



PUBLIC FINANCES RESULTS 2018

**MINISTRY OF FINANCE
Dominican Republic**

January 2019



METHODOLOGICAL CONTEXT

- In 2018, the Ministry of Finance adopted the 2014 Government Finance Statistics Manual by the International Monetary Fund as its methodology to generate fiscal statistics. This data is available to the public and can be found on our new institutional web page: <http://www.hacienda.gob.do/estadisticas-fiscales/>
- This new framework redefines the concepts by which revenue and expenditures are classified, by measuring the variations between the opening and closing balance sheet stock positions of fiscal accounts. Additionally, this framework ensures the best standards of harmonization, compilation and international comparability of fiscal statistics.
- The information we will present is framed in this new methodological criteria.



CONTENT

I. FISCAL REVENUES

II. EXPENDITURES

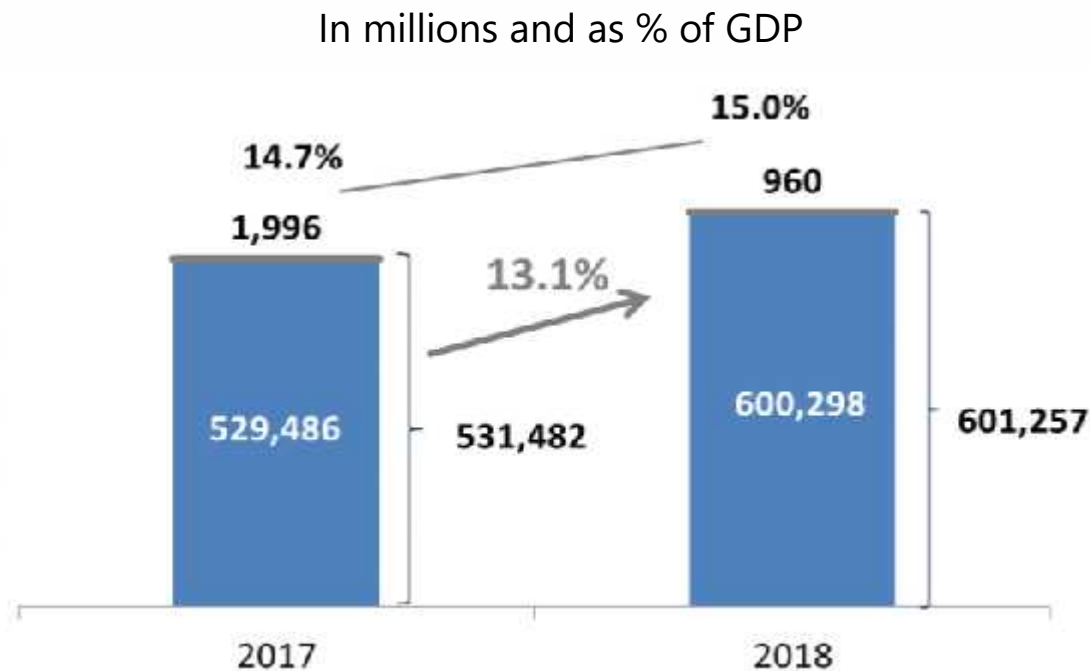
III. PRIMARY AND GLOBAL RESULTS

IV. FINANCING AND PUBLIC DEBT



FISCAL REVENUES

- At the end of 2018 fiscal revenues amounted RD\$601,257 millions, an increase of 13.1% versus 2017. Including revenues from the National Treasury related to liability management the amount is RD\$603,362 millions.

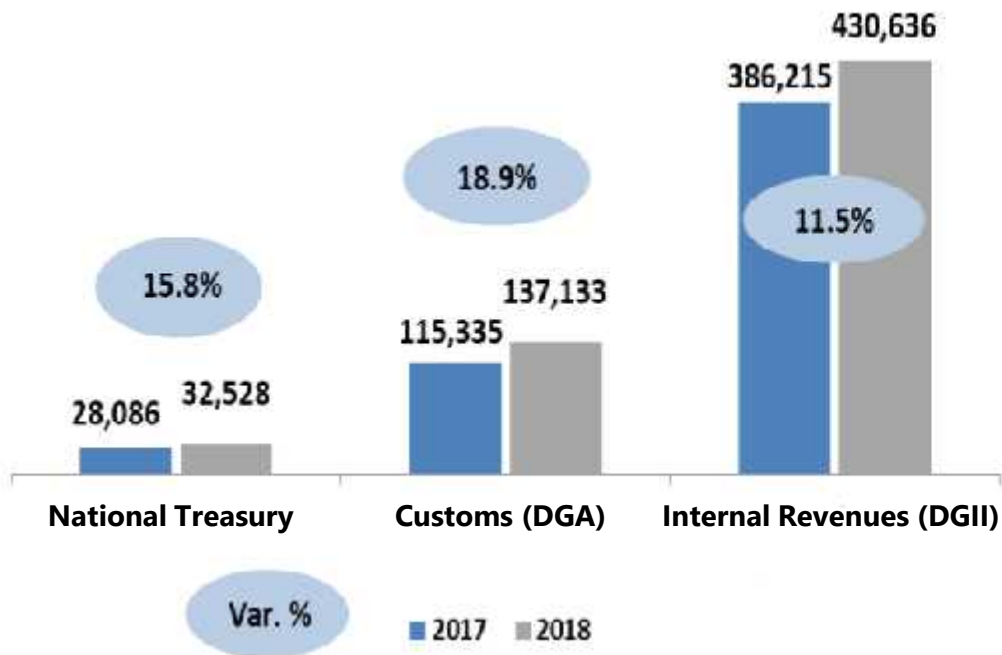




REVENUES BY AGENCY

- Revenues reached 100.7% of the original budget. All agencies registered the highest growth in the last four years, thanks to the joint efforts of DGII and DGA.

