



GOVERNMENT OF THE TURKS AND CAICOS ISLANDS
FINANCIAL SERVICES AND SUPPLIES MANAGEMENT DEPARTMENT



FINANCIAL REPORT
MAY 2023



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FOREWORD

This report presents the financial results of the Turks and Caicos Islands Government (TCIG) or (the "Government") as of May 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 23, 2023, to implement the strategies, development programmes and projects, concentrating on the well-being of the people of the Turks and Caicos Islands, and achieving social, economic and environmental progress.

The Government presented a budget including revenues of \$415.4 million, operating expenditures of \$359 million and Capital expenditure estimated at \$65.1 million, resulting in a budgeted deficit of \$8.8 million.

ECONOMIC OVERVIEW

The local economy and, by extension, the world have faced inflationary pressures in the past year arising from global logistical bottlenecks from the pandemic and the Ukraine war. This continued into the current financial year.

The International Monetary Fund (IMF), in its April 2023 edition of the World Economic Outlook (WEO), predicted an uncertain outlook amid financial sector turmoil, high Inflation, ongoing effects of Russia's invasion of Ukraine, and three years of COVID-19. It is forecast that most countries would avoid a recession in 2023 and cautioned that many countries would still have some of the slowest global growth in decades, and inflation's return to target is unlikely before 2025.

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. 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 that could aid growth and development and increase the resilience of Caribbean economies and societies. This includes supporting comprehensive debt management strategies for public financial management and promoting access to adequate and affordable financing; promoting gender equality, women's reintegration into the workforce 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 the

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. (Sources <https://www.searchlight.vc/news/2023/01/20/cdb-forecasts-caribbean-economic-growth-5-7-2023/> and <https://www.weforum.org/agenda/2023/01/2023-will-be-a-challenging-year-for-latin-america-and-the-caribbean-here-are-some-policy-priorities/>)

The TCI government's Department of Statistics projects that real Gross Domestic Product (GDP) will grow by 5.5% in FY 2023/24, 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 FY 2023/24.

Government revenue generation in May was slightly lower than the same period in the prior year. 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. Cabinet has approved an extension, effective April 1 2023 for the following measure introduced to ease the cost of living burden for the citizenry;

- Reduction in rate of additional charge on the importation of fuel by 25% for a period of 6 months, subject to review.
- Reduction in the rate of Customs Processing fee from 7.5% to 5% across the board on the importation of all goods, for a period of 6 months, subject to review.
- Minimum wage revision from \$6.25 per hour to \$8 per hour and \$9.00 per hour for sectors such as Security, Manufacturing, Construction and Banking.

FISCAL OVERVIEW

The Government has ended the month with an operating surplus of \$5.4 million and a cash increase of \$0.7 million to a closing cash balance of \$295.2 million. Revenue for the month was 6% lower than budget and 3% lower than the similar period in the prior year. It is 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 with increased cash flow and strong employment growth. The Turks & Caicos Islands improved economic resilience was primarily attributable to the high volume of tourist arrivals.

FISCAL SUMMARY

The month of May recorded an operating surplus of \$5.4 million, a 28% underperformance against budget and 34% lower than the prior year. The performance is mostly driven by lower than expected HRTT and Stamp duty from land transactions, combined with payments for hospital charges and transfers to NHIB that were planned for April but paid in May. Year to date, the operating surplus of \$29 million is 207% higher than budget and 23% less than the prior year

