END OF YEAR OUTCOME 2018

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COOPERATIVE REPUBLIC OF GUYANA

ELEVENTH PARLIAMENT

OF THE

COOPERATIVE REPUBLIC OF GUYANA

UNDER THE

CONSTITUTION OF THE

COOPERATIVE REPUBLIC OF GUYANA

FIRST SESSION 2019

END OF YEAR OUTCOME - 2018

Honourable Winston DaCosta Jordan, M.P.

Minister of Finance

April 12, 2019

Contents

1. Introduction

1.1 For the third consecutive occasion, the National Budget was presented to the National Assembly in November of the previous year. This record created by the presentation of Budget 2019, under the title "Transforming the Economy, Empowering People, Building Sustainable Communities for the Good Life," marked one of the earliest, being presented on November 26, 2018.

1.2 As is now customary, the information that is used to estimate the outturn of the previous year, 2018, at the time of the budget presentation for the following fiscal year, 2019, is a reflection of actuals up to the month of October and projections for the remaining months.

1.3 In keeping with this government's commitment to produce an end of year outcome statement during the first half of the year for the preceding year, the End of Year Outcome 2018 is being presented on April 12, 2019. This report captures any notable differences in the projections for 2018 made at the time of presenting Budget 2019 and the actual outturn for this period.

1.4 The statement is compiled using information available as at the end of February 2019, and may differ from forthcoming audit reports of the central government and the Bank of Guyana.

2. Global Economic Development

2.1 The International Monetary Fund (IMF), in its January 2019 World Economic Outlook Update, estimated global growth for 2018 at 3.7 percent. While this was in line with the forecast for 2018, at the time of the 2019 Budget Speech, the outlook for some economies varied amid weakening financial market sentiment, trade policy uncertainty, and concerns about China's outlook. The Fund now foresees the global economy losing momentum this year due to the aforementioned risks, and a carryover from a number of developments in advanced economies, in 2018. As a result, it has revised the 2019 global growth forecast downwards by 0.2 percentage points to 3.5 percent.

2.2 Advanced economies performed slightly weaker-than-expected, with growth for 2018 estimated at 2.3 percent, down 0.1 percentage points from the IMF's projection in October 2018. This stemmed largely from weaker growth in the euro area and Japan. The former expanded by 1.8 percent, 0.2 percentage points lower than previously forecasted, on account of three of the four largest economies – Germany, Italy and France – growing more slowly than anticipated in the second half of 2018. Germany was affected adversely by the introduction of revised automobile emission standards, Italy by weak domestic demand and higher borrowing costs, and France by street protests and strike actions. Similarly, Japan is estimated to have expanded by 0.9 percent, 0.2 percentage points weaker than previously estimated, on account of natural disasters disrupting a number of supply lines in the country. Notwithstanding the overall slower expansion in 2018, growth in the US and UK was estimated at 2.9 percent and 1.4 percent respectively, unchanged from the time of the presentation of the 2019 Budget Speech. Growth prospects for advanced economies in 2019 are now weaker at 2.0 percent, 0.1 percentage points lower than previously projected, as the risks and developments in the euro area mentioned above are anticipated to continue weighing on economic activity this year.

2.3 Growth in emerging and developing economies, in 2018, was revised downwards, recently, to 4.6 percent. This was largely on account of slower growth in the ASEAN-5 countries. Notwithstanding, growth in India, China and Russia was in line with the expansion projected at the time of Budget 2019, with the two former economies estimated to have expanded by 6.6 percent and 7.3 percent, respectively. The economic prospect for emerging and developing economies in 2019 has deteriorated, and is now forecasted at 4.5 percent. This represents a downward revision of 0.2 percentage points, largely due to a drag on Russia's growth prospects amid a weaker near-term oil price outlook.

