



**KINGDOM OF LESOTHO**

# **FISCAL REPORT**

Evaluating Fiscal Year 2022/23

Prepared by:  
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## **FOREWORD**

A sound fiscal policy is essential to realise macroeconomic stability and sustainable national development agenda, especially in a fixed exchange rate regime like Lesotho, where Fiscal policy is the only active policy influencing macroeconomic stability. The policy does not only involve revenue and expenditure efficiencies but also incorporates institutional and government structure, fiscal transparency – timely and quality reporting – credible and sustainable policy formulation and effective fiscal risk management.

Lesotho's fiscal strategy is pointed at improving economic competitiveness and resilience, ensuring sustainable growth and enhancing the welfare of Basotho. Simultaneously, the Government remains committed to enhancing domestic revenue base and optimising expenditure, thus creating fiscal space for countercyclical measures to stimulate the economy while ensuring debt sustainability.

**NTHOATENG LEBONA**  
PRINCIPAL SECRETARY  
Ministry of Finance & Development Planning

## **ACKNOWLEDGEMENT**

This edition of the Fiscal Report was prepared by a team of technical officers from the Department of Macroeconomic Policy and Management (Department of Economic Policy), Ministry of Finance and Development Planning (MoF&DP), Lesotho Government. The individual contributions and the support provided by staff team of the International Monetary Fund (IMF) are commended for this notable exercise.

Continued collaboration between Government departments and Agencies responsible for macroeconomic analysis, research and planning is vital for Lesotho Government to act as one in the production of such outputs and pursuit of National Strategic Development Plan (NSDP).

## Introduction

The significant influence of SACU revenue on government resource envelop (the fiscus), calls for government to implement efforts to curb the impact of the volatility in SACU revenue on the total government revenue and thus the overall budget. The overall fiscal balance has over the years mimicked the direction of SACU receipts as a major category of government revenue.

The actual fiscal balance improved in FY22/23 to M2,050.90 million (5.4 percent of GDP) compared to a planned deficit of M3,282.5 million (7.7 percent of GDP)<sup>1</sup>. The observed improvement in fiscal operations against proposed budget was attributed to controlled public expenditure during the year which resulted to Public expenditure slowing to M20,533.5 million (54.2 percent of GDP) against proposed budget of M23,014 million (60.7 percent of GDP). Compared with FY21/22 outturn, the 2022/23 budget maintained an expansionary fiscal policy, with Expenditure rising by 8.6 percent from M18,908.6 million in FY21/22 to M20,533.5 million in FY22/23, due to increased compensation of employees and debt service.

During the review year, domestic revenue on the other hand, grew by 4 percent of GDP (M1,514.56 million) in FY22/23 compared with FY21/22 outturn, driven by increases in capital grants and taxes on goods and services. Transfers from the Southern African Customs Union (SACU) were however, lower by M608.47 million relative to FY21/22 outturn and made up 14.2 percent of GDP against 16.9 percent of GDP observed in 2021/22.

## Revenue

**Total revenue continues to be dominated by Taxes and SACU receipts.** In FY22/23, Total revenue including grants and SACU, grew by 8.9 percent from M16,968.1 million in FY21/22 to 18,482.6 million, and by 20 percent compared to the pre-pandemic 5-year average of M15,373.4 million.

Tax revenue amounted to M8,486.1 million, higher by 9.41 percent or M729.6 million. Tax revenue as percent of GDP increased by 22.4 percent or by 0.5 percentage points compared to FY21/22 level of M7,756.5. Evaluated with an average of five years prior to the pandemic of M6,804.1 million, tax revenue was higher by 24.7 percent.

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<sup>1</sup> 2022-2023 Ministry of Finance Budget Speech 2<sup>nd</sup> March 2022, Annex I

Figure 1.0: Revenue

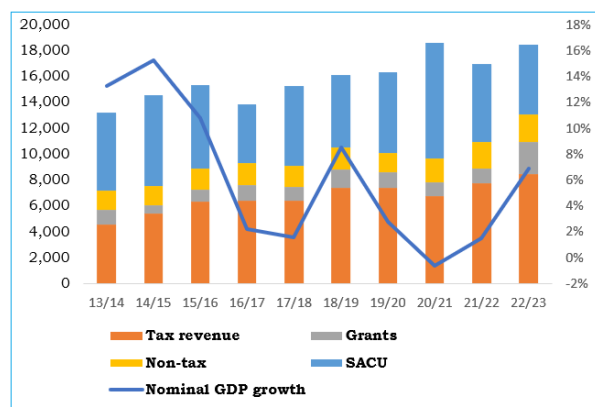
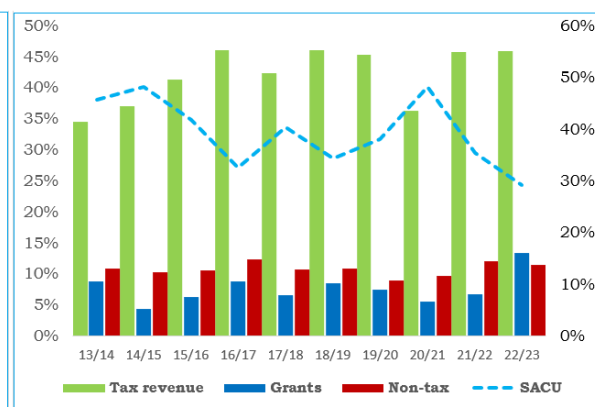


