

# Quarterly Fiscal Developments

January 2019

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## Quarterly Fiscal Developments

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This Quarterly Fiscal Developments provides an overview of fiscal developments during January to December 2018 based on data available as at 20 January 2019. The report will be published four times during the year (January, April, August and October). Expenditure and revenue are reported in the same format as the Monthly Fiscal Developments.

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# Abbreviations

ADF	Airport Development Fee
AGA	Accountable Government Agencies
ASC	Airport Service Charge
BnPT	Bank Profit Tax
BPT	Business Profit Tax
GGST	General Goods and Services Tax
GRT	Green Tax
IGMH	Indira Gandhi Memorial Hospital
LACF	Land Acquisition Conversion Fee
MMA	Maldives Monetary Authority
MVR	Maldivian Rufiyaa
PSIP	Public Sector Investment Program
SME	Small and Medium Enterprise
SOE	State Owned Enterprise

# Overview of Fiscal Developments

January to December 2018

## Trends in revenue

Government revenue and grants for the year 2018 totaled MVR 21,651.3 million, which is an increase of 6.9 per cent (MVR 1,392.6 million) compared to the same period of last year mainly driven by a rise in tax revenue collections. However, this amount is 3.3 per cent less than the approved revenue estimates for the budget 2018 due to lower GST and BPT collections compared to forecasts, and low dividends from SOEs.

Tax revenues increased by 7.2 per cent (MVR 1,060.6 million). This can be attributed primarily to a significant increase in receipts from TGST reflecting the strong performance of tourism sector during the year. TGST collections increased by 13.9 per cent (MVR 584.8 million) compared to the same period of last year. General Goods and Services Tax increased by 8.2 per cent (MVR 219.8 million), resulting from strong economic growth and rising sales. Import Duties, the second largest contributor apart from Goods and Services Tax collections, grew by 11.5 per cent (MVR 322.1 million) due to stronger growth in imports and increase in cost and freight charges of goods.

Figure 1: Cumulative revenue and grants as a portion of projected  
MVR millions

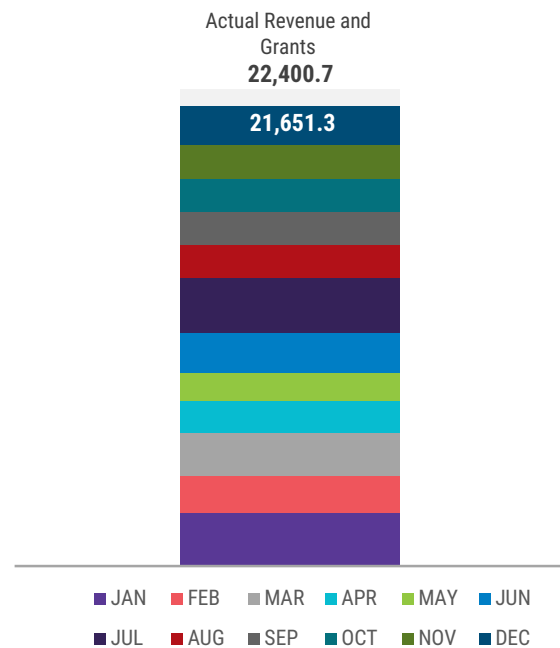


Figure 2: Cumulative tax and non-tax revenue  
MVR millions

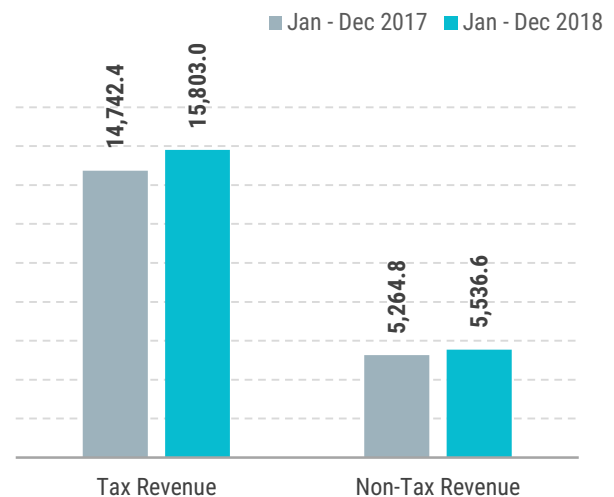
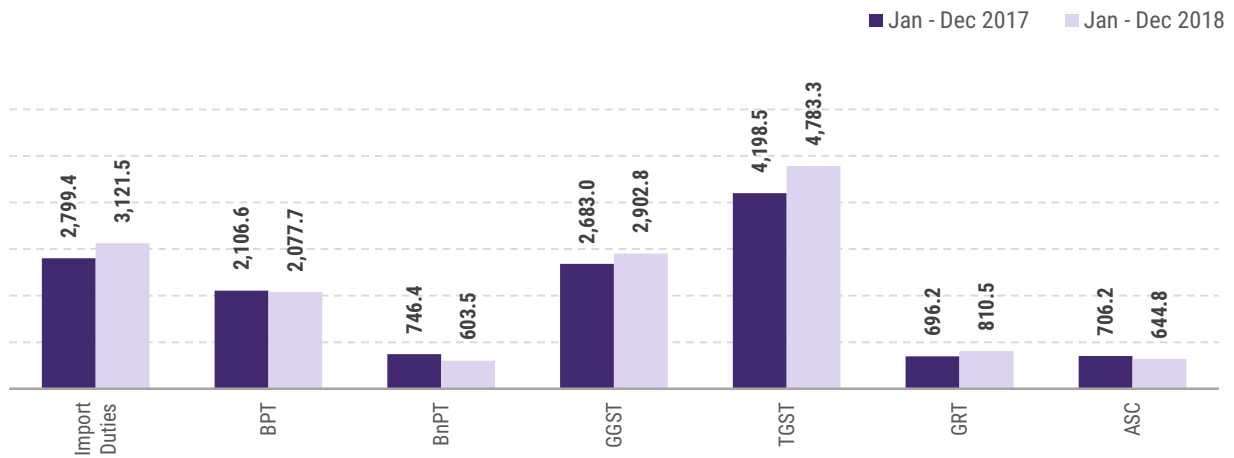


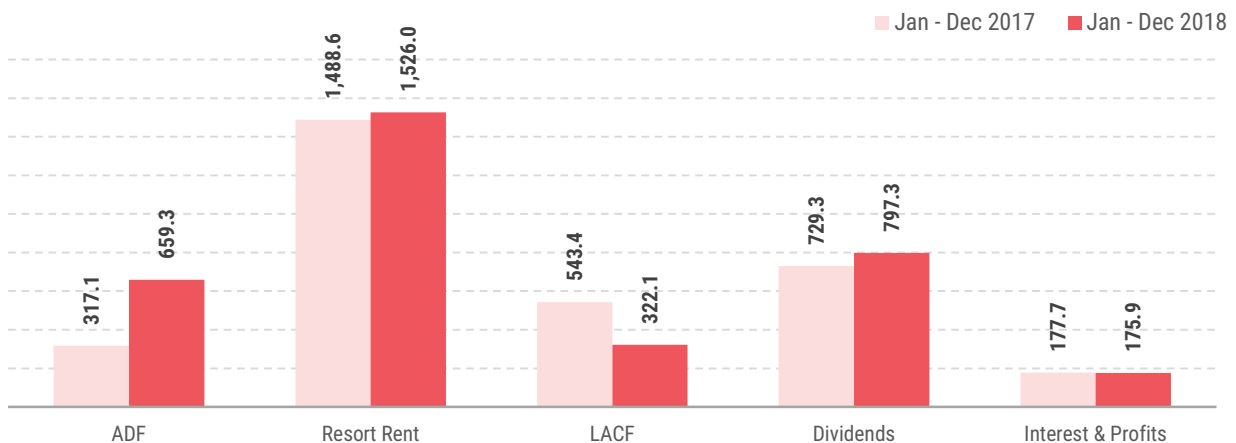
Figure 2: Major components of tax revenue  
MVR millions



