



TURKS AND CAICOS ISLANDS



**GOVERNMENT OF
THE TURKS AND CAICOS ISLANDS**



**AUGUST 2021
FINANCIAL REPORT**

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KEY POINTS

- ❖ *The monthly Financial Report for August 2021 shows the performance against estimates as well as the prior year's performance.*
 - ❖ *The net operating surplus as at the end of August 2021 totaled \$54.1 million.*
 - ❖ *Development Fund Expenditure for the month totaled \$1.9 million.*
 - ❖ *Outstanding Public Debt stood at \$0.6 million after principal repayments of \$0.2 million.*
 - ❖ *The underlying cash balance increased by \$45.7 million bringing Cash and Cash equivalents to a total of \$167.4 million at the end of August.*
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OVERVIEW

Over a 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 environment, fiscal policy priorities includes 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 July 1st, 2021.

OPERATING BALANCE

Net Operating Surplus: **Month \$11.2 million, Year to Date \$54.1 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	36,091.3	21,332.7	11,025.3	14,758.5	69%	25,066.0	227%	165,429.2	125,990.2	65,278.5	39,439.0	31%	100,150.8	153%
Recurrent Expenditure	24,541.9	23,906.3	22,263.3	(635.6)	(3%)	(2,278.5)	(10%)	100,018.7	121,543.9	103,465.2	21,525.2	18%	3,446.5	3%
Net Recurrent Surplus	11,549.4	(2,573.6)	(11,238.1)	14,123.0	(549%)	22,787.5	(203%)	65,410.5	4,446.3	(38,186.7)	60,964.2	1371%	103,597.2	(271%)
Non-Recurrent Revenue	202.1	25.5	.0	176.6	692%	202.1	2020500%	621.3	219.1	197.3	402.2	184%	424.0	215%
Non-Recurrent Expenditure	552.9	4,993.6	298.4	4,440.7	89%	(254.4)	(85%)	11,921.3	11,922.5	1,126.4	1.2	0%	(10,794.9)	(958%)
Net Operating Balance	11,198.6	(7,541.6)	(11,536.5)	18,740.2	(248%)	22,735.1	(197%)	54,110.5	(7,257.1)	(39,115.9)	61,367.5	-846%	93,226.3	(238%)

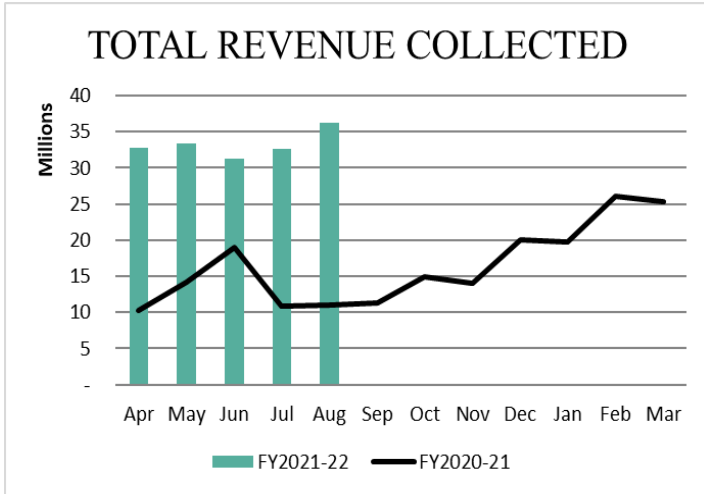
The month of August 2021 recorded an operating surplus of \$11.2 million. This was \$18.7 million ahead of the budgeted deficit of \$7.5 million resulting in a year to date outturn which was \$61.4 million ahead of the estimates. This significant variance to estimates is equally due to the strong performance in revenue collections to date as well as timing differences between actual and profiled expenditure.

On a year over year basis, an improvement of \$22.7 million was recognized over the \$11.5 million deficit recorded in August of 2020. This resulted in the year to date outturn of \$54.1 million being up \$93.2 million from the deficit recorded during the prior year.