Figure 1.1: SACU &amp; Tax as % of Total



Source: MoF&DP – Macroeconomic Policy Department

SACU revenues fell by 10.1 percent from M6,008.0 million in FY21/22 to M5,399.5 million in FY22/23, and account for over 48.8 percent of total revenues and grants. This shortfall was offset by strong grants which grew by over 100 percent relative to FY21/22 and totalled M2,477.1 million. Grants have a historical average of 3.5 percent of GDP and made up 13 percent of the total revenue, which is about twice the pre-pandemic five-year moving average of 7.6 percent.

Table 1: Composition of Revenue Receipts, FY22/23  
(% of Total Revenue Receipts)

	13/14	14/15	15/16	16/17	17/18	18/19	19/20	20/21	21/22	22/23
	A	A	A	A	A	A	A	A	A	A
SACU	45.7	48.2	41.8	32.6	40.4	34.4	38.1	48.2	35.4	29.2
Tax revenue	34.5	37.1	41.3	46.1	42.3	46.1	45.4	36.4	45.7	45.9
Grants	8.9	4.4	6.3	8.9	6.6	8.5	7.5	5.6	6.8	13.4
Non-tax	11.0	10.4	10.6	12.4	10.7	10.9	8.9	9.8	12.1	11.5

Source: MoF&DP – Macroeconomic Policy Department

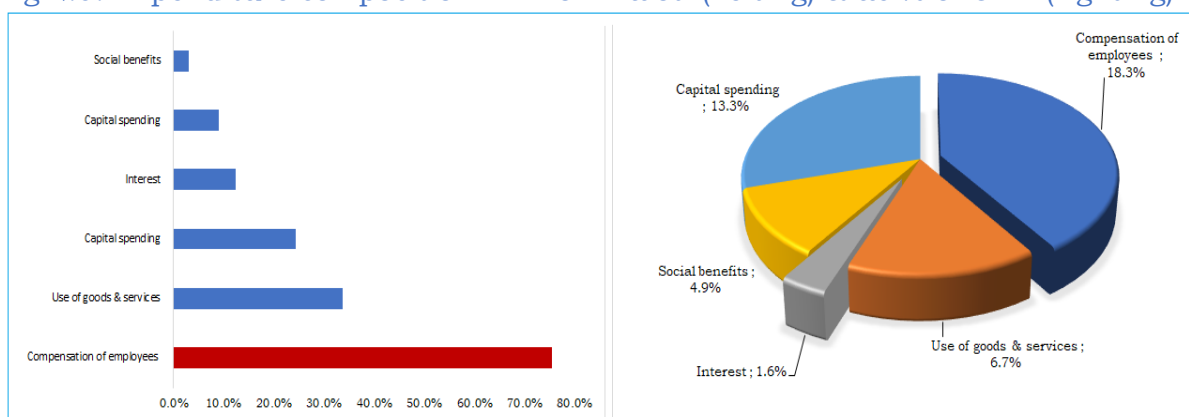
## Expenditure

Total expenditure increased by 8.6 percent (M1,624.9 million) in FY22/23 relative to FY21/22, which is equivalent to 54.2 percent of GDP. This expenditure was lower than the proposed budget by 6.5 percent of GDP (M2,480.50). Recurrent expenditure continued to account for 75.5 percent of the total, with the remainder allocated to capital expenditure.

Within recurrent spending, compensation of employees accounted for 33.7 percent of total expenditure in FY22/23 and 18.3 percent of GDP. Use of goods and services on the other hand, accounted for 12.4 percent of the total expenditure while Social benefits made up 4.9 percent.

In the same review period, total interest payments grew by 22.6 percent relative to FY21/22 and contributed 1.6 percent of the total spending. Interest payment to residents has grown by 13 percent and made up 0.8 percent of GDP.

Fig 2.0: Expenditure composition -Million Maloti (Left fig) & as % of GDP (right fig)



Source: MoF&DP – Macroeconomic Policy and Management Department

On the flip side, total development expenditure only increased by M49.7 million (0.13 percent of GDP) in 2022/23 compared with FY21/22, to M5,036.0 million. When measured against historical pre-pandemic performance, investment spending has remained quite the same at 13.1 percent of GDP between FY15/16 and FY19/20, while in FY22/23 was 13.3 percent of GDP.