FISCAL SUMMARY	Month of May 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	35,257	37,594	36,181	(2,336)	-6%	(923)	-3%	74,274	74,107	79,018	167	0%	(4,745)	-6%
Non-Recurrent Revenue	417	-	1,367	417	100%	(950)	-70%	733	-	2,435	733	100%	(1,702)	-70%
Total Revenue	35,674	37,594	37,548	(1,920)	-5%	(1,874)	-5%	75,007	74,107	81,454	899	1%	(6,447)	-8%
Recurrent Expenditure	29,650	28,566	28,333	1,083	4%	1,317	5%	44,534	61,656	41,812	(17,122)	-28%	2,722	7%
Non-Recurrent Expenditure	579	1,476	1,009	(897)	-61%	(430)	-43%	1,450	2,989	1,916	(1,538)	-51%	(466)	-24%
Total Expenditure	30,229	30,043	29,342	186	1%	887	3%	45,984	64,644	43,728	(18,660)	-29%	2,256	5%
Net Operating Surplus	5,445	7,551	8,206	(2,106)	-28%	(2,761)	-34%	29,023	9,463	37,726	19,560	207%	(8,703)	-23%

CASH FLOW

The underlying cash balance at the end of month increased by \$0.7 million from the prior month's outturn. This resulted in an increase in TCIG's cash and cash equivalents from \$294.5 million at the end of April to \$295.2 million at the end of May 2023.

	Month of May 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	5,445	7,551	8,206	(2,106)	-28%	(2,761)	-34%	29,023	9,463	37,726	19,560	207%	(8,703)	-23%
Less:														
Development Fund Expenditure	(6,891)	(4,647)	(2,438)	(2,244)	48%	(4,452)	183%	(7,444)	(9,694)	(2,496)	2,250	-23%	(4,948)	198%
Debt Repayments	(67)	-	-	(67)	-	-	-	(67)	-	(565)	(67)	0%	499	0%
Borrowing	-	-	-	-	-	-	-	-	-	-	-	0%	-	0%
Bond Inflows	-	-	-	-	-	-	-	-	-	886	-	0%	(886)	0%
Net receipts/(payments) of public accounts	2,179	-	2,465	2,179	0%	286	12%	2,910	-	12,306	-	-	-	-
Net Cash Flow	667	2,904	8,233	(2,237)	-77%	1,405	17%	24,422	(230)	47,856	17,376	-7542%	(3,368)	-7%
Opening cash balance	294,533							270,778						
Closing cash balance	295,200							295,200						
Attributable to:														
Consolidated Fund	135,201							135,201						
Development Fund	102,006							102,006						
National Forfeiture Fund	7,201							7,201						
National Wealth Fund	50,792							50,792						
Closing cash balance	295,200							295,200						

