

# **Annual Report**

# **2014**



**Ministry of Finance**  
**Sri Lanka**

**ANNUAL REPORT**  
**2014**

**MINISTRY OF FINANCE**  
**SRI LANKA**



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# MINISTRY OF FINANCE

(AS AT 20TH APRIL 2015)

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Hon. Ravi Karunanayake, MP  
Minister of Finance

Hon. Mahinda Samarasinghe, MP  
State Minister of Finance

## PRINCIPAL OFFICIALS

R.H.S. Samaratunga  
Secretary, Ministry of Finance  
Secretary to the Treasury

Ms. Shanthi Navukarasan  
Secretary, State Ministry of Finance

S.R. Attygalle  
Ms. S.P. Wellappili  
Ms. G.D.C. Ekanayake  
Deputy Secretaries to the Treasury

# HEADS OF TREASURY DEPARTMENTS

(AS AT 20TH APRIL 2015)

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## Ministry of Finance

H.G. Sumanasighe - Director General (Corporate Mgt.)  
(Actg)

## Department of National Budget

A.R. Deshapriya - Director General  
Ms. G.K. Wimalaweera - Additional Director General

## Department of Public Enterprises

Vacant - Director General  
Ms. D.C.W. Hapugoda - Additional Director General  
P.H.A.S. Wijeratne - Additional Director General  
J.M.U.P. Jayamaha - Additional Director General

## Department of Management Services

Ms. N. Godakanda - Director General

## Department of Fiscal Policy

K.M.M. Siriwardana - Director General  
A.K. Seneviratna - Additional Director General

## Department of Trade and Investment Policy

R. Semasinghe - Director General  
K.A.S.S.K. Perera - Additional Director General

## Department of Development Finance

A.M.P.M.B. Atapattu - Director General

## Department of Project Management and Monitoring

Ms. L.D. Senanayake - Director General  
Ms. Ayanthi De Silva - Additional Director General

## Department of Public Finance

P. Algama - Director General  
Ms. J.C. Weligamage- Additional Director General

## Department of Legal Affairs

Vacant - Director General  
Ms. T.de.S.A. Wijayanayake - Legal Advisor

## Department of Treasury Operations

M.S.D. Ranasiri - Director General  
C.J.K. Perera - Additional Director General  
R.M.A. Rathnayake - Additional Director General

## Department of State Accounts

Ms. Anula Harasgama - Director General  
M.M. Saliya - Additional Director General

## Department of Management Audit

Ms. S.A.C. Kulathilake - Director General

## Department of Information Technology Management

Vacant - Director General

## Auditor

K.V.V. Darmasiri - Assistant Auditor General

# HEADS OF DEPARTMENTS UNDER THE PURVIEW OF THE MINISTRY OF FINANCE

(AS AT 20TH APRIL 2015)

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## Department of Inland Revenue

Ms. Kalyani Dahanayake - Commissioner General

## Department of Customs

J.P. Wijeweera - Director General

## Department of Excise

A.K.G. Gunawardena - Commissioner General

## Department of Import and Export Control

H.G. Sumanasinghe - Controller General

## Department of Valuation

E. Dayasena - Chief Valuer

# HEADS OF STATUTORY BOARDS / STATE BANKS / OTHER INSTITUTIONS UNDER THE PURVIEW OF THE MINISTRY OF FINANCE

(AS AT 20TH APRIL 2015)

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## Bank of Ceylon

Ronald C. Perera - Chairman  
D. M. Gunasekara - General Manager

## People's Bank

Hemasiri Fernando - Chairman  
N. Vasantha Kumar - General Manager /  
Chief Executive Officer

## National Savings Bank

Aswin De Silva - Chairman  
S. D. N. Perera - General Manager

## Lankaputhra Development Bank

Lasantha Gunawardena - Chairman  
L. Amarasekara - General Manager

## Sri Lanka Savings Bank

Asoka Somaratna - Chairman  
Kapila Keerawella - General Manager

## Regional Development Bank

Prasanna Premaratna - Chairman  
T. A. Ariyapala - General Manager /  
Chief Executive Officer

## State Mortgage and Investment Bank

Tissa Jinadasa - Chairman  
Ms. W. J. K. Geeganage - General Manager (Actg)

## Housing Development Finance Corporation Bank

R. J. De Silva - Chairman  
Nimal B. Mamaduwa - General Manager

## Insurance Board of Sri Lanka

Ms. Indrani Sugathadasa - Chairperson  
Ms. Damayanthi Fernando - General Manager

## Sri Lanka Insurance Corporation Limited

Hemaka Devapriya Amarasuriya - Chairman  
T. M. R. Bangsa Jayah - Managing Director  
P. P. J. Perera - Executive Director

## National Lotteries Board

Ms. Shyamila Perera - Chairperson  
Nalaka Kaluwewa - General Manager

## Development Lotteries Board

Daya Pelpola - Chairman  
Saman Jayasinghe - General Manager

## Lady Lohore Loan Fund

W. M. M. B. H. Gunarathne - Chairman  
Winston Pathiraja - Managing Trustee

## Social Security Board

Sumathipala Kariyawasam - Chairman  
Dammika Padukka - General Manager

## Sri Lanka Export Credit Insurance Corporation

A. S. M. Misbah - Chairman  
Dilruk Ranasinghe - General Manager

## Hotel Developers Lanka Limited

Ms. Sagarika Delgoda - Chairperson  
Sudarshan Sri Rayan - Chief Financial Officer

## Strategic Enterprise Management Agency

Ashoka Abegunawardena - Chairman /  
Chief Executive Officer

## State Resources Management Corporation

Sumith Jayarathne - Chief Executive Officer

## Sri Lanka Accounting & Auditing Standards Monitoring Board

H. M. G. Wijesinghe - Director General

## Academy of Financial Studies (Miloda)

S. R. Attygalle - Chairman

## Public Service Mutual Provident Association

G.S. Kumara - Chairman  
Ms. S. K. Dehiwatte - Secretary

## National Pay Commission

Nevil Piyadigama - Co-Chairman  
J. R. W. Dissanayake - Co-Chairman  
B. Wijerathna - Secretary

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# SRI LANKA AT A GLANCE 2004 - 2014

	2004	2014		2004	2014
<b>GDP</b>			<b>TOTAL GOVERNMENT DEBT (US\$ Mn)</b>	21,444	56,609
GDP at Market Prices (Rs. Bn.)	2,091	9,785	Total Debt Service (GDP %)	14.4	11.0
GDP at Market Prices (US\$ Bn.)	20.7	74.9	Total Government Debt (GDP %)	102.3	75.5
Per Capita GDP at Market Prices (Rs.)	107,432	473,261	Domestic (GDP %)	54.7	43.7
Per Capita GDP at Market Prices (US\$)	1,062	3,625	Foreign (GDP %)	47.6	31.8
GDP (Growth %)	5.4	7.4			
GNP (Growth %)	5.4	7.5	<b>PROVINCIAL BUDGET</b>		
Inflation - GDP Implicit Price Deflator (%) 2006/07=100	8.8	5.1	Revenue (Rs. Bn)	13.5	58.6
Inflation - CCPI (%) (Annual Average)	9.0	3.3	Tax Revenue (Rs. Bn)	11.5	52.1
Unemployment (%)	8.3	4.3	Expenditure (Rs. Bn)	57.0	213.0
Labour Force Participation Rate (%)	48.6	53.3	Central Government Transfers (Rs. Bn)	45.8	154.4
<b>STRUCTURE OF THE ECONOMY</b>			<b>MONETARY SECTOR DEVELOPMENTS</b>		
<b>Share of GDP (%)</b>			Narrow Money (Rs. Bn.)	188.5	612.2
Agriculture	12.5	9.9	Broad Money (Rs. Bn)	858.6	3,875.9
Industry	28.6	33.8	Money Growth (M <sub>2</sub> b) (%)	19.6	13.4
Services	58.8	56.3			
<b>Sectoral Growth (%)</b>			<b>ACCESS TO BANKING &amp; FINANCE</b>		
Agriculture	0.0	0.3	Domestic Commercial Banks	11	13
Industry	5.4	11.4	Branches	1,056	2,635
Services	6.7	6.5	Foreign Commercial Banks	11	12
			Branches	33	221
<b>EXTERNAL TRADE</b>			Specialized Banks (Excluding RDBs)	8	8
Exports (US\$ Mn.)	5,757	11,130	Branches	178	397
Imports (US\$ Mn.)	8,000	19,417	Regional Development Bank	6	1
Trade Balance (US\$ Mn.)	-2,241	-8,287	Branches	197	255
Tourism (US\$ Mn.)	417	2,431			
Workers' Remittances (US\$ Mn.)	1,564	7,018	<b>ATMs</b>		
Current Account Balance (US\$ Mn)	-648	-2,018	Domestic Commercial Banks	n.a	2,406
Overall Balance of Payment (US\$ Mn)	-205	1,369	Foreign Commercial Banks	n.a	49
			Specialized Banks	n.a	180
<b>GOVERNMENT FINANCE</b>					
Revenue (Rs. Bn)	311	1,195	Insurance Companies	13	21
Tax Revenue (Rs. Bn)	282	1,050	Registered Finance Companies	26	48
Non Tax Revenue (Rs. Bn)	30	145	Specialized Leasing Companies	17	8
Revenue (US\$ Mn.)	3,078	9,154	Student Savings Units	n.a	3,046
Tax Revenue (US\$ Mn)	2,782	8,045	Credit Cards Issued	153,186	176,750
Non Tax Revenue (US\$ Mn)	296	1,109	Credit Cards in Use	491,196	1,032,833
Total Expenditure and Lending (Rs. Bn.)	477	1,796	<b>EXCHANGE RATE</b>		
Current Expenditure (Rs. Bn.)	390	1,323	Annual Average		
Public Investment (Rs. Bn.)	98	487	Rs/US\$	101.19	130.56
Current Account Deficit / GDP %	-3.7	-1.3	Rs/SDR	149.88	198.35
Primary Deficit/ GDP %	-2.2	-1.6			
Budget Deficit / GDP %	-7.5	-6.0	Year End		
Total Expenditure and Lending (US\$ Mn.)	4,713	13,755	Rs/US\$	104.60	131.05
Current Expenditure (US\$ Mn.)	3,851	10,132	Rs/SDR	161.60	189.86
Public Investment (US\$ Mn.)	968	3,727			
Budget Deficit (US\$ Mn.)	-1,549	-4,528			

# SRI LANKA AT A GLANCE 2004 - 2014

2004			2014			
Duty free items	} Raw Material	651	Duty free items	} Raw Material	3,410	
Duty 2%		1,560	Duty 7.5%		188	
Duty 5%		761	Duty 15%		Intermediate Goods	1,601
Duty 10%	Intermediate Goods	1,478	Duty 25%	Luxury Goods & Motor Vehicles	1,450	
Duty 25%	Luxury Goods & Motor Vehicles	1,170	Duty 75%	} Tobacco	3	
Duty 50%	} Tobacco, Cigarettes & Liquor	1	Duty 85%		Cigarettes	1
Duty 75%		2	Duty 125%		Liquor	5
Duty 100%		5	Specific	Specific & Advelorum	Food Items 84 & Local Industries	84
						184
Total		5,628	Total		6,926	

	2004	2014		2004	2014
<b>SOCIAL DEVELOPMENT</b>			<b>ACCESS TO BASIC INFRASTRUCTURE</b>		
Growth of Population (2001 and 2012)	1.2	0.9	Electricity to Households (%)	73	98.0
Life Expectancy at Birth (2001 and 2012)	67.9	74.3	Access to Pipe-borne Water (% of Population)	28	44.3
Infant Mortality (Per 1,000 Live Births) - (2010)	9.8	9.9	Access to Safe Drinking Water (% of Population)	72	89.7
Maternal Mortality Rate (Per 100,000 Live Births-(2010)	12.1	22.0			
Crude Birth Rate (Per 1,000) - (2014)	18.8	16.9	<b>Telecommunications</b>		
Crude Death Rate (Per 1,000) - (2014)	5.9	6.2	Fixed Access Services ('000)	991	2,679
Literacy Rate (%) (2003/04, and 2013)			Cellular Phones (No. of Subscribers ('000)	2,211	22,123
Average	92.5	92.5	Internet and email Subscribers (Including mobile internet services) ('000)	93	3,383
Male	94.5	93.5			
Female	90.6	91.6	<b>Postal</b>		
Ability to use Computer Age 10 Years and above (%)	n.a.	25.1	Public Post Offices	4,040	4,063
Dependency Ratio (%) (2014)	48.3	49.5	Private Post Offices	650	629
<b>MOTOR VEHICLE IMPORTS</b>			<b>Roads</b>		
Motor Cars	16,876	40,998	Total Road Length (Km)	111,001	117,012
Motor Cycles	142,445	319,017	Road Density (Km <sup>2</sup> )	1.69	1.78
Three-Wheelers	41,445	82,853			
Tractors	15,288	5,500	<b>Ports</b>		
Motor Vehicles for Transport of Goods	18,291	26,041	Vessels Arrived	3,883	4,298
Passenger Van and Buses	2,241	3,856	Total Container Traffic (TEUs '000)	2,221	4,908
Other	282	399	Total Cargo Handled ( MT '000)	33,959	74.431
<b>Total Vehicle Stock</b>			Transshipment Containers (TEUs '000)	1,531	3,781
Motor Cars	293,247	566,874			
Three-Wheelers	213,108	929,495	<b>Production of Agriculture Sector</b>		
Motor Cycles	1,134,818	2,988,612	Tea (Kg Mn)	308	338
Buses	71,818	97,279	Rubber (Kg Mn)	95	99
Dual Purpose Vehicles	174,091	325,545	Coconut (Nuts Mn)	2,591	2,870
Motor Vehicles for Transport of Goods	209,478	334,769	Paddy (MT '000)	2,628	3,381
Land Vehicles - Tractors	165,343	333,362	Fresh Milk (Ltr Mn)	190	333
Land Vehicles - Tailors	35,308	57,298	Fish (MT '000)	286	535

# SRI LANKA AT A GLANCE 2004 - 2014

	2004	2014		2004	2014
<b>ACCESS TO BASIC NEEDS</b>			<b>PRINT MEDIA</b>		
<b>HEALTH</b>			<b>Newspapers (No.)</b>		
Public Hospitals	606	601	Sinhala Newspapers	108	124
Private Hospitals	172	210	Tamil Newspapers	13	42
Central Dispensaries	397	484	English Newspapers	25	32
Beds	61,868	76,918	Bilingual	-	28
			<b>ELECTRONIC MEDIA</b>		
<b>PROFESSIONALS</b>			<b>Television Services</b>		
Doctors	12,210	21,331	Government	4	5
Nurses	17,316	31,964	Sinhala	2	2
Public Health Inspectors (PHI)	1,564	1,867	Tamil	2	3
Attendants	6,696	8,215	English	-	-
Midwives	7,407	9,164	Private	9	13
			Sinhala	5	8
			Tamil	1	2
			English	3	5
<b>EDUCATION</b>			<b>Radio Services</b>		
Government			Government	29	50
Schools	9,765	10,123	Sinhala	19	18
Students ('000)	3,871	4,078	Tamil	13	12
Teachers	187,337	229,655	English	5	5
Private			Private	1	1
Schools	85	103	Sinhala	10	32
Students ('000)	101	131	Tamil	5	20
Teachers	4,846	6,493	English	2	3
Pirivenas				3	9
Schools	651	747	<b>INSTALLED CAPACITY (MW)</b>		
Students ('000)	57	63	<b>Total</b>		
Teachers	5,514	6,162	<b>2,499</b>		
			<b>Public Sector</b>		
			<b>Hydro Power</b>		
			<b>1,207</b>		
			<b>Thermal Power</b>		
			<b>573</b>		
			<b>Fuel</b>		
			<b>573</b>		
			<b>Coal</b>		
			<b>-</b>		
			<b>Other</b>		
			<b>3</b>		
			<b>Private Sector</b>		
			<b>525</b>		
			<b>Hydro Power</b>		
			<b>73</b>		
			<b>Thermal Power - Fuel</b>		
			<b>452</b>		
			<b>Other</b>		
			<b>-</b>		
<b>CAPITAL MARKET</b>			<b>POVERTY (2009/2010 &amp; 2012/2013)</b>		
Market Capitalization (Rs. Bn)	382	3,105	Poverty Head Count Index - US \$ 1.25 a day	15.2	6.7
Average Daily Turnover (Rs. Mn)	245	1,415	Poverty Gap Index - US \$ 2.00 a day	3.1	1.1
All Share Price Index (ASPI) 1985=100	1,507	7,299	Gini Coefficient of Per Capita Expenditure	0.4	0.39
S&P SL 20 Index (2004 Dec.=1,000 (w)	-	4,089	Average Daily Calorie Intake (2006/07 and 2013)	2,118	2,111
Market Price Earnings Ratio - End of the Year (%)	10.8	19.7			
Turnover to Market Capitalization (%)	15.5	11			

## SRI LANKA AT A GLANCE 2004 - 2014

Government Tax Rate (%)			
2004		2014	
Tax Free Allowance Rs. 240,000		Tax Free Allowances Rs. 500,000	
Tax on Taxable Income		Tax on Taxable Income	
First Rs. 180,000	10	First Rs. 500,000	4
Next Rs.180,000	20	Next Rs. 500,000	8
Balance	30	Next Rs. 500,000	12
		Next Rs. 500,000	16
		Next Rs. 1,000,000	20
		Balance	24

	2004	End 2014		2004	End 2014
<b>Corporate Tax (%)</b>			<b>Excise Duty</b>		
Standard Rate	35	28	<b>Cigarettes (Rs. Per 1,000)</b>		
Taxable Income less than Rs. 5.0 Mn.	20	12	Length below 60mm	1,640	6,975
Export Income	15	12	Length 60-67mm	3,137	12,675
<b>Economic Service Charge (ESC) (%)</b>			Length 67-72mm	5,088	14,660
ESC Rate	1	0.25	Length 72-84mm	5,904	21,610
(Any ESC Paid is Deductible from any			Length Exceeding 84mm	6,150	25,100
Income Tax / Corporate Tax Payable)			Motor Vehicles (%)		
<b>Value Added Tax (VAT) (%)</b>			Motor Vehicles	15-65	20-300
Standard Rate	15	12	Three - Wheelers		
Exports	0	0	Petrol	4	95-105
<b>Nation Building Tax (NBT) (%)</b>	-	2	Diesel	14	105
<b>Ports and Airports Development Levy (%)</b>	1.5	5	<b>Liquor Duty Structure ( Rs. Per Proof Liter)</b>		
<b>Telecommunications Levy (%) (other than Internet)</b>	-	25	Coconut Processed/Molasses Arrack	366	1,485
<b>Share Transaction Levy (%)</b>	-	0.3	Country Made Foreign Liquor	490	1,700
<b>CUSTOMS DUTY (%)</b>			Malt Liquor (Beer) above 5% in Strength	43.5	185
Inputs / Raw Material	0-3	0 -7.5	Malt Liquor less than 5% in Strength	27.5	150
Intermediate Goods	12	15	Wine (Foreign)	200	1,120
Finished and Luxury Goods	27.5	25	Aerated Water (Per Liter)	5.5	12

### SRI LANKA AT A GLANCE 2004 - 2014

#### SRI LANKA'S POSITION IN SOCIAL & ECONOMIC DEVELOPMENT BY INTERNATIONAL RANKING

Index Name	No of Countries	Sri Lanka's Ranking			
		2008	2010	2012	2014
Global Innovation Index	142	58	79	94	105
Logistic Performance Index	160	92 (2007)	137	81	89
Doing Business Index	169	103	105	81	99
Global Competitiveness Index	148	77	62	69	73
Basic Requirements Index	148	92	73	72	75
Infrastructure Index	148	65	70	62	75
Human Development Index (Value)	186	0.689	0.705	0.715	0.750 (2013)
Economic Freedom Index	185	86	119	96	101 (2015)
Global Peace Index	162	125	133	103	105
Prosperity Index	142	68 (2009)	59	58	62
Prosperity Index (Value)	-	56.5 (2009)	58.2	66.8	-
ICT Development Index	155	106	105	105 (2011)	116 (2013)

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# ECONOMIC PERSPECTIVES



## 1.1 Overview

In 2014, the Sri Lankan economy grew by 7.4 percent with the impetus from the domestic consumption demand and investments, particularly in the construction activities. The country has maintained an average growth rate of 7.4 percent during the five years of post-conflict period. The annual average inflation, which was 3.3 percent in 2014, has been maintained at mid-single digit for a period of over 6 years since 2009. Following the relaxed monetary policy adopted by the Central Bank, market interest rates have declined to a lower level of around 7-8 percent while the lending rates are also relatively low at an average of around 12 percent. The unemployment has declined to 4.3 percent in 2014. There is a material shift in the lifestyles of the people along with Sri Lanka's gradual transformation towards a middle income country complemented by the significant increase in access to basic facilities. The ownership of vehicles, motor bicycles, three wheelers and mobile phones etc. has increased while the access to electricity and water also has enhanced markedly. In line with this, the consumption patterns of the people have also changed as reflected in the decline in relative share of the total expenditure spent by an average household on food items and enhanced expenditure on non-food items. Meanwhile, improved infrastructure helped enhance the country's ability to compete in the international market. Education, which was not oriented towards providing the much-demanded skills necessary to build up the new generation, is being revived towards providing skills that increase employability. Reflecting the improvements in the health sector, the maternal mortality and child mortality have declined.

