

ECONOMIC AND FINANCIAL UPDATE

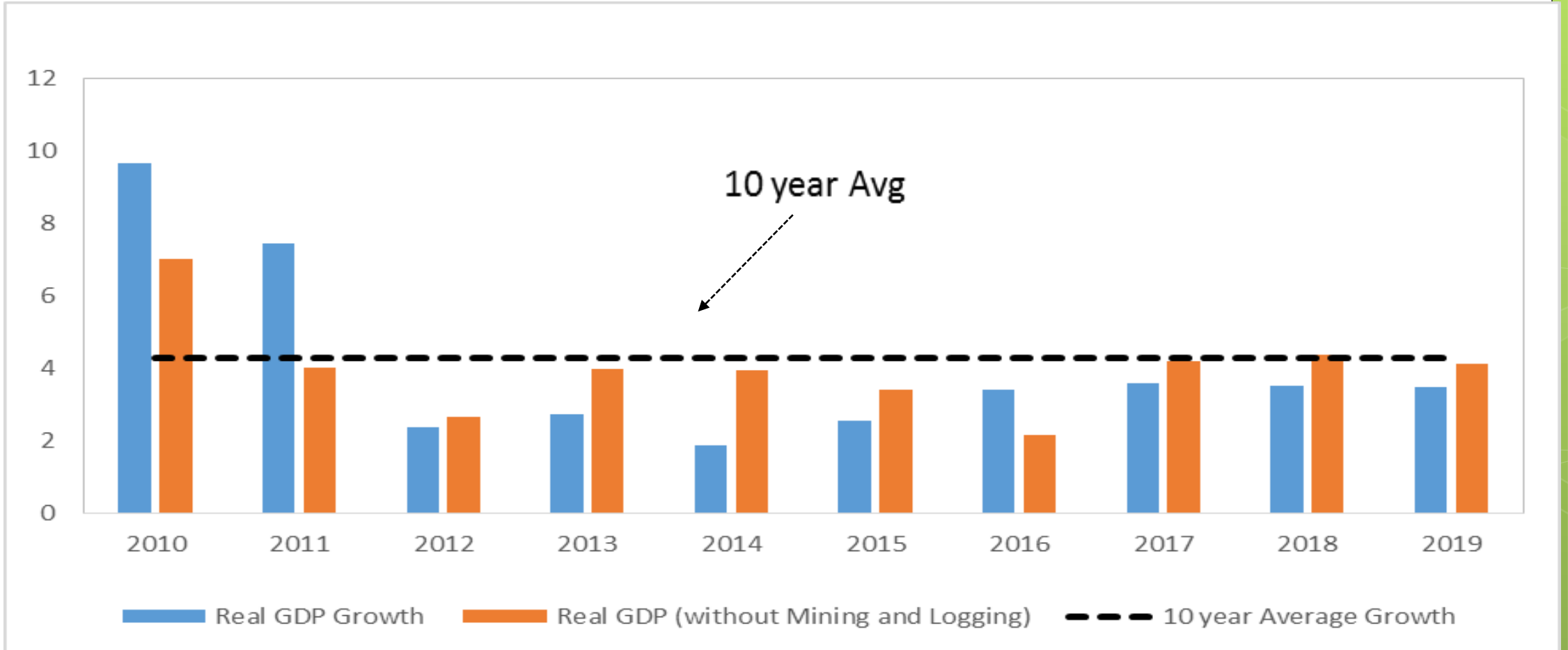
Presentation by the
Permanent Secretary, Ministry of Finance and Treasury

