

MINISTRY OF FINANCE AND ECONOMIC MANAGEMENT

QUARTERLY EXPENDITURE REPORT, Q3, 2020

EXECUTIVE SUMMARY

The Ministry of Finance and Economic Management continues to ensure an effective economic, fiscal, and financial management in line with the public finance and economic management Act. The ministry also tries to ensure that there is minimal economic shocks felt, especially during disaster times, such as this year where the Vanuatu experienced TC Harold and COVID-19 pandemic. This has been reflected in the government actual spending since the beginning of the year where funds have been diverted to respond to TC Harold affected areas, especially in the Northern provinces. The third quarter's budget of VT 1.7 billion was overspent by 2.3 billion due to major spending towards, loan repayments, TC Harold and COVID-19 related responses. MFEM raise 20 percent more revenue than it anticipated to raise in the third quarter, mainly through VAT, excise and import duties, although there's still room from improvement through better compliance and need for additional technical and financial support. Unplanned expenditures still exists due to policy changes, disasters and lack of realistic planning and budgeting. This third of three such reports will highlight the major economic and financial management issues incurred by the ministry of finance and economic management in the third quarter of this year.

CABINET OPERATION

The 2020 appropriated annual budget of VT 80.2 million will cater for the payroll and operational expenses for the 22 staffs of the Cabinet section within the ministry of Finance and Economic Management, of which 16.7 million (21 percent) was budgeted for the second quarter however the actual expenditure went slightly above budget by 2 percent due to the overspent payroll expenses of mainly permanent wages, housing allowance and provident fund.

The unit is not a revenue generating entity and does not raise any revenue in the third quarter of this year. This spending rate will overspend the annual budget. There is no virement of funds in the third quarter.

CORPORATE SERVICE UNIT OPERATION

The CSU unit comprise of the Director General's office, ministry executive unit, national government central tenders board, internal audit unit and the price control unit. The unit has plan to spend VT 36.8 million of the annual budget of VT 199 million in the third quarter of this year, however analysis shows that actual expenditure was VT 6.1 million less than budget due to payroll saving of VT 4.4 million and VT 1.7 million as operational budget saving. There are major unbudgeted expenses such as office rental and electricity had their budget stored in period 12. Commitments for these chart of accounts were made possible through advance release of future periods' budget. No virement for the corporate services unit was processed in the third quarter. CSU is not a revenue generating unit for the government.

Like other line ministries, the CSU unit must be strengthened financially and with sufficient human resource to enable better coordination within the ministry and ensure that it continues to carry out its mandates.

DEPARTMENT OF FINANCE AND TREASURY OPERATION

The Department of Finance and Treasury's budget not only comprises of the department's core activities budgets but it also accommodates that budget for the government loan repayments, grant bodies, and other government activities budgets such as the government scholarships budget, which consume the largest portion of the department's budget. This year the annual budget for the department stands at VT 12.9 billion in which VT 55 million was budgeted for the third quarter, however actual expenditure went above the budget by VT 2.9 billion due to advance commitment of loan repayments, TC Harold and COVID-19 response expenditures, payment of scholarships, and operating grants for grant agencies, since their entire budgets were stored in month of December and were advanced to the third quarter to enable commitment.

The department overspent mainly the budget for other grants, local accommodation, repayment – ADB loans and building repairs and maintenance. Furthermore, expenses like new advance to AVL, advances to other government business units, ration supplies, sea logistics costs, scholarship allowances, food rations, and additional vehicle were the major unbudgeted expenditure for the third quarter, however their budget was stored in period 12 and the funds were advanced to the third quarter to enable commitments.

The department also raise revenue mainly through its fees and charges, interest to the government, government bonds drawdown, budget support received, stamp duties and dividend paid by SOEs to the government. In the third quarter, the department raised 5.5 billion against a revenue forecast of VT 891 million, resulting in a VT 4.6 billion surplus, as shown in figure 5 below. The major driver for the surplus was the government bond draw down of VT 3.8 billion and additional 11th EDF funds credited into the government revenue basket. Several revenue items such dividends from interchange, AVL, other advances, shipping registrations and application charges recoveries were under performed in the third quarter.

It's important to prepare proper cash flows for each period and must be align with the business plans for each quarter, in order to minimize major overspend and unbudgeted items that are current seen each year.

DEPARTMENT OF CUSTOMS AND INLAND REVENUE OPERATION

The department continues to carry out its core roles and responsibilities to protect our borders, administrates the government taxes and collect revenue on behalf of the government. This year the department was allocated an annual budget of VT 612.8 million to fund its payroll and operational activities of which VT 124 million was planned to be utilized in the third quarter,

however analysis shows that DCIR overspent its budget by VT 5 million (4 percent). The overspending came about due to unbudgeted VAT, additional vehicle, overspent office furniture's budget building repairs and maintenance and maintenance contract. These over commitments were incurred after their budgets were advanced from fourth quarter's budget to the third quarter to allow for sufficient budget for these commitments. The payroll budget for the third quarter realized a saving of VT 9 million, however daily rated wages and responsibility allowance was not budgeted for in the third quarter. Acting allowances and overtime payments were over the third quarter's budget target for the next day.

