



TURKS AND CAICOS ISLANDS



# GOVERNMENT OF THE TURKS AND CAICOS ISLANDS



NOVEMBER 2022

# FINANCIAL REPORT

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## **FOREWORD**

This report presents the financial results of the Turks and Caicos Islands Government (TCIG) or (the "Government") as of November 30, 2022.

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 5 2022, to implement the strategies, development programmes and projects, concentrating on the well-being of the people of the Turks and Caicos Islands, national transformation and economic development.

The Government presented a budget including revenues of \$395 million, operating expenditures of \$338.5 million and contributions to the Development Fund of \$50 million, resulting in a budgeted surplus of \$6.8 million.

A supplementary budget was approved in July 2022 to increase the grants and contributions expenditure estimates by \$14 million as part of a planned citizen's inflation adjustment stimulus package and the works programme and to increase Revenues from Hotel and Restaurant tax by \$6 million and Seaport departure tax by \$1 million.

A second supplementary budget was approved by the House of Assembly on October 7 2022, to increase the Revenue from Grants by \$0.79 million and Insurance proceeds by \$0.67 million and to increase operating expenditure by \$15.7 million (for priority areas like; increasing in police salaries, fuel factor subsidies, restoration, repairs and clean-up projects, and additional citizen's inflation adjustment stimulus.) An additional \$3.5 million was also allocated to Capital expenditure through the Development Fund.

Inclusive of all approved supplementary budgets as of November 30, 2022, Government revised estimates comprise revenue of \$411 million, operating expenditures of \$421 million and Capital expenditure of \$54.5 million resulting in a planned operating deficit of \$10 million.

As at November 30 2022, 67% of the revised annual revenue budget has been recognized, 49% of the revised annual planned Operating Expenditure has been executed, and 20% of the revised Capital Expenditure budget has been absorbed.

## ECONOMIC OVERVIEW

The local economy and, by extension, the world have faced inflationary pressures in the past eight months, mainly arising from global logistical bottlenecks coming out of the pandemic and the Ukraine war.

The International Monetary Fund (IMF), in its October 2022 edition of the World Economic Outlook (WEO), stated that the global economy is experiencing a number of turbulent challenges; Inflation higher than seen in several decades, tightening financial conditions in most regions, Russia's invasion of Ukraine, and the lingering COVID-19 pandemic all weigh heavily on the outlook. Normalization of monetary and fiscal policies that delivered unprecedented support during the pandemic is cooling demand as policymakers aim to lower inflation back to target. But a growing share of economies are in a growth slowdown or outright contraction. The global economy's future health rests critically on the successful calibration of monetary policy, the course of the war in Ukraine, and the possibility of further pandemic-related supply-side disruptions, for example, in China.

Global growth is forecast to slow from 6.0 percent in 2021 to 3.2 percent in 2022 and 2.7 percent in 2023. This is the weakest growth profile since 2001 except for the global financial crisis and the acute phase of the COVID-19 pandemic and reflects significant slowdowns for the largest economies: a US GDP contraction in the first half of 2022 (While the US is slowing, growth remains positive, with consumer spending especially resilient.), In the UK, GDP contracted in the third quarter and the weakness of leading indicators and the sharp rise in interest rates means a more fundamental recession is setting in, the Eurozone contraction in the second half of 2022, and prolonged COVID-19 outbreaks and lockdowns in China with a growing property sector crisis. About a third of the world economy faces two consecutive quarters of negative growth. Global inflation is forecast to rise from 4.7 percent in 2021 to 8.8 percent in 2022 but to decline to 6.5 percent in 2023 and to 4.1 percent by 2024. Upside inflation surprises have been most widespread among advanced economies, with greater variability in emerging market and developing economies.

Interest rate hikes have eased price pressures, but the weather, war and material costs could keep food prices elevated for longer. Higher international food prices are estimated to have added 6 percentage points to consumer food inflation in 2022. However, the pass-through to higher domestic retail food prices could take six to 12 months into 2023. In addition to slowing global economic growth, which has a modest direct effect on food prices, central bank interest rate hikes have significantly eased price pressures. The Federal Reserve, for example, is raising

borrowing costs at the fastest pace in two decades. Higher rates tend to discourage inventory holdings and reduce speculative activities in commodity futures markets, thus putting downward pressure on food prices.

A forecast by the International Monetary Fund (IMF) that a third of the world's economies are about to slide into a recession in 2023 amid dismal Chinese growth prospects will continue to weigh on global oil demand and depress prices, according to economists and analysts. A survey of 30 economists and analysts forecast Brent crude would average \$89.37 a barrel in 2023, and \$80/bbl in 2024, down from a projected \$100/bbl in 2022. However, some analysts believe that the impact of supply shortfalls caused by sanctions on Russia will offset the demand drop caused by darkening global economic backdrop and Covid-19 flare-ups in China.

For the Caribbean region, according to the World Travel and Tourism Council, indicators are that Caribbean tourism is in growth mode and predicted 5.5% annual growth for Caribbean tourism over the next 10 years. Most Caribbean countries continue to show a strong recovery in visitor arrivals when compared with other regions of the world, according to the United Nations World Tourism Organization's data from November 2022. Visitor arrivals in the Caribbean though July 2022 reached 81.9% of the same time period in 2019, while global arrivals stood at 57.1% in the same timeframe. However, significant headwinds still loom due to lack of air connectivity, labor shortage issues, supply chain disruptions and the potential for other external shocks.

According to the TCI government's Department of Statistics forecast, the territory's real Gross Domestic Product (GDP) is projected to have grown by 6.2% this year, with nominal GDP growing to \$1.14 Billion and GDP per capita to \$25,985. Powered by tourism and the construction sector, the economy is achieving a remarkably fast recovery from the recession that ripped through the nation in 2020/2021 on the heels of the Coronavirus pandemic. Due to inflation, the Consumer Price Index rose by 6% this year.

The Department of Statistics projects that real Gross Domestic Product (GDP) is will grow by 5.5% in 2023, 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 2023.

Government revenue generation has shown significant growth from the beginning of the year to the present. 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.

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

The Government has undertaken interventions to reduce the cost of living burden on the citizens and mitigate the contraction in economic activity. These measures are reflected in some of the movements in income and expenditure during the month and year to date. These have included;

- Direct Assistance through a citizen inflation adjustment stimulus with the one-off payment intended to assist citizens with their general living expenses.
- The Fuel Tax was reduced from 85 cents per gallon to 64 cents per gallon; effective date - April 1, 2022 – March 31, 2023.
- Customs Processing fees were reduced from 7.5 % to 5%, effective April 1, 2022 – March 31, 2023.
- Import duties and customs fees were waived on essential consumable and home-use items from August 1, 2022, to November 30, 2022.
- A \$2.5 Million supplementary Expenditure was introduced to subsidise the electricity bills of citizens and residents. Fuel factor stabilisation credit was capped at \$0.2 per kilowatt hour for the period October to December 2022

## **FISCAL OVERVIEW**

For November and year to date, the Government response has been and still is important in mitigating the contraction in economic activity while providing relief for citizens and businesses. The Government has ended the month with an operating deficit of \$0.4 million (Year to date - \$65.3 million surplus) and a cash decrease of \$5.6 million (Year to date an increase of \$56.7 million) to a closing cash balance of \$252.5 million. TCIG has continued to see a vast improvement in revenue collection since the resumption of normal operations following the disruptions caused by Covid-19. Despite the uptick in the economy, it is still 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 in its operating surplus with increased cash flow, strong employment growth and a rebound following the sluggish performance relating to the pandemic. The Turks & Caicos Islands

improved economic resilience was primarily attributable to the high volume of tourist arrivals, revenue intake on Import Duty and Customs Processing Fee.

