



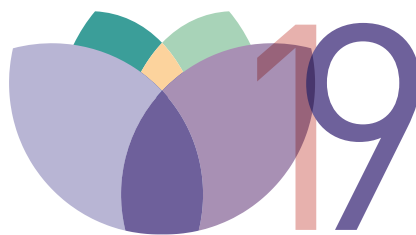
FISCAL AFFAIRS DEPARTMENT  
MINISTRY OF FINANCE  
REPUBLIC OF MALDIVES

QEFD/02/2019

# Quarterly Economic and Fiscal Developments

Quarter 2, 2019





# Quarterly Economic and Fiscal Developments

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This Quarterly Economic and Fiscal Developments provides an overview of both the economic and fiscal developments during January to June 2019. Economic developments are based on data available from the Ministry of Finance, Maldives Monetary Authority, Maldives Customs Service, Ministry of Tourism, National Bureau of Statistics and the IMF. Fiscal numbers are based on data available as at 22 July 2019. The report will be published four times during the year (February, May, August and November). 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
FPA	Family Protection Authority
GDP	Gross Domestic Product
GGST	General Goods and Services Tax
GRT	Green Tax
IGMH	Indira Gandhi Memorial Hospital
IMF	International Monetary Fund
LACF	Land Acquisition Conversion Fee
MMA	Maldives Monetary Authority
MNDF	Maldives National Defense Force
MOE	Ministry of Education
MOF	Ministry of Finance
MOH	Ministry of Health
MOHE	Ministry of Higher Education
MONPI	Ministry of National Planning and Infrastructure
MIU	Maldives Islamic University
MNU	Maldives National University
MVR	Maldivian Rufiyaa
NSPA	National Social Protection Agency
PSIP	Public Sector Investment Program
SME	Small and Medium Enterprise
SOE	State Owned Enterprise

# Economic Overview and Outlook

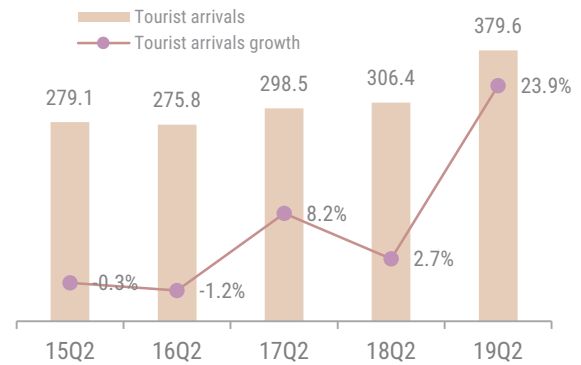
## Industry

### Tourism

Tourism data for the second quarter of the year 2019 registered a growth in tourist arrivals and bed nights by 23.9 percent and 20.8 percent respectively compared to the corresponding period of the previous year. Similarly, tourism data for the period January to June 2019 illustrates a growth in tourist arrivals by 18.7 percent compared to the corresponding period last year. Tourist bed nights, the main driver of tourism related revenues for the government, registered growth of 14.7 percent during this period.

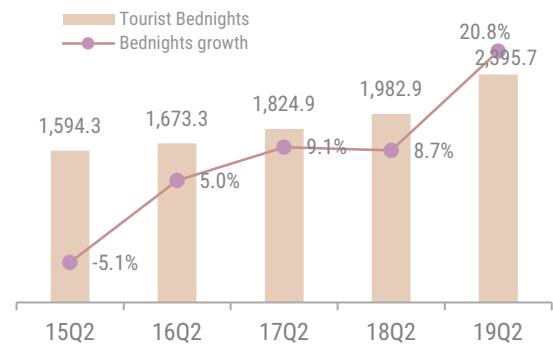
Looking at growth of specific source markets over the period January – June 2019, arrivals from South Asian markets posted the highest growth, which went by 75.5 percent. This was driven by the rapid growth of the Indian market which boasted almost a doubling of tourist arrivals compared to the first two quarters of 2018. Growth in the European market was mainly driven by the strong growth of Italian arrival numbers.

Figure 1: Tourist Arrivals in thousands



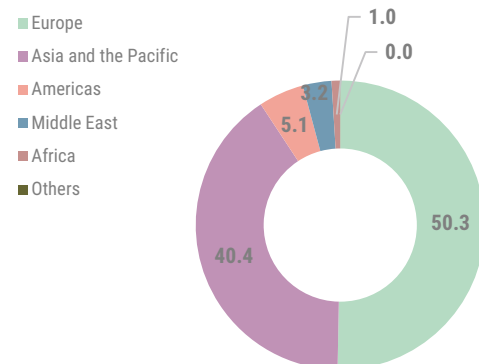
Source: Ministry of Tourism

Figure 2: Tourist Bednights in thousands



Source: Ministry of Tourism

Figure 3: Composition of tourism markets, Jan - June 2019 in percentage



Source: Ministry of Tourism

Figure 4: Construction materials imports, year on year growth in percentage



Source: Maldives Customs Service

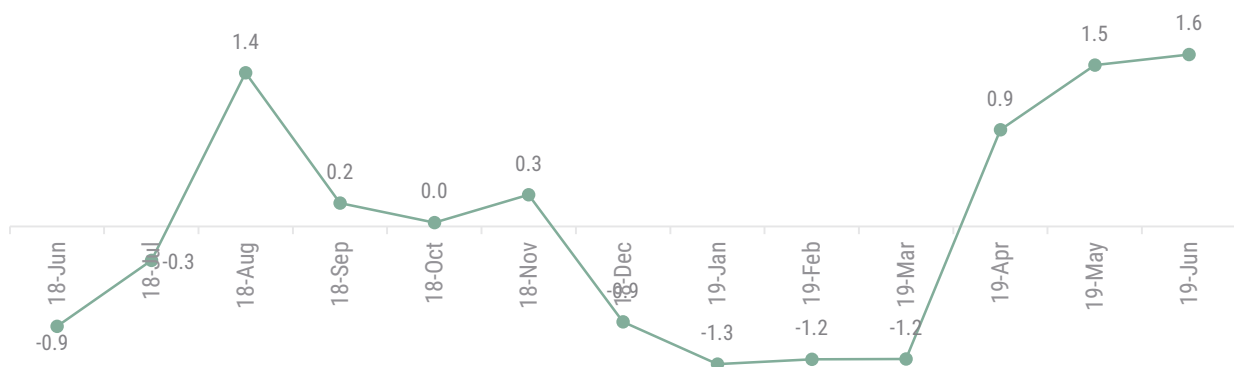
## Construction

The main construction sector related imports includes wood, metal, cements and aggregates. The imports of these goods decreased by 18.9 percent in the second quarter of 2019 compared to the corresponding quarter of the previous year. The sector is currently undergoing a period of contraction since the second

quarter of 2018, following the completion of almost all of the major infrastructure projects last year.

According to the GDP estimates, the sector experienced negative growth during first quarter of 2019 when compared to the corresponding quarter of the previous year. The growth of the construction sector shows a decline of 23.2 percent in the first quarter of 2019 along with a 15.1 percent decline

Figure 5: Inflation Rate in percentage



Source: National Bureau of Statistics

compared to the preceding quarter. However, this trend is likely to pick-up in the coming quarters with expected rise in government spending on PSIP.

## Inflation

The average inflation rate over the second quarter of 2019 stood at 1.3 percent, which is higher than the -1.5 percent inflation rate recorded in the corresponding period of the previous year.

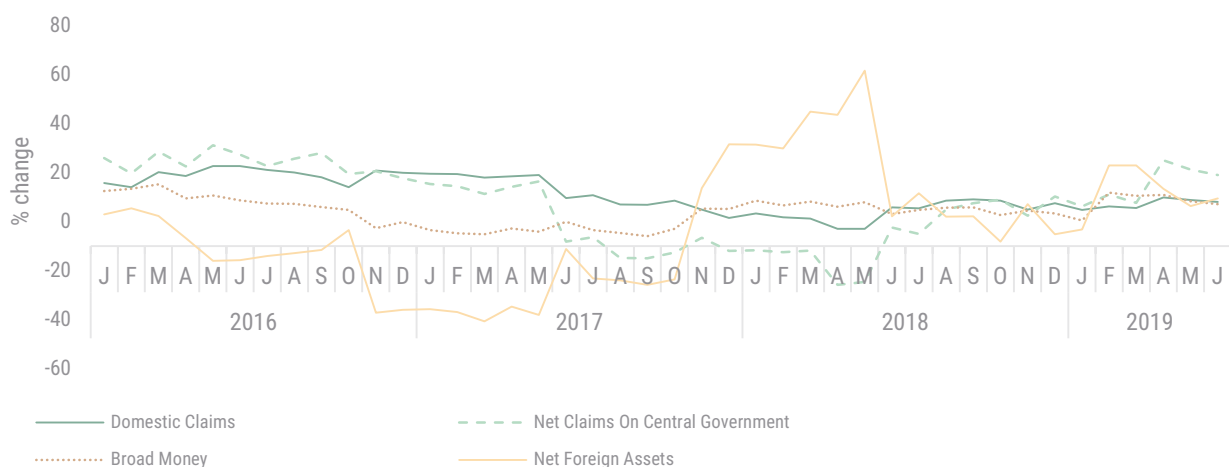
The rate of inflation stood at 1.6 percent at the end of June 2019. The main drivers of the inflationary tendencies over the period the main reason for the jump from Apr 2019 was the phasing out of the base effect of policy changes which took place in April last year (electricity price harmonization between Male' and atolls for some bands of electricity usage).

## Monetary Sector

According to monetary sector statistics published by the Maldives Monetary Authority, annual broad money growth increased towards the end of June 2019 and registered a growth of 7.2 percent. This increment was largely attributable to the positive growth of Net Foreign Assets (NFA) of depository corporations. Meanwhile private sector credit growth continued to remain buoyant during the period.

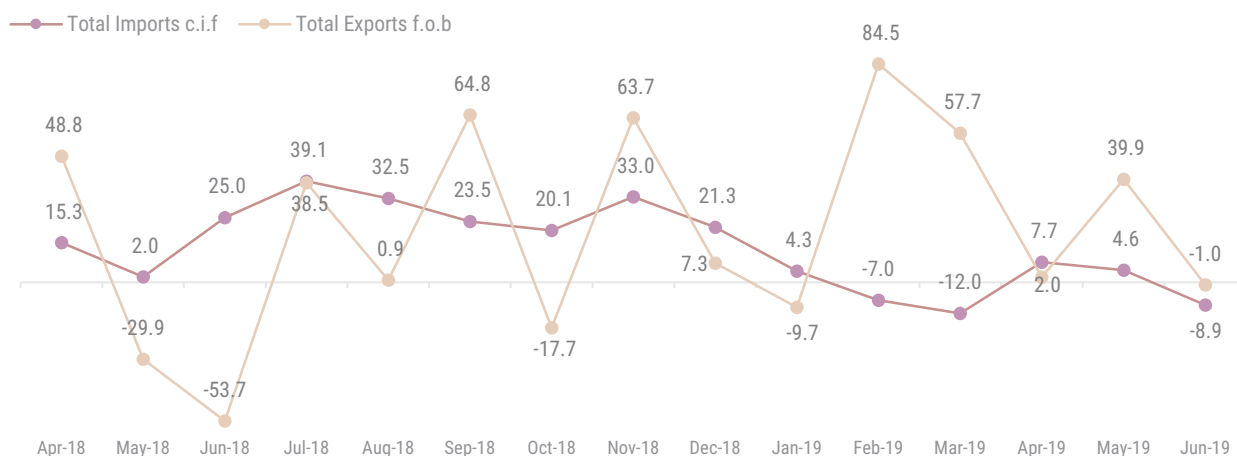
At the end of June 2019, NFA recorded a growth of 9.5 percent while private sector credit growth was 8.3 percent when compared to same period in 2018.