DCIR forecasted to raise a total of VT 13.36 billion in the third quarter of this year (79 percent of the annual revenue target of VT 16.8 billion), however actuals fell short by VT 1.85 billion (14 percent). Value Added Tax (VAT) being the major contributor recorded VT 6 billion (84 percent of the third quarters budget), followed by Not Elsewhere specified import duties with VT 1.6 billion and excise taxes on tobacco products and motor spirit. Turnover taxes, business licenses and vehicle licenses also scored over their revenue targets for the third quarter as shown in figure 5 below. Major underperformed revenue initiative within DCIR in the third quarter includes tax agents' fees, asyuda fee import duties, excise on domestic beer, vehicles import duties, and other fines. The department must continue to strengthen revenue systems, compliance, and human resource to improve its revenue collection and revived non performing revenue initiatives.

The department is encouraged to strengthen its compliance, human resource, and controls its spending against budgeted items in order to avoid overspending. Other potential revenue options should also be considered as quick wins to help increase the overall government revenue basket which will then help increase the government's services to its people.

VANUATU NATIONAL STATISTICS OFFICE OPERATION

The Vanuatu National Statistics office (VNSO) provides various range statistical data such as economic statistics, social statistics, and survey and census to end users across all the sectors of the economy. From the department's annual budget of VT 289 million, VT 10.9 million was planned to be spent in the third quarter to meet payroll cost of VT 18.6 million and 11 million operational budget, unfortunately the actual expenditure went passed budget by 122 million due to the major commitments made towards the implementation of the Vanuatu National Population and Housing Census. Contract wages and daily rated wages were not budgeted for in the third quarter.

Recurring payroll and operational expenses should be budgeted for in the next financial year, while proper cash flow budgeting is also required for other overspent expenditures. This spending rate could overspent the annual recurrent budget for VNSO.

POLICY IMPLICATION

Like other line ministries MFEM also needs additional budget support to recruit additional qualified and specialized personnel, continue to upgrade its information communication

technology systems, repair and maintain its current infrastructure to ensure security of financial and economic data, good working conditions, etc. It's also vital for all departments within the ministry to review and update their various legislations and regulations and systems to suit the current evolving business needs and environment. And lastly, strengthen its compliance to better manage the scarce financial resources we have, including new revenue initiatives.

CONCLUSION

In the third quarter, MFEM also overspent its budget by 57 percent mainly due to unrealistic cash flow budgeting where budgets (especially for loan repayments and grants) are stored in the last quarter, thus reported as unbudgeted expenses for the third quarter. Better planning and budgeting will help minimize the problem of overspent and unbudgeted expenditures. Although the actual revenue exceeds budget by some VT 2.8 billion, the ministry is encouraged continue to strengthen its tax compliance, explore potential and sustainable revenue sources that could complement the current revenue base.

The ministry must plan, develop and implement good financial strategies to improve its capacity to deliver its much needed services effectively and efficiently at the international, national and provincial level. It is encouraged for the ministry to continue to seek donor support (both technical and financial support) that could help implement its plans for the future years.

ANNEX/APPENDIX

FIGURE 1: EXPENDITURE SUMMARY FOR THE MINISTRY OF FINANCE AND ECONOMIC MANAGEMENT IN 2020

Code	Description	Final Budget	Total Expenditure	Under/ (Over)
M05	Ministry of Finance and Economic Management			
MFA	Cabinet Support			
3401	Cabinet Operations	80,214,046	56,509,109	23,704,937
MFAA	Portfolio Management	80,214,046	56,509,109	23,704,937
MFA	Cabinet Support	80,214,046	56,509,109	23,704,937
MFB	Executive Management and Corporate Services			
1601	Director - NSO	9,341,259	6,300,587	3,040,672
1604	Data Collection & Management	-	769,068	(769,068)
3301	Office of the Director General	28,428,870	14,489,059	13,939,811
3306	Internal Audit Section	17,448,367	8,972,509	8,475,858
3307	Price Control Unit	17,000,000	11,177,718	5,822,282
3501	Director - DOF	10,637,626	6,049,337	4,588,289

