

KINGDOM OF ESWATINI 'S

BUDGET 2020/21 AT A GLANCE

A. HOW MUCH BUDGET TERMINOLOGY DO YOU KNOW?

WHAT IS 'THE NATIONAL BUDGET'?

In February every year, the Minister of Finance announces Government's planned spending, taxes and borrowing for the next three years – these are estimates by the way, only to be confirmed once received or spent. A National Budget therefore, is a framework through which estimates of planned expenditure, revenues and other sources funding for the next three years are projected.

WHAT IS TOTAL EXPENDITURE?

The total amount that Government plans to spend. It is composed of Recurrent and Capital Expenditure.

- **Recurrent Expenditure:** Refers to the day-to-day spending by Government, including expenditure on wages for civil servants, spending on goods and services and transfers to Government sub-vented entities.
- **Capital Expenditure:** Refers to the total amount spent by Government on investment expenditure such as infrastructure projects like construction of roads, hospitals, schools, dams etc.

WHAT IS REVENUE?

This refers to the total amount of money Government receives through taxes, collection of fees and fines and SACU receipts (revenue from the Southern African Customs Union).

WHAT IS A BUDGET DEFICIT/SURPLUS?

The difference between what Government receives (total revenue) and what Government spends (total expenditure). If negative, it is called a budget deficit and if positive, it is called a budget surplus.

WHAT IS A FULLY-FINANCED DEFICIT?

A deficit is fully-financed when there are additional sources in excess of revenue that can be used to cover a budget deficit, e.g. through external borrowing or issuance of domestic debt instruments such as T-Bills and Bonds.



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