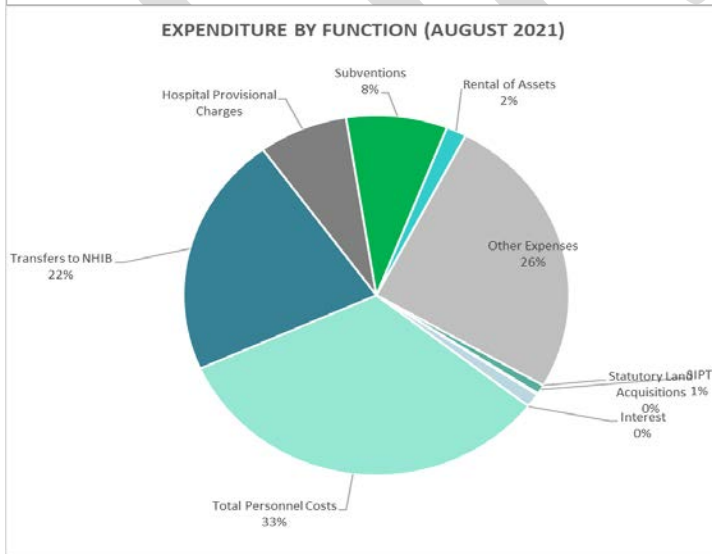
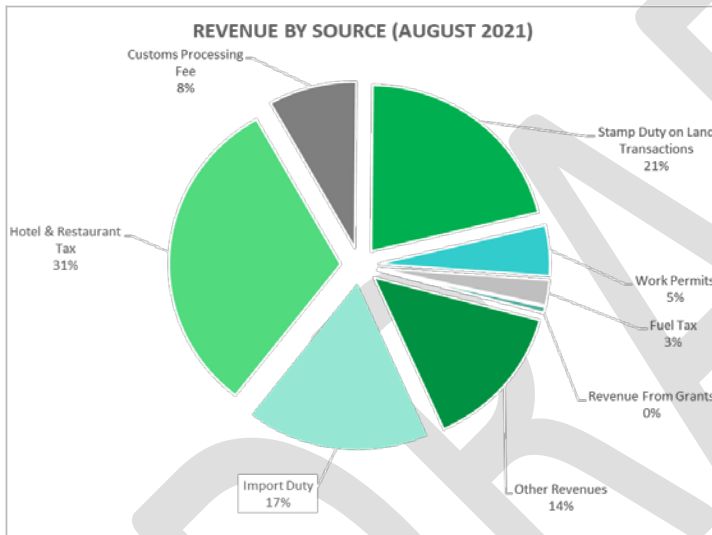
CASH FLOW

	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	%
Cash Flow from Operations	11,198.6	(7,541.6)	(11,536.5)	18,740.2	(248%)	22,735.1	(197%)	54,110.5	(7,257.1)	(39,115.9)	61,367.5	(846%)	93,226.3	-238%
Less:														
Development Fund Expenditure	(1,895.6)	-	(2,751.6)	(1,895.6)		856.0		(9,027.2)	(8,182.1)	(10,350.3)	(845.1)	10%	1,323.1	(13%)
Debt Repayments	-	-	-	-	-	-	#DIV/0!	(251.8)	(501.8)	(1,105.8)	250.0	(50%)	854.0	(77%)
Borrowing	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Bond Inflows	-	-	-	-	-	-	-	21.6	-	183.6	21.6	-	(162.0)	(88%)
Transfers from/(to) NWF	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Net receipts/(payments) of public account	(4,276.3)	-	14,532.4	(4,276.3)	-	(18,808.7)	(129%)	890.4	-	21,648.6	890.4	-	(20,758.1)	(96%)
Net Cash Flow	5,026.7	(7,541.6)	244.3	12,568.3	(167%)	4,782.4	1958%	45,743.5	(15,941.0)	(28,739.9)	61,684.5	(387%)	74,483.3	(259%)

On a year over year basis, the outturn showed a \$4.8 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 \$167.4 million at the end of August. The results to date also reflects Development fund expenditure of \$9.0 million, Debt servicing of \$0.3 million as well as Net receipts of \$0.9 million.