## **KEY HIGHLIGHTS**

- The monthly Financial Report for November 2022 shows the performance against estimates compared to the prior year's performance.
- The net operating deficit for November 2022 totaled \$0.4 million. Year to date, the net operating surplus stands at \$65.3 million.
- Development Fund Expenditure for the month totaled \$3.2 million. Year to date Capital Expenditure is \$10.6 million
- Outstanding Public Debt stood at \$0.4 million.
- The underlying cash balance decreased by \$5.6 million in November, bringing Cash and Cash equivalents to \$252.5 million.

## OPERATING BALANCE

Net Operating (Deficit)/Surplus: *Month \$0.4million deficit, Year to Date \$65.3 million surplus*

FISCAL SUMMARY	November 2022			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	26,859	35,095	28,339	(8,235)	-23%	(1,479)	-5%	265,405	257,060	243,706	8,345	3%	21,699	9%
Recurrent Expenditure	26,199	25,190	22,650	1,009	4%	3,549	16%	197,100	239,057	160,745	(41,957)	-18%	36,354	23%
<b>Net Recurrent Surplus</b>	<b>660</b>	<b>9,904</b>	<b>5,688</b>	(9,244)	-93%	(5,028)	-88%	<b>68,306</b>	<b>18,003</b>	<b>82,960</b>	<b>50,302</b>	<b>279%</b>	(14,655)	-18%
Non-Recurrent Revenue	21	692	20	(671)	-97%	1	6%	3,128	2,636	1,024	492	19%	2,104	205%
Non-Recurrent Expenditure	1,112	802	2,497	310	39%	(1,384)	-55%	6,149	20,422	18,484	(14,273)	-70%	(12,334)	-67%
<b>Net Operating Surplus</b>	<b>(431)</b>	<b>9,795</b>	<b>3,212</b>	(10,225)	-104%	(3,643)	-113%	<b>65,284</b>	<b>217</b>	<b>65,501</b>	<b>65,068</b>	<b>30049%</b>	(217)	0%

November 2022 recorded a net recurrent surplus of \$0.7 million and a net operating deficit of \$0.4 million. Compared to the same period in the prior year, there was a \$3.6 million or 113% decrease in the net operating surplus. This is mainly attributed to increased personnel costs due to a salary increments for the police that were implemented in October 2022, payouts from the new civil servants pension plan (whereas the plan was instituted in April 2022, payments started in November 2022) and a decrease in revenue collected in custom processing fees due to concessions and waivers put in place in 2022 to curb imported inflation.

Against budget, there was a \$10.2 million or 104% unfavorable variance in the operating surplus. This is attributed to 67% lower than expected collections from stamp duty on land transactions.

## CASH FLOW

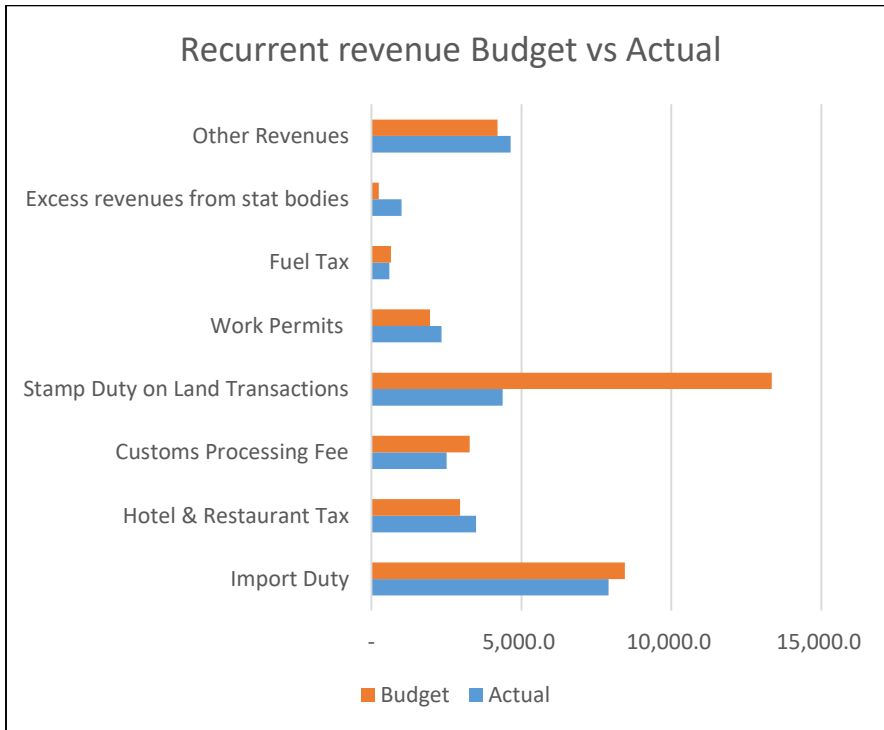
	November 2022			Variance				Year to Date			Variance			
	Actual	Budget	Prior Year	Budget		Prior Year		Actual	Budget	Prior Year	Budget		Prior Year	
	\$ 000's	\$ 000's	\$ 000's	\$ 000's	%	\$ 000's	%	\$ 000's	\$ 000's	\$ 000's	\$ 000's	%	\$ 000's	%
<b>Cash Flow from Operations</b>	(431)	9,795	3,212	(10,225)	104%	(3,643)	113%	65,284	217	65,501	65,068	30049%	(217)	0%
<b>Less:</b>				-		-								
Development Fund Expenditure	(3,187)	(4,355)	(3,326)	1,169	-27%	139	-4%	(10,557)	(51,956)	(16,485)	41,399	-80%	5,928	-36%
Debt Repayments	-	-	-	-	-	-	-	(130)	-	(565)	(130)	0%	435	0%
Borrowing	-	-	-	-	-	-	-	-	-	-	-	0%	-	0%
Bond Inflows	-	-	-	-	-	-	-	-	-	886	-	0%	(886)	0%
Transfers from/(to) NWF	-	-	-	-	0%	-	100%	-	-	-	-	0%	-	100%
Net receipts/(payments) of public accounts	(1,993)	-	3,955	(1,993)	0%	5,948	150%	2,075	-	-	-	-	-	-
<b>Net Cash Flow</b>	<b>(5,610)</b>	<b>5,439</b>	<b>3,841</b>	<b>(11,049)</b>	<b>203%</b>	<b>(9,730)</b>	<b>253%</b>	<b>56,671</b>	<b>(51,739)</b>	<b>49,336</b>	<b>23,799</b>	<b>-46%</b>	<b>(5,694)</b>	<b>-12%</b>
Opening cash balance	258,076							195,794						
<b>Closing cash balance</b>	<b>252,465</b>							<b>252,465</b>						
<b>Attributable to:</b>														
Consolidated Fund	116,926							116,926						
Development Fund	84,487							84,487						
National Forfeiture Fund	7,273							7,273						
National Wealth Fund	43,780							43,780						
<b>Closing cash balance</b>	<b>252,465</b>							<b>252,465</b>						

The net cash flow outturn showed a \$5.6 million decrease from the previous month. As a result, Cash and Cash Equivalents decreased from \$258.1 million at the beginning of the month, to \$252.5 million at the end of November. Year to date, cash has increased by \$56.7 million from \$195.8 million at the beginning of the year to \$252.5 million at the end of November. The results also reflect Development Fund Expenditure of \$3.2 million in November and \$10.6 million Year to date.