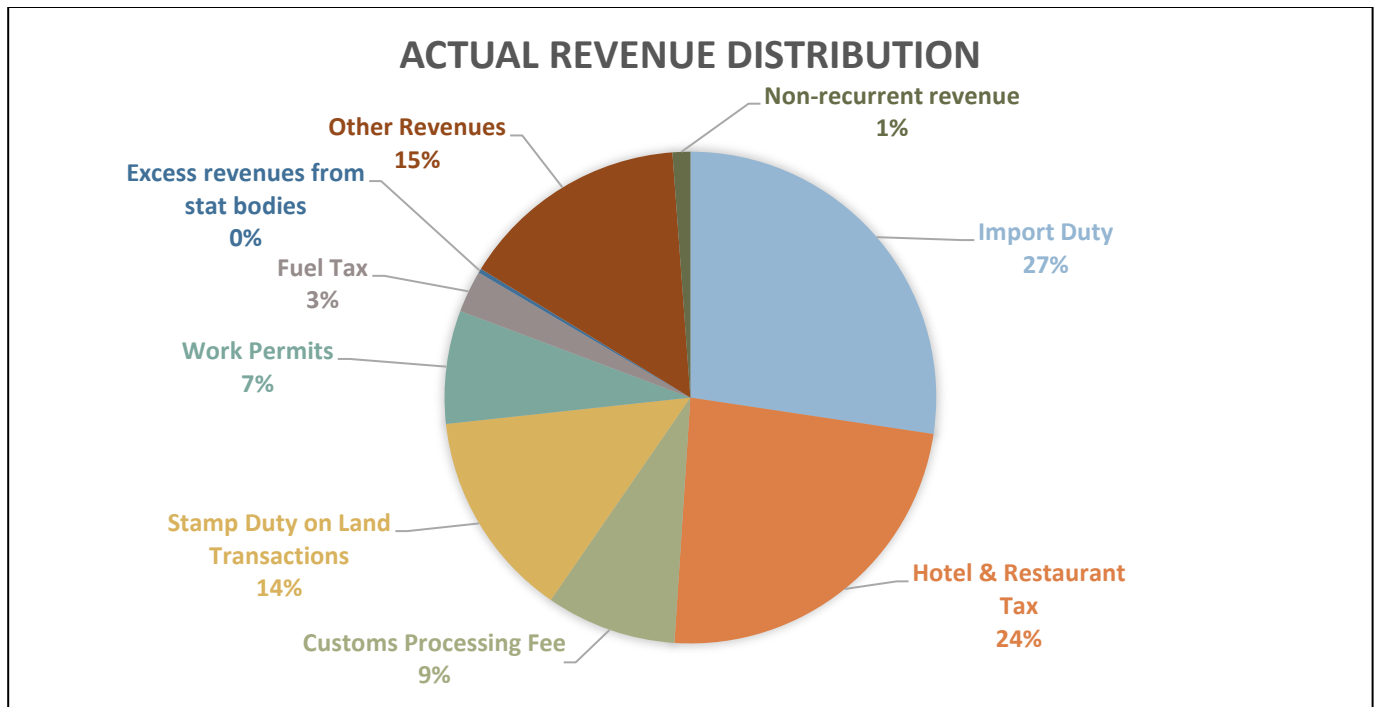
REVENUE

May: \$35.3 million and YTD: \$74.3 million

	Month of May			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	9,764	8,219	7,875	1,545	19%	1,889	24%	17,222	16,022	15,417	1,199	7%	1,805	12%
Hotel & Restaurant Tax	8,442	10,651	10,664	(2,209)	-21%	(2,222)	-21%	21,008	23,433	22,821	(2,425)	-10%	(1,813)	-8%
Customs Processing Fee	3,060	3,094	2,970	(34)	-1%	90	3%	5,185	5,882	5,983	(698)	-12%	(798)	-13%
Stamp Duty on Land Transactions	4,879	7,179	6,522	(2,301)	-32%	(1,644)	-25%	8,944	11,911	13,450	(2,966)	-25%	(4,505)	-33%
Work Permits	2,653	1,784	1,698	870	49%	956	56%	4,832	3,485	3,317	1,347	39%	1,515	46%
Fuel Tax	985	733	788	253	34%	198	25%	1,399	1,450	1,597	(51)	-4%	(198)	-12%
Excess revenues from stat bodies	99	250	0	(151)	-60%	98	27351%	4,338	500	5,370	3,838	768%	(1,032)	-19%
Other Revenues	5,375	5,683	5,664	(308)	-5%	(289)	-5%	11,346	11,424	11,063	(78)	-1%	283	3%
Total Recurrent Revenue	35,257	37,594	36,181	(2,336)	-6%	(923)	-3%	74,274	74,107	79,018	167	0%	(4,745)	-6%
Non- Recurrent Revenues														
Civil Recovery Income	-	-	-	-	0%	-	0%	-	-	-	-	0%	-	0%
Land Sales	-	-	1,367	-	-100%	(1,367)	-100%	310	-	1,367	310	#DIV/0!	(1,058)	-77%
Revenue From Grants	417	-	-	417	0%	417	100%	423	-	1,068	423	399425%	(645)	-60%
Insurance Proceeds	-	-	-	-	0%	-	0%	-	-	-	-	0%	-	0%
	417	0	1,367	417	396792%	(950)	-70%	733	0	2,435	733	691501%	(1,702)	-70%
Total Revenue	35,674	37,594	37,548	(1,920)	-5%	(1,874)	-5%	75,007	74,107	81,454	899	1%	(6,447)	-8%

Aggregate Revenue for the month totaled \$35.7 million. This result was \$1.9 million or 5% less than both budget and the prior year. This is attributed to lower than expected HRTT collections and stamp duty from land transactions. Year to date, Total revenue stood at \$74.6 million which was 1% higher than budget and 8% less than the prior year.

