

**Note:** This document was submitted to the People’s Majlis on 31<sup>st</sup> July 2019. The figures used in this document are subject to further changes as they were based on forecasts made as at end of June 2019.

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Ministry of Finance  
Republic of Maldives

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## Medium Term Fiscal Strategy 2020-2022

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### 1. Introduction

The Fiscal Responsibility Act (Law Number 7/2013) requires the Government to submit a Medium Term Fiscal Strategy Statement to the Public Accounts Committee of the People’s Majlis before the end of July every year. The Fiscal Strategy Statement includes the revised estimates for the 2019 budget, proposed changes to the revenue and expenditure structure based on medium-term fiscal balance and debt sustainability, and the fiscal space (space for New Policy Initiatives<sup>1</sup>). This statement is based on the “Medium-Term Fiscal Framework” and the revenue and expenditure estimates used for the baseline budget.

### 2. Fiscal Policy

The medium-term budget aims to reduce inequality promote economic activity. In addition, the budget is formulated to reduce the primary and overall fiscal balance as a percentage of GDP in the medium term with a target of achieving a primary fiscal surplus by 2024. The fiscal strategy for 2020 is to allocate sufficient funds to New Policy Initiatives to achieve the targets set by the Government of Maldives (GOM) and maintain the fiscal deficit at sustainable levels.

The targets of the 2020 and the medium term budgets are:

1. Ensure the nationwide provision of infrastructure needed for basic necessities
2. Economic diversification
3. Improve and increase the social services provided to the public
4. Allocate sufficient funds for the government’s policies and improve budget credibility
5. Facilitate decentralization

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<sup>1</sup> This includes new projects and recurrent programs proposed for the budgeted period.

### 3. Revised Estimates of the 2020 budget

Table 1: Budget Breakdown 2019

(millions MVR)	2019 Approved	2019 Revised	2018 Jan-Jun	2019 Jan-Jun
<b>Total Revenues and Grants</b>	23,339.80	24,286.70	10,954.40	11,538.90
Tax Revenues	16,506.50	17,326.20	8,141.10	8,652.80
Non-Tax Revenues	5,648.70	5,836.00	2,605.80	2,423.90
Grants	1,353.00	1,256.90	207.50	462.20
<b>Total budget</b>	30,251.70	32,052.20	13,677.90	12,295.70
Loan Repayment	2,887.90	2,367.20	771.80	570.40
<b>Total Expenditure</b>	27,342.30	29,663.30	12,782.40	11,760.30
Recurrent Expenditure	18,529.30	20,545.70	8,361.00	9,096.50
Capital Expenditure	8,813.10	9,117.60	4,421.30	2,663.80
PSIP	7,076.70	7,273.10	3,734.40	1,450.20
<b>Overall Balance</b>	<b>(4,002.50)</b>	<b>(5,376.60)</b>	<b>(1,828.00)</b>	<b>(221.40)</b>
<b>Primary Balance</b>	<b>(2,000.90)</b>	<b>(3,375.10)</b>	<b>(1,148.70)</b>	<b>386.90</b>

#### 3.1 Revenues and Expenditures as at June 2019

##### Revenue

The total revenue and grants received at the end of June 2019 is MVR 11,538.9 million. This is a 5.3 percent increase compared to the same period of 2018. The main reason for this is the growth experienced by the tourism sector in 2019. In addition, import duties, business profit tax and general GST also increased due to the growth of the economy and the subsequent increase in imports. Unlike the previous year, this year's dividend receipts from State Owned Enterprises (SOE's) have not realised at the end of June, which has constituted to the decline in non-tax revenues in 2019 compared to the previous year. However, these receipts are expected to realise in the latter half of the year.

Furthermore, grants received at the end of June 2019 includes the USD 25 million grant received from the Government of India (GOI). The GOI has also invested MVR 1,542 million in government securities, for which the Government has received a commitment that upon maturity in 2020, the GOI will provide a cash grant equivalent to the principal amount plus interest. The GOI is also expected to invest a further MVR 771 million in government securities this year.