The budget deficit as a percentage of GDP has declined gradually from 9.9 percent in 2009 to 5.9 percent in 2013 although there was an

aberration in 2014 recording a deficit of 6.0 percent of GDP owing to lower revenue than forecasted. This has achieved while maintaining public investment at a level of 5-6 percent of GDP to create a conducive environment for private sector economic activities and to help the country to sustain human development outcomes comparable to those of high-income countries. The government debt to GDP ratio has declined continuously and reached 75.5 percent in 2014 in comparison to 78.3 percent in the previous year.

Table 1.1 > Selected Socio-Economic Indicators

Item	Unit	2014
Life Expectancy at Birth (2013)	Years	74.3
Crude Birth Rate (2014)	Per 1000 Persons	16.9
Crude Death Rate (2014)	Per 1000 Persons	6.2
Infant Mortality (2010)	Per 1,000 Live Births	9.9
Maternal Mortality Rate (2010)	Per 100,000 Live Births	22.0
Literacy Rate (%) (2013)	% (Average)	92.5
Access to Electricity	% of Population	98.0
Access to Pipe-borne Water	% of Population	44.3
Access to Safe Drinking Water	% of Population	89.7
Telephone - Fixed Access Services	Per 100 Persons	13.0
Cellular Phones	Per 100 Persons	107.0
Telephone Density	Per 100 Persons	120.0
Internet and Email Subscribers (Including Mobile Internet Services)	Per 100 Persons	16.4
Number of New Vehicles Registered	No. (During the Year)	429,556
Total Vehicle Stock	No. (End of the Year)	5,633,234
o/w Motor Cars	No. (End of the Year)	566,874
Three Wheelers	No. (End of the Year)	929,495
Motor Cycles	No. (End of the Year)	2,988,612
Mean Household Income (2012/13)	Rs. Per Month	45,878
Share of Total Consumption - Base Weight for CCPI (2006/07 = 100)	%	100.0
Food	%	41.0
Non-Food	%	59.0

Sources: Central Bank of Sri Lanka and Department of Census and Statistics

Table 1.2 &gt; Selected Macroeconomic Indicators

Item	Unit	2004	2009	2010	2011	2012	2013	2014
GDP (real) Growth Rate	% Change	5.4	3.5	8.0	8.2	6.3	7.2	7.4
GDP Deflator	% Change	8.8	5.8	7.3	7.9	8.9	6.7	5.1
Per Capita GDP at market prices	Rs.	107,432	236,445	271,346	313,542	372,814	423,484	473,261
Per Capita GDP at market prices	US \$	1,062	2,057	2,400	2,836	2,922	3,280	3,625
Colombo Consumers Price Index (CCPI), 2006/2007=100	(% Change)	9.2	3.4	6.2	6.8	7.5	6.9	3.2
Labour Force Participation Rate	%	48.6	48.7	48.1	53.0	52.6	53.8	53.6
Unemployment Rate	(% of Labour Force)	8.3	5.8	4.9	4.2	4.0	4.4	4.3
Investment	(% GDP)	25.3	24.4	27.6	29.9	30.6	29.6	29.7
o/w : Government Investment	(% GDP)	2.7	6.6	6.2	6.3	6.9	6.9	6.8
National Savings	(% GDP)	22.0	23.7	25.3	22.1	24.0	25.7	26.7
Total Revenue and Grants	(% GDP)	15.3	15.0	14.9	15.0	14.1	13.3	12.3
o/w Total Revenue	(% GDP)	14.9	14.5	14.6	14.8	13.9	13.1	12.2
Expenditure and Net Lending	(% GDP)	22.8	24.9	22.8	21.9	20.5	19.2	18.4
Recurrent	(% GDP)	18.6	18.2	16.7	15.7	14.9	13.9	13.5
Capital and Net Lending	(% GDP)	4.2	6.7	6.1	6.2	5.6	5.4	4.8
Current Account Surplus(+)/ Deficit (-)	(% GDP)	(3.7)	(3.7)	(2.1)	(0.9)	(1.0)	(0.8)	(1.3)
Budget Surplus(+)/ Deficit (-)	(% GDP)	(7.5)	(9.9)	(8.0)	(6.9)	(6.5)	(5.9)	(6.0)
Government Debt	(% GDP)	102.3	86.1	81.9	78.4	79.2	78.3	75.5
Exports	US \$ Mn	5,759	7,085	8,626	10,559	9,774	10,394	11,130
Imports	US \$ Mn	8,000	10,207	13,451	20,269	19,190	18,003	19,417
Trade Balance	US \$ Mn	(2,241)	(3,122)	(4,825)	(9,710)	(9,417)	(7,609)	(8,287)
Exports	(% GDP)	27.9	16.8	17.4	17.8	16.5	15.5	14.9
Imports	(% GDP)	38.7	24.3	27.1	34.2	32.3	26.8	26.0
Trade Balance	(% GDP)	(10.8)	(7.4)	(9.7)	(16.4)	(15.9)	(11.3)	(11.1)
Current Account Balance (in BOP)	(% GDP)	(3.1)	(0.5)	(2.2)	(7.8)	(6.7)	(3.8)	(2.7)
Foreign Remittances	US \$ Mn	1,564	3,330	4,116	5,145	5,985	6,407	7,018
Earnings from Tourism	US \$ Mn	408	350	576	830	1,039	1,715	2,431
Gross Official Reserves	US \$ Mn	2,196	5,357	7,197	6,749	7,106	7,495	8,208
Exchange Rate (One US Dollar = Rupees) (Annual Average)	(% Change) *	-4.8	-6.1	1.6	2.2	-15.4	-1.2	-1.1
Money Supply (M <sub>2b</sub> )	(% Change)	19.6	18.6	15.8	19.1	17.6	16.7	13.4
Gross Credit to Private Sector	Rs. Bn	809	1,195	1,491	2,006	2,358	2,534	2,758
Gross Credit to Private Sector	(% Change)	21.8	(5.7)	24.9	34.5	17.6	7.5	8.8

Sources: Central Bank of Sri Lanka, Department of Fiscal Policy and Department of Census and Statistics.

\* Negative sign indicates depreciation

In addition, the performance of strategic State Owned Business Enterprises (SOBEs) has improved gradually.

Exports have performed relatively well though the growth in imports has outpaced exports resulting in a relatively high trade deficit in 2014. The external current account deficit as a percent of GDP has improved over the years and inflows to the current account have also been strong with new areas such as IT related services emerging as sources of inflows. The external official reserves of about US\$ 8.2 billion recorded by end 2014 has enabled the maintenance of external stability while helping to reduce the volatility in exchange rate. The relatively low international oil prices have helped lower the domestic petroleum retail prices thereby providing a relief to the general public. The financial sector continued to remain resilient and the financial system stability was preserved amidst challenging international financial environment benefiting from proactive measures adopted by the Central Bank and the government.

## 1.2 Key Issues and Challenges

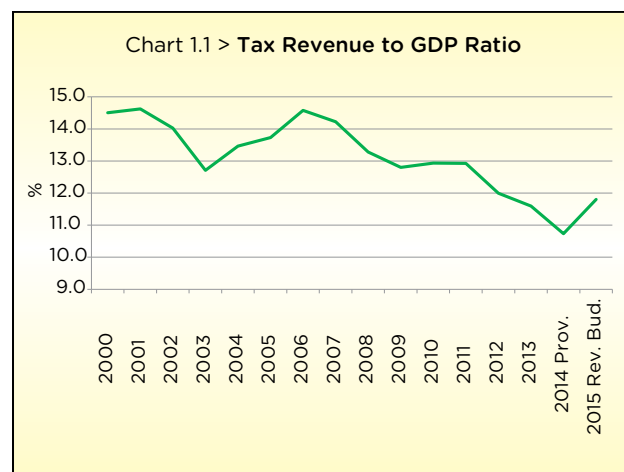
### Fiscal Policy

The government has identified that the key to ensure macroeconomic stability is to consolidate Sri Lanka's fiscal position. Hence, the government has indicated the commitment towards making continuous efforts to ensure fiscal sustainability. In line with this, the fiscal policy is implemented to support economic growth, making structural reforms and creating productive employment in the economy.

### Government Revenue

The decline in the government revenue to GDP ratio has been a major concern in the fiscal sector. The government revenue to GDP ratio has declined over the years and has reached 12.2 percent of GDP in 2014 from more than 20 percent prior to 1995 owing to

the decline in the tax revenue to GDP ratio continually. The low tax revenue to GDP ratio implies that revenue generation has not kept pace with the increasing capacity of the population to pay the taxes in the context of faster economic growth and increased per capita income. This also indicates that the tax collection has been non-responsive to the pace of economic expansion. The lower revenue collection has necessitated the government to borrow even to finance its day-to-day operations. Hence, increasing the revenue as a percentage of GDP has become the most important challenge in the government budgetary operations.



### Tax Policy

The successive governments have taken various measures to address the issues in the tax system given its complexity and the deficiencies in tax administration in order to increase the government revenue. The tax policy reforms have been introduced since 2011 with a view of lowering the rates, broadening the tax base and simplifying the tax system. Despite these reforms, the continuous decline in the tax revenue to GDP ratio reflects the need for revamping the tax policy with a new comprehensive approach to move towards a more progressive tax system to help address the issues in the tax system. Moving forward, the tax base needs

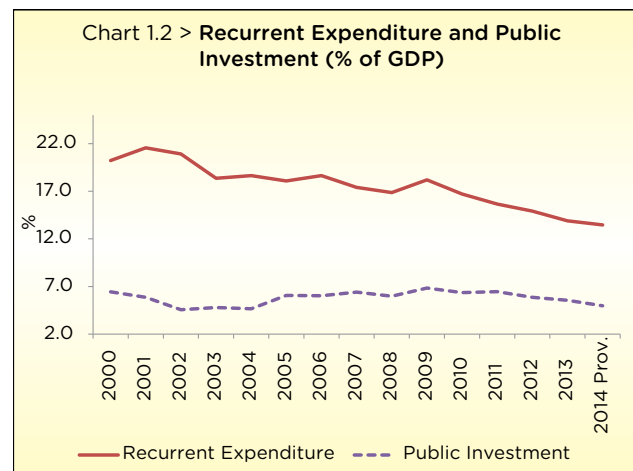
to be broadened further and ad-hoc changes to tax rates will have to be avoided to maintain clarity, consistency and credibility of the tax system. The measures should also include reduction in tax exemptions and further simplification of the tax system. The taxation of the enhancing service economy is also among the key issues related to the tax policy.

### Tax Administration

The weaknesses in the tax administration have affected the achievement of expected benefits from the tax policy reforms introduced in the recent years. Hence, the need for establishing a well-integrated revenue administration system and intensifying tax audit and related activities has been emphasized to improve the tax administration. The Revenue Administration Management Information System (RAMIS), which is being set up at the Inland Revenue Department (IRD), is expected to provide a better platform to infuse information and communication technology into the tax administration thereby helping to improve the efficiency and the effectiveness of the tax administration. The human resource development on subject specific knowledge and change management is also being undertaken at the IRD along with the introduction of RAMIS. Meanwhile, the automation of import and export documentation process of the Sri Lanka Customs (SLC) and the proposed setting up of scanning machines at SLC will also be helpful in improving tax administration. There is a strong need to improve the tax administration in the Excise Department as well to close loopholes related to the import of ethanol and to control illegal liquor industry.

### Recurrent Expenditure

In line with the shortfalls in the revenue collection, the containment of the recurrent expenditure has been instrumental in reducing the budget deficit in the recent years. In particular, the recurrent expenditure has declined to 13.5 of GDP in 2014 in comparison to 13.9 percent in 2013 mainly due to the decline in the interest payments, defence related expenditure and the expenditure on other goods and services as a percentage of GDP. It is observed that the recurrent expenditure as a percentage of GDP has reached to a minimum level. Therefore, the scope to reduce the recurrent expenditure further remains as a concern in the present structure. This emphasizes the necessity of improving revenue to channel enhanced resources, particularly to sectors such as education and health in the future.



### Public Investment

The public investment has been maintained at 5-6 percent of GDP in the recent past covering roads, expressways, ports, power, water supply, irrigation, urban facilities, agricultural infrastructure and downstream development activities and improvements in railway

infrastructure. This has benefited the general public and facilitated private investments in many sectors. However, the shortfalls in the government revenue has affected the maintenance of public investment at the levels envisaged in the original budgets. Also, many of these expenditures were directed towards creating physical infrastructure to improve the dilapidated infrastructure of the country which had not improved substantially due to the resource constraints with the prolonged internal conflict.

The importance of investing in infrastructure projects, which has near term financial or economic gains has been highlighted in the recent past to better align the infrastructure development programmes of the government so that such revenue flows could be used to service the loans obtained for such projects. As an effective alternative, private sector is also being incentivized to involve in infrastructure development, renewable energy sources, solid waste management and urban housing construction etc. to augment country's infrastructure facilities by complementing the public investment drive.

### **Public Financial Management**

The government has identified the importance of bringing about reforms which will enhance the country's public financial management. The financial management in general is evolving into a complex and demanding process as a critical factor for growth and sustainability and the public financial management has a leading role to play in stimulating the economy through much needed governance reforms. Hence, it is important to introduce necessary changes to the legislative framework while formulating user friendly rules, regulations, systems and procedures towards having enhanced transparency, accountability and good governance. The government has reiterated the importance of the assistance of the stakeholders to manage public resources

economically, efficiently, and effectively to provide benefits to the people and to ensure public accountability.

Public expenditures will have to be rationalized by a sound sectoral policy framework and consultative budget formulation system under a medium-term budgetary framework. The better alignment of policy priorities with resource allocation within and across sectors is necessary in the budget preparation process with a reorientation of the expenditure from recurrent to public investment in order to facilitate higher economic growth.

Streamlining of operational guidelines related to performances of SOBEs, modernization of best practice manuals, streamlining of the administration of public procurement and introduction of a new framework for commitment controls to ensure that orderly payments will take place within budget ceilings are being initiated to improve the public financial management in the country.

### **Safety Nets and Social Protection**

The necessity of having safety nets to protect the vulnerable and needy people has been recognized by the government. Accordingly, the upgrading and empowering of the vulnerable groups and disadvantaged persons have given the priority to provide the true benefits of the growth. Under this, appropriate policies and mechanisms to improve the facilities and care for the disabled and senior citizens will be given due priority.

### **Enterprise Reforms**

The urgent need to address the issues related to the sub-optimal performance of SOBEs, which have created various imbalances in the Sri Lankan economy, has been recognized by the government. The limited capacity to adjust output prices to reflect market conditions, inadequate separation of business, and social development goals and inadequate corporate

freedom in business management, lack of transparency and accountability are among the key operational deficiencies of SOBEs. This has resulted in maintaining very low returns on investment and key enterprises particularly depend on the borrowings from state banks which crowd-out the private investments. In order to ensure financial viability and increased business dynamism in these enterprises, there is a need to introduce cost reflective pricing while addressing operational inefficiencies of SOBEs. At the same time, the provision of generalized subsidies through below the cost prices on basic needs, such as fuel, energy, transport and water, needs to be approached through well targeted subsidies to those needy.

### **Government Debt Reduction**

The government debt to GDP ratio has been declining consistently from 105.6 percent in 2002 and declined further to 75.5 percent in 2014 underpinning the gradual reduction of the budget deficit and relatively strong GDP growth that is being maintained, which are essential in reducing debt to GDP ratio. The sustained fiscal consolidation coupled with the high economic growth around 8 percent is expected to bring down the debt to GDP ratio to around 60 percent by 2020.

### **Monetary Policy**

The inflation has been maintained at mid-single digit level for more than six years since 2009. This is attributed to the concerted efforts made by the government to improve financial management, appropriate policy responses by the Central Bank, enhanced fiscal-monetary coordination and improvements in food production and supply conditions amidst adverse domestic and external supply side-shocks. The ensuring of stability of the foreign exchange market while smoothing short term volatility is being followed in the exchange rate front. Going forward, the monetary policy will be directed towards avoiding demand-fuelled inflation while ensuring required credit growth

for sustained economic activity. The Central Bank's "Road Map: Monetary and Financial Sector Policies for 2015 and Beyond" has assured the commitment to maintain inflation at mid-single digit levels over the medium term.

### **Financial System Stability**

The Central Bank has continued to strengthen its regulatory supervision of the financial system to address systemic vulnerabilities and risks to ensure financial system stability. The overall soundness of the financial sector showed improvements in 2014 despite the challenging global and domestic market conditions. Constant close supervision and timely guidance will help sustain the credit quality and continued close surveillance is necessary on banking and financial institutions in a low interest rate environment. Meeting of the demands of an emerging middle income country that demands institutional capacity building, innovating new financial instruments and developing modern financial infrastructure to deepen country's financial market will be the challenges ahead, which need banking and financial institutions to elevate themselves to be able to face them effectively.

### **Export Promotion**

The export promotion remains an extremely important requirement in the external sector. Reflecting the growth in imports, which has exceeded the growth in exports over the years, a trade deficit of about US\$ 8 billion was recorded in 2014. In this context, there is a strong need for expanding exports so that the burden of sustaining essential imports particularly of capital and intermediate goods does not fall mainly upon foreign finance. Diversification of the export base as well as markets by encouraging better and bigger exports penetration to emerging economies such as China, India, Brazil, South Africa, Russia and East Asian advanced economies like Japan, Korea and Singapore through bilateral trade reforms are some of the major areas that



need to be explored and concentrated in the efforts of enhancing exports.

### Private Investment and Foreign Direct Investments (FDI)

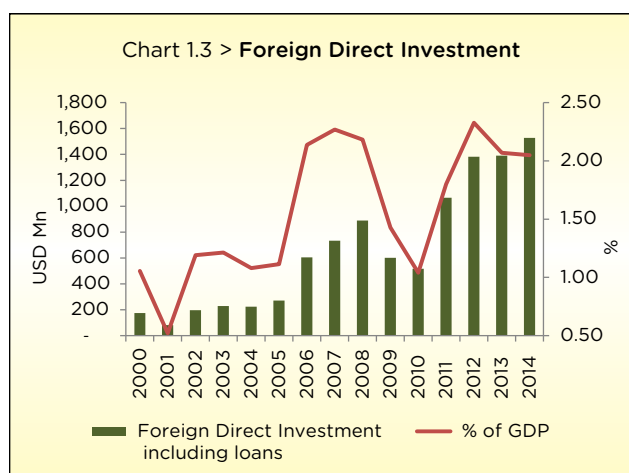
It is assumed that the achievement of around 8 percent economic growth in the medium term requires total investments of over 32 percent of GDP. This is expected to obtain from domestic private investments and FDI while maintaining public investment at around 6 percent of GDP. In 2014, total investments amounted to 29.7 percent of GDP, which comprised of 22.9 private investment, including FDI of 2.0 percent, as well as 6.8 percent of public investment.

This reflects that although there is a peaceful environment in the country after the ending of the conflict in 2009 and there is an excess capacity created by maintaining public investment at around 6 percent of GDP in the recent past, private investment has not shown the expected improvement. In particular, the level of FDI, including loans has increased to US\$ 1,685 million in 2014 but remains very low compared to peer countries such as Vietnam and Myanmar. The necessity to improving doing business environment, improvement of

Hence, the country needs a strong investment promotion drive to attracting the target of over 3.0 percent of FDI as a percentage of GDP in the medium term.

### Human Resource Development

Sri Lanka has achieved many positive developments in the Human Resource Development (HRD) by continued support from the government budget, which has enabled the country to place ahead of many developing economies. In 2014, the government has spent Rs. 190 billion and Rs. 138 billion to provide education and health facilities, respectively. The future development requires sustained expenditure on improving education by focusing on advanced skills development, higher learning opportunities, science and technology to achieve the objective of becoming a knowledge-based economy. The enhancement of health facilities to ensure healthy living and longevity is also necessary to complement this. Accordingly, the expansion of government facilities will be complemented by encouraging private sector involvement in skills and higher education and in quality health services which will help diverting enhanced expenditure for human resource development.



law and order as well as governance are often indicated as factors conducive for enhancing FDI.

### Poverty Reduction

Sri Lanka has been successful in reducing the poverty gradually as reflected in the decline of the poverty headcount ratio to 6.7 in 2012/13 from 15.2 percent in 2006/07. This indicates the decline of the number of people living below the national poverty line. However, the persistent high level of poverty in rural and estate areas remains as a key issue to be addressed. The Poverty Headcount Ratio Brief report of the Census and Statistics Department demonstrated that the Northern, Eastern and Uva provinces suffered from highest poverty among other provinces in Sri Lanka which also has emerged as a concern. Therefore, the task ahead is to alleviate the poverty while focusing on the remaining facets

of poverty and challenges to the vulnerable groups. In addition, the mal-nutrition among the children in the country has necessitated the government intervention to resolve this issue through appropriate policies. Given the multidimensional nature of the poverty, much needs to be done particularly in the areas of health, education and living standards of the people.