2017 vs 2018, in millions RD\$



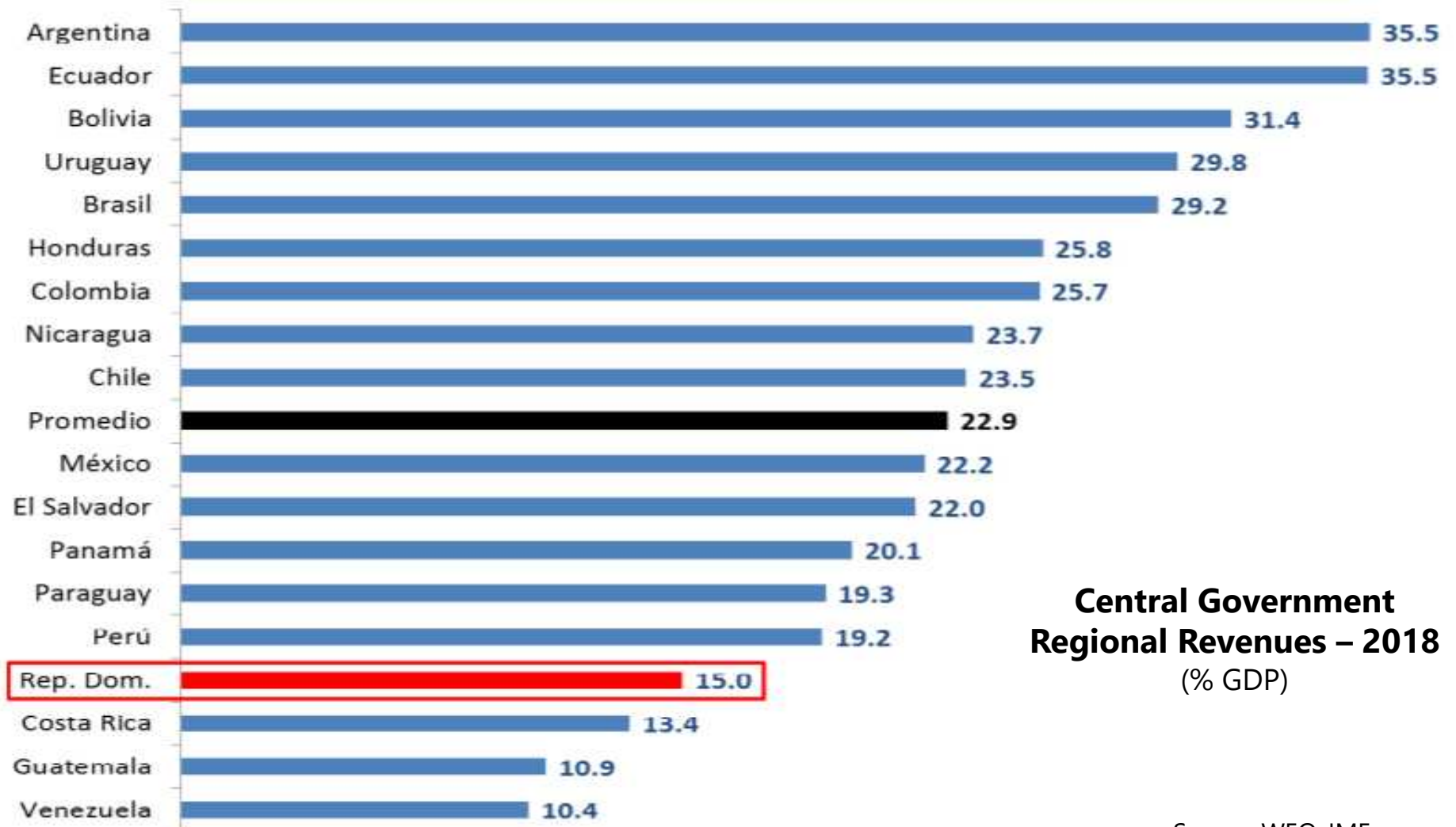
Interannual Growth Rate (%)





REGIONAL FISCAL PRESSURE

Dominican Republic recorded a fiscal pressure of 15% of GDP, 7.9 percentage points of GDP below the regional average, which is 22.9%



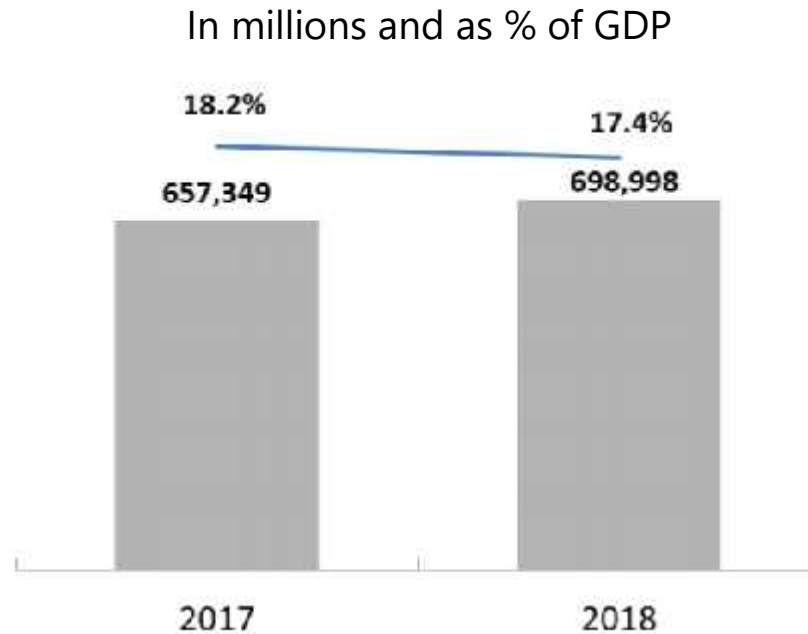
**Central Government
Regional Revenues – 2018**
(% GDP)

Source: WEO, IMF



EXPENDITURES

In 2018, the total expenditure of the Central Administration amounted RD\$698,998 million, which represents 17.4% of GDP, and a reduction by 0.8 percentage points of GDP compared to 2017.