The chart below shows the percentage distribution of Revenue for the month.



HRT formed the second largest portion of the Revenue collected (28%) during the month. Tourism activities have remained steady during the spring months. However, HRT collections were 21% lower than both the budget and prior year. This may be attributed to a warmer than usual spring in the United States. The fears of a looming recession may also have effects on travelers. Year to date, HRT totaled to \$21 million which was 10% below budget and 8% less than prior year.

Import Duties formed the largest portion of the Revenue collected (28%). Import duty collections totaled \$9.8 million which was 19% higher than budget and 24% higher than the prior year. Inflationary pressures have led to price increases of imported items. The increased economic activity in the tourism and construction sectors has also increased imports. Year to date, import duty revenue totaled \$17.2 million. The result is 7% above budget and 12% higher than the prior year.

Stamp duty on land transactions is collected based on the value of a transaction and payments generally fall due within 30 days of the execution of an instrument. Accordingly, the rate of Stamp Duty collected in any given period is, in aggregate, a product of the volume and frequency of the property transactions within that period. Stamp Duty collected during May totaled \$4.9 million. The collections are \$2.3 million or 32% less than the Estimates and \$1.6 million or 25% less than the prior year period. Land transactions may be tainted by worries of a looming recession which in turn would have an adverse effect of stamp duty collections. Year to date, Stamp duty collections totaled \$11.9 million which was 25% below budget and 33% less than the prior year.