Figure 6: Monetary and Credit Growth



Source: Maldives Monetary Authority

Figure 7: Imports and Exports, year on year growth in percentage



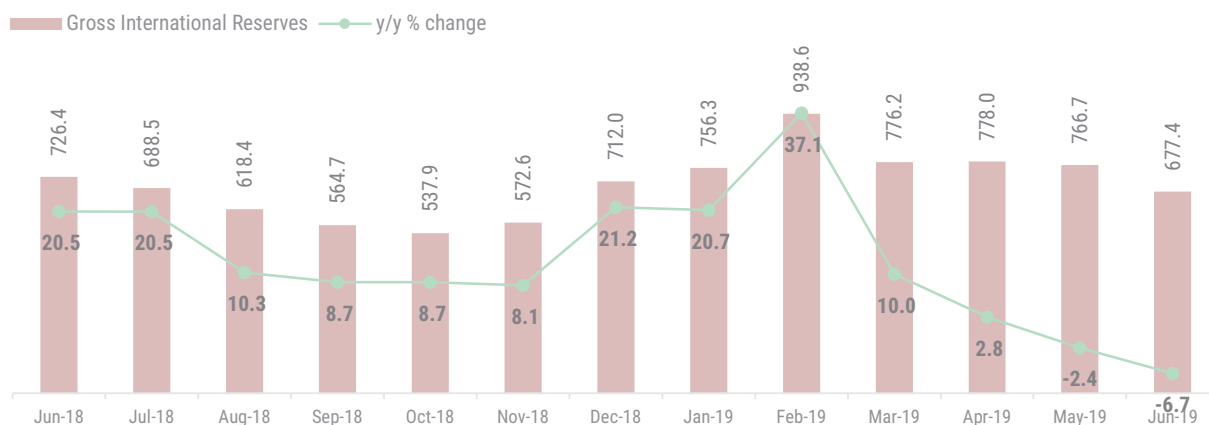
Source: Maldives Customs Service

## External Sector

For the period April to June 2019, total merchandise exports, which mainly comprises of exports of fresh, chilled or frozen tuna, illustrates an increase of 13.6 percent while total imports increased by 1.1 percent compared to the corresponding period in 2018.

The main drivers of the increase in exports include a significant increase in re-exports of 51.8 percent during the April to June period of 2019 compared to the same period of previous year. However, there is a significant decline in the value of fish exports of 9.0 percent which represents seasonal effect of reduced fishing activity occurring during Ramadan.

Figure 8: Gross International Reserves USD millions



Source: Maldives Monetary Authority



Gross International Reserve (GIR) at the end of the year 2018 stood at USD 712.0 million, an equivalent of 3.4 months of imports. Of the GIR, usable reserves at the end of 2018 stood at USD 281.4 million, equivalent to 1.3 months of imports. GIR reached USD 677.4 million by the end of the second quarter of 2019, which displayed a 6.7 percent reduction in GIR compared to the end of the second quarter of 2018.

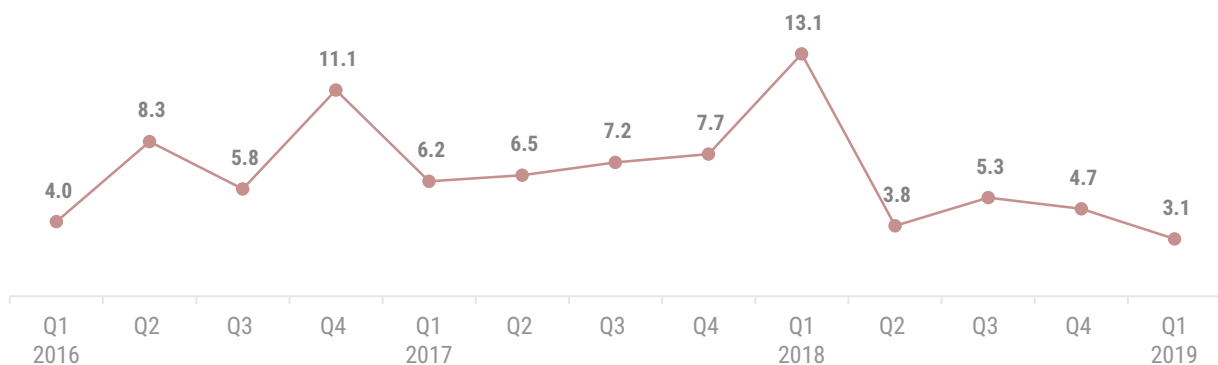
## GDP Growth

According to the estimates of the Quarterly National Accounts estimates for the first quarter of 2019, released by National Bureau of Statistics in July 2019, the GDP growth rate for the end of the first quarter of 2019 stood at 3.1 percent. However, when compared to the corresponding quarter of the year 2018, economic growth rate decelerated to 10.0 percent during the first quarter of 2019.

The growth during this period was primarily driven by the 9.1 percent growth of the tourism sector, 5.8 percent growth of the transport and communications sector, despite the decline of 23.2 percent of the construction sector. The fisheries sector also grew by 16.9 percent during this period.

The annual growth in 2019 is expected to slow down due to the decline in the growth of the construction sector. The tourism industry is performing much better than the initial forecasts for 2019 as tourist arrivals originating from India boasted a growth of almost 100 percent during the first half of 2019. However, it is important to note and acknowledge the risks in the geo-political tensions in the Middle East and the implications of the trade disputes between China and the USA, which could have negative impacts on the tourism industry in the Maldives.

Figure 9: Quarterly Real GDP Growth Rate, year on year growth



Source: National Bureau of Statistics

## Global Economic Outlook

According to the IMF World Economic Outlook of July 2019, global growth remains subdued, revised down by 0.1 percentage points from its April forecast to 3.2 percent for 2019. Since the April World Economic Outlook (WEO) report, trade policy disputes between the United States and China have escalated. The United States has further increased tariffs on certain Chinese imports and China has retaliated by raising tariffs on a subset of US imports. Additionally, Global technology supply chains were threatened by the prospect of US sanctions, Brexit-related uncertainty, and rising geopolitical tensions between the United States and Iran roiled energy prices. (World Economic

Outlook, July 2019). This uncertainty has meant global trade, which is intensive in machinery and consumer durables, remains sluggish.

Table 1: World growth

	2017	2018	2019	2020	2021
World output	3.8	3.6	3.3	3.6	3.6
Euro Area	2.4	1.8	1.3	1.5	1.7
Emerging and Developing Asia	6.6	6.4	6.3	6.3	6.3
China	6.8	6.6	6.3	6.1	6.0
India	7.2	7.1	7.3	7.5	7.7

Source: International Monetary Fund

# Overview of Fiscal Developments

## April to June 2019

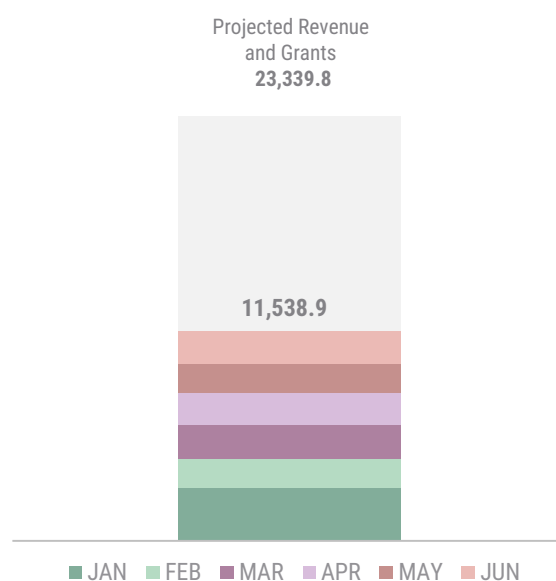
### Trends in revenue

Government revenue and grants for the first half of the year 2019 totaled MVR 11,538.9 million as a result of rise in tax revenue collection during the period. The aggregate tax revenue increase by 6.3 percent (MVR 511.7 million) as major categories of tax revenue collection recorded a positive growth. The aggregate non-tax revenue for the first half of the year shows a decline of 8.3 percent (MVR 220.6 million) compared to the same period of previous year. The main drivers of the fall during the period was the decline in collection from Registration and License Fees, Land Acquisition and Conversion Fee, Property income and SOE dividends. However, Interest and Profits increased by 140.1 percent (MVR 42.3 million).

Government revenue and grants totaled MVR 5,150.3 million during the second quarter of the year 2019,, which is an increase of 9.5 percent (MVR 448.7 million) compared to the same period of last year mainly driven by a rise in tax revenue collections.

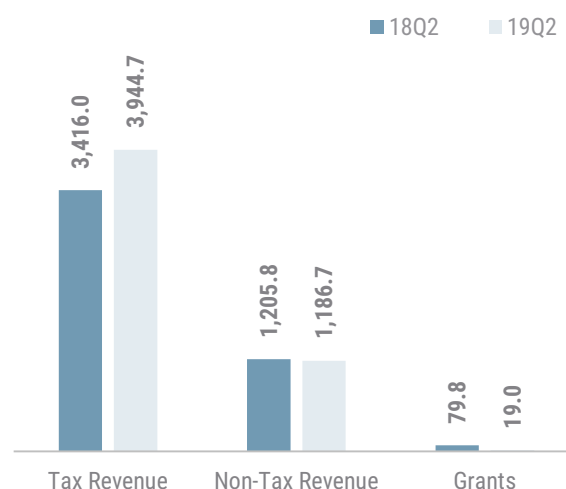
Tax revenues, the largest contributor to government revenue, increased by 15.5 percent (MVR 528.7 million) primarily attributed to a significant increase in GST, BPT and Green Tax collections during the second quarter. TGST collections increased by 17.0 percent (MVR 189.8 million) compared to the same

Figure 10: Cumulative revenue and grants as a portion of projected  
MVR millions