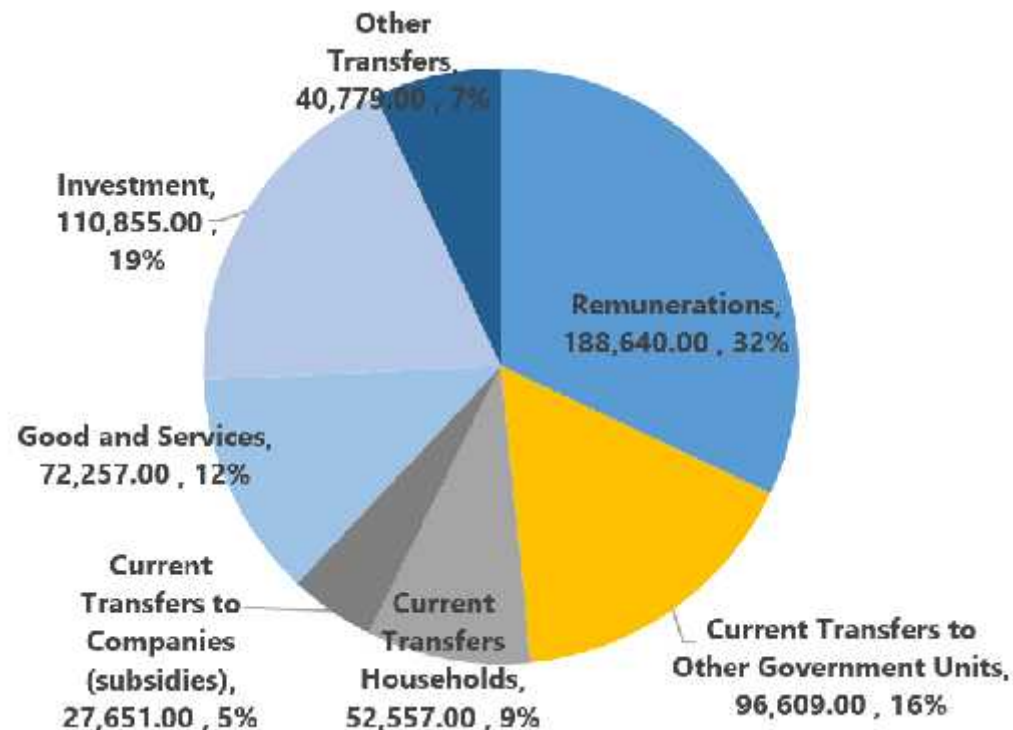




CENTRAL ADMINISTRATION EXPENDITURES COMPOSITION

Total expenditure excluding interest amounted RD\$589,348 million. Of this, 32.0% corresponds to remuneration, 18.8% to investment and 16.4% to transfers to General Government units.

In millions and as % of total

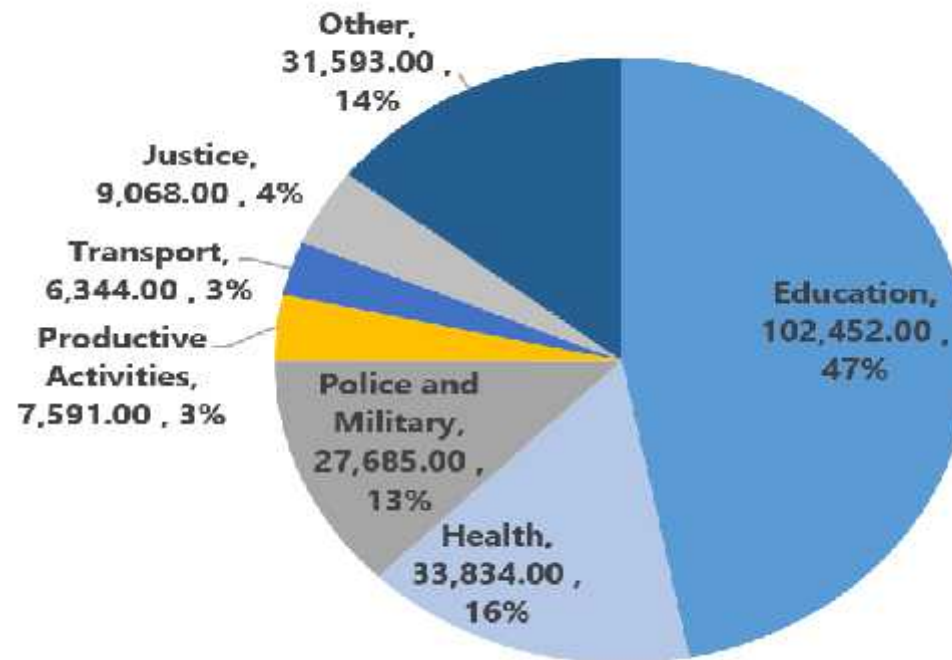




REMUNERATION COMPOSITION

By including transfers to the National Health Service (RD\$29,926) to total remunerations (RD\$188,640 million), the 75% goes to Education, Health, Police and Military.