### 1.3 Complementary Policies and Measures

The realization of the goal of achieving a higher economic growth of about 8 percent with higher living standards while maintaining peace and harmony needs additional policies and measures to complement the above policies. The government has identified the importance of implementing these policies on a priority basis in which the key policy areas are highlighted below:

- Pursuing a policy towards achieving a lasting peace and reconciliation
- Improving the safety, property rights and effective law enforcement to facilitate business development while reducing the crime rate
- Strengthening and modernizing legal, judiciary and regulatory framework to;
  - Reducing the delays and provide easy access to justice to make the legal system more efficient and less expensive and
  - Promoting business environment and reduce transaction costs of business operations
- Deepening structural reforms, such as institutional reforms, market reforms and public service reforms to enhance the productivity in all sectors of the economy, including the adjustments in the following areas:
  - Labour market reforms to improve labour mobility
  - Land reforms to ensure productive use of natural resources
  - Financial sector reforms to strengthen stability and efficiency
  - Capital market reforms to ensure investor rights and promote the share market
  - International trade reforms to promote bilateral trade
  - Reforms in the SOBEs sector, including power and energy, ports, aviation and water, to strengthen management and improve service delivery and commercial viability.
- Utilizing the new infrastructure capacity effectively, including ports and airports to obtain adequate financial returns through the generation of satisfactory revenue streams to repay the loans obtained to construct them.
- Developing human resources mainly through;
  - Strengthening and upgrading of primary, secondary and tertiary educational institutions by maximizing available opportunities and enhancing access, quality as well as relevance of education
  - Strengthening skills development to improve employability of the youth
  - Improving health sector to create a healthier nation.
- Improving overall productivity and efficiency of the entire economy through;



- Promoting innovation and creating conducive environment to market new products
- Technological advancement and application of modern technology
- Research and development (R&D) activities
- Increased skills of the workforce
- Supply chain and logistics improvements.
- Improving government procurement guidelines covering the areas such as public private partnerships, pharmaceutical procurement and consulting procurement, and enhancing transparency and accountability in procurement practices while streamlining government procurement system to prevent delays and inefficiency.
- Strengthening auditing and reporting standards and procedures, particularly of SOBEs.
- Improving public access to information through the establishment of Right to Information Act.
- Enhancing access to finance to encourage investments, create employment opportunities, encourage savings and plan for the future while adopting new technologies, and innovating thinking with the use of modern technology to reduce the extreme poverty.
- Eliminating the corruption and wastage through strong regulations and monitoring processes.
- Enhancing efficiency of public service which plays a critical role as a facilitator and pacesetter focusing on learning to anticipate change, include development and meet the demands of the future in innovative ways.
- Strengthening the institutions to make the government's administrative mechanism more efficient, friendly and modern through appropriate reforms.
- Improving the quality of the public administration through proper deployment and reduction of administrative overlaps.
- Promoting sustainable development by providing due emphasis to the environment protection.

#### **1.4 The 100 Day Programme**

The recent policy measures introduced during the first few months in 2015 are directed towards addressing some or many of the above policy issues. Having established the new government in January 2015 following the Presidential election, an ambitious 100 Day Programme was launched by the government as an initial step among others to address a number of urgent issues. This included much needed constitutional reforms and fundamental and structural changes, to usher a new political culture as well as to achieve lasting national reconciliation among all communities. The new government has launched an ambitious reform agenda aimed at improving governance, transparency and accountability and setting up strong institutions to restore good governance, the rule of law and democracy to achieve economic prosperity.

### Box 1.1 > Highlights of the 100 Day Programme

The main focus of the 100 Day Programme was to establish a national government for the implementation of new constitutional reforms, establishment of democratic rights and freedoms, participatory democracy, eliminating fraud and corruption, and building unity through recognition of Sri Lanka's national and religious diversity needs. As the first step for strengthening democracy, National Executive Council was set up as an oversight body with the objectives of reviving and restoring the supremacy of the law, reforming the institutions to establish good governance, eliminating corruption and providing a relief to the nation. In addition, the government has taken steps to set up a special Committee against Corruption to investigate into large scale corruption and malpractices under this 100 Day Programme.

This programme has reached the grass-root level by providing relief measures to the general public by bringing down the prices of several essential commodity items and necessary services. In addition, the upwards salary revision of public sector also helps to cushion the cost of living of the people in the country. Furthermore, provision of an allowance of Rs. 20,000 for all pregnant mothers to provide nutritional supplement under the 100 Day Programme is also an important initiative taken up by the new government to build a healthy society. Apart from that, the increase of guaranteed price for selected items like paddy, tea, milk, rubber and potatoes is also considered an important measure to further energize the rural farming community while boosting the agricultural economy in the country. The relief provided on pawned jewellery owners, increase in interest rate paid for fixed deposits made by senior citizens and increased Samurdhi allowance are also directed towards achieving social welfare. In addition, new government focused on solving major challenges in health and education system during this 100 day programme period. As initial steps, National Drugs Policy was approved by the Parliament and also the Mahapola scholarship for university students doubled to Rs. 5,000 per month from Rs. 2,500 with effect from May 2015.

With the introduction of the 19th amendment to the constitution, executive powers of the Presidency have been pruned substantially. Further, the changes introduced with the 18th amendment to the Constitution in 2010 have been done away with. Re-establishment of independent commissions that were introduced by the 17th amendment to the constitution to secure the impartiality of the judiciary, police, elections together with two newly introduced commissions; Audit Service Commission and National Procurement Commission and re-introduction of the Constitutional Council to appoint members to above commissions in a fair and transparent manner are other important aspects of 100 Day Programme to reinforce good governance in the country. This will be strengthened further by the introduction of electoral reforms and passing the Right to Information Act by Parliament. Both immediate and long term measures are also to be taken to safeguard the independence of media personnel and institutions.

As a priority of the 100 Day Programme, an Interim Budget was presented to Parliament on 29 January 2015, particularly to implement specific measures to provide a relief to the people by reducing the cost of living. In addition, a number of measures were introduced to increase the tax revenue while making adjustments to the public investment programme to ensure better prioritization of the projects.

### Box 1.2 > Highlights of the Concessions Provided in the Interim Budget 2015

- Reducing the prices of 13 essential commodities by removing the applicable taxes;
  - Sugar price reduced to Rs. 85 per Kg (reduction of tax by Rs. 10 to Rs. 18 per Kg from Rs. 28 per Kg)
  - Milk powder price (400g packet) reduced to Rs. 325 (maximum retail price) - reduction of Rs. 61 per 400g packet
  - Sustagen milk powder price reduced by Rs. 100 (400g)
  - Wheat flour prices reduced by Rs. 12.50 per Kg
  - Bread prices reduced by Rs. 6 per loaf
  - Green grams prices reduced by Rs. 40 per Kg
  - Sprats prices reduced by Rs. 15 per Kg
  - Canned fish prices reduced by Rs. 60 per Kg
  - Coriander (crushed or ground) prices reduced by Rs. 150 per Kg
  - Black gram flour prices reduced by Rs.100 per Kg
  - Maldivian fish prices reduced by Rs. 200 per Kg
  - Turmeric (crushed) prices reduced by Rs.150 per Kg
  - Chilli powder (crushed) prices reduced by Rs. 25 per Kg
- Reducing the price of diesel by 14.4% to Rs. 95 per litre
- Reducing the petrol price by 22% to Rs. 117 per litre
- Reducing the Kerosene price by 20% to Rs. 65 per litre and also further reduction to Rs. 59 per litre
- Reducing the LP Gas prices by Rs. 300 to Rs. 1,596 per 12.5 Kg gas cylinder.
- Reducing the Passenger Bus Fares and School Van Hiring Charges
  - Bus fares reduced by a minimum of 10% and the school van fares also reduced by a minimum of 5% providing further relief to the people.
- Reducing the applicable taxes by 15% on the motor cars with engine capacity less than 1000 CC.
- Providing special relief for people who had pawned jewellery by waiving off the interest payments on pawned jewellery to a value not exceeding Rs. 200,000 held at state banks.
- Providing a salary increase of Rs. 5,000 per month from February 2015 to the public sector and another Rs. 2,000 in June 2015.
- Making a request from private sector employers to increase the salaries of private sector employees by Rs. 2,500 per employee per month.
- Increasing pensions of retirees from the government service by Rs. 1,000 per month effective from April 2015.
- Enhancing the Samurdhi Allowance by 200%.
- Increasing fixed deposit interest rates for Senior Citizens
  - An interest rate of 15% per annum was granted for the deposits up to Rs. 1 million in any commercial bank by senior citizens.

**Box 1.2 > ( Continued .....)**

- Providing assistance to maintain health standards of pregnant mothers
  - An allowance of Rs. 20,000 was granted for pregnant mothers to supplement their nourishment under the 100 Day Programme.
- Writing-off the advances granted to farmers
  - A 50% writing -off was provided for a maximum loan capital of Rs. 100,000 on the loans advanced to farmers by state banks, which were overdue.
- Increasing the guaranteed prices to boost agricultural economy:
  - Paddy - Rs. 50 per Kg for Samba and Rs. 45 for Nadu;
  - Rubber - Rs. 350 per Kg;
  - Tea - Rs. 80 per Kg;
  - Potatoes - Rs. 80 per Kg;
  - B' Onion - Rs. 60 per Kg;
- Providing hand tractors at concessionary prices
- Increasing the guaranteed price for fresh milk by Rs. 10 per litre to develop the dairy farming industry
- Enhancing the Sarasavi Mahapola Scholarship grant to Rs 5,000 per month with effect from May 2015.
- Providing an allowance of Rs. 200 to Sunday school teachers from June 2015 under a novel scheme named as "Daham Diriya".
- Providing a monthly allowance of Rs. 250 to pre-school teachers from June 2015 under a scheme named as "Lama Diriya".
- Introducing a special loan scheme named "Viru Diriya" in state banks for differently abled soldiers with maximum borrowing of Rs. 500,000.
- Reducing the marriage registration fee to Rs. 1000 from Rs. 5000.

**1.5 Prospects**

Sustaining macroeconomic stability in a challenging domestic and international environment has been recognized as a corner stone of the future development of Sri Lanka. Hence, the government has emphasized the importance of following appropriate fiscal and monetary policies to reduce the budget deficit while increasing revenue, containing inflationary pressures and maintaining policies towards free market economy to encourage private sector participation in economic activities facilitated by an efficient and productive public sector. In particular, the intended reforms in the fiscal sector will reverse the declining trend in the government

revenue thereby resolving much of the issues in the fiscal sector. The low inflation and well anchored inflation expectations will help maintain a monetary policy which will be conducive towards channelling appropriate amount of lending by the banking system to the private sector to expand. Continuous vigilance is necessary to deal with challenges emanating from the external front. The new environment is expected to be conducive for FDI and portfolio investments given the policy changes that are being implemented by the government.

Sri Lanka is currently passing through a transitional period. The recent change experienced in January 2015 with the

conclusion of the Presidential election and formulation of the new government is expected to be progressed with the completion of the General Election proposed to be held during the second half of the year. The establishment of the political stability will enable the government to present a comprehensive policy package covering next five year period and beyond.

The economic prospects of Sri Lanka are brighter. The favourable macroeconomic conditions coupled with the expected

improvement in the global economy, improved external relations, higher investments, and the expected enhancement in the domestic consumption are expected to facilitate to sustain a rapid pace of GDP growth in the medium term. The achievement of a high and sustained growth alone would not resolve the issues faced by the people in the country. The improved distribution of income is also necessary to address the grievances of the people who seek their fair share of the economic growth.

**02**

**THE 2014  
MACROECONOMIC  
REVIEW**

## 2.1 Overview

The economy of Sri Lanka grew by 7.4 percent in 2014 in comparison to a growth rate of 7.2 percent achieved in 2013. The growth was broad-based and contributed by strong expansion in Industry and Services sectors, particularly construction, manufacturing and retail and wholesale trade sub sectors. However, the agriculture suffered a setback owing to drought in the early part of 2014 and the heavy rains and floods in the final quarter of the year. The growth was benefited from post-conflict peaceful environment, enhanced domestic demand, new capacity in terms of economic and social infrastructure, enhanced private investments, stable macro-economic conditions and expansion of the global demand. With this growth, the per capita income increased to US\$ 3,625 in 2014 in comparison to US\$ 3,280 in 2013.

The economic growth was higher than the inflation, which is continuously remaining in the single digit level for the sixth consecutive year. The year on year inflation, as measured by the Colombo Consumer Price Index (CCPI-2006/07 base year) was 2.1 percent by end 2014 in comparison to 4.7 percent in the previous year. The inflation declined further to 0.1 percent in April 2015 reflecting the favourable impact on the reduction of petrol, diesel and gas prices as well as essential items. The annual average inflation also declined to 3.3 percent compared to 6.9 percent in 2013, which declined further to 2.1 percent in April 2015. It is expected to maintain single digit inflation in 2015 with the anticipated improvement in the domestic supply conditions, relatively low international commodity prices and the proactive monetary and fiscal policy measures.

The progress achieved in the fiscal consolidation process in the recent years, as revealed in the gradual decline in the budget

deficit from a high level of 9.9 percent of Gross Domestic Product (GDP) in 2009 to 5.9 percent in 2013, reflected a slight deviation from its intended path in 2014 with the budget deficit increasing marginally to 6.0 percent of GDP in comparison to the target of 5.2 percent owing mainly to lower than expected revenue performance. Total revenue to GDP ratio continued its declining trend and reached 12.2 percent in 2014 in comparison to 13.1 percent recorded in the previous year. The sluggish performance in the revenue from the income taxes, excise duties and import duties was the major reason for this decline. A part of the impact of the revenue decline was compensated through the reduction of the recurrent expenditure to 13.5 percent of GDP from 13.9 percent in the previous year. Also, there was a decline in the capital expenditure to 4.8 percent of GDP in 2014 from 5.4 percent in 2013 reflecting the impact of revenue shortfalls. The overall deficit was mainly financed through domestic borrowings in 2014. The debt to GDP ratio continued to decline to 75.5 percent from 78.3 percent in the previous year reflecting the higher growth in the nominal GDP in comparison to the growth in the debt stock. Meanwhile, the financial performance of State Owned Business Enterprises (SOBEs) improved in 2014. Out of the 55 main SOBEs, 44 generated operational profits while the balance 11 incurred losses. However, the loss making nature of the operations of the institutions in the energy, aviation, commuter transport and plantations remains a concern.

The overall performance of the external sector remained stable in 2014 with the enhanced inflows from workers' remittances, service exports and earnings from tourism to the Balance of Payments (BOP). Exports grew by 7.1 percent to US\$ 11,130 million while imports



grew by 7.9 percent to US\$ 19,417 million in 2014. Consequently, the trade deficit increased by 8.9 percent to US\$ 8,287 million. The continued improvement in remittances from overseas employment to US\$ 7,018 million and income from tourism to US\$ 2,431 million helped to strengthen the country's BOP. These developments, coupled with the continued inflows to the financial account, resulted in a surplus of US\$ 1,369 million in the BOP in 2014. The gross official reserves remained at US\$ 8,208 million by end 2014, equivalent to around 5.1 months of imports. During the year, the Central Bank obtained the access to a further CNY 10 billion, equivalent to US\$ 1.6 billion, through the bilateral Currency Swap agreement entered into with the People's Bank of China on 16 September 2014. In addition, the Central Bank also entered into a swap agreement with the Reserve Bank of India in March 2015, which provided the access to US\$ 400 million. These measures will help to strengthen the external stability of the Sri Lankan economy further.

The eased monetary policy stance of the Central Bank continued in 2014 benefiting from the low inflation and well anchored inflation expectations, with the view of supporting the growth momentum. The yield rates of the government securities declined while the interest rates on savings and lending also demonstrated a downward trend. The private sector credit growth reflected a strong recovery towards the end of the year recording a growth rate of 8.8 percent over the previous year, finally responding to the prolonged low interest rate regime. During the year, the broad money grew by 13.4 percent while the reserve money grew by 18.3 percent.

Further strengthening of the macroeconomic stability and building sufficient buffers to improve resilience of the economy to external and domestic shocks are the key tasks ahead in the context of macroeconomic

management. The enhancement of the revenue remains the major concern in the fiscal sector. The necessity to improve foreign inflows, particularly by way of enhancing exports of goods and services exports, remains the priority in the external sector. Keeping continued vigilance on the domestic and external developments, selecting cautious policy measures and timely and proactive engagement in introducing policy response are the key areas that need attention in the monetary sector. Further strengthening of the financial system is also necessary to ensure efficiency and effectiveness of the system while sustaining the stability.

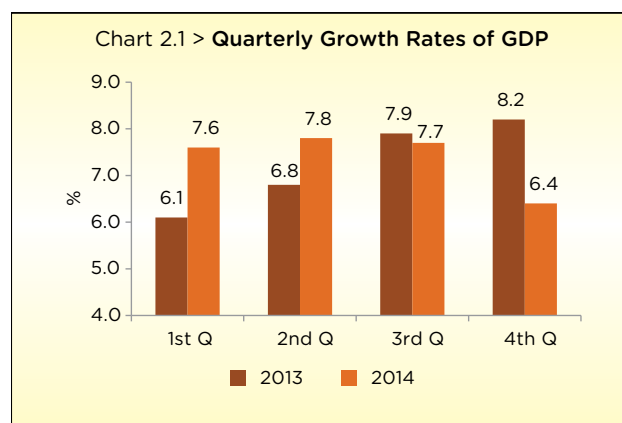
There is a strong need to introduce structural reforms in many areas covering institutions and markets as well as systems and procedures. The recent policy changes towards introducing much awaited constitutional reforms, establishing good governance and rule of law etc. are among the policies in the right direction. The efforts to improve ethnic harmony and ensure effective reconciliation in the country are also necessary to sustain political and economic stability of the country in the medium to long term. The commitment of the government to strengthen fiscal consolidation, improve fiscal monetary coordination, continuation of the economic policy with necessary refinements to improve transparency and accountability, and encourage private sector involvement in economic activities are complementary to the much needed structural reforms in the economy. Benefiting from these measures as well as the anticipated improvements in the global economy, the Sri Lankan economy is expected to continue its high growth momentum at around 7-8 percent in the medium term. It will create an environment to improve the living standards of the people by reducing income disparity and poverty.



## 2.2 Real Economy

GDP recorded a 7.4 percent growth in 2014 registering with an average of 7.4 percent growth over the last five years in the post-conflict environment. The overall economic growth was particularly supported by the broad-based growth of Industry (11.4 percent) and Services (6.5 percent) sectors despite the fact that Agriculture sector recorded a marginal growth of 0.3 percent in 2014. Demonstrating the lower middle-income country status, with per capita GDP at market prices stationed at US\$ 3,625 in 2014 as against US\$ 3,280 recorded in 2013. GDP growth of the first three quarters of 2014 recorded an impressive growth of, on average, 7.7 percent. However, it decelerated to 6.4 percent in the fourth quarter mainly due to negative growth recorded in the Agriculture sector stemming from adverse weather conditions prevailed in the country coupled with slow performance of the Industry sector.

The Services sector remained the highest contributor to GDP with 57.6 percent share to growth in 2014 supported by the performance of the transport and communication, and wholesale and retail sub-sectors. Importantly, Industry sector continued to maintain the highest sectoral growth rate in 2014 recording 11.4 percent growth over 2013, with a contribution of 32.3 percent to GDP. The manufacturing sub-sector continued to remain as the highest



contributor to the Industry sector fuelled by the growth of food, beverages and tobacco sub sector. In addition, the construction sub sector recorded the highest growth of 20.2 percent in 2014. Meanwhile, the Agriculture sector recorded a slow growth rate of 0.3 percent due to unfavourable weather conditions which affected negatively on many commodities.

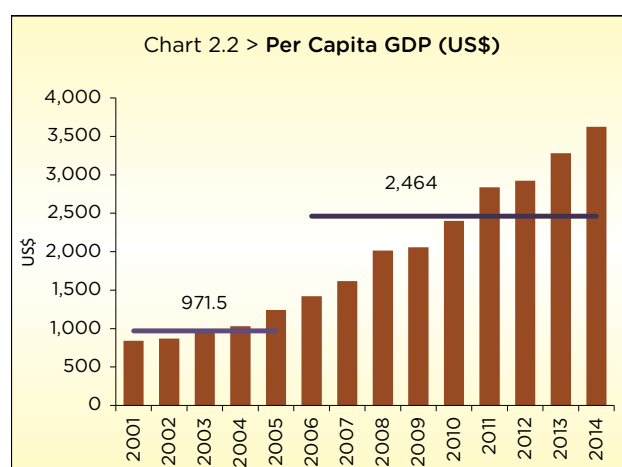


Table 2.1 > Sectoral GDP Growth Rates in 2014

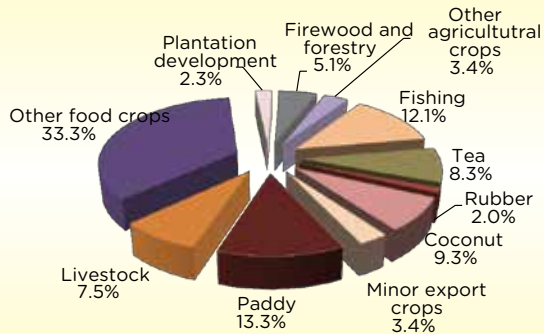
Sector	Q1	Q2	Q3	Q4	Annual
<b>GDP (Nominal)</b>	<b>13.4</b>	<b>13.5</b>	<b>12.7</b>	<b>10.1</b>	<b>12.8</b>
Agriculture	0.4	10.1	6.3	5.0	3.3
Industry	16.0	18.2	21.8	15.0	17.5
Services	15.3	11.6	9.2	7.8	11.9
<b>GDP (Real)</b>	<b>7.6</b>	<b>7.8</b>	<b>7.7</b>	<b>6.4</b>	<b>7.4</b>
Agriculture	0.2	6.5	-2.0	-3.3	0.3
Industry	12.6	12.2	12.6	8.5	11.4
Services	6.5	5.8	7.0	6.7	6.5

Source: Department of Census and Statistics

## Agriculture

In 2014, Agriculture sector grew marginally with a 0.3 percent growth compared to 4.7 percent growth recorded in 2013, particularly due to unfavourable weather conditions prevailed in the rubber, paddy and minor export growing areas. However, sub sectors such as coconut, highland crops and vegetables recorded the highest growth rates in the Agriculture sector with compared to previous year. The declining demand for natural rubber in the international market and reduction of number of tapping days due to torrential rains had a negative impact on the performance of rubber sub sector. In addition, paddy production decreased by 26.8 percent to 3.38 million metric tons in 2014 from 4.6 million metric tons in 2013. Minor export crops also showed a negative growth of 15.0 percent in 2014. Tea production moderately decreased by 0.6 percent in 2014 in comparison to a growth rate of 3.6 percent recorded in the previous year.

