



TURKS AND CAICOS ISLANDS



GOVERNMENT OF THE TURKS AND CAICOS ISLANDS



OCTOBER 2021

FINANCIAL REPORT

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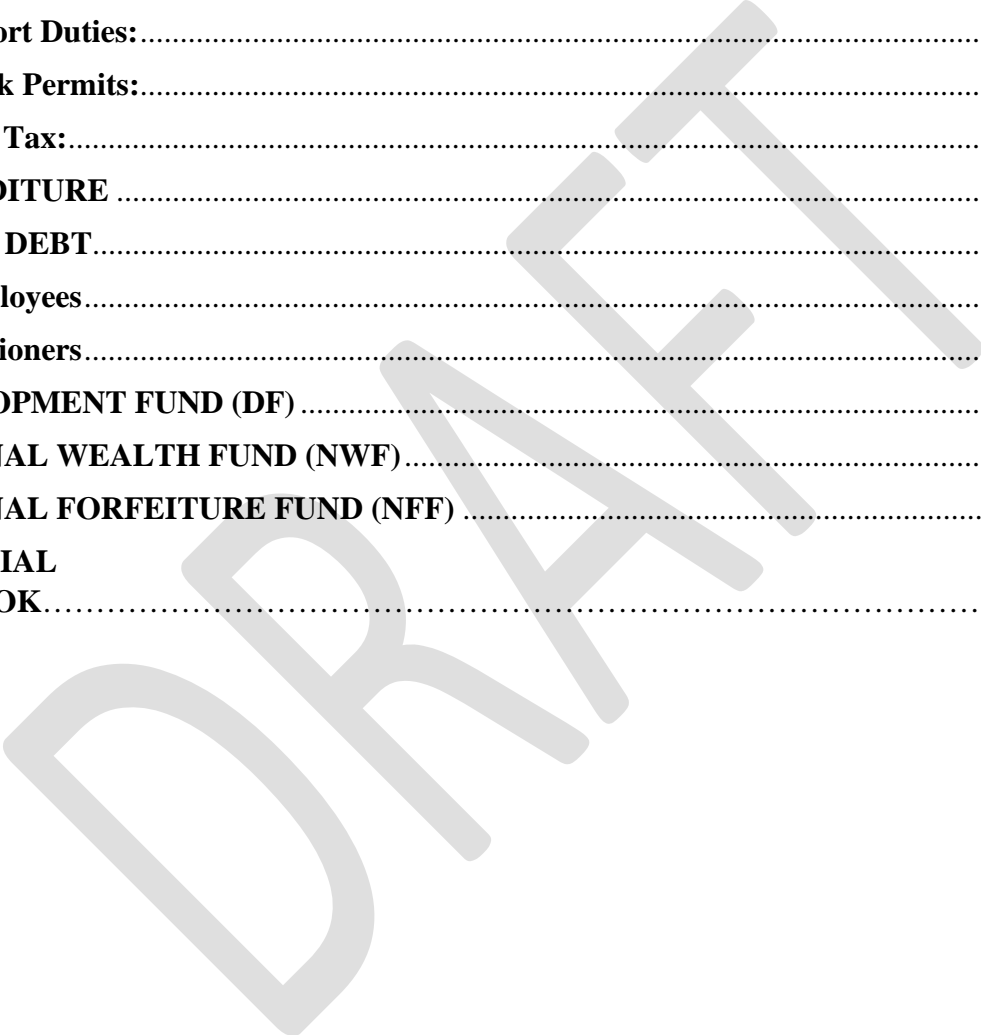
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KEY POINTS

- ❖ *The monthly Financial Report for October 2021 shows the performance against estimates as well as the prior year's performance.*
 - ❖ *The net operating surplus as at the end of October 2021 totaled \$64.4 million.*
 - ❖ *Development Fund Expenditure for the month totaled \$1.4 million.*
 - ❖ *Outstanding Public Debt stood at \$0.6 million after principal repayments of \$0.3 million.*
 - ❖ *The underlying cash balance increased by \$61.7 million bringing Cash and Cash equivalents to a total of \$183.4 million at the end of October 2021.*
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OVERVIEW

Like the rest of the world, the Turks and Caicos Islands continue to live through an unprecedented crisis with ongoing uncertainty as to what the short to medium term will bring in terms of any significant return to normalcy or levels of economic growth and prosperity. However, unlike most countries globally, the Turks and Caicos Islands have been quite fortunate to experience a moderate economic recovery and a return to surplus financial position quite early in this calendar year. Economic buoyancy was primarily attributable to the relatively high volume of tourist arrivals in the last Quarter of the calendar year 2020 and unprecedented activities within the real estate sector

The month of October recorded a surplus of \$0.8 million and a year-to-date financial surplus of \$64.4 million.

