



**TURKS AND CAICOS ISLANDS**



**GOVERNMENT OF  
THE TURKS AND CAICOS ISLANDS**



**JUNE 2021**

**FINANCIAL REPORT**

# Contents

- KEY POINTS.....2
- OVERVIEW.....2
- OPERATING BALANCE .....3
- .....4
- REVENUE .....5
  - Stamp Duty on Land Transactions: .....5
  - Hotel & Restaurant Tax:.....6
  - Import Duties: .....6
  - Work Permits:.....7
  - Fuel Tax: .....7
- EXPENDITURE .....8
- PUBLIC DEBT..... 10
- HUMAN RESOURCE MANAGEMENT ..... 10
  - Employees..... 10
  - Pensioners..... 10
- DEVELOPMENT FUND (DF) ..... 10
- NATIONAL WEALTH FUND (NWF) ..... 11
- NATIONAL FORFEITURE FUND (NFF)..... 11
- FINANCIAL OUTLOOK..... 12

## KEY POINTS

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- ❖ *The monthly Financial Report for June 2021 shows the actual position against the expected profile based on the 2021-22 estimates as well as the prior year's outturn.*
  - ❖ *The operating balance as at the end of June 2021 was a surplus of \$11.4 million.*
  - ❖ *Development Fund Expenditure for the month totaled \$2.2 million.*
  - ❖ *Outstanding Public Debt stood at \$0.6 million after principal repayments of \$0.2 million.*
  - ❖ *The underlying cash balance was an increase of \$6.2 million bringing Cash and Cash equivalents to a total of \$156.3 million at the end of June.*
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## OVERVIEW

One year into the Covid-19 Pandemic, Government's responses have been substantial in mitigating the contraction in economic activity while providing relief for citizens and businesses alike. However, it is these responses along with the significant fallout in revenue which resulted in TCIG ending the previous financial year with a deficit of \$66 million and an \$87 million reduction in cash reserves. Entering this new financial year against this backdrop, fiscal policy priorities will include continuing support as needed while, introducing new and strengthening existing macroeconomic strategies and policies that will bolster the country's recovery and ensure sustainable growth and development.

The Estimates of Revenue and Expenditure (the "Estimates") for the financial year (FY) 2021-22 was approved in the House of Assembly on June 30, 2021.

## OPERATING BALANCE

Net Operating Surplus: **Month \$11.4 million, Year to Date \$38.5 million**

	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	30,573.7	22,627.3	18,910.9	7,946.5	-	11,662.9	62%	96,830.6	82,260.7	43,362.5	14,570.0	-	53,468.2	123%
Recurrent Expenditure	18,962.2	17,928.8	22,316.7	(1,033.4)	(6%)	3,354.5	15%	56,356.9	67,779.7	62,272.3	11,422.8	17%	5,915.4	9%
<b>Net Recurrent Surplus</b>	<b>11,611.5</b>	<b>4,698.5</b>	<b>(3,405.9)</b>	<b>6,913.0</b>	<b>147%</b>	<b>15,017.4</b>	<b>(441%)</b>	<b>40,473.7</b>	<b>14,480.9</b>	<b>(18,909.8)</b>	<b>25,992.8</b>	<b>179%</b>	<b>59,383.5</b>	<b>(314%)</b>
Non-Recurrent Revenue	710.9	119.4	126.0	591.5	-	584.8	464%	710.9	130.4	155.3	580.5	-	555.6	358%
Non-Recurrent Expenditure	883.1	1,175.4	211.2	292.3	25%	(671.9)	(318%)	2,702.5	4,264.5	568.3	1,562.0	37%	(2,134.2)	(376%)
<b>Net Operating Balance</b>	<b>11,439.3</b>	<b>3,642.5</b>	<b>(3,491.0)</b>	<b>7,796.8</b>	<b>214%</b>	<b>14,930.3</b>	<b>(428%)</b>	<b>38,482.1</b>	<b>10,346.8</b>	<b>(19,322.8)</b>	<b>28,135.3</b>	<b>272%</b>	<b>57,805.0</b>	<b>(299%)</b>

The Appropriations for the 2021-22 fiscal year has been passed in the House of Assembly; therefore, revenue estimates are now reflected in this report.