### Net Lending/Borrowing (Overall Fiscal Balance)

The noteworthy impact of SACU revenue on the fiscus, calls for government to implement efforts to curb the influence of the fluctuation in SACU receipts on the total government revenue and thus the overall government resource envelop (budget). The overall fiscal balance has over the years mimicked the trajectory of SACU revenue as a major category of government revenue.

As discussed, the overall balance in FY22/23 demonstrates Government expansionary fiscal stance. Overall fiscal deficit was M2,050.9 million or 5.4 percent of GDP. The deterioration in fiscal position was as a result of lower SACU revenues which offset observed increase in tax revenue coupled with stubbornly high recurrent spending fuelled by high wage bill as a share of both total recurrent expenditure and as a percent of GDP (Table 2.2 and 2.4).

Table 2.1: Government Budget Operations by Economic function, FY19/20-FY22/23  
(in Million Maloti)

	Actual FY19/20	Actual FY20/21	Actual FY21/22	Actual FY22/23
<b>REVENUE</b>	<b>16,322.5</b>	<b>18,635.1</b>	<b>16,968.1</b>	<b>18,482.6</b>
<b>Tax revenue</b>	<b>7,410.6</b>	<b>6,778.6</b>	<b>7,756.5</b>	<b>8,486.1</b>
Taxes on income, profits, and capital gains	4,052.1	3,722.1	4,087.9	4,305.9
Income tax - payable by individuals	2,195.7	2,548.3	2,377.8	2,504.6
Income tax - payable by corporations and other enterprises	1,004.4	431.5	867.9	914.2
Income tax - other	851.9	742.4	842.2	887.1
Taxes on goods and services	3,358.5	3,056.4	3,668.5	4,180.2
Value-added tax	2,906.6	2,607.7	3,051.2	3,603.3
Excise taxes	433.1	420.1	596.7	550.9
Taxes on specific services	7.1	8.4	20.5	26.0
<b>Grants</b>	<b>1,228.6</b>	<b>1,051.3</b>	<b>1,155.3</b>	<b>2,477.1</b>
<b>Other revenue</b>	<b>1,457.0</b>	<b>1,824.7</b>	<b>2,048.3</b>	<b>2,119.9</b>
Property income	531.7	624.5	659.1	706.5
Dividends	175.8	117.8	78.7	202.4
Rent	348.3	487.6	568.0	490.8
Sales of goods and services	924.0	1,199.4	1,388.9	1,413.4
Electricity Muela	43.7	50.7	60.1	56.5
Water Royalties - LHDA	809.3	1,073.7	1,303.2	1,342.9
<b>SACU</b>	<b>6,226.2</b>	<b>8,980.5</b>	<b>6,008.0</b>	<b>5,399.5</b>
<b>EXPENSE (Statutory + Non Statutory + Salary Increase)</b>	<b>13,756.1</b>	<b>14,726.5</b>	<b>13,922.2</b>	<b>15,497.5</b>
<b>Compensation of Employees</b>	<b>5,922.3</b>	<b>6,029.7</b>	<b>6,130.2</b>	<b>6,921.2</b>
Wages and salaries	5,456.8	5,501.6	5,584.3	6,306.0
<b>Use of goods and services</b>	<b>3,132.3</b>	<b>2,330.5</b>	<b>2,152.5</b>	<b>2,540.7</b>
<b>Interest Payments</b>	<b>502.1</b>	<b>544.1</b>	<b>504.8</b>	<b>618.9</b>
Nonresidents	236.6	262.1	238.1	317.4
Residents other than general government	265.5	282.0	266.7	301.5
<b>Subsidies</b>	<b>341.0</b>	<b>1,040.7</b>	<b>547.8</b>	<b>554.6</b>
Grants to international organisations	34.4	43.1	47.4	75.2
Grants to other general government units	1,272.6	1,957.5	1,602.5	1,657.2
<b>Social benefits</b>	<b>1,687.3</b>	<b>1,846.9</b>	<b>1,876.6</b>	<b>1,874.6</b>
<b>Other expense</b>	<b>864.1</b>	<b>934.0</b>	<b>1,060.4</b>	<b>1,254.9</b>
Student Grants	761.5	891.4	950.0	1,030.2
Other expense	102.5	42.6	110.4	224.7
<b>Capital Budget</b>	<b>4,725.6</b>	<b>3,914.0</b>	<b>4,986.4</b>	<b>5,036.0</b>
<b>Overall Fiscal Deficit/Surplus</b>	<b>-2,159.2</b>	<b>-5.4</b>	<b>-1,940.5</b>	<b>-2,050.9</b>
<i>% of GDP</i>	<i>-6.1</i>	<i>0.0</i>	<i>-5.5</i>	<i>-5.4</i>
<b>GDP</b>	<b>35,111.6</b>	<b>34,911.0</b>	<b>35,445.9</b>	<b>37,898.3</b>