2.4 Economic activity in the Latin American and Caribbean economies, at the end of 2018, was slower than previously anticipated, and prospects for 2019 have weakened. Growth in 2018 is estimated to have reached 1.1 percent, 0.1 percentage points lower than the forecast at the time of Budget 2019, as a result of a more severe contraction in Venezuela than previously anticipated. In 2019, this group of economies is projected to grow by 2 percent, 0.2 percentage points lower than previously reported due to lower projected private investment in Mexico in 2019.

2.5 The average price of Guyana's major traded commodities, at the end of 2018 was, for the most part, in line with the forecast reported at the time of Budget 2019. The world market prices of sugar, rice, timber, gold and aluminium varied slightly from initial projections, reaching US$0.28, US$421, US$270, US$1,269, and US$2,108, respectively. The World Bank, in its October 2018 Commodity Market Outlook, had projected these commodities to attain averages of US$0.27, US$420, US$270, US$1,259 and US$2,122, respectively, in 2018. While the prices of major export commodities remained stable at the end of 2018, the average price of Brent crude oil declined by 5.1 percent, to US$68.3 per barrel, when compared with the forecast at the time of Budget 2019, amid fears of a slowing global economy and an emerging supply glut.

2.6 Government remains committed to fostering development and growth that is sustainable and inclusive. However, political developments in late December 2018, which spilled into 2019, and unpredictable weather conditions, can pose threats to the performance of our key sectors. This can be aggravated by the continued influx of Venezuelans escaping deteriorating economic and social conditions – in January 2019, it was reported that about 3,868 documented Venezuelan migrants are in Guyana – and the difficult international conditions – trade tensions and uncertainty as well as challenging financial circumstances. We will continue to monitor developments on these fronts and intervene as appropriate.

3. Domestic Development

A. Real Sector

3.1 With the benefit of a near complete set of final data, the 2018 growth rate in real gross domestic product (GDP) was revised upwards to 4.1 percent, a significant outturn from the conservatively forecasted 3.4 percent growth rate, in November 2018. This revision was attributed to further improvements in production across all major sectors than previously predicted (see Table 3).

Table 1.
Production of selected commodities, 2018

Item	2018 Budget (As at Budget 2018)	2018 Revised (As at Budget 2019)	2018 Revised (As at March 2019)
Sugar, tonnes	115,447	98,000	104,642
Rice, tonnes	617,353	631,668	626,907
Bauxite, tonnes	1,897,205	1,929,857	1,924,558
Gold, ounces	736,000	568,116	613,073
Timber, cubic metres	320,760	353,200	361,519

Source: Bureau of Statistics

3.2 The agriculture, fishing and forestry sector grew by 1.5 percent in 2018, 0.4 percentage points better than the previous forecast. This was due to significantly higher production of sugar, livestock and timber, which resulted in growth in these industries being revised upwards by 4.8 percentage points, 1.9 percentage points and 1.6 percentage points, respectively. The upturn in sugar production was as a result of better-than-expected performance of the second crop, which saw the three operational sugar estates – Albion, Blairmont and Uitvlugt – surpassing the production levels achieved in 2017. The revised growth in the livestock industry reflected better-than-expected output of poultry and eggs. In the forestry sub-sector, production in the last two months of 2018 surpassed expectations. This was as a consequence of improvements in hinterland roads and favourable weather conditions. Small producers continued to drive production in the sub-sector, accounting for 87 percent of overall output in 2018. The growth in these three industries was sufficient to offset contractions in the rice and fishing industries, which ended the year 0.8 percentage points and 4.3 percentage points, respectively, below projections in Budget 2019. The marginal contraction in paddy production was due to lower-than-anticipated yields towards the end of the second crop, whereas the decline in the fishing sector was due to lower prawn and shrimp catch.

