable on the 21st April 2020, in accordance with section 13 (1) of the Hotel, Restaurant & Tourism Tax Ordinance and the payment of any tax which is due and payable on 21st May 2020 and 21st June 2020, in accordance with section 13 (1) of the HRTT has been deferred until 21st July 2020.

Hotel & Restaurant Tax and Import Duties usually accounts for greater than 50% of TCIG's Revenue. Unlike Import Duties however, there remains more uncertainty as to the overall impact of the COVID-19 pandemic on this revenue stream.

S&P expects that tourism in the Caribbean will probably decline by 60-70% from April to December when compared with last year. The World Tourism Organization (UNWTO) predicts a 20%–30% decline in global international tourist travel in 2020, far surpassing the 4% global decline seen during the economic meltdown of 2009. While many economic sectors are expected to recover once restrictive measures are lifted, it is likely that the pandemic will have a longer lasting effect on international tourism. According to the World Travel and Tourism Council (WTTC), in previous viral epidemics the average recovery time for visitors to a destination was about nineteen (19) months.

#### Customs Processing Fees:

Customs Processing Fees for the month of April totaled \$0.9 million, which is 25% ahead of the projected amount whilst down 72% from the prior year's outturn

As part of its measures to combat the economic fallout as a result of the COVID-19 pandemic TCIG enacted the Emergency Powers (Covid-19) (Waiver of Customs Processing Fee) Regulations 2020 which waived CPF fees for essential items. Total CPF foregone as a result of the measure was \$0.2 million. Additionally, according to the customs report, given the reduction of operating hours during the lockdown, cargo examinations were restricted to mostly essential supplies, resulting in deferred revenue totaling \$0.2 million.

#### Stamp Duty on land transactions:

There were no collections of Stamp Duty during the month of April. It is believed that this was mainly due to the Emergency Powers Ordinance that resulted in the closure of all Government Offices for the month of April 2020. Also, as part of its measures to combat the economic fallout as a result of the COVID-19 pandemic TCIG enacted a 50% reduction in stamp duty payable on real estate transactions from the 1st April 2020 until 30th June 2020 (completion to have occurred on or before 30th June 2020). It is hoped that this concession will encourage more activity in real estate transactions in the ensuing months.

#### Work Permits:

Receipts from Work Permits for the month of April were negligible due to business closures as a result of lockdown orders. We anticipate that measure will be put in place to have the fees that were due in April paid over in the month of May 2020.

Fuel Tax:

Fuel tax receipts for the month of April were \$0.2 million, a decline of 75% from the prior year's outturn while down 17% from the projected receipts. The decline reflects reduced economic activities which substantially affected fuel demand, especially in the transportation industry.

Other Revenue: \$7.2 Million

OTHER REVENUE <small>In USD thousands of dollars</small>	Month			Monthly Variance		Year to Date			Year to Date Variance	
	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	-	342.4	984.5	(342.4)	(984.5)	-	342.4	984.5	(342.4)	(984.5)
Communication Tax	225.5	293.6	367.0	(68.1)	(141.5)	225.5	293.6	367.0	(68.1)	(141.5)
Gaming Machine Tax	-	304.5	304.5	(304.5)	(304.5)	-	304.5	304.5	(304.5)	(304.5)
Seaport Departure Tax	-	100.0	705.0	(100.0)	(705.0)	-	100.0	705.0	(100.0)	(705.0)
Telecommunication Licences	-	375.5	373.6	(375.5)	(373.6)	-	375.5	373.6	(375.5)	(373.6)
Overtime Costs Recovered	7.7	24.6	287.4	(16.8)	(279.7)	7.7	24.6	287.4	(16.8)	(279.7)
Vehicle Licence Renewals	-	223.0	223.0	(223.0)	(223.0)	-	223.0	223.0	(223.0)	(223.0)
Permanent Residency Fees	0.6	191.4	146.0	(190.8)	(145.4)	0.6	191.4	146.0	(190.8)	(145.4)
Excess Revenue	6,762.1	10,142.6	488.4	(3,380.5)	6,273.7	6,762.1	10,142.6	488.4	(3,380.5)	6,273.7
Other Revenues	216.7	1,233.8	1,840.6	(1,017.1)	(1,624.0)	216.7	1,233.8	1,840.6	(1,017.1)	(1,624.0)
<b>TOTAL OTHER REVENUE</b>	<b>7,212.5</b>	<b>13,231.3</b>	<b>5,720.1</b>	<b>(6,018.8)</b>	<b>1,492.5</b>	<b>7,212.5</b>	<b>13,231.3</b>	<b>5,720.1</b>	<b>(6,018.8)</b>	<b>1,492.5</b>

Other Revenues for April totaled \$7.2 consisting primarily of \$1.7 million and \$5.1 million in excess revenue returns from the Financial Services Commission and the Ports Authority respectively.