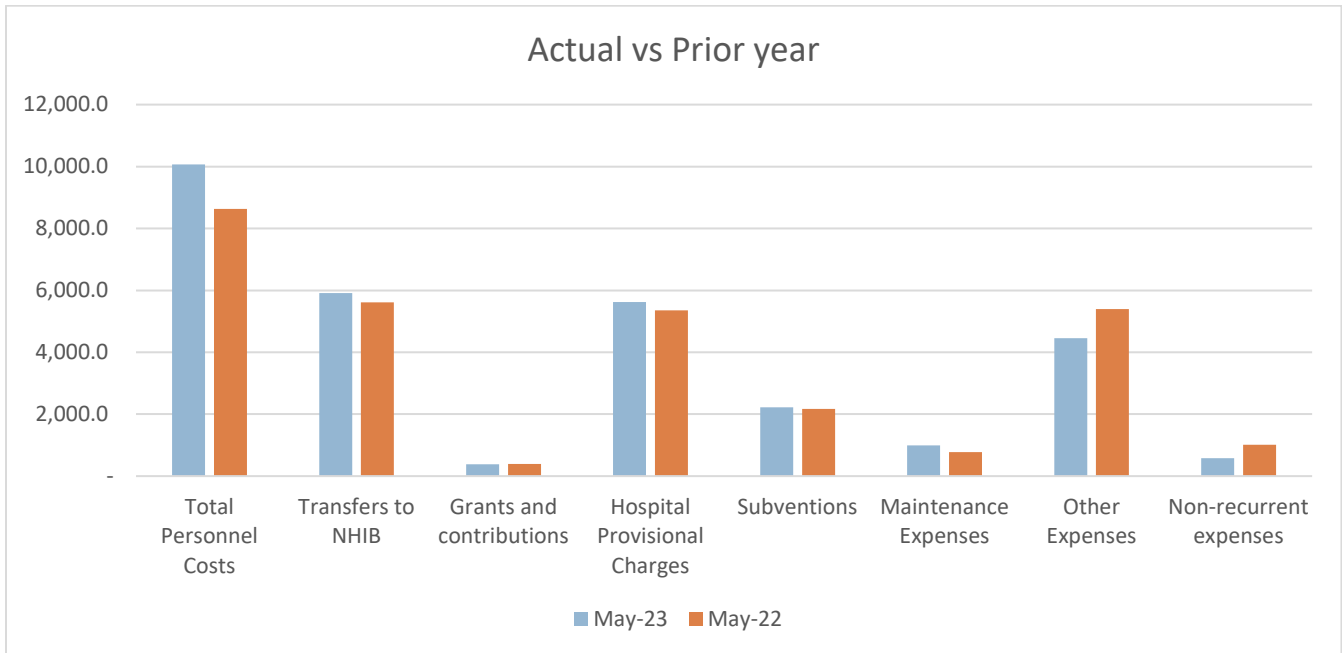
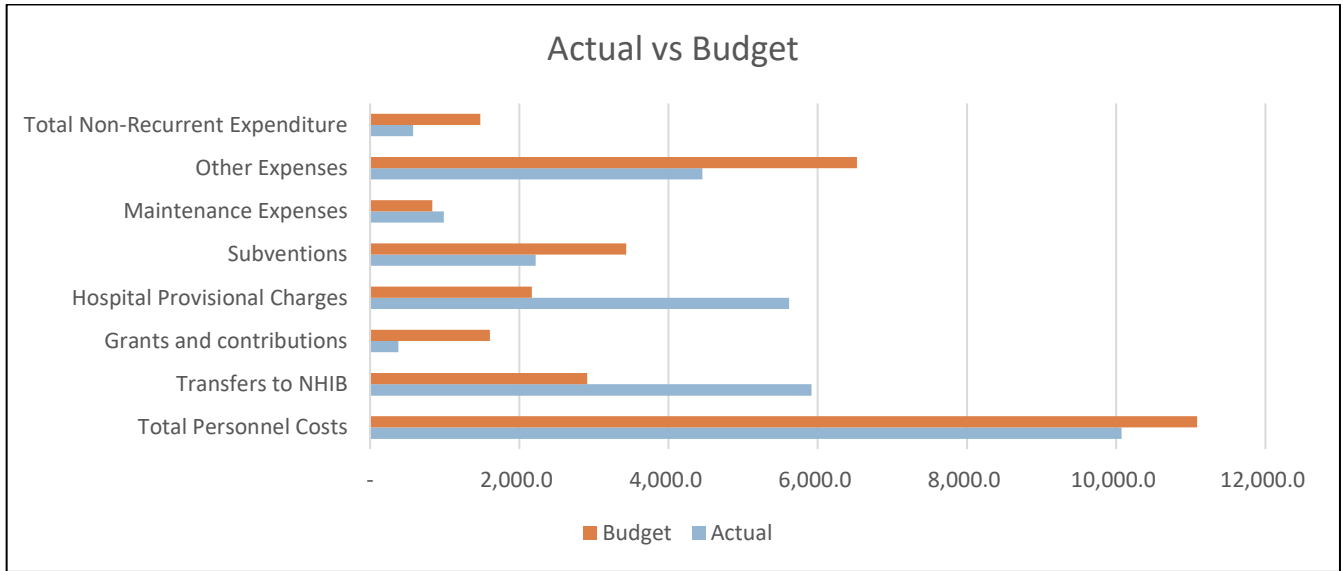
For May, Customs Processing Fees (CPF) were \$3.1 million, this was in line with the budget and prior year results. Year to date collections totaled \$5.2 million which was \$0.6 less than budget and \$0.8 less than prior year.

Receipts from Work Permits were \$2.7 million for May, accounting for 7% of the total Revenue. These results were greater than the Estimates by \$0.9 million or 49% and higher than prior year by \$1 million or 56%. Revenue collection increased as most work permit holders are employed in the tourism and hospitality sector, and hiring would have increased with increased business activity. Year to date collections stood at \$4.8 million which was 39% and 46% higher than Estimates and prior year respectively.

Others revenues at \$5.4 million for May and \$11.3 million Year to date were mostly in line with budget and prior year.

Non-recurrent revenue of \$0.4 million related to grant income received from the Foreign Commonwealth Office for a DECR capacity building project.