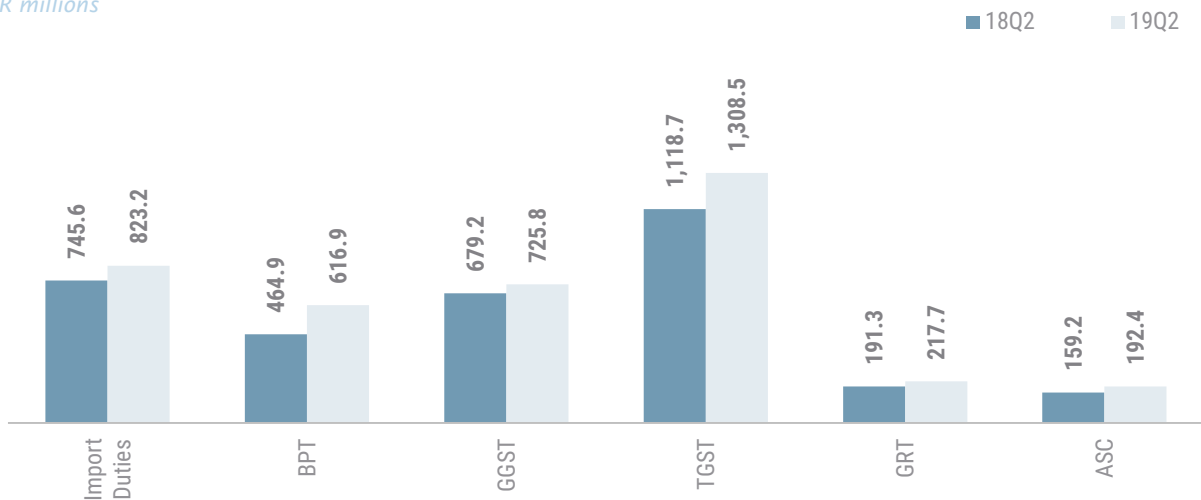
Source: Ministry of Finance

Figure 11: Tax and non-tax revenue and grants, 19Q2  
MVR millions



Source: Ministry of Finance

Figure 12: Major components of tax revenue  
MVR millions



Source: Ministry of Finance

period last year, as both total tourist arrivals and bed nights increased by 23.9 percent and 20.8 percent respectively. Likewise, General Goods and Services Tax increased by 6.9 percent (MVR 46.6 million) resulting in the overall revenue from GST to rise by 13.1 percent (MVR 236.4 million) compared to the second quarter of 2018. Business and Property Taxes posted a 32.7 percent (MVR 152.0 million) growth due to a notable increase in Business Profit Tax by 134.6 percent (MVR 178.3 million) compared to the corresponding period of last year. The deadline for BPT final payment fell in the second quarter this year while this deadline fell in the third quarter in 2018.

In line with the positive trends in the tourism sector during this quarter, tax revenue from Green Tax and Airport Service Charge also showed a positive growth of 13.8 percent (MVR 26.5 million) and 20.8 percent (MVR 33.2 million) respectively, as a result of a rise in bed nights and tourist arrivals during the quarter.

Furthermore, collection from import duties posted a 10.4 percent (MVR 77.6 million) growth as value of imports increased by 1.1 percent compared to the corresponding period of last year. Most major categories of tax revenue increased during the review period except for Remittance Tax, which showed a 4.0 percent (MVR 1.1 million) decline due to fall in declared remittances during the quarter.

Non-tax revenue declined by 1.8 percent (MVR 21.9 million) over the period of April to June 2019. This was primarily attributable to the significant decrease in the revenue from Land Acquisition and Conversion Fee and Interest, Profit and Dividends even though revenue from other major contributors increased.

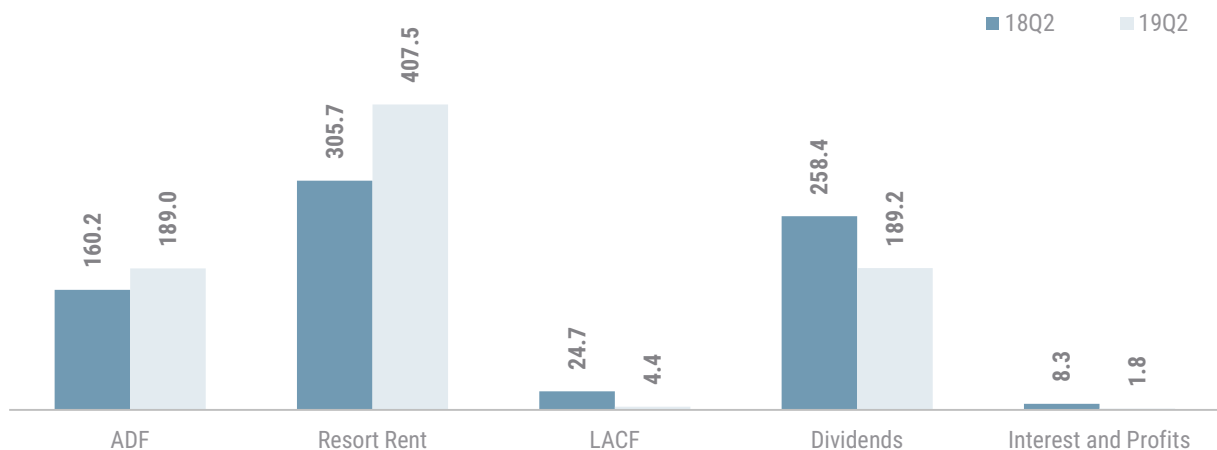
Revenue from Fees and Charges, Registration and License Fees and Property Income registered a positive growth compared to the same period of 2018. Fees and Charges posted 0.9 percent (MVR

2.7 million) growth compared to the same period of previous year, due to rise in income received from Airport Development Fee by 18.0 percent (MVR 28.8 million) as a result of the rise in tourist arrivals. Moreover, revenue from Registration and License Fees increased by 2.9 percent (MVR 3.4 million) compared to the corresponding period of previous year. Furthermore, Property Income recorded 21.6 percent (MVR 81.0 million) growth mainly due to the rise in income from Tourism Land Rent by 33.3 percent (MVR 101.9 million) during the review period. Similar to BPT, this can be attributed to the deadline for Tourism Land Rent falling to the second quarter in 2019 in contrast with 2018 when the deadline fell to the third quarter. However, Land Acquisition and Conversion Fee showed a notable decline of 82.1 percent (MVR 20.3 million) as no new islands have been leased for tourist development during the review period.

Revenue from Interests and Profits showed a notable decline of 77.9 percent (MVR 6.5 million) reflecting a significant decrease in subsidiary loan interests received. In addition, SOEs who pay significant dividends did not pay within the review period which resulted in a fall in SOE dividends by 26.8 percent (MVR 69.2 million). Therefore, the overall collections from Interest, Profit and Dividend earnings decreased by 28.4 percent (MVR 75.7 million) compared to the corresponding quarter of pervious year.

Grants for the second quarter of the year 2019 showed significant decrease by 76.3 percent (MVR 60.9 million) compared to the same period of last year.

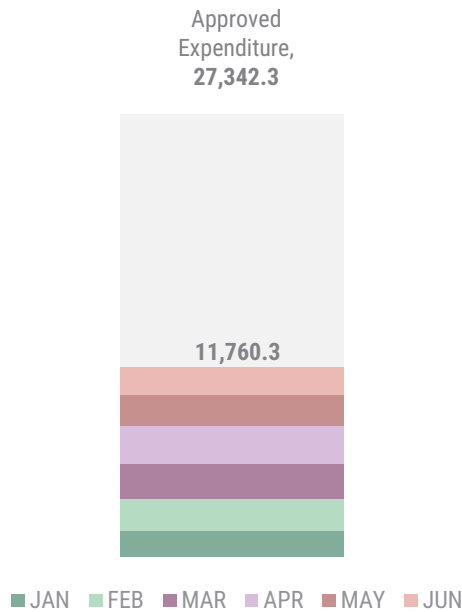
Figure 13: Major components of non-tax revenue  
MVR millions



Source: Ministry of Finance

Figure 14: Cumulative expenditure as a portion of approved expenditure

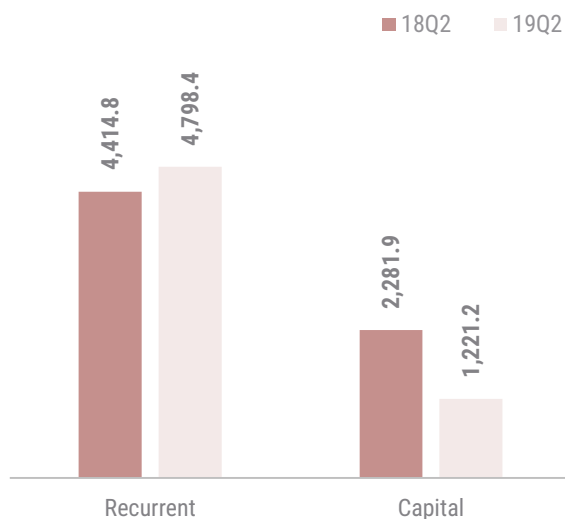
MVR millions



Source: Ministry of Finance

Figure 15: Cumulative recurrent and capital expenditure

MVR millions



Source: Ministry of Finance

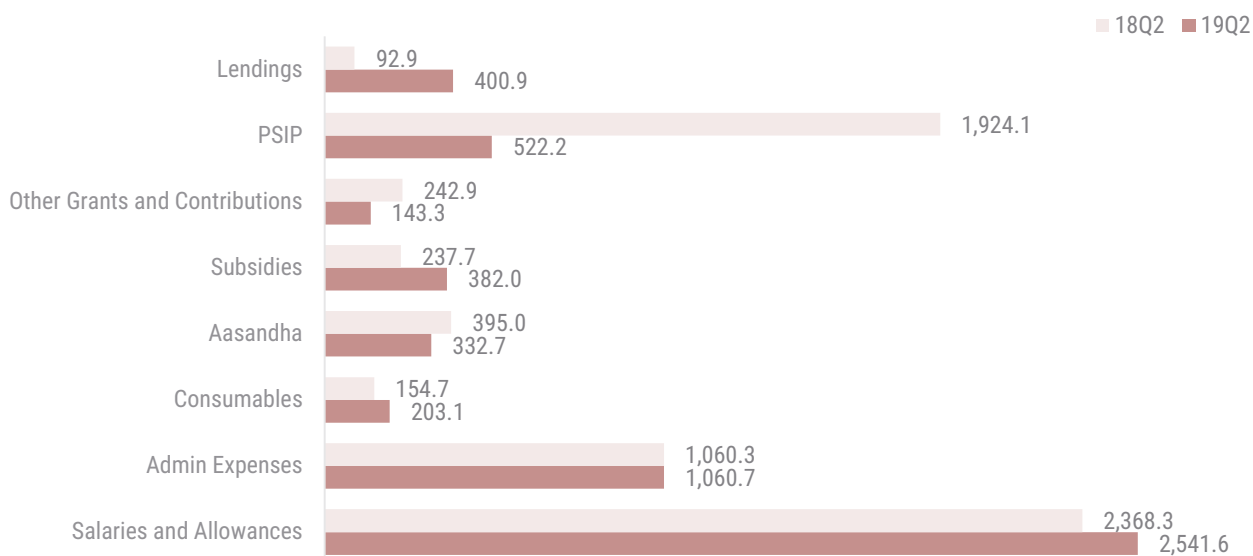
## Trends in expenditure

During January to June 2019, total government expenditure (MVR 11,760.3 million), illustrates a decline of 8.0 percent (MVR 1,022.1 million) compared to the corresponding period of 2018. This was primarily due to decline in capital expenditure, specifically Public Sector Investment Program (PSIP) expenditure over the period. PSIP expenditure decreased by 61.2 percent (MVR 2,284.1 million) compared to the first half of 2018. However, recurrent expenditure was 8.8 percent (MVR 735.4 million) higher than in the same period of 2018. This was primarily as a result of increase in Salaries and Wages and Administrative and Operational expenses which grew by 7.3 percent (MVR 334.7 million) and 3.2 percent (MVR 120.2 million) respectively.

Total government expenditure for the period April to June 2019 amounted to MVR 6,019.6 million, which is a decline of 10.1 percent (MVR 677.2 million) over the same period of last year due to a notable fall in spending on capital expenditure – PSIPs.