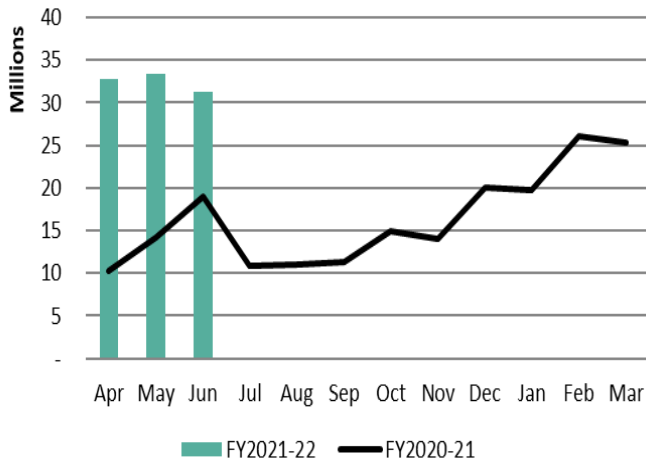
The month of June 2021 recorded an operating surplus of \$11.4 million which displayed positive results when compared to prior year (deficit of \$3.5 million) and estimates for the month of \$3.6 million. This resulted in a year to date surplus of \$38.5 million, an advancement of \$28.1 million over the prior year's results. The revenue collection for the month was encouraging as the burn-rate has been reduced from a high of \$10 million during the prior year to \$2.9 million as at the end of June.

## 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>11,439.3</b>	<b>3,642.5</b>	<b>(3,491.0)</b>	<b>7,796.8</b>	<b>214%</b>	<b>14,930.3</b>	<b>(428%)</b>	<b>38,482.1</b>	<b>10,346.8</b>	<b>(19,322.8)</b>	<b>28,135.3</b>	<b>272%</b>	<b>57,805.0</b>	<b>-299%</b>
<b>Less:</b>														
Development Fund Expenditure	(2,159.5)	(2,324.9)	(3,417.3)	165.4	-	1,257.8	-	(4,401.9)	(6,974.8)	(5,492.8)	2,572.9	-	1,090.9	-
Debt Repayments	-	-	-	-	-	-	-	(230.1)	(230.1)	(834.1)	-	-	604.0	(72%)
Borrowing	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Bond Inflows	-	-	160.5	-	-	(160.5)	-	21.6	-	183.6	21.6	-	(162.0)	-
Transfers from/(to) NWF	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Net receipts/(payments) of public accounts	(3,105.5)	-	2,243.9	(3,105.5)	-	(5,349.4)	(238%)	756.9	-	5,210.9	756.9	-	(4,453.9)	(85%)
<b>Net Cash Flow</b>	<b>6,174.3</b>	<b>1,317.6</b>	<b>(4,504.0)</b>	<b>4,856.7</b>	<b>369%</b>	<b>10,678.3</b>	<b>(237%)</b>	<b>34,628.7</b>	<b>3,141.9</b>	<b>(20,255.3)</b>	<b>31,486.7</b>	<b>1002%</b>	<b>54,884.0</b>	<b>(271%)</b>

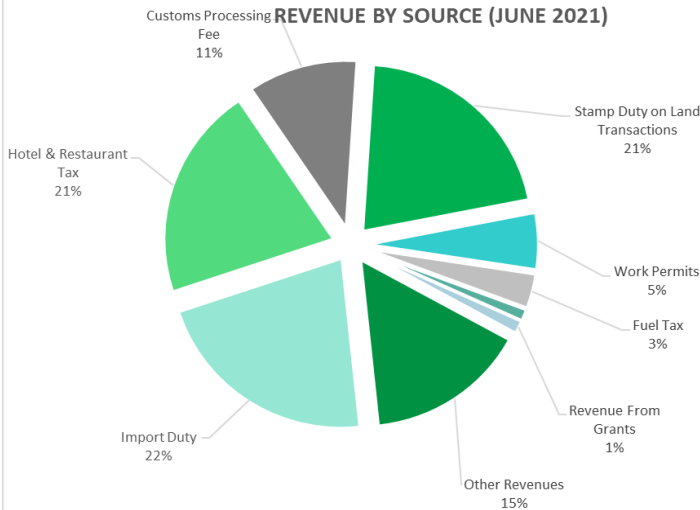
The month of June saw an increase in the underlying cash balance, inclusive of Development Fund expenditure, by \$6.2 million. On a year over year basis, the outturn showed a \$10.7 million increase against the result of the same period last year. As a result, Cash and Cash Equivalents increased from \$121.7 million at the beginning of the financial year to \$156.3 million at the end of June.