3601	Director - Customs	37,487,469	25,417,968	12,069,501
3602	Taxpayer Services	-	3,325,492	(3,325,492)
MFBA	Ministry Executive & Internal Audit	120,343,591	76,501,738	43,841,853
1603	NSO Office Admin	21,135,811	10,061,572	11,074,239
3302	Ministry Executive	142,392,891	92,604,686	49,788,205
3304	Tender Board	-	844,908	(844,908)
3511	DOF Corporate Services Section	35,216,496	23,703,579	11,512,917
3612	Customs Corporate Services	53,176,553	42,506,629	10,669,924
MFBB	Corporate Services	251,921,751	169,721,374	82,200,377
3509	FMIS Section	63,980,354	43,178,392	20,801,962
3610	Customs Information Services	53,117,240	39,339,823	13,777,417
MFBC	Information Services	117,097,594	82,518,215	34,579,379
MFB	Executive Management and Corporate Services	489,362,936	328,741,327	160,621,609
MFC	Financial And Economic Management			
3522	Economic Policy Section	22,338,207	14,977,116	7,361,091
3523	Revenue Policy Unit	42,296,051	24,411,560	17,884,491
MFCA	Economic Policy Development	64,634,258	39,388,676	25,245,582
3304	Tender Board	17,575,460	6,041,017	11,534,443
3305	MFEM Grant Coordinator	-	1,142,631	(1,142,631)
3502	Budget Section	42,066,528	31,072,118	10,994,410
3503	Revenue Section	22,390,654	15,494,369	6,896,285
3504	Payroll Section	29,630,896	22,693,453	6,937,443
3505	Payments Section	37,604,456	27,532,697	10,071,759
3506	Procurement and Asset Management Section	17,830,948	7,323,930	10,507,018
3507	Financial Accounting Section	24,492,969	15,338,368	9,154,601
3511	DOF Corporate Services Section	-	-	-
3515	Legal Unit	5,479,864	2,462,586	3,017,278
3516	Land Compensation payment	200,000,000	198,473,387	1,526,613
3520	Treasury Division	6,374,311	5,712,797	661,514
3521	Debt Management Unit	11,698,107	8,199,291	3,498,816
3530	Finance and Administration Section	6,813,191	1,748,059	5,065,132
3531	Government Business Monitoring and Evaluation Section	9,158,759	6,282,297	2,876,462
3533	Accounting Group (Financial Controller)	4,870,624	1,230,415	3,640,209
3540	Line Agency Accounting Section	6,655,238	2,530,165	4,125,073
3541	Finance Services Bureau Malampa Province	14,953,184	3,909,772	11,043,412
3542	Finance Services Bureau Torba Province	7,900,744	2,850,035	5,050,709
3543	Finance Services Bureau Sanma Province	20,458,656	13,948,993	6,509,663
3544	Finance Services Bureau Tafea Province	8,197,164	3,681,093	4,516,071
3545	Finance Services Bureau Penama Province	7,451,644	4,455,004	2,996,640

3602	Taxpayer Services	-	1,611,228	(1,611,228)
MFCC	Government Financial Services	501,603,397	383,733,705	117,869,692
MFC	Financial And Economic Management	566,237,655	423,122,381	143,115,274
MFD	National Statistics			
1602	Emoluments Section	23,898,535	24,597,643	(699,108)
1607	Social Section	-	1,350,304	(1,350,304)
MFDA	National Statistical Collection, Analysis & Reporting	23,898,535	25,947,947	(2,049,412)
1603	NSO Office Admin	-	132,952	(132,952)
1604	Data Collection & Management	31,134,399	3,906,382	27,228,017
1605	Statistical Leadership and Coordination Section	9,494,992	5,443,494	4,051,498
1606	Economic Section	22,998,991	11,892,505	11,106,486
1607	Social Section	145,831,228	135,789,519	10,041,709
1608	TORBA Statistics Office	2,322,720	1,288,784	1,033,936
1609	SANMA Statistics Office	9,593,999	3,400,390	6,193,609
1610	Malampa Statistics Office	2,372,474	1,564,845	807,629
1611	PENAMA Statistics Office	2,322,720	821,560	1,501,160
1612	TAFEA Statistics Office	2,322,720	1,147,026	1,175,694
MFDB	Provincial Statistics Offices	228,394,243	165,387,457	63,006,786
MFD	National Statistics	252,292,778	191,335,404	60,957,374
MFE	Payments on Behalf of Government			
3513	Public Debt Provision	6,526,507,556	4,778,544,397	1,747,963,159
MFEA	Public Debt Provisions	6,526,507,556	4,778,544,397	1,747,963,159
35F9	Vanuatu Scholarship Grant	838,369,211	644,692,911	193,676,300
MFEB	Grants to Institutions	838,369,211	644,692,911	193,676,300
3512	Central Payments	2,716,391,599	2,050,608,136	665,783,463
3518	Emergency Fund	533,524,660	529,646,074	3,878,586
3519	Government Contributions to Projects	15,000,000	13,460,511	1,539,489
35ED	Contingency Liabilities	30,000,000	2,022,851	27,977,149
MFEC	Central Payments	3,294,916,259	2,595,737,572	699,178,687
35F3	Former Leaders Payment	20,000,000	28,560,160	(8,560,160)
MFED	Former Leaders Payment	20,000,000	28,560,160	(8,560,160)
MFE	Payments on Behalf of Government	10,679,793,026	8,047,535,040	2,632,257,986
MFF	Revenue Collection			
3401	Cabinet Operations	-	10,000	(10,000)