##### Expenditure

The total expenditure for the first six months of 2019 is MVR 11,760.3 million. This is 8.0 percent lower than the amount for the same period in 2018.

Although there is an 8.8 percent increase in the recurrent expenditure during this period, capital expenditures have declined by 39.8 percent. The Public Sector Investment Program (PSIP) spending

declined over this period compared to the last year. However, the funds are expected to be disbursed in the latter half of the year as most projects are expected to be awarded during this period. The reasons for the increase in recurrent spending include the amendments to the pay structure of defence personnel and nurses in 2018 and additional allowances approved to staff of different line ministries. Furthermore, recurrent programs to reduce social inequality were initiated by the GOM, contributing to the increase in recurrent spending. They include the breakfast program and harmonising the prices of electricity and staple foods in the atolls to the price levels in Male'. In addition, compensation to private parties and SOEs, and loan write-offs increased the government's expenditure on private compensation. Despite the decline in capital expenditure, the capital contribution to SOEs and government lending increased over this period.

## Budget Balance

The overall fiscal balance at the end of 2019 is a deficit of MVR 221.4 million. However, the primary balance during this period was a surplus of MVR 386.9 million.

## 3.2 Revised budget 2019

### Revenue

The revised total revenue and grants for the year 2019 is MVR 24,286.7 million. This is 4.1 percent higher than the amount of MVR 23,339.8 million initially estimated for total revenue and grants in 2019. The main contributors for this increase is the additional grants received and the expected rise in income from taxes during the year. Tourism Goods and Services Tax (TGST), Green Tax, Airport Service Charge and Airport Development Fee are all expected to increase as the tourism sector is now expected to grow faster than the initial forecasts. Furthermore, receipts from import duties are also expected to increase this year. In addition, current forecasts for the cash grants also illustrate an increase.

Further details of the revised total revenue and grants are presented in the Appendix 1 of this paper.

### Expenditure

The revised budget for 2019 is MVR 32,052.2 million. The revised total expenditure is MVR 29,663.3 million. This is an 8.5 percent increase from the approved budget for the year 2019. Therefore, it is expected that a budget supplement would need to be submitted to the Parliament to cover the additional expenditure. The main reasons for the increase in expenditure from the approved budget was the establishment of new Accountable Government Agencies (AGAs), the improvement and expansion of the services provided to the public, and the first 100 days expenditure which had not been included in the budget. However, there is ongoing work to identify areas of inefficiencies and implement cost-cutting measures to address them.

Recurrent expenditure are expected to be higher than the approved figure as more staff have been recruited, the coverage of the National health insurance scheme *Aasandha*, and student loans for study abroad as well as government scholarships has increased. In addition, government subsidies increased this year as the prices of electricity and staple foods have now been harmonised in the atolls to be at the same levels as Male'. Furthermore, additional expenses are expected as a result of reduced domestic airfares.

The expenditure on PSIP, which contributes to the majority of the capital expenditures, is also expected to be 2.8 percent higher than the approved amount as loan funded infrastructure projects are expected to be disbursed faster than expected due to the rapid progress of these projects.

Further details of the revised total expenditure is presented in the Appendix 1 of this paper.

## Budget Balance

The revised estimate of the overall budget balance for 2019 indicate a deficit of MVR 5,376.6 million. This deficit constitutes to 6.0 percent of the GDP. The revised overall balance is MVR 1,274.1 million higher than the approved figure. The revised primary balance for the year 2019 is a deficit of MVR 3,375.1 million, constituting to 3.8 percent of GDP.

## 4. Medium-Term Budget

This section presents budget estimates prepared for the medium term. The medium-term estimates for the economy that have been used to derive these estimates are included in Appendix 2.