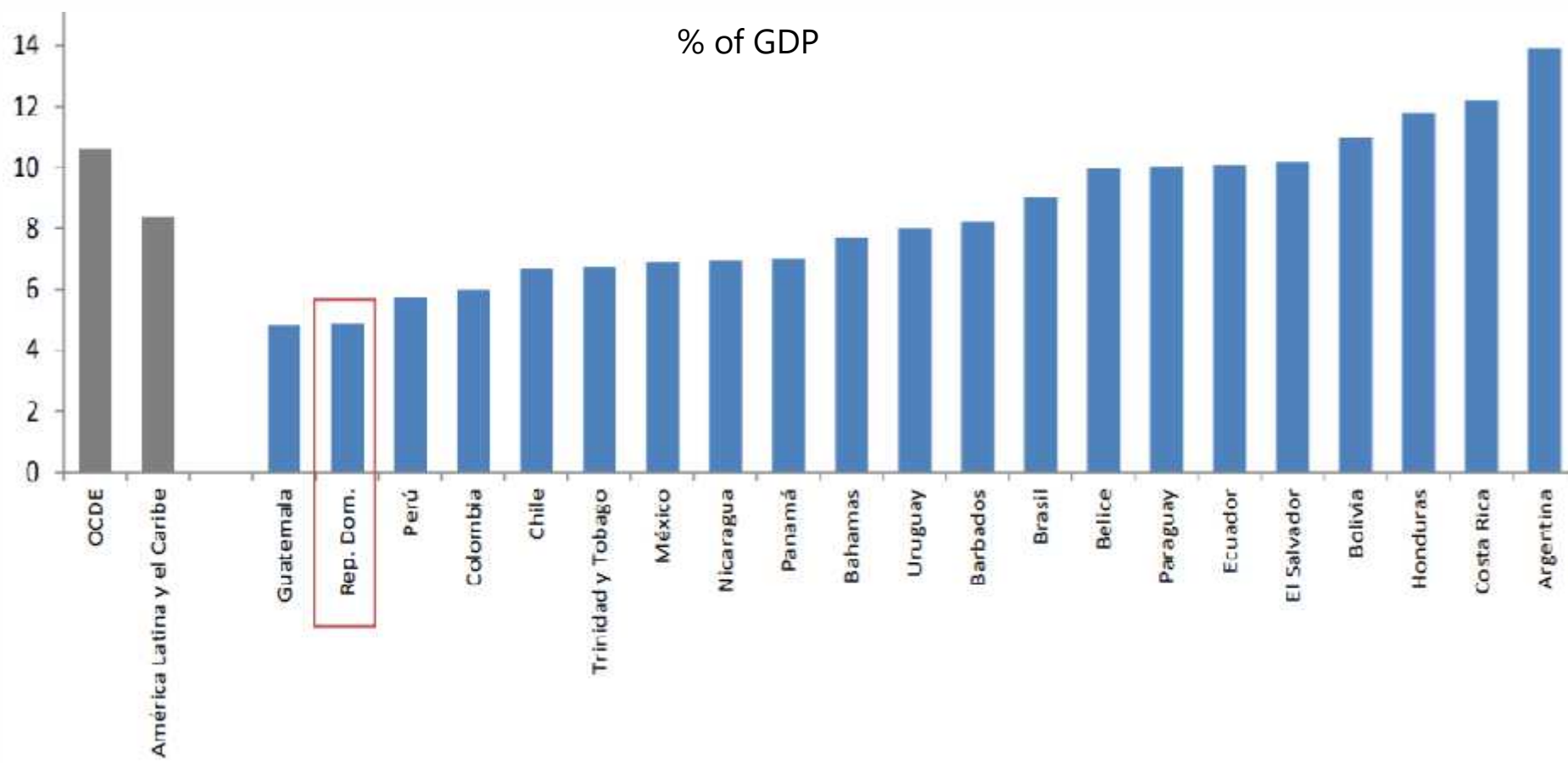
In millions and as % of GDP





REMUNERATION TO EMPLOYEES

Dominican Republic spends less in remuneration than the regional average as percentage of GDP.



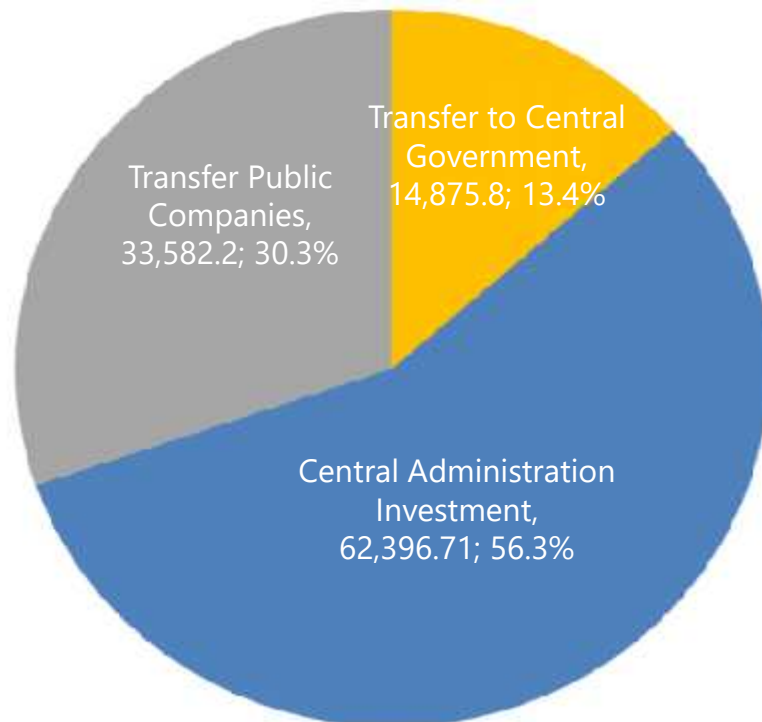


INVESTMENT EXPENDITURE COMPOSITION

Total investment expenditure amounted to RD\$110,855 million, equivalent to 2.8% of GDP.