In line with the positive trends in the tourism sector earlier this year, collections from Green Tax also posted a strong growth (16.4 per cent) compared to the same period last year. All major categories of tax revenue increased during the review period except for Business and Property Taxes. Collections from this category posted a 3.2 per cent decline due to notable declines in collection of Bank Profit Tax. Bank Profit Tax in 2018 was

expected to be lower as profits of banks in 2017 was lower than 2016. Furthermore, Land Sales Tax was higher in 2017 due to significant land sales tax received for sale of land in Hulhumale' Phase 2 area. Receipts from Airport Service Charge were down 8.7 per cent due to base effects stemming from the one-off receipts received in the same period last year as part of the transition to the new collection structure, following the ratification

Figure 3: Major components of non-tax revenue  
MVR millions



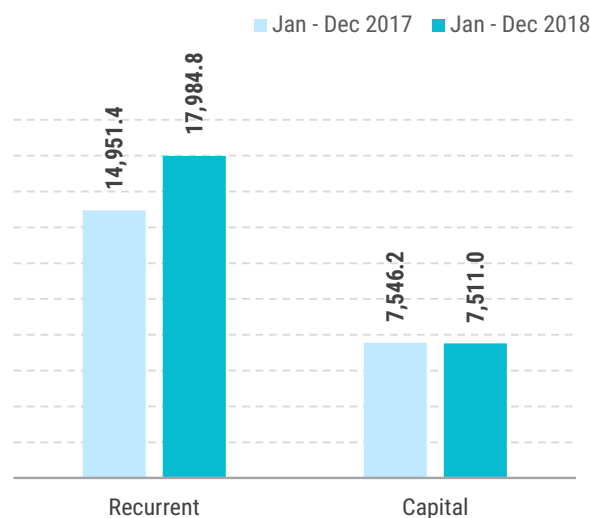
of the Airport Taxes and Fees Act (Law Number 29/2016) in 7 December 2016.

Non-tax revenue posted an increase by MVR 271.7 million (5.2 per cent) over the period of January to December 2018. This was primarily attributable to collections from ADF even though revenue from other major contributors fell. Property income fell by 8.5 per cent owing to a fall in Land Acquisition and Conversion Fee. Although interest, profit and dividend earnings increased by 7.3 per cent, this is significantly less than the anticipated amount receivable. In addition, SOEs who pay significant dividends failed to pay within the given deadline. Furthermore, MACL, whose forecasted dividend amounted to MVR 201.9 million, was granted exemption from paying

**Figure 5: Cumulative expenditure as a portion of approved expenditure**  
MVR millions



**Figure 6: Cumulative recurrent and capital expenditure**  
MVR millions



dividends in 2018 to support the development of Velana International Airport.

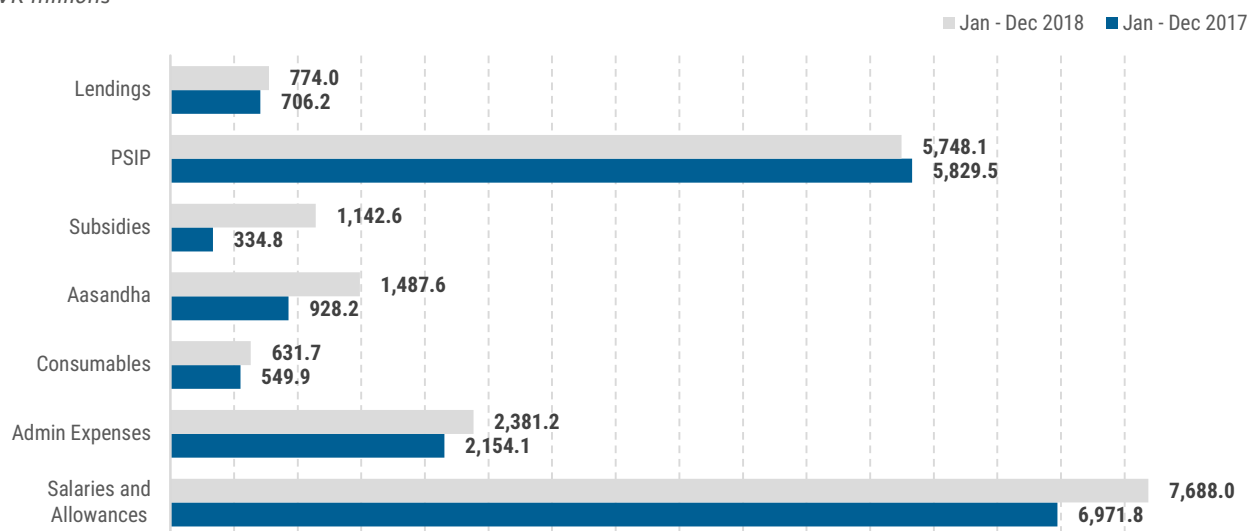
## Trends in expenditure

Total government expenditure for the period January to December 2018 amounted to MVR 25,495.8 million, which is an increase of 13.3 per cent (MVR 2,998.2 million) over the same period of last year. This is also a 2.9 per cent rise compared to the approved budget 2018.

In the January to December 2018 period, recurrent expenditure was 20.3 per cent higher than in the same period of 2017, and 14.9 per cent higher than the approved budget for 2018. This was mainly as a result of significant increases in administrative and operational expenses, which grew by 34.0 per cent compared to 2017 and

