AUDITOR GENERAL'S VALIDATION for THE SUSPENSION OF THE FISCAL RULES

INDEPENDENT AUDITOR'S REPORT
AUDITOR GENERAL'S DEPARTMENT OF JAMAICA
FY2020/2021

Vision Statement

"A better country through effective audit scrutiny"

The Auditor General is appointed by the Governor General and is required by the Constitution, Financial Administration and Audit Act, other sundry acts and letters of engagement, to conduct audits at least once per year of the accounts, financial transactions, operations and financial statements of central government ministries and departments, local government agencies, statutory bodies and government companies. The Auditor General is also required, under the FAA Act, to review the Fiscal Policy Paper, and other provisions of the Fiscal Responsibility Framework.

The Department is headed by the Auditor General, Pamela Monroe Ellis, who submits her reports to the Speaker of the House of Representatives in accordance with Section 122 of the Constitution of Jamaica and Section 29 of the Financial Administration and Audit Act.

This report has been prepared by the Auditor General's Department of Jamaica for presentation to the House of Representatives.

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Background

1. On May 13, 2020, the Minister responsible for Finance announced in the House of Representatives, his intent to move for a suspension of the fiscal rules promulgated in February 2010 and amended in 2014 and 2015, owing to the COVID-19 Pandemic. Subsequently, I received a submission from the Planning Institute of Jamaica, which sets out the projections for economic performance for the period FY2019/20 to FY2023/24. I have reviewed the submission by the Planning Institute of Jamaica as required by the Financial Administration and Audit (FAA) Act as well as, supporting information from the Ministry of Finance related to the Minister's request for the suspension of the Fiscal Rules. The basis on which I am required to provide an opinion to the Minister of Finance regarding suspension of the Fiscal Rules is outlined below.

Minister of Finance's Responsibility

2. Section 48C (2) of the FAA Act states that "Subject to subsection (3), compliance with the requirements referred to in subsection (1) (a) and (b) may be suspended on the grounds of any one or more of the following occurrences (hereinafter referred to as "the eventuality"), as determined having regard to subsection (5), namely –

    a) a period of public disaster within the meaning of section 20 of the Constitution of Jamaica, or an order-
        i. published under section 26 of the Disaster Risk Management Act, declaring the whole or any part of Jamaica to be a disaster area or a threatened area; or
        ii. made under section 16 of the Public Health Act[1].

    b) a severe economic contraction.
    c) a financial sector crisis.
    d) a public emergency within the meaning of section 20 of the Constitution of Jamaica."

Auditor General's Responsibility

3. Section 48C (3) of the FAA Act states that "Subsection (2) applies where –

    a) the Auditor General has validated in the prescribed manner that the estimated fiscal impact of the eventuality is equal to or greater than one and a half per cent of gross domestic product; and thereafter

    b) the Minister, having regard to the validation of the Auditor-General, has, in accordance with subsection (4), made an order, subject to affirmative resolution, permitting the requirements to be suspended for an initial period, and, as the case may require, for an extended period."

[1] Refer to FAA Amendment Act 2020, which was passed in May 2020.

Suspension of the Fiscal Rules

4. The submission from the Planning Institute of Jamaica 'Amendment to the Initial Growth Projections Submitted for Inclusion in the Fiscal Policy Paper FY2020/21 to support a suspension of the Fiscal Rules' indicated:

> **Amendment to the Initial Growth Projections Submitted for Inclusion in the Fiscal Policy Paper FY2020/21.**
>
> Extract: Conclusion
>
> Preliminary data presented on economic performance indicate a contraction within the range of 1.5 to 2.5 per cent for January to March 2020 and 12.0% to 14.0% during April – June 2020, reflecting the impact of the COVID-19 pandemic, and associated measures implemented to curtail its impact locally and globally. These outturns would result in an estimated growth of 0.1% for FY2019/20, down from the previous forecast for growth of 0.6%; and a contraction within the range of 4.0% to 6.0% for FY2020/21 – the weakest economic performance in almost 4 decades, that is, since a contraction of 4.6% was recorded in 1985. In light of these results, the PIOJ wishes to signal that a reduction in the primary surplus target would be in keeping with the stipulations outlined in the Financial Administration and Audit [No.] 7 (Amendment) Act. 20/4 which allows for:
>
> a) a revision during a period of public disaster within the meaning of section 20 of the Constitution of Jamaica; or
>
> b) a severe economic contraction whereby a "severe economic contraction" is defined as a decline in gross domestic product over four consecutive quarters involving a cumulative reduction, that is equal to or greater than three per cent of gross domestic product relative to the corresponding quarter of the preceding financial year, OR a one-time quarterly reduction in gross domestic product equal to or greater than two per cent,