## TOTAL REVENUE COLLECTED



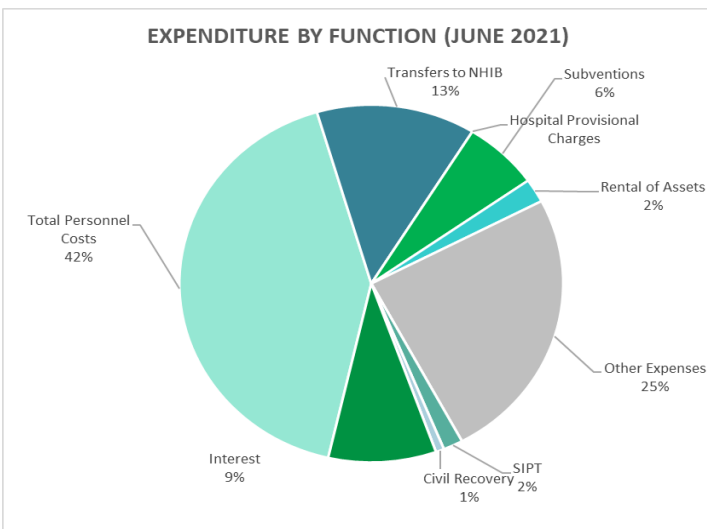
\$31.3 million in revenue was collected for the month of June, against estimates of \$22.7 million. A vast improvement compared to both prior year and estimates by \$12.2 million and \$8.5 million respectively. These collections were expected as all major revenue heads performed near or exceeded their pre-covid levels. Import duties and Hotel and Restaurant tax also have been seen significant increases in collections from the first quarter of 2021 where both came in at \$6.7 million and \$6.5 million respectively. They along with collection of Stamp duties (\$6.5m) accounted for 64% of TCIG's revenue for the month of June.

## REVENUE BY SOURCE (JUNE 2021)



\$19.8 million was expended during the month of June; 4% above the projected amount for the period and \$2.7 million or 14% below from the prior year results. The 4% variance to the budget is mainly seen in Subventions, other recurrent expenses and SIPT non-recurrent costs where actual expenditure increased slightly resulting in \$0.7 million variance reported. Significant expenditure is sustained in Personnel cost and in the health care sector where both accounted for 42% and 13% of total expenditure respectively.

## EXPENDITURE BY FUNCTION (JUNE 2021)



## REVENUE

Recurrent Revenue: **Month \$30.6 million, Year to Date \$96.8million**

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	6,743.0	3,849.0	2,831.7	2,893.9	3,911.3	17,153.6	11,549.0	7,224.7	5,604.6	9,928.9
Hotel & Restaurant Tax	6,468.4	5,638.0	146.3	830.4	6,322.1	18,053.4	17,015.1	760.0	1,038.3	17,293.3
Customs Processing Fee	3,273.0	2,310.0	1,608.8	963.0	1,664.2	8,656.8	6,160.0	3,835.7	2,496.8	4,821.1
Stamp Duty on Land Transactions	6,546.2	5,860.7	8,480.1	685.5	(1,933.9)	28,921.0	28,235.5	10,589.2	685.5	18,331.8
Work Permits	1,706.7	1,235.9	1,202.6	470.8	504.1	4,788.2	4,042.7	1,932.3	745.5	2,855.9
Fuel Tax	1,025.7	512.8	618.9	513.0	406.8	2,805.8	1,916.2	1,365.6	889.6	1,440.2
Other Revenues	4,810.8	3,220.9	4,022.5	1,590.0	788.3	16,451.9	13,342.1	17,654.9	3,109.8	(1,203.0)
<b>TOTAL RECURRENT REVENUE</b>	<b>30,573.7</b>	<b>22,627.3</b>	<b>18,910.9</b>	<b>7,946.5</b>	<b>11,662.9</b>	<b>96,830.6</b>	<b>82,260.7</b>	<b>43,362.5</b>	<b>14,570.0</b>	<b>53,468.2</b>

*The Appropriations for the 2021-22 fiscal year have been passed in the House of Assembly on June 30, 2021; therefore, revenue estimates are reflected in this report.*

Recurrent Revenue for the month of June totaled \$30.6 million compared to estimates of \$22.6 million. Revenue collection exceeded estimates by 35% in the current period and 52% on a year-over-year basis. Comparing results to prior year shows significant improvement in performance. Significant increases are seen in collection from Import Duty, Hotel and Restaurant Tax, CPF and Stamp Duty on Land Transactions and Fuel Tax which contributed to more than 50 percent of the revenue collection during the month of June. The results are encouraging and could signal the change in local economic activities.