Table 2: Medium-Term Budget Summary

(millions MVR)	2020 Forecast	2021 Forecast	2022 Forecast
<b>Total Revenue and Grants</b>	30,731.50	29,788.20	31,881.80
Tax Revenue	18,161.40	19,428.80	21,017.20
Non-Tax Revenue	6,030.80	6,299.90	6,669.70
Grants	4,015.50	1,712.40	1,715.70
New Revenue Measures	2,523.80	2,347.00	2,479.20
<b>Total budget</b>	39,552.70	41,665.00	45,663.60
Total Expenditure	37,040.00	38,704.90	38,607.70
<b>Baseline budget</b>	32,164.20	35,147.40	40,003.40
Recurrent Expenditure	20,390.40	21,385.00	21,949.60
Capital Expenditure	11,773.70	13,762.40	18,053.80
PSIP	5,690.00	7,190.00	7,190.00
New Policy Initiatives	5,500.00	4,500.00	3,500.00
Block Grants to Local Councils	1,851.30	1,980.90	2,119.60
<b>Balance Overall</b>	<b>(6,308.50)</b>	<b>(8,916.70)</b>	<b>(6,725.90)</b>
<b>balance Primary</b>	<b>(4,018.60)</b>	<b>(6,196.20)</b>	<b>(3,905.10)</b>

### 4.1 Revenue

#### Baseline Estimates for Medium-Term Revenue

Baseline revenue estimates comprises of revenue and grants estimated to be received during the medium-term, excluding all new revenue measures proposed for that period. It also disregards any cash grants

receivable<sup>2</sup>. Therefore, MVR 24,192.2 million is estimated to be received as baseline revenue and grants for the year 2020.

It is estimated that the future receipts of revenue and grants (excluding new revenue measures and cash grants) within the period 2020 and 2024 with increase annually by 6.2 percent on average to reach MVR 32,749.4 million at the end of the year 2024.

## Medium-Term Grants Estimates

Baseline for grants estimated to be received for the year 2020 is MVR 1,702.5 million. This includes the subsequent cash grant of MVR 1,542 million from the conversion of India's investment in government securities. The average baseline grants estimated to be received for the period 2021 to 2024 is MVR 172.3 million annually.

In addition to the medium-term baseline grant estimates, it is estimated that MVR 2,313 million will be received during the year 2020 and MVR 1,542 million annually during the period 2021 to 2024 as cash grants.

## Impact on Revenue from New Revenue Measures

New Revenue Measures proposed for the year 2020 is estimated to increase revenue by MVR 2,523.8 million during that year. The most notable measure among them is taxation on personal income of individuals which is considered as an important step towards completing the taxation system of the nation. The required bill for its implementation will be submitted to the Majlis during the current year, aiming to begin its imposition from 01 January 2020. It is estimated to bring a total revenue of MVR 368 million during that year. In addition to this, work on leasing islands in the year 2020 for resort development, bringing changes to how foreign labour quota fees and work permit fees are implemented and bringing changes to how airport service charge and airport development fees are taken and basing it on ticket class are ongoing. The realisation of the estimated total revenue from New Revenue Measures other than Income Tax, would depend on the on-going discussions to finalise them for next year's budget. The finalised measures will be submitted to the parliament along with budget 2020.

## Total Revenue and Grants

The Total Revenue and Grants estimated for the year 2020 is MVR 30,731.5 million including the estimates of cash grants and new revenue measures. This number is estimated to grow over the next five years at the rate of 8.9 percent annually to reach MVR 36,484.4 million at the end of the year 2024.

## 4.2 Expenditure

### Baseline budget for the Year 2020 and Medium-Term

This is the estimated budget the government will need to maintain the current level of expenditure on activities and projects during the coming years. In this manner, for the year 2020, baseline for recurrent expenditure is estimated at MVR 20,390.4 million and baseline for capital expenditure is estimated to be MVR 11,773.7 million.

Baseline recurrent expenditure includes the current recurrent expenditure. Baseline capital expenditure includes the current expenditure on on-going projects, the expenditure on the replacement of existing capital equipment, the current level of capital transfer to profit-oriented state owned entities, issuance of loans and loan repayment. Since this is the baseline budget, it would not include any new recurrent program

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<sup>2</sup> Only exception is the MVR 1,542 million investment by India on Government securities, to which assurance has been received that it would be converted to a grant by the Government of India, in the year 2020 on its maturity.

or infrastructure project. The Baseline budget for 2020 will not include expenditure of the councils as they will be awarded grants, unlike previous years.