**Figure 7: Major components of expenditure**

*MVR millions*

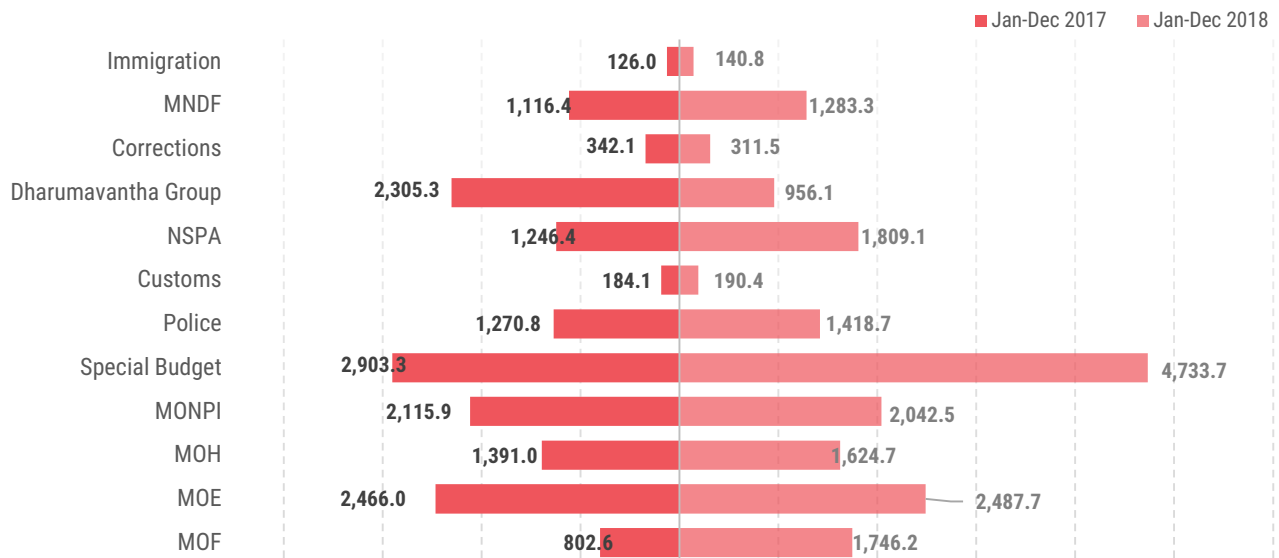


24.3 per cent compared to the approved budget. Notable expenditure in grants, contributions and subsidies contributed to this growth. Specifically, there was a significant increase in spending on Aasandha by 60.3 per cent and on subsidies by 241.3 per cent compared to 2017. Spending on Aasandha health insurance scheme rose due to consistent payments being made in 2018, payments of Aasandha pending bills during the period and delays in the implementation of efficiency measures. Furthermore, subsidies were higher than 2017 due to the increase in the price of fuel and the consequent increase of electricity subsidies to utility companies respectively. These subsidies also had notable increases compared to their budget allocation – fuel subsidy, by 472.3 per cent and electricity subsidy by 29.5 per cent - in 2018.

Moreover, salaries and wages, the main component of recurrent spending, grew by 9.0 per cent (MVR 757.0 million) over last year, largely reflecting the introduction of technical core and supporting core allowances for civil servants in February 2018. Furthermore, training expense rose to MVR 527.0 in the year 2018 by 112.2 per cent (MVR 278.8 million) compared 2017, which is also 79.6 per cent higher than the initial budget allocation for 2018. Major spending in this category was spent on different scholarship programs and the student loan scheme. Spending on financing and interest costs was maintained at a similar level to the initial budget allocation in 2018; but it rose compared to 2017 by 31.3 per cent to MVR 1,440.3 million, mainly due to the increment in interest payments for external.



**Figure 8: Expenditure by AGA**  
MVR millions



Capital expenditure totaled MVR 7,511.2 million and was down by 0.5 per cent on the year in January to December 2018 period. This is also 16.0 per cent lower than the budget allocation for 2018. The decline in capital expenditure

was primarily due to the fall in spending on public sector investment programs (PSIP), development projects and investment outlays. However, spending on buildings, roads, bridges and airports increased by 88.3 per cent (MVR 1,924.3 million) compared to 2017, primarily due to large payments made towards the SinaMale' Bridge and the Velana International Airport runway projects during the year. Spending on other infrastructure assets shows a decline in 2018 compared to 2017, as major payments for the construction of Dharumavantha Hospital were made in 2017. Spending on other infrastructure projects also declined by 36.8 per cent compared to the approved budget 2018. Further, domestic lending increased by 98.5 per cent compared to the approved budget allocation for 2018. Domestic lending increased largely due to the rise in loan disbursements to SOEs.

**Figure 9: Portion of expenditure by major agencies**  
MVR millions

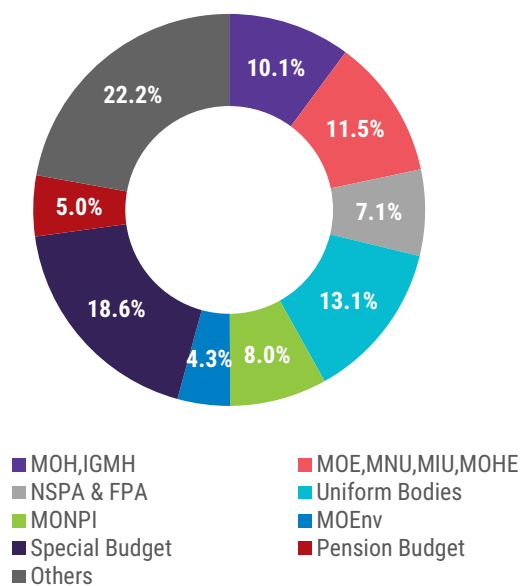
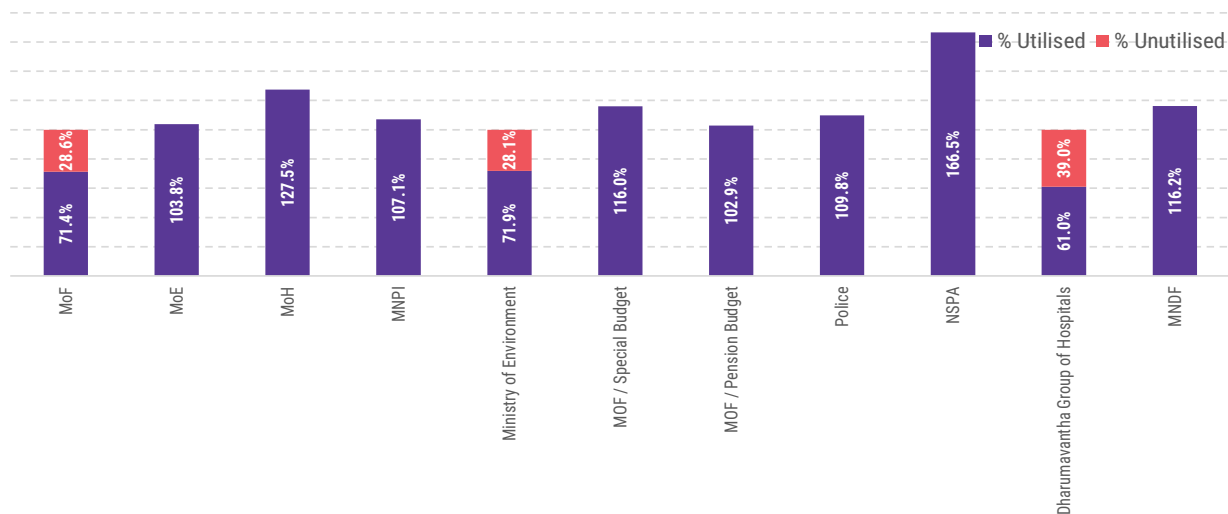


Figure 10: Approved expenditure utilization of major offices  
MVR millions



## Trends in expenditure by AGAs

Accountable Government Agencies (AGAs) are the segments of ministries and state institutions who are responsible for the spending of the state budget in their respective sectors. At the beginning of 2018, there were a total of 47 AGAs (including independent agencies) to which the budget is allocated. However, with the election of the new government, and following government restructure, the number of AGAs has increased to 52.