Chart 2.3 > Agriculture Sector Composition - 2014



However, other food crops sub sector, which has the largest share in the Agriculture sector showed a highest growth rate of 7.0 percent in 2014 with compared to last year mainly due to the increased production of highlands crops and vegetables. Livestock, firewood and forestry sub sectors also positively contributed to GDP in 2014. Furthermore, the fishing sub sector, which accounted for 1.3 percent of

GDP, recorded a slower growth of 4.5 percent in 2014 over the 6.2 percent growth in the previous year. The marine fish production grew by 3.1 percent in 2014 compared to 7.6 percent recorded in 2013 while inland fishing showed a faster growth of 13.8 percent in 2014 as against negative growth of 2.0 percent recorded in 2013.

## Paddy

The total national paddy production decreased by 26.8 percent in 2014 to 3.38 million metric tons due to adverse drought conditions that prevailed. This had resulted to decrease the agriculture share to GDP to 10.1 percent in 2014 from 10.8 percent in 2013. Of the total production, 2013/14 Maha production decreased by 21 percent to 2.23 million metric tons and 2014 Yala production also decreased by 35 percent to 1.14 million metric tons. The gross extent sown and gross extent harvested decreased by 21.4 percent and 25.9 percent, respectively in 2014 over the previous year. Accordingly, the extent sown decreased to 964 thousand hectares in 2014 from 1,227 thousand hectares in 2013. Similarly, the extent of paddy harvested also decreased to 880 thousand hectares in 2014 from 1,188 thousand hectares in 2013. Moreover, productivity of the paddy sector decelerated with a drop of yield of paddy to 4,264 kg per hectare in 2014 from 4,329 kg per hectare in 2013.

## Tea

The value addition of the tea sub sector increased by 1.2 percent in 2014 in comparison to 3.4 percent in the previous year. The tea production in 2014 declined by 0.6 percent to 338 million kg, compared to 340 million kg in 2013 due to inclement weather conditions that prevailed. Of the total tea production, 62.1 percent accounted low grown tea while the high and medium grown tea accounted for 23.3 percent and 14.5 percent, respectively. The

Table 2.2 &gt; Gross Domestic Product by Industrial Origin at Constant (2002) Prices of Major Economic Activities

Sector	Rs. Mn.					2013/2012 Change (%)	2014/2013 Change (%)
	2010	2011	2012	2013	2014(a)		
<b>Agriculture, Forestry and Fishing</b>	<b>315,610</b>	<b>320,178</b>	<b>336,817</b>	<b>352,583</b>	<b>353,799</b>	<b>4.7</b>	<b>0.3</b>
<b>1. Agriculture, Livestock and Forestry</b>	<b>283,203</b>	<b>282,724</b>	<b>295,923</b>	<b>309,134</b>	<b>308,403</b>	<b>4.5</b>	<b>(0.2)</b>
1.1 Paddy	48,377	44,325	43,596	52,084	43,386	19.5	(16.7)
1.2 Livestock	22,397	24,029	25,556	27,175	28,015	6.3	3.1
1.3 Other food crops	99,994	102,378	111,722	116,546	124,762	4.3	7.0
1.3.1 Highland crops	33,117	33,507	36,297	36,463	38,289	0.5	5.0
1.3.2 Vegetables	64,821	66,832	73,376	77,906	84,383	6.2	8.3
1.3.3 Fruits	2,057	2,039	2,049	2,178	2,089	6.3	(4.1)
1.4 Other Agricultural Crops	10,146	10,839	11,535	12,406	12,100	7.6	(2.5)
1.5 Tea	28,770	28,432	28,507	29,477	29,844	3.4	1.2
1.6 Rubber	6,983	7,119	6,693	6,083	4,118	(9.1)	(32.3)
1.7 Coconut	28,855	29,720	31,504	26,440	28,536	(16.1)	7.9
1.8 Minor Export Crops	14,955	12,114	11,507	12,480	10,610	8.5	(15.0)
1.9 Plantation Development	6,895	7,287	7,926	8,191	8,212	3.3	0.3
1.10 Firewood & Forestry	15,832	16,481	17,377	18,252	18,820	5.0	3.1
<b>2. Fishing</b>	<b>32,407</b>	<b>37,431</b>	<b>40,894</b>	<b>43,449</b>	<b>45,397</b>	<b>6.2</b>	<b>4.5</b>
2.1 Inland - Fishing	4,359	5,054	5,775	5,660	6,443	(2.0)	13.8
2.2 Marine - Fishing	28,048	32,377	35,119	37,789	38,954	7.6	3.1
<b>Industry</b>	<b>760,334</b>	<b>838,932</b>	<b>925,152</b>	<b>1,016,886</b>	<b>1,132,892</b>	<b>9.9</b>	<b>11.4</b>
<b>3. Mining and Quarrying</b>	<b>60,079</b>	<b>71,191</b>	<b>84,672</b>	<b>94,388</b>	<b>104,767</b>	<b>11.5</b>	<b>11.0</b>
3.1 Gem Mining	12,111	14,211	15,660	17,340	17,058	10.7	(1.6)
3.2 Other Mining	47,968	56,980	69,012	77,048	87,709	11.6	13.8
<b>4. Manufacturing</b>	<b>458,661</b>	<b>494,991</b>	<b>520,938</b>	<b>559,843</b>	<b>604,677</b>	<b>7.5</b>	<b>8.0</b>
4.1 Processing (Tea, Rubber and Coconut)	15,868	16,006	17,043	17,147	17,977	0.6	4.8
4.2 Factory Industry	414,925	449,177	472,721	509,932	553,101	7.9	8.5
4.2.1 Food and Beverages	197,731	211,848	222,722	239,519	258,861	7.5	8.1
4.2.2 Textile, Apparel & Leather	92,293	102,263	107,242	116,828	130,246	8.9	11.5
4.2.3 Chemicals, Petroleum, Coal, Rubber & Plastic	66,990	73,203	77,455	83,306	90,395	7.6	8.5
4.2.4 Non-Metallic Mineral Products	16,328	17,670	18,826	19,873	20,407	5.6	2.7
4.2.5 Fabricated Metal Products, Machinery & Equipments	35,482	37,733	39,663	43,135	45,229	8.8	4.9
4.2.6 Other Industries	6,101	6,459	6,813	7,272	7,964	6.7	9.5
4.3 Cottage Industry or SMEs	27,868	29,808	31,174	32,764	33,599	5.1	2.5
<b>5. Electricity, Gas and Water</b>	<b>63,682</b>	<b>69,547</b>	<b>72,452</b>	<b>79,913</b>	<b>83,542</b>	<b>10.3</b>	<b>4.5</b>
5.1 Electricity	56,291	61,722	64,352	71,620	74,609	11.3	4.2
5.2 Gas	4,593	4,855	5,100	5,181	5,660	1.6	9.2
5.3 Water	2,798	2,970	2,999	3,113	3,273	3.8	5.1
<b>6. Construction</b>	<b>177,912</b>	<b>203,204</b>	<b>247,091</b>	<b>282,742</b>	<b>339,906</b>	<b>14.4</b>	<b>20.2</b>
<b>Services</b>	<b>1,569,598</b>	<b>1,704,605</b>	<b>1,783,318</b>	<b>1,896,572</b>	<b>2,019,973</b>	<b>6.4</b>	<b>6.5</b>
<b>7. Wholesale and Retail Trade</b>	<b>613,358</b>	<b>676,565</b>	<b>701,408</b>	<b>739,826</b>	<b>798,837</b>	<b>5.5</b>	<b>8.0</b>
7.1 Import Trade	213,477	243,963	246,446	253,617	277,550	2.9	9.4
7.2 Export Trade	106,279	117,064	117,960	125,840	131,573	6.7	4.6
7.3 Domestic Trade	293,602	315,538	337,002	360,370	389,714	6.9	8.1
<b>8. Hotels and Restaurants</b>	<b>13,845</b>	<b>17,501</b>	<b>21,029</b>	<b>25,715</b>	<b>28,676</b>	<b>22.3</b>	<b>11.5</b>
<b>9. Transport and Communication</b>	<b>368,643</b>	<b>410,402</b>	<b>435,872</b>	<b>476,721</b>	<b>511,296</b>	<b>9.4</b>	<b>7.3</b>
9.1 Transport	302,983	337,088	357,221	390,847	419,428	9.4	7.3
9.1.1 Transport - Railway	2,899	2,980	3,126	3,194	3,320	2.2	3.9
9.1.2 Transport- Passenger and Goods	300,084	334,108	354,095	387,653	416,108	9.5	7.3
9.2 Cargo Handling-Ports and Civil Aviation	18,706	20,060	21,194	21,842	22,716	3.1	4.0
9.3 Post and Telecommunication	46,953	53,254	57,457	64,032	69,152	11.4	8.0
<b>10. Banking, Insurance and Real Estate and etc.</b>	<b>234,255</b>	<b>252,706</b>	<b>269,744</b>	<b>285,750</b>	<b>304,478</b>	<b>5.9</b>	<b>6.6</b>
<b>11. Ownership of Dwellings</b>	<b>74,692</b>	<b>75,607</b>	<b>76,926</b>	<b>79,175</b>	<b>80,178</b>	<b>2.9</b>	<b>1.3</b>
<b>12. Government Services</b>	<b>202,187</b>	<b>204,704</b>	<b>207,559</b>	<b>213,439</b>	<b>216,477</b>	<b>2.8</b>	<b>1.4</b>
<b>13. Private Services</b>	<b>62,617</b>	<b>67,119</b>	<b>70,779</b>	<b>75,946</b>	<b>80,030</b>	<b>7.3</b>	<b>5.4</b>
<b>Gross Domestic Product</b>	<b>2,645,542</b>	<b>2,863,691</b>	<b>3,045,288</b>	<b>3,266,041</b>	<b>3,506,664</b>	<b>7.2</b>	<b>7.4</b>

Source: Department of Census and Statistics  
(a) Provisional

export prices of tea increased in 2014 except the last quarter of the year, with the average prices of the Colombo Tea Auction increased by 3.9 percent to Rs. 461.86 per kg in 2014 in comparison to Rs. 444.42 per kg in 2013 due to escalation of tea prices stemming from the increased export demand and reduction of global supply. As a result, the earnings from tea exports increased by 5.6 percent to US\$ 1,628 million in 2014 from US\$ 1,542 million in 2013.

## Rubber

The rubber production continued to decline since 2012. It fell by 24.4 percent to 98.6 million kg in 2014 from 130.4 million kg in 2013. This drop was due to declining trend in global natural rubber prices coupled with reduction of number of tapping days due to heavy rain prevailed in the rubber growing areas. Earnings from raw rubber exports declined by 36.6 percent to US\$ 45 million in 2014 from US\$ 71 million in 2013 due to the drop in production and increased usage of rubber in domestic value-added industries. As per the Colombo Rubber Auction, the average price of Ribbed Smoked Sheet 1 (RSS1) and Latex Crepe 1X declined by 24.1 percent and by 22 percent, respectively in 2014. Similarly, international prices of natural rubber decreased, on average, by 30 percent to US\$ 1,956 per metric ton in 2014 from US\$ 2,795 per metric ton in 2013, reflecting the decline in demand for such products. This decline had a severe impact of livelihoods of related families and industries. As a measure of providing a relief to rubber small holders, the government in its 2015 Interim budget introduced a scheme to provide a certified price of Rs. 350 per kg of rubber with effect from April 2015.

## Coconut

The coconut sub sector recovered strongly in 2014. The coconut production increased by 14.2 percent to 2,870 million nuts mainly

due to the favourable rainfalls prevailed in the previous year in the coconut growing districts. The farm gate price of coconut increased to Rs. 32 per nut in 2014 from Rs. 31 per nut recorded in 2013 reflecting higher domestic demand from local manufacturers of various coconut products. As a result, retail price of coconut increased to Rs. 45.60 per nut in 2014, compared to Rs. 43.20 per nut in the previous year. The export earnings of coconut showed a substantial increase of 73.6 percent to US\$ 356 million in 2014 in comparison to US\$ 205 million recorded in 2013. Benefiting from increased coconut production, manufacturing of various coconut related products such as desiccated coconut, coconut cream and coconut milk powder increased with high export demands for such products.

## Other Food and Agricultural Crops

Other food crops sub sector consisting of highland crops, vegetables and fruits recorded a growth of 10.4 percent in 2014. The value addition of highland crops and vegetables recorded a 5.0 and 8.3 percent growth, respectively whereas fruits sub sector recorded a 4.1 percent contraction in 2014. The provision of fertilizer at subsidized prices, relatively favourable weather conditions in respective areas, establishment of better producer prices through the revisions of Special Commodity Levy (SCL) and Cess Levy on imports to support the domestic production and expansion of extent of cultivation helped achieve the improvement in this sub sector. During the year, vegetables production increased by 7 percent to 1.3 million metric tons in 2014. Hence, the export of vegetables also increased by 61 percent to US\$ 41 million in value terms compared to US\$ 24.9 million in 2013. The export of fruits also increased by 52.0 percent to US\$ 44.2 million in value terms from US\$ 29.1 million in 2013.

The value addition of minor export crops comprising cinnamon, pepper, cloves, cocoa,

Table 2.3 &gt; Major Export Agricultural Crops: Production and Exports (MT)

Crop	Production					Export				
	2005	2011	2012	2013	2014	2005	2011	2012	2013	2014
Cinnamon	15,898	18,250	17,165	17,500	17,600	12,549	13,777	14,435	13,799	13,703
Pepper	14,303	10,800	18,604	28,000	17,000	8,131	5,065	10,487	21,310	8,334
Cocoa	902	525	513	515	500	164	5,190*	3,427	1,213	146
Cardamom	79	57	80	50	87	12	12	11	4	19
Clove	6,082	5,553	4,009	6,190	3,225	5,517	5,208	2,914	5,467	1,234
Nutmeg & Mace	2,054	2,116	2,002	2,545	1,656	1,935	1,896	1,582	1,652	1,829

Source: Department of Export Agriculture  
\*With re-export

cardamom, nutmeg, cashew etc. recorded a negative growth of 15.0 percent compared to 8.5 percent increase in 2013 due to drought prevailed in those export crops growing areas. The exports of pepper, cocoa, and clove fell sharply in 2014 due to the adverse weather conditions during the year. The combined production of cash crops such as big onion, red onion, black gram, cowpea, chilies and potatoes increased in 2014 benefiting from the usage of paddy lands for the cultivation of such crops.

## Livestock

The domestic milk production increased marginally by 1.1 percent to 330 million liters in 2014. The production was adversely affected by the spread of “foot and mouth disease”

and drought weather that prevailed during the early part of 2014. This improvement was partly attributable to the increased farm gate prices and enhanced demand for fresh milk. During the year, the importation of milk powder increased marginally by 1.8 percent to 67.2 thousand metric tons over 66 thousand metric tons in 2013. The imports of dairy products including milk powder registered a growth of 16.6 percent to US\$ 339.4 million compared to US\$ 291 million in 2013. Meanwhile, the production of eggs increased by 6.4 percent to 1,741 million in 2014 while chicken production rose to 150,980 metric tons, with an increase of 4.5 percent over the previous year.

Table 2.4 &gt; Fishery Sector Performance

Year	Operating Fishing Boats by Type			Annual Fish Production by Fishing Sub-sectors (Mt)					Fish Imports & Exports			
	Marine Fishing Fleets (No.)	Inland Fishing Fleet (No.)	Total Fishing Crafts (No.)	Marine Fish Catch		Inland & Aquaculture	Total Fish Production	Wet Fish for Dry or Smoking	Total Fish Imports		Total Fish Exports	
				Coastal	Off Shore/Deep Sea				Value (Rs.Mn)	Quantity (MT)	Value (Rs.Mn)	Quantity (MT)
2003	29,694	5,800	35,494	163,850	90,830	30,280	284,960	54,340	6,145	75,119	9,543	15,005
2004	30,567	6,000	36,567	154,470	98,720	33,180	286,370	63,470	5,944	67,284	9,435	13,681
2005	29,901	6,200	36,101	63,690	66,710	32,830	163,230	18,900	7,099	76,584	10,695	15,985
2006	35,350	7,046	42,396	121,360	94,620	35,290	251,270	71,740	9,681	77,382	14,440	18,647
2007	37,040	6,600	43,640	150,110	102,560	38,380	291,050	77,830	11,961	86,156	19,123	21,423
2008	39,717	7,170	46,887	165,320	109,310	44,490	319,120	93,240	12,521	76,266	19,077	20,593
2009	41,454	7,560	49,014	180,410	112,760	46,560	339,730	97,690	13,939	75,411	21,015	18,714
2010	46,134	7,990	54,128	202,420	129,840	52,410	384,670	100,120	14,162	80,013	19,834	18,325
2011	53,476	8,020	61,492	222,350	162,920	59,560	444,830	112,295	16,240	81,957	21,876	18,462
2012	53,210	8,350	61,620	259,530	159,680	67,590	484,810	61,320	17,401	71,413	26,363	18,631
2013	52,301	7,988	60,289	267,980	177,950	66,910	512,840	146,630	21,119	78,401	31,792	23,910
2014	52,818	8,221	60,480	278,850	180,450	75,750	535,050	151,230	18,860	78,712	26,320	34,797

Source: Ministry of Fisheries and Aquatic Resources Development

## Fishery Industry

Fishery sector, which accounted for 1.3 percent of the GDP, grew by 4.5 percent in terms of value addition in 2014 over 6.2 percent recorded in 2013. The total fish production increased by 4.3 percent to 535 thousand metric tons in comparison to 512.8 thousand metric tons in 2013. The inland fishing sub sector grew by 13.2 percent benefiting particularly from the special inland fishing development programs implemented by the government. The marine fishing sub sector grew by 3.0 percent in 2014 with increased fish catch particularly in Northern Province and related infrastructure development. The export of sea food, including fresh and frozen fish increased by 8.1 percent to US\$ 253 million in 2014. Meanwhile, the importation of sea food, including fresh fish and dried fish, also expanded to US\$ 144 million in 2014.

## Industry

Industry sector accounted for 32.3 percent of GDP recording 11.4 percent growth in 2014 benefiting from the positive contribution from all forms of industrial activities. A higher growth rate of 20.2 percent was recorded in the construction industry compared to 14.4 percent in the previous year. Meanwhile, the manufacturing and mining and quarrying sub sectors have recorded growth rates of 8.0 percent and 11 percent, respectively. In 2014, the export earnings from industrial goods recorded a growth of 6.6 percent to US\$ 8,262 million. The highest export earnings demonstrated in the textiles and garments, with an increase of 9.4 percent to US\$ 4,930 million over the last year. The export earnings from rubber products increased marginally to US\$ 890 million. However, during the year, the export earnings from petroleum products and gem and jewellery showed a significant drop over the previous year due to declining global demand and a sharp decrease in prices of gold in the international market.

## Mining and Quarrying

Mining and quarrying industry comprising gem and other mining products accounted for 3.0 percent of GDP and grew by 11.0 percent in 2014 in comparison to 11.5 percent in 2013. This was largely due to the growth observed in the other mining sub sector comprising construction related material such as sand, rock metal and lime, and mineral products such as graphite, phosphate, mineral sands and salt production, which accounted for 2.5 percent of GDP and recorded a growth of 13.8 percent following the 11.6 percent growth in 2013. The increased domestic demand for construction related material in tandem with higher expansion in the construction industry was the main reason for this growth. Meanwhile, the gem mining which accounts for 0.5 percent of GDP, recorded a negative growth of 1.6 percent in 2014. As a result, the volume of export of precious stones was decreased by 12.3 percent.

## Manufacturing

Manufacturing industry comprising of processing, factory and cottage industries, accounted to 17.2 percent of GDP which is the largest sub sector of the Industry sector and grew by 8.0 percent in 2014. The growth in manufacturing industry was supported by the low interest rate regime that encouraged investment, import replacement initiatives, promotion of locally value added products, promotion of exports and enhancement of external demand. Furthermore, the enhancement of the domestic economic activities, stable price levels and the revival of the construction and tourism sector supported the value addition in manufacturing sector production.