Source: MoF&DP – Macroeconomic Policy Department



Table 2.2: Revenue and expenditure, FY19/20-FY22/23 (% of Total)

	Actual FY19/20	Actual FY20/21	Actual FY21/22	Actual FY22/23	% of Total
<b>REVENUE</b>	<b>16,322.5</b>	<b>18,635.1</b>	<b>16,968.1</b>	<b>18,482.6</b>	
<b>Tax revenue</b>	<b>7,410.6</b>	<b>6,778.6</b>	<b>7,756.5</b>	<b>8,486.1</b>	<b>45.9</b>
Taxes on income, profits, and capital gains	4,052.1	3,722.1	4,087.9	4,305.9	23.3
Income tax - payable by individuals	2,195.7	2,548.3	2,377.8	2,504.6	13.6
Income tax - payable by corporations and other enterprises	1,004.4	431.5	867.9	914.2	4.9
Income tax - other	851.9	742.4	842.2	887.1	4.8
Taxes on goods and services	3,358.5	3,056.4	3,668.5	4,180.2	22.6
Value-added tax	2,906.6	2,607.7	3,051.2	3,603.3	19.5
Excise taxes	433.1	420.1	596.7	550.9	3.0
Taxes on specific services	7.1	8.4	20.5	26.0	0.1
<b>Grants</b>	<b>1,228.6</b>	<b>1,051.3</b>	<b>1,155.3</b>	<b>2,477.1</b>	<b>13.4</b>
<b>Other revenue</b>	<b>1,457.0</b>	<b>1,824.7</b>	<b>2,048.3</b>	<b>2,119.9</b>	<b>11.5</b>
Property income	531.7	624.5	659.1	706.5	3.8
Dividends	175.8	117.8	78.7	202.4	1.1
Rent	348.3	487.6	568.0	490.8	2.7
Sales of goods and services	924.0	1,199.4	1,388.9	1,413.4	7.6
Electricity Muela	43.7	50.7	60.1	56.5	0.3
Water Royalties - LHDA	809.3	1,073.7	1,303.2	1,342.9	7.3
<b>SACU</b>	<b>6,226.2</b>	<b>8,980.5</b>	<b>6,008.0</b>	<b>5,399.5</b>	<b>29.2</b>
<b>EXPENSE (Statutory + Non Statutory + Salary Increase)</b>	<b>13,756.1</b>	<b>14,726.5</b>	<b>13,922.2</b>	<b>15,497.5</b>	<b>75.5</b>
<b>Compensation of Employees</b>	<b>5,922.3</b>	<b>6,029.7</b>	<b>6,130.2</b>	<b>6,921.2</b>	<b>33.7</b>
Wages and salaries	5,456.8	5,501.6	5,584.3	6,306.0	30.7
<b>Use of goods and services</b>	<b>3,132.3</b>	<b>2,330.5</b>	<b>2,152.5</b>	<b>2,540.7</b>	<b>12.4</b>
<b>Interest Payments</b>	<b>502.1</b>	<b>544.1</b>	<b>504.8</b>	<b>618.9</b>	<b>3.0</b>
Nonresidents	236.6	262.1	238.1	317.4	1.5
Residents other than general government	265.5	282.0	266.7	301.5	1.5
<b>Subsidies</b>	<b>341.0</b>	<b>1,040.7</b>	<b>547.8</b>	<b>554.6</b>	<b>2.7</b>
<b>Grants to international organisations</b>	<b>34.4</b>	<b>43.1</b>	<b>47.4</b>	<b>75.2</b>	<b>0.4</b>
<b>Grants to other general government units</b>	<b>1,272.6</b>	<b>1,957.5</b>	<b>1,602.5</b>	<b>1,657.2</b>	<b>8.1</b>
<b>Social benefits</b>	<b>1,687.3</b>	<b>1,846.9</b>	<b>1,876.6</b>	<b>1,874.6</b>	<b>9.1</b>
<b>Other expense</b>	<b>864.1</b>	<b>934.0</b>	<b>1,060.4</b>	<b>1,254.9</b>	<b>6.1</b>
Student Grants	761.5	891.4	950.0	1,030.2	5.0
Other expense	102.5	42.6	110.4	224.7	1.1
<b>Capital Budget</b>	<b>4,725.6</b>	<b>3,914.0</b>	<b>4,986.4</b>	<b>5,036.0</b>	<b>24.5</b>