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

### Stamp Duty on Land Transactions:

Stamp Duty collected during the month of June, totaled \$6.5 million compared to budget of \$5.9 million. Revenue collected from Stamp Duty has shown a positive trend since the beginning of the financial year due to the large number of high value transactions processed. As a result, year to date actuals of \$29.0 million surpassed both budget and prior year results by \$0.7 million and \$18.3 million respectively.

According to Sotheby's Turks & Caicos Market Report, over \$128 million in transactions were closed during the first quarter of. Coming into the second quarter of 2021 there were over \$0.5 million in pending & conditional transactions. Additionally, according to The Agency (Turks & Caicos) Q1 Market report, the luxury Market (>\$1 million) drove 85% of those sales as the average value of homes has increase from \$907 thousand to \$1.5 million which is also why the stamp duty outturn has been performing as it has. Stamp duty is contingent on the amount of high value (>\$1M) transactions during the period that would be subject to stamp duties.

### Hotel & Restaurant Tax:

Hotel & Restaurant Tax receipts for the month of June totaled \$6.5 million and accounted for 21% of the total collections for the month. This was the highest performance since the onset of the pandemic and accounts for... percent of collections for February 2019. This was against both estimates and prior year receipts of \$5.6 million and \$0.1 million. The Tourism Industry has been one of the hardest hits during this COVID-19 pandemic resulting in a shortfall over the year period. However, revenue collections have been improving since the beginning of the year when hotels and restaurant began opening gradually.

Even though the uncertainty remains with the Covid-19 pandemic, HRTT has shown a vast improvement over the year were \$18.5 million collected at year to date. The revenue collection has exceeded that of prior year by \$17.3 million which indicates the increase in tourist arrivals as Hotels and Restaurants are now fully opened. Recent reports show that vaccine rollout has been successful with 63% of the Islands' adult population having been vaccinated to date.

Many economic sectors are now recovering as restrictive measures are being eased as vaccinations increase across the globe increase. According to the Caribbean Tourism Organization (CTO) travel in the Caribbean is expected to increase by 20% from pandemic level during 2021.

### Import Duties:

Import Duties collected for the month of June totaled \$6.7 million. This result was up by \$2.9 million in comparison to budget and \$3.9 million compared to the prior year's receipts of \$2.8 million. Year to date actual of \$17.2 million was above prior results by \$9.9 million and by \$5.6 million compared to the budget for the month of June. As the current local economic activities in the island begin to pick up, the need for imported goods relatively increase as tourist related consumption is beginning to increase due to the growth in tourist arrivals.

As part of its measures to combat the economic fallout because of the COVID-19 pandemic and mitigate the effects on citizens, TCIG granted relief of duties on Personal Protective Equipment from April 3rd – 30th 2021.

### Customs Processing Fees:

Customs Processing Fees (CPF) for June totaled \$3.3 million, which was \$1.7 million above prior year's results and \$1.0 million above budget. The increase in revenue from CPF was expected due to the increase in Import Duties over the year period. Year to date actuals indicate same as the period where actual revenue totaled \$8.7

million. This result was up by \$4.2 million in comparison to prior year receipts of \$3.8 million. Supermarkets, Utilities/Fuel, Construction and Electrical were the main contributors towards the increase on the year to date improvement compared to prior year results.

### Work Permits:

Receipts from Work Permits totaled \$1.7 million for the month of June and accounted for 5% of total revenue collected. These results were \$0.5 million above both budget and prior year results. Year to date actuals totaled \$4.9 million compared to prior year outturn of \$1.9 million. Revenue collection increase by 18% compared to budget. Most work permit holders are employed in the tourism and hospitality sector which was significantly affected as major hotels and the Cruise Port were closed last year. Even though the Cruise Port remain closed, the TCI is now seeing the re-opening of hotels who are now accommodating the incoming tourist.

### Fuel Tax:

Fuel tax receipts for the month of June were \$1.0 million, an increase of \$0.4 million from the prior year's outturn and \$0.5 million compared to budget. Revenue collected from Fuel tax accounted for 3% of total revenue but has shown positive results up to the end of June where year to date actuals of \$2.8 million surpassed prior results by \$1.4 million and budget by \$0.9 million. With the economic activity increasing, there is now more demand for petroleum products in the transportation sector hence the increase in revenue.