The majority of expenditure in 2018 was spent by the Ministry of Finance, Ministry of Education, Ministry of Health, Ministry of National Planning and Infrastructure (then Ministry of Housing and Infrastructure), Special Budget, Pension Budget, NSPA, Maldives Police Services and MNDF. These AGAs accounted for 72.3 per cent (MVR 18,426.2

million) of the total expenditure in 2018. This is a 26.5 per cent growth compared to 2017, which is mainly attributed to the increased spending by the Ministry of Finance, NSPA, Ministry of Health and the Special Budget. The Special Budget and the Pension Budget are a part of the Ministry of Finance budget but are treated as AGAs due to their high allocations and expenditure.

The total expenditure of the Ministry of Health, Indira Gandhi Memorial Hospital and the National Social Protection Agency (NSPA) accounted for 17.2 per cent (MVR 4.4 billion) of the total approved expenditure. During the year 2018, the collective spending of these four agencies reduced by 11.2 per cent over the same period last year, as although expenditure for Aasandha insurance scheme and medical consumables increased in 2018, significant payments for the construction of the Dharumavantha Hospital

were made in 2017.

The Special budget, which accounted for 18.6 per cent of total expenditure during the period, showed an increase in 2018 (MVR 2,903.3 million to MVR 4,733.7 million), mainly due to the rise in spending on subsidies and capital contributions to SOEs. This is also 16.0 per cent higher than the budget approved for 2018. Moreover, the Ministry of Finance's spending in the period was MVR 1,746.2 million (6.8 per cent of total expenditure) mainly due to high spending on the Velana International Airport runway project during the year. This is still 28.6 per cent lower than the initial budget allocation for Ministry of Finance in 2018. The initial budget for 2018 included the Velana International Airport Terminal and Runway projects but the former was not implemented as planned.

Spending by the Maldives National Defense Force and Maldives Police Services collectively was MVR 2,702.1 million, an increment of 13.2 per cent and 12.8 per cent compared to 2017 and 2018 approved respectively. The majority of expenditure by the national security bodies were spent on salaries and allowances of employees and on PSIPs.

The agencies' domestic budget fluctuates during the course of each fiscal year depending on their spending patterns and commitments. With reallocations made between budget codes, the approved domestic budget expenditure of

MVR 24,272.9 million for the year has revised down to MVR 24,250.6 million by the end of 2018. Although funds are initially allocated to GL codes as approved by the People's Majilis, reallocations are made between different budget codes through budget controls and virements throughout the year.

Major reallocations to the budget occurred during the end of 2018 as a result of the government restructure due to the election of the new government.

During 2018, the domestic budget of the Ministry of Higher Education was increased more than two-fold, as a result of the higher than expected commitments for spending on scholarships and fellowships.

In 2018, the recurrent budget of most government offices were adjusted along with the introduction of the technical and supporting core allowances (this was initially allocated to the Special Budget). Budget allocations were also increased for the health sector offices to due to the increase in salaries and allowances to nurses resulting from the revisions brought to their salary structure. Further budget allocations were made to accommodate for higher than anticipated spending on medical consumables. Other notable budget reallocation increases include; 1) National Social Protection Agency for Aasandha health insurance scheme; and 2) Maldives National Defense Force and Maldives

Police Service for allowances, operating expenses and capital equipment.

As PSIPs did not progress at the desired pace during 2018, the domestic PSIP expenditure is now expected to be lower than the approved budget, and therefore reallocations from PSIPs has been made to other commitment items of offices.

## Fiscal balance

The government budget recorded a deficit of MVR 3,844.6 million for the year 2018. Primary balance, which is the overall balance less interest expenditure, also recorded a deficit of MVR 2,404.2 million.

In accordance with public finance circular number 13-D3/CIR/2018/25, offices can post bills to the public accounting system for budget 2018 until 12 February 2019. As a result, government expenditure and thereby the budget deficit is likely to rise for the year once this process is complete.

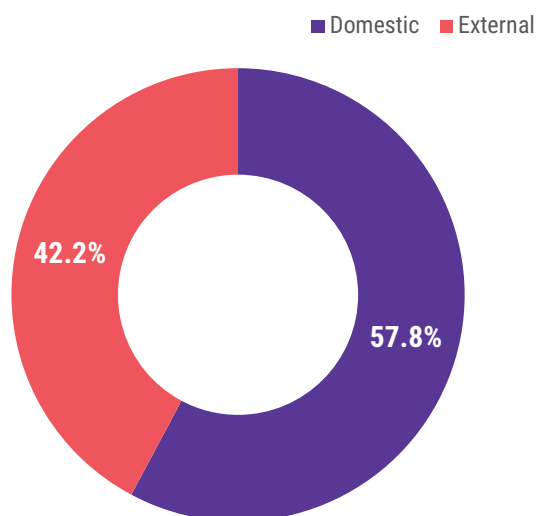
## Public Debt

The public debt ratio rose to MVR 47,858.7 million (58.0 per cent of GDP) at the end of the fourth quarter of 2018, an increase of 10.8 per cent 9.3

per cent compared to the end of previous quarter and the end of 2017, respectively. Both domestic and external debt increased compared to the end of 2017 and the end of the previous quarter.