5. The Minister utilized section 48C (2(a) of the FAA as the basis for the suspension of the fiscal rules, indicating that the SAR-COV-2 resulted in disruption to economic activities with real with GDP projected to contract by 5.1 per cent for FY 2020/21.

> **'Impact of Coronavirus Disease 2019 on the 2020/21 Fiscal Operations, indicating a need for the Suspension of the Fiscal Rules'.**
>
> Extract: Conclusion
>
> Jamaica's economy has suffered an unprecedented economic shock arising from the COVID 19 Pandemic. Preliminary estimates (PIOJ) are indicating that the decline in real GDP for the first quarter (April –June 2020) could be as steep as 12 –14 per cent compared to April – June 2019. This has impacted the fiscal accounts adversely resulting in a breach of the Fiscal Rules outlined under section 48 C (1) of the FAA Act. As a consequence of the foregoing, a suspension of the Fiscal Rules is envisioned.

Fiscal Impact Assessment

6. In order to validate the estimated fiscal impact in the prescribed manner under the FAA Act, we reviewed the following:
   (i) The Brief provided by the Planning Institute of Jamaica (PIOJ) outlining details pertaining to an 'Amendment to the Initial Growth Projections Submitted for Inclusion in the Fiscal Policy Paper FY2020/21' **(Appendix 1**);
   (ii) The Submission from the Ministry of Finance and Public Service 'Impact of Coronavirus Disease 2019 on the 2020/21 Fiscal Operations, indicating a need for the Suspension of the Fiscal Rules' (**Appendix 2**);
   (iii) The revised Central Government Accounts arising from the COVID-19 pandemic that was presented in the First Supplementary Budget for FY2020/21.[2]

7. A review of the Ministry's submission indicated that the Central Government Accounts balance would move to a deficit of 2.9 per cent of GDP at end March 2021, from a surplus of 0.7 per cent outlined in the Fiscal Policy Paper FY2020/21, tabled in February 2020. This represents a deterioration in the fiscal balance of 3.6 per cent of GDP. Of note, the Primary Balance was estimated to deteriorate by 3.0 per cent of GDP at end March 2021.

8. In order to validate the estimated fiscal impact, we reviewed the Ministry of Finance's revised medium-term projections for nominal GDP, exchange rates and interest rates, which we used, along with other macro-economic indicators[3], to project for Central Government revenue, expenditure, fiscal balance as well as the public debt stock.

9. Based on the results, which I found to be similar to the Ministry's revised forecast for the Central Government accounts; with differences of less than 0.001 per cent of GDP in respect of tax revenue and 0.01 per cent of GDP for the fiscal balance, I validate that the estimated fiscal impact of the eventuality - the COVID-19 pandemic, exceeds the GDP threshold of 1.5 per cent.

Pamela Monroe Ellis, FCCA, FCA
Auditor General

[2] The Ministry's estimates were based on preliminary data for April-June 2020 in a context where actual data for the month of June would not have been available.

[3] Sourced from BOJ publications

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APPENDIX 1

Update on Most Recent Economic Performance & Short-Term Projections

On March 13, 2020, the Prime Minister by Order declared the whole of Jamaica to be a disaster area in accordance with Section 26 of the 2015 National Disaster Risk Management Act (NDRMC); in an effort to guard against or mitigate the threat, or effects, of the SARS - CoV-2 (Coronavirus COVID-19) and the possible consequences thereof. With this declaration, several measures were instituted and enforced, in an effort to curtail movement and restrict the spread of the virus.