3605	Customs Revenue - Vila	59,367,066	43,490,834	15,876,232
3606	Customs Post Clearance & Excise Audit	26,604,694	19,274,535	7,330,159
3608	Customs Revenue - Santo	40,426,932	27,317,670	13,109,262
MFFA	Customs and Excise Collections	126,398,692	90,093,039	36,305,653
3603	Return & Debt Collection	52,399,896	31,404,160	20,995,736
3604	Inland Revenue Audit	50,417,582	30,858,089	19,559,493
3614	Revenue & Debt Collection Santo	12,679,351	8,343,970	4,335,381
3616	Customs Office Malampa	2,672,242	2,738,080	(65,838)
3617	Customs Office TAFEA	7,478,543	2,863,271	4,615,272
MFFB	VAT Collections	125,647,614	76,207,570	49,440,044
3602	Taxpayer Services	77,523,574	40,044,784	37,478,790
3613	Taxpayer Services Santo	9,393,469	7,267,509	2,125,960
MFFC	Rates and Taxes Collection	86,917,043	47,312,293	39,604,750
MFF	Revenue Collection	338,963,349	213,612,902	125,350,447
MFG	Border Control and Enforcement			
3607	Customs Border Control	95,323,235	77,229,371	18,093,864
3609	Customs Border Control - Santo	25,829,099	17,045,557	8,783,542
3615	Customs Office TORBA	2,455,821	1,830,102	625,719
MFGA	Border Control	123,608,155	96,105,030	27,503,125
MFG	Border Control and Enforcement	123,608,155	96,105,030	27,503,125
MFI	Grants to Institutions			
35E3	Grant to VTO	325,124,942	300,124,942	25,000,000
MFIA	Vanuatu Tourism Office (VTO)	325,124,942	300,124,942	25,000,000
35E5	Grant to VARTC	70,032,584	58,360,490	11,672,094
MFIB	Vanuatu Agricultural Research and Training Centre (VARTC)	70,032,584	58,360,490	11,672,094
35E1	VBTC	95,193,317	69,110,146	26,083,171
MFIC	Vanuatu Broadcasting and Television Corporation (VBTC)	95,193,317	69,110,146	26,083,171
35E6	Vanuatu Cultural Centre	43,402,152	36,168,460	7,233,692
MFID	Vanuatu Cultural Centre (VCC)	43,402,152	36,168,460	7,233,692
35E2	Grant to CCI	31,918,961	26,599,130	5,319,831
MFIE	Chamber of Commerce and Industry (CCI)	31,918,961	26,599,130	5,319,831
35E8	Grant to USP & SPBEA	141,003,971	141,003,971	-
MFIF	Grant SPBEA	141,003,971	141,003,971	-

35E7	Grant to VMA	15,000,000	-	15,000,000
MFIG	Vanuatu Maritime Administration (VMA)	15,000,000	-	15,000,000
35E4	Grant to Maritime College	50,174,434	50,174,434	-
MFIH	Vanuatu Maritime College	50,174,434	50,174,434	-
35E9	Utility Regulatory Authority	67,226,099	56,855,080	10,371,019
MFI	Utility Regulatory Authority	67,226,099	56,855,080	10,371,019
35F1	Grants to Agriculture College	86,325,933	71,938,280	14,387,653
MFIJ	Vanuatu Agriculture College	86,325,933	71,938,280	14,387,653
35F6	Vanuatu Investment Promotion Authority (VIPA)	49,115,761	38,502,536	10,613,225
MFIL	Grant to VIPA	49,115,761	38,502,536	10,613,225
35F8	Vanuatu National Archives (VNA)	19,983,242	15,894,380	4,088,862
MFIN	Grant to Vanuatu National Archives	19,983,242	15,894,380	4,088,862
MFI	Grants to Institutions	994,501,396	864,731,849	129,769,547
MFJ	Government Contributions to International Organization			
35G1	Vanuatu Government International Contributions	48,000,000	25,016,670	22,983,330
MFJA	Government Contributions to International Organization	48,000,000	25,016,670	22,983,330
MFJ	Government Contributions to International Organization	48,000,000	25,016,670	22,983,330
M05	Ministry of Finance and Economic Management	13,572,973,341	10,246,709,712	3,326,263,629
	Grand Total	13,572,973,341	10,246,709,712	3,326,263,629