During this period, recurrent expenditure was 8.7 percent (MVR 383.6 million) higher compared to the corresponding period of 2018. This was as a result of significant increases in Salaries and Wages, the main component of recurrent spending, which grew by 7.3 percent (MVR 173.3 million) compared to the same period last year. The significant increase in the Salaries and Wages component was partly due to the introduction of allowances to new Ministries.

**Figure 16: Major components of expenditure**  
MVR millions



Source: Ministry of Finance

Similarly, Administrative and Operational Expenses increased by 11.6 percent (MVR 230.4 million) compared to the same period of 2018. Most major categories of Administrative and Operational Expenses increased during the review period except for Administrative Service Expenses and spending on Aasandha, which showed 11.0 percent (MVR 51.9 million) and a 15.8 percent (MVR 62.3 million) decline compared to the same period of the previous year respectively.

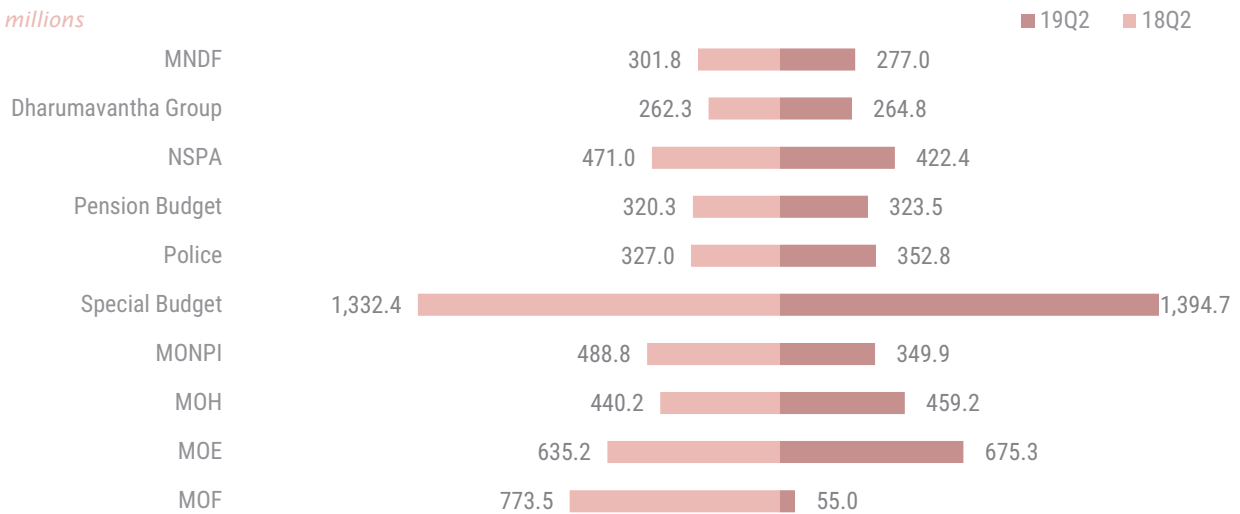
However, spending on Subsidies rose by 60.7 percent (MVR 144.3 million) during the quarter due to the increase in food and electricity subsidies to utility companies due to the harmonization of electricity tariffs and food prices in all islands. Furthermore, spending on other grants and contributions also rose by 69.5 percent (MVR 99.6

million) which is mostly attributed to spending on the Student Breakfast Program. Thus, total grants, contribution and subsidies increased by 23.4 percent (MVR 181.5 million) compared to the same quarter of previous year.

Furthermore, Repairs and Maintenance rose significantly by 65.4 percent (MVR 28.4 million), as a result of rise in repairs of buildings and maintenance cost of machinery and equipment. Similarly, expenses on trainings and administrative supplies rose by MVR 4.7 million and MVR 11.3 million respectively, compared to the same period of 2018. Likewise, Operational Consumables also posted a 31.3 percent (MVR 48.4 million) increment as a result of implementation of 100 day pledges in the health sector. However, losses and write-offs decreased by 36.3 percent (MVR 20.1 million) compared to the

Figure 17: Expenditure by AGA

MVR millions



Source: Ministry of Finance

corresponding quarter of last year.

Capital expenditure totaled MVR 1,221.2 million, which is a decline of 46.5 percent (MVR 1,060.8 million) compared to the same period in 2018. The decline in capital expenditure was primarily due to a significant fall in spending on PSIPs. Spending on Buildings, Roads, Bridges and Airports fell during the same period as a result of completion of major projects such as SinaMale' Bridge and the Velana International Airport runway projects during the year 2018. Furthermore, spending on Other Infrastructure Projects declined by 36.7 percent (MVR 107.6 million) compared to the same period of the last year. As a result overall PSIP spending decreased by 72.9 percent (MVR 1,401.9 million) compared to the second quarter of the year 2018. Although spending on PSIPs was at a decline during the first two quarters of 2019, PSIP are expected to pick up in the coming quarters as most planned projects have been

awarded and their works are expected to commence without further delay in the coming quarter.

However, spending on Investment Outlays (which mainly consists of capital contributions paid to SOEs) showed 29.6 percent (MVR 44.9 million) growth compared to the same period of previous year. Thus the overall spending on Development Projects and Investment Outlays increased by 16.8 percent (MVR 28.5 million), despite the significant fall in Development Projects by 94.5 percent (MVR 16.4 million) during the period. Moreover, Domestic Lending increased significantly by 331.6 percent (MVR 308.0 million), mainly attributed to the rise in loan disbursements to SOEs.



## 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 from their respective sectors.

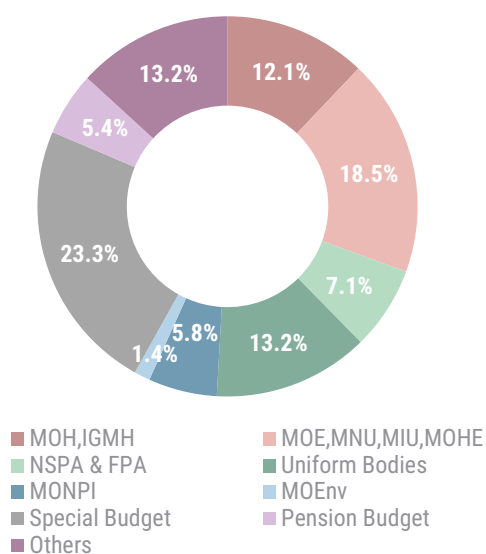
The cumulative expenditure by AGA's during the period January to June 2019 decreased by 8.0 percent (MVR 1,021.9 million) compared to the same period of previous year. Majority of expenditure during this period was spent by the Special Budget<sup>1</sup> of the Ministry of Finance, Ministry of Education, Ministry of Health, Maldives Police Service, NSPA, Pension Budget, Ministry of National Planning and Infrastructure and MNDF and the Ministry of Finance. These AGAs collectively accounted for 73.6 percent (MVR 8,651.3 million) of the total expenditure throughout the period. The Special Budget and the Pension Budget are part of the Ministry of Finance budget but are treated as AGAs due to their high allocations and expenditure.

The majority of expenditure during April to June 2019 was spent by the Special Budget of the Ministry of Finance, Ministry of Education, Ministry of Health, NSPA, Maldives Police Service, Ministry of National Planning and Infrastructure, Pension Budget, MNDF, Dharumavantha Group Hospitals and Councils. These AGAs collectively accounted for 79.0 percent (MVR 4,752.6 million) of the total expenditure in second quarter of year 2019. This is a 0.5 percent (MVR 25.3

million) rise in the collective spending compared to the second quarter of year 2018, which is mainly attributed to the rise in spending through the Special Budget, Ministry of Education and Councils.

The collective expenditure of the Ministry of Health, Dharumavantha Group of Hospitals and the National Social Protection Agency (NSPA) accounted for 19.0 percent (MVR 1,146.4 million) of the total expenditure. During this period, the collective spending of these three agencies declined by 2.3 percent over the same period last year, attributing to a decline in spending by NSPA – attributed to a fall in spending on Aasandha during the quarter. Although expenditure for Aasandha insurance scheme decreased in second quarter of 2019, spending on Medical Consumables and Salaries and Wages by Dharumavantha Group of

Figure 18: Portion of expenditure by major agencies



Source: Ministry of Finance

<sup>1</sup> The Special Budget of the Ministry of Finance include significant spending requirements of the State which does not belong to a specific sector.

Hospitals and Ministry of Health increased compared to the second quarter of 2018.

The Special Budget of the Ministry of Finance, which accounted for 23.2 percent of total expenditure during the period, showed an increase in second quarter of 2019 (from MVR 1,332.4 million to MVR 1,394.7 million), mainly due to the rise in spending on subsidies and capital contributions to SOEs. Furthermore, spending of the Ministry of Education during the second quarter of 2019 amounted to MVR 675.3 million; an increment of 6.3 percent compared to the second quarter of 2018. This is mainly as a result of the rise in spending on Breakfast for Students Program during this quarter.

Spending by the Maldives National Defense Force and Maldives Police Services collectively amounted to MVR 629.9 million, an increment of 0.2 percent

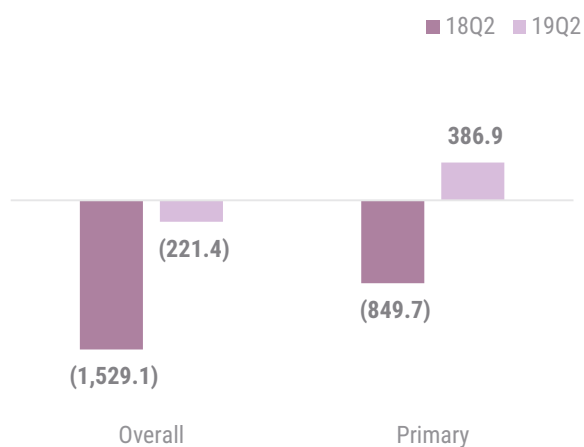
compared to the second quarter of last year. The majority of expenditure by the national security bodies were spent on salaries and allowances of employees.

## Fiscal balance

During the period January to June 2019 the overall balance recorded a deficit of MVR 153.8 million while primary balance registered a surplus of MVR 454.5 million. Thus, the overall deficit declined by 85.5 percent (MVR 1,307.7 million) when compared to the corresponding period of the previous year.

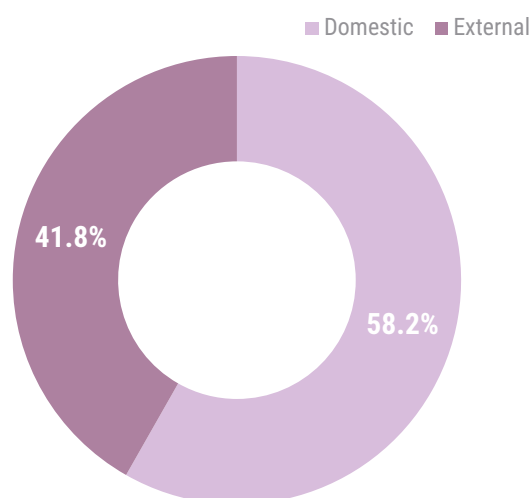
The overall balance for the second quarter of 2019 recorded a deficit of MVR 849.7 million, as revenue and grants received during the review period was lower than total expenditure. The overall deficit declined by 56.4 percent compared to the same

Figure 19: Fiscal Balance  
MVR millions



Source: Ministry of Finance

Figure 20: Debt composition, 19Q2 (Excluding Sovereign Guarantees)



Source: Ministry of Finance

period last year. Although capital expenditure showed a marked decline due to reduced PSIP spending compared to the corresponding period last year, recurrent expenditure has seen a rise as a result of new initiatives being carried out during the year.