To date, over 5.5 million COVID-19 cases have been confirmed globally, many of which are from economies of Jamaica's main trading partners. The US, Jamaica's main trading partner, accounts for the majority of the confirmed cases globally, followed by Brazil, Russia and the United Kingdom. This has had significant impact on external demand for Jamaica's goods and services. Measures including the closure of Jamaica's borders to passenger traffic; restrictions on operating hours; as well as physical distancing protocols; have negatively impacted key drivers of economic activities such as Hotels & Restaurants, Manufacturing, Transportation, Entertainment, and Construction services.

In February 2020, the PIOJ provided estimates for inclusion in the Fiscal Policy Paper for FY FY2020/21, which projected growth of 0.6% for FY2019/20 and 1.2% for FY2020/21. However, based on the adverse impact of COVID-19 on domestic economic performance to date, the PIOJ wishes to indicate that revisions to the projections previously presented are required.

Preliminary estimates for the January to March 2020 quarter indicate that Real Gross Domestic Product (GDP) **contracted by an estimated 1.7 per cent** compared with the corresponding quarter of 2019. This outturn, if it materializes, would have ended an extended period of 20 consecutive quarters of no economic contraction (that is, the economy grew in 19 quarters and remained flat in the October–December 2019 quarter.The out-turn for January to March 2020 largely reflected the impact of:

1. The implementation of measures to manage the COVID-19 pandemic commencing in mid-March, to include the:
   - closure of international borders to the movement of persons, which curtailed external demand and essentially halted all tourist-related activities
   - implementation of curfews which restricted opening hours of some businesses and adversely impacted the demand for some goods and services
   - closure of all schools and the implementation of general stay at home and work from home orders.
2. Lower capacity utilization within the Mining & Quarrying industry, following the temporary closure of Jamaica's largest Alumina refinery in September 2019 to upgrade capacity.
3. A continued slow-down in construction related activities consequent on the ending of major road infrastructure projects, the slow start-up of new projects, as well as a slowing in building construction activities.

The contraction was partially tempered by an uptick in Agriculture production, as well as increased Manufacturing activities.

Real Sector Developments

Prior to the advent of COVID-19, industries within the Goods-Producing Industry (Mining and Quarrying and Construction) were being adversely impacted by plant downtime and reduced levels of construction activities. These negative factors outweighed the impact of improved weather conditions on Agriculture, as well as increased capacity utilization in the Manufacturing industry, and resulted in an overall contraction in the Goods-Producing Industry of an estimated 1.5 per cent. The emergence of COVID-19 in Jamaica has compounded this negative impact on growth performance, primarily through the curtailment of activities in the Services industries, which was estimated to have contracted by 1.5% during January to March 2020, largely reflecting a downturn in the Transportation, Storage & Communication; Hotels & Restaurants; and the Other Services industries.

Key Developments in the Goods Producing Industry

As outlined above, the industries primarily impacted within the Goods Producing Industry were Mining and Quarrying and Construction.

Mining & Quarrying

Real Value Added for the Mining & Quarrying industry contracted by an estimated 37.0%. This was due mainly to declines in both Alumina and Crude Bauxite production.

Alumina production was down 39.9%, due to the closure of the JISCo Alpart Alumina refinery for upgrade works, as well as lower production at the JAMALCo alumina plant. This was reflected in a decline of 28.4 percentage points to 41.9% in the average capacity utilization rate at alumina refineries.

Crude bauxite production declined by 23.4% due to a contraction in demand from third party customers. The average bauxite capacity utilization rate decreased by 14.4 percentage points to 45.3%.

Construction

Real Value Added for the Construction industry fell by an estimated 2.0%, reflecting a downturn in both the Building Construction and Other Construction components.

The contraction in the Building Construction component was due to a decline in Residential and Non-Residential Construction, reflecting a decrease of 91.2% in Housing Starts by the NHT to 382 units. However, there was an increase in the volume (up 7.1%) and value (up 47.1%) of mortgages disbursed by the NHT.

