

STATEMENT OF GOVERNMENT OPERATIONS

Rs Million

	2015/16 Provisional Actual	2016/17 Estimates	2017/18 Planned	2018/19 Planned
<u>RECURRENT BUDGET</u>				
Recurrent Revenue	85,988	93,987	101,560	110,265
Tax Receipts	78,224	84,720	92,957	101,359
Social Contributions	1,375	1,417	1,488	1,558
Other Revenue	6,390	7,850	7,115	7,348
Recurrent Expenditure	92,395	102,885	105,931	108,184
Compensation of Employees	26,208	29,597	30,747	31,185
Purchase of Goods and Services	8,363	9,783	9,597	9,672
Interest (Accrual basis)	10,119	11,296	12,514	13,945
Subsidies	1,768	1,513	1,452	1,462
Grants to Parastatal Bodies/Local Authorities/RRA	18,684	20,364	20,814	21,088
Social Benefits	25,023	27,080	27,486	27,724
Other Expense	2,231	2,753	2,622	2,410
Contingencies	-	500	700	700
Recurrent Balance	-6,407	-8,898	-4,372	2,082
Recurrent Balance as % of GDP	-1.5%	-2.0%	-0.9%	0.4%
<u>CAPITAL BUDGET</u>				
Capital Revenue	2,248	8,413	8,440	4,435
External Grants	336	6,413	8,440	4,435
Transfer from Special Funds	1,911	2,000	-	-
Capital Expenditure	10,758	14,469	15,921	14,801
Acquisition of Non-Financial Assets	5,987	10,020	11,708	11,353
<i>o/w Infrastructure Projects in Preparation</i>	-	-	1,000	3,000
Transfer to Special Funds	2,000	-	-	-
Grants to Parastatal Bodies/Local Authorities/RRA	1,417	2,344	1,957	1,534
Other Transfers	1,354	2,004	2,056	1,714
Contingencies	-	100	200	200
Capital Balance	-8,510	-6,056	-7,481	-10,366
Capital Balance as % of GDP	-2.0%	-1.3%	-1.5%	-2.0%
Budget Balance (Before Net Acquisition of Financial Assets)	-14,916	-14,954	-11,852	-8,285
Budget Balance as % of GDP	-3.5%	-3.3%	-2.4%	-1.6%
Net Acquisition of Financial Assets	13	3,782	4,311	3,637
Domestic	-430	3,652	4,311	3,637
Loan to Parastatal Bodies	1,032	3,030	3,517	2,473
Reimbursement of Loan by Parastatal Bodies	1,259	2,335	586	636
Loan Offset Against Grant	2,000	-	-	-
Equity Purchase/Participation	2,327	3,116	1,775	1,800
Equity Sale	530	159	396	-
Foreign	443	130	-	-
Equity Purchase/Participation	443	130	-	-
Net SDR Transactions	-	-	-	-
Adjustment for difference in cash and accrual interest	-395	-190	-550	-530

(f1)

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Government Borrowing Requirements	14,534	18,546	15,613	11,392
<i>Government Borrowing Requirements as % of GDP</i>	<i>3.4%</i>	<i>4.1%</i>	<i>3.2%</i>	<i>2.2%</i>
Domestic Financing	15,833	23,555	16,773	14,523
Foreign Financing	(1,299)	(5,009)	(1,160)	(3,131)
Budgetary Central Government Net Debt	226,813	244,631	261,104	273,345
<i>Budgetary Central Government Net Debt as % of GDP</i>	<i>53.7%</i>	<i>54.2%</i>	<i>53.6%</i>	<i>51.8%</i>
Public Sector Net Debt (Statutory Debt Ceiling)**	234,926	251,149	267,369	279,740
<i>Public Sector Net Debt as % of GDP</i>	<i>55.6%</i>	<i>55.6%</i>	<i>54.9%</i>	<i>53.0%</i>
Public Sector Debt (International Definition)	274,326	283,629	296,799	308,400
<i>Public Sector Debt as % of GDP</i>	<i>65.0%</i>	<i>62.8%</i>	<i>61.0%</i>	<i>58.4%</i>

Memo items:				
Total Revenue	88,236	102,400	110,000	114,700
<i>Total Revenue as % of GDP</i>	<i>20.9%</i>	<i>22.7%</i>	<i>22.6%</i>	<i>21.7%</i>
Total Expenditure	103,153	117,355	121,852	122,985
<i>Total Expenditure as % of GDP</i>	<i>24.4%</i>	<i>26.0%</i>	<i>25.0%</i>	<i>23.3%</i>
Primary Balance	-4,797	-3,658	662	5,661
<i>Primary Balance as % of GDP</i>	<i>-1.1%</i>	<i>-0.8%</i>	<i>0.1%</i>	<i>1.1%</i>

** If the statutory debt target of 50% of GDP is to be achieved by 2018, the following will have to be considered:

- (i) sale of equity and other assets;
- (ii) additional revenue raising measures;
- (iii) further reduction in expenditure; and
- (iv) reform in pension system and social safety net.

f(1): This represents only Central Government capital expenditure from the Consolidated Fund.

Total public sector investment includes capital projects implemented by Central Government (both under Consolidated Fund and Special Funds), parastatal bodies and public enterprises as detailed out in the Public Sector Investment Programme

Total Public Sector Investment	15,882	34,920	33,924	29,064
<i>Capital Expenditure</i>	<i>8,758</i>	<i>14,469</i>	<i>15,921</i>	<i>14,801</i>
<i>Loans and Equity to Parastatal Bodies/Public</i>	<i>1,372</i>	<i>6,146</i>	<i>5,292</i>	<i>4,273</i>
<i>Special Funds (BMF/NRF)</i>	<i>969</i>	<i>4,799</i>	<i>3,961</i>	<i>2,368</i>
<i>Public Enterprises Own Funds & Borrowings</i>	<i>4,783</i>	<i>9,507</i>	<i>8,750</i>	<i>7,622</i>