



## MALAWI REVENUE AUTHORITY

# REVENUE PERFORMANCE REPORT FOR JANUARY 2017

### TAX REVENUE OUTTURN FOR THE PERIOD: JANUARY 2017 (UNAUDITED)

(All figures in Millions of Malawi Kwacha)

Tax Type	Dec-16	Jan-17			Cumulative To Date FY 2016/17		
	Actual	Actual	Projection	Variance	Actual	Projection	Variance
<b>Income and Profits</b>	<b>28,443.27</b>	<b>39,973.79</b>	<b>46,573.18</b>	<b>(6,599.39)</b>	<b>227,894.01</b>	<b>221,242.47</b>	<b>6,651.53</b>
Individual	19,553.79	14,545.05	17,122.79	(2,577.74)	109,596.34	110,978.77	(1,382.43)
Pay As You Earn (PAYE)	19,553.79	14,545.05	17,122.79	(2,577.74)	109,596.34	110,978.77	(1,382.43)
Other	726.93	2,966.32	2,451.39	514.93	24,474.78	10,767.99	13,706.80
Fringe Benefits Tax (FBT)	180.14	2,090.01	1,897.72	192.29	6,381.82	5,733.61	648.21
Non Resident Tax (NRT)	546.79	876.31	553.67	322.64	18,092.96	5,034.38	13,058.59
Corporate	3,676.12	17,171.30	21,178.51	(4,007.21)	56,722.29	61,442.42	(4,720.13)
Company Assessments	1,670.70	1,384.66	2,664.06	(1,279.39)	8,529.34	13,926.30	(5,396.96)
Provisional Tax	2,005.42	15,786.64	18,514.45	(2,727.81)	48,192.95	47,516.12	676.83
Withholding Tax	4,486.43	5,291.12	5,820.49	(529.37)	37,100.59	38,053.30	(952.71)
<b>Goods and Services</b>	<b>25,238.64</b>	<b>26,163.95</b>	<b>20,483.28</b>	<b>5,680.67</b>	<b>178,250.60</b>	<b>152,362.94</b>	<b>25,887.66</b>
<b>Value Added Tax (VAT)</b>	<b>19,388.59</b>	<b>19,711.51</b>	<b>15,764.03</b>	<b>3,947.48</b>	<b>136,269.83</b>	<b>117,186.66</b>	<b>19,083.17</b>
Domestic	8,269.66	10,506.26	8,211.22	2,295.04	62,533.68	55,884.93	6,648.74
Import	11,118.93	9,205.25	7,552.81	1,652.44	73,736.15	61,301.73	12,434.42
Excise Duties	5,850.05	6,452.44	4,719.25	1,733.19	41,980.77	35,176.28	6,804.49
Local	2,346.34	2,513.65	2,139.63	374.02	17,023.09	15,175.17	1,847.92
Import	3,503.71	3,938.79	2,579.62	1,359.17	24,957.68	20,001.11	4,956.57
<b>International Trade</b>	<b>6,272.36</b>	<b>5,541.75</b>	<b>4,451.31</b>	<b>1,090.44</b>	<b>39,969.93</b>	<b>34,253.37</b>	<b>5,716.57</b>
Import Duty	6,271.81	5,541.61	4,454.72	1,086.89	39,880.10	34,292.65	5,587.45
Prepayment	0.55	0.14	(3.41)	3.55	89.83	(39.29)	129.12
<b>Other</b>	<b>459.78</b>	<b>260.35</b>	<b>589.87</b>	<b>(329.51)</b>	<b>2,905.99</b>	<b>3,386.91</b>	<b>(480.92)</b>
Miscellaneous Duties	57.31	52.31	46.91	5.40	365.25	379.12	(13.86)
Penalties	265.44	95.71	164.69	(68.98)	1,109.70	592.18	517.53
Dividend Tax	136.29	111.69	375.74	(264.05)	1,421.79	2,399.65	(977.86)
Turn-over Tax	0.74	0.65	2.53	(1.89)	9.24	15.97	(6.72)
<b>Gross Tax Revenues</b>	<b>60,414.05</b>	<b>71,939.84</b>	<b>72,097.63</b>	<b>(157.80)</b>	<b>449,020.52</b>	<b>411,245.69</b>	<b>37,774.83</b>
Tax Refunds	(1,016.70)	(903.65)	(1,065.72)	162.07	(6,556.41)	(6,019.78)	(536.64)
<b>Net Tax Revenues</b>	<b>59,397.35</b>	<b>71,036.18</b>	<b>71,031.91</b>	<b>4.27</b>	<b>442,464.11</b>	<b>405,225.91</b>	<b>37,238.20</b>

