



MALAWI REVENUE AUTHORITY

REVENUE PERFORMANCE REPORT FOR OCTOBER 2016

TAX REVENUE OUTTURN FOR THE PERIOD: OCTOBER 2016 (UNAUDITED)

(All figures in Millions of Malawi Kwacha)

Tax Type	Sep-16	Oct-16			Cumulative To Date FY 2016/17		
	Actual	Actual	Projection	Variance	Actual	Projection	Variance
Income and Profits	27,535.65	39,044.88	36,454.58	2,590.31	126,789.02	121,837.52	4,951.51
Individual	18,147.89	16,163.44	14,301.65	1,861.79	62,796.20	59,350.25	3,445.95
Pay As You Earn (PAYE)	18,147.89	16,163.44	14,301.65	1,861.79	62,796.20	59,350.25	3,445.95
Other	828.35	2,467.93	2,378.94	88.99	7,788.21	6,001.74	1,786.47
Fringe Benefits Tax (FBT)	47.04	2,113.12	1,935.18	177.94	4,047.44	3,652.26	395.18
Non Resident Tax (NRT)	781.31	354.81	443.76	(88.95)	3,740.77	2,349.49	1,391.29
Corporate	3,359.83	15,006.20	15,107.78	(101.59)	33,788.07	34,370.22	(582.15)
Company Assessments	1,734.91	554.85	1,502.17	(947.32)	5,027.25	8,589.30	(3,562.05)
Provisional Tax	1,624.91	14,451.35	13,605.62	845.73	28,760.82	25,780.92	2,979.90
Withholding Tax	5,199.58	5,407.32	4,666.20	741.11	22,416.55	22,115.30	301.25
Goods and Services	25,435.20	26,369.11	22,303.61	4,065.50	100,860.02	85,590.36	15,269.66
Value Added Tax (VAT)	19,864.29	19,983.94	17,208.66	2,775.28	76,480.00	64,997.55	11,482.45
Domestic	9,252.51	9,109.07	8,217.19	891.88	34,512.99	30,866.90	3,646.09
Import	10,611.78	10,874.87	8,991.47	1,883.40	41,967.01	34,130.65	7,836.36
Excise Duties	5,570.91	6,385.16	5,094.95	1,290.22	24,380.02	20,592.80	3,787.22
Local	2,195.48	2,219.60	2,028.92	190.68	9,828.28	8,913.70	914.58
Import	3,375.44	4,165.56	3,066.03	1,099.53	14,551.74	11,679.11	2,872.63
International Trade	5,585.16	6,174.44	4,975.56	1,198.88	22,147.92	18,954.24	3,193.69
Import Duty	5,578.06	6,097.80	4,960.93	1,136.88	22,059.08	18,995.61	3,063.47
Prepayment	7.10	76.63	14.64	62.00	88.84	(41.37)	130.21
Other	421.49	199.90	283.15	(83.26)	1,959.79	2,138.98	(179.19)
Miscellaneous Duties	52.16	57.66	69.92	(12.26)	187.01	230.02	(43.02)
Penalties	93.96	63.73	40.99	22.74	693.03	268.43	424.60
Dividend Tax	274.14	77.97	169.02	(91.05)	1,072.82	1,631.21	(558.39)
Turn-over Tax	1.23	0.54	3.22	(2.69)	6.94	9.32	(2.38)
Gross Tax Revenues	58,977.50	71,788.32	64,016.90	7,771.42	251,756.76	228,521.10	23,235.67
Tax Refunds	(911.51)	(945.40)	(946.28)	0.87	(3,584.58)	(3,377.93)	(206.66)
Net Tax Revenues	58,065.98	70,842.92	63,070.62	7,772.30	248,172.18	225,143.17	23,029.01

REVENUE PERFORMANCE REPORT FOR OCTOBER 2016

In the month of October 2016, total tax revenues collected amounted to MK71.88 billion against a monthly projection of MK 64.01 billion, thereby recording a revenue surplus of MK7.8 billion. The key trend remained similar to previous months with good performances in PAYE, Import Duty, Import VAT, Domestic VAT, Import Excise and NRT. Cumulatively, Malawi Revenue Authority (MRA) has to-date collected MK 251.849 billion against a target of MK 228.521 billion translating to an over-performance of 10 percent. The reforms which MRA embraced coupled with staff commitment and dedication to work is yielding positive results on revenue collection. VAT collections have gone up a lot confirming that EFDs are also contributing a lot.

OCTOBER 2016 OUTTURN

Income and Profits: A total of MK 39.04 billion was collected in income and profits taxes against a projection of MK36.45 billion representing a surplus of 7 percent of the target owing to strong performances by provisional tax (MK14.5 billion against MK13.6 billion), withholding tax, PAYE and FBT.

Pay As You Earn (PAYE): Collection under this tax was MK16.16 billion against a monthly target of MK14.30 billion resulting into a positive variance of 13 percent. The performance of this tax can be attributed to improved compliance levels from taxpayers following follow-ups on taxpayers carried out by the Authority.

Fringe Benefits (FBT) and Non-Resident Taxes (NRT): Combined FBT and NRT collections equalled MK2.47 billion. This collection was MK88.99 million above the target for the month of October, 2016. This positive variance was propelled by an over-performance in FBT (109%).

Corporate Tax: With a collection of MK15.01 billion against a monthly target of MK15.11 billion, this tax recorded a performance 99 percent. There has been an improvement in the overall performance of this tax over last month's performance of 74%. The performance of this tax can be attributed to the challenging economic environment in which companies are operating which has negatively impacted on companies' profitability. Companies are facing

several challenges which include high interest rates, high cost of utilities and intermittent power supplies, just to mention a few.

Goods and Services: A total of MK26.4 billion was collected from goods and services which is MK4.1 billion above a monthly target of MK22.3 billion. All tax components over-performed their targets during the month under review.

Value Added Tax (VAT): At MK 19.98 billion, VAT collection has remained fairly constant from last month's collection. VAT collection performed above the monthly target of MK17.20 billion by 16 percent. Domestic VAT alone registered a total of MK9.11 billion exceeding the target by 11 percent. The empowerment of consumers to start demanding a fiscal receipt every time they make a purchase, through the 'Lisiti Langa Campaign' is bearing fruits on VAT Collection.

Excise Duties: Both local excise and import duty recorded strong performances against their respective monthly projections. At MK6.38 billion, the excise duties collection was MK1.3 billion above the monthly projection of MK5.09 billion. Local excise duties collection amounted to MK2.2 billion, which was 9 percent above its monthly projection. This performance was buoyed by an increase mobile phone calls, text messaging and data usage. Import excise registered a collection of MK3.1 billion recording a performance of 279%. Import excise duties collected on the importation of fuel, cigarettes and motor vehicles made up about 67% of the total import excise duties collected indicating an increase in the importation of these commodities.

Import Duty: MK6.10 billion in import duties was collected against a monthly target of MK4.96 billion registering 23 percent of the target owing to increased importation of vehicles, soap nodules, cigarettes and worn clothing. The performance of import duty was positively impacted by a reduction in the amount of revenue foregone through various duty suppressing instruments.

Other Taxes: Both dividend and turn over taxes fell short of their respective monthly targets leading to a performance of 71 percent.