3.3 The mining and quarrying sector recorded growth of 2.9 percent in 2018, 5.2 percentage points above the previous forecast. The reversal in this sector was primarily due to higher gold declaration, which exceeded the previous projection by 7.9 percent. After lower-than-expected production for much of the second half of 2018, Guyana Goldfields saw an increase in December 2018, with output rising to its highest level since August 2018. The industry also benefitted from an uptick in declarations by small and medium-sized miners in the last two months of 2018, during which small miners accounted for 26.2 percent of 2018's declarations by this class of miners. Small miners benefitted from rising gold prices and improved mining conditions, as a result of improved weather and repairs to hinterland roads. The significant growth in gold production was large enough to offset slightly slower growth in the bauxite and other mining industries, which fell by 1.6 percentage points and 0.8 percentage points, respectively, when compared with the forecast in Budget 2019. However, both of these industries recorded robust growth relative to 2017, with bauxite rising by 24.6 percent and other mining by 45.9 percent.

Table 2.
Gold production by industry participants, 2018

Participant	2018 Projection (As in Budget 2019)	2018 Actual Production
Guyana Goldfields	155,000	163,568
Troy Resources Limited	89,286	90,684
Small and medium-sized miners	323,830	358,821

Source: Guyana Gold Board

3.4 The manufacturing sector realized growth of 1.0 percent in 2018, 0.1 percentage points higher than estimated in Budget 2019, due to the better-than-anticipated outturn in sugar production. Other manufacturing, which comprises mainly light manufacturing, performed in line with its projection, growing by 5.2 percent over 2017.

Table 3.
Annual real GDP growth rates by sector, 2018

Item	2018 Budget (As in Budget 2018)	2018 Revised (As in Budget 2019)	2018 Revised (As at March 2019)
Agriculture, Fishing and Forestry	**-0.7**	**1.1**	**1.5**
Sugar	**-24.0**	**-28.6**	**-23.8**
Rice	2.5	0.2	-0.5
Other Crops	2.3	5.0	5.0
Livestock	2.0	21.1	23.1
Fishing	2.3	-1.9	-6.2
Forestry	7.9	0.2	1.8
Mining and Quarrying	**5.0**	**-2.3**	**2.9**
Bauxite	23.3	26.3	24.6
Gold	3.3	-13.1	-6.2
Other	3.8	46.6	45.9
Manufacturing	**0.1**	**0.9**	**1.0**
Sugar	-24.0	-28.6	-23.8
Rice	2.5	0.2	-0.5
Other Manufacturing	2.4	5.2	5.2
Electricity and Water	**5.1**	**2.0**	**2.0**
Construction	**15.0**	**12.0**	**11.0**
Services Industries	**3.0**	**4.1**	**4.5**
Wholesale and Retail Trade	1.1	6.2	8.1
Transportation and Storage	5.3	2.4	1.1
Information and Communication	3.0	1.9	1.9
Financial and Insurance Activities	4.7	1.9	5.2
Public Administration	1.3	1.3	1.3
Education	2.4	2.4	2.4
Health and Social Services	2.4	2.4	2.4
Real Estate Activities	4.0	7.5	7.5
Other Service Activities	3.4	15.0	14.0
TOTAL	**3.8**	**3.4**	**4.1**
Non-Sugar Growth Rate (%)	**4.6**	**4.2**	**4.9**

Source: Bureau of Statistics

3.5 The construction sector grew by 11.0 percent in 2018, 1 percentage point lower than projected in Budget 2019. This was primarily due to slower-than-expected execution of the Public Sector Investment Programme towards the end of 2018.

3.6 The services sector surpassed expectations by 0.4 percentage points to grow by 4.5 percent in 2018, largely on account of stronger-than-anticipated performance in wholesale and retail trade and financial and insurance activities, which outpaced their respective projections in Budget 2019 by 1.9 percentage points and 3.3 percentage points. This increase was large enough to offset a smaller-than-expected expansion in transportation and storage, and other service activities.

B. External Sector

3.7 The overall balance of payments recorded a deficit of US$132.2 million at the end of 2018, an improvement from the projected deficit of US$180.7 million, reported in Budget 2019. This better-than-expected position resulted from a higher-than-projected capital account surplus, which more than offset a bigger-than-anticipated current account deficit.