These surpluses would have contributed positively to our cash flows leading to an overall increase in the cash position by over \$61.7 million to \$183.4 million.

OPERATING BALANCE

Net Operating Surplus: Month \$0.8 million, Year to Date \$64.6 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	23,940.2	15,181.5	14,909.8	8,758.7	58%	9,030.4	61%	221,998.2	155,876.6	91,236.3	66,121.6	42%	130,761.9	143%
Recurrent Expenditure	22,120.5	24,303.4	23,710.4	2,182.9	9%	1,589.9	7%	144,532.3	170,806.8	143,879.4	26,274.5	15%	(652.9)	(0%)
Net Recurrent Surplus	1,819.7	(9,121.9)	(8,800.6)	10,941.6	(120%)	10,620.3	(121%)	77,465.9	(14,930.2)	(52,643.1)	92,396.1	-619%	130,109.0	(247%)
Non-Recurrent Revenue	5.0	772.8	22.3	(767.7)	(99%)	(17.3)	(78%)	1,004.7	1,122.5	367.3	(117.8)	(10%)	637.4	174%
Non-Recurrent Expenditure	1,009.6	2,940.2	829.4	1,930.6	66%	(180.2)	(22%)	13,889.2	21,333.6	2,319.9	7,444.4	35%	(11,569.3)	(499%)
Net Operating Balance	815.1	(11,289.4)	(9,607.6)	12,104.5	(107%)	10,422.7	(108%)	64,581.3	(35,141.3)	(54,595.8)	99,722.6	-284%	119,177.1	(218%)

The month of October 2021 recorded an operating surplus of \$0.8 million. Approximately \$12.1 million is greater than the budgeted deficit of \$11.3 million and a year-to-date outturn of \$99.8 million ahead of the estimates. This significant variance against estimates is equally due to the weaker performance in revenue collections for the month and same actual performance in expenditure. However an uptick in revenue is expected in the ensuing months as the country prepares for high tourist season.

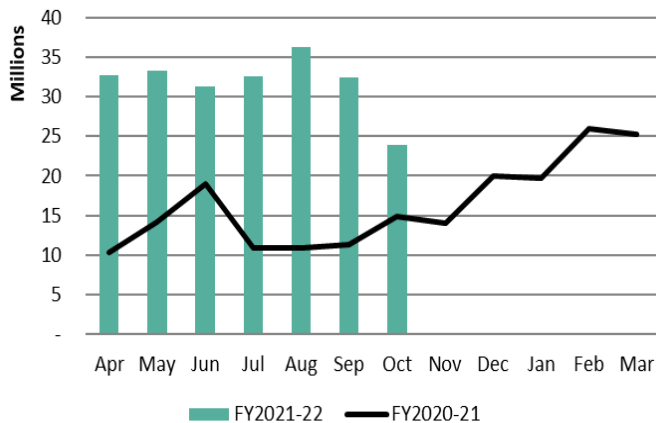
The financial position shows an improvement of \$10.4 million against the \$9.6 million deficit recorded in October 2020. YTD, the outturn of \$64.6 million is \$119.2 million greater than the prior year's deficit.

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	815.1	(11,289.4)	(9,607.6)	12,104.5	(107%)	10,422.7	(108%)	64,581.3	(35,141.3)	(54,595.8)	99,722.6	(284%)	119,177.1	-218%
Less:														
Development Fund Expenditure	(1,377.6)	-	(2,333.6)	(1,377.6)	-	955.9	-	(13,159.3)	(26,178.3)	(14,469.1)	13,019.0	(50%)	1,309.8	(9%)
Debt Repayments	(21.7)	-	(21.7)	(21.7)	-	-	-	(273.6)	(501.8)	(1,127.6)	228.3	(45%)	854.0	(76%)
Borrowing	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Bond Inflows	-	-	-	-	-	-	-	21.6	-	183.6	21.6	-	(162.0)	(88%)
Transfers from/(to) NWF	(4.3)	-	-	(4.3)	-	(4.3)	-	(4.3)	-	-	(4.3)	-	(4.3)	-
Add Depreciation and other non-cash items	4,547.8	-	8,044.1	4,547.8	-	(3,496.3)	(43%)	10,499.9	-	11,277.0	10,499.9	-	(777.1)	(7%)
Net Cash Flow	3,959.2	(11,289.4)	(3,918.9)	15,248.6	(135%)	7,878.1	(201%)	61,665.7	(61,821.4)	(58,731.8)	123,487.1	(200%)	120,397.5	(205%)

