



Fiscal 2023 Mid-Year Budget Review

May 15, 2023



Review snapshot

The Honourable Minister of Finance, Mr. Colm Imbert, presented his mid-year budget review on Wednesday May 10, 2023.

KPMG is pleased to present its infographic on the updates to the economic and fiscal measures for 2023.

Revenue

- Adjusted budgeted Revenue of **TT\$55.17 billion in 2023 fiscal year**
- Actual Revenue received **TT\$27.4 billion for first six months of 2023 fiscal year**
- Lower collections on VAT and royalties
- Increase in taxes on income from profits
- Two thirds of revenue from non-energy sectors



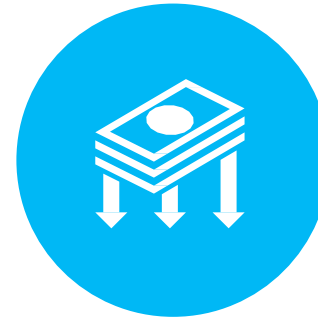
Expenditure

- Revised budgeted Expenditure of **TT\$61.53 billion for 2023 fiscal year**
- Ministries with the highest allocations according to supplementation figures:
- Ministry of Health - **TT\$693M**
- Ministry of Energy and Energy Industries - **TT\$600M**
- Ministry of Public Utilities - **TT\$508M**

Overdraft

Up to May 2023

- The Government has an overdraft limit to which it is confined
- Overdraft currently at 39%
- **TT\$5 to 6 billion** available in overdraft so the Government may not need to engage in loan financing
- No intention to withdraw money from Heritage and Stabilization fund to fund the supplementation



Budget Deficit

- A Budget deficit of **TT\$6.36 billion in 2023 fiscal year.**
- Projected revenue is expected to be **TT\$1 billion** less than original estimates.

Review snapshot

Oil and Gas

- Projected average oil price of **US\$92.50** and an average natural gas price of **US\$6**.
- Crude oil averaged **US\$81.27** a barrel for the period October 2022 to March 2023 less than the projected figure of **US\$92**
- Due to negotiations with oil and gas majors over the past 5 years the Government was able to negotiate prices for revenue from natural gas that are not a function of the Henry Hub price.



Social and Economic Indicators (IMF)

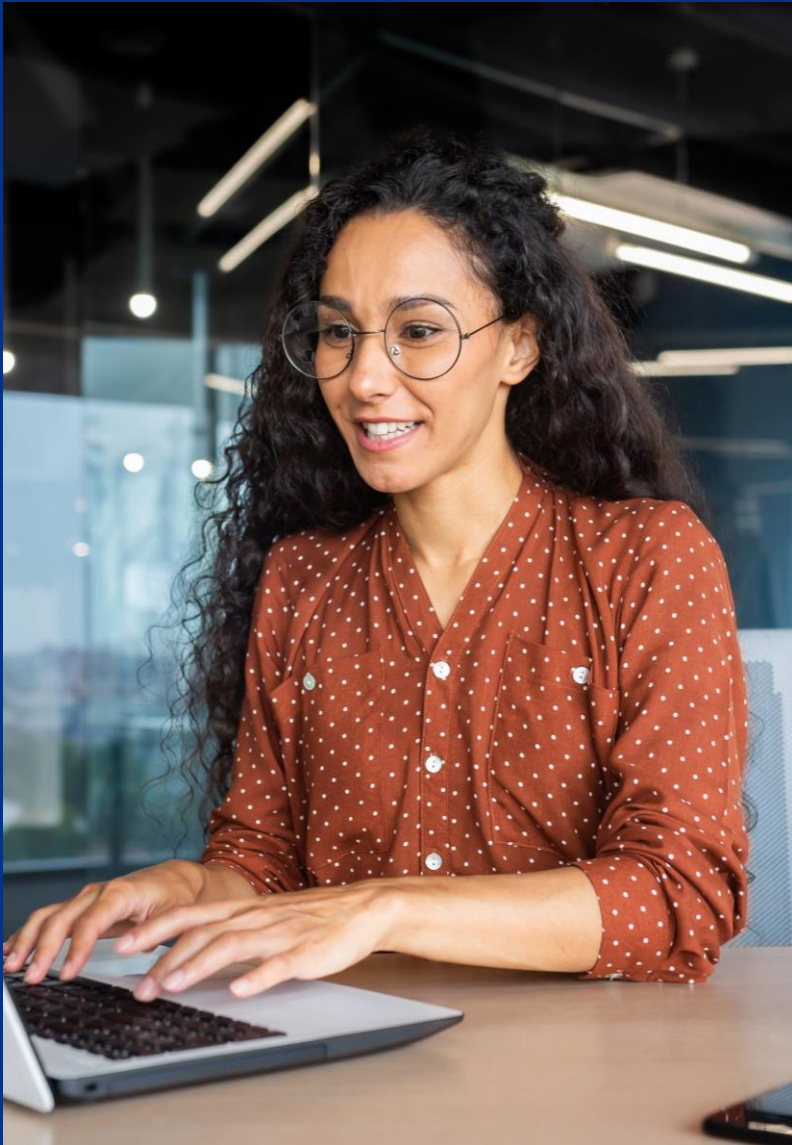
- GDP per capita in 2023 now over **US\$ 20,000**
- GDP estimated at positive 3.2% for 2023
- Inflation projected to slow by the end of 2023 to 4.5% and expected to decline with international prices
- Economic recovery expected to gain broad based momentum in 2023
- Economy grew by 3% during the first 9 months of 2022 (CSO)



VAT Refunds – VAT Bonds

More refunds were paid out resulting in a lower net revenue from VAT for the year due to an acceleration of VAT refunds of **TT\$800 million dollars**.

- Companies with VAT refunds due of **TT\$250,000** or less would receive cash in the months of May and June 2023.
- VAT bonds to be paid to companies who are owed arrears in excess of **TT\$250,000**.
- VAT bonds would be for three years and will pay a fixed interest rate of 3.15% per annum.
- Applications for VAT Bonds now available online – Please let us know if we can be of assistance to you in completing the online application.
- Applications for VAT Bonds must be completed no later than **26 May 2023**



For more information:

We hope our comments are of assistance to you , but should you need to discuss further, please do not hesitate to contact us:

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