\$32.3 million in revenue was collected for the month of August, a gain of \$14.9 million when compared to the estimates and \$25.3 million in comparison to the prior year's results. These collections were expected as all major revenue heads have been performing near or exceeding their pre-covid levels. This performance was led by the collection of Hotel & Restaurant Tax which collected a remarkable amount of \$11.4 million, Stamp Duty on Land Transactions which saw a revenue intake \$7.6 million for the month of August. In addition, import duties also been seeing significant increases in collections from the first quarter of 2021 coming in at \$6.2 million, an improvement of \$2.0 million when compared to estimates. They along with Hotel & Restaurant Tax accounted for 70% of TCIG's revenue performance for the month of August.



\$24.5 million was expended during the month of August; 2.7% above the projected amount and \$2.3 million or 10.2% up from the prior year results. The variance to the budget is mainly seen in Transfers to NHIB where actual expenditure was above estimates by \$2.7 million during the month of August. Additionally, nearly all other recurrent expenses with the exception of Rental of Assets and Personnel Costs came in below the estimates primarily due to timing differences between actual and profiled expenditure and current vacant position throughout TCIG. There was significant non-recurrent expenditure during the month primarily due to a payments related to SIPT, Civil Recovery and Covid related expenditure.

REVENUE

Recurrent Revenue: **Month \$36.1 million, Year to Date \$165.4 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	6,234.0	4,253.0	3,542.7	1,981.1	2,691.3	29,352.7	20,813.5	13,641.5	8,539.2	15,711.2
Hotel & Restaurant Tax	11,368.1	7,456.0	253.1	3,912.1	11,115.1	36,318.3	30,879.9	1,165.5	5,438.5	35,152.8
Customs Processing Fee	3,012.8	2,378.6	1,662.0	634.2	1,350.8	14,837.9	11,044.3	7,127.9	3,793.5	7,710.0
Stamp Duty on Land Transactions	7,654.8	1,955.0	1,317.3	5,699.8	6,337.5	44,198.2	32,845.5	12,475.2	11,352.7	31,723.0
Work Permits	1,781.9	1,400.2	1,266.1	381.7	515.9	8,002.5	7,225.4	4,368.2	777.1	3,634.3
Fuel Tax	892.9	817.0	596.1	75.9	296.8	4,469.2	3,473.6	2,453.7	995.6	2,015.4
Other Revenues	5,146.7	3,073.0	2,388.0	2,073.7	2,758.7	28,250.4	19,708.1	24,046.4	8,542.3	4,204.0
TOTAL RECURRENT REVENUE	36,091.3	21,332.7	11,025.3	14,758.5	25,066.0	165,429.2	125,990.2	65,278.5	39,439.0	100,150.8

Recurrent Revenue for the month of August totaled \$36.1 million compared to estimates of \$21.3 million. Revenue collection exceeded estimates by \$14.8 million in the current period and triple the amount on a year-over-year basis. Comparing results to prior year shows significant improvement in collection from Import Duty, Hotel and Restaurant Tax, CPF and Stamp Duty on Land Transactions, Work Permits and Fuel Tax which contributed to more than 93 percent of the revenue collection during the month of August. The results continue to be encouraging as they signal a significant 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 August, totaled \$7.6 million compared to budget of \$2.0 million. Revenue collected from Stamp Duty has shown an optimistic 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 \$44.2 million surpassed both budget and prior year results by \$11.4 million and \$31.7 million respectively and is showing the highest intake for Stamp duty in recent years.

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 August totaled \$11.4 million against estimates and prior year receipts of \$7.5 million and \$0.25 million respectively, and accounted for 31% of the total collections for the month. This was the highest performance since the onset of the pandemic and since the beginning of financial year 2021/22. 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 and even more in the month of August where it is evident as one of the high tourism seasons in the TCI where revenue collection increased by \$4.5 million over a month span.

HRTT has shown a vast improvement over the year with \$36.3 million collected at year to date. The revenue collection has exceeded that of prior year by \$35.1 million due to the increase in tourist arrivals as Hotels and Restaurants are now fully opened. Recent reports show that vaccine rollout has been successful with 71.3% of the Islands' adult population having been vaccinated to date. This area however, remains the most vulnerable. This especially with the emergence of the delta variant and in the recent increases in covid-19 cases both locally and internationally which have seen governments putting in place new restrictive measures.