EXPENDITURE



\$30.2 million was expended during the month of May (\$29.7 million recurrent expenditure and \$0.6 million non-recurrent expenditure). These results were 1% higher than budget and 3% greater than prior year. Year to date, the total expenditure of \$46 million is 29% lower than Estimates and 5% higher than the prior year results

Recurrent Expenditure: May: \$29.7 million YTD: \$44.5 million

	Month of May			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 Expenditure														
Total Personnel Costs	10,072	11,084	8,632	(1,012)	-9%	1,439	17%	19,404	22,426	17,225	(3,022)	-13%	2,179	13%
Transfers to NHIB	5,915	2,909	5,615	3,007	103%	300	5%	5,915	5,817	5,615	98	2%	300	5%
Grants and contributions	382	1,608	394	(1,226)	-76%	(12)	-3%	474	5,175	538	(4,702)	-91%	(65)	-12%
Hospital Provisional Charges	5,618	2,168	5,349	3,450	159%	269	5%	5,886	4,765	5,929	1,120	24%	(44)	-1%
Subventions	2,220	3,435	2,170	(1,215)	-35%	50	2%	3,988	5,421	4,039	(1,433)	-26%	(51)	-1%
Maintenance Expenses	990	836	779	154	18%	211	27%	1,168	2,542	941	(1,374)	-54%	227	24%
Other Expenses	4,453	6,527	5,393	(2,074)	-32%	(940)	-17%	7,700	15,509	7,524	(7,809)	-50%	176	2%
Total Recurrent Expenditure	29,650	28,566	28,333	1,083	4%	1,317	5%	44,534	61,656	41,812	(17,122)	-28%	2,722	7%

Recurrent expenditure for May totaled \$29.7 million. The results were 4% or \$1.1 million higher than the month's Estimates and more than prior year results by \$1.3 million or 5%. The overspend against budget is mainly in respect of transfers to NHIB and Hospital Provisional Charges budgeted for April that were paid in May. Year to date, recurring expenditure totaled \$44.5 million which is 28% less than Estimates and 7% higher than the prior year results.

Personnel Costs accounted for 34% of the recurrent expenditure, totaling \$10.1 million, compared to the Estimates of \$11.1 million leading to \$1 million or 9% underspend. The expenditure was \$1.4 million or 17% higher than the prior year. These results consist of Salaries, Wages, allowances, and pension and gratuity costs for the month. The increase against prior year is mainly attributed to 10% increase in police salaries, increase in wages to match the minimum wage changes, and payments towards pension and gratuity of civil servants. The performance against budget is as a result of existing vacancies that are yet to be filled throughout the civil service. Year to date, the Personnel cost totaled \$19.4 million which is 13% less than the Estimates and 13% higher than the prior year.

Transfers to NHIB totaled to \$5.9 million and Hospital Provisional Charges totaled to \$5.6 million. Both expenditure heads were higher than the budget due to April payments being carried over to May. The overall variances to budget are mainly due to timing differences between profiled and actual expenditure.

