PARLIAMENTARY WRITTEN QUESTION
Wednesday, 27 May 2026

109/2026 Hon. Jone Usamate to ask the Minister for Finance, Commerce and Business Development – In light of the 2025-2026 Budget Address, can the Minister inform Parliament on the following:

(a) how actual revenue and expenditure, as at April 2026, compare with the budget estimates; and

(b) the current breakdown of debt servicing costs and contingent liabilities, including associated risk assessments relating to interest rates, exchange rate movements, and external shocks.

Actual Revenue and Expenditure as at April 2026

1. In the first nine months of FY2025-2026 (August 2025 to April 2026), total revenue amounted to $2,923.0 million, was above the forecast by $71.5 million or 2.5 percent and represented around 74.0 percent of the annual projected revenue of $3,947.4 million. This outturn was attributed to the above forecast collections of $101.1 million or 4.1 percent in tax revenue, while non-tax revenue was below the forecast by $29.6 million or -7.4 percent.

2. Tax revenue receipts amounted to $2,553.2 million, was above the forecast by $101.1 million or 4.1 percent, and represented 75.7 percent of the total tax revenue budgeted for this financial year. Non-tax collections stood at $369.8 million, was below forecast by $29.6 million or -7.4 percent, and represented 64.5 percent of the total non-tax revenue budgeted for this financial year.

3. Total Government expenditure as at the end of April 2026 amounted to $3,293.6 million, was lower than the forecast by $994.9 million or -23.2 percent and represented around 68.1 percent of the total budgeted spending level. Operating expenditure amounted to $2,803.8 million, while capital expenditure totaled $489.7 million, were below forecast by $711.0 million or -20.2 percent and $283.9 million or -36.7 percent, respectively.

4. As a result, the net deficit as at the end of April 2026 amounted to $370.5 million, equivalent to -2.6 percent of GDP. **Table 1** below provides the summary of Government's fiscal position cumulative to the third quarter of FY2025-2026.

Table 1: Fiscal Performance for August 2025 to April 2026

Particulars	2025-2026 Annual Budget	2025-2026 9 Months Forecast	2025-2026 9 Months Actual	2025-2026 9 Months Variance	2025-2026 9 Months Variance	2024-2025 9 Months Actual
	($m)	($m)	($m)	($m)	(%)	($m)
Total Revenue	**3,947.4**	**2,851.5**	**2,923.0**	**71.5**	**2.5%**	**2,888.4**
Tax Revenue	3,374.2	2,452.1	2,553.2	101.1	4.1%	2,531.6
Non - Tax revenue	573.2	399.4	369.8	-29.6	-7.4%	356.8
Total Expenditure	**4,833.5**	**4,288.5**	**3,293.6**	**-994.9**	**-23.2%**	**3,071.1**
Operating Expenditure	3,906.9	3,514.8	2,803.8	-711.0	-20.2%	2,301.5
Capital Expenditure	926.6	773.6	489.7	-283.9	-36.7%	723.2
VAT (SEG 13)	-	-	-			46.4
Net Deficit/Surplus	**-886.0**	**-1,437.0**	**-370.5**	**1,066.4**	**-74.2%**	**-182.6**
As % of GDP	**-6.0%**	**-10.3%**	**-2.6%**			**-1.3%**
Nominal GDP	14,660.8	13,989.6	13,989.6			13,635.3

5. Overall, the fiscal performance to April 2026 was supported by stronger-than-expected tax revenue collections, while expenditure remained below forecast due largely to the timing of expenditure releases. Expenditure utilisation is expected to increase in the final quarter, consistent with historical trends and the implementation of recently announced fiscal support measures.

Breakdown of Debt Servicing Cost

6. The total debt servicing costs budgeted for the current fiscal year 2025-2026 is $1,140.2 million of which $534.5 million is for interest payments, $601.97 million is for principal repayments and $3.8 million as miscellaneous and short-term financing costs.