The estimated downturn in the Other Construction component reflected reduced capital expenditure by institutions such as the Jamaica Public Service, which disbursed $1.0 billion relative to $1.8 billion. The contraction was however tempered by increased capital expenditure by:

- National Road Operating & Construction Company (NROCC), which disbursed $482.4 million on Part A of the South Coast Highway Improvement Project (SCHIP), relative to no expenditure in the corresponding quarter of 2019 and,
- Urban Development Corporation (UDC) which disbursed $231.94 million, up 265.3%.

Developments in the Services Industry

The performance of the Services Industry largely reflected downturns in the Transportation, Storage & Communication; Hotels & Restaurants; and Other Services industries. The performance of these industries was negatively impacted by the measures implemented globally and locally to manage the COVID-19 Pandemic, particularly in the areas of air, land and maritime transportation; tourist accommodation; and entertainment services.

Transport, Storage & Communication

Real Value Added for the Transport, Storage & Communication industry contracted by an estimated 2.6%. This resulted from a decrease in the Transport & Storage component, due largely to lower levels of activities at the island's sea and air ports, specifically:

- Maritime transport activities, reflecting a decline in cargo movement at the
  - Outports, down 0.9%; and
  - Port of Kingston, down 34.0%
- Air transport component, reflecting decreased passenger movements, down 14.4%, due mainly to Departures (down 11.0%) and Arrivals (down 17.8%).

Hotels & Restaurants

Real Value Added for the Hotels & Restaurants industry contracted by an estimated 13.9%, largely reflecting an estimated decline in foreign national arrivals during the month of March, associated with the decision to close the borders to air travel to mitigate the spread of COVID-19. For the period January – February 2020, total stop-over arrivals grew by 6.0% to 462 940 visitors. Total Visitor expenditure for the two-month period is also estimated to have increased by 5.9% to US$694.64 million, of which stop-over visitor expenditure increased by 7.2% to US$656.3

million. However, data on total airport arrivals during the quarter indicate that there was a 17.9% decline during January to March 2020, largely reflecting the impact of the restrictions imposed locally and globally as a result of COVID-19.

Short Term Economic Outlook: April–June 2020 & FY2020/21

For April–June 2020, growth prospects for the economy are generally negative based on the anticipated impact of the COVID-19 pandemic, which led to a fall in demand for goods and services, amidst the full roll-out of measures to contain the spread of the virus. As outlined earlier, measures including the closure of Jamaica's borders to passenger traffic; restrictions on operating hours; as well as physical distancing protocols; have negatively impacted key drivers of economic activities such as Hotels & Restaurants, Manufacturing, Transportation, Entertainment, and Construction services. Spill-over effects are also expected to be felt in related areas such as Wholesale & Retail Trade and Finance. In addition, the continued contraction in the Mining & Quarrying industry due to the closure of the JISCo Alpart Alumina refinery in September 2019 will exacerbate the negative impact on economic growth.

The ***Construction industry*** will be negatively impacted due to a downturn in new start-ups, as well as the halting of some ongoing projects during the period. With respect to the ***Electricity & Water industry***, data for April 2020 has indicated that electricity consumption has fallen by 6.0% due to lower electricity sales in all categories, except Residential, which grew by 15.2%. This is partially attributed to the implementation of the daily curfew, 'Work-From-Home' and 'Tan-a-Yuh-Yaad' initiatives during the period. All other customer categories recorded contractions in sales ranging from -11.1% to -45.7%. This out-turn is expected to continue until these initiatives have ended. For the water component, data for April 2020 indicate that consumption increased by 5.8%. This performance can be attributed to a general increase in the use of water for sanitization purposes in both residential and commercial establishments, as well as the stay-at-home protocol which resulted in increased water usage at home.

With respect to ***Tourism activities***, a sharp decline in stop-over and cruise passenger arrivals is anticipated during the April–June 2020 quarter, This sector is therefore expected to record the most severe contraction in activities, in areas including transportation, attractions, entertainment and hotel & restaurant services.