Figure 11: Debt composition

MVR millions



# Statistical Appendix



**TABLE 1: SUMMARY OF GOVERNMENT FINANCES JANUARY - DECEMBER**

	Actual 2017		Approved 2018		Budget implementation		Annual change to date	
	MVR	share in %	MVR	share in %	Jan - Dec 2017 MVR	Jan - Dec 2018 MVR	%	MVR
<i>in millions of MVR unless stated otherwise</i>								
<b>A TOTAL REVENUES AND GRANTS</b>	<b>20,207.5</b>	<b>100.0%</b>	<b>22,400.7</b>	<b>100.0%</b>	<b>20,258.7</b>	<b>21,651.3</b>	<b>6.9%</b>	<b>1,392.6</b>
Tax Revenues	14,742.7	73.0%	16,301.0	72.8%	14,742.4	15,803.0	7.2%	1,060.6
Non-Tax Revenues	5,247.5	26.0%	5,557.6	24.8%	5,264.8	5,536.6	5.2%	271.7
Capital Receipts	34.2	0.2%	20.6	0.1%	34.2	44.2	29.5%	10.1
Grants	309.7	1.5%	733.7	3.3%	343.8	373.4	8.6%	29.7
less: Subsidiary Loan Repayment	(126.5)	-0.6%	(212.1)	-0.9%	(126.5)	(106.0)	-16.3%	20.6
<b>TOTAL BUDGET</b>	<b>25,287.8</b>	<b>100.0%</b>	<b>27,966.3</b>	<b>100.0%</b>	<b>24,951.1</b>	<b>27,138.4</b>	<b>8.8%</b>	<b>2,187.3</b>
<b>B TOTAL EXPENDITURE (C+D)</b>	<b>22,497.5</b>	<b>89.0%</b>	<b>24,894.6</b>	<b>89.0%</b>	<b>22,497.5</b>	<b>25,495.8</b>	<b>13.3%</b>	<b>2,998.3</b>
<b>C RECURRENT EXPENDITURE</b>	<b>14,951.4</b>	<b>59.1%</b>	<b>16,066.2</b>	<b>57.4%</b>	<b>14,951.4</b>	<b>17,984.8</b>	<b>20.3%</b>	<b>3,033.5</b>
Salaries, Wages and Pensions	8,433.8	33.4%	9,028.0	32.3%	8,433.8	9,190.8	9.0%	757.0
Administrative and Operational Expenses	6,473.9	25.6%	6,981.9	25.0%	6,473.9	8,677.2	34.0%	2,203.3
Losses and Write-offs	43.7	0.2%	56.3	0.2%	43.7	116.8	167.5%	73.2
<b>D CAPITAL EXPENDITURE</b>	<b>7,546.2</b>	<b>29.8%</b>	<b>8,828.4</b>	<b>31.6%</b>	<b>7,546.2</b>	<b>7,511.0</b>	<b>0.5%-</b>	<b>(35.2)</b>
Capital Equipments	408.1	1.6%	277.1	1.0%	408.1	423.2	3.7%	15.1
Public Sector Investment Program	5,829.5	23.1%	7,087.4	25.3%	5,829.5	5,748.1	-1.4%	(81.4)
Development Projects and Investments Outlays	602.5	2.4%	673.9	2.4%	602.5	565.7	-6.1%	(36.7)
Lendings	706.2	2.8%	390.0	1.4%	706.2	774.0	9.6%	67.8
Budget Contingency	-	0.0%	400.0	1.4%	-	-	0.0%	-
<b>E PRIMARY BALANCE - SURPLUS / (DEFICIT) (F+G)</b>	<b>(1,193.1)</b>	<b>0.0%</b>	<b>(1,057.4)</b>		<b>(1,141.9)</b>	<b>(2,404.2)</b>		<b>(1,262.3)</b>
<b>F OVERALL BALANCE - SURPLUS / (DEFICIT) (A-B)</b>	<b>(2,290.0)</b>	<b>0.0%</b>	<b>(2,493.9)</b>		<b>(2,238.9)</b>	<b>(3,844.6)</b>		<b>(1,605.7)</b>
G Financing and Interest Costs	1,096.9	4.9%	1,436.5	5.1%	1,096.9	1,440.3	31.3%	343.4
<b>Memorandum Items:</b>								
Loan Repayment	2,404.4	9.5%	2,183.7	7.8%	2,404.4	1,632.3	-32.1%	(772.1)
Subscription to Multilateral Agencies	49.2	0.2%	32.8	0.1%	49.2	10.3	-79.1%	(38.9)
Transfers to Sovereign Development Fund	336.8	1.3%	855.1	3.1%	336.8	1,315.3	0.0%	978.5

**TABLE 2: TRENDS IN GOVERNMENT REVENUE JANUARY - DECEMBER**

	Actual 2017		Approved 2018		Budget implementation		Annual change to date	
	MVR	share in %	MVR	share in %	Jan - Dec 2017 MVR	Jan - Dec 2018 MVR	%	MVR
<i>in millions of MVR unless stated otherwise</i>								
<b>TOTAL REVENUE AND GRANTS</b>	<b>20,207.5</b>	<b>100.0%</b>	<b>22,400.7</b>	<b>100.0%</b>	<b>20,258.7</b>	<b>21,651.3</b>	<b>6.9%</b>	<b>1,392.6</b>
<b>Tax Revenues</b>	<b>14,742.7</b>	<b>73.0%</b>	<b>16,301.0</b>	<b>72.8%</b>	<b>14,742.4</b>	<b>15,803.0</b>	<b>7.2%</b>	<b>1,060.6</b>
Import Duties	2,799.4	13.9%	3,029.6	13.5%	2,799.4	3,121.5	11.5%	322.1
Business and Property Tax	3,423.4	16.9%	4,156.3	18.6%	3,423.4	3,314.1	-3.2%	(109.3)
Business Profit Tax	2,106.6	10.4%	2,962.5	13.2%	2,106.6	2,077.7	-1.4%	(28.9)
Withholding Tax	570.5	2.8%	562.5	2.5%	570.5	632.9	10.9%	62.4
Other Business and Property Taxes	746.4	3.7%	631.3	2.8%	746.4	603.5	-19.1%	(142.9)
Goods and Services Tax	6,881.6	34.1%	7,459.3	33.3%	6,881.5	7,686.1	11.7%	804.6
General Goods and Services Tax	2,683.1	13.3%	3,148.0	14.1%	2,683.0	2,902.8	8.2%	219.8
Tourism Goods and Services Tax	4,198.5	20.8%	4,311.3	19.2%	4,198.5	4,783.3	13.9%	584.8
Royalties	77.1	0.4%	77.6	0.3%	77.1	76.5	-0.8%	(0.6)
Revenue Stamp	44.3	0.2%	44.9	0.2%	44.3	47.6	7.2%	3.2
Green Tax	696.2	3.4%	757.3	3.4%	696.2	810.5	16.4%	114.3
Airport Service Charge	706.4	3.5%	648.2	2.9%	706.2	644.8	-8.7%	(61.4)
Remittance Tax	114.2	0.6%	127.8	0.6%	114.2	101.8	-10.8%	(12.4)
<b>Non-Tax Revenues</b>	<b>5,247.5</b>	<b>26.0%</b>	<b>5,557.6</b>	<b>24.8%</b>	<b>5,264.8</b>	<b>5,536.6</b>	<b>5.2%</b>	<b>271.7</b>
Fees and Charges	1,066.8	5.3%	1,258.8	5.6%	1,080.2	1,476.6	36.7%	396.4
Airport Development Fee	326.7	1.6%	648.2	2.9%	317.1	659.3	0.0%	342.2
Resident Permit	283.2	1.4%	289.8	1.3%	283.2	330.9	16.8%	47.7
Other Fees and Charges	783.6	3.9%	320.8	1.4%	480.0	486.4	1.3%	6.5
Registration and Licence Fees	391.9	1.9%	322.2	1.4%	392.0	413.0	5.4%	21.0
Property Income	2,223.4	11.0%	2,135.3	9.5%	2,223.6	2,034.7	-8.5%	(188.9)
Rent from Resorts	1,488.6	7.4%	1,905.1	8.5%	1,488.6	1,526.0	2.5%	37.4
Land Acquisition and Conversion Fee	543.4	2.7%	21.1	0.1%	543.4	322.1	-40.7%	(221.3)

<i>in millions of MVR unless stated otherwise</i>	<b>Actual 2017</b>		<b>Approved 2018</b>		<b>Budget implementation Jan - Dec 2017 Jan - Dec 2018</b>		<b>Annual change to date</b>	
	<b>MVR</b>	<b>share in %</b>	<b>MVR</b>	<b>share in %</b>	<b>MVR</b>	<b>MVR</b>	<b>%</b>	<b>MVR</b>
Other Property Income	191.4	0.9%	209.0	0.9%	191.6	186.6	-2.6%	(5.0)
Fines and Penalties	244.0	1.2%	248.3	1.1%	244.0	278.0	14.0%	34.0
Interest, Profit and Dividends	906.5	4.5%	1,288.0	5.7%	906.9	973.2	7.3%	66.3
SOE Dividends	729.3	3.6%	1,028.2	4.6%	729.3	797.3	9.3%	68.1
Interest and Profits	177.3	0.9%	259.8	1.2%	177.7	175.9	-1.0%	(1.8)
Other Non-Tax Revenues	414.9	2.1%	305.0	1.4%	418.1	361.1	-13.6%	(57.0)
<b>Capital Receipts</b>	<b>34.2</b>	<b>0.2%</b>	<b>20.6</b>	<b>0.1%</b>	<b>34.2</b>	<b>44.2</b>	<b>29.5%</b>	<b>10.1</b>
<b>Grants</b>	<b>309.7</b>	<b>1.5%</b>	<b>733.7</b>	<b>3.3%</b>	<b>343.8</b>	<b>373.4</b>	<b>8.6%</b>	<b>29.7</b>
<b>Less: Subsidiary Loan Repayment</b>	<b>(126.5)</b>	<b>-0.6%</b>	<b>(212.1)</b>	<b>-0.9%</b>	<b>(126.5)</b>	<b>(106.0)</b>	<b>-16.3%</b>	<b>20.6</b>