3.8 The current account registered a deficit of US$679.7 million at the end of December 2018, significantly higher than the deficit of US$297.2 million recorded at the end of December 2017. This was larger than the projection of US$463.8 million, made at the time of the presentation of the 2019 Budget Speech, due to the merchandise trade and services accounts deteriorating further-than-anticipated, primarily as a result of increased activity in the oil and gas sector. The deterioration in these accounts was large enough to offset significant growth in unrequited transfers, which surpassed the amount projected for 2018 by US$208.9 million.

3.9 The merchandise trade account recorded a deficit of US$451.2 million. The worsening of this account, relative to the earlier estimate for 2018 was due to a higher-than-projected increase in total import payments and a larger-than-expected contraction in total export earnings. The former increased to US$1.8 billion, from the earlier projection of US$1.7 billion, on account of a stronger expansion in payments for intermediate goods, particularly fuel and lubricants, and goods related to foreign direct investments. On the other hand, total export receipts amounted to US$1.4 billion, 1.3

percent below the level forecasted, due to lower-than-expected earnings from rice, timber and bauxite, as well as re-exports.

3.10 The deficit on the services account in 2018, of US$726.6 million, exceeded the deficit at the end of 2017 by US$354.4 million, and surpassed the projection for 2018 at the time of the 2019 Budget Speech by US$273.3 million. The increase of the deficit in 2018, relative to the projection for 2018, resulted from a larger-than-anticipated increase in payments for non-factor services. This was due to higher payments for other business services, including those related to oil and gas exploration and development. The decline in net payments for non-factor services more than offset the lower-than-expected net outflows of factor services.

3.11 Net unrequited transfers increased to a surplus of US$498.2 million, surpassing the US$281.7 million attained in 2017, and the US$289.3 million projected for 2018 in Budget 2019. This outturn was largely due to net remittance/receipts from bank accounts abroad and other unrequited transfers, increasing by US$156 million and US$23.3 million, respectively, over the 12 months ending December 2018.

3.12 The capital account recorded a surplus of US$549.1 million at the end of 2018, more than twice the size of the surplus of US$228 million in 2017, and significantly greater than the US$283 million projected in Budget 2019. This better-than-expected performance was mostly supported by larger-than-projected net medium- and long-term capital to the private sector, which increased to US$460.4 million, US$250.9 million above the projection. Moreover, this was largely accounted for by US$494.8 million in foreign direct investment, of which more than 75 percent was in the oil and gas sector. Net capital to the non-financial public sector was also higher-than-projected, amounting to US$70 million, US$16 million above the projection in Budget 2019.

3.13 The overall balance of payments deficit was financed by a drawdown of US$55.6 million on the gross international reserves of the Bank of Guyana, which was US$48.5 million lower-than-anticipated in November 2018. Additional financing of the deficit came from exceptional financing comprising debt forgiveness of US$58.7 million and debt relief of US$17.9 million, both of which were unchanged from Budget 2019 projections.

C. Monetary Sector

3.14 The supply of money and quasi money (M2) expanded by 7.5 percent at the end of 2018, when compared with the same period in 2017, to reach $394.9 billion, 2.2 percentage points better than forecasted at the time of Budget 2019. This was partly due to non-taxable salary increases as well as the purchase of foreign currency from commercial banks. Narrow money increased by 4.5 percentage points above the most recent projection, to $175 billion. This was on account of currency in circulation and demand deposits increasing more-than-expected, and cashiers' cheques and acceptances contracting less-than-projected. Contrary to the earlier projection of 8.6 percent and 12.1 percent, currency in circulation and demand deposits expanded, by 11.5 percent and 12.9 percent, respectively. Similarly, cashiers' cheques and acceptances, which were projected to decline by 54.7 percent, contracted by only 4.3 percent. With regards to quasi money, this aggregate grew by 4.8 percent, 0.6 percentage points faster than the most recent projection, due to a larger-than-anticipated increase in savings deposits. This component increased by 6.2 percent, exceeding the 4.0 percent projection, and offsetting a contraction of 6.6 percent in time deposits.