According to the “Virement and Appropriations Procedure” gazetted in May 2019, an Accountable Government Agency (AGA) can spend from its domestic budget to a maximum limit of 5 percent above its allocation. Accordingly, a contingency of MVR 1,912.6 million has been included in the baseline budget of 2020. This is a significant change to the current budget implementation process. This change would greatly help reduce variance between the way the budget is implemented and the way it is passed by the Majlis.

Therefore the total budget baseline for the year 2020 is estimated to be MVR 32,164.2 million. And its total estimated baseline expenditure is MVR 29,651.5 million.

The medium-term baseline expenditure is estimated to increase annually by 2.2 percent from year 2020 to 2024. The baseline budget for the years 2022 and 2023 is expected to further increase as the repayment of the bond and *sukuk* issued by the government will mature by then and therefore will need to be budgeted for.

## Expenditure on New Policy Initiatives and Recurrent Programs

An estimated MVR 5,500 million is expected to be expended on new policies and projects introduced in the year 2020, that are aimed at achieving goals set by the nation through fiscal policy.

## Block Grants to Local Councils

With the proposed changes to the decentralisation policy, from 2020 onwards, 5 percent of total revenue (excluding grants) received by the government and 40 percent of rent from land, islands and sea within the jurisdiction of that particular council, will be transferred to the councils as a grant. For the year 2020, the estimated grant allocation is MVR 1,851.3 million.

In addition to this responsibility, implementation of PSIP's valued below MVR 5 million would also be transferred to that particular council, beginning the year 2020.

## Total Budget and Expenditure

When new projects, expenditure of new recurrent programs and grants to councils are added to the estimated baseline budget, the total estimated budget for the year 2020 reaches MVR 39,552.7 million. Further, Expenditure is estimated to reach MVR 37,040.0 million. Although the total budget of the year 2022 would be higher with the repayment of Sovereign Bond, expenditure would be maintained at the same level as year 2020 by reducing spending on New Policy Initiatives during that year.

## 4.3 Medium-Term Budget Balance

After the inclusion of New Policy Initiatives, cash grants estimated to receive and grants to councils, the overall balance of the budget for the year 2020 is estimated to be at a deficit of MVR 6,308.5 million. This is equivalent to 6.5 percent of GDP. The primary balance is estimated to be at a deficit of MVR 4,018.6. This is equivalent to 4.1 percent of GDP. And if government expenditure could be maintained at the same level from 2021 onwards, overall deficit and primary deficit is estimated to reduce, leading to a surplus in primary balance in the year 2024.

## 5. Impact on Medium-Term Debt due to Fiscal Policy

In order to maintain medium-term debt at a sustainable level, fiscal policy has been formulated in a way that debt growth rate is lower than nominal GDP growth rate in the medium term. While growth rate of debt is estimated to be higher than nominal GDP growth rate for the period 2020 to 2022, it is estimated to increase at lower rate than nominal GDP growth rate from 2023 onwards.

MVR 3,398.7 million from both domestic and foreign sources has been included in the budget to finance the overall budget deficit of 2019. In addition to this, the USD 800 million credit facility received from India has been estimated to be disbursed within the period 2019 and 2023. If the government's overall deficit can be maintained at the level mentioned above, without including the Sovereign Guarantees, Debt to GDP for the year 2020 is estimated to be at 64.1 percent. And since projects financed by loans are estimated to increase in the medium-term, debt is estimated to first increase before it begins to decline.

For more information on government's plan on debt, please refer to the statement on Medium-Term Debt Strategy.