7. At the end of April 2026, the actual amount spent on interest is $392.1 million or 73.4 percent (external interest payment is $80.5 million + domestic of $311.7 million). The actual principal repayment totaled $447.9 million or 74.4 percent as compared to budget (external principal is $178.4 million + domestic principal of $269.4 million).

8. In the last ten-year period, despite the heavy accumulation of Government debt, rising from $5,220.5 million in FY2017-2018 to the current level of $11,028.3 million in April 2026, the cost of debt has remained relatively stable fluctuating between 2.6 to 4.1 percent. Cost of debt is projected at 3.8 percent at the end of July 2026, the Government through the Ministry of Finance is liable for the payment of all interest, principal and other charges of the loan during the loan term and has never defaulted on its repayments to its lenders.

Contingent Liabilities

9. In terms of the total contingent liabilities, it stood at $1,778.50 million or 12.7 percent of GDP at the end of April 2026. The portfolio is distributed across explicit guarantees (comprises 64.0 percent), other explicit contingent liabilities (at 33.0 percent) and implicit contingent liabilities (3.4 percent).

10. Government guaranteed debt stood at $1,138.10 million, equivalent to 8.1 percent of GDP at the end of April 2026. This includes outstanding Government guaranteed borrowings for Fiji Airways ($347.5million), Fiji Sugar Corporation ($320.2 million), Fiji Development Bank ($347.0million), Housing Authority ($119.2 million) and PAFCO ($4.2 million). The Ministry remains committed to carefully managing the costs and risks associated with government borrowings and guarantees, ensuring that fiscal risks are prudently monitored and managed.

Associated Risk Assessments Relating to Interest Rates, Exchange Rate Movements, and External Shocks

11. In terms of risk assessments, for contingent liabilities, Government actively manages these liabilities using a 3-tier risk assessment framework (that is Low, Medium and High) focused on financial indicators, cash flow projections, and sector-specific economic factors.

12. Government conducts quarterly costs and risks assessments of its debt portfolio – covering interest rates, exchange rate fluctuations, refinancing risk and financial shocks to ensure alignment to the

MTDS target. To address any marginal deviations, the government is focusing on long-term concessional borrowings from external lenders and domestic markets. This proactive strategy locks in stable interest rates, lower overall debt servicing costs and reduces refinancing and foreign exchange rate risks.

END

Appendix

Summary of actuals vs budget Head 52

Summary of Head 52	Estimate	Utilised	Budget Balance	Utilisation Rate
	2025-2026	30-Apr-26	30-Apr-26	30-Apr-26
	$000	$000	$000	%age
Interest Payments				
Overseas Loans …	**122,358.5**	80,481.1	41,877.4	65.8%
Domestic Loans …	**412,111.7**	311,667.4	100,444.2	75.6%
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Total Interest Payments….	**534,470.1**	392,148.5	142,321.6	73.4%
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Principal Repayments				
Overseas Loans …	**240,675.2**	178,443.9	62,231.3	74.1%
Domestic Loans …	**361,293.0**	269,410.0	91,883.0	74.6%
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Total Principal Repayments	**601,968.2**	447,853.9	154,114.3	74.4%
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Miscellaneous and Short Term Financing …	**3,800.0**	2,809.1	990.9	73.9%
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Total Debt Servicing…	**1,140,238.3**	842,811.5	297,426.8	73.9%
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Cost and Risk indicators Assessment

Cost and Risk Indicators		FY 2024	MTDS Target	FY 2025	April 2026
Nominal debt as percentage of GDP		79.0(r)	77.1	77.1	78.8
Cost of Debt	Weighted Av. IR (percent)	5.2	4.8	5.0	3.9
Refinancing risk	ATM (years)	11.7	10.2	11.7	13.3
	Debt maturing in 1 year (percent of total)	5.6	6.0	7.7	1.8
Interest rate risk	ATR (years)	10.5	9.3	10.8	12.4
	Debt re-fixing in 1 year (percent of total)	22.4	20.5	22.5	18.0
FX risk	FX debt (percent of total debt)	36.1	37.7	35.2	32.1