In light of the foregoing, it is projected, that the economy will **contract within the range of negative 12.0% to negative 14.0% during April – June 2020.** This projection is based on information and expectations to date, which are very fluid and will change as new information becomes available. The extent of the decline is contingent on how soon initiatives to boost economic recovery activities become effective in Jamaica and its main trading partners.

Fiscal Year 2020/21

The economic projection for **FY2020/21** is for a contraction within the range of **4.0%–6.0%**. The Services Industry will record a significant share of this decline, particularly in the Hotels & Restaurants, Other Services, and the Transport, Storage & Communication industries. With regard to external demand, despite no restrictions on merchandise trade movements, Jamaica is expected to be impacted by the downturn in global economic performance, as key trading partners are projected to record contractions in output.

The key assumptions underpinning current projections for economic performance for FY2020/21, are:

- No major second phase outbreak of the COVID-19 pandemic in Jamaica and globally, and that the rate of contagion will remain within manageable bounds of the health sector's capacity.
- A gradual relaxation of measures that restrict the movement of persons, as countries gauge its impact on the spread of the virus.
- Lower international and domestic demand associated with an increase in unemployment rates, as some firms will take longer to reopen.
- All schools/educational institutions will resume operations by September 2020.
- A return to growth performance during the January to March quarter of 2021.

Other anticipated areas of adverse impact during 2020 may include:

i. Increasing unemployment and underemployment

ii. Inconsistent or reduced income streams, including revenue and remittance flows

iii. Risks to standards of living, including ability to consume goods and services

iv. Risk of poverty. Some families have experienced the reality of a thin line between their employment/job/livelihood and immediate risk of poverty, that is, a significant reduction in their ability to earn and consume goods and services.

Conclusion

Preliminary data presented on economic performance indicate a **contraction** within the range of **1.5 to 2.5 per cent for January to March 2020** and **12.0% to 14.0% during April – June 2020,** reflecting the impact of the COVID-19 pandemic, and associated measures implemented to curtail its impact locally and globally. These outturns would result in an estimated growth of **0.1% for FY2019/20**, down from the previous forecast for growth of 0.6%; and a contraction within the range of **4.0% to 6.0% for FY2020/21 – the weakest economic performance in almost 4 decades**, that is, since a contraction of 4.6% was recorded in 1985. In light of these results, the PIOJ wishes to signal that a reduction in the primary surplus target would be in keeping with the stipulations outlined in the Financial Administration and Audit [No.] 7 (Amendment) Act. 20/4 which allows for:

I. a revision during a period of public disaster within the meaning of section 20 of the Constitution of Jamaica; or

II. a severe economic contraction

whereby a "severe economic contraction" is defined as *a decline in gross domestic product over four consecutive quarters involving a cumulative reduction, that is equal to or greater than three per cent of gross domestic product relative to the corresponding quarter of the preceding financial year*, **OR *a one-time quarterly reduction in gross domestic product equal to or greater than two per cent, relative to the corresponding quarter of the preceding financial year*.**

Appendix 2

Impact of Coronavirus Disease 2019 on 2020/21 Fiscal Operations Indicating a Need for Suspension of the Fiscal Rules

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BACKGROUND

The Fiscal Responsibility Framework (FRF) enacted in February 2010 through amendments to the Financial Administration and Audit (FAA) and Public Bodies Management and Accountability (PBMA) Acts established binding fiscal rules aimed at enhancing fiscal discipline and facilitating marked improvements in public financial management. These rules were amended in 2014 with the incorporation of a Debt/GDP ceiling of 60% to be achieved by March 31, 2026, and the requirement to attain and maintain a fiscal balance consistent with achieving this target. Further amendments in 2015 shifted the date when some aspects of the fiscal rules - including a change in the definition of public debt - would take effect, from April 1, 2014 to April 1, 2017.

Subsequent to preparation and tabling of the FY 2020/21 budget documents the Coronavirus Disease 2019 (COVID-19) attained pandemic proportions resulting in a global impact that has severely disrupted global economic activities. Jamaica has not escaped the effects of the COVID-19 pandemic which has created socio-economic challenges for the country.