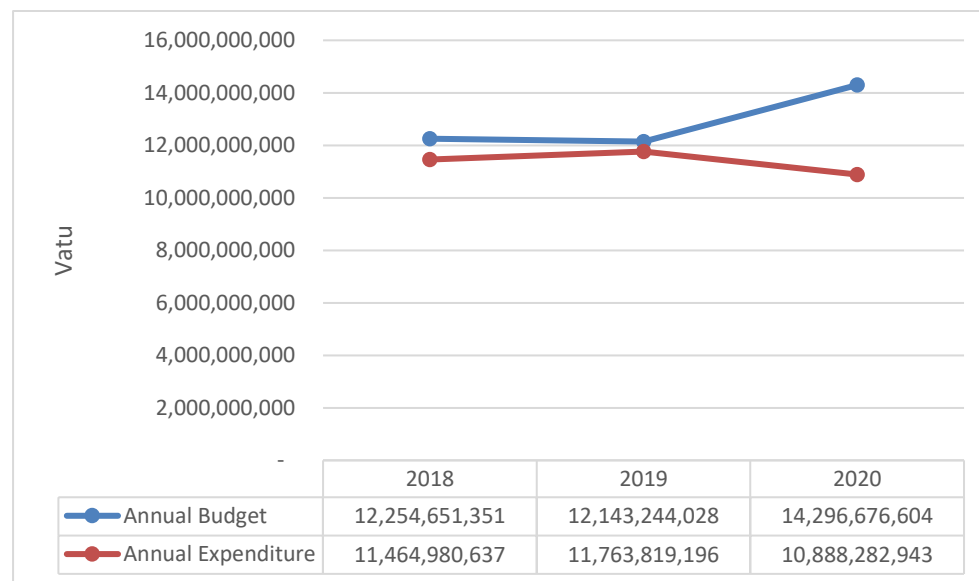
Source: Finance and Treasury

FIGURE 2: THIRD QUARTER BUDGET VS EXPENDITURE FOR THE DEPARTMENTS
WITHIN THE MINISTRY OF FINANCE AND ECONOMIC MANAGEMENT 2020

Description	Cabinet	Corporate Service	Department of Finance and Treasury	Department of Customs and Inland Revenue	Vanuatu National Statistics Office
Q3 Budget	16,674,717	36,811,834	1,551,194,578	123,993,360	29,585,998
Q3 Expenditure	17,042,981	30,626,115	3,732,333,979	128,995,576	151,815,519
Under/over	(368,264)	6,185,719	(2,181,139,401)	(5,002,216)	(122,229,521)

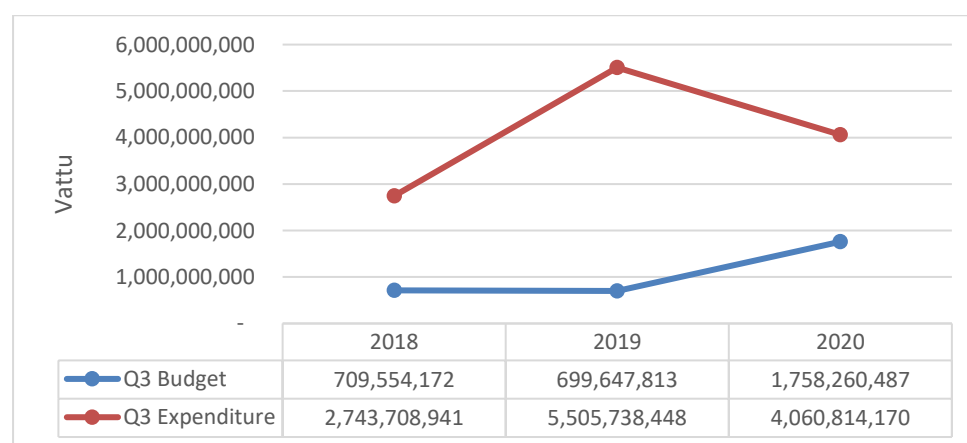
Source: Finance and Treasury

FIGURE 3: ANNUAL BUDGET VS ANNUAL EXPENDITURE TREND FOR THE MINISTRY OF FINANCE AND ECONOMIC MANAGEMENT 2018 - 2020



Source: Finance and Treasury

FIGURE 3: BUDGET VS EXPENDITURE TREND FOR THE MINISTRY OF FINANCE AND ECONOMIC MANAGEMENT FOR THE THIRD QUARTER OF 2018 - 2020