Non-Recurrent Revenue: \$25 Thousand

NON-RECURRENT REVENUE	Month			Monthly Variance		Year To Date			Year to Date Variance	
	Actual	Budget	Last Year	Budget	Last Year	Actual	Budget	Last Year	Budget	Last Year
	\$000	\$000	\$000	\$000	\$000	\$000	\$000	\$000	\$000	\$000
Civil Recovery Income	-	-	-	-	-	-	-	-	-	-
Land Sales	-	22.0	22.8	(22.0)	(22.8)	-	22.0	22.8	(22.0)	(22.8)
Revenue From Grants	25.0	-	-	25.0	25.0	25.0	-	-	25.0	25.0
Insurance Proceeds	-	-	-	-	-	-	-	-	-	-
<b>TOTAL NON-RECURRENT REVENUE</b>	<b>25.0</b>	<b>22.0</b>	<b>22.8</b>	<b>3.0</b>	<b>2.2</b>	<b>25.0</b>	<b>22.0</b>	<b>22.8</b>	<b>3.0</b>	<b>2.2</b>

Non-recurrent receipts for the month of April were negligible consisting primarily of small grants and donations received from UNICEF and a private sector firm to assist the Ministry of Education.

## EXPENDITURE

Recurrent Expenditure: \$16.0 million.

RECURRENT EXPENDITURE	Month			Monthly Variance		Year To Date			Year to Date Variance	
	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	7,691.5	8,780.9	7,371.2	1,089.4	(320.3)	7,691.5	8,780.9	7,371.2	1,089.4	(320.3)
Transfers to NHIB	2,771.2	2,771.2	-	-	(2,771.2)	2,771.2	2,771.2	-	-	(2,771.2)
Hospital Provisional Charges	1,735.2	2,047.5	1,695.6	312.3	(39.6)	1,735.2	2,047.5	1,695.6	312.3	(39.6)
Subventions	1,875.1	1,268.4	2,276.6	(606.7)	401.5	1,875.1	1,268.4	2,276.6	(606.7)	401.5
Rental of Assets	438.9	455.3	365.9	16.4	(73.0)	438.9	455.3	365.9	16.4	(73.0)
Other Expenses	1,451.2	9,097.7	2,555.7	7,646.4	1,104.5	1,451.2	9,097.7	2,555.7	7,646.4	1,104.5
<b>TOTAL RECURRENT EXPENDITURE</b>	<b>15,963.1</b>	<b>24,420.9</b>	<b>14,265.0</b>	<b>8,457.8</b>	<b>(1,698.1)</b>	<b>15,963.1</b>	<b>24,420.9</b>	<b>14,265.0</b>	<b>8,457.8</b>	<b>(1,698.1)</b>

Recurrent expenditure for the month of April totaled \$16.0 million and was \$8.5 million (35%) below the estimate whilst \$1.7 million more than the expenditure in April 2019. Contributing to the variance to prior year is mainly Transfers to NHIB amounting to \$2.7 processed in the current period whereas no payments was processed for the same period in the prior year. The underspend in comparison to budget was mainly seen in other operating expenses, which like all other outturn for the month, was significantly impacted by reduced operational activity. The variance in Personnel Cost of \$1.1 million against the estimates is mainly due to the number of vacancies that exist to be filled throughout TCIG (307 in total according to the Human Resource Directorate).

Other Recurrent Expenditure: \$1.5 million

OTHER RECURRENT EXPENDITURE	Month			Monthly Variance		Year to Date			Year to Date Variance	
	Actual	Budget	Last Year	Budget	Last Year	Actual	Budget	Last Year	Budget	Last Year
	\$000	\$000	\$000	\$000	\$000	\$000	\$000	\$000	\$000	\$000
Operating Expenses	314.3	1,182.4	731.8	868.1	417.5	314.3	1,182.4	731.8	868.1	417.5
Maintenance Expenses	217.3	1,086.4	231.8	869.1	14.5	217.3	1,086.4	231.8	869.1	14.5
Professional and Consultancy Services	106.2	473.8	208.3	367.6	102.1	106.2	473.8	208.3	367.6	102.1
Grants and Contributions	69.5	917.8	179.7	848.3	110.3	69.5	917.8	179.7	848.3	110.3
Utilities	233.7	491.2	247.8	257.5	14.1	233.7	491.2	247.8	257.5	14.1
Other Recurrent Expenditure	510.3	4,946.1	956.3	4,435.7	446.0	510.3	4,946.1	956.3	4,435.7	446.0
<b>TOTAL OTHER RECURRENT EXPENDITURE</b>	<b>1,451.2</b>	<b>9,097.7</b>	<b>2,555.7</b>	<b>7,646.4</b>	<b>1,104.5</b>	<b>1,451.2</b>	<b>9,097.7</b>	<b>2,555.7</b>	<b>7,646.4</b>	<b>1,104.5</b>

The expenditure for the month reflected inescapable spending. The major variances were seen in other recurrent expenditure for areas such as insurance, recurrent sub programmes and projects, as well as sundry expenses. In these areas, performance was negligible against the substantial projections for the period. This level of under expenditure is expected to continue for the ensuing months until business operations begin to normalize after the country fully reopens.

Non-Recurrent Expenditure: \$0.4 million.