Chart 1: Debt-to-GDP Ratio

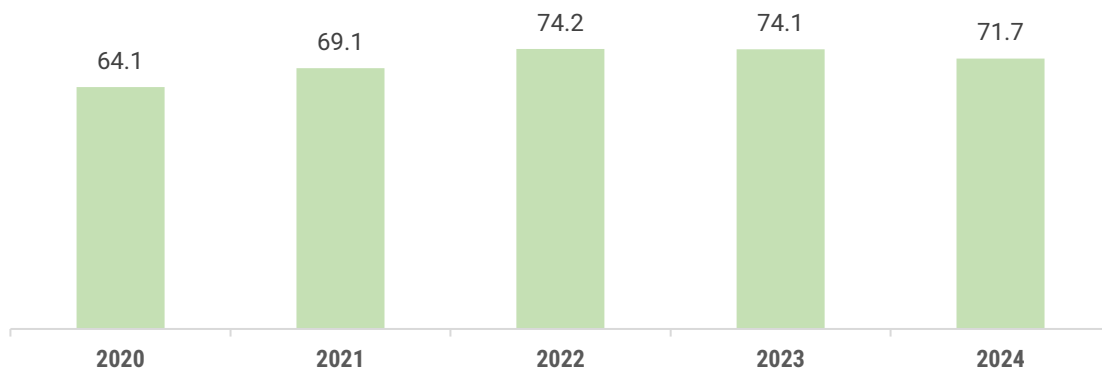
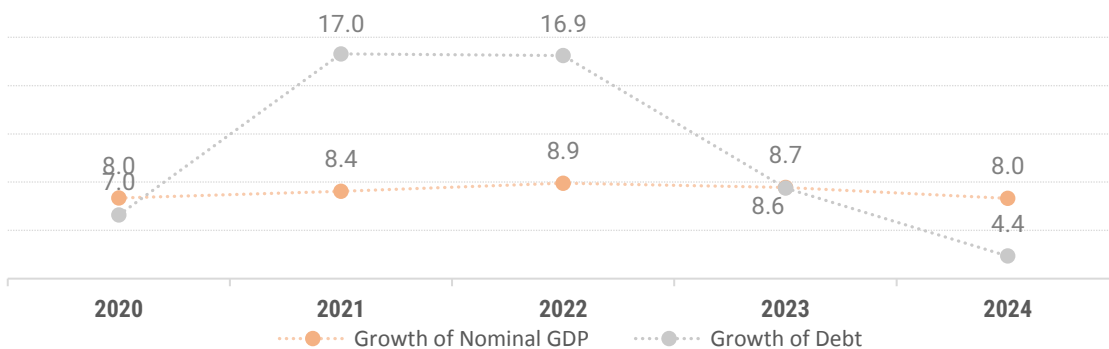


Chart 2: Growth of Nominal GDP and Debt



## 6. Proposed Measures to Improve Effectiveness in Implementation of Fiscal Policy

- **Add the process of allocation of budgets to offices (Appropriations) and the process of bringing changes to allocated budgets (Virement) into Public Finance Law:** “Virement and Appropriations Procedure” has been gazetted in May 2019. This is the first time budget appropriations and virement rules have been introduced in Maldives. The main objective of introducing such rules is to ensure that the budget passed by the Parliament is fully implemented, so that it becomes a budget that is more

economical, sustainable and promotes efficiency. Hence, inclusion of budget virement rules in the Public Finance Law before the presentation of budget 2020 to the Parliament, is an important step to ensure that these rules are implemented from the year 2020 onwards.

- **Amend Public Finance Law so that a fiscal impact assessment is required to be prepared and presented to the Ministry of Finance for every bill drafted by government offices before it is submitted to the Parliament and for every rule or regulation made by a government entity, before it is made effective:** before a change is brought to a legal framework, it is important to identify its effect on government revenue and expenditure. And inclusion of such effects during the budget preparation for that particular year will help reduce the need to bring changes to the budget within the year during its implementation.
- **Revision of fiscal targets listed in the Fiscal Responsibility Law:** The deficit and debt targets mentioned in the Fiscal Responsibility Law are not suitable to Maldives, as a developing country. And since certain targets required by the law to be achieved by the end of 2017 has not been met, it is one of the reasons for the need for revision.