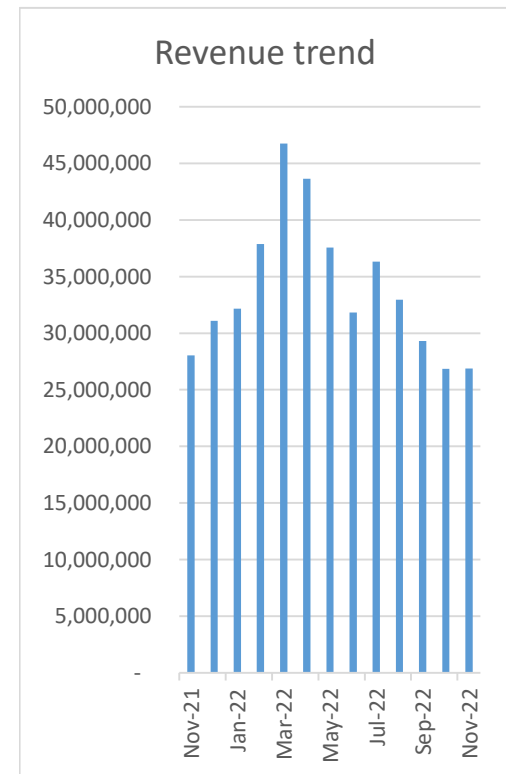
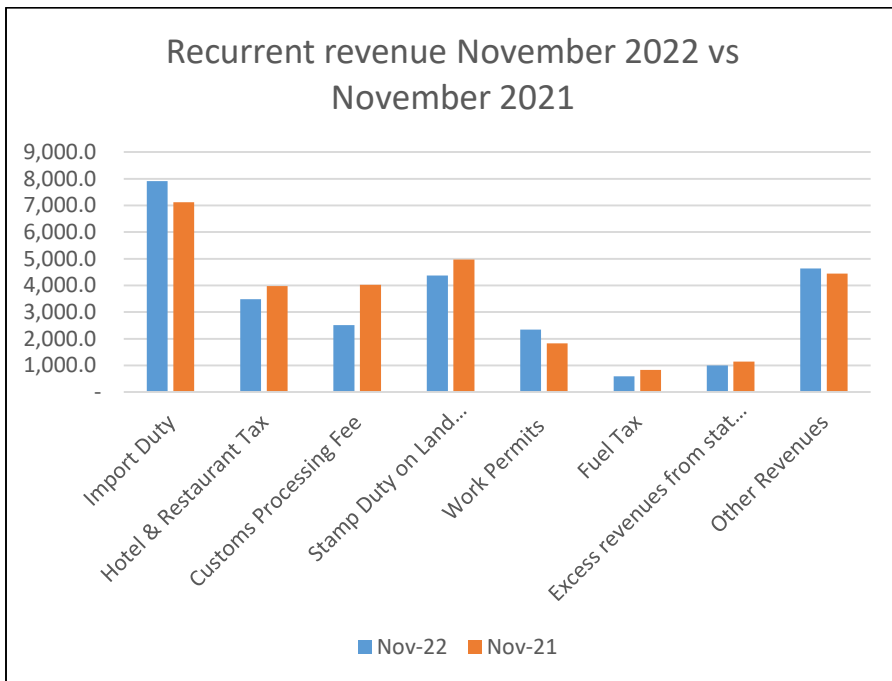
**The cash balance is broken down as follows:**

Unrestricted Funds	96,756	38%
Short term fixed deposit	20,000	8%
TCI Bank	170	0%
Development fund	84,487	33%
National Forfeiture fund	7,273	3%
National Wealth Fund	43,780	17%
<b>Total cash and cash equivalents</b>	<b>252,465</b>	<b>100%</b>

## REVENUE



In November, total revenue collection totaled \$26.9 million, a decrease of \$1.5 million or 5% when compared to the prior year period. The revenue collections were \$8.2 million or 23% below the estimates. The top five revenue generating lines accounted for 77% of TCIG's revenue performance for the month of November. YTD actual collections of \$268.5 million surpassed both budget and prior year by \$8.8 million & \$23.8 million respectively due to the outstanding performance in Hotel & Restaurant Tax and Import Duty.

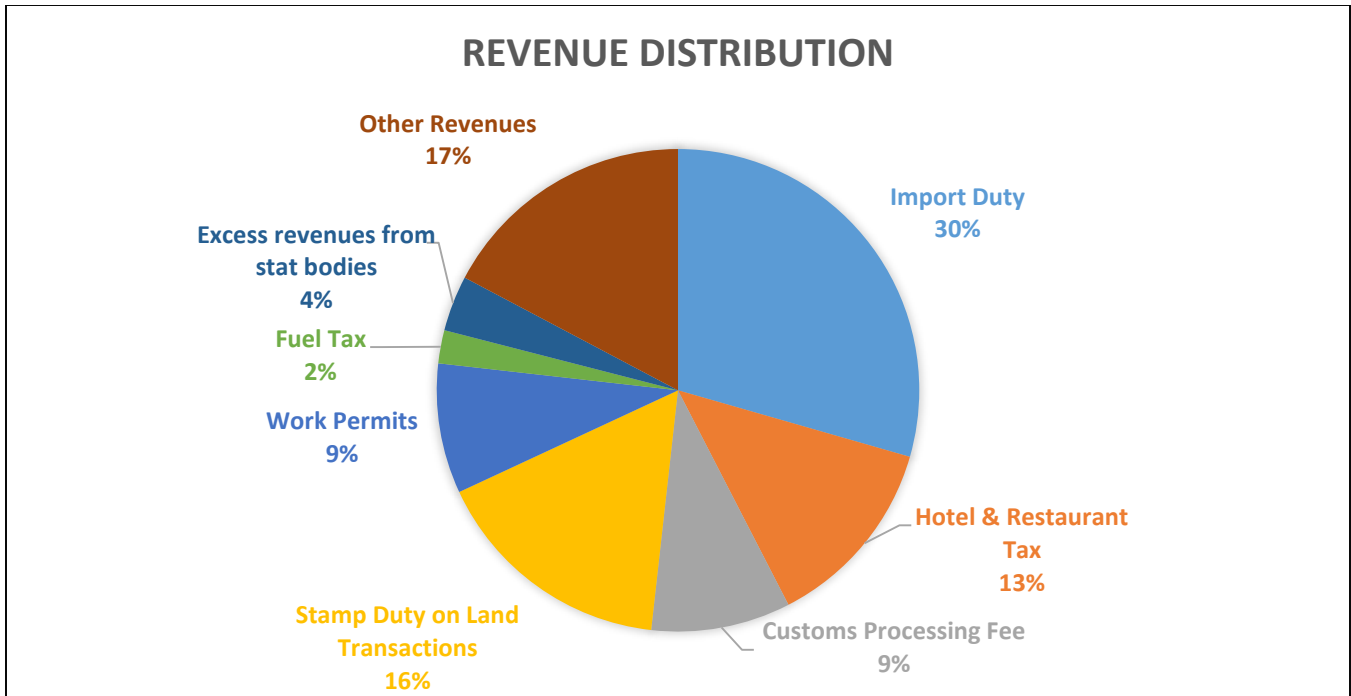


**Revenue: Month \$26.9 million, Year to Date \$265.4 million**

	November			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	%
<b>Recurrent Revenues</b>														
Import Duty	7,909.2	8,452.1	7,121.9	(542.9)	-6%	787.3	11%	61,659.1	51,531.9	48,166.4	10,127.2	20%	13,492.7	28%
Hotel & Restaurant Tax	3,487.6	2,957.0	3,973.4	530.6	18%	(485.8)	12%	63,127.2	57,337.5	48,240.8	5,789.7	10%	14,886.4	31%
Customs Processing Fee	2,509.1	3,280.6	4,024.9	(771.5)	-24%	(1,515.8)	38%	22,304.5	18,224.2	24,235.7	4,080.3	22%	(1,931.2)	-8%
Stamp Duty on Land Transactions	4,378.7	13,348.7	4,974.0	(8,970.0)	-67%	(595.3)	12%	42,913.8	62,534.8	58,182.5	(19,621.0)	-31%	(15,268.7)	26%
Work Permits	2,339.5	1,950.1	1,831.6	389.4	20%	507.9	28%	16,576.8	15,193.8	13,167.7	1,383.0	9%	3,409.2	26%
Fuel Tax	597.1	655.5	831.0	(58.4)	-9%	(233.9)	28%	5,176.8	4,642.0	6,622.3	534.8	12%	(1,445.5)	22%
Excess revenues from stat bodies	1,000.3	250.0	1,141.0	750.3	300%	(140.6)	12%	15,347.1	10,687.1	12,769.6	4,660.0	44%	2,577.6	20%
Other Revenues	4,637.7	4,200.5	4,440.7	437.2	10%	197.0	4%	38,299.6	36,908.9	32,320.7	1,390.8	4%	5,978.9	18%
<b>Total Recurrent Revenue</b>	<b>26,859.3</b>	<b>35,094.6</b>	<b>28,338.6</b>	<b>(8,235.2)</b>	<b>-23%</b>	<b>(1,479.2)</b>	<b>-5%</b>	<b>265,405.1</b>	<b>257,060.2</b>	<b>243,705.6</b>	<b>8,344.9</b>	<b>3%</b>	<b>21,699.4</b>	<b>9%</b>