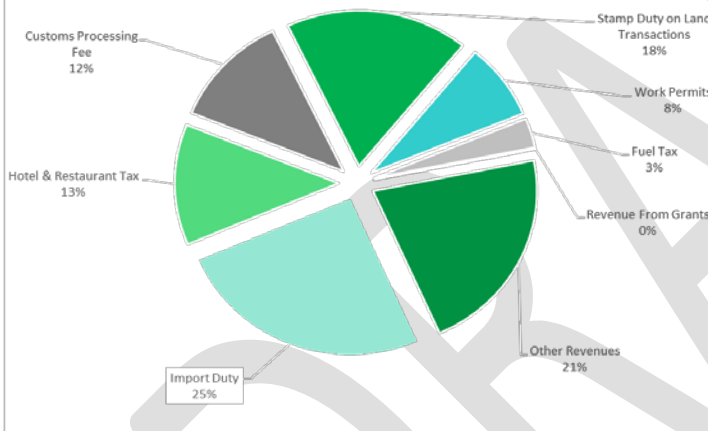
Comparatively, the outturn showed a \$7.8 million increase against the same period last year. As a result, Cash and Cash Equivalents increased from \$121.7 million at the beginning of the financial year to \$183.4 million at the end of October. A total net cash flow increase of \$61.7 million over the first seven months in the financial year. The results to date also reflect Development Fund Expenditure \$13.2 million, debt servicing of \$0.3 million, bond inflows of \$0.02 million, and net receipts of \$10.5 million.

TOTAL REVENUE COLLECTED



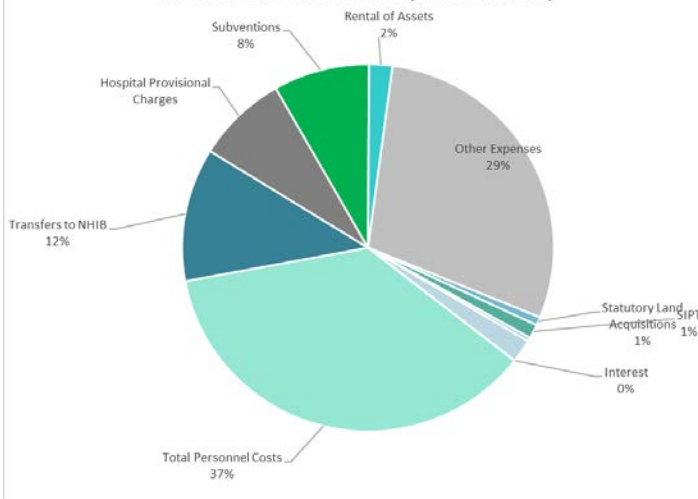
In October, revenue collection was \$23.9 million, an increase of \$8.0 million compared to the estimates and \$9.0 million over the prior year period. All major revenue heads have been performing near or exceeding their pre-COVID levels. Import Duties led this performance with a revenue intake of \$6.0 million, followed by Stamp Duty on Land Transaction - \$4.3 million and Hotel & Restaurant Tax - \$3.0 million. The top three revenue accounted for 56% of TCIG's revenue performance for the month of October.

REVENUE BY SOURCE (OCTOBER 2021)



Expenditure for October was \$23.1 million, approximately 15 percent below the projected amount, and \$1.4 million or 6 percent less than the prior year results. The underperformance for October is due to timing differences between actual and planned expenditure. Large scale expenditure for land acquisition and covid expenditure was delayed in the month. In addition, recurring savings in personnel costs due to a delay in recruitment We anticipate that the expenditure trajectory will change throughout the later months in the 3rd Quarter.