3.15 Over the 12 months, ending December 2018, net domestic credit in the economy increased by 16.3 percent, to approximately $254.9 billion. This was faster than the 14.6 percent growth rate projected in Budget 2019 and was supported by higher loans and advances to both the private and public sectors. Credit to the former grew 0.3 percentage points faster than the 3.9 percent projected in Budget 2019, to reach $233.6 billion. This was driven by a stronger-than-expected expansion in credit to business enterprises in the agriculture sector, and a smaller-than-anticipated contraction in credit to the mining and quarrying, and manufacturing sectors. Loans and advances to the agriculture sector grew by 17 percent to $13.3 billion, faster than the 12 percent projected in Budget 2019. Additionally, credit to the mining and quarrying, and manufacturing sectors declined by 4.1 percent and 0.3 percent to $5.1 billion and $24.5 billion, respectively, more slowly than the anticipated contractions of 11.9 percent and 3.7 percent in Budget 2019. On the other hand, loans and advances to the services sector grew by 5.9 percent to $69.8 billion, slightly less than the 6.1 percent estimated in Budget 2019.

3.16 As it relates to individuals, credit to households expanded by 4.1 percent to $31.7 billion, 2.0 percentage points above the Budget 2019 projection. In contrast, credit instruments and real estate mortgages, by both businesses and households, grew 2.7 percentage points and 1.7 percentage points slower than projected, to reach $3.1 billion and $81.8 billion, respectively.

3.17 As reported in Budget 2019, the public sector remained in a net credit position.

3.18 Total liquid assets of commercial banks increased to $120.3 billion, 5.5 percent higher than the projected level, and 43.3 percent above the minimum required amount. In addition, treasury bills accounted for 47.5 percent of that total, 1.8 percentage points lower than the projection in Budget 2019.

D. Prices

3.19 In December 2018, the 12-month inflation rate was 1.6 percent, instead of the 2.0 percent reported in Budget 2019. This was due to all major components of the Consumer Price Index (CPI) returning lower levels than previously estimated.

3.20 As projected in Budget 2019, the small savings rate remained stable at 1.04 percent, and the weighted average lending rate declined consistently, ending the year at 10.03 percent.

3.21 In addition, the 91-day and 182-day treasury bill yield rates remained unchanged from 1.54 percent and 0.96 percent, respectively. On the other hand, the 364-day treasury bill yield rate ended the year at 1.23 percent.

3.22 The official exchange rate of the Guyana dollar to the US dollar was stable at $208.5 throughout the remainder of 2018. On the other hand, the market mid-rate of the Guyana dollar to the US dollar mostly depreciated, ending 2018 at $213.2, $0.4 weaker than in October 2018. In contrast, after October 2018, the Guyana dollar weakened before strengthening against the British pound, finishing the year at $271.7.

E. Fiscal Sector

a. Non-Financial Public Sector

3.23 The non-financial public sector deficit (after grants) was $44.6 billion in 2018, or 5.5 percent of GDP, slightly lower than the deficit of $45.3 billion, or 5.7 percent of GDP presented in Budget 2019. The variance was on account of lower-than-projected expenditure and revenue collections. Non-financial public sector revenue was $3.5 billion lower than the projection in the 2019 Budget Speech, mostly due to worse-than-anticipated performance of the public enterprises. Total expenditure was $6.3 billion below the $267.7 billion projected at the time of the presentation of Budget 2019. Capital expenditure accounted for $5.7 billion of this decline.

b. Central Government

3.24 The central government recorded a fiscal deficit (after grants) of $27.3 billion in 2018, or 3.4 percent of GDP, smaller than the projected deficit of $31.2 billion, or 3.9 percent of GDP, projected in the 2019 Budget. The smaller-than-anticipated deficit was due to lower capital and current expenditures.