Recurrent Revenue for November totaled \$26.9 million against the Estimates of \$35.1 million. As a result, revenue collection fell short of estimates by \$8.2 million in the current period and fell by \$1.5 million compared to the prior year's similar period. Year to date, Revenue collections are outpacing both estimates and prior year numbers. Actual recurrent revenue of \$265.4 million in the eight months since April 2022 represents a 3% favorable variance against budget and a 9% increase from the prior year.

Comparatively, the results show significant improvement in the collection from Import Duty, Hotel and restaurant tax and Excess revenues from Statutory bodies and a decrease in Stamp duty on a year-to-year basis. They accounted for approximately 76 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 due to the full re-opening of the country. The chart below shows the revenue share per head.



*The major Revenue Heads are summarised as follows:*

**Stamp Duty on Land Transactions:**

Stamp Duty collected during November totaled \$4.4 million compared to a budget of \$13.3 million. As a result, an \$8.9 million variance was reported due to the underperformance for the month. Revenue collected from Stamp Duty has shown a promising trend since the beginning of the last financial year due to many high-value transactions leading up to YTD actuals of \$42.9 million in the first eight months of the year. This result is, however, below budget by \$19.6 million and prior year results by \$15.3 million. This is mainly attributed to the fact that 2021/22 was an exceptional year for land transactions. Due to global economic headwinds and a looming threat of a recession, high-net-worth individuals may hesitate to purchase real estate properties.

**Hotel & Restaurant Tax:**

For November, Hotel & Restaurant Tax (HRT) receipts totaled \$3.5 million. The current month's actuals were above the estimates by \$0.5 million and below the prior year's receipts by \$0.5 million, respectively. The Tourism Industry was the most impacted during this COVID-19 pandemic but has had a resounding rebound during the year. However, revenue collections have been vastly improving since the last; the summer and winter months showed unprecedented performance leading up to the same trend in this

financial year. As a result, YTD collections amount to \$63.1 million. This has exceeded the prior year's by \$14.9 million due to increased tourist arrivals as hotels and restaurants are now fully open. HRT is expected to increase even further as TCI expects the continued uptick in tourist arrivals in the winter months.

### **Import Duties:**

Import Duties collected for November totaled \$7.9 million, \$0.5 million lower than budget and \$0.8 million higher than the prior year's receipts. The import duty was the top revenue performer for the month, accounting for 30% of recurrent revenues collected. These results were expected as high volume of goods are being imported and the imported inflation has impacted the prices of goods. Year-to-date actuals of \$61.7 million outpaced the preceding year by \$13.5 million and \$10.1 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 November, Customs Processing Fees (CPF) totaled \$2.5 million, which was \$0.7 million and \$1.5 million below the estimates and prior year's results, respectively. The decrease in CPF correlates with current measures to fight inflation, which have reduced CPF rate from 7.5% to 5%. Year to date, actuals totaled \$22.3 million. This result was down by \$1.9 million compared to prior year receipts of \$24.2 million and greater than estimates by \$4.1 million.

### **Work Permits:**

Receipts from Work Permits totaled \$2.3 million for November and accounted for 9% of total recurrent revenue collected. These results were above budget by \$0.4 million and greater than the prior year's results by \$0.6 million. Year-to-date actuals totaled \$16.6 million compared to a budget of \$15.2 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 was closed last year.

**Fuel Tax:**

For November, fuel tax receipts were \$0.6 million, in line with budget and a \$0.2 million decrease compared to the prior year's outturn. Revenue collected from Fuel Tax only accounted for 2% of total income but has shown an optimistic outturn to date where YTD actuals of \$5.1 million was favourable as the results surpassed budget by \$0.5 million while being down \$1.4 million when compared to prior year results.

**Excess revenues from Statutory Bodies**

In November, excess revenue totaling \$1 million was received from the Financial Intelligence Agency (FIA) and the Telecommunications Commission (each remitting \$0.5 million). Year to date, Excess revenue from statutory bodies stands at \$15.3 million, which is \$4.7 million or 44% above estimates and \$2.6 million or 20% greater than the same period in the prior year.

**Other Revenue: Month \$4.6 million, Year to date \$38.3 million**

	Month of November			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	%
Business Licence renewal	70.4	108.7	73.9	(38.3)	(35.3%)	(3.5)	(4.8%)	2,622.6	2,776.7	2,607.8	(154.1)	(5.5%)	14.8	0.6%
Communication Tax	464.0	445.8	426.6	18.2	4.1%	37.4	8.8%	3,312.0	3,634.2	3,228.5	(322.2)	(8.9%)	83.5	2.6%
Gaming Machine Tax	220.2	326.7	317.5	(106.5)	(32.6%)	(97.3)	(30.6%)	3,261.1	2,714.0	3,334.0	547.1	20.2%	(72.8)	(2.2%)
Seaport Departure Tax	368.3	202.7	-	165.6	81.7%	368.3	100.0%	3,292.3	2,203.0	-	1,089.3	49.4%	3,292.3	100.0%
Telecommunication Licences	341.9	283.8	221.3	58.1	20.5%	120.6	54.5%	2,611.5	2,303.3	1,758.9	308.2	13.4%	852.6	48.5%
Overtime Costs Recovered	221.3	279.9	197.7	(58.6)	(20.9%)	23.6	11.9%	2,122.9	2,480.4	1,807.2	(357.5)	(14.4%)	315.7	17.5%
Vehicle Licence Renewals	339.7	437.4	437.4	(97.8)	(22.4%)	(97.8)	(22.4%)	2,152.4	2,247.3	2,094.8	(94.9)	(4.2%)	57.6	2.8%
Permanent Residency Fees	115.3	217.6	217.6	(102.3)	(47.%)	(102.3)	(47.%)	1,520.0	1,847.3	1,878.6	(327.3)	(17.7%)	(358.6)	(19.1%)
Crown lands rent	150.9	132.3	50.2	18.6	14.%	100.7	200.4%	816.1	694.6	601.3	121.6	17.5%	214.9	35.7%
Insurance Premiums tax	102.0	71.1	53.4	30.9	43.4%	48.6	91.%	1,011.3	1,129.2	1,106.7	(117.9)	(10.4%)	(95.4)	(8.6%)
Other Revenues	2,243.8	1,694.5	2,445.1	549.4	32.4%	(201.3)	(8.2%)	15,577.4	14,879.0	13,903.1	698.4	4.7%	1,674.3	12.%
<b>TOTAL OTHER REVENUE</b>	<b>4,637.7</b>	<b>4,200.5</b>	<b>4,440.7</b>	<b>437.2</b>	<b>10%</b>	<b>197.0</b>	<b>4%</b>	<b>38,299.6</b>	<b>36,908.9</b>	<b>32,320.7</b>	<b>1,390.8</b>	<b>4%</b>	<b>5,978.9</b>	<b>18%</b>

Other Revenues for November totaled \$4.6 million, which was 10% above budget and 4% above the prior year. The top performing heads consist mainly of \$0.5 million in PDA application fees, \$0.4 million from Communication tax and \$0.4 million in Seaport departure tax. Year-to-date actuals of \$38.3 million were above both estimates and the prior year by \$1.4 million and \$6 million due to the over performance in the Seaport departure tax to date.