Source: MoF&amp;DP – Macroeconomic Policy Department

Table 2.3: Revenue and expenditure, FY19/20-FY22/23 (% of Total in FY22/23 compared with pre-pandemic performance)

	Actual FY19/20	Actual FY20/21	Actual FY21/22	Actual FY22/23	% of Total	Pre- COVID-19
<b>REVENUE</b>	<b>16,322.5</b>	<b>18,635.1</b>	<b>16,968.1</b>	<b>18,482.6</b>	<b>8.9</b>	<b>13.2</b>
<b>Tax revenue</b>	<b>7,410.6</b>	<b>6,778.6</b>	<b>7,756.5</b>	<b>8,486.1</b>	<b>9.4</b>	<b>14.5</b>
Taxes on income, profits, and capital gains	4,052.1	3,722.1	4,087.9	4,305.9	5.3	6.3
Income tax - payable by individuals	2,195.7	2,548.3	2,377.8	2,504.6	5.3	14.1
Income tax - payable by corporations and other enterprises	1,004.4	431.5	867.9	914.2	5.3	-9.0
Income tax - other	851.9	742.4	842.2	887.1	5.3	4.1
Taxes on goods and services	3,358.5	3,056.4	3,668.5	4,180.2	13.9	24.5
Value-added tax	2,906.6	2,607.7	3,051.2	3,603.3	18.1	24.0
Excise taxes	433.1	420.1	596.7	550.9	-7.7	27.2
Taxes on specific services	7.1	8.4	20.5	26.0	26.4	264.1
<b>Grants</b>	<b>1,228.6</b>	<b>1,051.3</b>	<b>1,155.3</b>	<b>2,477.1</b>	<b>114.4</b>	<b>101.6</b>
<b>Other revenue</b>	<b>1,457.0</b>	<b>1,824.7</b>	<b>2,048.3</b>	<b>2,119.9</b>	<b>3.5</b>	<b>45.5</b>
Property income	531.7	624.5	659.1	706.5	7.2	32.9
Dividends	175.8	117.8	78.7	202.4	157.2	15.1
Rent	348.3	487.6	568.0	490.8	-13.6	40.9
Sales of goods and services	924.0	1,199.4	1,388.9	1,413.4	1.8	53.0
Electricity Muela	43.7	50.7	60.1	56.5	-6.1	29.1
Water Royalties - LHDA	809.3	1,073.7	1,303.2	1,342.9	3.1	65.9
<b>SACU</b>	<b>6,226.2</b>	<b>8,980.5</b>	<b>6,008.0</b>	<b>5,399.5</b>	<b>-10.1</b>	<b>-13.3</b>
<b>EXPENSE (Statutory + Non Statutory + Salary Increase)</b>	<b>13,756.1</b>	<b>14,726.5</b>	<b>13,922.2</b>	<b>15,497.5</b>	<b>75.5</b>	<b>12.7</b>
<b>Compensation of Employees</b>	<b>5,922.3</b>	<b>6,029.7</b>	<b>6,130.2</b>	<b>6,921.2</b>	<b>33.7</b>	<b>16.9</b>
Wages and salaries	5,456.8	5,501.6	5,584.3	6,306.0	30.7	15.6
<b>Use of goods and services</b>	<b>3,132.3</b>	<b>2,330.5</b>	<b>2,152.5</b>	<b>2,540.7</b>	<b>12.4</b>	<b>-18.9</b>
<b>Interest Payments</b>	<b>502.1</b>	<b>544.1</b>	<b>504.8</b>	<b>618.9</b>	<b>3.0</b>	<b>23.3</b>
Nonresidents	236.6	262.1	238.1	317.4	1.5	34.2
Residents other than general government	265.5	282.0	266.7	301.5	1.5	13.6
<b>Subsidies</b>	<b>341.0</b>	<b>1,040.7</b>	<b>547.8</b>	<b>554.6</b>	<b>2.7</b>	<b>62.6</b>
<b>Grants to international organisations</b>	<b>34.4</b>	<b>43.1</b>	<b>47.4</b>	<b>75.2</b>	<b>0.4</b>	<b>118.5</b>
<b>Grants to other general government units</b>	<b>1,272.6</b>	<b>1,957.5</b>	<b>1,602.5</b>	<b>1,657.2</b>	<b>8.1</b>	<b>30.2</b>
<b>Social benefits</b>	<b>1,687.3</b>	<b>1,846.9</b>	<b>1,876.6</b>	<b>1,874.6</b>	<b>9.1</b>	<b>11.1</b>
<b>Other expense</b>	<b>864.1</b>	<b>934.0</b>	<b>1,060.4</b>	<b>1,254.9</b>	<b>6.1</b>	<b>45.2</b>
Student Grants	761.5	891.4	950.0	1,030.2	5.0	35.3
Other expense	102.5	42.6	110.4	224.7	1.1	119.2
<b>Capital Budget</b>	<b>4,725.6</b>	<b>3,914.0</b>	<b>4,986.4</b>	<b>5,036.0</b>	<b>24.5</b>	<b>6.6</b>