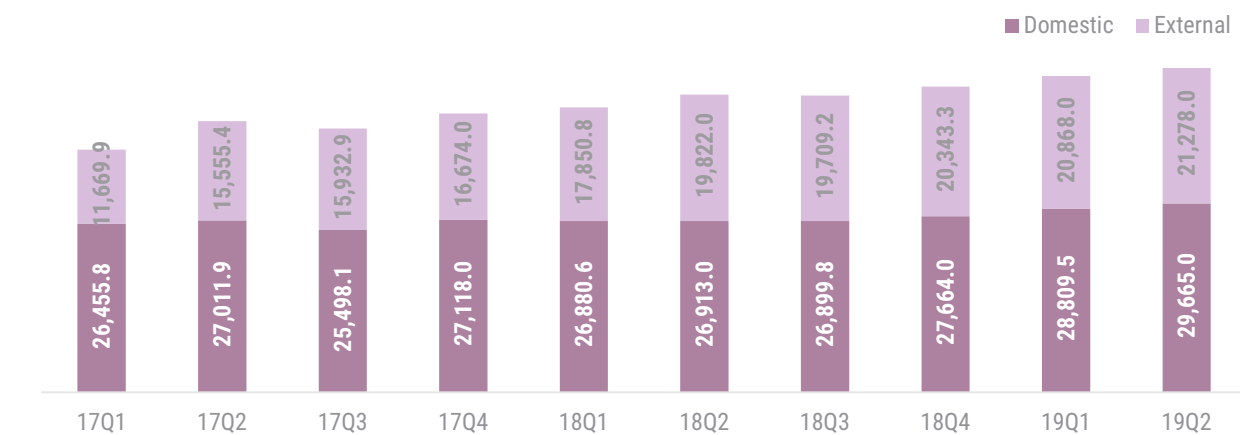
Similarly, the primary deficit for the second quarter of 2019 stood at MVR 526.7 million, which is a 68.2 percent decline compared to the second quarter of 2018.

million as domestic debt and MVR 21,278.0 million as external debt. Both domestic and external debt grew by 3.0 percent and 2.0 percent respectively compared to the preceding quarter and by 10.2 percent and 7.3 percent respectively compared to the corresponding quarter.

## Public Debt

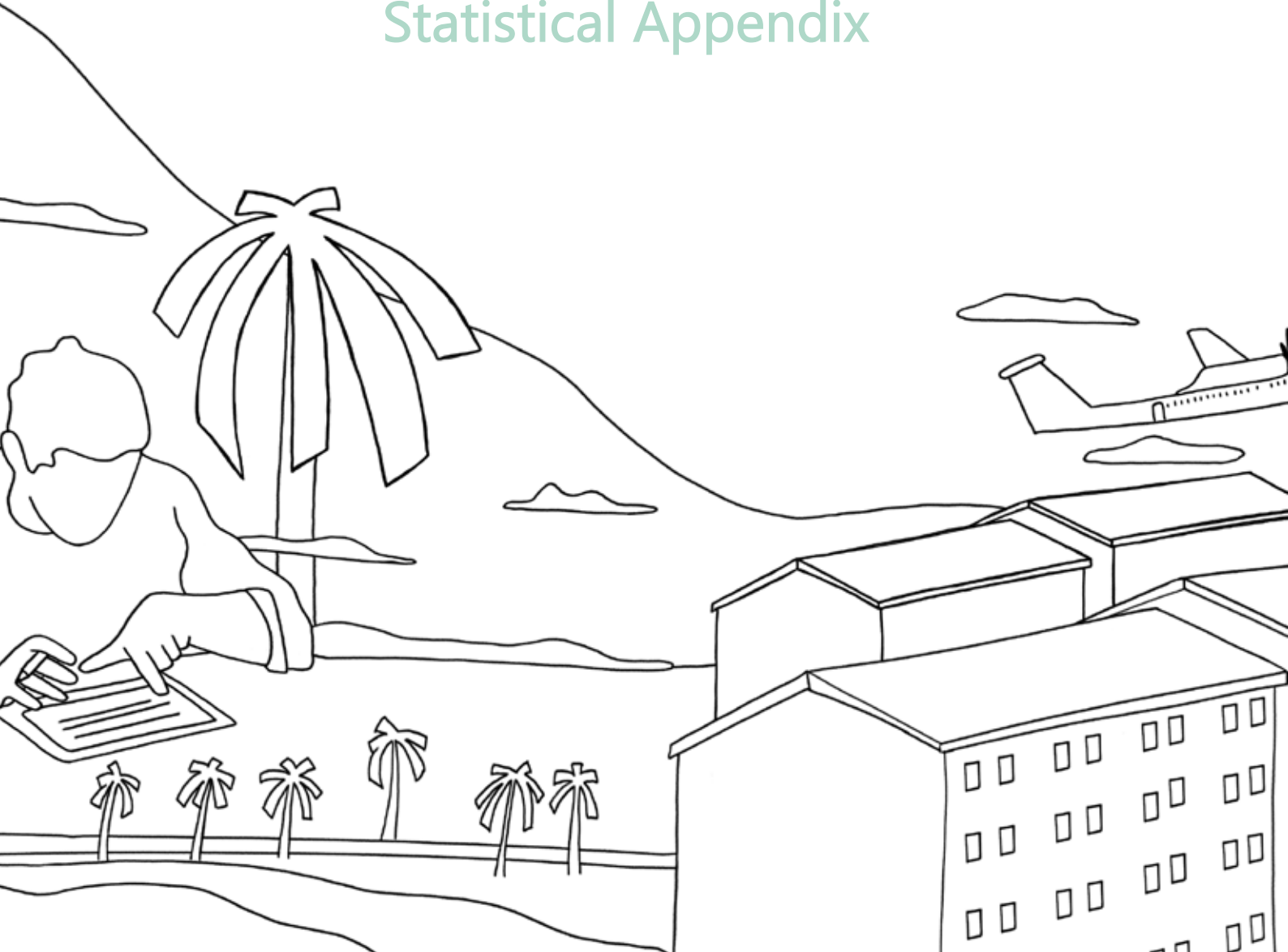
Total public debt (excluding sovereign guarantees) for the second quarter of 2019 amounted to MVR 50,943.0 million, which stands at 56.5 percent of GDP. Total debt grew by 2.5 percent compared to the preceding quarter and by 9.0 percent compared to the corresponding quarter of 2018. Public debt by the end of the second quarter constituted of MVR 29,665.0

Figure 21: Debt composition, 17Q1-19Q2 (Excluding Sovereign Guarantees)  
MVR millions



Source: Ministry of Finance

# Statistical Appendix



**TABLE 1: SUMMARY OF GOVERNMENT FINANCES, SECOND QUARTER**

	Actual 2018		Approved 2019		18Q2 MVR	Budget implementation			Q2 %	Annual change to date		
	MVR	share in %	MVR	share in %		19Q2 MVR	Jan - Jun 2018 MVR	Jan - Jun 2019 MVR		MVR	%	MVR
<i>in millions of MVR unless stated otherwise</i>												
<b>A TOTAL REVENUES AND GRANTS</b>	<b>21,651.3</b>	<b>100%</b>	<b>23,339.8</b>	<b>100.0%</b>	<b>4,701.6</b>	<b>5,150.3</b>	<b>10,954.4</b>	<b>11,538.9</b>	<b>9.5%</b>	<b>448.7</b>	<b>5.3%</b>	<b>584.5</b>
Tax Revenues	15,803.0	73.0%	16,506.5	70.7%	3,416.0	3,944.7	8,141.1	8,652.8	15.5%	528.7	6.3%	511.7
Non-Tax Revenues	5,536.6	25.6%	5,648.7	24.2%	1,209.4	1,187.5	2,669.9	2,449.4	-1.8%	(21.9)	-8.3%	(220.6)
Capital Receipts	44.2	0.2%	31.8	0.1%	10.5	3.8	14.1	8.4	-64.3%	(6.8)	-40.7%	(5.7)
Grants	373.4	1.7%	1,353.0	5.8%	79.8	19.0	207.5	462.2	-76.3%	(60.9)	122.8%	254.7
less: Subsidiary Loan Repayment	(106.0)	-0.5%	(200.3)	-0.9%	(14.1)	(4.5)	(78.2)	(33.8)	-68.0%	(9.6)	-56.8%	44.4
<b>TOTAL BUDGET</b>	<b>27,138.4</b>	<b>100%</b>	<b>30,251.7</b>	<b>100.0%</b>	<b>6,848.4</b>	<b>6,232.0</b>	<b>13,379.0</b>	<b>12,295.7</b>	<b>-9.0%</b>	<b>(616.4)</b>	<b>-8.1%</b>	<b>(1,083.3)</b>
<b>B TOTAL EXPENDITURE (C+D)</b>	<b>25,495.8</b>	<b>94%</b>	<b>27,342.3</b>	<b>90.4%</b>	<b>6,696.8</b>	<b>6,019.6</b>	<b>12,483.4</b>	<b>11,760.3</b>	<b>-10.1%</b>	<b>(677.2)</b>	<b>-5.8%</b>	<b>(723.2)</b>
<b>C RECURRENT EXPENDITURE</b>	<b>17,984.8</b>	<b>66.3%</b>	<b>18,529.3</b>	<b>61.3%</b>	<b>4,414.8</b>	<b>4,798.4</b>	<b>8,361.0</b>	<b>9,096.5</b>	<b>8.7%</b>	<b>383.6</b>	<b>8.8%</b>	<b>735.4</b>
Salaries, Wages and Pensions	9,190.8	33.9%	9,529.2	31.5%	2,368.3	2,541.6	4,558.8	4,893.5	7.3%	173.3	7.3%	334.7
Administrative and Operational Expenses	8,677.2	32.0%	8,949.7	29.6%	1,991.0	2,221.4	3,744.9	3,865.2	11.6%	230.4	3.2%	120.2
Losses and Write-offs	116.8	0.4%	50.4	0.2%	55.6	35.4	57.3	337.8	-36.3%	(20.1)	489.2%	280.5
<b>D CAPITAL EXPENDITURE</b>	<b>7,511.0</b>	<b>27.7%</b>	<b>8,813.0</b>	<b>29.1%</b>	<b>2,281.9</b>	<b>1,221.2</b>	<b>4,122.4</b>	<b>2,663.8</b>	<b>46.5%-</b>	<b>(1,060.8)</b>	<b>-35.4%</b>	<b>(1,458.6)</b>
Capital Equipments	423.2	1.6%	442.7	1.5%	95.9	100.6	170.5	180.9	4.8%	4.6	6.1%	10.4
Public Sector Investment Program	5,748.1	21.2%	7,076.7	23.4%	1,924.1	522.2	3,734.4	1,450.2	-72.9%	(1,401.9)	-61.2%	(2,284.1)
Development Projects and Investments Outlays	565.7	2.1%	792.6	2.6%	169.0	197.4	-	571.8	16.8%	28.5	-	571.8
Lendings	774.0	2.9%	90.0	0.3%	92.9	400.9	217.6	460.8	331.6%	308.0	111.8%	243.3
Budget Contingency	-	0.0%	411.0	1.4%	-	-	-	-	0.0%	-	0.0%	-
<b>E PRIMARY BALANCE - SURPLUS / (DEFICIT) (F+G)</b>	<b>(2,404.2)</b>	<b>0%</b>	<b>(2,000.9)</b>		<b>(1,655.9)</b>	<b>(526.7)</b>	<b>(849.7)</b>	<b>386.9</b>	<b>-68.2%</b>	<b>1,129.2</b>	<b>-145.5%</b>	<b>1,236.6</b>
<b>F OVERALL BALANCE - SURPLUS / (DEFICIT) (A-B)</b>	<b>(3,844.6)</b>	<b>0%</b>	<b>(4,002.5)</b>		<b>(1,995.1)</b>	<b>(869.2)</b>	<b>(1,529.1)</b>	<b>(221.4)</b>	<b>-56.4%</b>	<b>1,125.9</b>	<b>-85.5%</b>	<b>1,307.7</b>
G Financing and Interest Costs	1,440.3	5.3%	2,001.5	6.6%	339.2	342.5	679.4	608.3	1.0%	3.3	-10.5%	(71.1)
<b>Memorandum Items:</b>												
Loan Repayment	1,632.3	6.0%	2,887.9	9.5%	144.7	210.1	888.6	528.6	45.2%	65.5	-40.5%	(360.0)
Subscription to Multilateral Agencies	10.3	0.0%	21.6	0.1%	7.0	2.3	7.0	6.8	-66.7%	(4.6)	-1.9%	(0.1)
Transfers to Sovereign Development Fund	1,315.3	0.0%	705.6	0.0%	414.1	190.5	771.8	570.4	-54.0%	(223.7)	-26.1%	(201.5)