10 projects represent the 65% of the investment expenditure, equivalent to RD\$72,041 millions:

In millions RD\$ and as % of total



Concepts	2018
Punta Catalina	20,499
Roads, avenues, streets	11,435
Health Centers	8,764
Aqueducts	8,669
Schools	8,285
Local Governments	7,353
Distribution Networks Improvement	2,680
Second Metro Line	2,203
Monte Grande	1,493
First Cableway Line	661

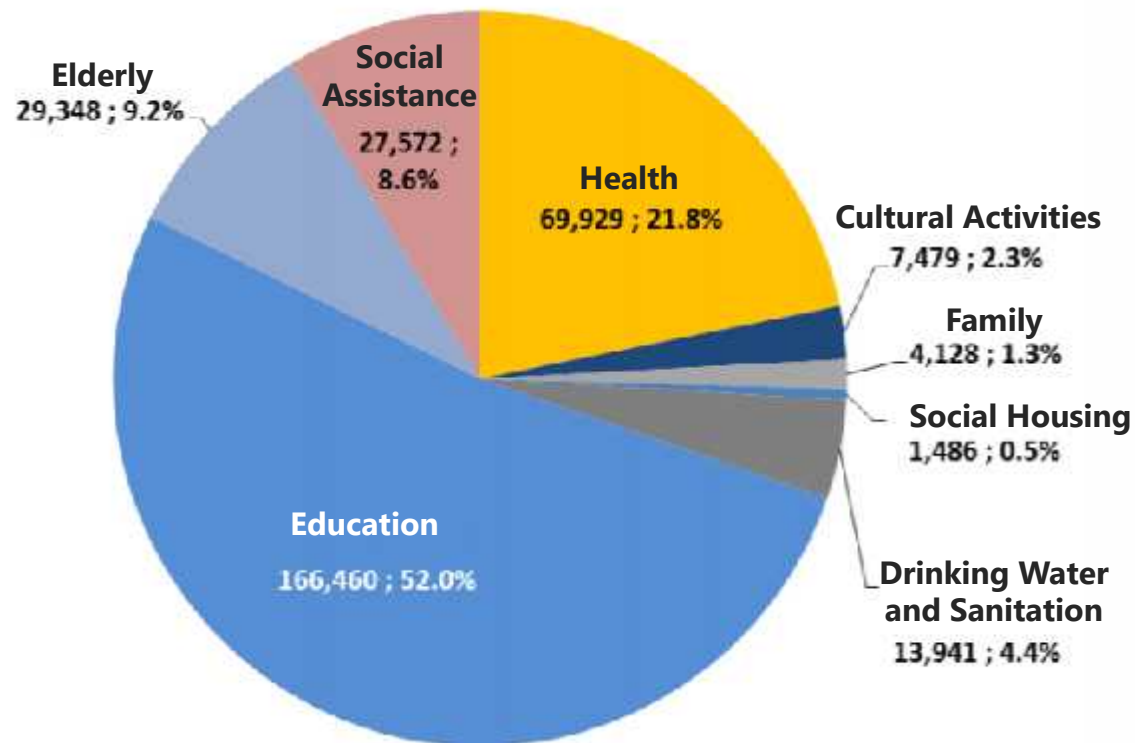
Source: SIGEF, Fiscal Policy General Direction, Ministry of Finance
Note: Preliminary figures.



SOCIAL EXPENDITURES

The 82.4% of social expenditure is focus on education (52.0%), health (21.8%) and elderly (9.2%).