### Other Revenue: *Month \$4.8 million, Year to date \$16.5 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	316.4	113.2	537.9	203.2	(221.6)	1,970.3	1,408.7	853.8	561.6	1,116.5
Communication Tax	420.4	347.4	195.4	73.0	225.0	1,238.2	1,165.2	964.4	73.0	273.8
Gaming Machine Tax	441.9	254.8	-	187.2	441.9	1,296.1	705.2	-	590.9	1,296.1
Seaport Departure Tax	-	-	-	-	-	-	-	73.1	-	(73.1)
Telecommunication Licences	233.1	266.0	80.9	(32.9)	152.2	577.0	823.6	521.0	(246.6)	56.0
Overtime Costs Recovered	241.7	146.2	114.5	95.5	127.2	712.2	272.3	286.2	439.9	426.0
Vehicle Licence Renewals	249.2	130.1	247.0	119.1	2.2	786.2	426.3	454.2	359.9	332.0
Permanent Residency Fees	259.1	244.1	243.1	15.0	16.0	526.2	480.1	275.0	46.2	251.2
Excess Revenue	889.3	153.5	98.4	735.8	791.0	4,185.3	3,756.1	10,860.5	429.1	(6,675.2)
Other Revenues	1,759.7	1,565.6	2,505.2	194.1	(745.5)	5,160.5	4,304.8	3,366.7	855.7	1,793.8
<b>TOTAL OTHER REVENUE</b>	<b>4,810.8</b>	<b>3,220.9</b>	<b>4,022.5</b>	<b>1,590.0</b>	<b>788.3</b>	<b>16,451.9</b>	<b>13,342.1</b>	<b>17,654.9</b>	<b>3,109.8</b>	<b>(1,203.0)</b>

*The Appropriations for the 2021-22 fiscal year have been passed in the House of Assembly on June 30, 2021; therefore, revenue estimates are now reflected in this report.*

Other Revenues for June totaled \$4.8 million which was above both budget and prior year results by \$1.6 million and \$0.8 million.

The total for the month consists of \$0.4 million in Communication Tax and Gaming Machine Tax and \$0.9 million in Excess Revenue which accounted for 9% and 18% respectively of the Total Other Revenue collected by TCIG for the period. Year to date actuals of \$16.5 million was above estimates by \$3.1 million and down by \$1.2 million when compared to prior year results mainly from the variance reported for excess revenue.

**Non-Recurrent Revenue: Month \$0.7 million, Year to date \$0.7 million**

NON-RECURRENT REVENUE	Month					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	332.7	44.1	106.0	288.6	226.7	332.7	44.1	106.0	288.6	226.7
Revenue From Grants	378.2	75.3	20.0	302.9	358.2	378.2	86.3	49.3	291.9	329.0
Insurance Proceeds	-	-	-	-	-	-	-	-	-	-
<b>TOTAL NON-RECURRENT REVENUE</b>	<b>710.9</b>	<b>119.4</b>	<b>126.0</b>	<b>591.5</b>	<b>584.8</b>	<b>710.9</b>	<b>130.4</b>	<b>155.3</b>	<b>580.5</b>	<b>555.6</b>

The Appropriations for the 2021-22 fiscal year have been passed in the House of Assembly on June 30, 2021; therefore, revenue estimates are reflected in this report.

Non-recurrent receipts for the month totaled \$0.7 million, consisting primarily of a \$0.3 million from Sale of land and \$0.4 million from revenue grants. Total collection for the month surpasses budget and prior year receipts of \$0.1 million by \$0.6 million. Year to date actuals total same \$0.7 million compared to budget of \$0.1 million.