Import Duties:

Import Duties collected for the month of August totaled \$6.2 million. This result was up by \$2.0 million in comparison to the budget and \$2.7 million when compared to the prior year's receipts of \$3.5 million. Year to date actuals of \$29.3 million was above prior results by \$15.7 million and up \$8.5 million when compared to the budget. As the current local economic activities in the island continues to pick up, the need for imported goods relatively increase as tourist related consumption continue to increase due to the growth in tourist arrivals.

Customs Processing Fees:

Customs Processing Fees (CPF) for August totaled \$3.0 million, which was \$1.3 million above prior year's results and \$0.6 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 the same as the period where actual revenue totaled \$14.8 million. This result was up by \$7.7 million in comparison to prior year receipts of \$7.1 million and \$3.8 million against the budget. 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 \$1.8 million for the month of August and accounted for 5% of total revenue collected. These results were \$0.4 million above budget whilst \$0.5 million above prior year results. Year to date actuals totaled \$8.0 million compared to a budget of \$7.2 million and prior year outturn of \$4.4 million. Revenue collection is expected to increase as 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 has seen the full re-opening of hotels who are now accommodating large tourist arrivals and is looking forward to an even larger increase during the third quarter.

Fuel Tax:

Fuel tax receipts for the month of August were \$0.9 million, an increase of \$0.3 million from the prior year's outturn and \$0.07 million compared to budget. Revenue collected from Fuel tax accounted for 2% of total revenue but has shown positive results up to the end of August where year to date actuals of \$4.5 million surpassed prior results by \$2.0 million and budget by \$1.0 million. With the economic activity on the rise, there is now more demand for petroleum products in the transportation sector hence the increase in revenue.

Other Revenue: *Month \$5.1 million, Year to date \$28.3 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	145.3	271.9	271.9	(126.6)	(126.6)	2,311.2	1,809.7	1,562.9	501.5	748.3
Communication Tax	432.5	319.8	343.9	112.7	88.6	2,042.3	1,838.8	1,628.4	203.4	413.8
Gaming Machine Tax	465.1	153.8	16.6	311.3	448.5	2,197.2	1,120.2	16.6	1,077.0	2,180.6
Seaport Departure Tax	-	-	-	-	-	-	-	73.1	-	(73.1)
Telecommunication Licences	266.9	25.0	-	241.9	266.9	1,078.0	1,110.2	583.1	(32.2)	494.9
Overtime Costs Recovered	206.2	166.2	46.6	40.0	159.6	1,089.3	640.2	447.8	449.1	641.6
Vehicle Licence Renewals	184.8	52.3	36.7	132.5	148.1	1,226.4	613.5	690.1	613.0	536.4
Permanent Residency Fees	142.0	87.9	191.5	54.1	(49.5)	1,077.5	702.8	575.3	374.7	502.3
Excess Revenue	1,255.6	153.5	-	1,102.1	1,255.6	8,021.4	4,063.2	12,532.5	3,958.2	(4,511.1)
Other Revenues	2,048.4	1,842.6	1,480.7	205.8	567.6	9,207.0	7,809.5	5,936.6	1,397.5	3,270.4
TOTAL OTHER REVENUE	5,146.7	3,073.0	2,388.0	2,073.7	2,758.7	28,250.4	19,708.1	24,046.4	8,542.3	4,204.0

Other Revenues for August totaled \$5.1 million which was above both budget and prior year results by \$2.1 million and \$2.8 million.

The total for the month consists mainly of \$0.4 million in Communication Tax and Gaming Machine Tax and \$1.3 million in Excess Revenue which all accounted for 43% of the other revenues collected by TCIG for the period. The excess revenue comprises \$0.9 million in returns from Invest TCI Agency and \$0.3 million in returns from Ports Authority. Year to date actuals of \$28.3 million was above both estimates and prior year by \$8.5 million and \$4.2 million respectively.