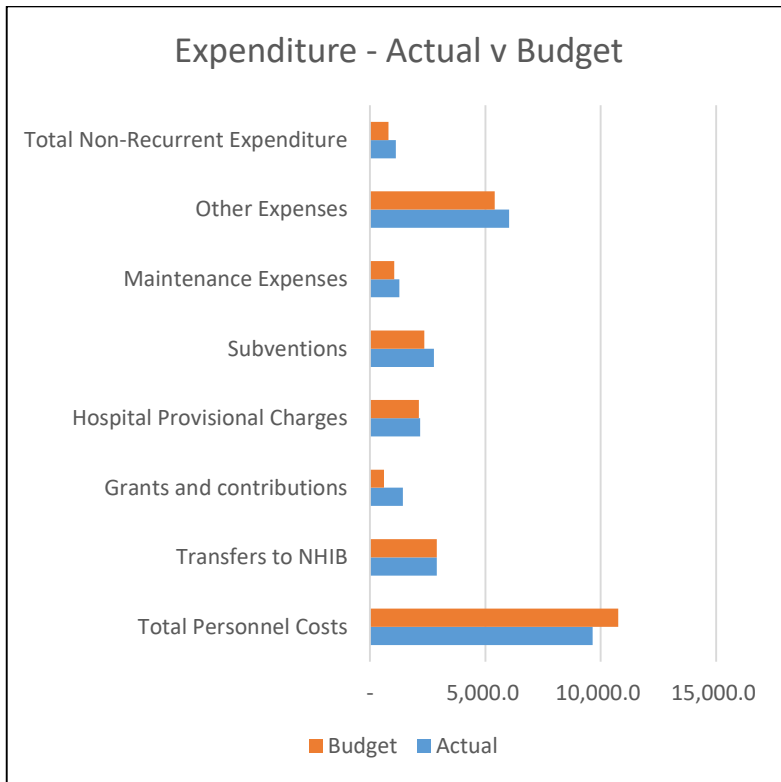
**Non-Recurrent Revenue: Month \$0.05 million, Year to date \$2.9 million**

For the month of November, there were no significant collections from non-recurrent revenue. \$21 thousand was collected from land sales. YTD actual non-recurrent revenue collections are \$3.1 million, which are \$0.5 million ahead of the budget and exceed the prior year's outturn by \$2.1 million.

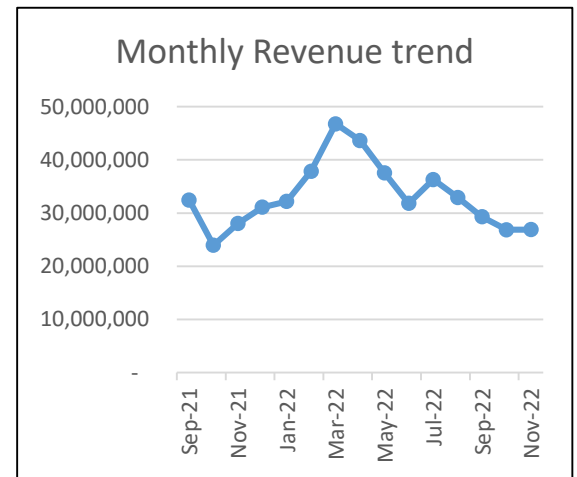
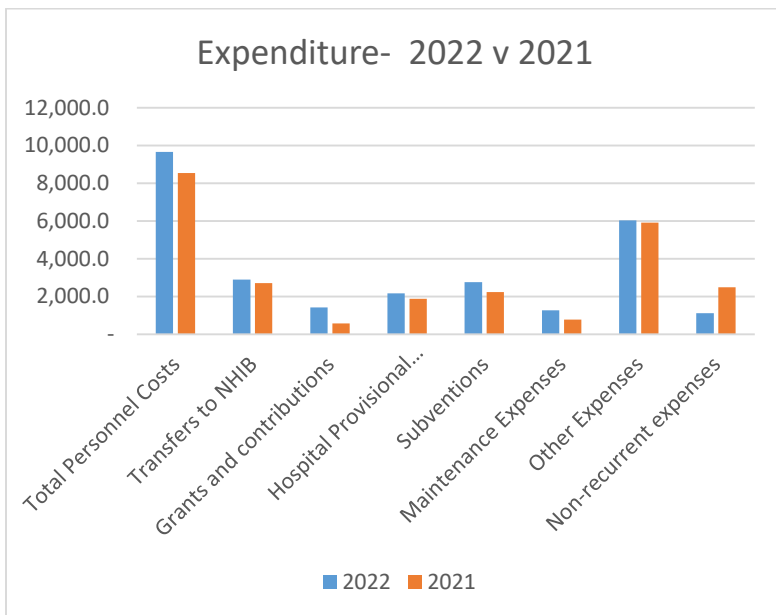
## REVENUE BY MINISTRY

(All figures in US\$'000)		Month of November			Variance				Year to date			Variance			
		Actual \$'000	Budget \$'000	Prior Year \$'000	Budget \$'000	Budget %	Prior year \$'000	Prior Year %	Actual \$'000	Budget \$'000	Prior Year \$'000	Budget \$'000	Budget %	Prior year \$'000	Prior Year %
	<b>CASH INFLOWS</b>														
01	Office of the Governor	500	-	263	500	0%	237	90%	15,063	635	412	14,429	2274%	14,651	3556%
03	Police	54	15	16	39	257%	37	231%	(103)	120	427	(223)	-186%	(530)	-124%
	Attorney General's														
04	Chambers	4,610	13,537	5,077	(8,926)	-66%	(466)	-9%	44,120	63,625	59,143	(19,505)	-31%	(15,023)	-25%
05	Judiciary Administration	26	86	49	(60)	-69%	(23)	-47%	343	478	468	(135)	-28%	(125)	-27%
14	Statutory Charges	21	19	19	2	9%	2	9%	2,060	801	645	1,258	157%	1,414	219%
	Immigration and Border														
16	services	14,694	13,205	12,427	1,489	11%	2,267	18%	116,279	84,014	52,552	32,265	38%	63,727	121%
	Finance Trade &														
54	Investment	5,511	4,286	6,289	1,226	29%	(778)	-12%	79,097	77,638	105,276	1,459	2%	(26,179)	-25%
	Education, Labour														
	Employment & Customer														
57	services	3	2,390	2,373	(2,386)	-100%	(2,370)	-100%	41	18,326	13,200	(18,285)	-100%	(13,159)	-100%
	Home Affairs														
59	Transportation	632	937	896	(305)	-33%	(264)	-30%	3,716	6,618	6,011	(2,903)	-44%	(2,295)	-38%
	Physical Planning &														
	Infrastructure														
60	Development	471	103	85	368	357%	386	457%	1,591	1,055	946	535	51%	644	68%
	Tourism, Agriculture														
	Fisheries Heritage														
	Religious Affairs &														
61	Environment	293	505	429	(212)	-42%	(136)	-32%	5,983	5,406	4,892	576	11%	1,090	22%
	Health & Human														
62	Services	64	704	434	(640)	-91%	(370)	-85%	344	980	757	(636)	-65%	-413.54603	-55%
	<b>TOTAL RECEIPTS</b>	<b>26,880</b>	<b>35,786</b>	<b>28,358</b>	<b>(8,906)</b>	<b>-25%</b>	<b>(1,478)</b>	<b>-5%</b>	<b>268,533</b>	<b>259,696</b>	<b>244,730</b>	<b>8,837</b>	<b>3%</b>	<b>23,803</b>	<b>10%</b>