## 7. Conclusion

As required under the Fiscal Responsibility Law, this statement includes the revised estimates for 2019, medium-term baseline estimates, budget deficit and medium-term estimates taking into account the objectives that are aimed to be achieved.

This statement is prepared to present a deficit budget, equivalent to 6.5 percent of GDP, for the year 2020. The government expenditure is structured to reduce this deficit in the medium-term, to lead to a surplus primary balance in the year 2024. In this manner, budget for the year 2020 is estimated to be MVR 39.6 billion, of which total expenditure is estimated to be MVR 37.0 billion. Should the overall deficit to GDP be maintained at 6.5 percent, new programs and projects is estimated to receive a “fiscal space” of MVR 5.5 billion.

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## Appendix 1: Total Revenue and Expenditure for 2018 and 2019

(MVR millions)	2018 Approved	2018 Actual	2019 Approved	2019 Actual
<b>Total Revenue and Grants</b>	<b>22,400.7</b>	<b>22,222.9</b>	<b>23,339.8</b>	<b>24,286.7</b>
<b>Total Revenue</b>	<b>21,667.0</b>	<b>21,389.4</b>	<b>21,986.8</b>	<b>23,029.8</b>
Import Duty	3,029.6	3,148.8	3,183.8	3,463.7
Business & Property Tax	4,156.2	3,314.4	3,451.4	3,578.8
Business Profit & Withholding Tax	3,525.0	2,710.4	2,846.1	2,851.1
Bank Profit Tax	571.0	564.1	566.8	687.8
Goods & Services Tax	7,459.3	7,689.4	8,038.4	8,437.3
Tourism Goods & Services Tax	4,311.3	4,783.3	5,039.5	5,299.8
General Goods & Services	3,148.0	2,906.1	2,998.9	3,137.5
Other Taxes and Duties	1,578.2	1,604.8	1,752.8	1,770.5
o/w Airport Service Charge	648.2	644.8	705.6	720.4
o/w Green Tax	757.3	810.5	892.7	894.5
Fees & Charges	1,230.6	1,466.7	1,398.1	1,514.2
Registration & License Fees	322.2	413.7	417.5	424.7
Property Income	2,103.3	2,015.4	2,123.7	2,124.5
Interest, Profit & Dividends	1,286.9	1,048.1	1,180.7	1,132.9
New Revenue Measures	-	-	-	-
Other Revenue	500.6	688.0	440.4	583.1
Grants	733.7	833.6	1,353.0	1,256.9
<b>Total Expenditure</b>	<b>24,894.6</b>	<b>26,522.5</b>	<b>27,342.3</b>	<b>29,663.3</b>
<b>Total budget</b>	<b>27,966.3</b>	<b>28,165.0</b>	<b>30,251.7</b>	<b>32,052.2</b>
<b>Recurrent Expenditure</b>	<b>16,066.2</b>	<b>18,243.5</b>	<b>18,529.3</b>	<b>20,519.4</b>
Personal Emoluments	7,558.0	7,676.8	7,964.2	8,202.9

Pensions, Retirement Benefits & Gratuities	1,470.1	1,502.5	1,565.0	1,532.5
Goods & Services	3,553.0	4,035.8	4,097.5	4,752.3
Travel Expenses	100.3	175.5	141.9	177.0
Supplies & Requisites	531.1	621.3	609.0	638.7
Operational Services	1,862.9	1,792.9	1,989.2	1,998.2
Supplies & Requisites for Service Provision	636.1	702.7	657.4	949.3
Training	293.5	523.1	423.0	589.6
Repairs & Maintenance	129.0	220.2	277.1	399.5
Grants, Contributions & Subsidies	1,992.4	3,464.2	2,850.6	3,123.1
Other Recurrent Expenditure	1,492.8	1,564.2	2,051.9	2,908.5
<b>Capital Expenditure</b>	<b>11,900.1</b>	<b>9,897.3</b>	<b>11,722.5</b>	<b>11,506.5</b>
Development Projects	101.9	60.3	7.8	8.3
Public Sector Investment Program	7,087.4	6,798.7	7,076.7	7,273.1
Property, Investment & Lending	1,271.9	1,406.1	1,339.2	1,447.0
Budget Contingency	400.0		411.0	
Transfers to Sovereign Development Fund	855.1			
Debt Amortization	2,183.7	1,632.2	2,267.9	2,367.2
Capital Contributions to Multilateral Organizations	32.8	10.3	21.6	21.6
<b>Primary Fiscal Balance</b>	<b>(1,057.4)</b>	<b>(2,859.3)</b>	<b>(2,000.9)</b>	<b>(3,375.1)</b>
<b>Overall Fiscal Balance</b>	<b>(2,493.9)</b>	<b>(4,299.6)</b>	<b>(4,002.5)</b>	<b>(5,376.6)</b>