### REVENUE PERFORMANCE REPORT FOR JANUARY 2017

Tax revenue collection for the month of January 2017, amounted to MK71.94 billion against a monthly projection of MK72.09 billion, thereby recording a performance rate of 99.8 percent. Cumulatively, the total tax revenues collected during FY2016/17 to date amount to MK449.02 billion against a projection of MK411.25 billion, registering a surplus of MK37.77 billion. The tax revenue performance in the month of January was driven by strong collections in Import Duty, Import VAT, Domestic VAT, Import Excise and Local Excise.

#### January 2017 OUTTURN

**Income and Profits:** A total of MK39.97 billion was collected in income and profits taxes against a projection of MK46.57 billion representing 85.8 percent of the target. The performance emanates from a dismal performance in all the tax lines in this category except for Fringe Benefit Tax (FBT) and Non-Resident Tax (NRT).

**Pay As You Earn (PAYE):** A total of MK14.55 billion was collected against a target of MK17.12 billion. The performance translates to 85.0 percent of the target owing to delays in remittances by some government agencies following delays in salary payments.

**Fringe Benefits (FBT) and Non-Resident Taxes (NRT):** This category of tax registered a total of MK2.97 billion against a monthly target of MK2.45 billion. The positive performance resulted from good performance in both tax lines under this category. FBT benefitted from increased enforcement activities by MRA such as timely reminders and audit.

**Corporate Tax:** A total of MK17.18 billion was collected against a monthly target of MK21.18 billion registering 81.1 percent performance against the target. Both assessment tax and provisional taxes registered performance point to the economic hardships being faced by some companies due to reduced power and as well as high inflation rates. As for provisional taxes, companies are projecting reduced profitability thereby reducing their remittances.

**Withholding Tax:** At MK5.29 billion, withholding tax registered a 90.9 percent performance against its January 2017 target. This is due to reduced transactions in the major players like telecommunication companies and the commercial banks.

**Goods and Services:** A total of MK26.16 billion was collected from goods and services against monthly target of MK20.48 billion registering a surplus of 28 percent of the target. All taxes under this category performed well.

**Value Added Tax (VAT):** With a total collection of MK19.71 billion this category of tax over performed its monthly target of MK15.76 billion by 25 percent. Domestic VAT over-performed by MK2.29 billion on account of increased spending by households over the festive season; implementation of tax policies and enhanced enforcement activities of tax administration. Import VAT's excess collection of MK1.65 billion was largely on account of increased importation of various products and the slight movements in exchange rates.

**Excise Duties:** At MK6.45 billion, excise duties collected during the month under review was 36.7 percent above the target of MK4.72 billion. The good performance in this category was propelled by positive performance in import excise which, at MK3.94 billion, registered a surplus of MK1.36 billion. Increased import of excisable products led the over performance of the import excise.

**Import Duty:** The tax type registered a positive variance of MK1.09 billion above the monthly target of MK4.45 billion. This exceptional performance was due to increased importation of products of higher duties.

**Other Taxes:** Total revenue collected on account of other taxes amounted to MK260.35 million against a projection of MK589.87 million. All taxes under this category registered deficits except miscellaneous duties.