## EXPENDITURE



\$27.3 million was expended during the month of November (\$26.2 million recurrent expenditure and \$1.1 million non-recurrent expenditure). These results were up by \$1.3 million when compared to the estimates and \$2.2 million above the prior year's results. The over performance for the month is mainly due to stimulus funds that were disbursed later than planned and budget profiling. In addition, variances are seen in PE costs which is mainly due to current vacancies throughout TCIG. As expected, Personnel Costs was the highest expenditure for the month totaling \$9.6 million, Subventions amounted to \$2.8 million, Transfers to NHIB totaled \$2.9 million and Hospital Charges of \$2.2 million were reported for the month. Those four expenditure lines alone represented 67% of actual recurrent expenditure for the month of November. The largest non-recurrent expense for November was SIPT cost at \$1 Million



**Recurrent Expenditure: Month \$26.2 million, Year to Date \$197.1 million**

	Month of November			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	%
Total Personnel Costs	9,648	10,762	8,545	(1,114)	-10%	1,103	13%	72,966	82,882	66,422	(9,916)	-12%	6,544	10%
Transfers to NHIB	2,898	2,899	2,717	(1)	0%	182	7%	23,006	23,309	21,667	(303)	-1%	1,339	6%
Grants and contributions	1,418	608	582	809	133%	836	144%	17,466	29,080	6,564	(11,614)	-40%	10,902	166%
Hospital Provisional Charges	2,166	2,116	1,883	51	2%	283	15%	18,834	19,090	16,062	(256)	-1%	2,772	17%
Subventions	2,766	2,348	2,235	418	18%	531	24%	17,069	17,535	13,639	(466)	-3%	3,430	25%
Maintenance Expenses	1,271	1,053	772	218	21%	499	65%	8,440	8,824	5,966	(384)	-4%	2,474	41%
Other Expenses	6,031	5,404	5,917	627	12%	114	2%	39,319	58,337	30,425	(19,018)	-33%	8,894	29%
<b>Total Recurrent Expenditure</b>	<b>26,199</b>	<b>25,190</b>	<b>22,650</b>	<b>1,009</b>	<b>4%</b>	<b>3,549</b>	<b>16%</b>	<b>197,100</b>	<b>239,057</b>	<b>160,745</b>	<b>(41,957)</b>	<b>-18%</b>	<b>36,354</b>	<b>23%</b>

Recurrent expenditure for November totaled \$26.2 million. The results were above estimates by \$1 million and more than prior year results by \$3.5 million. The overspending against budget came from grants and contributions, where disbursement of stimulus funds planned for earlier months was carried out in November, offset by PE costs where several vacancies still exist throughout TCIG and should be filled throughout the ensuing months.

Personnel Costs accounted for 37% of the recurrent expenditure, totaling \$9.6 million, compared to estimates of \$10.8 million. As a result, a variance of \$1.1 million was recorded. These results consist of Salaries, Wages, allowances, and pension and gratuity costs for the month.

Transfers to NHIB totaled \$2.9 million which was in line with budget. This result was up by \$0.2 million compared to the prior year's results.

Hospital provisional charges totaled \$2.1 million, approximately below estimates by \$1.2 million and \$0.3 million above prior year results.

Subvention performance of \$2.8 million was \$0.4 million above the Estimates and \$0.5 million higher when compared to prior year results.

**Other Recurrent Expenditure: Month \$6 million, Year to date \$39.3 million**

	Month of November			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	740	509	483	231	45%	257	53%	3,904	4,586	3,587	(682)	-15%	316.4	9%
Social welfare	374	1,099	406	(725)	-66%	(32)	-8%	4,136	6,135	1,630	(1,999)	-33%	2,505.6	154%
Professional and Consultancy Services	423	194	152	229	118%	271	178%	2,713	6,709	2,067	(3,996)	-60%	646.3	31%
Recurrent Sub Programmes and Projects	443	373	251	70	19%	192	77%	2,238	3,478	1,490	(1,240)	-36%	748.4	50%
Utilities	517	366	301	152	42%	217	72%	2,836	3,146	2,371	(310)	-10%	464.3	20%
Security expenses	231	197	115	34	17%	116	101%	1,374	1,458	984	(84)	-6%	390.9	40%
Other Recurrent Expenditure	3,304	2,667	4,210	637	24%	(906)	-22%	22,119	32,826	18,296	(10,707)	-33%	3,822.6	21%
<b>TOTAL OTHER RECURRENT EXPENDITURE</b>	<b>6,031.4</b>	<b>5,404.2</b>	<b>5,917.2</b>	<b>627.2</b>	<b>12%</b>	<b>114.2</b>	<b>2%</b>	<b>39,319.4</b>	<b>58,337.4</b>	<b>30,425.0</b>	<b>(19,018.1)</b>	<b>-33%</b>	<b>8,894.4</b>	<b>29%</b>

The major head comprising of all other recurrent expenditure was above the estimates for November, resulting in an over performance of \$0.6 million compared to budget. This variance is mainly due to budget profiling and is expected to normalize in the following months. Year-to-date actual of \$39.3 million is showing a variance of \$19 million recorded against estimates due to underperformance in all the major accounts. The gap is expected to close in the ensuing months as departments and ministries work towards implementing their goals and projects.

**Non-Recurrent Expenditure: Month \$0.3 million, Year to date \$5 million**

Non-Recurrent Expenditure results for November totaled \$1.1 million, 38% above estimates for the month, mainly due to statutory land acquisitions planned for earlier months but only executed in November. YTD actuals of \$6.1 million were significantly below estimates by \$14.3 million and down by \$12.3 million compared to prior year results. The underperformance is due to planned land acquisitions and SIPT expenses that were not executed.

## EXPENDITURE BY MINISTRY

(All figures in US\$' 000)		Month of November			Variance				Year to date			Variance			
		Actual \$'000	Budget \$'000	Prior Year \$'000	Budget \$'000	Budget %	Prior year \$'000	Prior Year %	Actual \$'000	Budget \$'000	Prior Year \$'000	Budget \$'000	Budget %	Prior year \$'000	Prior Year %
01	Office of the Governor	939	562	1,043	377	67%	(104)	-10%	5,284	5,710	4,295	(426)	-7%	989	23%
03	Police	3,530	2,709	2,367	821	30%	1,163	49%	20,365	23,818	17,258	(3,453)	-14%	3,106	18%
04	Attorney General's Chambers	773	399	529	374	94%	244	46%	5,951	9,127	4,494	(3,176)	-35%	1,457	32%
05	Judiciary	637	832	720	(195)	-23%	(83)	-11%	4,405	6,664	5,044	(2,259)	-34%	(639)	-13%
14	Administration	644	914	4,056	(270)	-30%	(3,412)	-84%	9,832	21,279	21,012	(11,446)	-54%	(11,180)	-53%
16	Immigration and Border services	1,295	1,310	1,031	(15)	-1%	264	26%	9,685	11,543	8,335	(1,858)	-16%	1,350	16%
54	Finance Trade & Investment	1,457	1,656	788	(199)	-12%	669	85%	21,418	27,290	9,568	(5,872)	-22%	11,850	124%
56	Office of the Deputy Governor	253	227	192	26	12%	62	32%	1,512	2,179	1,407	(667)	-31%	105	7%
57	Education, Labour Employment & Customer services	3,795	3,706	3,564	89	2%	231	6%	26,886	30,632	24,076	(3,746)	-12%	2,810	12%
58	Director of Public Prosecutions	133	133	147	(0)	0%	(14)	-10%	1,066	1,266	859	(200)	-16%	207	24%
59	Home Affairs	1,900	1,962	1,645	(62)	-3%	255	16%	13,734	19,949	10,556	(6,215)	-31%	3,178	30%
60	Transportation	1,900	1,962	1,645	(62)	-3%	255	69%	13,734	19,949	10,556	(6,215)	-31%	3,178	21%
60	Physical Planning & Infrastructure Development	2,571	1,815	1,520	755	42%	1,050	195%	13,458	18,725	11,153	(5,267)	-28%	2,305	51%
61	Tourism, Agriculture Fisheries Heritage Religious Affairs & Environment	1,936	1,321	656	616	47%	1,281	7%	9,200	10,145	6,083	(945)	-9%	3,117	6%
62	Health & Human Services	6,695	6,965	6,252	(270)	-4%	443	-7%	53,702	57,797	50,805	(4,096)	-7%	2,897	-7%
63	House of Assembly	276	303	320	(27)	-9%	(44)	-14%	2,413	2,799	2,182	(385)	-14%	232	11%
64	Office of The Premier & District Administration	205	992	170	(788)	-79%	34	20%	2,593	8,368	1,252	(5,775)	-69%	1,340	107%
65	National Security Secretariat	271	184	147	87	47%	124	84%	1,745	2,188	848	(442)	-20%	897	106%
	<b>TOTAL PAYMENTS</b>	<b>27,311</b>	<b>25,992</b>	<b>25,147</b>	<b>1,319</b>	<b>5%</b>	<b>2,165</b>	<b>9%</b>	<b>203,249</b>	<b>259,479</b>	<b>179,229</b>	<b>(56,231)</b>	<b>-22%</b>	<b>24,020</b>	<b>13%</b>