Source: Finance and Treasury

**FIGURE 4: EXPENDITURE FOR THE MINISTRY OF FINANCE AND ECONOMIC
MANAGEMENT BY CHART OF ACCOUNTS, QUARTER 3, 2020**

Account	Description	Total	Budget	Under/(Over)
	Personnel Expenses			
8AAA	Acting Allowances	8,454,986	1,685,835	(6,769,151)
8AAB	Responsibility Allowance	1,205,022	438,321	(766,701)
8AAF	Family Allowance	1,580,964	2,411,502	830,538
8AAG	Gratuity Allowances	-	-	-
8AAH	Housing Allowances	13,453,041	17,137,308	3,684,267
8AAO	Other Allowances	365,034	200,580	(164,454)
8AAP	Home Island Passage Allowances	94,800	1,374,828	1,280,028
8AAS	Special Allowances	2,900,000	-	(2,900,000)
8ASP	Provident Fund	6,586,866	7,546,770	959,904
8AWC	Contract Wages	40,619,268	-	(40,619,268)
8AWD	Daily Rated Wages	8,998,332	49,731	(8,948,601)
8AWL	Leave expense	2,226,494	-	(2,226,494)
8AWO	Overtime Wages	5,154,552	4,419,021	(735,531)
8AWP	Permanent Wages	142,442,857	179,464,356	37,021,499
PAYR	Payroll expenses	-	(131,682,312)	(131,682,312)
	Personnel Expenses	234,082,216	83,045,940	(151,036,276)
	Operating Expenses			
8CAB	Subsistence Allowances	6,015,028	8,594,781	2,579,753
8CAF	Food Allowances	(68,890)	-	68,890
8CAS	Sitting Allowances	35,000	378,750	343,750
8CAW	Good Will Payment	(73,325)	-	73,325
8CBI	International Accommodation	14,555,397	3,810,474	(10,744,923)
8CBL	Local Accommodation	47,513,908	1,756,350	(45,757,558)
8CCI	International Courses	-	2,052,748	2,052,748
8CCL	Local Courses	732,185	443,664	(288,521)
8CEC	Consultants Fees	9,371,004	749,997	(8,621,007)
8CEM	Software Maintenance Fees	8,737,103	6,130,797	(2,606,306)
8CES	Security Services	553,654	509,997	(43,657)
8CET	Other Fees	9,132,378	5,082,480	(4,049,898)
8CFS	Ship and Boat Fuel	(1,505,912)	-	1,505,912
8CFV	Vehicles Fuel	1,942,795	2,342,976	400,181
8CGM	Mail Carriage Freight	-	145,003	145,003
8CGO	Other Charges - Freight	555,108	276,735	(278,373)
8CGR	Transport - Freight	(1,955,401)	763,152	2,718,553
8CHI	International Medical Treatment	-	225,000	225,000
8CHL	Local Medical Treatment	210,960	706,055	495,095
8CHT	Other Medical Treatment	5,730	53,601	47,871
8CIE	Equipment Hire	4,405,875	149,799	(4,256,076)
8CIF	Facilities Hire	682,422	408,138	(274,284)
8CIV	Vehicles Hire	628,978	272,652	(356,326)
8CJO	Office Cleaning	2,114,448	1,164,939	(949,509)
8CKD	Advertising - Communications	6,758,179	1,088,074	(5,670,105)
8CKI	Internet and Satellite Communications	104,306	-	(104,306)
8CKL	Translation Communications	428,001	299,169	(128,832)
8CKM	Advertising and Marketing	-	72,000	72,000
8CKP	Postage - Communications	2,261	188,892	186,631
8CKR	Printing - Communications	11,179,305	3,528,288	(7,651,017)
8CKS	Stationery - Communications	3,813,857	3,737,107	(76,750)
8CKT	Telephone / Fax - Communications	6,516,668	3,243,337	(3,273,331)
8CLC	Compensation Land	6,857,545	44,999,820	38,142,275

8CLR	Rates - Land	5,331,970	-	(5,331,970)
8CMG	General - Materials	1,034,786	174,996	(859,790)
8CMO	Office - Materials	2,207,187	515,124	(1,692,063)
8CNO	Office Rental	11,358,933	4,049,380	(7,309,553)
8CNT	Other Rental	48,115	149,997	101,882
8COC	Court Costs	3,239,853	4,999,980	1,760,127
8COE	Terminal Payments	-	-	-
8COF	Refunds	37,218	749,997	712,779
8COI	Incidentals	7,822,091	2,793,862	(5,028,229)
8COO	International Organization Fees	-	264,999	264,999
8COP	Official Entertainment	8,550,764	3,444,574	(5,106,190)
8COS	Insurance	-	28,800	28,800
8COT	Termination Payment	(2,388,976)	-	2,388,976
8COU	Uniforms	3,023,420	1,187,574	(1,835,846)
8CPA	Allowances - Scholarships	111,067,111	-	(111,067,111)
8CPE	Fees - Scholarships	20,794,011	-	(20,794,011)
8CRB	Buildings Repairs & Maintenance	19,062,856	296,997	(18,765,859)
8CRE	Equipment Repairs & Maintenance	887,060	1,844,856	957,796
8CRH	Houses Repairs & Maintenance	188,497	37,500	(150,997)
8CRM	Maintenance Contract	6,001,899	1,611,399	(4,390,500)
8CRS	Ship Repair & Maintenance	34,130	-	(34,130)
8CRV	Vehicles Repairs & Maintenance	1,956,628	2,069,343	112,715
8CRW	Vehicle Servicing	40,896	336,717	295,821
8CSF	Food - Suppliers	4,301,045	75,000	(4,226,045)
8CSM	Medicines Suppliers	18,000	116,499	98,499
8CSO	Other Suppliers	(1,067,286)	-	1,067,286
8CSR	Rations Suppliers	207,072,392	-	(207,072,392)
8CTI	International Travel	1,603,629	6,735,373	5,131,744
8CTL	Local Travel	14,075,498	4,437,064	(9,638,434)
8CUE	Electricity Utilities	5,306,724	4,171,416	(1,135,308)
8CUL	Lighting Utilities	-	124,998	124,998
8CUW	Water Utilities	164,341	269,976	105,635
8CVB	Food Rations/Relief Supplies	69,003,816	-	(69,003,816)
8CVC	Sea Logistical Costs	164,509,790	-	(164,509,790)
8CVD	Land Logistical Costs	(62,088,929)	-	62,088,929
8CVE	Air Logistical Costs	(73,450)	-	73,450
8CVG	Volunteers Expenses	6,412,200	-	(6,412,200)
8CWI	International Workshops	-	99,999	99,999
8CWL	Local Workshops	17,287,980	240,213	(17,047,767)
8CZV	Value Added Tax	93,295,711	6,347,971	(86,947,740)
8DAI	International Organizations	-	62,499	62,499
8DGO	Operating Grant	127,171,585	169,685,663	42,514,078
8DGT	Other Grant	694,626,866	46,243,878	(648,382,988)
8DNC	Chamber Of Commerce Non Profit Institution	7,979,739	5,804,718	(2,175,021)
8EBN	Buildings - New	146,591	-	(146,591)
8EBR	Buildings - Renovation	2,148,579	117,567	(2,031,012)
8EEA	Equipment - Aditonal General	15,110,583	1,600,836	(13,509,747)
8EEC	Equipment - Computer	14,538,990	3,056,190	(11,482,800)
8EEP	Equipment - Photocopiers	23,474	-	(23,474)
8EER	Equipment - Replacement General	-	352,182	352,182
8EES	Equipment - Specialized	9,979,889	-	(9,979,889)
8EET	Equipment - Computer Software Purchases	12,847,611	206,955	(12,640,656)
8EFH	Furniture - Housing Furniture	4,863	50,001	45,138
8EFO	Furniture - Office Furniture	3,510,934	1,591,818	(1,919,116)
8EHR	Houses - Renovation	-	37,500	37,500
8EVA	Vehicle - Additional Vehicle	74,825,254	-	(74,825,254)
8FCA	Agents' Commissions	4,500	-	(4,500)