Table 2.5 &gt; Performance of the Selected Industrial Exports

Item	US\$ Mn.					
	2009	2010	2011	2012	2013	2014(a)
<b>Rubber Products</b>	<b>385</b>	<b>558</b>	<b>885</b>	<b>859</b>	<b>888</b>	<b>890</b>
Rubber Tyres	213	336	569	540	551	564
Surgical Gloves and Other Gloves	114	137	181	177	195	176
Other Rubber Products	58	85	135	143	141	150
<b>Gems, Diamonds and Jewellery</b>	<b>402</b>	<b>409</b>	<b>532</b>	<b>559</b>	<b>446</b>	<b>394</b>
Gems	69	70	95	118	130	173
Diamonds	317	322	414	417	295	198
Jewellery	17	17	22	24	21	22
<b>Machinery and Mechanical Appliances</b>	<b>187</b>	<b>259</b>	<b>312</b>	<b>297</b>	<b>312</b>	<b>343</b>
<b>Transport Equipment</b>	<b>127</b>	<b>144</b>	<b>225</b>	<b>165</b>	<b>146</b>	<b>152</b>
o/w Ships, Boats and Floating Structures	58	59	149	57	82	86
<b>Petroleum Products</b>	<b>134</b>	<b>263</b>	<b>553</b>	<b>463</b>	<b>428</b>	<b>338</b>
o/w Bunkers and Aviation Fuel	133	259	524	457	423	327
Chemical Products	74	93	118	117	120	134
Wood and Paper Products	59	85	111	112	116	123
Leather Travel Goods and Footwear	47	60	65	55	77	139
Plastics and Articles Thereof	40	47	55	53	55	67
Base Metals and Articles	36	63	56	56	59	62
Ceramic Products	36	40	38	36	40	41
Tiles	8	8	6	7	8	9
Tableware, Household Items and Sanitaryware	24	27	28	25	29	29
Other	4	5	5	4	3	3
<b>Total</b>	<b>1,527</b>	<b>2,021</b>	<b>2,950</b>	<b>2,772</b>	<b>2,687</b>	<b>2,683</b>

Source: Central Bank of Sri Lanka  
(a) Provisional

## Processing

The processing sub sector, consisting of industries of processing tea, rubber and coconut, grew significantly by 4.8 per cent, compared to the growth of 0.6 percent in 2013. The high growth in the coconut production supported by favourable weather conditions in coconut growing areas mainly helped to achieve this progress. However, the performance of the processing sector was disturbed by contraction of tea and rubber production due to unfavourable weather conditions prevailed in such crops growing areas.

## Factory Industry

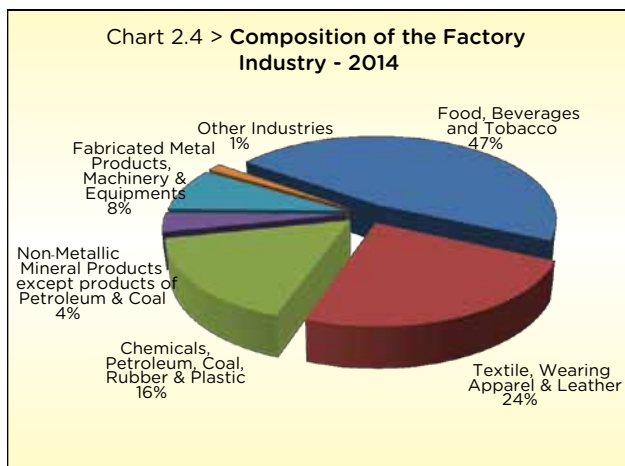
The factory industry, which is the main contributor to the Industry sector, accounted

for 15.8 percent of GDP and recorded a higher growth of 8.5 percent in 2014 in comparison to 7.9 percent growth in 2013. All forms of factory industries positively contributed to this high growth rate with enhanced domestic and international demand. Value addition in production of food, beverages and tobacco products grew by 8.1 percent in 2014 in comparison to 7.5 percent in 2013. Increased production in preparing and preserving of meat products, processing and preserving of fish products, sugar and confectionary products, prepared animal feed products and production of beverages such as soft drinks, mineral water and bottled water were the key contributors to this growth. Textile, wearing apparel and leather products grew by 11.5 percent in 2014 in comparison to 8.9 percent in 2013.

Table 2.6 &gt; Manufacturing Sector Statistics

Category	Value Addition (Current Prices) Rs. Mn.				Number of Projects Approved by BOI			
	2011	2012	2013(a)	2014(b)	2011	2012	2013(a)	2014(b)
Food, Beverages and Tobacco Products	537,691	610,891	697,903	787,932	7	17	8	11
Textiles, Apparel and Leather Products	207,578	239,351	268,431	315,901	22	11	7	13
Wood and Wood Products	2,580	2,908	3,253	3,764	2	3	1	3
Paper and Paper Products, Publishing and Printing	8,466	9,372	10,235	11,972	1	-	-	1
Chemical, Petroleum, Coal, Rubber and Plastic Products	207,654	235,515	263,842	292,491	7	8	11	5
Non-Metallic Mineral Products	32,167	35,991	38,920	41,894	1	14	7	10
Basic Metal Products	2,119	2,399	3,017	3,395	-	-	-	-
Fabricated Metal Products, Machinery and Transport Equipment	82,852	93,261	112,202	124,398	3	6	4	5
Manufactured Products (n.e.s.)	3,149	3,545	4,550	5,180	5	16	9	10

Sources: Department of Census and Statistics and Central Bank of Sri Lanka  
(a) Revised  
(b) Provisional



Improvement in the export of textiles and garments by 9.4 percent and leather related products by 80.7 percent contributed this high growth in this sector in 2014 over the previous year.

Chemicals, petroleum, coal, rubber and plastic products, which accounted for 2.6 percent of GDP, grew by 8.5 percent in 2014 in comparison to 7.6 percent in 2013.

However, during the year, income from export of petroleum products contracted by 21 percent to US\$ 338 million in comparison to the previous year and the decline in production of refined petroleum products was negatively affected to the growth of this sub sector. Meanwhile, the non-metallic mineral products except petroleum and coal

products sub sector recorded a slow growth of 2.7 percent in 2014 in comparison to 5.6 percent in 2013. Fabricated metal products, machinery and equipment products grew by 4.9 percent in 2014 compared to 8.8 percent in the previous year.

### Cottage Industry

The cottage industry, comprising of small scale industries accounted for 1.0 percent of GDP and grew moderately by 2.5 percent in 2014 in comparison to 5.1 percent growth recorded in 2013. Government implemented various small-scale livelihoods development programmes by providing training needs and financial support to uplift the living standards of the people. These encouragements and increased demand for handicrafts and similar products with improvements in tourism sector, contributed to the growth recorded in this sub sector.

### Electricity, Gas and Water

The value addition of the electricity, gas and water sub sector, which accounted for 2.4 percent of GDP, grew by 4.5 percent in 2014 compared to 10.3 percent in 2013. The electricity generation which accounted for 2.1 percent of GDP, recorded a slow growth rate of 4.2 percent in comparison to the 11.3 percent



Table 2.7 &gt; Private Sector Industrial Volume Index (2010 = 100)

Description	2011	2012	2013	2014
Food Products	108.5	108.5	105.3	103.4
Beverages	110.2	107.4	103.0	111.8
Tobacco Products	106.0	99.9	96.7	87.6
Textile	99.8	113.9	128.5	132.9
Wearing Apparel	113.8	118.5	126.5	149.5
Leather and Related Products	94.0	93.1	98.3	98.2
Wood and Products of Wood	107.9	98.4	114.6	108.9
Paper and Paper Products	89.0	98.8	127.0	126.6
Printing and Reproduction of Media	100.5	106.3	110.3	112.4
Refined Petroleum Products	106.3	81.3	83.4	86.0
Chemical and Chemical Products	67.5	77.6	74.1	82.2
Pharmaceuticals	133.0	138.8	185.1	142.8
Rubber and Plastic Products	116.6	116.9	118.2	134.2
Non-metallic Mineral Products	116.7	117.5	103.2	102.9
Basic Metals	110.2	99.0	100.0	112.9
Fabricated Metal Products	89.6	111.7	136.5	97.1
Electrical Equipment	98.7	98.4	107.6	99.5
<b>Overall Industrial Production Index</b>	<b>107.2</b>	<b>108.8</b>	<b>109.6</b>	<b>115.1</b>

Source: Central Bank of Sri Lanka

recorded in 2013. The drop in the hydropower generation by 34.3 percent due to dry weather conditions prevailed in the catchment areas attributed to this slow growth rate. As a result, the thermal power generation increased by 58.8 percent in 2014.

Meanwhile, the gas subsector grew at a higher rate of 9.2 percent in 2014 following the 1.6 percent growth recorded in 2013, reflecting the increased demand for domestic and industrial purposes. Furthermore, value addition in water sub sector grew by 5.1 percent in 2014 with the increase in water supply by the National Water Supply and Drainage Board (NWS&DB) by 9.0 percent in volume terms. This was supported by the increase in new water connections by 7.3 percent benefiting from a number of water supply development projects implemented by the government throughout the country.

## Construction

Construction industry accounted for 9.7 percent of GDP in 2014 in comparison to 8.7 percent of GDP in 2013 indicating a

substantial increase in its contribution to the GDP. In real terms, the construction sub sector recorded a higher growth of 20.2 percent in 2014 in comparison to 14.4 percent growth in the previous year. This growth was mainly attributed to the development of the infrastructure and housing projects implemented by the government followed by private sector construction activities such as hotels, apartments and condomeniums. In 2014, the total cements supply increased by 3.5 percent to 6.2 million metric tons which is a reflection of the improved performance in the construction sub sector.

## Services

Services sector accounted for 57.6 percent of GDP in 2014 recording a considerable growth of 6.5 percent in 2014 in comparison to 6.4 percent recorded in 2013. The improvement in the domestic and external trade activities emanated from improved demand, prevailing peaceful environment in the country, increased income levels, strong revival of the tourism

sector, easing of monetary policy and the resultant decline in the interest rates and cost of borrowings and the increased availability of credit to the private sector contributed mainly to the improvement in the services related activities.

## Wholesale and Retail Trade

The wholesale and retail trade comprising of import, export and domestic trade activities and accounted for 22.8 percent of GDP, recorded a growth rate of 8.0 percent in comparison to a growth of 5.5 percent in the previous year. The growth of 8.1 percent in the domestic trade sector was mainly due to the enhanced domestic demand and relatively low market interest rates, which resulted in the enhancement of private spending.

The substantial growth of 9.4 percent in the import trading activities mainly due to the

increased domestic economic activities and expansion of the domestic consumption was reflected in the increase in the import of transport equipment, food and non-food consumer goods, textiles and related articles, mineral products and base metals. Meanwhile, the export trade sub sector grew by 4.6 percent in 2014 which was reflected in the expansion of industrial exports by 3.6 percent in terms of volume in 2014. Domestic wholesale and retail sub sector expanded by 8.1 percent in 2014, compared to 6.9 percent in 2013 reflecting increased domestic demand supported by low interest rates, enhanced income levels of people and increased industrial production.

## Hotels and Restaurants

The hotels and restaurants sub sector recorded an 11.5 percent slower growth in 2014 following the 22.3 percent and 20.2 percent growth

Table 2.8 > Sectoral Distribution of GDP Growth (%) - Constant (2002) Prices

Sector	2006	2007	2008	2009	2010	2011	2012	2013	2014(a)
<b>Agriculture</b>	<b>6.3</b>	<b>3.4</b>	<b>7.5</b>	<b>3.2</b>	<b>7.0</b>	<b>1.4</b>	<b>5.2</b>	<b>4.7</b>	<b>0.3</b>
Tea	-2.0	-1.8	4.2	-8.4	13.8	-1.2	0.3	3.4	1.2
Paddy	2.9	-6.2	23.1	-5.1	17.5	-8.4	-1.6	19.5	-16.7
Minor Export Crops	2.2	5.1	-2.1	5.2	35.6	-19.0	-5.0	8.5	-15.0
Livestock	8.1	7.9	5.6	6.2	2.9	7.3	6.4	6.3	3.1
Other Food Crops	3.0	4.4	4.7	7.0	4.4	2.4	9.1	4.3	7.0
Fisheries	53.5	15.6	9.9	6.9	12.2	15.5	9.3	6.2	4.5
<b>Industry</b>	<b>8.1</b>	<b>7.6</b>	<b>5.9</b>	<b>4.2</b>	<b>8.4</b>	<b>10.3</b>	<b>10.3</b>	<b>9.9</b>	<b>11.4</b>
Agriculture Processing	0.8	2.4	5.3	0.7	5.8	0.9	6.5	0.6	4.8
Factory Industry	5.7	6.7	5.0	3.4	7.5	8.3	5.2	7.9	8.5
SMEs	5.7	5.6	4.5	3.3	5.5	7.0	4.6	5.1	2.5
Electricity	16.2	4.6	3.9	3.7	8.2	9.6	4.3	11.3	4.2
Construction	9.2	9.0	7.8	5.6	9.3	14.2	21.6	14.4	20.2
<b>Services</b>	<b>7.7</b>	<b>7.1</b>	<b>5.6</b>	<b>3.3</b>	<b>8.0</b>	<b>8.6</b>	<b>4.6</b>	<b>6.4</b>	<b>6.5</b>
Trade	7.1	6.1	4.7	-0.2	7.5	10.3	3.7	5.5	8.0
Hotel	2.5	-2.3	-5.0	13.3	39.8	26.4	20.2	22.3	11.5
Cargo handling	20.0	8.8	8.0	0.4	16.8	7.2	5.7	3.1	4.0
Post & Telecommunications	21.6	21.5	22.3	11.7	13.2	13.4	7.9	11.4	8.0
Financial Services	8.5	8.7	6.6	5.7	7.5	7.9	6.7	5.9	6.6
Government Services	5.0	6.0	5.7	5.9	5.4	1.2	1.4	2.8	1.4
Private Services	7.8	7.8	6.5	5.8	5.8	7.2	5.5	7.3	5.4
<b>GDP</b>	<b>7.7</b>	<b>6.8</b>	<b>6.0</b>	<b>3.5</b>	<b>8.0</b>	<b>8.2</b>	<b>6.3</b>	<b>7.2</b>	<b>7.4</b>

Source : Department of Census and Statistics  
(a) Provisional

witnessed in the preceding two consecutive years. The continued revival in the tourism industry in the peaceful environment, the measures to develop the country as an attractive tourist destination, emphasizing the up - market tourism promotion, increased in local tourism driven by the increase in domestic income level together with the increase in private sector investment in hotels and restaurants industry, including in Northern and Eastern provinces spurred this growth in hotels and restaurants industry. Tourist arrivals grew by 19.8 percent to 1.5 million (1,527,153) tourists in 2014 from 1.2 million (1,274,593) tourists in 2013. The earnings from tourism also increased by 41.7 percent to US\$ 2,431 million in 2014 from US\$ 1,715 million in the previous year.

### **Transport and Communication**

Transport and communication services comprising of transport, cargo handling ports and civil aviation services and, post and telecommunication services accounted for 14.6 percent of GDP and indicated a moderate growth of 7.3 percent in 2014 in comparison to 9.4 percent in the previous year. This slower growth was due to the decline of transport, and post and telecommunication sectors. Railway transport services recorded a significant growth of 4.0 percent in 2014 compared to 2.2 percent in 2013. This improvement was made due to the expansion of railway network to the Northern Province thereby increasing the passenger and goods transportation. Passenger kilometers run by Sri Lanka Transport Board (SLTB), private bus operators and Sri Lanka Railways (SLR) increased by 4.1 percent, 8.2 percent and 9.3 percent, respectively in 2014. Meanwhile, total number of new registration of vehicles was 429,556 in 2014 compared to 326,651 recorded in 2013, an increase of 31.5 percent compared to the previous year. However, the passenger kilometers flown by Sri Lankan Airlines declined by 2.1 percent to 12,719 kilometers

over the 1.5 percent growth recorded in 2013.

Resulting from the recovery in import and export trade activities, cargo handling services, and ports and civil aviation services recorded a growth of 4.0 percent in 2014 in comparison to 3.1 percent in 2013. Total vessels arrived increased by 6.8 percent to 4,298 in 2014 and total cargo handled also increased by 12.7 percent to 74.4 million metric tons in 2014. Further, total container throughput increased by 14 percent to 4,908 million TEUs and transshipment container through put, including re-stowing, also increased by 15.5 percent to 3,781 million TEUs. Meanwhile, air cargo services slightly increased in 2014. The post and telecommunication services, which accounted for 2.0 percent of GDP, recorded a slow growth of 8.0 percent in 2014 over the 11.4 percent recorded in 2013. The increase in the fixed and cellular telephone connections to 24.8 million in 2014 compared to 23.0 million in 2013 and the provision of other services helped to improve the performance of this sub sector.

### **Banking, Insurance and Real Estate**

Banking, insurance and real estate services contributed to 8.7 percent of GDP in 2014 and grew by 6.6 percent in comparison to 5.9 percent growth recorded in the previous year. Loans and advances and total deposits increased by 13.7 percent and 12.4 percent, respectively in 2014 with respect to the previous year. The Average Weighted Lending Rate (AWLR) and Average Weighted Deposit Rate (AWDR) decreased considerably to 11.9 percent and 6.2 percent, respectively in 2014 compared to 15.2 percent and 9.4 percent, respectively stationed in the previous year. Financial system stability was strengthened further under the supervision of the Central Bank of Sri Lanka (CBSL) in a challenging domestic and global environment. In 2014, total number of bank branches and outlets in the country were 6,554 while the registered

Table 2.9 &gt; Selected Indicators of Services Sector

Indicator	2011	2012	2013	2014(a)
<b>Port Services</b>				
Vessels Arrived *	4,358	4,178	4,024	4,298
Total Cargo Handled (MT '000)	65,069	65,030	66,292	74,431
Total Container Traffic (TEU '000)	4,263	4,187	4,306	4,908
Transshipment Container ** (TEU '000)	3,216	3,167	3,274	3,781
<b>Telecommunication Sector</b>				
Fixed Telephone Lines (No '000)	942	999	1,062	1,123
Cellular Phones (No '000)	18,319	20,324	20,315	22,123
Wireless Phone (No '000)	2,667	2,450	1,644	1,556
Internet and E mail Subscribers ('000)	359	423	508	593
<b>Health Sector</b>				
Private Hospitals	186	197	206	210
Public Hospitals	592	593	603	601
No of Beds (Government)	69,731	73,437	79,945(b)	82,604 (b)
No of Doctors(Government)	18,299	18,252	19,672	21,331
No of Nurses (Government)	29,234	29,576	30,928	31,964
<b>Financial Sector</b>				
Bank Branches and Other Outlets	6,184	6,374	6,487	6,554
Credit Cards in Use	862,352	891,170	951,625	1,032,833
Registered Finance Companies	39	47	48	48
Registered Leasing Companies	16	13	10	8
<b>Tourism Sector</b>				
Tourist Arrivals	855,975	1,005,605	1,274,593	1,527,153
Tourist Earnings (US\$ Mn)	830	1,038	1,715	2,431
Annual Room Occupancy Rate	77.1	71.2	71.7	74.3
<b>Transport Services (New Registrations)</b>				
Buses	4,248	3,095	1,805	3,851
Cars	57,886	31,546	28,380	38,780
Dual Purpose Vehicles	33,518	37,397	24,603	20,799
Goods Transport Vehicles - Lorries	14,818	12,266	5,872	5,121
Motor Cycles	253,331	192,284	169,280	272,855
Three Wheelers	138,426	98,815	83,673	79,038
Land Vehicles - Tractors	20,073	18,450	10,772	7,070
Land Vehicles - Trailers	3,121	3,442	2,266	2,012

Sources: Sri Lanka Ports Authority, Telecommunications Regulatory Commission of Sri Lanka, Ministry of Health, Department of Motor Traffic, Sri Lanka Tourism, Central Bank of Sri Lanka

(a) Provisional

(b) Public and Private

\* Excluding of Sailing craft, Naval Vessels, Fishing trawlers, Yatch & Dredgers

\*\*Including Re-Stowing

number of finance companies and leasing companies were 48 and 8, respectively. Total number of credit cards users increased by 8.5 percent to over one million users (1,032,833) in 2014. The banking sector increased its profit after tax by 17.9 percent in 2014 as against the contraction of 9.8 percent witnessed in

2013. Also, non-bank financial institutions (NBFIs) performed well in 2014. There were 21 insurance companies operating in Sri Lanka which were registered with the Insurance Board of Sri Lanka (IBSL). However, the performance of the insurance sector hampered by the large amount of claims realized in 2014.

## 2.3 Domestic Demand and Supply

Domestic demand, comprising of aggregate consumption and fixed capital formation, enhanced by 8.7 percent in 2014 compared to 4.9 percent recorded in 2013. However, the domestic demand as a percentage of GDP declined to 108.5 in 2014 as against 109.5 in 2013. Total consumption increased by 11.2 percent in nominal terms to Rs. 7,716 billion in 2014 from Rs. 6,940 billion recorded in 2013. However, the private consumption enhanced by 10.3 percent at a slower pace, with a main contribution from food, beverages and tobacco sub sector compared to 15.9 percent growth witnessed in government consumption fuelled by increased government expenditure on salaries and wages. The enhanced demand for consumer goods was mainly due to the increased imports of consumer items in 2014.

Investment expanded by 13.5 percent to Rs. 2,905 billion in 2014, compared to Rs. 2,560 billion in 2013 with the increase of investment in the construction activities expanded by both public and private sectors. Infrastructure development activities continued by the government coupled with private construction activities such as hotels, apartments and condominiums under the low interest regime contributed to this surge in investment. As a

result, total investment as a percentage of GDP increased by 29.7 percent in 2014 over 29.5 percent recorded in 2013. Private investments including foreign direct investments (FDI) increased by 13.8 percent in 2014 and accounted for 22.9 percent as a percentage of GDP. Likewise, public investment, in nominal terms, increased by 12.3 percent in 2014 compared to 13.7 percent growth recorded in 2013. It was 6.8 percent of GDP in 2014 compared to 6.9 percent in 2013. FDI, including loans, enhanced by 17.2 percent to US\$ 1,685 million in 2014 in comparison to US\$ 1,437 million in 2013. The FDI inflows devoted for the areas such as infrastructure development projects (45 percent of total flows), hotels and restaurants, and IT-BPO services (33 percent) and manufacturing sector (22 percent).