EXPENDITURE BY FUNCTION (OCTOBER 2021)



REVENUE

Recurrent Revenue: Month \$23.9 million, Year to Date \$222.0 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	6,046.8	4,855.9	3,731.4	1,190.9	2,315.4	41,117.5	28,971.0	20,568.4	12,146.4	20,549.0
Hotel & Restaurant Tax	3,002.8	1,509.6	2,357.7	1,493.1	645.1	47,036.3	36,330.3	4,802.2	10,706.0	42,234.1
Customs Processing Fee	2,811.6	1,875.2	1,652.0	936.3	1,159.6	20,490.5	14,240.2	10,562.8	6,250.3	9,927.7
Stamp Duty on Land Transactions	4,316.9	1,475.6	1,662.5	2,841.3	2,654.4	56,398.1	36,035.4	14,457.8	20,362.7	41,940.3
Work Permits	1,885.6	1,741.4	2,068.5	144.2	(182.9)	11,632.1	10,274.8	8,206.1	1,357.3	3,426.0
Fuel Tax	733.3	693.3	734.4	40.0	(1.1)	5,893.3	4,509.8	3,506.5	1,383.6	2,386.8
Other Revenues	5,143.3	3,030.5	2,703.4	2,112.7	2,439.9	39,430.5	25,515.0	29,132.4	13,915.5	10,298.1
TOTAL RECURRENT REVENUE	23,940.2	15,181.5	14,909.8	8,758.7	9,030.4	221,998.2	155,876.6	91,236.3	66,121.6	130,761.9

Recurrent Revenue for October totalled \$23.9 million against the Estimates of \$15.2 million. Revenue collection exceeded estimates by \$8.8 million in the current period and nearly double the amount year-over-year. Comparatively, the results show significant improvement in collection from Import Duty, Hotel and Restaurant Tax, Customs Processing Fee and Stamp Duty on Land Transactions. Collectively they accounted for approximately 68 percent of the revenue collection for the month. The resilient performance continues to be encouraging as it signals a significant change in local economic activities.

The major Revenue Heads are summarised as follows:

Stamp Duty on Land Transactions:

Stamp Duty collected during October totalled \$4.3 million compared to a budget of \$1.5 million. Revenue collected from Stamp Duty has shown an encouraging trend since the beginning of the financial year due to many high-value transactions. YTD actuals of \$56.4 million surpassed both budget and prior year results by \$20.4 million and \$41.9 million, respectively, showing the highest intake for Stamp Duty in recent years. This positive variance in collections is due to one hundred and sixteen (116) high value transfers ranging from \$1-\$3.5M and approximately thirty-three (33) transfers with consideration ranging from \$4M-\$18.7M with the exception of four (4) transfers not applicable for the 10% stamp duty. The Turks and Caicos' property market rebounded strongly after the country reopened its borders and implemented more relaxed COVID measures which is now causing a major attraction to both foreign and residential sectors to purchase.

Hotel & Restaurant Tax:

For October, Hotel & Restaurant Tax receipts totalled \$3.0 million against estimates and prior year receipts of \$1.5 million and \$2.4 million, respectively. It accounts for 13% of revenue collected. The Tourism Industry has been one of the most impacted during this COVID-19 pandemic. However, revenue collections have been gradually improving since the beginning of the year; the summer months showed unprecedented performance leading up to a vast improvement YTD of \$47.0 million collected. The revenue collection has exceeded that of the prior year by \$42.2 million due to increased tourist arrivals as hotels and restaurants are now fully opened. Recent reports show that vaccine rollout has been successful, with over 75% of the country's adult population vaccinated. Together with the upcoming relaxed measures, HRT is expected to increase further as TCI expects an uptick in tourist arrivals in the winter season.

Import Duties:

Import Duties collected for October totalled \$6.0 million, \$1.2 million higher than budget and the prior year's receipts of \$3.7 million. Year-to-date actuals of \$41.1 million outpaced the preceding year by \$20.5 million and \$12.1 million higher than Estimates. Local economic activities on the island continue to pick up. As a result, the need for imported goods relatively increases as tourist-related consumption increases due to the growth in tourist arrivals.

Customs Processing Fees:

For October, Customs Processing Fees (CPF) totalled \$2.8 million, \$1.2 million above the prior year's results and \$0.9 million above budget. The increase in CPF correlates with Import Duties activity over the year. Year to date, actuals totalled \$20.5 million. This result was up by \$9.9 million compared to prior year receipts of \$10.6 million and \$6.3 million against the budget. Supermarkets, Utilities/Fuel, Construction and Electrical were the main contributors towards the increase.