In millions RD\$ and as % of total





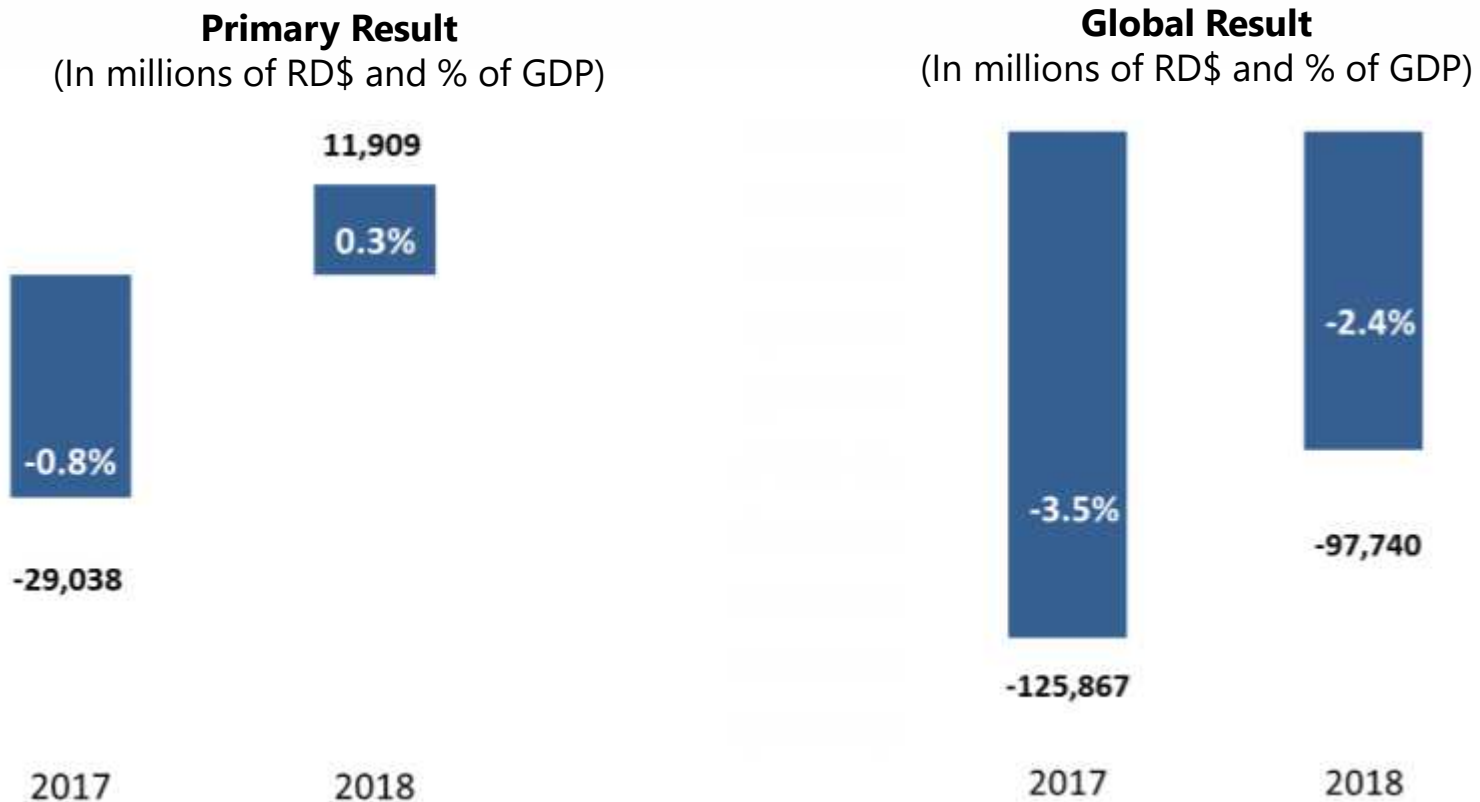
IMPROVEMENT IN SOCIAL INDICATORS

- ❑ From August 2016 to December 2018, 227,925 students joined the **Extended School Program**, achieving a total of 1,162,849 students benefited.
- ❑ During 2018 the coverage of the **School Feeding Program** was increased, reaching a total of 1,649,976 beneficiaries in the year.
- ❑ The Government's effort in initial education is in line with the recommendations of the IDB of that the region should emphasize investment at this level since it has higher economic returns. **In 2018, 68,499 children were incorporated into the integral care policy to early childhood**, for a total of 193,586 children integrated into the program.
- ❑ In 2018, the total number in **Family Health Insurance** reached a total of 7.7 million, representing more than 75% of the Dominican population. At the end of 2018 the total SENASA affiliates reached a total of 4.7 million affiliates.



CENTRAL ADMINISTRATION PRIMARY AND GLOBAL RESULTS

The primary surplus in 2018 was RD\$11,909 million, equivalent to 0.3% of GDP, an improvement of 1.1% of GDP over the previous year. The overall result was -2.4%.





CENTRAL ADMINISTRATION RESULTS

- ❑ The improvement in the Central Administration's primary result of 1.1% of GDP is explained by a **increase of 0.3% of GDP in revenues and a 0.8% reduction of total expenditure.**
- ❑ The reduction in total expenditure is explained by a **0.3% of GDP decrease in central government investment** compared to last year for construction and reconstruction due to the rains of late 2016 and early 2017, 0.4% of GDP was due to the lower investment in the electricity sector, and the rest was due to a reduction in government operational spending.



NFPS RESULTS

By including the operations of municipalities, decentralized, social security and companies, which recorded a deficit of 0.2% of GDP, the SPNF reached a deficit of RD\$104,647 million, equivalent to 2.6% of GDP.

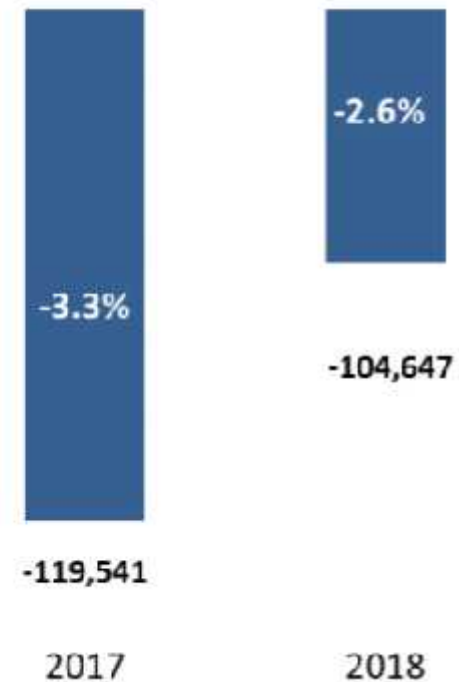
Result of Rest of NFPS

(In millions of RD\$ and % of GDP)



NFPS Global Result

(In millions of RD\$ and % of GDP)