**SICC ANNUAL
GENERAL MEETING**

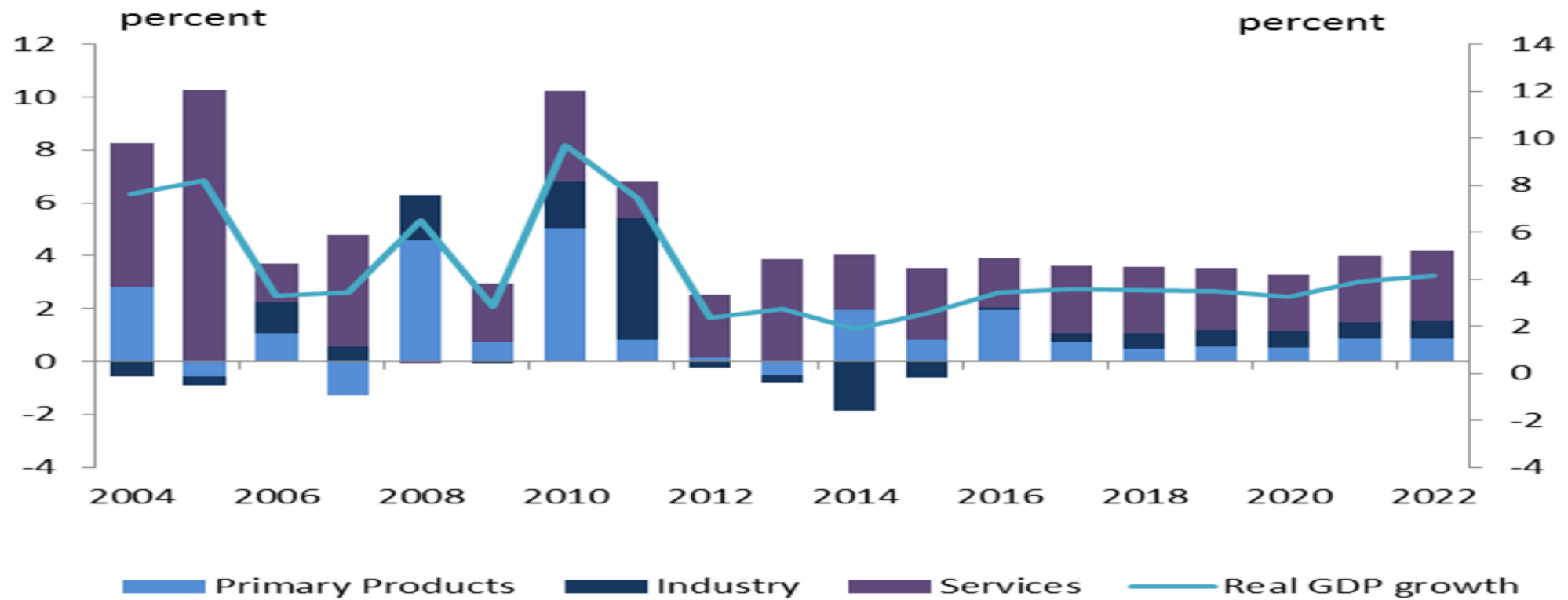
20TH MARCH, 2019

Real GDP growth (2010- 2019)

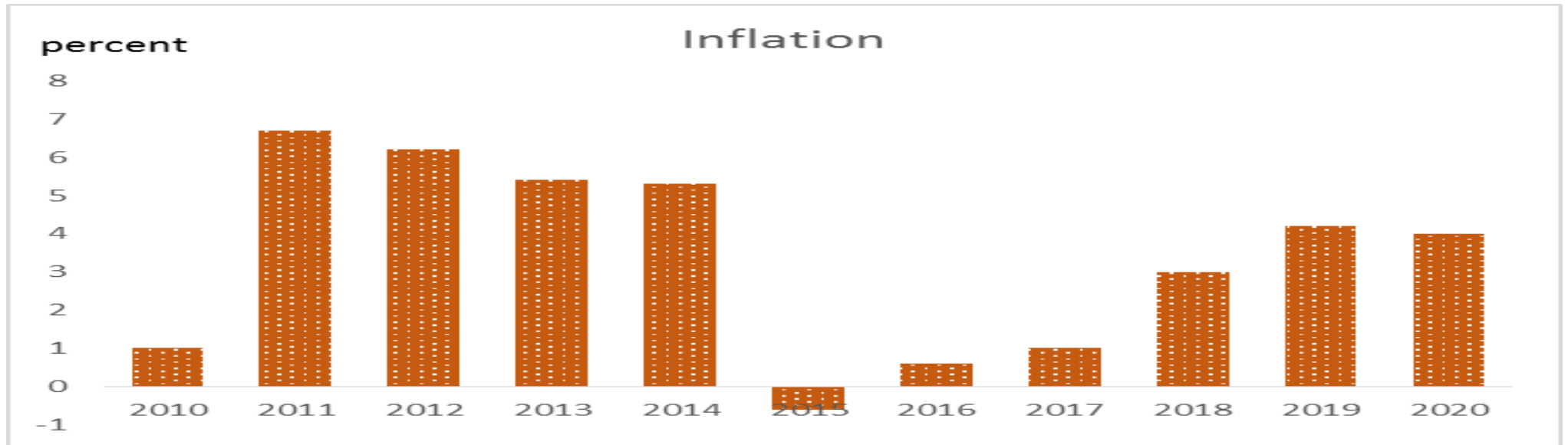
10 year Avg Growth



Sectoral growth



Inflation.....



SIG Financial Performance – Brief Story to Tell.....

- **2006 – 2010** : Government finances were improving, the domestically funded budget grows from around 700 million in 2005 to 1.5 billion in 2009. The impact of the financial crisis of 2008 was well managed and growth jumped back to around 7% in 2009.
- **2010 – 2014:** The cash position was healthy and cash reserves were building and at their highest level. The strong growth and increase in Government revenue that happens was a result of big reform programs in infrastructure, economic strategy and public financial management in general.

SIG Financial Performance – Brief Story to Tell.....continue.....

- **2015 – 2017:** Government expenditures continue to be under pressure for various priorities including scholarships, constituency programs, shipping grants, road and airfields. The budget continues to be on deficit as to be funded using cash reserves until all reserves are exhausted and resulted in around 300 million in arrears by the end of 2017.
- **2018 – 2019:** We experienced a more realistic budgeting, the then Government is committed to clear arrears with greater control at the Treasury results in huge turn around to SIG finances. As a result to the tight fiscal policy stand, the budget was brought back to affordable levels and for the first time since 2015, we rebuild the cash reserves and better cash position with Budget surplus at around \$190 million.

Major Reform Updates.....

- First stage to overhaul our Tax Laws is progressing well
- Reached the final stage on the rewrite of Customs Law
- Advance public financial management reform by the implementation of various regulations under the PFM Acts, 2013.
- Progress key financial sector reforms to establishing a strong, well-functioning financial system through the development of a new Credit Union Act, new Insurance Act, new Financial Institutions Act, National Payment System legislation, new SINPF Act and new Trustee Act.

Major Projects

- Energy projects - Tina River Hydro project progress to final stage.
- Telecommunication projects – Under Sea Cable
- Utility Project –
- Negotiation on major infrastructure project is progressing well
- SOE Reforms continues and progress pretty well

Conclusion.....

- Partnership and dialogue with SICCC is very important
- This is to ensure confidence with Government Finance
- And to promote business growth and economic development

The image shows a presentation slide. The background is a vibrant green with a pattern of faint, overlapping white hexagons. On the right side, there is a white rectangular area. At the top of this white area is a solid dark grey rectangle. Below it, the text "Thank You" is centered in a bold, black, sans-serif font. At the bottom of the white area, there is a thick, horizontal green bar.

Thank You