## Appendix 2: Medium-Term Economic Indicators

	2018	2019	2020	2021	2022	2023	2024
Nominal GDP (MVR millions)	83,103.10	89,822.90	97,010.40	105,187.90	114,586.40	124,522.20	134,468.90
Nominal GDP Growth	10.70%	8.10%	8.00%	8.40%	8.90%	8.70%	8.00%
Real GDP (MVR millions, 2014 Constant Prices)	72,273.70	76,187.20	80,052.10	84,677.70	90,125.00	96,009.70	101,953.80
Real GDP Growth	7.70%	5.40%	5.10%	5.80%	6.40%	6.50%	6.20%
CPI Inflation	-0.10%	0.70%	1.10%	1.20%	1.20%	1.20%	1.20%
Current Account Balance (USD millions)	-1,553.70	-1,281.20	-1,490.20	-1,523.90	-1,579.50	-1,716.40	-1,853.60
Current Account Balance (as a % of GDP)	-28.80%	-22.00%	-23.70%	-22.30%	-21.20%	-21.20%	-21.20%
Tourist Arrivals	1,484,274	1,619,652	1,675,885	1,766,394	1,892,442	2,054,495	2,161,885
Tourist Arrivals Growth	6.80%	9.10%	3.50%	5.40%	7.10%	8.60%	5.20%
Bed nights	9,471,778	10,189,867	10,667,692	11,354,481	12,310,886	13,612,480	14,593,142
Bed nights Growth	10.20%	7.60%	4.70%	6.40%	8.40%	10.60%	7.20%

## Appendix 3: Revenue and Expenditure Projections 2020 to 2024

	2020	2021	2022	2023	2024
(MVR millions)	Forecast				
<b>Total Revenue and Grants</b>	<b>30,731.5</b>	<b>29,788.2</b>	<b>31,881.8</b>	<b>34,349.8</b>	<b>36,484.4</b>
<b>Total Revenue</b>	<b>26,425.9</b>	<b>28,075.8</b>	<b>30,166.1</b>	<b>32,627.1</b>	<b>34,766.3</b>
Import Duty	3,630.2	3,866.2	4,181.4	4,547.3	4,905.4
Business & Property Tax	3,746.2	3,964.7	4,209.8	4,428.6	4,716.9
Business Profit & Withholding Tax	2,999.4	3,161.4	3,339.4	3,525.6	3,715.5
Bank Profit Tax	706.9	763.4	830.5	863.1	961.6
Goods & Services Tax	8,955.6	9,665.8	10,557.3	11,714.4	12,585.7
Tourism Goods & Services Tax	5,567.0	5,991.6	6,554.7	7,364.8	7,888.6
General Goods & Services	3,388.6	3,674.2	4,002.5	4,349.6	4,697.0
Other Taxes and Duties	1,829.3	1,932.1	2,068.8	2,255.3	2,389.5
o/w Airport Service Charge	740.4	781.3	834.9	906.7	955.0
o/w Green Tax	936.4	996.7	1,080.6	1,194.9	1,281.0
Fees & Charges	1,544.9	1,589.6	1,652.0	1,733.4	1,788.9
Registration & License Fees	435.8	448.9	464.6	479.6	492.0
Property Income	2,232.3	2,361.3	2,513.2	2,677.3	2,843.1
Interest, Profit & Dividends	1,223.5	1,326.7	1,445.2	1,570.5	1,696.0
New Revenue Measures	2,523.8	2,347.0	2,479.2	2,621.9	2,747.5
Other Revenue	594.2	573.4	594.7	599.0	601.4
Grants	4,015.5	1,712.4	1,715.7	1,722.7	1,718.1
<b>Total Expenditure</b>	<b>37,040.0</b>	<b>38,704.9</b>	<b>38,607.7</b>	<b>38,391.4</b>	<b>38,746.5</b>
<b>Total budget</b>	<b>39,552.7</b>	<b>41,665.0</b>	<b>45,663.6</b>	<b>43,595.7</b>	<b>42,714.5</b>
<b>Recurrent Expenditure</b>	<b>20,390.4</b>	<b>21,385.0</b>	<b>21,949.6</b>	<b>22,465.4</b>	<b>22,933.5</b>
Personal Emoluments	8,021.6	8,110.0	8,199.3	8,289.7	8,381.0
Pensions, Retirement Benefits & Gratuities	1,740.2	1,839.6	2,039.7	2,190.7	2,403.4
Goods & Services	4,966.4	5,020.6	5,130.2	5,125.6	5,260.6
Travel Expenses	179.3	181.3	183.5	185.7	185.7
Supplies & Requisites	699.1	703.5	762.5	795.2	840.3