Other Recurrent Expenditure: May :4.5 million and YTD \$7.7 million

	Month of May			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	626	720	490	(94)	-13%	136	28%	1,005	1,482	901	(477)	-32%	104	12%
Social welfare	553	1,113	188	(560)	-50%	365	194%	1,123	1,726	423	(603)	-35%	700	166%
Professional and Consultancy Services	315	632	333	(318)	-50%	(19)	-6%	881	1,655	537	(774)	-47%	343	64%
Recurrent Sub Programmes and Projects	210	352	304	(142)	-40%	(94)	-31%	255	849	374	(594)	-70%	(119)	-32%
Utilities	294	396	371	(102)	-26%	(76)	-21%	527	870	503	(344)	-40%	23	5%
Security expenses	91	254	229	(163)	-64%	(138)	-60%	217	515	320	(298)	-58%	(103)	-32%
Local Travel and Subsistence	226	263	354	(37)	-14%	(128)	-36%	407	790	506	(383)	-49%	(99)	-20%
International Travel and Subsistence	214	187	127	26	14%	87	69%	283	496	182	(213)	-43%	100	55%
Communication Expenses	235	201	141	34	17%	94	66%	348	427	200	(78)	-18%	148	74%
Bank charges	116	119	141	(3)	-2%	(25)	-18%	234	238	266	(4)	-2%	(32)	-12%
Data Communication cost	6	157	238	(151)	-96%	(232)	-97%	78	313	246	(236)	-75%	(169)	-68%
Insurance Expenses	-	15	1,325	(15)	-100%	(1,325)	0%	0	624	1,326	(623)	-100%	(1,326)	-100%
Hosting and Entertainment	143	202	225	(59)	-29%	(82)	-36%	180	586	241	(406)	-69%	(61)	-25%
Repatriation and exportation expenses	324	314	306	10	3%	17	6%	612	628	522	(16)	-3%	90	17%
Other supplies, material & Equipment	136	221	67	(85)	-38%	70	104%	185	598	84	(413)	-69%	101	120%
Computer Licence & Hardware maintenance	23	51	104	(28)	-55%	(81)	-78%	25	318	203	(292)	-92%	(177)	-88%
Fuel	162	104	37	58	56%	125	334%	188	221	51	(33)	-15%	136	265%
Other Recurrent Expenditure	780	1,226	413	(446)	-36%	367	89%	1,151	3,173	636	(2,022)	-64%	515	81%
TOTAL OTHER RECURRENT EXPENDITURE	4,453	6,527	5,393	(2,074)	-32%	(940)	-17%	7,700	15,509	7,524	(7,809)	-50%	176	2%

Other expenses totaled \$4.5 million which was \$2.1 million or 32% behind the Estimates and \$0.9 million or 17% less than the prior year. The variances to budget are mainly due to timing differences between profiled and actual expenditure.

Non-Recurrent Expenditure: May: \$0.6 million and YTD: \$1.5 million,

Non-Recurrent Expenditure results for May totaled \$0.6 million mainly attributed to SIPT costs, these were 61% below Estimates for the month and 43% behind prior year.

OUTSTANDING PUBLIC DEBT

	May		
(Figures in US\$'000)	Opening	Principal Repayment	Outstanding Principal
	\$ 000's	\$ 000's	\$ 000's
TCIG Loans - Unsecured	725	(67)	659
Total Outstanding Public Debt	725	(67)	659

TCIG's outstanding debt as of May 31 2023, was \$0.7 million. \$67k principal repayments were made and \$6k finance costs were paid. A breakdown of outstanding public debt is shown below

				Totals
Source of funding	CDB	CDB	CDB	
Loan description	Further Education (04/SFR-OR-TCI)	Climate Resilient Coastal Protection and Management (4/OR-TCI)	Integrated Solid Waste Management (5/OR-TCI)	
Effective Interest Rate	2.50%	4.75%	4.75%	
Total loan approved (US\$)	2,000,000	441,000	672,500	3,113,500
Total Loan Disbursed (US\$)	2,000,000	370,000	-	2,370,000
Outstanding Amount as at 31/05/2023 (US\$)	434,782	224,018	-	658,800
Year of first disbursement	2000	2021	Undisbursed	
Maturity Date	01-Apr-28	01-Jul-24		
Principal Repaid during FY 2023/24 (US\$)	21,739	44,804	-	66,543
Interest Paid during FY 2023/24 (US\$)	2,853	2,896		5,749
Commitment fees paid during FY 2023/24 (US\$)	0	323	1,681	2,004
Other charges	0	300		300
Total Debt Servicing during FY 2023/24 (US\$)	24,592	48,323	1,681	74,596

HUMAN RESOURCE MANAGEMENT

Employees

There were 1,958 people employed by TCIG at the end of May 2023, consisting of 1,662 monthly paid employees and 296 waged employees, exclusive of the Royal Turks and Caicos Police Force. Excluding internal transfers, there were 69 new recruits and 21 attritions during the month.

Pensioners

The total number of Pensioners at the end of May 2023 was 428.

