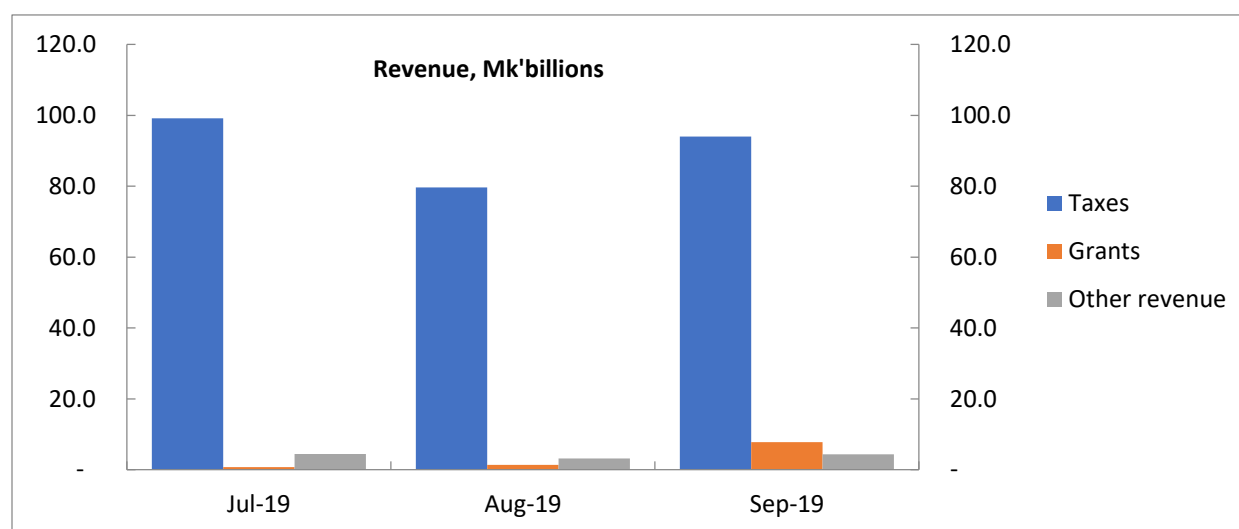


2019-2020 FY PERFORMANCE REPORT-QUARTER ONE

Revenue

Revenue for July to September 2019 amounted to 294.6 billion, thus an underperformance by K50.8 billion when compared against the target of K345.5 billion in the approved budget. This underperformance is on account of developments in both taxes and grants. Taxes totaled to K272.9 billion comprising K117.1 billion taxes on income profits and capital gains, K132.7 billion taxes on goods and services, and K23.0 billion taxes on international trade and transactions, and K156.5 million other taxes. Taxes were below quarter 1 target of K298.7 billion by K25.8 billion and this underperformance was recorded in all tax categories as a result of slow economic activities on account of post-election uncertainties. Figure one below shows that revenue performed better in July than in subsequent months.

Figure 1: Revenue performance



A total of K9.9 billion was disbursed in grants during the first quarter. However, this was lower by K28.1 billion against the K38.0 billion expected disbursements for the period. Other revenue totaled to K11.8 billion, surpassing the target of K8.8 billion. The performance of other revenue is attributed to remittances of dividends, most of which were expected in 2018-19 fiscal year.

Expenditure

Expenditure amounted to K351.0 billion comprising K321.2 billion expenses and K29.8 billion development expenditure. Expenses underperformed the target of K301.5 billion by K19.7 billion.