**TABLE 3: TRENDS IN GOVERNMENT EXPENDITURE BY ECONOMIC SECTOR , JANUARY - DECEMBER**

	Approved	Budget implementation		Annual change to date	
	2018 MVR	Jan - Dec 2017 MVR	Jan - Dec 2018 MVR	%	MVR
<i>in millions of MVR unless stated otherwise</i>					
<b>TOTAL RECURRENT AND CAPITAL EXPENDITURE</b>	<b>24,894.6</b>	<b>22,497.5</b>	<b>25,495.8</b>	<b>13.3%</b>	<b>2,998.3</b>
<b>RECURRENT EXPENDITURE</b>	<b>16,066.2</b>	<b>14,951.4</b>	<b>17,984.8</b>	<b>20.3%</b>	<b>3,033.5</b>
<b>Salaries and Wages</b>	<b>9,028.0</b>	<b>8,433.8</b>	<b>9,190.8</b>	<b>9.0%</b>	<b>757.0</b>
Salaries and Wages	4,092.1	3,996.6	4,282.2	7.1%	285.6
Allowances to Employees	3,465.9	2,975.2	3,405.7	14.5%	430.5
Pensions, Retirement Benefits and Gratuities	1,470.1	1,462.0	1,502.8	2.8%	40.9
Pensions	514.0	210.2	220.1	4.8%	10.0
Retirement Benefits and Gratuities	956.1	1,251.8	1,282.7	2.5%	30.9
<b>Administrative and Operational Expenses</b>	<b>6,981.9</b>	<b>6,473.9</b>	<b>8,677.2</b>	<b>34.0%</b>	<b>2,203.3</b>
Travelling Expenses	100.3	176.7	174.6	-1.2%	(2.1)
Administrative Supplies	531.1	561.0	615.9	9.8%	54.9
Administrative Services	1,862.9	1,593.1	1,765.2	10.8%	172.1
Operational Consumables	636.1	549.9	631.7	14.9%	81.8
Training Expenses	293.5	248.3	527.0	112.2%	278.7
Repairs and Maintenance	129.0	212.3	212.6	0.2%	0.4
Financing and Interest Costs	1,436.5	1,096.9	1,440.3	31.3%	343.4
Grants, Contributions and Subsidies	1,992.4	2,035.6	3,309.7	62.6%	1,274.1
Aasandha	750.0	928.2	1,487.6	60.3%	559.4
Subsidies	594.0	334.8	1,142.6	241.3%	807.8
Grants and Contributions	648.4	772.6	679.5	-12.1%	(93.1)
Tax payments	-	-	-	0.0%	-
<b>Losses and Write-offs</b>	<b>56.3</b>	<b>43.7</b>	<b>116.8</b>	<b>167.5%</b>	<b>73.2</b>

	Approved	Budget implementation		Annual change to date	
	2018 MVR	Jan - Dec 2017 MVR	Jan - Dec 2018 MVR	%	MVR
<i>in millions of MVR unless stated otherwise</i>					
<b>CAPITAL EXPENDITURE</b>	<b>8,828.4</b>	<b>7,546.2</b>	<b>7,511.0</b>	<b>-0.5%</b>	<b>(35.2)</b>
<b>Capital Equipments</b>	<b>277.1</b>	<b>408.1</b>	<b>423.2</b>	<b>3.7%</b>	<b>15.1</b>
Furniture, Machinery and Equipment	231.3	339.4	410.2	20.9%	70.8
Vehicles	24.7	61.1	13.0	-78.7%	(48.1)
Minor extensions	21.1	7.5	0.0	-99.7%	(7.5)
<b>Public Sector Investment Program</b>	<b>7,087.4</b>	<b>5,829.5</b>	<b>5,748.1</b>	<b>-1.4%</b>	<b>(81.4)</b>
Land and Buildings	2,185.7	1,108.9	1,335.9	20.5%	227.0
Roads, Bridges and Airports	2,355.7	1,071.1	2,768.4	158.5%	1,697.3
Wharves, Ports and Harbours	678.6	905.3	463.5	-48.8%	(441.7)
Other Infrastructure Assets	1,867.4	2,744.2	1,180.2	-57.0%	(1,564.0)
<b>Development Projects and Investments Outlays</b>	<b>673.9</b>	<b>602.5</b>	<b>565.7</b>	<b>-6.1%</b>	<b>(36.7)</b>
Development Projects	101.9	53.3	60.3	13.1%	7.0
Investment Outlays	572.0	549.2	505.5	-8.0%	(43.7)
<b>Lendings</b>	<b>390.0</b>	<b>706.2</b>	<b>774.0</b>	<b>9.6%</b>	<b>67.8</b>
Domestic Lendings	390.0	706.2	774.0	9.6%	67.8
Foreing Lendings	-	-	-	0.0%	-
<b>Budget Contingency</b>	<b>400.0</b>	<b>-</b>	<b>-</b>	<b>0.0%</b>	<b>-</b>
<b>Memorandum Items:</b>					
Loan Repayment	2,183.7	2,404.4	1,632.3	-32.1%	(772.1)
Subscription to Multilateral Agencies	32.8	49.2	10.3	-79.1%	(38.9)
Transfers to Sovereign Development Fund	855.1	336.8	1,315.3		978.5