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.

The development fund balance as of May 31, 2023, was \$102 million, and the movement in the fund balance is as shown below.

	US\$ '000
Closing 31/03/2020 –Based on consultant report	59,264
<i>Adjust to exclude infrastructure fund</i>	<i>(615)</i>
Completed projects - savings returned to Consolidated Fund	<i>(16,413)</i>
Opening 1/04/2021	42,235
Contract awards and variations 2020/21	31,638
CAPEX 2020/21	(25,302)
Completed projects - savings returned to Consolidated Fund	(1,966)
Closing 31/03/2021	46,606
Awards and commitments	25,317
CAPEX 2021/22	(22,228)
Closing 31/03/2022	49,696
Awards and commitments	56,775
CAPEX 2022/23	(18,186)
Completed projects - savings returned to Consolidated Fund	(14,147)
Lapsed projects - funds returned to Consolidated Fund	(29,797)
Closing 31/03/2023	44,340
FY 2023/4 budget (commitment)	65,110
CAPEX 2023/24-YTD	(7,444)
Closing 31/05/2023	102,006

CAPTIAL EXPENDITURE (YTD) BY PROJECT

The capital projects expended during the year are shown below.

Project number	Project name	US\$ '000
005561	South Dock Port Redevelopment	6,513
005697	Police Mobile Station	249
005592	Front Street GDT	224
005566	Construction of New Primary School PLS- Phase 2	158
005610	Grand Turk Sports Complex and Shelter	124
005506	NJS Francis Building	121
005605	Installation of Lights for Parade Ground - GDT	30
005481	Construction of Promenade/Boardwalk and Craft Market for Bottle Creek	17
005600	Mental Health Facility (GDT)	7
Total		7,444

NATIONAL WEALTH FUND

Transfers to the Fund during the year are made as per Section 9 (1(a)) of the National Wealth Fund Ordinance, which requires that where in any financial year, if 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. Based on the actual results of FY 2022/23, no transfer has been made.

The Turks and Caicos National Wealth Fund (Amendment) Ordinance 2023 commenced on March 23, 2023. Section 4(2) was amended to include a new fund known as the Citizens Empowerment Fund. The funds in the Citizens Empowerment Fund may be withdrawn from time to time subject to the approval by the House of Assembly to establish and support critical empowerment institutions in the Islands, to build wealth and to improve the quality of life for residents. ("Critical empowerment institutions" means a credit union as defined under section 2 of the Credit Union Ordinance)

As of May 31 2023, the National Wealth Fund balance was \$50.8 million.

FY 2022-23 results (in US\$' '000)				Transfer to NWF 2022/23 (US\$' 000)	Opening NWF 01/04/2023 (US\$' 000)	Interest income (US\$' 000)	Closing NWF 31/05/2023 (US\$' 000)
Actual revenue	Revised Estimates	Variance	%				
413,848	404,215	9,633	2%	-	50,780	12	50,792

The value of the National Wealth fund is attributable to;

(All figures in US\$'000)	31-May-23 US\$'000	31-Mar-23 US\$'000
Stabilization Fund	30,650	30,646
Infrastructure and Competitiveness Fund	8,760	8,756
Heritage Fund	4,382	4,378
Citizen's Empowerment Fund	7,000	7,000
National Wealth Fund balance	50,792	50,780

The Fund is currently at approximately 4% of the Gross Domestic Product (GDP) and would have to reach 25% of GDP before interfund transfers can be permitted and for the operational management of the Fund to be transferred to a body corporate to be created by statute.

NATIONAL FORFEITURE FUND

The National Forfeiture Fund has a balance of \$7.3 million as at April 30, 2023. No transfers from the NFF into the Consolidated Fund were made during the period.

FINANCIAL OUTLOOK

TCIG has continued its strong financial performance and has recorded an operating surplus in the month of May. It is expected that the revenue targets for the financial year will be met, and as the budget gets approved and more funds are released, MDAs will accelerate their programme activities.

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 rebounded financially.