Source: MoF&DP – Macroeconomic Policy Department

Table 2.4: Revenue and expenditure, FY19/20-FY22/23 (% of GDP)

	Actual 2021/20	Actual FY20/21	Actual FY21/22	Actual FY22/23
<b>REVENUE</b>	<b>46.0</b>	<b>52.6</b>	<b>47.9</b>	<b>48.8</b>
<b>Tax revenue</b>	<b>20.9</b>	<b>19.1</b>	<b>21.9</b>	<b>22.4</b>
Taxes on income, profits, and capital gains	11.4	10.5	11.5	11.4
Income tax - payable by individuals	6.2	7.2	6.7	6.6
Income tax - payable by corporations and other enterprises	2.8	1.2	2.4	2.4
Income tax - other	2.4	2.1	2.4	2.3
Taxes on goods and services	9.5	8.6	10.3	11.0
Value-added tax	8.2	7.4	8.6	9.5
Excise taxes	1.2	1.2	1.7	1.5
<b>Grants</b>	<b>3.5</b>	<b>3.0</b>	<b>3.3</b>	<b>6.5</b>
<b>Other revenue</b>	<b>4.1</b>	<b>5.1</b>	<b>5.8</b>	<b>5.6</b>
Property income	1.5	1.8	1.9	1.9
Dividends	0.5	0.3	0.2	0.5
Rent	1.0	1.4	1.6	1.3
Sales of goods and services	2.6	3.4	3.9	3.7
Electricity Muela	0.1	0.1	0.2	0.1
Water Royalties - LHDA	2.3	3.0	3.7	3.5
<b>SACU</b>	<b>17.6</b>	<b>25.3</b>	<b>16.9</b>	<b>14.2</b>
<b>EXPENSE (Statutory + Non Statutory + Salary Increase)</b>	<b>38.8</b>	<b>41.5</b>	<b>39.3</b>	<b>40.9</b>
<b>Compensation of Employees</b>	<b>16.7</b>	<b>17.0</b>	<b>17.3</b>	<b>18.3</b>
Wages and salaries	15.4	15.5	15.8	16.6
<b>Use of goods and services</b>	<b>8.8</b>	<b>6.6</b>	<b>6.1</b>	<b>6.7</b>
<b>Interest Payments</b>	<b>1.4</b>	<b>1.5</b>	<b>1.4</b>	<b>1.6</b>
Nonresidents	0.7	0.7	0.7	0.8
Residents other than general government	0.7	0.8	0.8	0.8
<b>Subsidies</b>	<b>1.0</b>	<b>2.9</b>	<b>1.5</b>	<b>1.5</b>
<b>Grants to international organisations</b>	<b>0.1</b>	<b>0.1</b>	<b>0.1</b>	<b>0.2</b>
<b>Grants to other general government units</b>	<b>3.6</b>	<b>5.5</b>	<b>4.5</b>	<b>4.4</b>
<b>Social benefits</b>	<b>4.8</b>	<b>5.2</b>	<b>5.3</b>	<b>4.9</b>
<b>Other expense</b>	<b>2.4</b>	<b>2.6</b>	<b>3.0</b>	<b>3.3</b>
Student Grants	2.1	2.5	2.7	2.7
Other expense	0.3	0.1	0.3	0.6
<b>Capital Budget</b>	<b>13.3</b>	<b>11.0</b>	<b>14.1</b>	<b>13.3</b>
<b>CASH SURPLUS / DEFICIT</b>	<b>-6.1</b>	<b>0.0</b>	<b>-5.5</b>	<b>-5.4</b>
<b>Months of Import Coverage</b>	<b>4.6</b>	<b>4.3</b>	<b>4.6</b>	<b>4.6</b>

Source: MoF&amp;DP – Macroeconomic Policy Department

Table 2.5: Monthly Government Budget Operations by Economic Function - FY22/23 – (Million Maloti)