Work Permits:

Receipts from Work Permits totalled \$1.9 million for October and accounted for 8% of total revenue collected. These results were \$0.1 million above budget whilst \$0.2 million below prior-year results. Year to date actuals totalled \$11.6 million compared to a budget of \$10.3 million and was above prior year

results by \$3.4 million. Revenue collection is expected to increase as most work permit holders are employed in the tourism and hospitality sector, significantly affected as major hotels and the Cruise Port were closed last year. TCI is looking forward to an even more substantial increase in the ensuing months as the Cruise Port is expected to re-open in early December and the hotels are now fully open and accomodating tourist arrivals.

Fuel Tax:

For the month of October, fuel tax receipts were \$0.7 million, an increase of \$0.04 when compared to budget and \$0.001 below the prior year's outturn. Revenue collected from Fuel Tax accounted for 3% of total income but has shown positive outturn for October. Year-to-date actuals of \$5.9 million surpassed prior results by \$2.4 million and budget by \$1.4 million due to an increase in fuel prices world wide.

Other Revenue: *Month \$5.1million, Year to date \$39.4 million*

OTHER REVENUE In USD thousands of dollars	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	115.6	55.8	84.9	59.9	30.7	2,556.9	1,745.9	1,845.0	811.0	711.9
Communication Tax	436.2	318.0	346.2	118.3	90.0	2,983.2	2,479.1	2,324.5	504.1	658.7
Gaming Machine Tax	389.3	311.8	428.6	77.6	(39.3)	2,991.6	1,641.0	490.6	1,350.6	2,500.9
Seaport Departure Tax	-	-	-	-	-	84.1	-	73.1	84.1	11.0
Telecommunication Licences	225.3	276.5	232.3	(51.1)	(7.0)	1,537.6	1,927.2	1,322.4	(389.6)	215.2
Overtime Costs Recovered	167.2	134.9	79.1	32.3	88.1	1,612.8	875.9	582.8	736.8	1,030.0
Vehicle Licence Renewals	228.0	232.5	261.8	(4.4)	(33.8)	1,674.1	1,053.7	1,310.3	620.4	363.8
Permanent Residency Fees	327.5	140.0	170.4	187.5	157.2	1,646.1	977.8	810.7	668.3	835.4
Excess Revenue	1,330.5	153.5	1.5	1,177.0	1,329.0	11,276.1	4,370.3	12,734.0	6,905.7	(1,458.0)
Other Revenues	1,923.4	1,407.6	1,098.6	515.8	824.9	13,068.2	10,444.0	7,638.9	2,624.2	5,429.3
TOTAL OTHER REVENUE	5,143.3	3,030.5	2,703.4	2,112.7	2,439.9	39,430.5	25,515.0	29,132.4	13,915.5	10,298.1

Other Revenues for October totalled \$5.1 million, which was above both budget and prior year results by \$2.1 million and \$2.4 million, respectively.

The top performing heads consist mainly of \$0.4 million each in Communication Tax and Gaming Machine Tax, \$1.3 million in Excess Revenue, and \$0.3 million in Permanent Residency Fees which all accounted for 48% of the other revenues collected by TCIG for the period.

The \$1.3 million excess revenue comprise of \$0.07 million from Port Authority, \$0.5 million from Invest TCI representing an outstanding balance for 2020/21 and \$0.8 million from Financial Service Commission (FSC) in relation to assessment of Q2. Year to date actuals of \$39.4 million was above both estimates and prior year by \$13.9 million and \$10.3 million, respectively.

Non-Recurrent Revenue: Month \$0.005 million Year to date \$1.0 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	5.0	75.3	22.3	(70.3)	(17.3)	626.2	288.7	261.0	337.5	365.1
Revenue From Grants	0.0	697.5	0.0	(697.5)	(0.0)	378.5	833.8	106.2	(455.3)	272.3
Insurance Proceeds	-	-	-	-	-	-	-	-	-	-
TOTAL NON-RECURRENT REVENUE	5.0	772.8	22.3	(767.7)	(17.3)	1,004.7	1,122.5	367.3	(117.8)	637.4

For the month of October, revenue collection was below estimates by \$0.8 million due to profiling as grants were projected to be received for Ministry of Health and Education Department. Year to date actuals of \$1 million, was below estimates by \$0.1million due to the underperformance in revenue from grants. Comparing results to prior year, actual revenue surpassed prior year results by \$0.6 million due to immense increase in Land sales and revenue from grants.