## CAPITAL EXPENDITURE

The total amount spent on capital projects for November amounted to \$3.2 million. To date, the total amount spent on capital projects is \$10.6 million. The year-to-date Capital expenditure is 84% behind budget and 44% less than the similar period in the prior year.

### CAPITAL EXPENDITURE CATEGORISED BY PROJECT

Project Number and title	Amount (US\$' 000)
5566 Construction of New Primary School PLS- Phase 2	1,561
5506 NJS Francis Building	1,077
5584 Road - North Caicos	761
5572 Technical Block Raymond Gardiner High School	641
5604 Refurbishment of National Stadium	574
5592 Front Street GDT	509
5606 Reconstruction of Lil Harmless Canal South-Caicos	502
5610 Grand Turk Sports Complex and Center	425
5722 Police Armored vehicle	406
5575 Upgrading of Water Storage and Distribution Facilities - GDT	351
5605 Installation of Lights for Parade Ground - GDT	322
5678 Installation of Additional 1-million gallon tank	314
5612 IT Command and Control System (CAD Radio Upgrade All Islands)	300
5545 New Block, Enid Capron Primary School	262
5546 New Roof Ianthe Pratt Primary School	230
5622 Furniture for Ianthe Pratt Primary School	185
5621 FURNITURE FOR RAYMOND GARDINER	181
5544 New Block, Helena Jones Robinson High School	180
5611 Ballistic vests for Police	178
5631 Upgrading of DECR Laboratory	159
5553 Police Vehicles	156
5619 FURNITURE FOR HJ ROBINSON	143
5543 Renovation of Governor's Office Residence	126

5600 Mental Health Facility (GDT)	115
5485 Furniture and Equipment for HASH	106
5486 Refurbishment of Ministry Infrastructure	105
5510 Rehabilitation of Salt Shed- Salt Cay	86
5603 Leeward Park Phase 2	77
5470 School Infrastructure Project Phase 2	72
5478 Reinstatement of Government Buildings All Islands	58
5505 Government Complex PLS	58
5579 Backup Generators for all Government Essential Facilities	50
5521 Farmer's Market	46
5270 Environmental Health Storage Buildings	39
5587 Upgrade of Public Tank - XSC	36
5255 Home for Domestic Violence	33
5496 Police Building Repairs for All Stations	27
5590 Consultancy Framework Agreement	21
5517 Basketball Courts in All Islands	21
5487 Development of Non-Communicable Registers - and Sports Development	16
5501 Conversion of PWD Building into Specialist Classroom for Adelaide Omler Primary School	10
5483 DECR and Tourism Facilities	10
5547 Boat Ramps - Wheeland, Blue Hills	9
5580 Heavy Equipment for PWD	8
5540 Equipment for PWD	7
5511 Booster Pumps - Water Undertaking	2
	<b>10,557</b>

### CAPITAL EXPENDITURE BY MINISTRY

(All figures in US\$' 000)		Month of November			Variance				Year to date			Variance			
		Actual \$'000	Budget \$'000	Prior Year \$'000	Budget \$'000	Budget %	Prior year \$'000	Prior Year %	Actual \$'000	Budget \$'000	Prior Year \$'000	Budget \$'000	Budget %	Prior year \$'000	Prior Year %
01	Office of the Governor	-	-	150	-	100%	(150)	-100%	127	-	715	127	100%	(588)	-82%
03	Police	627	314	-	313	99%	627	!	1,068	3,750	690	(2,681)	-72%	378	55%
05	Judiciary	-	44	-	(44)	-100%	-	!	-	523	-	(523)	-100%	-	!
16	Administration	-	44	-	(44)	-100%	-	!	-	523	-	(523)	-100%	-	!
54	Immigration and Border services	-	1,122	750	(1,122)	-100%	(750)	-100%	-	13,387	2,067	(13,387)	-100%	(2,067)	-100%
57	Finance Trade & Investment	-	44	-	(44)	-100%	-	!	-	523	-	(523)	-100%	-	!
59	Education, Labour Employment & Customer services	1,433	364	1,056	1,069	294%	377	36%	4,817	4,338	5,028	479	11%	(211)	-4%
60	Home Affairs	316	563	254	(247)	-44%	62	24%	701	6,714	1,004	(6,013)	-90%	(303)	-30%
61	Transportation	714	1,197	930	(484)	-40%	(217)	-23%	3,182	14,281	5,247	(11,099)	-78%	(2,065)	-39%
62	Physical Planning & Infrastructure	-	277	-	(277)	-100%	-	-	215	3,302	808	(3,087)	-93%	(594)	-73%
63	Development	97	92	185	5	5%	(88)	-47%	448	1,103	925	(655)	-59%	(477)	-52%
64	Tourism, Agriculture Fisheries Heritage	-	32	-	(32)	-100%	-	-	-	376	-	(376)	-100%	-	-
65	Religious Affairs & Environment	-	202	-	(202)	-100%	-	-	-	2,404	-	(2,404)	-100%	-	-
66	Health & Human Services	-	105	-	(105)	-100%	-	-	-	1,254	-	(1,254)	-100%	-	-
67	House of Assembly	-	32	-	(32)	-100%	-	-	-	376	-	(376)	-100%	-	-
68	Office of The Premier & District Administration	-	202	-	(202)	-100%	-	-	-	2,404	-	(2,404)	-100%	-	-
69	National Security Secretariat	-	105	-	(105)	-100%	-	-	-	1,254	-	(1,254)	-100%	-	-
	<b>TOTAL CAPITAL EXPENDITURE</b>	<b>3,187</b>	<b>4,355</b>	<b>3,326</b>	<b>(1,169)</b>	<b>-27%</b>	<b>(139)</b>	<b>-4%</b>	<b>10,557</b>	<b>51,956</b>	<b>16,485</b>	<b>(41,399)</b>	<b>-80%</b>	<b>(5,928)</b>	<b>-36%</b>