Operational Services	1,783.2	1,804.0	1,825.2	1,847.2	1,847.2
Supplies & Requisites for Service Provision	1,166.5	1,180.1	1,194.0	1,208.4	1,208.4
Training	854.2	864.2	874.3	884.8	884.8
Repairs & Maintenance	284.1	287.4	290.7	294.3	294.3
Grants, Contributions & Subsidies	3,262.4	3,300.4	3,339.1	3,379.4	3,379.4
Other Recurrent Expenditure	2,399.9	3,114.4	3,241.3	3,390.0	3,509.1
<b>Capital Expenditure</b>	<b>11,773.7</b>	<b>13,762.4</b>	<b>18,053.8</b>	<b>15,623.2</b>	<b>14,316.6</b>
Development Projects	20.0	20.2	20.5	20.7	20.7
Public Sector Investment Program	5,690.0	7,190.0	7,190.0	6,690.0	6,690.0
Domestic	2,690.0	3,190.0	3,190.0	3,190.0	3,190.0
Foreign	3,000.0	4,000.0	4,000.0	3,500.0	3,500.0
Property, Investment & Lending	1,638.5	1,656.5	1,674.9	1,694.0	1,694.0
Budget Contingency	1,912.6	1,935.5	2,112.6	2,014.1	1,943.8
Debt Amortization	2,491.0	2,938.2	7,033.7	5,181.9	3,945.6
Capital Contributions to Multilateral Organizations	21.6	21.9	22.1	22.4	22.4
<b>New Policy Initiatives</b>	<b>5,500.0</b>	<b>4,500.0</b>	<b>3,500.0</b>	<b>3,200.0</b>	<b>3,000.0</b>
<b>Block Grants to Councils</b>	<b>1,851.3</b>	<b>1,980.9</b>	<b>2,119.6</b>	<b>2,267.9</b>	<b>2,426.7</b>
<b>Primary Fiscal Balance</b>	<b>(4,018.6)</b>	<b>(6,196.2)</b>	<b>3,905.1)</b>	<b>1,193.1)</b>	<b>644.2)</b>
<b>Overall Fiscal Balance</b>	<b>(6,308.5)</b>	<b>8,916.7)</b>	<b>(6,725.9)</b>	<b>(4,041.6)</b>	<b>(2,262.1)</b>
<b>Memorandum Items:</b>					
Nominal GDP	97,010.4	105,187.9	114,586.4	124,522.2	134,468.9
Primary Balance (as a % of GDP)	(4.1)	(5.9)	(3.4)	(1.0)	0.5
Overall Balance (as a % of GDP)	(6.5)	(8.5)	(5.9)	(3.2)	(1.7)