Non-Recurrent Revenue: Month \$0.2 million, Year to date \$0.6 million

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	202.0	25.5	-	176.5	202.0	621.2	107.8	148.0	513.4	473.2
Revenue From Grants	0.1	-	0.0	0.1	0.1	0.1	111.3	49.3	(111.2)	(49.2)
Insurance Proceeds	-	-	-	-	-	-	-	-	-	-
TOTAL NON-RECURRENT REVENUE	202.1	25.5	0.0	176.6	202.1	621.3	219.1	197.3	402.2	424.0

Non-recurrent receipts for the month totaled \$0.2 million, primarily from Sale of land. Total collection for the month surpasses both budget and prior year by \$0.18 million and \$0.2 million. Year to date actuals indicate same as month results where actual revenue of \$0.6 million surpass estimates of \$0.2 million.

EXPENDITURE

Recurrent Expenditure: Month \$24.5 million, Year to Date \$100.0 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	8,225.5	9,231.2	7,590.1	1,005.7	(635.4)	40,715.0	44,088.3	38,781.5	3,373.3	(1,933.5)
Transfers to NHIB	5,433.7	2,691.2	2,771.2	(2,742.5)	(2,662.5)	13,516.4	13,696.0	13,856.0	179.6	339.6
Hospital Provisional Charges	1,880.1	1,764.3	5,477.1	(115.7)	3,597.0	10,314.9	10,557.3	12,005.0	242.4	1,690.1
Subventions	2,131.1	2,051.6	1,166.6	(79.4)	(964.5)	8,018.9	9,009.7	6,494.3	990.8	(1,524.5)
Rental of Assets	425.1	538.0	409.8	112.9	(15.3)	2,178.3	2,504.4	2,202.8	326.1	24.6
Other Expenses	6,446.5	7,630.0	4,848.6	1,183.5	(1,597.9)	25,275.3	41,688.2	30,125.6	16,413.0	4,850.3
TOTAL RECURRENT EXPENDITURE	24,541.9	23,906.3	22,263.3	(635.6)	(2,278.5)	100,018.7	121,543.9	103,465.2	21,525.2	3,446.5

Recurrent expenditure for the month of August totaled \$24.5 million and was \$0.6 million or 3% above the estimates and 10% below the prior year's outturn.

Of the total Expenditure, Personnel Costs accounted for 33% totaling \$8.2 million down \$1.0 million from the budget while exceeding the prior year's results by \$0.6 million. Transfer to NHIB totaled \$5.4 million compared to estimates of \$2.7 million for the month due payments made for both July and August. This results were also up when compared to prior year amount of \$2.8 million. Hospital Provisional charges for the month totaled \$1.9 million and Subvention actuals of \$2.1 million was above budget by \$0.1 million and \$0.08 million respectively. The overall variance to budget is mainly due to timing differences between profiled and actual expenditure.

Other Recurrent Expenditure: **Month \$6.4 million, Year to date \$25.3 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	1,527.4	1,296.0	1,203.8	(231.3)	(323.6)	4,359.0	6,596.5	4,109.2	2,237.6	(249.7)
Maintenance Expenses	799.6	1,279.7	770.3	480.1	(29.3)	3,025.2	5,400.4	3,924.5	2,375.2	899.3
Professional and Consultancy Services	315.1	266.3	88.2	(48.8)	(226.9)	1,477.3	3,069.6	1,167.4	1,592.2	(310.0)
Grants and Contributions	1,425.4	1,542.3	1,257.9	116.9	(167.5)	3,695.9	6,835.2	10,622.6	3,139.3	6,926.7
Utilities	260.7	355.2	200.4	94.4	(60.3)	1,296.0	1,852.1	1,440.8	556.1	144.8
Other Recurrent Expenditure	2,118.3	2,890.6	1,328.0	772.3	(790.3)	11,421.9	17,934.4	8,861.1	6,512.5	(2,560.8)
TOTAL OTHER RECURRENT EXPENDITURE	6,446.5	7,630.0	4,848.6	1,183.5	(1,597.9)	25,275.3	41,688.2	30,125.6	16,413.0	4,850.3

The expenditure for the month reflected obligatory spending. All major heads were below the estimates with the exception of operating expenses which exceeded the estimates by \$0.2 million. As a result, actual expenditure for the month totaled \$6.4 million which was \$1.2 million below the budget while \$1.6 million above from the prior year results. Year to date actuals of \$25.3 million was below estimates by \$16.4 million and down \$4.9 million from the prior year. The significant variance to budget is primarily due to timing variances between actual and profiled expenditure throughout the different periods.