## STATEMENT OF FINANCIAL POSITION

	30-Nov-22 US\$'000	30-Nov-21 US\$'000
<b>ASSETS</b>		
<b>Current assets</b>		
Cash and cash equivalents	232,465	156,831
Financial assets - investments	20,000	20,000
Receivables from exchange transactions	6,489	6,698
<b>Total current assets</b>	<b>258,954</b>	<b>183,529</b>
<b>Non-current assets</b>		
Financial assets - investments	1,591	1,591
Receivables from exchange transactions	10,247	10,329
Fixed Assets	1,640,236	1,463,450
<b>Total non-current assets</b>	<b>1,652,075</b>	<b>1,475,371</b>
<b>Total assets</b>	<b>1,911,029</b>	<b>1,658,900</b>
<b>LIABILITIES</b>		
<b>Current liabilities</b>		
Payables from exchange transactions	19,967	19,486
Current portion of borrowings	52	158
<b>Total current liabilities</b>	<b>20,019</b>	<b>19,644</b>
<b>Non-current liabilities</b>		
Civil servants Pension fund provisions		
Borrowings	356	407
<b>Total non-current liabilities</b>	<b>356</b>	<b>407</b>
<b>Total liabilities</b>	<b>20,374</b>	<b>20,051</b>
<b>Net Assets</b>	<b>1,890,655</b>	<b>1,638,849</b>
Supported by:		
<b>FUND BALANCES</b>		
Consolidated Fund	1,775,115	1,557,893
Development Fund	84,487	47,741
National Forfeiture Fund	7,273	7,289
National Wealth Fund	43,780	25,926
<b>Total fund balances</b>	<b>1,910,655</b>	<b>1,638,849</b>

## PUBLIC DEBT

<i>(Figures in US\$' 000)</i>	Year to date		
	Opening	Principal Repayment	Outstanding Principal
	\$ 000's	\$ 000's	\$ 000's
TCIG Loans - Unsecured	537.6	(130)	408
<b>Total Outstanding Public Debt</b>	<b>537.6</b>	<b>(130)</b>	<b>408</b>

TCIG's outstanding debt as of November 30, 2022, was \$0.4 million. Total principal debt repayment YTD was \$130 thousand, while total finance costs were \$7.3 thousand.

## HUMAN RESOURCE MANAGEMENT

### Employees

There were 1,862 people employed by TCIG at the end of November 2022, consisting of 269 waged employees and 1,593 monthly paid employees, exclusive of the Royal Turks and Caicos Police Force. There were 20 new staff who joined the Government and 27 staff who left during the month of November.

### Pensioners

The total number of Pensioners at the end of November 2022 was 306.

## DEVELOPMENT FUND (DF)

Ordinance 23 of 2022 commenced on March 25, 2022 included an amendment to regulation 33 of the PFM Regulation 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 opening balance of the Development Fund at the beginning of the fiscal year 2022/23 totalled \$50 million. The development fund balance as at November 30 2022 was \$84.5 million and the movement in the fund balance is as shown below.

	US\$ '000
<b>Opening 31/03/2020 –Based on consultant report</b>	<b>59,264</b>
<i>Adjust to remove negative balances –(FSSM adjustment)</i>	<i>(4,203)</i>
<b>Adjusted opening 31/03/2020</b>	<b>63,466</b>
Contract awards and variations 2020/21	31,448
CAPEX 2020/21	(25,302)
<b>Closing 31/03/2021</b>	<b>69,613</b>
Contract awards and variations 2021/22	2,281
CAPEX 2021/22	(22,228)
<b>Closing 31/03/2022</b>	<b>49,666</b>
Contract awards and variations 2022/23	45,378
CAPEX 2022/23 -YTD	(10,557)
<b>Closing 30/11/2022</b>	<b>84,487</b>

### NATIONAL WEALTH FUND (NWF)

Transfers to the Fund during the year were made based on Section 9 (1(a)) of the National Wealth Fund Ordinance which requires that where in any financial year 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 National Wealth Fund and deposited to the Consolidated Fund. The transfer is therefore based on the results of FY 2021/22.

A transfer of \$17.8 million was made during the year, and the balance in the NWF as of November 30, 2022, stood at \$43.8 million.

FY 2021-22 results (in US\$' '000)				Amount to be transferred to NWF in 2022/23 (50% of the variance) (US\$' 000)	Opening NWF 01/04/2022 (US\$' 000)	Closing NWF 30/11/2022 (US\$' 000)
Actual	Revised	Variance	%			

revenue	Estimates					
398,777	363,088	35,689	10%	17,844.5	25,935	43,779.5

The value of the National wealth fund is attributable to;

(All figures in US\$' 000)	30-Nov-22 US\$'000	30-Nov-21 US\$'000
Stabilization Fund	30,664	18,147
Infrastructure and Competiveness Fund	8,751	5,182
Heritage Fund	4,375	2,591
<b>National Wealth Fund balance at the end of the financial year</b>	<b>43,791</b>	<b>25,920</b>

## NATIONAL FORFEITURE FUND (NFF)

The National Forfeiture Fund had a balance of \$7.3 million as of November 30, 2022. No transfers have been made from the Fund during this period. Section 152 (4) of the Proceeds of Crime Ordinance requires that for any monies standing to the credit of the Fund exceeding \$2 million, the Anti-Money Laundering Committee shall pay a sum of the excess into the Consolidated Fund (any funds held in Escrow are excluded from this).

The Fund currently stands in excess by \$5.3 million or 265% above the required balance by Section 152 (4) of the Proceeds of Crime Ordinance.

## FINANCIAL OUTLOOK

TCIG has continued its rebound from the COVID crisis despite a net operating deficit of \$0.4 million during November (and a net surplus of \$65.3 million Year to Date). 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 continues to rebound financially. Revenue from Import Duty and HRT were major contributors to the total revenue collected for the month resulting in an overall collection of \$268.5 million during the first eight months in the financial year. This result was up by \$23.8 million when compared to the prior year's turnout.

Expenditure in the current 'period's outlay displayed an overspend of \$1.3 million against estimates at the end of November, mainly due to delayed spending on grants and contributions from prior months. The first eight months have seen total expenditure of \$203.2 million which is \$24 million higher than the same

period in the prior year. Due to global inflation, expenses are forecasted to increase in the subsequent months and the Government of the TCI has enacted fiscal policy to aid in economic relief. Inflation continues to rise and government interventions are being implemented to reduce the burden on the population. These may affect government revenue and expenditure in the near term. These include:

#### **DIRECT ASSISTANCE - \$12M**

Direct Assistance of US\$1000 was paid to approximately 12,000 Turks and Caicos Islanders and British Overseas Territory Citizens. This one-off payment is intended to assist citizens with general living expenses such as mortgages, rental accommodation payments, utility bills and food.

#### **REMEDIAL WORKS PROGRAMME - \$2M**

\$2 million has been allocated through the Ministry of Planning, Infrastructure and Development to expand the remedial works programme and increase the number of jobs in the local market.

#### **FUEL STABILISATION FACTOR SUBSIDY-\$2.5M**

Fuel factor stabilisation credit was capped at \$0.2 per kilowatt hour for October 2022 to December 2022 to assist with reducing household electricity costs.

#### **REDUCTION IN THE FUEL TAX**

Fuel Tax reduced from 85 cents per gallon to 64 cents per gallon – effective date - April 1, 2022 – March 31, 2023.

#### **REDUCTION IN CUSTOMS FEES**

Across the board reduction in Customs Processing fees from 7.5 % to 5% - effective date - April 1, 2022 –March 31, 2023.

#### **WAIVER OF IMPORT DUTIES AND CUSTOMS FEES - \$2M**

Import duties and customs fees waived on the following items for the period August 1, 2022 to November 30, 2022:

Rice, Flour, Grits, Bread, Spaghetti/ Instant Noodles, Macaroni & Cheese Dinner, Cornflakes - Cereal, Chicken Canned Sausage, Vienna, Fresh and Canned Meats, Cheese Evaporated Milk, Eggs, Cooking Oil,