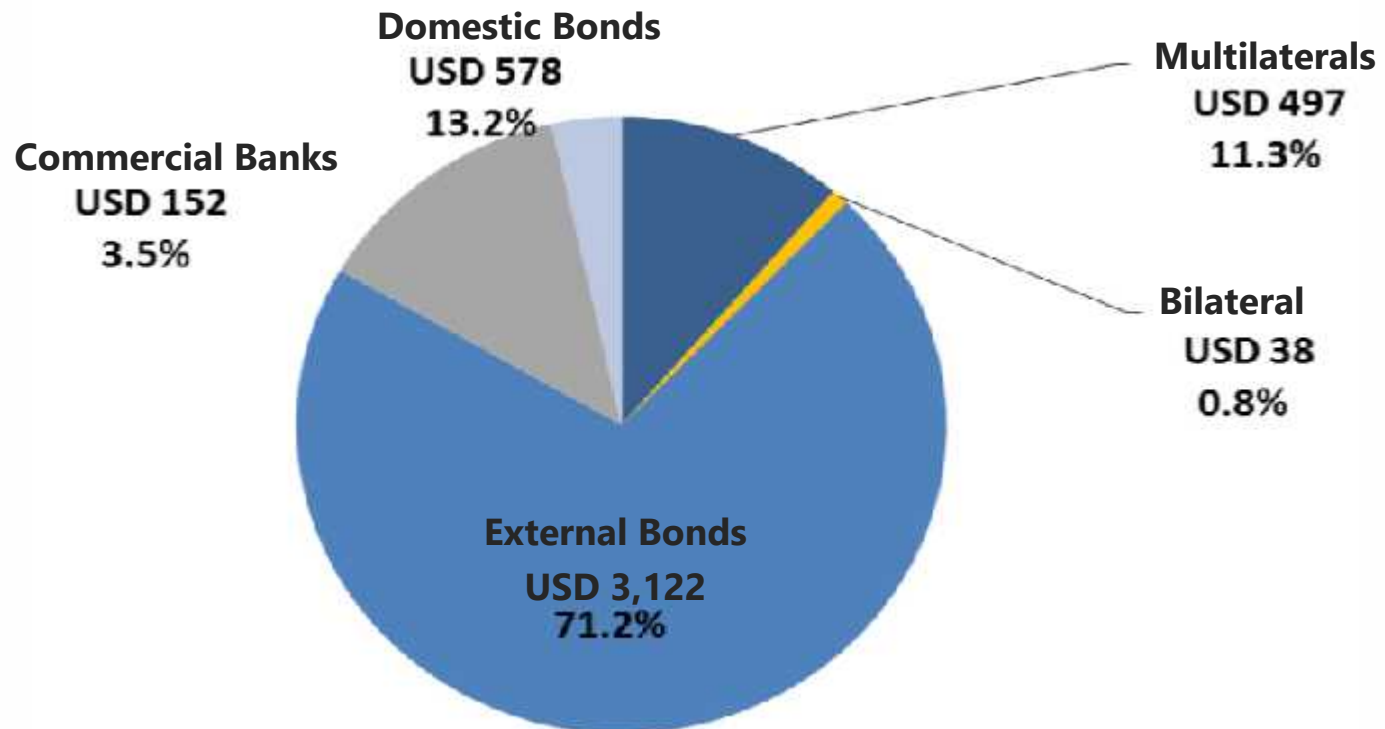




FINANCING

In 2018, financing sources totaled **US\$4,387 million**, with prioritization on external sources, which presented better market conditions.

(In millions of US\$ and % of Total)

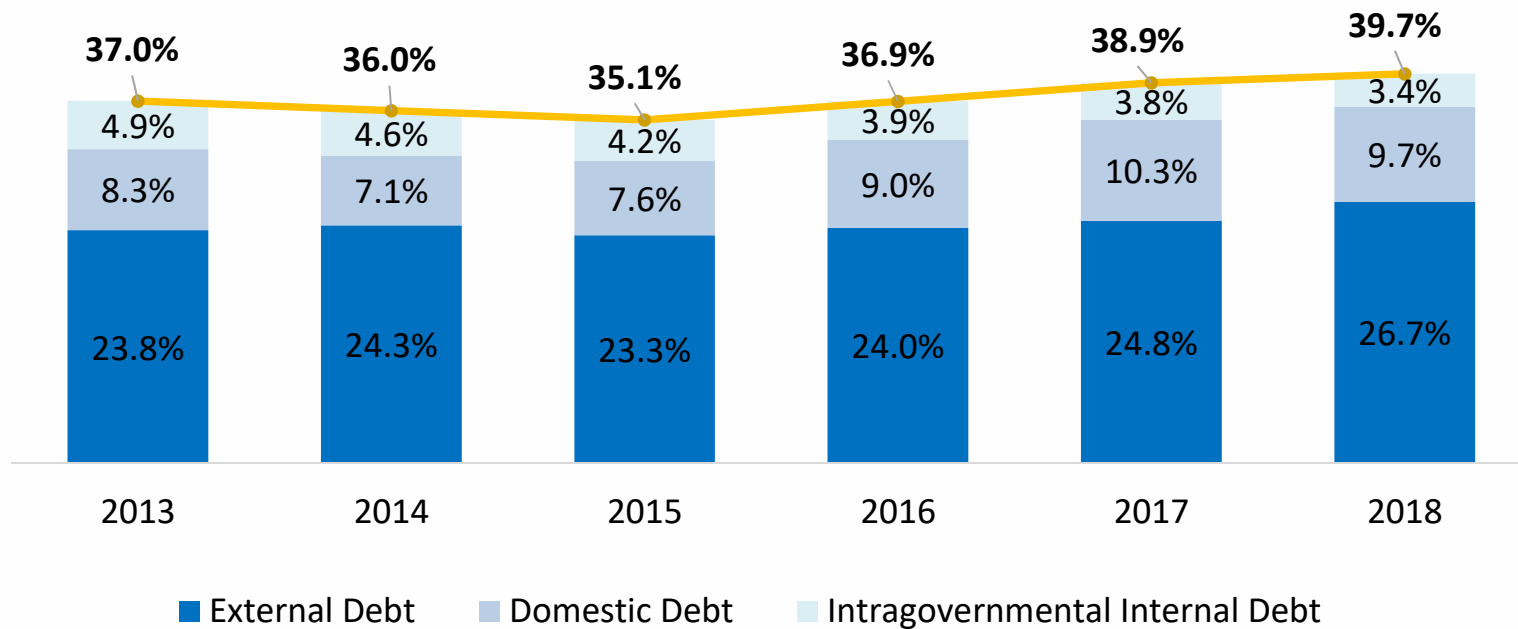




PUBLIC DEBT EVOLUTION

As of December 31st, 2018, the NFPS debt totaled US\$32,224 million, representing the 39.8% of GDP, of which 26.7% of GDP correspond to external debt, 9.8% to domestic debt, and 3.3% was intragovernmental debt.

NFPS Debt 2013- 2018
(% GDP)