EXPENDITURE

Recurrent Expenditure: Month \$22.1 million, Year to Date \$144.5 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	8,447.7	9,676.3	7,939.6	1,228.6	(508.1)	57,870.4	63,303.7	54,486.6	5,433.3	(3,383.8)
Transfers to NHIB	2,716.9	2,691.2	5,542.4	(25.7)	2,825.5	18,950.1	19,078.4	19,398.4	128.3	448.3
Hospital Provisional Charges	1,829.9	1,700.4	1,880.2	(129.5)	50.4	14,074.3	14,022.0	15,856.2	(52.3)	1,781.9
Subventions	1,933.0	2,089.7	1,586.8	156.7	(346.3)	11,363.9	13,369.6	9,051.7	2,005.6	(2,312.2)
Rental of Assets	470.1	525.9	428.1	55.8	(42.0)	3,102.0	3,569.8	3,041.5	467.8	(60.5)
Other Expenses	6,723.0	7,620.0	6,333.3	897.0	(389.7)	39,171.5	57,463.3	42,045.0	18,291.8	2,873.5
TOTAL RECURRENT EXPENDITURE	22,120.5	24,303.4	23,710.4	2,182.9	1,589.9	144,532.3	170,806.8	143,879.4	26,274.5	(652.9)

Recurrent expenditure for October totalled \$22.1 million and was \$2.2 million or 9% below the estimates and 7% below the prior year's outturn.

Personnel Costs accounted for 37% of the total expenditure, totalling \$8.4 million, down \$1.2 million from the budget while exceeding the prior year's results by \$0.5 million. Transfers to NHIB totalled \$2.7 million and was slightly over budget by \$0.03 million. This expenditure increased marginally by 1% its budget in the month but moved downward 51% to the prior year spending of \$5.5 million. The variance to the prior-year spending occurred due to the timing difference of payment. These payments fulfil contract obligation, allowing for the continued medical coverage (clinical cost) for the elderly, indigent persons and persons under lawful custody. It also ensures that TCIG's Overseas Treatment program overseen by NHIP is financially maintained.

Hospital provisional charges totalled \$1.8 million, approximately \$0.1 million, above estimates.. Additionally, the 6% decrease seen in the month against the prior year is attributable to COVID-19 expenditure outflow on the Hospital expansion project and the onsite Oxygen generation system. Generally, spending to date was comparable to its forecast and future spending should follow the current trend. Subvention performance of \$1.9 million was \$0.2 million below the Estimates. The overall variance to budget is mainly due to timing differences between profiled and actual expenditure.

Other Recurrent Expenditure: Month \$6.7 million, Year to date \$39.2 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	1,183.5	1,743.0	914.7	559.5	(268.8)	6,531.1	9,767.4	6,215.3	3,236.3	(315.8)
Maintenance Expenses	1,150.1	886.1	1,262.6	(264.0)	112.5	5,191.6	7,218.2	6,537.1	2,026.7	1,345.5
Professional and Consultancy Services	234.4	342.4	431.4	108.0	196.9	1,915.0	4,018.4	1,777.1	2,103.4	(137.9)
Grants and Contributions	1,010.4	1,719.1	1,367.2	708.7	356.8	5,982.5	10,151.1	12,833.7	4,168.6	6,851.2
Utilities	335.1	374.3	185.6	39.2	(149.5)	2,030.4	2,614.1	1,775.2	583.6	(255.2)
Other Recurrent Expenditure	2,809.5	2,555.1	2,171.8	(254.4)	(637.7)	17,521.0	23,694.0	12,906.6	6,173.1	(4,614.4)
TOTAL OTHER RECURRENT EXPENDITURE	6,723.0	7,620.0	6,333.3	897.0	(389.7)	39,171.5	57,463.3	42,045.0	18,291.8	2,873.5

Some major heads were below the estimates, except maintenance expenses, which exceeded estimates by \$0.3 million. As a result, actual expenditure for the month totalled \$6.7 million, which was \$0.9 million below the budget and \$0.4 million above from the same period last year. Year to date actuals of \$39.2 million was below estimates by \$18.3 million and down \$2.9 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. The expectation is that expenditure will normalized before the end of the FY.