	Apr-22	May-22	Jun-22	Jul-22	Aug-22	Sep-22	Oct-22	Nov-22	Dec-22	Jan-23	Feb-23	Mar-23	FY22/23	Budget 2022/23
	A	A	A	A	A	A	A	A	A	A	A	A		
<b>Revenue</b>	<b>2,318.4</b>	<b>960.7</b>	<b>1,123.6</b>	<b>2,366.1</b>	<b>1,023.0</b>	<b>1,188.6</b>	<b>2,486.9</b>	<b>971.7</b>	<b>1,283.9</b>	<b>2,394.8</b>	<b>803.2</b>	<b>1,561.7</b>	<b>18,482.6</b>	<b>19,731.9</b>
<b>Tax revenue</b>	<b>589.6</b>	<b>627.4</b>	<b>765.0</b>	<b>708.0</b>	<b>658.2</b>	<b>888.5</b>	<b>634.1</b>	<b>593.3</b>	<b>901.6</b>	<b>702.6</b>	<b>515.9</b>	<b>901.8</b>	<b>8,486.1</b>	<b>9,511.8</b>
Taxes on income, profits, and capital gains	259.6	324.0	417.6	388.9	294.0	485.5	320.6	213.7	482.6	331.5	217.9	570.0	4,305.9	4,855.7
Payable by individuals	151.0	188.4	242.9	226.2	171.0	282.4	186.5	124.3	280.7	192.8	126.7	331.5	2,504.6	2,702.0
Payable by corporations and other enterprises	55.1	68.8	88.7	82.6	62.4	103.1	68.1	45.4	102.5	70.4	46.3	121.0	914.2	1,664.9
Income tax - other	53.5	66.7	86.0	80.1	60.6	100.0	66.1	44.0	99.4	68.3	44.9	117.4	887.1	948.8
Taxes on goods and services	330.0	303.5	347.5	319.1	364.2	403.0	313.5	379.6	419.0	371.1	298.0	331.8	4,180.2	4,655.0
Value-added tax	282.2	259.3	298.7	275.9	319.9	354.8	261.2	333.4	370.1	317.2	250.2	280.4	3,603.3	3,835.7
Excise taxes	46.5	42.6	46.7	41.3	42.8	48.2	43.9	45.1	46.5	52.2	46.7	48.5	550.9	801.6
Taxes on specific services	1.3	1.6	2.1	2.0	1.5	0.0	8.4	1.1	2.4	1.7	1.1	2.9	26.0	8.5
<b>Grants</b>	<b>218.5</b>	<b>177.6</b>	<b>176.2</b>	<b>176.2</b>	<b>176.2</b>	<b>176.2</b>	<b>176.2</b>	<b>176.2</b>	<b>176.2</b>	<b>176.2</b>	<b>176.2</b>	<b>495.3</b>	<b>2,477.1</b>	<b>2,260.9</b>
<b>Other revenue</b>	<b>160.5</b>	<b>155.7</b>	<b>182.4</b>	<b>132.0</b>	<b>188.6</b>	<b>123.9</b>	<b>326.7</b>	<b>202.2</b>	<b>206.1</b>	<b>166.2</b>	<b>111.1</b>	<b>164.6</b>	<b>2,119.9</b>	<b>2,559.7</b>
Property income	45.1	39.1	64.1	15.5	54.9	1.9	215.1	91.1	87.8	48.6	5.4	38.1	706.5	922.5
Sales of goods and services	115.4	116.6	118.3	116.6	133.7	122.0	111.6	111.1	118.3	117.6	105.7	126.5	1,413.4	1,633.7
Electricity 'Muela	3.8	5.5	5.2	5.0	4.8	4.8	5.6	5.0	5.0	3.9	3.6	4.3	56.5	58.0
Water Royalities - LHDA	107.7	110.6	112.2	110.5	126.3	116.4	105.2	105.4	112.8	113.1	101.6	121.1	1,342.9	1,381.6
Incidental sales by nonmarket establishments	4.0	0.5	0.9	1.0	2.6	0.8	0.7	0.7	0.6	0.5	0.6	1.1	14.0	152.7
<b>SACU receipts</b>	<b>1,349.9</b>	<b>-</b>	<b>-</b>	<b>1,349.9</b>	<b>-</b>	<b>-</b>	<b>1,349.9</b>	<b>-</b>	<b>-</b>	<b>1,349.9</b>	<b>-</b>	<b>-</b>	<b>5,399.5</b>	<b>5,399.5</b>
<b>Expense</b>	<b>1,354.4</b>	<b>1,454.8</b>	<b>1,051.2</b>	<b>1,878.1</b>	<b>1,033.2</b>	<b>1,263.4</b>	<b>1,273.7</b>	<b>1,018.8</b>	<b>877.5</b>	<b>1,459.2</b>	<b>1,274.9</b>	<b>1,558.2</b>	<b>15,497.5</b>	<b>16,250.6</b>