8FCB	Bank Charges	100,938	88,752	(12,186)
8FIB	Interest - Bonds	145,696,604	229,158,192	83,461,588
8FIG	Interest - Government Loans	133,819,487	186,949,817	53,130,330
8FSG	Service Charges - Government Loans	-	7,550,000	7,550,000
OVER	Overhead expenses	-	(1,051,543,729)	(1,051,543,729)
	Operating Expenses	2,101,904,964	(258,637,782)	(2,360,542,746)
	Capital Payments			
2421	Advances to Other GBUs	244,817,574	-	(244,817,574)
2451	New advance - AVL	449,723,056	-	(449,723,056)
	Capital Payments	694,540,630	-	(694,540,630)
	Debt Principal Repayments			
4322	Repayment - ADB Loans	72,139,089	77,955,275	5,816,186
4352	Repayment - China Loans	278,991,098	404,551,186	125,560,088
4382	Repayment - IDA Loans	23,534,585	23,985,868	451,283
4462	Repayment - Reserve Bank Bond Issues	655,621,588	1,427,360,000	771,738,412
	Debt Principal Repayments	1,030,286,360	1,933,852,329	903,565,969
	Total Expenditure	4,060,814,170	1,758,260,487	(2,302,553,683)

Source: Finance and Treasury

FIGURE 5: REVENUE BUDGET AND ACTUALS FOR THE THIRD QUARTER, 2020 FOR THE MINISTRY OF FINANCE AND ECONOMIC MANAGEMENT

Account Code	Department	2020 Revised Revenue Budget	Quarter 3 Budget	Quarter 3 Actual	Variance
	36Department of Customs and Inland Revenue	16,865,356,782	13,360,569,194	11,502,026,492	- 1,858,542,702
7LSO	7LSO Other Sales	107,561	114,697	836,300	721,603
7NFO	7NFO Other Fees	9,876,155	7,547,806	7,181,293	- 366,513
7NIO	7NIO Other Fines	7,027,783	5,466,989	3,114,394	- 2,352,595
7TBR	7TBR Rent Tax	12,918,936	6,670,883	13,040,466	6,369,583
7TBT	7TBT Turnover Tax	368,364,656	356,691,187	364,100,265	7,409,078
7TDB	7TDB Excise Domestic Beer	215,553,687	155,272,117	53,676,000	- 101,596,117
7TDN	7TDN Excise Other Domestic Products	176,259	157,661	105,375	- 52,286
7TDW	7TDW Excise Domestic Wine	13,681,624	10,017,155	9,715,745	- 301,410
7TEB	7TEB Excise Beer Imports	63,857,471	44,301,265	35,863,350	- 8,437,915
7TEE	7TEE Live Fish Export	78,874	63,177	3,623,716	3,560,539
7TEM	7TEM Excise Motor Spirit	602,125,563	424,186,573	481,783,095	57,596,522
7TEN	7TEN Excise Other Imports	646,213,264	433,862,556	590,301,308	156,438,752