As a result of the economic impact of the pandemic on the country, the GOJ, working with the IMF revised the macroeconomic forecast for FY 2020/21, which now reflects:

- A 5.1% decline in real GDP
- A 1.1% decline in nominal GDP
- Inflation at 4.3%; and
- A 32.6% decline in imports

This macroeconomic outlook is substantially different from that outlined below, which informed the Approved Budget for FY2020/21.

- Real GDP growth of 1.2%
- Nominal GDP growth of 5.7%
- Inflation at 4.4%; and
- A 1.3% decline in imports

The economic impact of the pandemic is expected to have adverse consequences on the public sector's revenue stream thereby necessitating sharp cuts in expenditure. At the same time, to effectively tackle the impact of the pandemic, expenditure is required in unprogrammed areas, in particular for health services and the COVID-19 Allocation of Resources for Employees (CARE) Programme.

RATIONALE FOR SUSPENDING the FISCAL RULES

The unprecedented fiscal burden imposed by the pandemic has derailed the trajectory to attain the legislated debt/GDP target by FY 2025/26 and suggests that the GOJ will require more time to reduce the public debt to 60% of GDP. In this regard, the GOJ, with the support of the International Monetary Fund (IMF), has extended the target date by two years through amendment of the FAA Act.

While this extension may trigger negative reactions by international rating agencies, the GOJ, as well as the IMF considers it an appropriate and prudent policy response that facilitates the country's efforts to effectively address the impact of the pandemic on the economy.

The Ministry of Finance & the Public Service has generated a revised fiscal forecast based on the macroeconomic framework arising from the Covid-19 pandemic. This revised profile was presented in the First Supplementary Estimates tabled on May 13, 2020. Those Estimates revealed that Central Government Revenue and Grants are expected to fall $81,000 million (13%) below the FY 2020/21 Approved Budget. At the same time, the GOJ was required to provide additional resources to address the impact of the pandemic. In line with its commitment to remain fiscally responsible, the GOJ has proposed significant cuts to both recurrent and capital programmes to accommodate the new expenditure demands within the expected revenue fallout. Consequent on these adjustments, the First Supplementary Estimates reflected a Central Government deficit of 2.9% of GDP.

This projected deficit arising from the COVID-19 pandemic is larger than the fiscal balance target calculated utilizing the formula contained in Schedule 5 of the FAA Act to meet either a target date of March 2026 or March 2028, and warrants a suspension of the fiscal rules given the circumstances that have necessitated the re-programming.

The GOJ is prepared to implement the required adjustment measures in the coming fiscal year of at least 1.5% of GDP in conformity with Section 48CA (1) (b) of the FAA Act. These measures will be specified in the February 2021 Fiscal Policy Paper as prescribed under section 48CA (1) (b) of the FAA Act. Further adjustments if warranted will also be implemented in the following fiscal years to ensure debt remains on track toward the amended target date of end-March 2028 for achievement of public debt/GDP at 60%.

CONCLUSION

Jamaica's economy has suffered an unprecedented economic shock arising from the COVID-19 pandemic. Preliminary estimates (PIOJ) are indicating that the decline in real GDP for the first quarter (April-June 2020) could be as steep as 12-14 percent compared to last FY April –June 2019. This has impacted the fiscal accounts adversely resulting in a breach of the fiscal rules outlined under section 48C (1) of the FAA Act. As a consequence of the foregoing, a suspension of the fiscal rules is envisioned.