*FDI, including loans, enhanced by 17.2 percent to US\$ 1,685 million in 2014 in comparison to US\$ 1,437 million in 2013.*

Table 2.10 > Domestic Demand, Supply and Trade Balance

Item	Current Market Prices (Rs. Bn)			Change (%)			As a percent of GDP		
	2012	2013(a)	2014(b)	2012	2013(a)	2014(b)	2012	2013(a)	2014(b)
<b>Domestic Demand</b>	<b>8,619</b>	<b>9,506</b>	<b>10,621</b>	<b>15.0</b>	<b>10.3</b>	<b>11.7</b>	<b>113.7</b>	<b>109.6</b>	<b>108.5</b>
Consumption	6,296	6,941	7,716	13.7	10.2	11.2	83.0	80.0	78.9
Private	5,275	5,803	6,398	15.5	10.0	10.3	69.6	66.9	65.4
Government	1,021	1,137	1,318	5.5	11.3	15.9	13.5	13.1	13.5
Investment	2,323	2,565	2,905	18.5	10.4	13.3	30.6	29.6	29.7
Private	1,798	1,969	2,237	16.0	9.5	13.6	23.7	22.7	22.9
Government	525	596	668	28.0	13.6	12.1	6.9	6.9	6.8
Net External Demand (Trade balance)	(1,036)	(827)	(836)	8.8	(20.2)	1.1	(13.7)	(9.5)	(8.5)
Export of Goods and Services	1,729	1,949	2,185	14.6	12.7	12.1	22.8	22.5	22.3
Import of Goods and Services	2,765	2,776	3,022	12.4	0.4	8.9	36.5	32.0	30.9
Domestic Supply = GDP	7,578	8,674	9,785	15.8	14.5	12.8	100.0	100.0	100.0

Sources: Department of Census and Statistics, Central Bank of Sri Lanka

(a) Revised

(b) Provisional

Table 2.11 &gt; Aggregate Supply and Use of Goods and Services

Item	Rs.Bn.		Growth (%)		As a (%) of GDP	
	2013(a)	2014(b)	2013(a)	2014(b)	2013(a)	2014(b)
Aggregate Demand	11,450	12,806	10.7	11.8	132.0	130.9
Domestic Demand	9,500	10,621	10.2	11.8	109.5	108.5
External Demand = Export of Goods and Services	1,949	2,185	12.7	12.1	22.5	22.3
Aggregate Supply	11,450	12,806	10.7	11.8	132.0	130.9
Gross Domestic Product	8,674	9,785	14.4	12.8	100.0	100.0
Import of Goods and Services	2,776	3,022	0.4	8.9	32.0	30.9
Trade Gap of Goods and Services	827	836	(20.2)	1.1	9.5	8.5
Share of Imports in Aggregate Supply (%)	24.2	23.6				

Sources: Department of Census and Statistics, Central Bank of Sri Lanka

(a) Revised

(b) Provisional

## 2.4 Investment and Savings

Total gross investment accounted to 29.7 percent of GDP in 2014 compared to 29.5 percent in 2013 of which private investment accounted for 77.0 percent of the total investment and the balance, 23.0 percent was for public investment.

Domestic savings to GDP ratio improved to 21.2 percent in 2014 from 20.0 percent in 2013. It increased by 19.3 percent to Rs. 2,068 billion, in nominal terms, in 2014 from Rs. 1,733 billion in 2013. However, total domestic savings grew by 35.2 percent in 2013. The government domestic savings of 1.3 percent of GDP was mainly attributable to

the sluggish growth in government revenue over the increased recurrent expenditure in 2014. Meanwhile, national savings, consisting of domestic savings and net foreign private transfers and net factor income from abroad, improved by 18.1 percent to Rs. 2,642 billion in 2014 benefiting from increased net current transfers from abroad by 11.6 percent. As such, national savings to GDP ratio improved to 27.0 percent in 2014 from 25.8 percent in 2013. These developments contributed to reduce the savings-investment gap to 2.7 percent of GDP in 2014 from 3.8 percent in 2013 and 6.7 percent in 2012 which pave the way to improve external current account balance.

Table 2.12 &gt; Investment and Savings

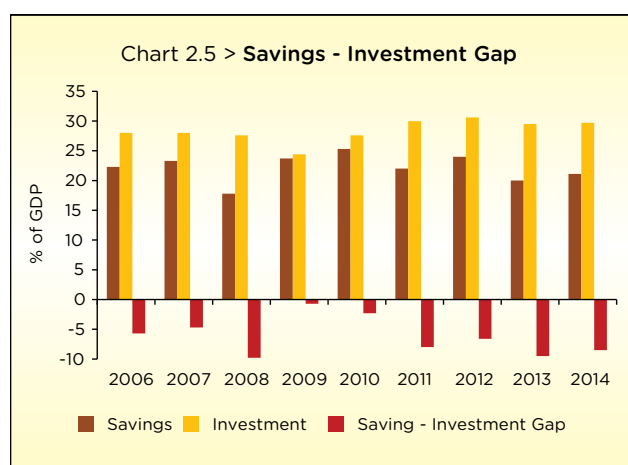
Item	Rs. Bn.		As a % of GDP	
	2013(a)	2014(b)	2013(a)	2014(b)
Domestic Investment	2,560	2,905	29.5	29.7
Private	1,965	2,237	22.7	22.9
Government	595	668	6.9	6.8
Domestic Savings	1,734	2,068	20.0	21.1
Private	1,801	2,196	20.8	22.4
Government	(68)	(128)	(0.8)	(1.3)
Investment - Domestic Savings Gap	(827)	(837)	(9.5)	(8.5)
Net Factor Income From Abroad	(226)	(240)	(2.6)	(2.5)
Net Foreign Private Transfers	729	813	8.4	8.3
National Savings	2,236	2,642	25.8	27.0

Source: Department of Census and Statistics

(a) Revised

(b) Provisional





## 2.5 External Sector Developments

The external sector of the country remained stable during 2014 with continuous inflows being recorded in the Balance of Payments (BOP) in terms of earnings from exports, tourism, workers' remittances, FDI and other financial inflows. With these improvements, the BOP registered a surplus of US\$ 1,369 million benefiting from lower current account deficit although the increase in imports towards the end of the year exerted some pressure on the current account through a higher trade deficit.

During the year, earnings from exports increased by 7.1 percent to US\$ 11,130 million compared to US\$ 10,394 million in 2013 and the total expenditure on imports increased by 7.9 percent to US\$ 19,417 million in 2014

from US\$ 18,003 million. As a result, the trade deficit increased by 8.9 percent to US\$ 8,287 million in 2014. The inflows by way of workers' remittances grew by 9.5 per cent to US\$ 7,018 million in 2014 contributing to finance 85 percent of the trade deficit of the country. The increased earnings from tourism by 41.7 percent to US\$ 2,431 million and the 9.7 percent growth in the inflows to other trade in services to US\$ 2,448 million helped to finance the current account deficit in 2014. The total FDI related inflows increased by 17.2 percent to US\$ 1,685 million and the inflows to the government increased by 14.9 percent to US\$ 4,794 million in 2014, despite the fact that the net inflows to the Colombo Stock Exchange (CSE) declined by 39.6 to US\$ 163 million during the year. With the improvement of BOP, gross official reserves increased to US\$ 8.2 billion in 2014 from US\$ 7.5 billion by end 2013. Moreover, total external reserves, which include gross official reserves and foreign assets of commercial banks, amounted to US\$ 9.9 billion by end 2014. In terms of months of imports, gross official reserves and total external reserves were equivalent to 5.1 months and 6.1 months, respectively by end December 2014.

Table 2.13 > External Trade

Item	US\$ Mn.								
	2006	2007	2008	2009	2010	2011	2012	2013	2014(a)
<b>Exports</b>	<b>6,883</b>	<b>7,640</b>	<b>8,111</b>	<b>7,085</b>	<b>8,626</b>	<b>10,559</b>	<b>9,774</b>	<b>10,394</b>	<b>11,130</b>
Agricultural Exports	1,424	1,647	1,976	1,836	2,305	2,528	2,332	2,581	2,794
Industrial Exports	5,401	5,937	6,112	5,228	6,097	7,992	7,371	7,749	8,262
Mineral Products	17	22	22	20	24	33	61	52	59
Unclassified	42	38	-	-	199	7	10	12	15
<b>Imports</b>	<b>10,253</b>	<b>11,296</b>	<b>14,091</b>	<b>10,207</b>	<b>13,451</b>	<b>20,269</b>	<b>19,190</b>	<b>18,003</b>	<b>19,417</b>
Consumer Goods	1,550	1,664	2,007	1,565	2,476	3,654	2,995	3,182	3,853
Intermediate Goods	6,257	6,983	9,019	6,159	8,054	12,274	11,578	10,554	11,398
Investment Goods	2,400	2,597	2,852	2,093	2,758	4,286	4,590	4,253	4,152
Unclassified	48	52	213	390	162	54	28	14	14
<b>Trade Deficit</b>	<b>(3,370)</b>	<b>(3,656)</b>	<b>(5,980)</b>	<b>(3,122)</b>	<b>(4,825)</b>	<b>(9,710)</b>	<b>(9,417)</b>	<b>(7,609)</b>	<b>(8,287)</b>

Source: Central Bank of Sri Lanka  
(a) Provisional

Chart 2.6 &gt; Growth in Exports &amp; Imports and Trade Balance (Quarterly)

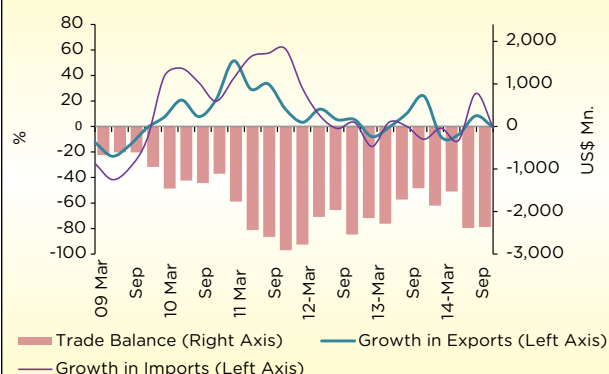
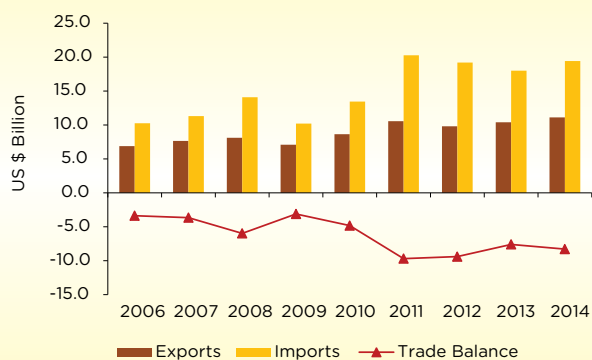


Chart 2.7 &gt; Trade Balance

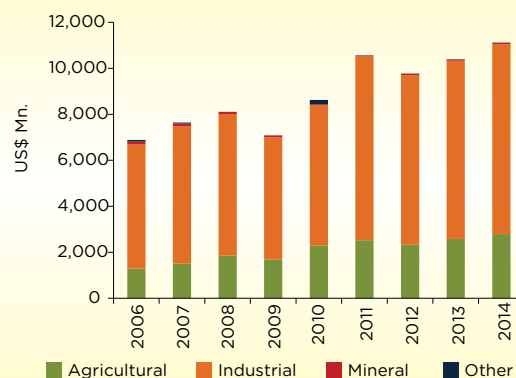


## Exports

The export sector continued to recover in 2014 supported by the favourable macro-economic condition in the country and increased external demand arisen particularly from the recovery in the United States of America (USA) and recovering the European Union (EU) economies. As such, export earnings from all major categories in exports grew by 7.1 percent to US\$ 11,130 million in 2014 from US\$ 10,394 million in 2013. The largest contribution came from industrial exports which accounted for about 75 percent of total exports, with the earning of US\$ 8,262 million in 2014. Textile and garment exports grew at a higher rate of 9.4 percent to US\$ 4,930 million while the exports of rubber products increased marginally to US\$ 890 million. However, the

export earnings from bunkering and aviation fuel which account for a major share in petroleum products declined by 21 percent to US\$ 338 million due to lower volume amidst the increase in prices. This partly reflects the heightened competition in the industry from major regional players such as India and Singapore. Furthermore, exports earnings from gems and diamonds declined by 13 percent in 2014 compared to 2013.

Chart 2.8 &gt; Composition of Exports



Earnings from agricultural exports increased mainly due to enhanced performance in coconut production and sea foods sectors. The significant growth of 149 percent in kernel product exports contributed to increase in earnings on coconut exports. Meanwhile, the earnings from tea exports recorded a 5.6 percent growth supported by favourable prices despite the declined volumes. However, in 2014, export earnings from spices declined by 25.6 percent mainly due to adverse weather conditions thereby lowering their production.

*The export sector continued to recover in 2014 supported by the favourable macro-economic condition in the country and increased external demand...*



Table 2.14 &gt; Value of Agricultural Exports

	US\$ Mn								
Category	2003	2007	2008	2009	2010	2011	2012	2013	2014 (a)
<b>Tea</b>	<b>683</b>	<b>1,027</b>	<b>1,272</b>	<b>1,185</b>	<b>1,441</b>	<b>1,491</b>	<b>1,412</b>	<b>1,542</b>	<b>1,628</b>
Black Tea	601	890	1,111	1,072	1,383	1,430	1,354	1,471	1,555
Bulk	338	535	643	616	567	534	512	561	563
Packets	183	235	321	301	607	667	640	693	754
Bags	81	121	147	156	209	229	203	217	238
Instant	11	9	11	10	13	15	11	15	19
Green Tea	8	22	29	29	44	46	47	56	55
Other	63	106	118	74	-	-	-	-	-
<b>Rubber</b>	<b>39</b>	<b>109</b>	<b>125</b>	<b>99</b>	<b>173</b>	<b>206</b>	<b>125</b>	<b>71</b>	<b>45</b>
Sole Crepe	-	-	-	6	10	16	7	9	9
Latex and Other Crepe	-	-	-	25	63	102	58	38	25
Sheet Natural	22	59	69	46	67	63	38	14	5
Latex Natural	0.5	10	17	11	15	8	8	2	2
Block Rubber	14	25	23	2	1	2	1	1	..
Other	2	15	16	10	18	15	14	9	4
<b>Coconut</b>	<b>93</b>	<b>141</b>	<b>171</b>	<b>166</b>	<b>166</b>	<b>266</b>	<b>209</b>	<b>205</b>	<b>356</b>
Kernal Product	48	60	82	58	56	136	80	86	214
Other	45	81	89	108	110	130	129	119	142
<b>Other Agricultural Exports</b>	<b>150</b>	<b>208</b>	<b>243</b>	<b>215</b>	<b>335</b>	<b>379</b>	<b>388</b>	<b>529</b>	<b>511</b>
<b>Seafood</b>	<b>93</b>	<b>163</b>	<b>165</b>	<b>171</b>	<b>192</b>	<b>185</b>	<b>198</b>	<b>234</b>	<b>253</b>
<b>Total</b>	<b>1,057</b>	<b>1,647</b>	<b>1,976</b>	<b>1,836</b>	<b>2,306</b>	<b>2,528</b>	<b>2,332</b>	<b>2,581</b>	<b>2,794</b>

Sources: Sri Lanka Customs, Department of Trade and Investment Policy, Central Bank of Sri Lanka

... Negligible --

Not Available

(a) Provisional

Table 2.15 &gt; Value of Industrial Exports

	US\$ Mn								
Category	2003	2007	2008	2009	2010	2011	2012	2013	2014 (a)
<b>Textile and Garments</b>	<b>2,575</b>	<b>3,337</b>	<b>3,478</b>	<b>3,261</b>	<b>3,356</b>	<b>4,191</b>	<b>3,991</b>	<b>4,508</b>	<b>4,930</b>
Garments	2,400	3,144	3,284	3,120	3,178	3,986	3,784	4,265	4,682
Woven Fabrics	47	61	66	55	70	85	92	124	90
Yarn	23	45	44	42	50	57	58	58	68
Other Made Up Textile Articles	105	86	84	44	57	64	56	61	90
<b>Rubber Products</b>	<b>231</b>	<b>483</b>	<b>542</b>	<b>385</b>	<b>558</b>	<b>885</b>	<b>860</b>	<b>888</b>	<b>890</b>
Rubber Tyres	121	309	337	213	336	569	540	551	564
Surgical Gloves and Other Gloves	73	111	117	114	137	181	177	195	176
Other Rubber Products	37	64	88	58	85	135	143	141	150
<b>Petroleum and Chemical Products</b>	<b>100</b>	<b>248</b>	<b>326</b>	<b>208</b>	<b>356</b>	<b>671</b>	<b>580</b>	<b>548</b>	<b>472</b>
<b>Gems, Diamonds and Jewellery</b>	<b>346</b>	<b>474</b>	<b>514</b>	<b>402</b>	<b>409</b>	<b>532</b>	<b>559</b>	<b>446</b>	<b>394</b>
Gems	113	105	76	69	70	95	118	130	173
Cut Diamonds	216	348	418	317	322	414	417	295	198
Jewellery	17	22	20	17	17	22	24	21	22
<b>Machinery, Mechanical and Other Industrial Exports</b>	<b>381</b>	<b>780</b>	<b>748</b>	<b>531</b>	<b>683</b>	<b>802</b>	<b>800</b>	<b>825</b>	<b>955</b>
<b>Food, Beverages and Tobacco</b>	<b>78</b>	<b>323</b>	<b>244</b>	<b>183</b>	<b>245</b>	<b>348</b>	<b>284</b>	<b>235</b>	<b>289</b>
Milling Industry Products	9	48	62	40	71	142	90	37	43
Vegetable, Fruit and Nut Preparations	10	29	49	55	51	61	59	63	80
Cereal Preparations	2	7	11	9	11	19	20	25	22
Fish Preparations	...	1	1	1	1	...	...	...	1
Manufactured Tobacco	8	23	28	24	26	41	47	49	56
Other	48	215	93	54	85	85	67	61	88
<b>Other</b>	<b>264</b>	<b>291</b>	<b>260</b>	<b>258</b>	<b>490</b>	<b>563</b>	<b>298</b>	<b>300</b>	<b>332</b>
<b>Total</b>	<b>3,975</b>	<b>5,937</b>	<b>6,112</b>	<b>5,228</b>	<b>6,097</b>	<b>7,992</b>	<b>7,371</b>	<b>7,749</b>	<b>8,262</b>

Sources: Sri Lanka Customs, Department of Trade and Investment Policy, Central Bank of Sri Lanka

... Negligible

--Not Available

(a) Provisional

## Imports

Total expenditure on imports increased by 7.9 percent to US\$ 19,417 million in 2014 compared to US\$ 18,003 million in 2013 driven by the increased import expenditure on consumer and intermediate goods. Expenditure on consumer goods increased by 21 percent in 2014 due to an increase in the expenditure on both food and other consumer goods imports. With regards to food imports, expenditure on sugar and confectionery decreased by

11.5 percent mainly due to significant decline in sugar prices in the international market supported by the increased global supplies. However, expenditure on dairy products increased in 2014 due to significant domestic demand. Import of other consumer goods increased by 22 percent mainly due to significant growth in the import of vehicles and the increase in the import of clothing and accessories. In particular, the expenditure on motor vehicle imports for personal use

Table 2.16 &gt; Value of Imports

	US\$ Mn.						
Category	2008	2009	2010	2011	2012	2013	2014(a)
<b>Consumer Goods</b>	<b>2,007</b>	<b>1,565</b>	<b>2,476</b>	<b>3,654</b>	<b>2,995</b>	<b>3,182</b>	<b>3,853</b>
<b>Food and Beverages</b>	<b>1,089</b>	<b>933</b>	<b>1,322</b>	<b>1,567</b>	<b>1,304</b>	<b>1,368</b>	<b>1,634</b>
Sugar	203	218	363	426	345	289	255
Milk and Milk Products	288	165	259	345	307	291	339
Rice	44	23	59	18	24	18	282
Flour	1	1	1	14	5	2	2
Fish	115	119	128	147	134	162	141
<b>Other Food and Beverages</b>	<b>437</b>	<b>407</b>	<b>512</b>	<b>617</b>	<b>489</b>	<b>607</b>	<b>614</b>
Potatoes	23.6	23.0	36.9	35.7	22.7	28.5	35.8
Chillies	41.3	42.5	44.2	82.4	46.4	49.3	59.6
Onions	53.0	60.0	96.0	86.0	51.9	100.1	65.3
Lentils	108.0	113.0	129.0	116.8	68.9	104.1	121.2
Green Gram	11.0	10.7	15.6	13.8	7.3	11.2	13.7
Peas	18.8	12.9	14.9	18.5	19.0	19.9	21.8
Chick Peas	17.3	17.7	17.8	26.9	25.6	20.5	20.0
Kurakkan	0.6	0.6	0.6	0.6	0.4	...	0.2
Oil and Fat	31.0	14.0	19.0	25.9	20.0	59.2	20
Spices	64.0	65.0	72.0	111.0	68.0	79.9	98
Other	68.8	47.4	66.5	99.3	158.7	134.1	158
<b>Non-food Consumables</b>	<b>918</b>	<b>632</b>	<b>1,154</b>	<b>2,087</b>	<b>1,691</b>	<b>1,814</b>	<b>2,219</b>
Vehicles	239	93	455	881	495	582	897
Home appliances-Radio and Television Sets	64	24	45	118	118	103	86
Rubber Products	51	46	72	83	80	88	90
Medical and Pharmaceutical Products	212	202	217	348	372	378	381
Household and Furniture Items	75	61	88	127	117	125	134
Other	277	206	277	530	509	538	632
Garments	89.1	98.9	94.4	112.0	131.9	157.6	227
Other Articals of Plastices	29.8	18.3	20.7	33.0	35.4	515.2	608
Printed Books	4.4	21.5	19.8	15.0	14.1	11.9	10
Fans	7.1	7.0	12.3	23.1	23.4	27.4	24
Washing Preparations	9.7	11.0	10.6	6.0	6.0	5.6	4
Powders, Makeup	6.2	4.8	5.6	10.7	6.8	8.1	7
Gas Cookers	3.8	3.7	5.0	9.4	6.4	6.8	6
<b>Intermediate Goods</b>	<b>9,019</b>	<b>6,159</b>	<b>8,054</b>	<b>12,274</b>	<b>11,578</b>	<b>10,554</b>	<b>11,398</b>
Fertilizer	577	182	240	407	311	239	272
Petroleum	3,392	2,184	3,041	4,795	5,045	4,308	4,597
Chemical Products	508	432	520	702	670	734	808

Table 2.16 &gt; Value of Imports (Continued....)