**TABLE 4: TRENDS IN EXPENDITURE BY AGA, JANUARY - DECEMBER**

		Actual 2017		Approved 2018		Budget implementation		Annual change to date	
		MVR	share in %	MVR	share in %	Jan - Dec 2017 MVR	Jan - Dec 2018 MVR	%	MVR
<i>in millions of MVR unless stated otherwise</i>									
S01	Presidents Office	142.5	0.6%	108.1	0.4%	142.5	138.9	-2.5%	(3.6)
S02	People's Majlis	184.2	0.8%	178.2	0.7%	184.2	148.8	-19.2%	(35.4)
S03	Judicial Service Commission	10.6	0.0%	10.8	0.0%	10.6	10.6	-0.2%	(0.0)
S04	Department of Judicial Administration	412.3	1.8%	395.8	1.6%	412.3	428.1	3.8%	15.8
S05	Elections Commission	79.5	0.4%	116.6	0.5%	79.5	104.3	31.2%	24.8
S06	Civil Service Commission	18.3	0.1%	17.2	0.1%	18.3	19.9	8.8%	1.6
S07	Human Rights Commission	21.9	0.1%	22.6	0.1%	21.9	23.0	4.8%	1.0
S08	Anti-Corruption Commission	31.6	0.1%	27.7	0.1%	31.6	29.8	-5.7%	(1.8)
S09	Auditor Generals Office	40.6	0.2%	50.6	0.2%	40.6	44.9	10.5%	4.3
S10	Prosecutor Generals Office	53.4	0.2%	55.6	0.2%	53.4	61.2	14.6%	7.8
S11	Maldives Inland revenue Authority	87.5	0.4%	76.6	0.3%	87.5	94.8	8.3%	7.3
S12	Employment Tribunal	6.9	0.0%	7.1	0.0%	6.9	6.8	-1.8%	(0.1)
S13	Maldives Media Council	3.7	0.0%	3.9	0.0%	3.7	4.4	19.0%	0.7
S14	Maldives Broadcasting Commission	10.6	0.0%	9.2	0.0%	10.6	9.0	-15.5%	(1.6)
S15	Tax Appeal Tribunal	4.4	0.0%	4.1	0.0%	4.4	4.3	-1.8%	(0.1)
S16	Local Government Authority	31.9	0.1%	28.7	0.1%	31.9	32.6	2.2%	0.7
S17	Information Commissioners Office	3.8	0.0%	3.8	0.0%	3.8	3.8	0.9%	0.0
S18	National Integrity Commission	8.5	0.0%	9.1	0.0%	8.5	8.6	1.1%	0.1
S20	Ministry of Finance	802.6	3.6%	2,447.1	9.8%	802.6	1,746.2	117.6%	943.6
S21	Ministry of Defense	131.0	0.6%	137.0	0.6%	131.0	134.7	2.8%	3.6
S22	Ministry of Home Affairs	59.1	0.3%	110.4	0.4%	59.1	69.8	18.0%	10.6
S23	Ministry of Education	2,466.0	11.0%	2,395.6	9.6%	2,466.0	2,487.7	0.9%	21.7
S24	Maldives Islamic University	39.6	0.2%	50.0	0.2%	39.6	42.5	7.3%	2.9
S25	Maldives National University	159.6	0.7%	181.9	0.7%	159.6	173.2	8.5%	13.6
S26	Ministry of Foreign Affairs	211.7	0.9%	220.6	0.9%	211.7	229.7	8.5%	18.0

		Actual 2017		Approved 2018		Budget implementation		Annual change to date	
		MVR	share in %	MVR	share in %	Jan - Dec 2017 MVR	Jan - Dec 2018 MVR	%	MVR
<i>in millions of MVR unless stated otherwise</i>									
S27	Ministry of Health	1,391.0	6.2%	1,274.4	5.1%	1,391.0	1,624.7	16.8%	233.7
S28	Ministry of Economic Development	97.2	0.4%	174.6	0.7%	97.2	116.4	19.7%	19.2
S29	Ministry of Tourism	60.7	0.3%	171.3	0.7%	60.7	63.4	4.5%	2.7
S30	Ministry of Youth, Sports and Community Empowerment	230.7	1.0%	188.3	0.8%	230.7	206.3	-10.6%	(24.4)
S31	Ministry of National Planning and Infrastructure	2,115.9	9.4%	1,907.7	7.7%	2,115.9	2,042.5	-3.5%	(73.4)
S32	Ministry of Fisheries, Marine Resources and Agriculture	78.8	0.4%	143.0	0.6%	78.8	92.3	17.1%	13.5
S33	Ministry of Islamic Affairs	482.2	2.1%	406.8	1.6%	482.2	443.1	-8.1%	(39.1)
S34	Ministry of Environment	1,106.2	4.9%	1,538.7	6.2%	1,106.2	1,106.4	0.0%	0.2
S35	Attorney Generals Office	26.3	0.1%	22.4	0.1%	26.3	26.8	2.1%	0.6
S36	Ministry Of Gender, Family and Social Services	176.1	0.8%	157.3	0.6%	176.1	183.5	4.2%	7.4
S37	MOFT / Special Budget	2,903.3	12.9%	4,080.6	16.4%	2,903.3	4,733.7	63.0%	1,830.4
S38	MOFT / Pension Budget	1,049.3	4.7%	1,243.7	5.0%	1,249.3	1,280.3	2.5%	31.0
S39	Maldives Police Services	1,270.8	5.6%	1,291.8	5.2%	1,270.8	1,418.7	11.6%	148.0
S40	Maldives Customs Services	184.1	0.8%	196.9	0.8%	184.1	190.4	3.4%	6.2
S41	National Social Protection Agency	1,246.4	5.5%	1,086.6	4.4%	1,246.4	1,809.1	45.1%	562.7
S42	Dharumavantha Group of Hospitals	2,505.3	11.1%	1,568.2	6.3%	2,305.3	956.1	-58.5%	(1,349.1)
S43	Councils	584.8	2.6%	558.4	2.2%	584.8	541.8	-7.4%	(43.0)
S52	Ministry of Arts, Culture and Heritage	34.3	0.2%	33.0	0.1%	34.3	36.5	6.4%	2.2
S45	Maldives National Defense Force	1,116.4	5.0%	1,104.1	4.4%	1,116.4	1,283.3	15.0%	167.0
S47	Maldives Immigration	126.0	0.6%	155.1	0.6%	126.0	140.8	11.8%	14.8
S46	Maldives Correctional Services	342.1	1.5%	253.8	1.0%	342.1	311.5	-8.9%	(30.6)
S50	Ministry of Transport & Civil Aviation	124.2	0.6%	386.7	1.6%	124.2	294.2	136.9%	170.0
S51	Ministry of Communication, Science and Technology	57.4	0.3%	36.6	0.1%	57.4	48.8	-14.9%	(8.5)
S44	Family Protection Authority	4.9	0.0%	5.0	0.0%	4.9	4.6	-6.8%	(0.3)
S48	Ministry of Higher Education	160.4	0.7%	241.3	1.0%	160.4	483.1	201.1%	322.7
		<b>22,496.5</b>	<b>100%</b>	<b>24,894.6</b>	<b>100%</b>	<b>22,496.5</b>	<b>25,495.8</b>		

**TABLE 5: TRENDS IN DOMESTIC BUDGET BY AGA, JANUARY - DECEMBER**

*in millions unless stated otherwise*

	<b>Approved (A) MVR</b>	<b>Added (B) MVR</b>	<b>Deducted (C) MVR</b>	<b>Revised (A)+(B)+(C) MVR</b>
S01 Presidents Office	106.9	54.7	(21.4)	140.2
S02 People's Majlis	178.1	23.1	(47.1)	154.1
S03 Judicial Service Commission	10.8	0.1	(0.2)	10.8
S04 Department of Judicial Administration	395.8	99.8	(33.5)	462.1
S05 Elections Commission	116.6	49.8	(50.0)	116.5
S06 Civil Service Commission	17.2	3.7	(0.9)	20.0
S07 Human Rights Commission	22.6	1.4	(1.2)	22.8
S08 Anti-Corruption Commission	27.4	4.8	(2.2)	29.9
S09 Auditor Generals Office	50.6	5.2	(7.7)	48.1
S10 Prosecutor Generals Office	55.6	15.9	(4.5)	67.0
S11 Maldives Inland revenue Authority	76.6	35.7	(15.2)	97.1
S12 Employment Tribunal	7.1	0.3	(0.1)	7.3
S13 Maldives Media Council	3.9	1.2	(0.6)	4.5
S14 Maldives Broadcasting Commission	9.2	0.2	(0.1)	9.3
S15 Tax Appeal Tribunal	4.1	0.3	(0.0)	4.4
S16 Local Government Authority	28.7	7.2	(2.8)	33.2
S17 Information Commissioners Office	3.8	0.2	(0.1)	3.9
S18 National Integrity Commission	9.1	0.6	(0.4)	9.3
S20 Ministry of Finance	571.0	9.6	(523.8)	56.8
S21 Ministry of Defense	136.8	11.9	(9.8)	138.9