3.25 Tax and non-tax revenue collections in 2018 were $216.7 billion, 0.1 percent below the projection in Budget 2019. Tax revenue, which represented 91.6 percent of central government revenue, fell to $198.5 billion, in 2018, a decline of $1.0 billion or 0.5 percent below the revised projection in Budget 2019. In 2018, the Guyana Revenue Authority (GRA) remitted $117.5 billion, 59.2 percent of tax revenue collections, reflecting higher remissions for companies and businesses. Non-tax revenue increased by $0.8 billion, 4.8 percent above the $17.4 billion projected in Budget 2019.

Table 4.
Central Government Financial Operations (G$m)

	2018 Revised (As in Budget 2019)	2018 Revised (As at March 2019)	2018 Variance %
Total Revenue	**216,872.5**	**216,725.6**	**(0.1)**
Revenue	**216,871.2**	**216,724.3**	**(0.1)**
Tax	199,490.7	198,512.4	(0.5)
Non-tax	17,380.6	18,211.9	4.8
Total expenditure	**260,964.3**	**254,782.8**	**(2.4)**
Current expenditure	**201,948.1**	**199,663.4**	**(1.1)**
Interest	**8,536.4**	**8,510.7**	**(0.3)**
External	7,203.9	7,178.2	(0.4)
Domestic	1,332.5	1,332.6	0.0
Capital Expenditure	**59,016.1**	**55,119.5**	**(6.6)**
Local	34,405.0	32,977.4	(4.1)
Foreign	24,611.1	22,142.10	(10.0)
Overall Balance before Grants	**(44,091.7)**	**(38,057.2)**	**(13.7)**
Grants	**12,897.4**	**10,770.5**	**(16.5)**
Overall Balance after Grants	**(31,194.2)**	**(27,286.6)**	**(12.5)**
Financing	**31,194.2**	**27,286.6**	**(12.5)**
Overall Deficit as a % of GDP	**(3.9)**	**(3.4)**	

Source: Ministry of Finance

3.26 Total expenditure of central government amounted to $254.8 billion in 2018, $6.2 billion lower than the projection in Budget 2019. Total non-interest recurrent expenditure amounted to $191.2 billion in 2018, some $2.3 billion less than forecasted, due to lower-than-projected spending on transfer payments and other goods and services. Transfer payments totalled $80.4 billion in 2018, representing a decrease of $1.5 billion or 1.8

percent, when compared with the estimate in Budget 2019. This resulted from underspending by the local subvention agencies, which spent $41.6 billion, compared to the projection of $42.7 billion. Other contributors to the decline in transfer payments include pensions, which was $0.8 billion lower than the projected $22.8 billion in Budget 2019. Other goods and services totalled $51.3 billion for 2018, reflecting a $1.3 billion or 2.5 percent lower than projected in Budget 2019.

3.27 Employment cost totalled $59.5 billion, in 2018, an increase of $0.1 billion or 0.9 percent over projected expenditure. This outturn was driven by increased wages and salaries granted in 2018.

3.28 Interest payments totalled $8.5 billion in 2018, in line with the projection at the time of the presentation of Budget 2019.

c. Public Enterprises

3.29 The overall deficit of the public enterprises was $17.3 billion, $1.6 billion or 9.9 percent lower-than-projected at the time of the presentation of the 2019 Budget. Total current expenditure was $124.9 billion, $1.2 billion, or 0.9 percent, lower than the $126.1 billion projected in Budget 2019. The lower outturn resulted mainly from the performance of Guyana Sugar Corporation and Guyana Power and Light Incorporated. Revenue collection of the public enterprises was $5.0 billion below projections in Budget 2019.