Non-Recurrent Expenditure: Month \$1.0 million, Year to date \$13.9 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	170.0	1,140.0	-	970.0	(170.0)	8,427.8	11,170.0	-	2,742.2	(8,427.8)
SIPT	285.3	266.5	271.9	(18.8)	(13.4)	1,915.6	2,003.4	1,224.5	87.8	(691.1)
Civil Recovery	78.7	-	150.6	(78.7)	71.9	465.7	700.0	525.1	234.3	59.4
Covid-19 Expense	472.0	793.8	368.9	321.9	(103.0)	3,062.7	5,299.3	454.7	2,236.5	(2,608.0)
Contingency	-	650.0	-	650.0	-	-	1,920.3	-	1,920.3	-
Interest	3.7	89.9	38.0	86.2	34.3	17.3	240.6	115.6	223.3	98.3
TOTAL NON-RECURRENT EXPENDITURE	1,009.6	2,940.2	829.4	1,930.6	(180.2)	13,889.2	21,333.6	2,319.9	7,444.4	(11,569.3)

Non-Recurrent Expenditure results for October totalled \$1.0 million, consisting of \$0.5 million in COVID related expenditure. In addition, the remaining 53% included payments to SIPT totalling \$0.3 million, Statutory Land Acquisitions of \$0.2 million and \$0.08 million to Civil Recovery. YTD actuals of \$13.9 million were below estimates by \$7.4 million.

PUBLIC DEBT

Public Debt	Opening	October 31, 2021	
Debt Type	1-Apr-21	Principal Repayment	Outstanding Principal
	\$ 000's	\$ 000's	\$ 000's
TCIG Loans - Unsecured	838.8	(273.6)	565.2
Total Outstanding Public Debt	838.8	(273.6)	565.2

TCIG's outstanding debt as of October 31 2021, was \$0.6 million. Total principal debt repayment for the year was \$0.3 million, while total finance costs were \$17.3 thousand. There were no new borrowings during the financial year, neither were there any drawdowns on the previously approved \$80 million credit facility with the Republic Bank Limited. However, an undrawn commitment fee of \$16.7 thousand is incurred monthly.

HUMAN RESOURCE MANAGEMENT

Employees

There were 1,808 people employed by TCIG at the end of October 2021 consisting of 270 waged employees as well as 1,538 monthly paid employees, exclusive of the Royal Turks and Caicos Police Force, with 373 vacancies existing throughout the civil service.

Pensioners

The total number of Pensioners at the end of September 2021 were 311.

DEVELOPMENT FUND (DF)

The total amount spent on capital projects amounted to \$1.4 million for October compared to \$2.3 million spent in the same period last year. This expenditure mainly consists of \$0.4 million spent on the construction and renovation of Government buildings throughout the islands and the repair of roads respectively, \$0.5 million on the purchase of heavy equipment and \$0.03 million on purchase of specialist equipment for the Police. Year to date actual expenditure totalled \$13.2 million, which was \$13 million below the estimates and down by \$1.3 million compared to spending in the prior year comprising of both ongoing and new projects that are currently on stream.

NATIONAL WEALTH FUND (NWF)

The balance in the NWF as of October 31, 2021, stood at \$25.9 million with an interest of \$4.3 thousand earned in the month of October. No transfers to the fund are expected during this financial year.

NATIONAL FORFEITURE FUND (NFF)

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

FINANCIAL OUTLOOK

Compared to other other countries, Turks & Caicos Islands has been fortunate enough to recover financially and economically over the one year period. This was contributed primarily from the economic resilience of high volume tourist arrivals and the exceptional activities within the real estate sector. As a result, revenue collection has shown significant growth from the beginning of the financial year to October 2021, totalling \$223 million. This result was up by \$66 million compared to budget and \$131.4 million from the prior year's turnout. The country is now fully open for business, and the Government continues to implement new health measures. However, the uptick in revenue generation and government spending is expected to continue as the tourist industry prepares for the winter season arrivals. Generally, expenditure is trending below estimates, but we expect spending activities to strengthen in the ensuing months, as the 1st Supplementary Appropriation Bill has been laid and approved in the House of Assembly.

There remains hope for a more sustained economic recovery as over 75% of the adult population is now vaccinated. While we are still faced with an overall economy that will be slightly weaker in the near term than pre-COVID levels, it is also rebounding faster than anticipated.

The uncertainty of this pandemic still remains as the emergence of the delta variant results in an uptick in cases, 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 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 plan to safeguard TCIG's liquidity position. Within this context, the Government continues to act decisively in the national interest.

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