



April FY23/24

Monthly Fiscal Performance

Monthly Bulletin Published by:

Department of Macroeconomic Policy

Government Revenues

Government Revenues in April 2023 see significant increase as SACU receipts tall well above 10 years historic levels and last year's Levels.

As at end-April 2022		As at end-April 2023
2,142.3	Total Revenue ▲ 56%	3,342.1
589.6	Total Tax ▼ -4.4%	563.9
42.3	Grants ▼ -77.1%	9.7
160.5	Non-Tax Rev ▲ 44.2%	231.4
1,349.9	SACU Rev ▲ 87.9%	2,537.1

Total Government revenues including grants and SACU took a remarkable turn in April 2023 as receipts expanded by a remarkable M3,342.1 million as compared to the same month the year prior, benefiting in the short run from high SACU revenue shares. SACU expanded by a stunning 87.9 percent to M2,537.1 million relative to M1,349.9 million received in the corresponding month of 2022 – **SACU revenue is remitted to Member States in the first week of each quarter of the year** - Despite having the highest monthly revenue total on record, tax revenue slowed by 4.5 percent

to M563.9 million relative to M589.6 million in the corresponding month of 2022. Greatly contributing to the decline was taxes on goods and services which saw a slowdown of 10.7 percent from M330.0 million in April 2022 to 296.5 million in April 2023.

Public Spending

Recurrent Expenditure: At the end of April 2023, total Government expenditure amounted to M1,087.6 million, down by 323.9 million, when compared to the same period in 2022. This is mainly due to reduction in current expenditure following measures put in place to scale down unproductive expenditure and paying more attention on more efficient well targeted spending. As a result, growth of compensation of employees slowed to M477.8 million in April and when compared with M524.0 million of the corresponding month in 2022, it slowed by 8.8 percent. Use of goods and services expenditure slowed by a staggering 92.9 percent over the review period relative to the matching month of 2022. While debt service for April 2023 compared with the same month of 2022 expanded by M104.4 million from M5.4 million to 109.5 million.

Table 1: Statement of Revenue (as of end April - 23)
In Million LSL

	Apr-22	Apr-23	Budget 2023/24	% of total Budget	Change
	A	A			
Revenue	2,142.3	3,342.1	25,116.6	13.3	56.0
Tax revenue	589.6	563.9	11,005.4	5.1	-4.4
Grants	42.3	9.7	1,182.8	0.8	-77.2
Other revenue	160.5	231.4	2,779.9	8.3	44.2
SACU receipts	1,349.9	2,537.1	10,148.4	25.0	88.0

Source: MoF&DP – Department of Economic Policy

Development Expenditure: No spending has been recorded for development expenditure of government units in April, while M59.1 million was spent in 2022. This follows an intend by the Government to spend on arrears where growth will be maximised.

Table 2: Statement of Expenditure (as of end April 23)
In Million LSL

	Apr-22	Apr-23	Budget 2023/24	% of total Budget	Change
	A	A			
Expense	1,352.4	1,087.6	17,776.9	6.1%	-20%
Compensation of Employees	524.0	477.8	7,223.9	6.6%	-8.8%
Use of goods and services	51.2	3.6	3,437.8	0.1%	-92.9%
Interest Payments	5.4	109.5	1,036.6	10.6%	1932%
Subsidies	29.5	53.9	485.6	11.1%	83%
Grants	350.5	86.7	1,433.0	6.0%	-75%
Social benefits	187.0	56.1	2,274.5	2.5%	-70%
Other expense	204.8	300.0	1,222.1	24.5%	46%
<i>Student Grants - National Manpower Development</i>	<i>200.0</i>	<i>300.0</i>	<i>1,109.2</i>	<i>27.0%</i>	<i>50%</i>
Gross Operating Balance	789.8	2,254.4	7,339.7	30.7%	185%
Nonfinancial Assets	59.1	-	6,763.8		
Expenditure	1,411.5	1,087.6	23,014.4	-323.9	-26.1%

Source: MoF&DP – Department of Economic Policy

Fiscal Performance at the End of April



Deficit/Surplus

As at end of April 2023, the budget achieved a surplus of M2,254.4 million compared to a surplus of M730.4 million registered over the same period in 2022.

Higher SACU receipts have buoyed fiscal account in April, but Lesotho remains at risk from the same vulnerabilities as at the onset of the pandemic.