NON-RECURRENT EXPENDITURE	Month			Monthly Variance		Year To Date			Year to Date Variance	
	Actual	Budget	Last Year	Budget	Last Year	Actual	Budget	Last Year	Budget	Last Year
	\$000	\$000	\$000	\$000	\$000	\$000	\$000	\$000	\$000	\$000
Statutory Land Acquisitions	-	-	0.1	-	0.1	-	-	0.1	-	0.1
SIPT	285.9	100.0	433.2	(185.9)	147.3	285.9	100.0	433.2	(185.9)	147.3
Civil Recovery	50.9	58.3	154.7	7.4	103.7	50.9	58.3	154.7	7.4	103.7
Contingency	-	438.3	-	438.3	-	-	438.3	-	438.3	-
Interest	65.4	85.3	83.2	20.0	17.8	65.4	85.3	83.2	20.0	17.8
<b>TOTAL NON-RECURRENT EXPENDITURE</b>	<b>402.2</b>	<b>682.0</b>	<b>671.2</b>	<b>279.8</b>	<b>269.0</b>	<b>402.2</b>	<b>682.0</b>	<b>671.2</b>	<b>279.8</b>	<b>269.0</b>

Non-Recurrent Expenditure results for April, consisting primarily of payments to SIPT, totaled \$0.4 million was \$0.3 million below both the estimates and the prior year's outturn.

## PUBLIC DEBT

Public Debt Debt Type	Opening	April 30, 2020	
	01-Apr-20	Principal Repayment	Outstanding Principal
	\$ 000's	\$ 000's	\$ 000's
TCIG Loans - Unsecured	3,021.4	(834.1)	2,187.3
<b>Total Outstanding Public Debt</b>	<b>3,021.4</b>	<b>(834.1)</b>	<b>2,187.3</b>

Total repayment for the month was \$0.8 million, which reduced Loans and Bonds from a total \$3.0 million at April 1, 2020, to \$2.2 million. Debt servicing cost associated with this repayment totaled \$0.07 million.

## HUMAN RESOURCE MANAGEMENT

### Employees

There were 1,472 people employed by TCIG at the end of April 2020, exclusive the Royal Turks and Caicos Police Force, with 307 vacancies existing throughout the civil service.

### Pensioners

The total number of Pensioners at the end of April 2020 were 296.

## FINANCIAL OUTLOOK

We anticipate the payouts for the economic stimulus package start in the month of May 2020.

Faced with drastic reduction of revenue intake, sustained large-scale expenditure namely, COVID-19 related emergency spending, Salaries, Transfers to NHIB and Payments to Interhealth Canada, as well as the capital programme getting underway in efforts to stimulate the economy, more than ever a focus on Cash Flow Management is necessary.

Estimating the impact of the pandemic on the government's cash flows, closely monitoring government's revenue collection, cash balance position and its cash flow requirements are currently at the forefront of the Treasury's response measures to safeguard TCIG's liquidity position.

Calculating the short-term cash flow impact of fiscal policy measures in coordination with ministries and departments is currently the area of focus. It is the intention to have these forecast updated weekly or more frequently should that become necessary.

The possibility of establishing credit lines and overdraft facilities with banks is being explored to bridge any temporary cash shortages should they arise. A draw-down on cash reserve funds will also take place if necessary and where feasible. Due to the fact that our forecasting capabilities must be enhance the use of a cash buffer is also deemed most appropriate in this situation. Access to longer term financing as well is also a possibility that is being considered should the economy take longer than expected to normalize and TCIG's cash position becomes strained. The Treasury will continue to work closely with the Ministry of Finance to inform policy makers, based on the availability of cash resources.

During this unprecedented time, TCIG's current priorities are clear and these are firstly, to provide the financing necessary to enable our health systems to combat and mitigate the risks associated with the crisis. Secondly, to provide support to those individuals, households and businesses which were severely affected; these efforts are to help avoid permanent damage to prospects for sustainable and inclusive growth. Finally, once normal business conditions resume, having the necessary capacity to support recovery.

The full extent of the impact of COVID-19 and related response measures on the Turks and Caicos economy remains uncertain. However, we must consider the economic outlook if the world economy is weaker and takes longer to recover. The basic fiscal implications are clear and TCIG will need to preserve capacity for our recovery stage so as to avoid irreversible damage to our economy's growth.

The global trend has been towards longer periods of public health interventions to uphold social distancing. This will most certainly affect trade and global economic recovery, resulting in a weaker global economy. As the tourism sector accounts for 47% of the country's GDP, this weaker world demand will weigh heavily on Turks and Caicos' revenue growth.

Key factors such as falls in annual GDP, and peaks in unemployment must be monitored. There may be the need for additional fiscal support other than the stimulus package already being offered, to further support businesses and cushion the fall in income and employment for households. The timing and delivery will be important in determining the overall economic impact.

In the ensuing months, TCIG will undertake a phased approach to reopening. Once this begins, it is expected that there will be an uptick in both revenue generation and government spending. However, it is also highly probable that the economic fallout we are now experiencing will change the mindsets of people and businesses alike. It is likely that once restrictions are lifted some of the precautionary measures will persist which will result in structural changes in the economy thusly impacting the expected results for the months ahead.

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