F. Debt Management

3.30 At the end of 2018, Guyana's stock of public debt amounted to US$1,708.4 million, 1.5 percent higher than the projected 2018 figure of US$1,683.7 million at Budget 2019. This slight change in the public debt stock reflected higher disbursements in the last three months of 2018, from the Inter-American Development Bank (IDB) and the China EximBank. For 2018, the total public debt-to-GDP ratio was 44.2 percent, 0.2 percentage points lower than the Budget 2019 projection of 44.4 percent.

3.31 At the end of 2018, the external debt stock was US$1,322.1 million, 1.9 percent above the projected amount of US$1,297.1 million. External debt accounted for 77.4 percent of the total public debt stock at the end of this period.

3.32 The stock of domestic debt amounted to US$386.3 million at the end of 2018, slightly below the US$386.6 million projected at Budget 2019. Domestic debt was 22.6 percent of the total public debt stock at the end of this period.

3.33 For 2018, total public debt service amounted to US$85.4 million, exceeding the US$85.2 million projected for 2018 by 0.3 percent. External debt service, for 2018, amounted to US$77.7 million, 0.4 percent lower than the Budget 2019 projection. In 2018, 7.5 percent of total government revenues went towards servicing the external debt, 0.1 percentage points higher than the projection in Budget 2019.

3.34 Domestic debt service payments for 2018, which amounted to US$7.8 million, were the same as projected at Budget 2019.

Table 5.
Total Public Debt Service
(in millions US Dollars)

Item	Projected 2018 as at Budget 2019	Actual 2018	Variance %
Total Public Debt Service	**85.2**	**85.4**	**0.34**
External Debt Service	**77.4**	**77.7**	**0.37**
Principal	55.0	55.1	0.13
Interest	22.3	22.6	0.97
Domestic Debt Service	**7.8**	**7.8**	**0.01**
Principal	1.4	1.4	0.00
Interest	6.4	6.4	0.01
Debt Service-to-Revenue Ratios			
Total Public Debt Service	8.2%	8.2%	0.03
External Public Debt Service	7.4%	7.5%	0.03
Domestic Public Debt Service	0.8%	0.8%	0.00

Source: Ministry of Finance

Table 6.
Total Public Debt Stock
(in millions US Dollars)

Item	Projected 2018 as at Budget 2019	Actual 2018	Variance %
Total Public Debt	**1,683.7**	**1,708.4**	**1.47**
External Public Debt	1,297.1	1,322.1	1.93
Domestic Public Debt	386.6	386.3	(0.07)
Debt-to-GDP Ratios			
Total Public Debt	44.4%	44.2%	(0.24)
External Public Debt	34.2%	34.2%	(0.03)
Domestic Public Debt	10.2%	10.0%	(0.21)

Source: Ministry of Finance

4. Conclusion

4.1 The growth performance of the economy surpassed the projections at the time of presenting Budget 2019 and continued its upward trajectory to reach 4.1 percent, the highest since 2013.

4.2 Notwithstanding the positive performance, growth is still heavily influenced by individual sector performances. Belated improvements in gold declarations during the last quarter of 2018 was a key driver in realising this growth rate. Economic resilience going forward will be largely dependent on the country's ability to capitalize on institutional strengthening and opportunities for diversification. On the fiscal side, there continues to be challenges to implementing the Public Sector Investment Programme. More rigorous steps are being applied to project appraisals to ensure a higher degree of project implementation readiness during 2019 and the years ahead. Revenue collections remained high but include a significant level of arrears as improved compliance and the 9-month tax amnesty bolstered revenue collections.

4.3 Global downside risks exist and threaten to destabilise commodity prices. As such, given our economy's dependence on primary commodities, this continues to be a major challenge in achieving economic resilience. Government remains firmly committed to ensuring that the economy remains rooted in sound macroeconomic and fiscal policies including being anchored by a low to moderate risk of debt distress. The task before us is to ensure more effective implementation of the annual budget, and to achieve greater accountability using national performance indicators across all sectors, as we strive to deliver improved services across the whole of Government.


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