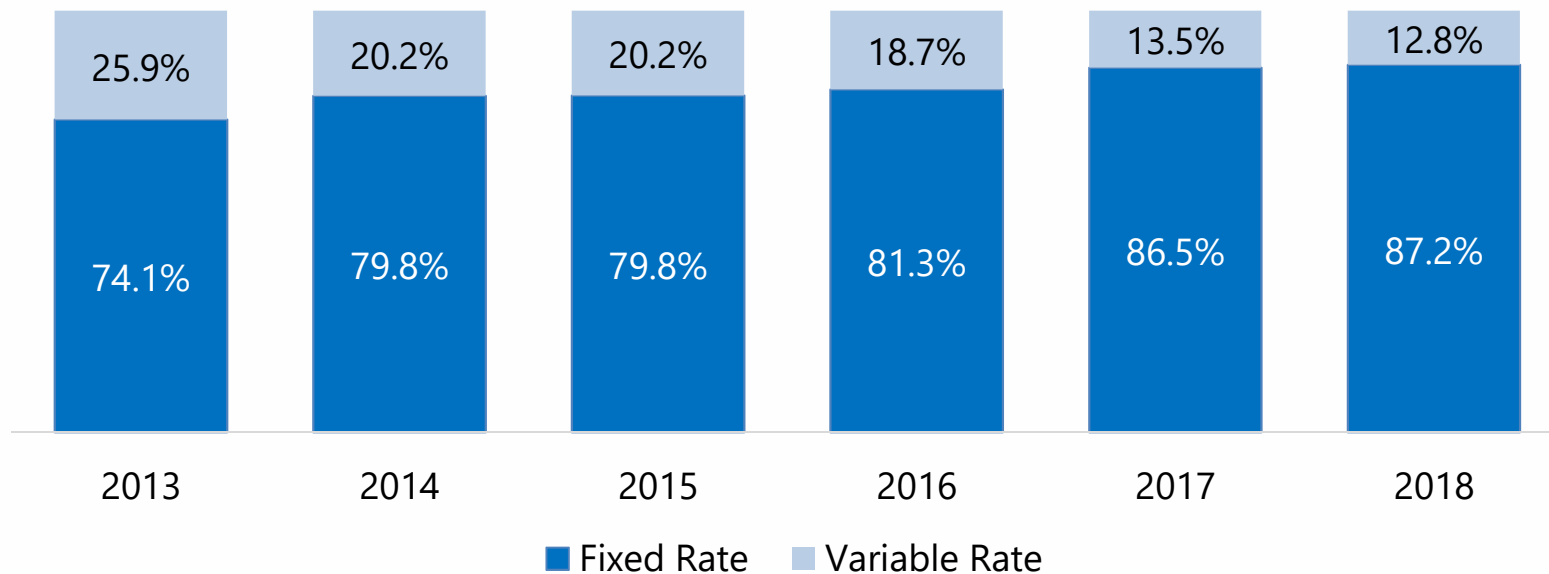




DEBT STRUCTURE: TYPE OF INTEREST

Interest rate risk has been reduced, with more than 87% of total NFPS debt contracted at a fixed rates.

By Interest Rate Type



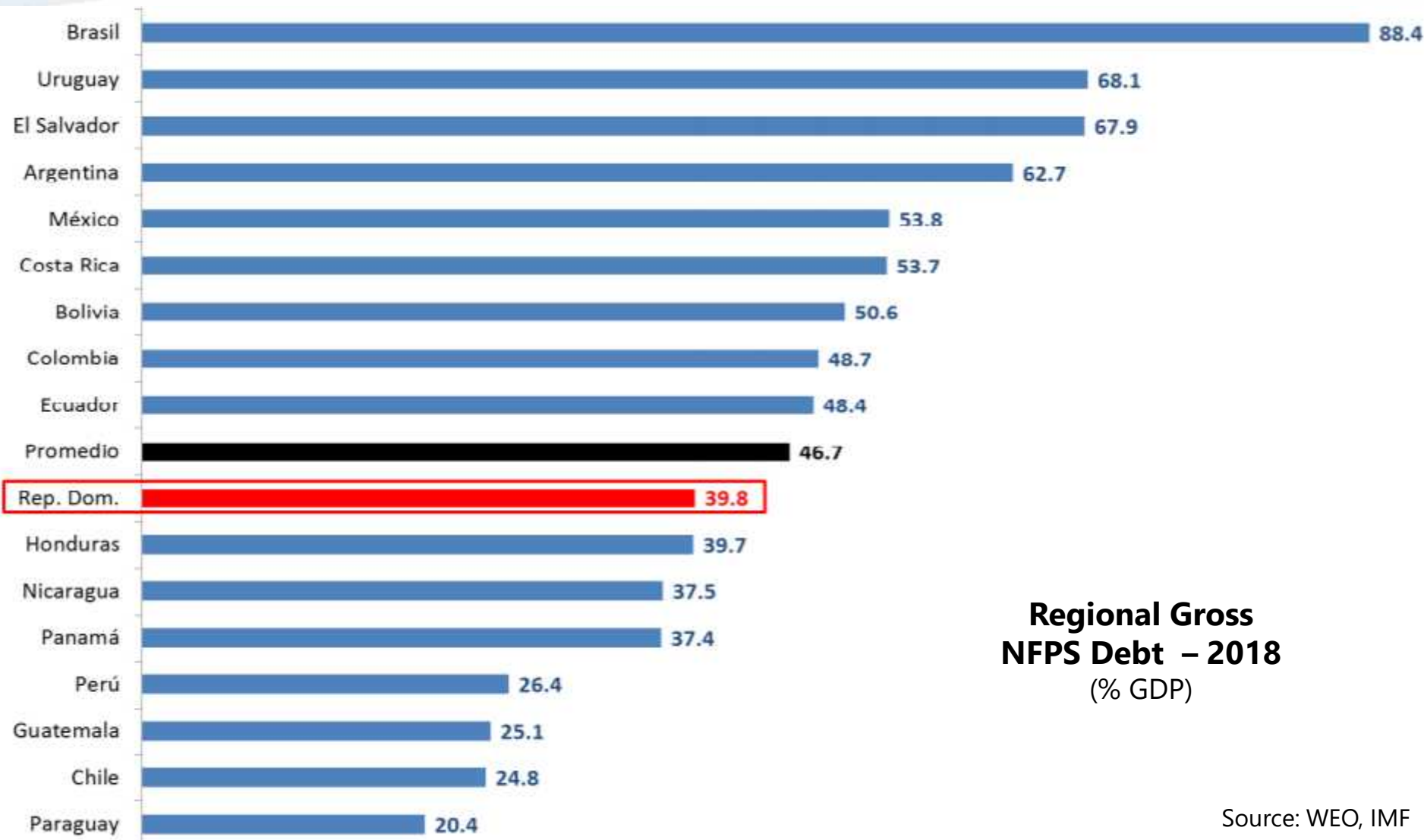
Sources: Public Credit General Office

Note: Preliminary figures, subject to rectification



NFPS REGIONAL DEBT

Dominican Republic's NFPS debt is **6.9 percentage points of GDP lower than the average for the LATAM countries.**



**Regional Gross
NFPS Debt – 2018**
(% GDP)

Source: WEO, IMF



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