**TABLE 2: TRENDS IN GOVERNMENT REVENUE, SECOND QUARTER**

	Actual 2018		Approved 2019		18Q2 MVR	Budget implementation			Q2 %	Annual change to date		
	MVR	share in %	MVR	share in %		19Q2 MVR	Jan - Jun 2018 MVR	Jan - Jun 2019 MVR		MVR	%	Jan - Jun MVR
<i>in millions of MVR unless stated otherwise</i>												
<b>TOTAL REVENUE AND GRANTS</b>	<b>21,651.3</b>	<b>100.0%</b>	<b>23,339.8</b>	<b>100.0%</b>	<b>4,701.6</b>	<b>5,150.3</b>	<b>10,954.4</b>	<b>11,538.9</b>	<b>9.5%</b>	<b>448.7</b>	<b>5.3%</b>	<b>584.5</b>
<b>Tax Revenues</b>	<b>15,803.0</b>	<b>73.0%</b>	<b>16,506.5</b>	<b>70.7%</b>	<b>3,416.0</b>	<b>3,944.7</b>	<b>8,141.1</b>	<b>8,652.8</b>	<b>15.5%</b>	<b>528.7</b>	<b>6.3%</b>	<b>511.7</b>
Import Duties	3,121.5	14.4%	3,183.8	13.6%	745.6	823.2	1,448.3	1,621.1	10.4%	77.6	11.9%	172.8
Business and Property Tax	3,314.1	15.3%	3,451.4	14.8%	464.9	616.9	1,581.8	1,722.5	32.7%	152.0	8.9%	140.8
Business Profit Tax	2,077.7	9.6%	2,172.1	9.3%	132.5	310.8	1,024.3	1,182.7	134.6%	178.3	15.5%	158.5
Withholding Tax	632.9	2.9%	674.0	2.9%	152.9	166.1	368.7	392.7	8.7%	13.2	6.5%	24.1
Other Business and Property Taxes	603.5	2.8%	605.3	2.6%	179.5	140.0	188.8	147.1	-22.0%	(39.6)	-22.1%	(41.8)
Goods and Services Tax	7,686.1	35.5%	8,038.4	34.4%	1,797.9	2,034.4	4,204.9	4,340.5	13.1%	236.4	3.2%	135.6
General Goods and Services Tax	2,902.8	13.4%	2,998.9	12.8%	679.2	725.8	1,435.6	1,476.9	6.9%	46.6	2.9%	41.3
Tourism Goods and Services Tax	4,783.3	22.1%	5,039.5	21.6%	1,118.7	1,308.5	2,769.3	2,863.6	17.0%	189.8	3.4%	94.3
Royalties	76.5	0.4%	80.1	0.3%	17.0	20.9	40.1	51.3	22.8%	3.9	28.0%	11.2
Revenue Stamp	47.6	0.2%	45.3	0.2%	11.7	12.0	24.0	22.2	2.8%	0.3	-7.6%	(1.8)
Green Tax	810.5	3.7%	892.7	3.8%	191.3	217.7	447.9	457.0	13.8%	26.5	2.0%	9.1
Airport Service Charge	644.8	3.0%	705.6	3.0%	159.2	192.4	337.9	384.8	20.8%	33.2	13.9%	46.9
Remittance Tax	101.8	0.5%	109.1	0.5%	28.3	27.2	56.3	53.5	-4.0%	(1.1)	-5.0%	(2.8)
<b>Non-Tax Revenues</b>	<b>5,536.6</b>	<b>25.6%</b>	<b>5,648.7</b>	<b>24.2%</b>	<b>1,209.4</b>	<b>1,187.5</b>	<b>2,669.9</b>	<b>2,449.4</b>	<b>-1.8%</b>	<b>(21.9)</b>	<b>-8.3%</b>	<b>(220.6)</b>
Fees and Charges	1,476.6	6.8%	1,398.1	6.0%	313.5	316.2	715.6	779.5	0.9%	2.7	8.9%	63.9
Airport Development Fee	659.3	3.0%	705.6	3.0%	160.2	189.0	350.5	383.0	18.0%	28.8	9.3%	32.5
Resident Permit	330.9	1.5%	311.7	1.3%	73.3	74.4	153.0	162.2	1.5%	1.1	6.1%	9.3
Other Fees and Charges	486.4	2.2%	380.8	1.6%	80.1	52.9	212.2	234.3	-34.0%	(27.2)	10.4%	22.1
Registration and Licence Fees	413.0	1.9%	417.5	1.8%	115.4	118.7	234.2	209.3	2.9%	3.4	-10.6%	(24.9)
Property Income	2,034.7	9.4%	2,123.7	9.1%	374.8	455.8	920.0	872.3	21.6%	81.0	-5.2%	(47.7)
Rent from Resorts	1,526.0	7.0%	1,855.8	8.0%	305.7	407.5	700.9	773.8	33.3%	101.9	10.4%	72.9
Land Acquisition and Conversion Fee	322.1	1.5%	26.9	0.1%	24.7	4.4	121.5	7.2	-82.1%	(20.3)	-94.0%	(114.3)
Other Property Income	186.6	0.9%	241.0	1.0%	44.4	43.9	97.6	91.3	-1.2%	(0.5)	-6.5%	(6.3)
Fines and Penalties	278.0	1.3%	197.0	0.8%	59.1	50.5	139.6	125.7	-14.6%	(8.6)	-10.0%	(13.9)
Interest, Profit and Dividends	973.2	4.5%	1,180.7	5.1%	266.8	191.0	434.5	282.0	-28.4%	(75.7)	-35.1%	(152.6)
SOE Dividends	797.3	3.7%	874.0	3.7%	258.4	189.2	404.4	209.5	-26.8%	(69.2)	-48.2%	(194.8)
Interest and Profits	175.9	0.8%	306.6	1.3%	8.3	1.8	30.2	72.4	-77.9%	(6.5)	140.1%	42.3
Other Non-Tax Revenues	361.1	1.7%	331.7	1.4%	79.8	55.2	225.9	180.5	-30.8%	(24.6)	-20.1%	(45.4)
<b>Capital Receipts</b>	<b>44.2</b>	<b>0.2%</b>	<b>31.8</b>	<b>0.1%</b>	<b>10.5</b>	<b>3.8</b>	<b>14.1</b>	<b>8.4</b>	<b>-64.3%</b>	<b>(6.8)</b>	<b>-40.7%</b>	<b>(5.7)</b>
<b>Grants</b>	<b>373.4</b>	<b>1.7%</b>	<b>1,353.0</b>	<b>5.8%</b>	<b>79.8</b>	<b>19.0</b>	<b>207.5</b>	<b>462.2</b>	<b>-76.3%</b>	<b>(60.9)</b>	<b>122.8%</b>	<b>254.7</b>
<b>Less: Subsidiary Loan Repayment</b>	<b>(106.0)</b>	<b>-0.5%</b>	<b>(200.3)</b>	<b>-0.9%</b>	<b>(14.1)</b>	<b>(4.5)</b>	<b>(78.2)</b>	<b>(33.8)</b>	<b>-68.0%</b>	<b>(9.6)</b>	<b>-56.8%</b>	<b>44.4</b>