Paper and Paper Boards	328	264	350	427	363	380	490
Wheat and Maize	402	269	265	429	364	323	405
Textile	1,788	1,529	1,812	2,321	2,266	2,046	2,328
Diamond and Precious Metals	545	277	378	1,076	588	483	175
Base Metal	275	167	239	354	440	406	478
Vehicle and Machinery Parts	159	127	176	223	211	210	228
Other Intermediate Goods	1,045	728	1,033	1,540	1,320	1,425	1,616
Semi Finished Products of Iron	137	72	91	157	256	238	168
Polymer of Ethylene	103	76	103	109	99	106	142
Unmanufactured Tobacco	42	39	31	52	71	62	70
Palm Oil (Refined')	127	35	68	161	67	81	123
<b>Investment Goods</b>	<b>2,852</b>	<b>2,093</b>	<b>2,758</b>	<b>4,286</b>	<b>4,590</b>	<b>4,253</b>	<b>4,152</b>
Machinery and Equipment	1,467	1,077	1,339	2,141	2,356	2,222	2,131
Recorders and Primary Batteries	124	107	87	124	138	152	n.a.
Medical Instrument and Appliance - Used	73	54	63	81	87	92	104
Wire Cables (Electrical)	13	11	38	33	32	34	47
Gas Cylinders (For Industries)	6	3	6	12	-	-	-
Transport Equipment	481	357	593	1,065	992	668	707
Building Material	900	656	822	1,076	1,237	1,357	1,309
Iron Pipe & Tube	126	88	108	85	84	70	56
Other Investment Goods	4	3	4	4	5	6	5
<b>Unclassified Imports</b>	<b>213</b>	<b>390</b>	<b>162</b>	<b>54</b>	<b>28</b>	<b>14</b>	<b>14</b>
<b>Total Imports</b>	<b>14,091</b>	<b>10,207</b>	<b>13,451</b>	<b>20,269</b>	<b>19,190</b>	<b>18,003</b>	<b>19,417</b>

Sources: Sri Lanka Customs, Department of Trade and Investment Policy and Central Bank of Sri Lanka

... Negligible

--Not Available

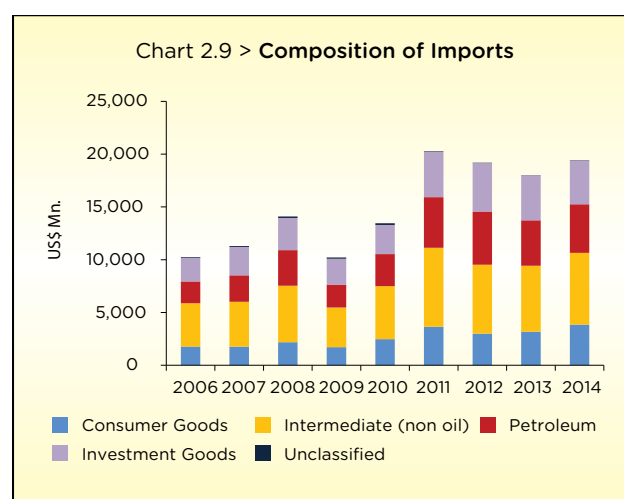
(a) Provisional

increased by 54 percent in 2014 to US\$ 897 million.

The imports expenditure on intermediate goods increased by 8.0 percent to US\$ 11,398 million in 2014 driven by an increase in the import of fuel and textiles and related articles. Expenditure on chemicals, wheat, maize, fertilizer, base metals and paper and paper board also contributed to this increase. Imports of textile and textile articles grew by 13.8 percent during the year reflecting the higher potential of earnings from export of apparel products.

The expenditure on importation of investment goods declined by 2.4 percent to US\$ 4,152

million in 2014, mainly due to the decline in machinery and equipment, and building material. Expenditure on machinery and



equipment imports declined by 4 per cent due to the decline in import of textile industry machinery, electric motors and generating sets and office machines. Import expenditure on building material declined by 3.6 per cent to US\$ 1,309 million in 2014 due to several reasons including the unfavourable weather condition impacted on the continuation of construction activities.

### Current Account

The current account deficit narrowed further to US\$ 2,018 million in 2014 from US\$ 2,541 million in 2013 benefiting from the surplus recorded in the services account followed by the higher inflows of remittances. The current account deficit as a percentage of GDP also declined to 2.7 percent in 2014 from 3.8 percent in 2013 improving the country's savings-investment gap. However, the trade balance expanded by 8.9 percent to US\$ 8,287 million in 2014 albeit the contractions witnessed in 2012 and 2013. The expansion was due to the growth of imports which exceeded the growth of exports particularly in the second half of 2014. However, in terms of GDP, trade deficit narrowed to 11.1 percent in 2014 from 11.3 percent in 2013.

The services account expanded further to US\$ 5,605 million in gross terms in 2014 mainly driven by the transport services (US\$ 1,923 million), travel and tourism (US\$ 2,431 million), and telecommunications and computer services (US\$ 748 million). Inflows related to passenger fares and freight, and port and airport associated services increased by 7.1 percent and 8.4 percent, respectively in 2014. Meanwhile, earnings from tourism expanded by 41.7 percent to US\$ 2,431 million in 2014 compared to US\$ 1,715 million in 2013 supported by the increase in tourist arrivals coupled with their high spending and lengthy stays in Sri Lanka.

In 2014, the deficit in the primary income account widened marginally to US\$ 1,839 million compared to US\$ 1,751 million in 2013. This was mainly due to the higher interest payments on international sovereign bonds coupled with bonds issued by the banks. Meanwhile, inflows to the secondary income account comprising of workers' remittances and general government transfers expanded by 9.6 percent to US\$ 7,046 million from US\$ 6,428 million in 2013. This increase was mainly owing to the remittances which account for almost all the inflows to the secondary account.

Table 2.17 > Import of Services (Gross Expenditure)

Item	US\$ Mn.								
	2006	2007	2008	2009	2010	2011	2012	2013	2014(a)
Transportation Services	540	597	702	631	817	953	1,172	1,382	1462
Computer and Information Services	-	-	-	-	-	-	-	281	300
Travel and Tourism	373	393	428	411	453	501	710	1,188	1263
Communication Services	49	54	55	54	56	57	68	87	98
Construction Services	6	6	6	6	6	7	9	26	29
Insurance Services	37	40	47	46	50	55	64	85	90
Other Business Services	329	349	330	319	348	373	464	383	408
Government Expenditure n.i.e.	35	34	35	35	38	39	51	73	77
<b>Total</b>	<b>1,368</b>	<b>1,473</b>	<b>1,603</b>	<b>1,501</b>	<b>1,768</b>	<b>1,985</b>	<b>2,538</b>	<b>3,505</b>	<b>3,725</b>

Sources: Central Bank of Sri Lanka  
--Not Available  
(a) Provisional

Table 2.18 > **Export of Services (Gross Income)**

	US\$ Mn.								
Item	2006	2007	2008	2009	2010	2011	2012	2013	2014(a)
Transportation Services	751	840	1,000	865	1,162	1,392	1,634	1,784	1,923
Computer and Information Services	98	110	230	245	265	355	448	604	628
Travel and Tourism	410	385	342	350	576	830	1,039	1,715	2,431
Communication Services	68	72	81	80	83	85	109	114	120
Construction Services	29	33	40	40	42	43	50	55	58
Insurance Services	57	55	68	75	80	91	107	109	115
Other Business Services	190	196	222	219	245	266	387	275	298
Government Expenditure n.i.e.	21	20	21	19	21	22	27	28	31
<b>Total</b>	<b>1,625</b>	<b>1,711</b>	<b>2,004</b>	<b>1,892</b>	<b>2,474</b>	<b>3,084</b>	<b>3,800</b>	<b>4,685</b>	<b>5,605</b>

Sources: Central Bank of Sri Lanka  
(a) Provisional

## Workers' Remittances

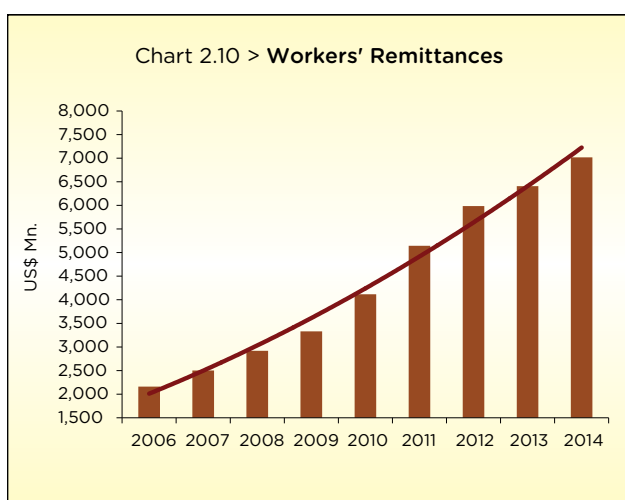
Workers' remittances grew by 9.5 percent to US\$ 7,018 million in 2014 compared to US\$ 6,407 million in 2013 and remained as the foremost and a stable foreign exchange earner of Sri Lanka. This was mainly due to the increase in the total number of migrant workers leaving for foreign employment to 300,413 in 2014 with an increase in the number of migration under professional and skilled categories by 5.6 percent. This was mainly due to increased employment opportunities in high wage paying countries, such as Korea and Singapore and the expansion in the availability of formal channels to remit foreign earnings to Sri Lanka.

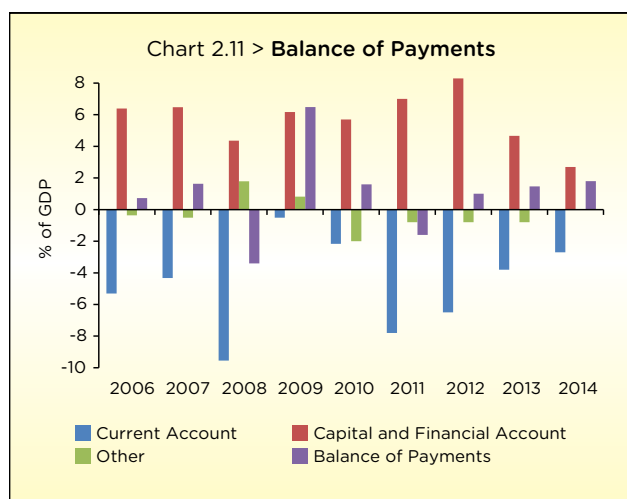
## Earnings from Tourism

The earnings from tourism increased by 41.7 percent to US\$ 2,431 million in 2014 in comparison to US\$ 1,715 million recorded in 2013. This was mainly due to the increase in the tourist arrivals by 19.8 percent to 1,527,153 tourists during the year and the increase in average spending per day per tourist to US\$ 160.8 in 2014 from US\$ 156.5 in the previous year. India, UK, China, Germany and Maldives were the top five sources of tourist arrivals and a noteworthy increase in tourists from China, Indonesia, and Oman was also witnessed during the year with an annual increase of 136 percent, 68 percent and 67 percent, respectively.

## Balance of Payments and External Reserves

In 2014, the BOP recorded a surplus of US\$ 1,369 million compared to the surplus of US\$ 985 million in 2013. This was supported by the improvement in the current account and the continued inflows to the financial account. The current account deficit narrowed to US\$ 2,018 million in 2014 from US\$ 2,541 million in 2013. The higher receipts by way of workers' remittances (US\$ 7,018 million), travel and tourism (US\$ 2,431 million) and

Chart 2.10 > **Workers' Remittances**



telecommunication, computer and information services (US\$ 748 million) helped achieve this improvement, although there was an expansion in the trade deficit during the year.

Meanwhile, total long term official flows to the government infrastructure development

initiatives moderated to US\$ 1,439 million in 2014 from US\$ 1,677 million in 2013. The gross borrowings of the government by way of foreign investment in Treasury bills and Treasury bonds amounted to US\$ 1,775 million in 2014 reflecting a decline of 27 percent in comparison to the previous year. The proceeds from the international sovereign bonds issued in 2014 amounted to US\$ 1,500 million.

The consequent surplus of US\$ 1,369 million in the BOP in 2014 resulted in an increase in total gross official reserves to US\$ 8,208 million in comparison to US\$ 7,495 million by end 2013, which was equivalent to 5.1 months of imports compared to 5.0 months in the previous year. Total reserves of the country by end 2014, which include the gross official reserves and the reserve balances in the deposit taking corporations, including banks, amounted to US\$ 9,884 million.

Table 2.19 > Balance of Payments: 2007 - 2014

	US\$ mn.							
Item	2007	2008	2009	2010	2011	2012	2013(a)	2014(b)
Trade Balance	-3,657	-5,981	-3,122	-4,825	-9,710	-9,417	-7,609	-8,287
Exports	7,640	8,111	7,085	9,626	10,559	9,774	10,394	11,130
Imports	11,296	14,091	10,207	13,451	20,269	19,190	18,003	19,417
Service (net)	302	401	391	707	1,099	1,262	1,180	1,880
Receipts	1,775	2,004	1,892	2,474	3,084	3,800	4,685	5,605
Payments	1,472	1,603	1,501	1,768	1,985	2,538	3,505	3,725
Income (net )	-358	-972	-488	-617	-647	-1,219	-1,751	-1,839
Receipts	449	-32	116	323	467	142	132	153
Payments	807	940	603	940	1,114	1,361	1,883	1,992
Goods, Services and Income (net)	-3,712	-6,552	-3,219	-4,735	-9,258	-9,374	-8,180	-8,246
Current Transfers (net)	2,311	2,666	3,005	3,660	4,643	5,392	5,639	6,227
Private Transfers(net)	2,214	2,565	2,927	3,608	4,583	5,339	5,619	6,199
Receipts (Workers' Remittances)	2,502	2,918	3,330	4,116	5,145	5,985	6,407	7,018
Payments	288	353	403	508	562	646	788	819
Official Transfers (net)	97	101	77	52	60	53	21	28
Current Account	-1,402	-3,886	-214	-1,075	-4,615	-3,982	-2,541	-2,018
Capital and Financial Account	2,097	1,773	2,594	2,877	4,262	4,960	3,135	1,994
Capital Account	269	291	233	164	164	130	71	58
Financial Account(c)	1,828	1,483	2,361	2,713	4,098	4,263	3,064	1,936
Long Term								
Direct Investment (net)	548	691	384	435	896	877	868	877
Allocation of SDRs	-	-	508	-	-	-	-	-
Errors and Omissions	-165	728	346	-881	-708	-412	-594	24
Overall Balance (Balance of Payments)	531	-1,385	2,725	921	-1,061	151	985	1,369
As a percentage of GDP								
Trade Deficit	-11.3	-14.7	-7.4	-9.7	-16.4	-15.9	-11.3	-11.1
Current Account Deficit	-4.3	-9.5	-0.5	-2.2	-7.8	-6.7	-3.8	-2.7

Source: Central Bank of Sri Lanka

(a) Revised

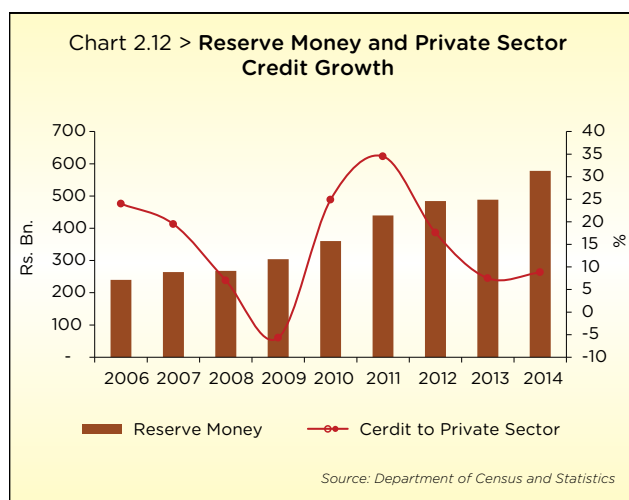
(b) Provisional

(c) Includes additional components in the financial account based on BPM 6 new classification from 2012 onwards

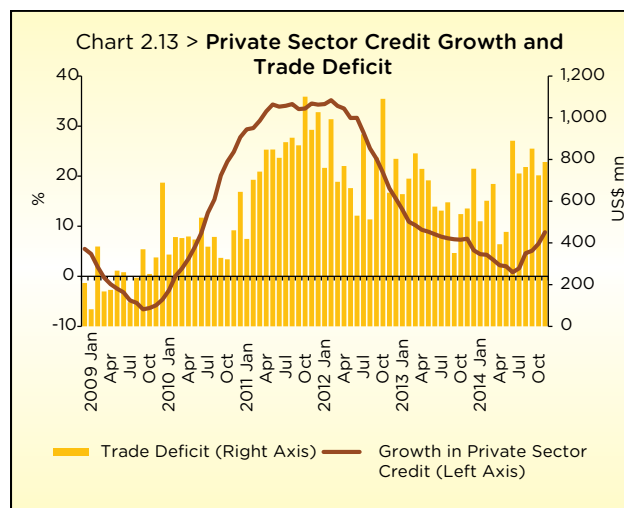
(d) Reserve assets- reserve related liabilities

## 2.6 Monetary Sector Developments

The relaxed monetary policy stance adopted by the CBSL since end 2012 continued in 2014 as well with the deceleration in inflation and favourable inflation expectations to provide necessary stimulus to support growing economic activity. On 02 January 2014, the CBSL renamed its policy interest rates, the repurchase rate and the reverse repurchase rate, as the Standing Deposit Facility Rate (SDFR) and the Standing Lending Facility Rate (SLFR), respectively while the Standing Rate Corridor (SRC) replaced the policy interest rate corridor. The SLFR was reduced by 50 basis points with effect from 02 January 2014. As a result, the SRC was compressed to 150 basis points from the current 200 basis points mainly to reduce the volatility of the short term interest rates further. The Standing Deposit Facility (SDF) was uncollateralized from February 2014.



On 22 September 2014, the CBSL decided to limit the access of Open Market Operations (OMO) participants to the SDF at the currently applicable SDF rate of 6.50 percent to a maximum of three times per calendar month, and any deposits at the SDF window exceeding three times by an OMO participant to be accepted at a reduced interest rate of 5.00 percent per annum, which became effective from 23 September 2014.



The daily auction facility was also suspended with effect from 23 September 2014 while maintaining the SLFR unchanged at 8.00 percent.

The CBSL removed the restriction placed on the access to its SDF by OMO participants with effect from 02 March 2015 given the signs of sustained increase in credit flows to the private sector. Following this, the overnight interest rates moved upwards and settled within the policy rate corridor closer to the lower bound. With effect from 15 April 2015, the SDFR and SLFR were reduced by the CBSL by 50 basis points to 6.00 percent and 7.50 percent, respectively thereby easing its monetary policy further to support the economic growth.

Market interest rates, including short term money market rates, adjusted to downward as a result of the eased monetary policy stance adopted by the CBSL in 2014. Accordingly, the average weighted call money rate (AWCMR) declined by 145 basis points to 6.21 percent and Average Weighted Prime Lending Rate (AWPLR) declined by 355 basis points to 6.33 percent in 2014. The weighted average yield rates on 91 days, 182 days and 364 days Treasury bills were also declined by 180, 201 and 229 basis points, respectively from end December 2013 to end December 2014 mainly reflecting the easing of monetary policy. The Average Weighted Deposit Rate (AWDR)



Table 2.20 > **Outstanding Loans and Advances Granted by Commercial Banks (a)(b)**

Item	2012	2013	2014	Rs. Mn. 2014/2013 % Change
<b>Agriculture and Fishing</b>	<b>321.7</b>	<b>304.9</b>	<b>287.3</b>	<b>-5.8</b>
o/w Tea	43.1	54.3	68.5	26.1
Rubber	14.6	18.9	20.8	10.0
Coconut	5.1	7.0	7.8	11.4
Paddy	12.6	14.8	16.9	14.2
Vegetable, Fruits and Minor Food Crops	14.0	14.7	16.4	11.5
Fisheries	10.4	10.4	11.7	12.5
<b>Industry</b>	<b>789.7</b>	<b>899.6</b>	<b>1,118.0</b>	<b>24.3</b>
o/w Construction	329.6	384.2	469.8	22.2
Food and Beverages	53.5	60.6	71.1	17.3
Textiles and Apparel	96.3	106.0	148.5	40.0
Machinery and Transport Equipment	72.4	86.0	101.0	17.4
<b>Services</b>	<b>525.5</b>	<b>616.6</b>	<b>709.3</b>	<b>15.0</b>
o/w Wholesale and Retail Trade	183.2	233.8	230.8	-1.3
Tourism	54.2	63.0	76.8	21.9
Financial and Business Services	121.1	117.7	147.5	25.3
<b>Personal Loans and Advances</b>	<b>702.7</b>	<b>684.8</b>	<b>608.7</b>	<b>-11.1</b>
o/w Consumer Durables	60.5	74.9	92.0	22.8
Pawning	339.4	292.9	172.7	-41.0
<b>Total</b>	<b>2,364.0</b>	<b>2,535.0</b>	<b>2,766.2</b>	<b>9.1</b>

Source: Central Bank of Sri Lanka

(a) Based on the Quarterly Survey of commercial banks' loans and advances to the private sector

(b) Includes loans, overdrafts and bills discounted and excludes cash items in the process of collection

and the Average Weighted Fixed Deposit Rate (AWFDR) were also declined by 317 and 445 basis points, respectively, in tandem with the policy interest rates. Meanwhile, the Average Weighted Lending Rate (AWLR) decreased from 14.83 percent to 11.91 percent, and Average Weighted Deposit Rate (AWDR) decreased from 9.14 percent to 6.2 percent.