Non-Recurrent Expenditure: **Month \$0.6 million, Year to date \$11.9 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	-	3,500.0	-	3,500.0	-	8,257.8	5,030.0	-	(3,227.8)	(8,257.8)
SIPT	209.5	315.6	229.5	106.1	20.0	1,207.9	1,501.2	741.0	293.3	(466.9)
Civil Recovery	31.6	126.9	69.0	95.3	37.4	350.3	700.0	307.7	349.7	(42.6)
Covid-19 Expense	311.8	789.0	-	477.1	(311.8)	2,091.6	3,860.1	-	1,768.5	(2,091.6)
Contingency	-	250.0	-	250.0	-	-	770.3	-	770.3	-
Interest	-	12.2	-	12.2	-	13.7	60.9	77.7	47.3	64.0
TOTAL NON-RECURRENT	552.9	4,993.6	298.4	4,440.7	(254.4)	11,921.3	11,922.5	1,126.4	1.2	(10,794.9)

Non-Recurrent Expenditure results for the month of August totaled \$0.6 million, consisting primarily of \$0.3 million of Covid expenditure. In addition, the remaining 44% included payments to SIPT totaling \$0.2 million and \$0.03 million to Civil Recovery. Year to date actuals of \$11.9 million was below estimates by a marginal amount of \$1.2 thousand.

PUBLIC DEBT

Public Debt Debt Type	Opening	August 31, 2021	
	1-Apr-21	Principal Repayment	Outstandi Principa
	\$ 000's	\$ 000's	\$ 000's
TCIG Loans - Unsecured	838.8	(251.8)	587
Total Outstanding Public Debt	838.8	(251.8)	587

TCIG's outstanding debt as at 31 August 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 \$80 million credit facility with the Republic Bank Limited; however, a commitment fee of \$16.7 million is paid on monthly basis.

HUMAN RESOURCE MANAGEMENT

Employees

There were, 1,739 people employed by TCIG at the end of August 2021 consisting of 276 waged employees as well as 1,463 monthly paid employees inclusive of 26 persons joining in the month of August.

Pensioners

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

DEVELOPMENT FUND (DF)

To date, the total amount spent on capital projects amounted to \$1.9 million for the month of August which was down compared to prior year returns of \$2.7 million. This expenditure comprised mainly of \$1.1 million spent on the construction and renovation of Government buildings throughout the islands, \$0.6 million on the purchase of machinery, specialist equipment and office furniture for Police, Customs and Public Works Department. In addition, \$0.3 million was spent on road repairs under Public Works Department and a further \$0.1 million on the purchase of transport equipment for Environmental Health and Public Works Department.

Year to date capital expenditure totaled \$9.0 million, which was \$14.5 million below the estimates and down by \$1.3 million when compared to spending during the prior year.

NATIONAL WEALTH FUND (NWF)

The balance in the NWF as at August 31, 2021 stood at \$25.9 million earning an interest of \$2.2 thousand in the month of August. No transfers to the fund are expected during this financial year.

NATIONAL FORFEITURE FUND (NFF)

The National Forfeiture Fund has a balance of \$7.3 million as at August 31, 2021 as there were no receipts during the month.

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FINANCIAL OUTLOOK

Government, revenue collection has shown significant growth from the months of January to August with revenue collection for the first 5 months of the financial year performing exceedingly well even better than the pre-covid levels. The country is now reopened and despite the new health measures put in place the uptick in both revenue generation and government spending are expected to continue as revenue collection has increased by 4% from June to July and 11% from July to August as revenue from Hotel and Restaurant Tax increase by \$4.5 million over a month period.

There still remains hope for a more sustained economic recovery as 71.3% 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.

The uncertainty of this pandemic still remains as the emergence of the delta variant resulting in an uptick in cases, the slowing of vaccinations, and 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 obligation for TCIG. 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.