**TABLE 3: TRENDS IN GOVERNMENT EXPENDITURE BY ECONOMIC SECTOR, SECOND QUARTER**

in millions of MVR unless stated otherwise	Actual		Approved		Budget implementation					Annual change to date		
	2018		2019		18Q2	19Q2	Jan - Jun 2018	Jan - Jun 2019	Q2	Jan - Jun		
	MVR	share in %	MVR	share in %	MVR	MVR	MVR	MVR	%	MVR	%	MVR
<b>TOTAL RECURRENT AND CAPITAL EXPENDITURE</b>	<b>25,495.8</b>	<b>100.0%</b>	<b>27,342.3</b>	<b>100%</b>	<b>6,696.8</b>	<b>6,019.6</b>	<b>12,782.4</b>	<b>11,760.3</b>	<b>-10.1%</b>	<b>(677.2)</b>	<b>-8.0%</b>	<b>(1,022.1)</b>
<b>RECURRENT EXPENDITURE</b>	<b>17,984.8</b>	<b>70.5%</b>	<b>18,529.3</b>	<b>67.8%</b>	<b>4,414.8</b>	<b>4,798.4</b>	<b>8,361.0</b>	<b>9,096.5</b>	<b>8.7%</b>	<b>383.6</b>	<b>8.8%</b>	<b>735.4</b>
<b>Salaries and Wages</b>	<b>9,190.8</b>	<b>36.0%</b>	<b>9,529.2</b>	<b>34.9%</b>	<b>2,368.3</b>	<b>2,541.6</b>	<b>4,558.8</b>	<b>4,893.5</b>	<b>7.3%</b>	<b>173.3</b>	<b>7.3%</b>	<b>334.7</b>
Salaries and Wages	4,282.2	16.8%	4,352.0	15.9%	1,069.6	1,163.1	2,085.9	2,265.3	8.7%	93.5	8.6%	179.4
Allowances to Employees	3,405.7	13.4%	3,612.2	13.2%	923.1	995.9	1,720.8	1,861.7	7.9%	72.7	8.2%	140.9
Pensions, Retirement Benefits and Gratuities	1,502.8	5.9%	1,565.0	5.7%	375.5	382.6	752.1	766.5	1.9%	7.1	1.9%	14.4
Pensions	220.1	0.9%	241.3	0.9%	54.6	58.5	107.7	114.6	7.2%	3.9	6.4%	6.9
Retirement Benefits and Gratuities	1,282.7	5.0%	2,288.7	8.4%	320.9	324.1	644.4	651.9	1.0%	3.2	1.2%	7.5
<b>Administrative and Operational Expenses</b>	<b>8,677.2</b>	<b>34.0%</b>	<b>8,949.7</b>	<b>32.7%</b>	<b>1,991.0</b>	<b>2,221.4</b>	<b>3,744.9</b>	<b>3,865.2</b>	<b>11.6%</b>	<b>230.4</b>	<b>3.2%</b>	<b>120.2</b>
Travelling Expenses	174.6	0.7%	141.9	0.5%	38.1	42.7	77.5	91.3	11.9%	4.5	17.8%	13.8
Administrative Supplies	615.9	2.4%	609.0	2.2%	108.8	120.1	231.7	246.1	10.4%	11.3	6.2%	14.4
Administrative Services	1,765.2	6.9%	1,989.2	7.3%	472.9	421.0	846.2	753.1	-11.0%	(51.9)	-11.0%	(93.2)
Operational Consumables	631.7	2.5%	657.4	2.4%	154.7	203.1	251.2	396.3	31.3%	48.4	57.8%	145.1
Training Expenses	527.0	2.1%	423.0	1.5%	57.9	62.6	217.0	136.3	8.2%	4.7	-37.2%	(80.7)
Repairs and Maintenance	212.6	0.8%	277.1	1.0%	43.4	71.8	67.8	148.5	65.4%	28.4	119.2%	80.8
Financing and Interest Costs	1,440.3	5.6%	2,001.5	7.3%	339.2	342.5	679.4	608.3	1.0%	3.3	-10.5%	(71.1)
Grants, Contributions and Subsidies	3,309.7	13.0%	2,850.6	10.4%	776.1	957.6	1,374.2	1,485.3	23.4%	181.5	8.1%	111.0
Asandha	1,487.6	5.8%	1,000.0	3.7%	395.0	332.7	668.3	475.4	-15.8%	(62.3)	-28.9%	(192.9)
Subsidies	1,142.6	4.5%	1,073.3	3.9%	237.7	382.0	393.9	543.3	60.7%	144.3	37.9%	149.4
Grants and Contributions	679.5	2.7%	777.3	2.8%	143.3	242.9	312.0	466.7	69.5%	99.6	49.5%	154.6
Tax payments	-	-	-	0.0%	-	-	-	-	0.0%	-	-	-
<b>Losses and Write-offs</b>	<b>116.8</b>	<b>0.5%</b>	<b>50.4</b>	<b>0.2%</b>	<b>55.6</b>	<b>35.4</b>	<b>57.3</b>	<b>337.8</b>	<b>-36.3%</b>	<b>(20.1)</b>	<b>489.2%</b>	<b>280.5</b>
<b>CAPITAL EXPENDITURE</b>	<b>7,511.0</b>	<b>29.5%</b>	<b>8,813.0</b>	<b>32.2%</b>	<b>2,281.9</b>	<b>1,221.2</b>	<b>4,421.3</b>	<b>2,663.8</b>	<b>-46.5%</b>	<b>(1,060.8)</b>	<b>-39.8%</b>	<b>(1,757.5)</b>
<b>Capital Equipments</b>	<b>423.2</b>	<b>1.7%</b>	<b>442.7</b>	<b>1.6%</b>	<b>95.9</b>	<b>100.6</b>	<b>170.5</b>	<b>180.9</b>	<b>4.8%</b>	<b>4.6</b>	<b>6.1%</b>	<b>10.4</b>
Furniture, Machinery and Equipment	410.2	1.6%	394.7	1.4%	95.9	93.2	169.4	172.4	-2.8%	(2.7)	1.8%	3.0
Vehicles	13.0	0.1%	48.1	0.2%	0.0	7.4	1.0	8.5	501812.1%	7.4	738.6%	7.5
Minor extensions	0.0	0.0%	0.0	0.0%	0.0	-	0.0	-	-100.0%	(0.0)	-100.0%	(0.0)
<b>Public Sector Investment Program</b>	<b>5,748.1</b>	<b>22.5%</b>	<b>7,076.7</b>	<b>25.9%</b>	<b>1,924.1</b>	<b>522.2</b>	<b>3,734.4</b>	<b>1,450.2</b>	<b>-72.9%</b>	<b>(1,401.9)</b>	<b>-61.2%</b>	<b>(2,284.1)</b>
Land and Buildings	1,335.9	5.2%	1,954.3	7.1%	527.6	141.2	910.4	214.9	-73.2%	(386.3)	-76.4%	(695.4)
Roads, Bridges and Airports	2,768.4	10.9%	2,268.2	8.3%	985.4	124.9	2,004.3	780.9	-87.3%	(860.5)	-61.0%	(1,223.5)
Wharves, Ports and Harbours	463.5	1.8%	810.6	3.0%	117.8	70.4	190.7	92.5	-40.2%	(47.4)	-51.5%	(98.2)
Other Infrastructure Assets	1,180.2	4.6%	2,043.5	7.5%	293.4	185.7	629.0	362.0	-36.7%	(107.6)	-42.5%	(267.1)
<b>Development Projects and Investments Outlays</b>	<b>565.7</b>	<b>2.2%</b>	<b>792.6</b>	<b>2.9%</b>	<b>169.0</b>	<b>197.4</b>	<b>298.9</b>	<b>571.8</b>	<b>16.8%</b>	<b>28.5</b>	<b>91.3%</b>	<b>272.9</b>
Development Projects	60.3	0.2%	7.8	0.0%	17.4	1.0	34.8	3.6	-94.5%	(16.4)	-89.7%	(31.2)
Investment Outlays	505.5	2.0%	784.8	2.9%	151.6	196.5	264.2	568.3	29.6%	44.9	115.1%	304.1
<b>Lendings</b>	<b>774.0</b>	<b>3.0%</b>	<b>90.0</b>	<b>0.3%</b>	<b>92.9</b>	<b>400.9</b>	<b>217.6</b>	<b>460.8</b>	<b>331.6%</b>	<b>308.0</b>	<b>111.8%</b>	<b>243.3</b>
Domestic Lendings	774.0	3.0%	90.0	0.3%	92.9	400.9	217.6	460.8	331.6%	308.0	111.8%	243.3
Foreign Lendings	-	0.0%	-	0.0%	-	-	-	-	0.0%	-	0.0%	-

<i>in millions of MVR unless stated otherwise</i>	Actual 2018		Approved 2019		18Q2 MVR	Budget implementation			Q2 %	Annual change to date		
	MVR	share in %	MVR	share in %		19Q2 MVR	Jan - Jun 2018 MVR	Jan - Jun 2019 MVR		Jan - Jun %	Jan - Jun MVR	
<b>Budget Contingency</b>	-	0.0%	411.0	16.4%	-	-	-	-	-	-	-	-
<b>Memorandum Items:</b>												
Loan Repayment	2,404.4	-	2,887.9	-	144.7	210.1	888.6	528.6	45.2%	65.5	-40.5%	(360.0)
Subscription to Multilateral Agencies	49.2	-	21.6	-	7.0	2.3	7.0	6.8	-66.7%	(4.6)	-1.9%	(0.1)
Transfers to Sovereign Development Fund	336.8	-	855.1	-	414.1	190.5	771.8	570.4	-54.0%	(223.7)	-26.1%	(201.5)



**TABLE 4: TRENDS IN EXPENDITURE BY AGA, SECOND QUARTER**

	Actual 2018		Approved 2019		18Q2	Budget implementation			Q2	Annual change to date			
	MVR	share in %	MVR	share in %		19Q2	Jan - Jun 2018	Jan - Jun 2019		MVR	%	Jan - Jun	MVR
<i>in millions of MVR unless stated otherwise</i>													
S01	Presidents Office	138.9	0.5%	121.0	0.4%	29.4	44.1	55.2	81.7	49.9%	14.7	47.9%	26.5
S02	People's Majlis	148.8	0.6%	215.4	0.8%	35.1	65.6	61.8	106.4	86.7%	30.5	72.2%	44.6
S03	Judicial Service Commission	10.6	0.0%	10.9	0.0%	2.3	2.3	4.5	4.4	-1.3%	(0.0)	-2.9%	(0.1)
S04	Department of Judicial Administration	406.1	1.6%	434.2	1.6%	98.8	113.6	196.6	220.8	15.0%	14.8	12.4%	24.3
S05	Elections Commission	104.3	0.4%	105.4	0.4%	19.9	60.6	26.4	82.2	204.5%	40.7	211.0%	55.7
S06	Civil Service Commission	19.9	0.1%	21.7	0.1%	4.9	5.6	9.2	10.7	15.0%	0.7	16.6%	1.5
S07	Human Rights Commission	23.0	0.1%	23.4	0.1%	5.4	5.8	10.8	11.1	6.0%	0.3	2.7%	0.3
S08	Anti-Corruption Commission	29.8	0.1%	32.2	0.1%	7.4	8.3	14.4	15.7	12.6%	0.9	9.2%	1.3
S09	Auditor Generals Office	44.9	0.2%	52.0	0.2%	10.5	12.5	20.4	24.4	18.8%	2.0	19.8%	4.0
S10	Prosecutor Generals Office	61.2	0.2%	67.4	0.2%	14.4	15.6	27.6	30.1	8.9%	1.3	9.0%	2.5
S11	Maldives Inland revenue Authority	94.8	0.4%	82.8	0.3%	21.0	22.5	44.0	42.6	7.2%	1.5	-3.1%	(1.4)
S12	Employment Tribunal	6.8	0.0%	6.9	0.0%	1.8	2.3	3.5	3.9	30.1%	0.5	10.5%	0.4
S13	Maldives Media Council	4.4	0.0%	4.3	0.0%	1.0	1.2	2.0	2.2	19.2%	0.2	13.0%	0.3
S14	Maldives Broadcasting Commission	9.0	0.0%	9.2	0.0%	2.1	2.3	4.1	4.4	8.6%	0.2	8.3%	0.3
S15	Tax Appeal Tribunal	4.3	0.0%	4.7	0.0%	1.0	1.2	2.0	2.3	16.2%	0.2	11.5%	0.2
S16	Local Government Authority	32.6	0.1%	55.7	0.2%	8.8	6.6	13.8	11.0	-24.5%	(2.2)	-20.3%	(2.8)
S17	Information Commissioners Office	3.8	0.0%	3.8	0.0%	1.0	1.0	1.8	1.9	-3.1%	(0.0)	1.9%	0.0
S18	National Integrity Commission	8.6	0.0%	8.8	0.0%	2.4	2.1	4.5	4.2	-14.9%	(0.4)	-8.1%	(0.4)
S20	Ministry of Finance	1,746.2	6.8%	2,203.9	8.1%	773.5	55.0	1,466.3	659.5	-92.9%	(718.5)	-55.0%	(806.7)
S21	Ministry of Defense	127.5	0.5%	139.7	0.5%	32.2	34.0	62.0	64.0	5.6%	1.8	3.2%	2.0
S22	Ministry of Home Affairs	69.8	0.3%	52.1	0.2%	16.0	8.7	32.5	15.8	-45.4%	(7.3)	-51.3%	(16.7)
S23	Ministry of Education	2,487.7	9.8%	2,744.6	10.0%	635.2	675.3	1,259.1	1,369.8	6.3%	40.2	8.8%	110.7
S24	Maldives Islamic University	42.5	0.2%	40.2	0.1%	10.2	10.2	23.4	20.0	0.2%	0.0	-14.4%	(3.4)
S25	Maldives National University	173.2	0.7%	235.0	0.9%	44.5	49.0	79.7	81.5	10.0%	4.5	2.2%	1.7
S26	Ministry of Foreign Affairs	229.7	0.9%	259.8	1.0%	30.8	52.6	125.9	130.3	70.8%	21.8	3.5%	4.4
S27	Ministry of Health	1,624.7	6.4%	1,741.8	6.4%	440.2	459.2	766.0	906.4	4.3%	19.0	18.3%	140.3
S28	Ministry of Economic Development	116.4	0.5%	145.2	0.5%	17.0	14.8	83.4	26.4	-12.6%	(2.1)	-68.4%	(57.0)
S29	Ministry of Tourism	63.4	0.2%	180.9	0.7%	17.5	21.1	36.7	25.2	20.8%	3.6	-31.2%	(11.4)
S30	Ministry of Youth, Sports and Community Empowerment	206.3	0.8%	238.8	0.9%	42.4	51.2	81.6	81.6	20.8%	8.8	0.0%	(0.0)
S31	Ministry of National Planning and Infrastructure	2,042.5	8.0%	2,225.3	8.1%	488.8	349.9	1,040.8	567.2	-28.4%	(138.8)	-45.5%	(473.5)
S32	Ministry of Fisheries, Marine Resources and Agriculture	92.3	0.4%	136.9	0.5%	26.4	11.2	52.3	34.4	-57.7%	(15.3)	-34.2%	(17.9)
S33	Ministry of Islamic Affairs	442.9	1.7%	388.9	1.4%	101.2	60.9	189.1	134.6	-39.9%	(40.3)	-28.8%	(54.5)
S34	Ministry of Environment	1,106.4	4.3%	1,785.1	6.5%	256.5	81.3	578.0	224.7	-68.3%	(175.2)	-61.1%	(353.3)
S35	Attorney Generals Office	26.8	0.1%	26.0	0.1%	6.1	6.0	12.0	12.2	-1.4%	(0.1)	1.7%	0.2