*in millions unless stated otherwise*

	<b>Approved (A) MVR</b>	<b>Added (B) MVR</b>	<b>Deducted (C) MVR</b>	<b>Revised (A)+(B)+(C) MVR</b>
S22 Ministry of Home Affairs	109.6	41.2	(74.1)	76.8
S23 Ministry of Education	2,354.2	447.0	(354.5)	2,446.7
S24 Maldives Islamic University	33.8	6.9	(3.0)	37.6
S25 Maldives National University	151.1	77.4	(62.9)	165.5
S26 Ministry of Foreign Affairs	220.6	66.6	(29.5)	257.8
S27 Ministry of Health	1,259.5	553.6	(111.0)	1,702.1
S28 Ministry of Economic Development	123.5	98.8	(100.9)	121.4
S29 Ministry of Tourism	171.1	4.6	(111.1)	64.7
S30 Ministry of Youth, Sports and Community Empowerment	188.3	89.8	(67.2)	210.9
S31 Ministry of National Planning and Infrastructure	1,506.3	1,049.0	(1,100.2)	1,455.1
S32 Ministry of Fisheries, Marine Resources and Agriculture	87.9	15.4	(32.3)	71.1
S33 Ministry of Islamic Affairs	313.8	150.1	(103.5)	360.3
S34 Ministry of Environment	907.1	326.6	(585.3)	648.4
S35 Attorney Generals Office	22.4	10.0	(5.4)	26.9
S36 Ministry Of Gender, Family and Social Services	154.9	39.9	(16.5)	178.2
S37 MOFT / Special Budget	7,135.7	7,059.9	(8,240.4)	5,955.1
S38 MOFT / Pension Budget	1,243.7	38.5	-	1,282.2
S39 Maldives Police Services	1,291.3	231.9	(91.3)	1,432.0
S40 Maldives Customs Services	196.9	33.0	(22.1)	207.8
S41 National Social Protection Agency	1,085.9	785.3	(55.7)	1,815.5
S42 Dharumavantha Group of Hospitals	1,121.0	221.1	(329.0)	1,013.0
S43 Councils	554.8	57.7	(10.8)	601.7

*in millions unless stated otherwise*

	<b>Approved (A) MVR</b>	<b>Added (B) MVR</b>	<b>Deducted (C) MVR</b>	<b>Revised (A)+(B)+(C) MVR</b>
S52 Ministry of Arts, Culture and Heritage	30.9	21.4	(12.5)	39.8
S45 Maldives National Defense Force	1,104.1	357.0	(128.1)	1,333.0
S47 Maldives Immigration	155.1	20.6	(29.5)	146.2
S46 Maldives Correctional Services	253.8	91.5	(19.6)	325.6
S50 Ministry of Transport & Civil Aviation	386.7	137.2	(222.9)	300.9
S51 Ministry of Communication, Science and Technology	31.2	31.2	(10.8)	51.7
S44 Family Protection Authority	4.9	0.2	(0.2)	4.9
S48 Ministry of Higher Education	241.2	262.0	(21.4)	481.7
<b>Total</b>	<b>24,272.9</b>	<b>12,651.0</b>	<b>(12,673.3)</b>	<b>24,250.6</b>

**TABLE 6: DEVELOPMENTS IN PUBLIC DEBT**

<i>in millions of MVR unless stated otherwise</i>	2017				2018			
	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4
<b>Public Debt</b>	<b>38,125.7</b>	<b>42,567.3</b>	<b>41,431.0</b>	<b>43,792.0</b>	<b>42,914.8</b>	<b>43,376.7</b>	<b>43,191.8</b>	<b>47,858.7</b>
Domestic	26,455.8	27,011.9	25,498.1	27,118.0	23,519.3	23,551.8	23,477.0	27,664.1
External	11,669.9	15,555.4	15,932.9	16,674.0	19,395.5	19,824.9	19,714.8	20,194.6
Public debt (% of GDP)	50.8%	56.7%	55.2%	58.3%	52.0%	52.6%	52.4%	58.0%

**TABLE 7: GOVERNMENT BORROWING BY TYPE OF INSTRUMENT AND MATURITY**

<i>in millions of MVR unless stated otherwise</i>	Debt level	borrowing	repayment	Debt level	Change in debt level
	End Sep (Q3)	Q3	Q3	End Dec (Q4)	Q3 to Q4
<b>Short term (upto one year)</b>	<b>14,230.9</b>	<b>645.7</b>	<b>78.7</b>	<b>14,797.9</b>	<b>567.0</b>
MVR T-bills	13,160.6	351.1	-	13,511.7	351.1
USD T-Bills	472.8	294.6	-	767.4	294.6
T-bonds	-	-	-	-	-
Murabaha	57.5	-	28.7	28.7	(28.7)
Mudharaba	540.0	-	50.0	490.0	(50.0)
RDC USD/MVR Mudharabah		215.7	-	215.7	215.7
<b>Long term (over one year)</b>	<b>14,639.6</b>	<b>-</b>	<b>18.4</b>	<b>14,621.2</b>	<b>(18.4)</b>
Sovereign Bond (5 years)	5,393.5	-		5,393.5	-
MMA Bond	6,178.9	-	18.0	6,161.0	(18.0)
Commercial Loans	19.2		0.5	18.7	(0.4)
Sukuk Murabaha	-			-	-
Pension Bonds	3,048.0	-	-	3,048.0	-



## DEFINITIONS

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Total Revenue and Grants	Sum of all taxes, non-tax revenue, capital receipts, grant inflows, and other realised gains, less subsidiary loan repayment
Total Expenditure	Sum of recurrent and capital expenditure (excluding loan repayments and payments to multilateral institutions)
Recurrent Expenditure	Expenditure incurred for salaries and wages and other operational expenses
Capital Expenditure	Expenditure incurred for capital equipments, PSIP, development projects and loan outlays
Public Sector Investment Program	PSIP does not include recurrent project costs
Primary Balance	Overall fiscal balance excluding financing and interest costs
Overall Balance	Total revenue and grants less total expenditure
Nominal GDP	GDP not adjusted for inflation
Total Revenue to GDP	Total revenue expressed as a percentage of GDP
Total Expenditure to GDP	Total expenditure expressed as a percentage of GDP
Primary Balance to GDP	Primary balance expressed as a percentage of GDP
Overall Balance to GDP	Overall balance expressed as a percentage of GDP

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FISCAL AFFAIRS DIVISION  
MINISTRY OF FINANCE  
REPUBLIC OF MALDIVES