<b>Compensation of Employees</b>	<b>524.0</b>	<b>552.1</b>	<b>590.0</b>	<b>628.6</b>	<b>584.0</b>	<b>582.1</b>	<b>558.2</b>	<b>509.1</b>	<b>501.5</b>	<b>502.3</b>	<b>651.9</b>	<b>737.3</b>	<b>6,921.2</b>	<b>7,887.0</b>
Wages and salaries	483.0	504.1	533.8	580.4	533.1	532.6	500.7	501.9	501.5	499.1	500.0	635.8	6,306.0	7,549.8
<b>Use of goods and services</b>	<b>51.2</b>	<b>586.7</b>	<b>-10.6</b>	<b>530.9</b>	<b>67.8</b>	<b>126.9</b>	<b>134.0</b>	<b>174.5</b>	<b>130.5</b>	<b>196.2</b>	<b>207.9</b>	<b>332.8</b>	<b>2,528.8</b>	<b>2,733.8</b>
<b>Interest Payments</b>	<b>5.4</b>	<b>20.8</b>	<b>39.6</b>	<b>23.5</b>	<b>39.0</b>	<b>141.7</b>	<b>46.0</b>	<b>22.0</b>	<b>66.3</b>	<b>18.9</b>	<b>40.8</b>	<b>155.1</b>	<b>618.9</b>	<b>766.5</b>
To nonresidents	3.7	18.5	15.2	21.6	19.6	72.2	10.2	11.5	26.8	16.2	16.7	85.2	317.4	415.7
To residents other than general government	1.7	2.3	24.4	1.9	19.4	69.5	35.8	10.5	39.5	2.7	24.1	69.9	301.5	350.7
<b>Subsidies</b>	<b>29.5</b>	<b>2.1</b>	<b>101.6</b>	<b>74.8</b>	<b>13.9</b>	<b>33.7</b>	<b>26.4</b>	<b>53.8</b>	<b>43.1</b>	<b>95.2</b>	<b>31.8</b>	<b>48.6</b>	<b>554.6</b>	<b>504.2</b>
To international organizations	-	-	51.0	-	0.3	0.1	-	-0.0	-	19.4	-	4.5	75.2	50.8
To other general government units	350.5	31.0	66.7	193.5	185.3	176.9	160.7	78.5	67.6	137.0	80.1	129.4	1,657.2	1,382.2
<b>Social benefits</b>	<b>187.0</b>	<b>144.8</b>	<b>156.9</b>	<b>185.6</b>	<b>142.1</b>	<b>62.4</b>	<b>208.3</b>	<b>178.8</b>	<b>65.0</b>	<b>241.3</b>	<b>159.5</b>	<b>143.0</b>	<b>1,874.6</b>	<b>1,786.3</b>
<b>Other expense</b>	<b>206.8</b>	<b>117.4</b>	<b>56.0</b>	<b>241.3</b>	<b>1.0</b>	<b>139.5</b>	<b>140.1</b>	<b>2.1</b>	<b>3.6</b>	<b>248.9</b>	<b>102.8</b>	<b>7.5</b>	<b>1,266.9</b>	<b>1,139.9</b>
Student Grants	200.0	-	54.1	184.8	-	127.1	139.4	-	-	250.0	74.9	-	1,030.2	1,030.2
<b>Gross Operating Balance</b>	<b>964.0</b>	<b>-494.1</b>	<b>72.4</b>	<b>488.0</b>	<b>-10.2</b>	<b>-74.8</b>	<b>1,213.1</b>	<b>-47.1</b>	<b>406.4</b>	<b>935.6</b>	<b>-471.7</b>	<b>3.5</b>	<b>2,985.1</b>	<b>3,481.3</b>
<b>Capital Budget</b>	<b>235.3</b>	<b>393.2</b>	<b>448.8</b>	<b>350.5</b>	<b>535.9</b>	<b>345.7</b>	<b>356.5</b>	<b>429.2</b>	<b>390.3</b>	<b>395.8</b>	<b>576.7</b>	<b>578.2</b>	<b>5,036.0</b>	<b>6,763.8</b>
<b>Expenditure</b>	<b>1,589.7</b>	<b>1,848.0</b>	<b>1,500.0</b>	<b>2,228.6</b>	<b>1,569.1</b>	<b>1,609.1</b>	<b>1,630.2</b>	<b>1,448.0</b>	<b>1,267.8</b>	<b>1,855.0</b>	<b>1,851.6</b>	<b>2,136.4</b>	<b>-20,533.5</b>	<b>23,014.4</b>
<b>Net lending (+) / Net borrowing (-)</b>	<b>728.7</b>	<b>-887.3</b>	<b>-376.5</b>	<b>137.5</b>	<b>-546.1</b>	<b>-420.5</b>	<b>856.6</b>	<b>-476.3</b>	<b>16.1</b>	<b>539.8</b>	<b>-1,048.4</b>	<b>-574.7</b>	<b>-2,050.9</b>	<b>-3,282.5</b>

Source: MoF&amp;DP – Macroeconomic Policy Department