**EXPENDITURE**

**Recurrent Expenditure: Month \$19.0 million, Year to Date \$56.3 million**

RECURRENT EXPENDITURE	Month					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	8,120.1	8,559.9	7,663.1	439.9	(457.0)	24,256.6	25,720.6	23,180.1	1,464.0	(1,076.5)
Transfers to NHIB	2,605.7	2,771.2	2,771.2	165.5	165.5	8,082.7	8,313.6	8,313.6	230.9	230.9
Hospital Provisional Charges	1,763.9	1,734.9	1,735.3	(29.0)	(28.6)	6,546.0	6,516.3	6,522.9	(29.6)	(23.1)
Subventions	1,240.5	1,052.7	807.1	(187.8)	(433.4)	3,819.5	4,396.0	4,200.3	576.5	380.8
Rental of Assets	417.6	457.2	496.2	39.7	78.6	1,307.7	1,446.3	1,355.7	138.5	48.0
Other Expenses	4,814.5	3,352.8	8,843.9	(1,461.7)	4,029.4	12,344.4	21,386.9	18,304.1	9,042.5	5,959.6
<b>TOTAL RECURRENT EXPENDITURE</b>	<b>18,962.3</b>	<b>17,928.8</b>	<b>22,316.7</b>	<b>(1,033.5)</b>	<b>3,354.5</b>	<b>56,357.0</b>	<b>67,779.7</b>	<b>61,876.6</b>	<b>11,422.8</b>	<b>5,519.6</b>

The Appropriations for the 2021-22 fiscal year have been passed in the House of Assembly on June 30, 2021; therefore, estimates are based on the approved appropriation.

Recurrent expenditure for the month of June totaled \$19.0 million and was \$1.0 million or 6% above the estimates and 15% million below the prior year's outturn.

Of the total Expenditure, Personnel Costs accounted for 43% totaling \$8.1 million down \$0.4 million from the budget while exceeding the prior year's results by 6%. Transfers to NHIB totaled \$2.6 million for the month which was below budget and prior year results by \$0.2 million. Hospital Provisional charges for the month totaled \$1.8

million which was slightly above estimates and prior year by \$0.03 million. Subvention actuals of \$1.2 million was above budget by \$0.2 million and prior year by \$0.4 million. The variance to budget is mainly due to timing differences between profiled and actual expenditure.

**Other Recurrent Expenditure: Month \$4.8 million, Year to date \$12.3 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	1,095.2	532.6	705.8	(562.6)	(389.5)	2,079.7	3,090.2	1,916.1	1,010.5	(163.6)
Maintenance Expenses	659.0	737.7	939.2	78.7	280.2	1,601.0	2,566.1	1,960.4	965.1	359.4
Professional and Consultancy Services	105.3	341.6	174.9	236.3	69.6	896.2	1,244.6	471.1	348.5	(425.0)
Grants and Contributions	284.9	463.9	3,382.6	179.0	3,097.7	1,225.0	5,198.8	7,866.6	3,973.8	6,641.7
Utilities	243.8	189.3	310.9	(54.5)	67.2	688.8	1,011.4	904.4	322.6	215.6
Other Recurrent Expenditure	2,426.3	1,087.7	3,330.5	(1,338.6)	904.2	5,853.8	8,275.8	5,185.5	2,422.0	(668.3)
<b>TOTAL OTHER RECURRENT EXPENDITURE</b>	<b>4,814.5</b>	<b>3,352.8</b>	<b>8,843.9</b>	<b>(1,461.7)</b>	<b>4,029.4</b>	<b>12,344.4</b>	<b>21,386.9</b>	<b>18,304.1</b>	<b>9,042.5</b>	<b>5,959.6</b>

The Appropriations for the 2021-22 fiscal year have been passed in the House of Assembly on June 30, 2021; therefore, estimates are based on the approved appropriation.

The expenditure for the month reflected unavoidable spending. The variance to the budget is mainly seen in Operating Expenses and other recurrent expenditure. During the month of June \$3.5 million was spent compared to budget of \$1.6 million. As a result, actual expenditure for the month totaled \$4.8 million which was \$1.5 million above budget and \$4.0 million above prior year results. Year to date actuals of \$12.3 million was below estimates by \$9.0 million due to underspend in Grants and Contributions, Operating and Maintenance expenses.

**Non-Recurrent Expenditure: Month \$2.6 million, Year to date \$4.5 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	-	13.3	-	13.3	-	-	40.0	-	40.0	-
SIPT	321.5	292.4	150.9	(29.2)	(170.7)	911.0	881.9	325.5	(29.2)	(585.5)
Civil Recovery	137.3	181.1	60.3	43.8	(77.0)	318.7	573.1	177.4	254.4	(141.3)
Covid-19 Expense	424.2	676.4	-	252.2	(424.2)	1,462.9	2,462.7	-	999.8	(1,462.9)
Contingency	-	-	-	-	-	-	270.3	-	270.3	-
Interest	-	12.2	-	12.2	-	9.8	36.5	65.4	26.7	55.5
<b>TOTAL NON-RECURRENT</b>	<b>883.1</b>	<b>1,175.4</b>	<b>211.2</b>	<b>292.3</b>	<b>(671.9)</b>	<b>2,702.5</b>	<b>4,264.5</b>	<b>568.3</b>	<b>1,562.0</b>	<b>(2,134.2)</b>

The Appropriations for the 2021-22 fiscal year have been passed in the House of Assembly on June 30, 2021; therefore, estimates are based on the approved appropriation.