F. Morrison

Ministry of Finance and the Public Service
May 29, 2020

CENTRAL GOVERNMENT SUMMARY ACCOUNTS

(in millions of dollars)

Item	Budget 2020/21	First Supp. 2020/21	Change	% Change
Revenue & Grants	**660,907.1**	**579,885.8**	**-81,021.3**	**-12.3%**
Tax Revenue	588,807.2	510,050.9	-78,756.3	-13.4%
Non-Tax Revenue	67,290.9	65,025.9	-2,265.0	-3.4%
Bauxite Levy	135.7	135.7	0.0	0.0%
Capital Revenue	336.0	336.0	0.0	0.0%
Grants	4,337.3	4,337.3	0.0	0.0%
Expenditure	**661,017.8**	**642,841.1**	**-18,176.7**	**-2.7%**
Recurrent Expenditure	586,814.6	596,740.2	9,925.6	1.7%
Programmes	232,802.7	237,478.5	4,675.8	2.0%
Compensation of Employees	221,357.6	221,611.8	254.2	0.1%
Wages & Salaries	204,338.3	204,964.5	626.2	0.3%
Employer Contributions	17,019.3	16,647.3	-372.0	-2.2%
Interest	132,654.2	137,649.8	4,995.6	3.8%
Domestic	55,461.2	55,461.2	0.0	0.0%
External	77,193.0	82,188.6	4,995.6	6.5%
Capital Expenditure	74,203.3	46,101.0	-28,102.3	-37.9%
Capital Programmes	74,203.3	46,101.0	-28,102.3	-37.9%
Fiscal Balance (Surplus + / Deficit -)	**-110.7**	**-62,955.3**	**-62,844.6**	**56758.2%**
Loan Receipts	**143,602.9**	**147,827.8**	**4,224.9**	**2.9%**
Domestic	109,224.4	111,224.4	2,000.0	1.8%
External	34,378.5	36,603.4	2,224.9	6.5%
Other Inflows	**32,193.0**	**22,805.8**	**-9,387.2**	**-29.2%**
Other Outflows	**37,260.8**	**37,260.8**	0.0	0.0%
Amortization	**155,189.7**	**158,048.2**	**2,858.5**	**1.8%**
Domestic	111,019.8	111,019.8	0.0	0.0%
External	44,169.9	47,028.4	2,858.5	6.5%
Overall Balance (Surplus + / Deficit -)	**-16,765.3**	**-87,630.8**	**-70,865.5**	**422.7%**
Primary Balance (Surplus +/Deficit -)	**132,543.5**	**74,694.5**	**-57,849.0**	**-43.6%**
Total Expenditure & Payments	**853,468.3**	**838,150.2**	**-15,318.2**	**-1.8%**

CENTRAL GOVERNMENT SUMMARY ACCOUNTS
(as percent of GDP)

Item	Budget 2020/21	First Supp. 2020/21
Revenue & Grants	**29.0%**	**27.2%**
Tax Revenue	25.8%	23.9%
Non-Tax Revenue	3.0%	3.0%
Bauxite Levy	0.0%	0.0%
Capital Revenue	0.0%	0.0%
Grants	0.2%	0.2%
Expenditure	**29.0%**	**30.1%**
Recurrent Expenditure	25.8%	28.0%
Programmes	10.2%	11.1%
Compensation of Employees	9.7%	10.4%
Interest	5.8%	6.5%
Domestic	2.4%	2.6%
Foreign	3.4%	3.9%
Capital Expenditure	3.3%	2.2%
Capital Programmes	3.3%	2.2%
Fiscal Balance (Surplus + / Deficit -)	**0.0%**	**-2.9%**
Loan Receipts	**6.3%**	**6.9%**
Domestic	4.8%	5.2%
External	1.5%	1.7%
Other Inflows (inc'ds PCDF)	**1.4%**	**1.1%**
Other Outflows (incl'ds BOJ Recapitalization)	**1.6%**	**1.7%**
Amortization	**6.8%**	**7.4%**
Domestic	4.9%	5.2%
External	1.9%	2.2%
Overall Balance (Surplus + / Deficit -)	**-0.7%**	**-4.1%**
Primary Balance	**5.8%**	**3.5%**
Total Expenditure & Payments	**37.5%**	**39.3%**
GDP	***2,278,835.2***	***2,134,100.0***

Debt/GDP with Corrective Action as of FY2021/22

	FY 20/21	FY 21/22	FY 22/23	FY23/24	FY 24/25	FY 25/26	FY 26/27	FY 27/28
Debt/GDP (% GDP)	97.5	90.7	83.5	77.2	72.0	66.8	61.3	55.6