	Actual 2018		Approved 2019		18Q2 MVR	Budget implementation			Q2 %	Annual change to date			
	MVR	share in %	MVR	share in %		19Q2 MVR	Jan - Jun 2018 MVR	Jan - Jun 2019 MVR		MVR	%	Jan - Jun MVR	
<i>in millions of MVR unless stated otherwise</i>													
S36	Ministry Of Gender, Family and Social Services	183.5	0.7%	183.8	0.7%	49.9	51.4	86.5	96.4	2.9%	1.5	11.4%	9.9
S37	MOF / Special Budget	4,733.7	18.6%	4,564.0	16.7%	1,332.4	1,394.7	2,325.3	2,616.1	4.7%	62.3	12.5%	290.8
S38	MOF / Pension Budget	1,280.3	5.0%	1,318.8	4.8%	320.3	323.5	643.2	650.5	1.0%	3.1	1.1%	7.3
S39	Maldives Police Services	1,418.7	5.6%	1,415.8	5.2%	327.0	352.8	641.7	683.8	7.9%	25.8	6.6%	42.0
S40	Maldives Customs Services	190.4	0.7%	191.9	0.7%	48.7	53.8	91.9	100.0	10.5%	5.1	8.8%	8.1
S41	National Social Protection Agency	1,809.1	7.1%	1,300.2	4.8%	471.0	422.4	816.4	648.7	-10.3%	(48.6)	-20.5%	(167.6)
S42	Dharumavantha Group of Hospitals	956.1	3.8%	1,125.4	4.1%	262.3	264.8	430.2	470.2	0.9%	2.5	9.3%	40.0
S43	Councils	541.8	2.1%	656.1	2.4%	148.3	233.0	270.2	384.8	57.1%	84.7	42.4%	114.6
S52	Ministry of Arts, Culture and Heritage	36.5	0.1%	47.1	0.2%	8.4	12.3	16.3	19.8	47.3%	4.0	21.4%	3.5
S45	Maldives National Defense Force	1,283.3	5.0%	1,114.8	4.1%	301.8	277.0	556.3	549.2	-8.2%	(24.8)	-1.3%	(7.1)
S47	Maldives Immigration	140.8	0.6%	168.9	0.6%	47.3	20.6	68.1	38.3	-56.5%	(26.7)	-43.8%	(29.8)
S46	Maldives Correctional Services	311.5	1.2%	322.7	1.2%	69.7	89.2	127.0	148.3	27.8%	19.4	16.8%	21.3
S50	Ministry of Transport & Civil Aviation	294.2	1.2%	323.0	1.2%	45.0	96.5	82.9	129.6	114.5%	51.5	56.3%	46.7
S51	Ministry of Communication, Science and Technology	48.8	0.2%	73.3	0.3%	7.2	23.8	29.7	32.0	231.7%	16.6	7.9%	2.3
S44	Family Protection Authority	4.6	0.0%	7.7	0.0%	1.2	1.6	2.3	2.9	31.7%	0.4	26.1%	0.6
S48	Ministry of Higher Education	483.1	1.9%	372.7	1.4%	44.6	58.1	190.9	127.6	30.2%	13.5	-33.1%	(63.2)
S53	National Disaster Management Authority	7.2	0.0%	5.5	0.0%	1.5	2.2	2.7	3.3	46.5%	0.7	25.2%	0.7
S49	Ministry of Housing & Urban Development	-	0.0%	324.1	1.2%	-	21.7	-	33.2	-	21.7	-	33.2
S54	Supreme Court	22.0	0.1%	22.7	0.1%	4.3	6.6	9.0	11.8	51.4%	2.2	31.9%	2.9
<b>Total Expenditure</b>		<b>25,495.6</b>	<b>100%</b>	<b>27,342.3</b>	<b>100%</b>	<b>6,696.8</b>	<b>6,019.6</b>	<b>12,782.2</b>	<b>11,760.3</b>	<b>-10.1%</b>	<b>(677.2)</b>	<b>-8.0%</b>	<b>(1,021.9)</b>

**TABLE 6: DEVELOPMENTS IN PUBLIC DEBT**

<i>in millions of MVR unless stated otherwise</i>	2018				2019	
	Q1	Q2	Q3	Q4	Q1	Q2
<b>Public Debt</b>	<b>44,731.4</b>	<b>46,735.0</b>	<b>46,609.0</b>	<b>48,007.3</b>	<b>49,677.5</b>	<b>50,943.0</b>
Domestic	26,880.6	26,913.0	26,899.8	27,664.0	28,809.5	29,665.0
External	17,850.8	19,822.0	19,709.2	20,343.3	20,868.0	21,278.0
Public debt (% of GDP)	54.2%	56.6%	56.5%	58.2%	55.1%	56.5%

**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 Mar (19Q1)	19Q2	19Q2	End 19Q2	19Q1 to 19Q2
<b>Short term (upto one year)</b>	<b>16,178.4</b>	<b>978.3</b>	<b>148.7</b>	<b>17,008.4</b>	<b>830.0</b>
MVR Treasury Bills	13,867.9	173.9	-	14,041.8	173.9
RDC USD/MVR T-Bills	807.5	32.4	-	839.9	32.4
USD T-Bills	769.0	772.0	-	1,541.0	772.0
Mudharabah	490.0	-	120.0	370.0	(120.0)
RDC USD/MVR Mudharabah	215.3	-	-	215.7	0.4
Murabahah	28.7	-	28.7	-	(28.7)
Wakalah bi al-Istithmar	-	-	-	-	-
<b>Long term (over one year)</b>	<b>17,995.8</b>	<b>44.3</b>	<b>18.6</b>	<b>18,032.0</b>	<b>36.2</b>
Sovereign Bond (5 years)	5,383.0	-	-	5,393.5	10.5
MMA Bond	6,142.1	-	18.6	6,123.4	(18.6)
Pension Recognition Bond	3,422.8	44.3	-	3,467.1	44.3
Pension Bonds	3,048.0	-	-	3,048.0	-
Sukuk Murabaha	-	-	-	-	-

## 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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**TABLE 8: KEY ECONOMIC INDICATORS**

	2014	2015	2016	2017	2018	2019 Forecast	Q2 2018	Q3 2018	Q4 2018	Q1 2019	Q2 2019
<b>Real Sector</b>											
Real GDP Growth Rate (%)	7.3	2.9	7.3	6.9	7.6	6.8	3.8	5.3	4.7	3.1	na
Nominal GDP (MVR millions)	56,866.7	63,146.7	67,837.0	74,866.2	82,504.3	90,188.2	na	na	na	na	na
Inflation - Republic (%)	2.1	1.0	0.5	2.8	-0.1	0.1	-1.5	0.4	-0.2	-1.2	1.3
Tourist arrivals (thousands)	1,204.9	1,234.2	1,286.1	1,389.5	1,484.3	na	306	354	404	483	379.6
Tourist bednights (thousands)	7,505.6	7,322.7	7,770.9	8,596.0	9,471.8	na	1,983	2,215	2,533	3,024	2,395.7
Fish Purchases (mt)	50,511.2	45,235.2	53,876.0	76,620.7	78,323.3	na	19,225.0	12,948.4	24,789.5	25,658.2	19,378.4
Volume of Fish Exports (mt)	48,183.2	43,532.7	46,500.8	72,000.4	65,813.4	na	15,542.5	8,711.4	23,972.2	16,871.9	16,091.8
Value of Fish Exports (USD millions)	139.1	137.3	134.8	193.1	173.8	na	42.4	29.8	55.5	50.2	38.5
Global Oil Prices (USD)	96.2	50.8	42.8	52.8	68.4	na	71.4	73.0	64.3	60.5	65.1
Global Food Index	99.7	83.0	90.3	88.2	86.1	na	93.4	85.6	86.1	86.2	88.1
<b>Monetary Sector</b>											
Broad Money (MVR millions)	27,197.1	30,491.9	30,436.3	32,005.9	33,089.0	na	32,806.9	31,575.4	33,088.3	37,010.5	35,163.6
Domestic Claims (MVR millions)	25,817.8	29,993.8	35,958.6	36,484.7	39,141.8	na	37,072.6	38,717.8	39,251.5	38,692.2	40,052.2
Net Claims on Central Government (MVR millions)	9,145.5	11,380.0	13,394.4	11,671.1	13,000.7	na	11,186.3	12,056.6	13,004.5	12,385.0	13,308.3
Claims on Private Sector (MVR millions)	15,050.1	16,817.0	18,583.0	20,723.4	22,978.6	na	25,886.3	26,661.2	26,247.0	26,307.2	26,743.9
<b>External Sector</b>											
Merchandise Exports (USD millions)	300.9	239.8	256.2	318.3	339.2	na	70.6	74.6	105.3	125.0	80.2
Merchandise Imports (USD millions)	1,992.5	1,896.3	2,125.4	2,360.4	2,959.8	na	684.4	754.6	765.9	714.7	692.0
Gross International Reserves (USD millions)	614.7	564.0	467.1	587.3	712.0	686.5	726.4	564.7	712.0	776.2	677.4
Usable Reserves (USD millions)	150.0	199.5	200.0	207.6	281.4	na	288.0	192.7	281.4	251.8	276.0



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