Non-Recurrent Expenditure results for the month totaled \$0.9 million, consisted primarily of SIPT, Civil Recovery and Covid related expenses. Results were below budget by \$0.3 million and above prior year by \$0.7 million. Year to date actuals of \$2.7 million surpassed the prior year by \$2.1 million whilst being \$1.6 million behind the estimates.

## PUBLIC DEBT

Public Debt <i>(Figures in US\$'000)</i>	Opening	June 30, 2021	
	1-Apr-21	Principal Repayment	Outstanding Principal
	\$ 000's	\$ 000's	\$ 000's
TCIG Loans - Unsecured	838.8	(230.1)	608.7
<b>Total Outstanding Public Del</b>	<b>838.8</b>	<b>(230.1)</b>	<b>608.7</b>

TCIG's outstanding debt as at 30 June 2021 was \$0.6 million. Total principal debt repayment for the year was \$0.2 million while total finance costs for the year was \$9.8 thousand. There were no new borrowings during the financial year, neither were there any drawdowns on previously approved borrowings \$80 million credit facility with the Republic Bank Limited; however, a fee of \$16,667 paid monthly.

## HUMAN RESOURCE MANAGEMENT

### Employees

There were 2,024 people employed by TCIG at the end of June 2021 consisting of 272 waged employees as well as 1,752 monthly paid employees, exclusive of the Royal Turks and Caicos Police Force, with 284 vacancies existing throughout the civil service.

### Pensioners

The total number of Pensioners at the end of June 2021 were 309.

## DEVELOPMENT FUND (DF)

To date, the total amount spent on capital projects amounted to \$2.2 million for the month of June compared to estimates of \$2.3 million. As a result, \$0.2 million positive outturn reported. Actual expenditure for the month mainly being spent on construction and renovation of Government buildings throughout the islands including the Police Station in South Caicos, Agriculture Department, Ministry of Tourism and Health. In addition, purchase of vehicle for Police and road repairs under Public Works Department. Expenditure for the month fell short by 37% compared to prior year results. Year to date actuals of \$4.4 million was below estimates by \$2.6 million and down by \$1.1 million when compared to prior year.

## NATIONAL WEALTH FUND (NWF)

The balance in the NWF as at June 30, 2021 stood at \$25.9 million. No transfers to the fund are expected during this financial year.

## NATIONAL FORFEITURE FUND (NFF)

The National Forfeiture Fund had a balance of \$7.1 million as at June 30, 2021.

## FINANCIAL OUTLOOK

In the World Bank's latest Global Economic Prospects report, it is forecasted that the world economy will grow 5.6% this year, up from the 4.1% it forecast in January. The projected expansion would make 2021 the fastest year of growth globally since 1973's 6.6%. Similarly, experts S&P are expecting the Turks and Caicos Islands to experience a 5.6% growth rate.

Government, revenue generation has shown significant growth from the months of December to June with revenue collection for the two months of the financial year surpassing even the pre-covid levels. Furthermore, revenue collected for the first three months in the financial year surpass that of the prior year by more than double. The country is now reopened and the uptick in both revenue generation and government spending are expected to continue. It is especially promising noting the activity in the real estate markets during these first five months of 2021.

The rapid rollout of effective vaccines & the easing of Public health restrictions, offers hope of a swifter and more sustained economic recovery as 67% of the adult population are now vaccinated. While we are still faced with an overall economy that will still be slightly weaker in the near-term than pre-covid levels, it is also rebounding faster than anticipated at the beginning of the year, driven by a rebound in consumption and given a further boost by a partial rundown of household savings built up over consecutive lockdowns.

Despite this, the uncertainty around the economic outlook remains, with the course of the pandemic still the greatest single risk. Any setbacks in the rollout of the vaccines, the emergence of new vaccine-resistant variants, or reduced compliance with residual public health restrictions could result in more adverse consequences for the economy in the short and medium term. As a result, Cash flow management will still remain an urgent requirement. 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 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.