7TET	7TET Excise Tobacco Products	672,513,291	492,723,053	577,493,040	84,769,987
7TEW	7TEW Excise Wines and Spirits	291,360,780	194,122,890	218,462,480	24,339,590
7TFC	7TFC Court Fines	-	-	-	-
7TGG	7TGG Gaming Duty	120,292,619	87,290,503	128,401,691	41,111,188
7THS	7THS Merchant Charges	26,105,110	18,141,314	10,394,219	- 7,747,095
7TIB	7TIB Beer Import Duties	56,604,973	40,324,646	29,355,195	- 10,969,451
7TIF	7TIF Asycuda Fee Import Duties	73,061,758	36,460,573	6,029,251	- 30,431,322
7TIM	7TIM Motor Spirit Import Duties	426,306,525	300,324,950	386,352,415	86,027,465
7TIN	7TIN Not Elsewhere Specified Import Duties	2,303,948,476	1,601,777,265	1,628,838,913	27,061,648
7TIS	7TIS Service Fees Import Duties	10,004,730	7,353,662	5,853,426	- 1,500,236
7TIT	7TIT Tobacco & Tobacco P Import Duties	116,362,057	85,594,996	78,853,975	- 6,741,021
7TIV	7TIV Vehicles Import Duties	289,884,133	216,047,663	116,048,080	- 99,999,583
7TIW	7TIW Wines And Spirits Import Duties	133,572,217	93,270,660	89,314,718	- 3,955,942
7TLB	7TLB Business Licenses & Registration	257,661,052	254,422,504	259,453,931	5,031,427
7TLL	7TLL Liquor Licenses & Registration	11,195,905	10,994,645	15,351,526	4,356,881
7TLV	7TLV Vehicle Licenses	328,704,106	250,882,996	178,820,522	- 72,062,474
7TOA	7TOA Interactive Gaming Taxes	6,290,322	4,890,420	3,063,881	- 1,826,539
7TOR	7TOR Road Tax	143,728,575	140,536,031	145,063,651	4,527,620
7TVA	7TVA Value Added Tax	9,657,778,323	7,190,437,077	6,060,558,921	- 1,129,878,156
7UIB	7UIB Interest from Bank Deposits	-	-	350	350
7NFQ	7NFQ Tax Agent Fee	-	890,621,279	975,000	- 889,646,279
	35Department of Finance & Treasury	1,231,971,550	890,621,279	5,538,301,531	4,647,680,252
2482	2482 Other Advances - repayments	-	-		-
4461	4461 Drawdown - Reserve Bank Bond Issues	-	-	3,875,591,125	3,875,591,125
7NDF	7NDF Furniture & Fittings Disposal	-	-	53,450	53,450
7NDV	7NDV Vehicles Disposals	-	-		-
7NFO	7NFO Other Fees	1,118,711	854,970	149,740	- 705,230

7NFU	7NFU Third Party Lending Fees	69,254,161	49,602,330	44,625,000	- 4,977,330
7NOA	7NOA Application Charges Recoveries	44,768,123	32,165,031	6,026,839	- 26,138,192
7NOB	7NOB Bank Reconciliations Recoveries	-	-	26	26
7NOF	7NOF Currency Gain/Loss Recoveries	16,653,812	3,426,724	- 19,133	- 3,445,857
7NOM	7NOM Commissions Recoveries	70,110,902	48,679,427	55,628,954	6,949,527
7NOO	7NOO Other Recoveries	18,652,532	12,491,335	17,493,554	5,002,219
7QTR	Transfers for Budgetary Support	-	-	801,415,628	801,415,628
7QVG	7QVG Vanuatu Government Contributions	-	-		-
7TCF	7TCF Fees - Taxes on Companies	18,402,890	13,487,235	16,024,000	2,536,765
7TCO	7TCO Registration - Offshore Companies	58,900,803	44,667,080	60,528,336	15,861,256
7TCS	7TCS Company Stamp Duties	129,355,783	104,077,300	152,900,875	48,823,575
7TLR	7TLR Residency Permits	-	-		-
7TLS	7TLS Shipping Registration Fees	47,527,620	35,617,998	13,027,855	- 22,590,143
7TVA	7TVA Value Added Tax	-	-	140,025	140,025
7UIB	7UIB Interest from Bank Deposits	151,979,081	91,991,909	76,491,175	- 15,500,734
7UIO	7UIO Interest from Other Advances	124,551,545	84,264,354	-	- 84,264,354
7VCI	7VCI Ifira Wharf & Stevedoring Dividends	9,000,000	3,600,000	-	- 3,600,000
7VCP	7VCP Postal Services Ltd Dividends	-	-		-
7VCS	7VCS Northern Island Stevedoring Company Ltd - Dividend	5,644,254	5,644,254	7,340,470	1,696,216
7VSR	7VSR Reserve Bank	404,000,000	303,000,000	404,883,612	101,883,612
7VAB	7VAB Vanuatu Agriculture Bank Dividend	5,000,000	-	6,000,000	6,000,000
7VCB	7VCB Airports Vanuatu Ltd Dividends	3,500,000	3,500,000		- 3,500,000
7VCC	7VCC Interchange Ltd Dividends	53,551,332	53,551,332	-	- 53,551,332
2452	2452 Advance Repayment	-	-		-
7TLA	7TLA Banking License Fee	-	-		-
Total		18,097,328,332	14,251,190,473	17,040,328,023	2,789,137,550

Source: Finance and Treasury