During the year, the broad money (M2b) grew by 13.4 percent on a year-on-year basis while the reserve money expanded by 18.3 percent. The credit to the private sector by commercial banks increased by 8.8 percent in 2014. The sector-wise classification of credit growth in 2014 indicates increased disbursements to the Industry and Services sectors which augur well for economic growth prospects. With the low nominal interest rates and improving business confidence, credit extended to the private sector is expected to grow at a healthy pace in 2015 supporting the expected economic growth.

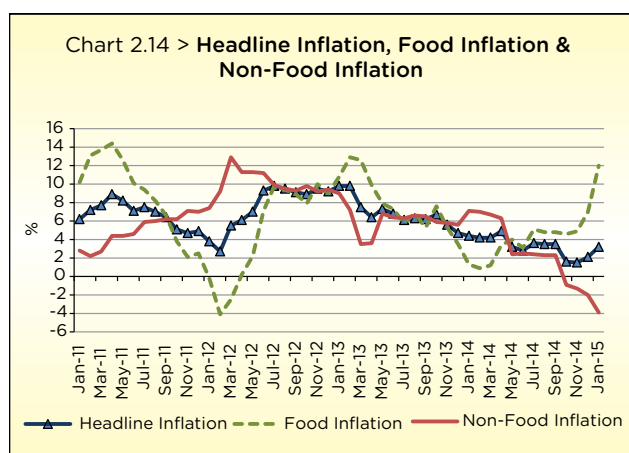
## 2.7 Inflation

Inflation, as measured by the year on year change in the Colombo Consumers' Price Index (base=2006/07) (CCPI), was 2.1 percent by the end of 2014 in comparison to 4.7 percent in the previous year and was maintained at single digit level for the sixth consecutive year. Prudent policies adopted by the Central Bank and the government, well contained inflation expectations, relatively stable exchange rate, moderation in prices of both food and non-food imported items, and downward revision of electricity tariff and fuel prices helped to maintain year-on-year inflation at a lower level.

As a result of the modest increase in food prices, the year-on-year headline inflation decreased from January to February and remained at the same level in March. In April 2014, there was an increase in the inflation due to both the seasonal demand and the base effect. Inflation dropped significantly in May and reached 2.8 per cent in June 2014.



Thereafter, year-on-year inflation increased in July, due to the price increases of the agricultural commodities led by the supply destructions caused by adverse weather conditions prevailed in major producing areas. The inflation dropped to 3.5 per cent in September with the availability of Yala harvest in the market leading to moderate the prices. Since October 2014, the inflation continued to decline mainly due to the deceleration of the non-food inflation following the reduction of administrative prices of fuel and electricity. The annual average core inflation, as measured by the CCPI (2006/07=100) which captures underlying long-term trend of inflation declined continuously to 3.3 percent in 2014 from 6.9 percent in 2013 continuing the declining trend.



## 2.8 Capital Market Developments

The stock market activities continued to improve in 2014. The downward trend in domestic interest rates, sustained foreign

investor participation, and expectation of better corporate earnings were supportive for the performance of the Colombo Stock Exchange (CSE) activities.

The All Share Price Index (ASPI) increased by 23.4 percent to 7,299 by end December 2014 which is relatively better than the 4.8 growth recorded by end December 2013. The S&P SL 20 Index, which was introduced on 27 June 2012, recorded a higher growth rate of 25.3 percent in 2014 compared to the 5.8 percent registered in 2013. The price indices of most of the sub sectors recorded gains in 2014. The market capitalization which was equivalent to 32 percent of GDP, reached to Rs. 3,105 billion in 2014 compared to Rs. 2,460 billion recorded in the previous year. The market price earnings ratio (PER) moved to 19.66 by end 2014 from 15.92 at the end of 2013. Total foreign sales amounted to Rs. 83.5 billion, while total foreign purchases were Rs. 104.8 billion during the year 2014, resulting net inflows amounted to Rs. 21.3 billion as a result of increased foreign investor participation.

Annual turnover increased by 70.1 percent to Rs. 340.9 billion in 2014 as against 6.4 percent contraction recorded in 2013. The average daily turnover accounted to Rs. 1,415 million in 2014 from Rs. 828 million in 2013. The total number of shares traded in 2014 was 16,722 million compared to 9,054 million in 2013 due to a higher contribution from domestic investors.

Table 2.21 > **Movements in the Capital Market**

Indicators	2006	2007	2008	2009	2010	2011	2012	2013	2014
All Share Price Index (1985=100)	2,722	2,541	1,503	3,386	6,636	6,074	5,643	5,913	7,299
Milanka Price Index	3,712	3,292	1,631	3,849	7,061	5,229	-	-	-
S&P SL 20 Index*	-	-	-	-	-	-	3,085	3,264	4,089
Market Capitalization (Rs. Bn.)	835	821	489	1,092	2,210	2,214	2,168	2,460	3,105
No. of Listed Companies in Trading	232	231	235	232	242	272	287	289	294
Annual Average Turnover (Rs.Bn.)	105	105	110	142	570	546	214	200	341
Foreign Sales (Rs. Mn.)	31,790	35,543	52,682	43,899	118,761	68,854	33,972	60,873	83,554
Foreign Purchases (Rs. Mn)	37,167	46,797	66,632	43,253	92,426	49,875	72,653	83,657	104,771

Sources: Colombo Stock Exchange and Central Bank of Sri Lanka  
\*with effect from June 2012 Milanka Price Index has been replaced by S&P SL 20 Index

**03**

# **FISCAL DEVELOPMENTS**

## 3.1 Overview

The overall fiscal strategy of the government directed towards strengthening the fiscal consolidation further with continued reduction of the budget deficit while supporting the economic growth. In line with the Medium Term Macro Fiscal Framework (MTMFF), the Budget 2014 expected to reduce the budget deficit further to 5.2 percent of GDP from 5.9 percent in 2013 through prudent fiscal management supported by higher mobilization of revenue and proper management of public expenditure. However, there was a deviation from the declining trend in the budget deficit observed in the recent past as the deficit was increased marginally to 6.0 percent of GDP in 2014 in comparison to 5.9 percent recorded in the previous year, mainly due to the lower than expected revenue performance.

In nominal terms, government revenue increased by 5.1 percent to Rs. 1,195.2 billion in 2014 from Rs. 1,137.4 billion in 2013 while the government expenditure also increased by 7.6 percent to Rs. 1,795.9 billion in 2014 from Rs. 1,669.4 billion in 2013. This has resulted to increase in the budget deficit in 2014. As a percentage of GDP, the total revenue declined further to 12.2 percent in 2014 in comparison to 13.1 percent recorded in the previous year while the tax revenue decelerated to 10.7 percent from 11.6 percent in 2013. This slower performance stemmed from the decline in the tax revenue collected from corporate income taxes, tax on interest, Economic Service Charge (ESC), import duties and excise duty on cigarettes. However, non-tax revenue increased by 10.1 percent to Rs. 144.8 billion from the contraction of 7.7 percent recorded in 2013, benefiting mainly from enhanced profits and dividends from State Owned Business Enterprises (SOBEs). Despite the relatively high improvement in the domestic economic activities, tax exemptions and concessions granted to selected sectors and weaknesses

in the tax administration that have resulted in tax evasion contributed to the decline in the government revenue.

In terms of government expenditure, recurrent expenditure declined to 13.5 percent of GDP in 2014 from 13.9 percent in 2013. This was mainly supported by the decline in the interest payments to 4.5 percent of GDP in 2014 from 5.1 percent in the previous year benefiting from the low interest rate regime due to the relaxed monetary policy stance adopted by the Central Bank and the rationalized management of recurrent expenditure. However, expenditure on salaries and wages expanded due to the increased public servants' salaries in 2014. Recurrent expenditure increased by 9.8 percent to Rs. 1,322.9 billion in nominal terms in 2014 from Rs. 1,205.2 billion in 2013. The revenue deficit also increased to 1.2 percent of GDP in 2014 over the 0.8 percent recorded in the previous year. Although the capital expenditure and net lending increased marginally by 1.9 percent to Rs. 473 billion in nominal terms, it declined to 4.8 percent of GDP in 2014 from 5.4 percent in 2013. In addition, public investment to GDP ratio also declined to 5.0 percent in 2014 compared to 5.5 percent recorded in 2013 reflecting the detrimental impact of the continuously weak performance in the government revenue. The overall budget deficit in 2014 increased to Rs. 591.2 billion in comparison to the target of Rs. 516.0 billion.

Of the overall budget deficit, 64.1 percent or Rs. 378.7 billion was financed through domestic sources, on net basis. The balance 35.9 percent or Rs. 212.5 billion was financed through foreign sources which consisted of project financing and proceeds from the issuance of international sovereign bonds. Furthermore, the debt to GDP ratio declined to 75.5 percent in 2014 in comparison to 78.3 percent in the previous year.

Table 3.1 &gt; Summary of Government Fiscal Operations

Item	Rs. Bn			
	2008	2012	2013	2014 (Provisional)
<b>Total Revenue and Grants</b>	<b>686.4</b>	<b>1,067.5</b>	<b>1,153.3</b>	<b>1,204.6</b>
<b>Total Revenue</b>	<b>655.2</b>	<b>1,051.5</b>	<b>1,137.4</b>	<b>1,195.2</b>
Tax	585.6	908.9	1,005.9	1,050.4
Income Tax	126.5	172.6	205.7	198.1
Taxes on Goods and Services	356.2	519.7	572.3	615.8
Taxes on External Trade	102.9	216.7	227.9	236.4
Non Tax Revenue	69.6	142.6	131.6	144.8
<b>Grants</b>	<b>31.2</b>	<b>16.1</b>	<b>15.9</b>	<b>9.4</b>
<b>Total Expenditure &amp; Net Lending</b>	<b>996.2</b>	<b>1,556.4</b>	<b>1,669.4</b>	<b>1,795.9</b>
<b>Recurrent</b>	<b>743.7</b>	<b>1,131.0</b>	<b>1,205.2</b>	<b>1,322.9</b>
Personnel Emoluments	239.1	347.7	393.2	441.0
Interest	212.5	408.5	444.0	436.4
Subsidies and Transfers	170.9	234.7	248.5	282.9
Other Goods and Services	121.2	140.1	119.4	162.6
<b>Capital and net Lending</b>	<b>252.5</b>	<b>425.4</b>	<b>464.2</b>	<b>473.0</b>
Public Investment	263.9	443.9	481.2	486.6
Other	(11.4)	(18.5)	(17.0)	(13.6)
<b>Revenue Surplus(+)/Deficit(-)</b>	<b>(88.5)</b>	<b>(79.5)</b>	<b>(67.7)</b>	<b>(127.7)</b>
<b>Primary Surplus(+)/Deficit(-)</b>	<b>(97.1)</b>	<b>(80.5)</b>	<b>(72.1)</b>	<b>(154.8)</b>
<b>Budget Surplus(+)/Deficit(-)</b>	<b>(309.6)</b>	<b>(489.0)</b>	<b>(516.1)</b>	<b>(591.2)</b>
<b>Total Net Financing</b>	<b>309.6</b>	<b>489.0</b>	<b>516.1</b>	<b>591.2</b>
<b>Net Foreign Financing (Net)</b>	<b>12.9</b>	<b>180.8</b>	<b>67.9</b>	<b>211.7</b>
Gross Foreign Borrowing	67.7	357.8	179.3	329.3
Repayments	54.8	177.0	111.4	117.6
<b>Net Domestic Financing (Net)</b>	<b>296.7</b>	<b>308.2</b>	<b>448.2</b>	<b>379.5</b>
Non Bank Financing	119.1	71.0	95.4	265.2
Foreign Investment in T Bills and Bonds	(17.6)	105.7	55.8	0.8
Bank Borrowings	195.2	131.5	297.0	126.9
Other Borrowings	-	-	-	(13.4)
<b>Privatization Proceeds</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>As a % of GDP</b>				
<b>Revenue and Grants</b>	<b>15.6</b>	<b>14.1</b>	<b>13.3</b>	<b>12.3</b>
<b>Total Revenue</b>	<b>14.9</b>	<b>13.9</b>	<b>13.1</b>	<b>12.2</b>
Tax Revenue	13.3	12.0	11.6	10.7
Non Tax Revenue	1.6	1.9	1.5	1.5
<b>Grants</b>	<b>0.7</b>	<b>0.2</b>	<b>0.2</b>	<b>0.1</b>
<b>Total Expenditure &amp; Net Lending</b>	<b>22.6</b>	<b>20.5</b>	<b>19.2</b>	<b>18.4</b>
Current Expenditure	16.9	14.9	13.9	13.5
Public Investment	6.0	5.9	5.5	5.0
<b>Revenue Surplus(+)/Deficit(-)</b>	<b>(2.0)</b>	<b>(1.0)</b>	<b>(0.8)</b>	<b>(1.3)</b>
<b>Primary Surplus(+)/Deficit(-)</b>	<b>(2.2)</b>	<b>(1.1)</b>	<b>(0.8)</b>	<b>(1.6)</b>
<b>Budget Surplus(+)/Deficit(-)</b>	<b>(7.0)</b>	<b>(6.5)</b>	<b>(5.9)</b>	<b>(6.0)</b>
<b>Total Net Financing</b>	<b>7.0</b>	<b>6.5</b>	<b>5.9</b>	<b>6.0</b>
Net Foreign Financing	0.3	2.4	0.8	2.2
Net Domestic Financing	6.7	4.1	5.2	3.9

Sources: Department of Treasury Operations, Department of State Accounts and Department of Fiscal Policy

Various policy measures were taken during the course of the year to deal with new developments emerged. Benefiting from the declining trend in international prices of crude oil, the domestic prices of petroleum, electricity and gas were reduced in 2014 to provide a relief to the public. Furthermore, the cess levy and Special Commodity Levy (SCL) rates were revised to improve value added products and safeguard local producers. The downward revisions to SCL were made on essential commodities such as lentils, sugar, potatoes and big onion etc. to provide relief to the general public. Meanwhile, revisions were also made to SCL on the commodities such as rice, big onion, red onion, potatoes, maize and sorghum to protect farmers during their harvesting seasons. Similarly, revisions of cess on several imported commodities were made to improve the domestic value-added production sources. During the year, the excise duties on hard liquor and malt liquor as well as the excise duty on cigarettes were increased with a view of maintaining the revenue buoyancy of these taxes and discouraging the consumption.

The decline in the government revenue to GDP ratio remains as the major issue in the fiscal sector and it has compelled the government to reduce resources for much needed areas, including education, health and public investment in other priority sectors. Therefore, a concerted effort by all stakeholders is necessary to reverse this declining trend in the government revenue. In this context, the revamping of tax policy remains a critical need and it warrants for the reduction of tax exemptions, rationalization of tax concessions while taking measures to enhance the tax base and further simplifying

the tax system by reducing complexities and the number of taxes. In order to complement this, improvement in the tax administration is also necessary to enhance the tax compliance, enforcement and auditing. This endeavour also involves development of human resources and the enhanced use of information and communication technology through the Revenue Administration Management Information System (RAMIS), which is being set up at the Inland Revenue Department (IRD). The completion of the automation of the export and import documentation process at Sri Lanka Customs (SLC) will complement this effort. The closing of loopholes related to the imports of ethanol, proper administration of the liquor industry to ensure due taxes are paid to the government and taking measures to control illegal liquor industry will assist to enhance the revenue from excise duty and income tax and other indirect taxes on the liquor industry. These measures will be conducive to achieve a revenue target of around 16 percent of GDP in the medium term.

### 3.2 Government Revenue

Total revenue of the government as a percentage of GDP declined to 12.2 percent in 2014 compared to 13.1 percent recorded in 2013, reflecting a deterioration of the revenue buoyancy. Total revenue collected in 2014 was Rs. 1,195.2 billion, an increase of 5.1 percent compared to Rs. 1,137.4 billion recorded in 2013. In addition, tax revenue increased by 4.4 percent to Rs. 1,050.4 billion while non-tax revenue also increased by 10.1 percent to Rs. 144.8 billion. However, the total revenue collection reflected a shortfall of about Rs. 242 billion in 2014 in comparison to the budgetary estimate.

Table 3.2 &gt; Estimated and Actual Revenue &amp; Expenditure - 2014

Item	Estimated	Provisional	Rs. Bn. Deviation
<b>Total Revenue</b>	<b>1,437.5</b>	<b>1,195.2</b>	<b>-242.3</b>
<b>Tax Revenue</b>	<b>1,274.6</b>	<b>1,050.4</b>	<b>-224.2</b>
<b>Inland Revenue Department</b>			
Tax on Income and Profit	283.3	198.1	-85.2
VAT - Domestic (Net)	165.6	140.1	-25.5
Nation Building Tax (Domestic)	38.3	28.5	-9.8
<b>Sub Total</b>	<b>487.2</b>	<b>366.7</b>	<b>-120.5</b>
<b>Customs Department</b>			
Import Duty	94.6	81.1	-13.4
VAT - Imports (Net)	137.7	135.3	-2.4
Nation Building Tax (Import)	24.8	16.1	-8.7
PAL	87.3	68.6	-18.7
Cess Levy	46.3	38.7	-7.6
Special Commodity Levy & Other	74.5	48.0	-26.5
Excise Special Provisions	192.3	187.6	-4.7
Cigarettes	61.4	57.2	-4.1
Petroleum	43.1	28.7	-14.4
Motor Vehicles & other	87.8	101.6	13.8
<b>Sub Total</b>	<b>657.4</b>	<b>575.4</b>	<b>-82.1</b>
<b>Excise Department</b>			
Liquor/Tobacco	74.1	69.1	-5.0
<b>Sub Total</b>	<b>74.1</b>	<b>69.1</b>	<b>-5.0</b>
<b>Other</b>			
Telecommunication Levy	42.9	31.4	-11.6
License Tax & Other	13.0	7.9	-5.1
<b>Sub Total</b>	<b>55.9</b>	<b>39.2</b>	<b>-16.7</b>
<b>Non Tax Revenue</b>	<b>162.9</b>	<b>144.8</b>	<b>-18.0</b>
<b>Total Expenditure</b>	<b>1,985.6</b>	<b>1,795.9</b>	<b>-189.8</b>
<b>Current Expenditure</b>	<b>1,328.3</b>	<b>1,322.9</b>	<b>-5.4</b>
Salaries and Wages	410.6	441.0	30.4
Interest Payments	441.0	436.4	-4.6
Pension Payments	133.0	127.0	-6.0
Transfers to Public Corporations & Institutions	62.0	68.0	5.9
Other	281.6	250.5	-31.1
<b>Capital Expenditure and Net Lending</b>	<b>657.3</b>	<b>473.0</b>	<b>-184.4</b>

Sources: Department of Treasury Operations and Department of Fiscal Policy

*The decline in the government revenue to GDP ratio remains as the major issue in the fiscal sector and it has compelled the government to reduce resources for much needed areas, including education, health and public investment in other priority sectors. Therefore, a concerted effort by all stakeholders is necessary to reverse this declining trend in the government revenue.*

Table 3.3 &gt; Government Revenue

Item							Rs. Mn
	2008	2009	2010	2011	2012	2013	2014 (Provisional)
<b>Tax Revenue</b>	<b>585,621</b>	<b>618,932</b>	<b>724,748</b>	<b>845,697</b>	<b>908,913</b>	<b>1,005,895</b>	<b>1,050,362</b>
Income Tax	126,541	139,558	135,624	157,310	172,593	205,666	198,115
VAT	203,646	171,510	219,990	225,858	229,604	250,523	275,350
Nation Building Tax	-	27,205	46,022	35,667	38,736	40,937	44,583
Excise Tax	100,971	97,604	129,864	204,821	223,960	250,700	256,691
Import Duties	63,842	79,560	64,165	79,811	80,155	83,123	81,108
Ports & Airports Development Levy	31,017	36,286	49,632	66,028	70,111	61,987	68,646
Special Commodity Levy	14,603	18,965	10,173	15,622	33,666	46,705	47,953
Other	45,001	48,244	69,278	60,580	60,088	66,255	77,916
<b>Non Tax Revenue</b>	<b>69,639</b>	<b>80,712</b>	<b>92,532</b>	<b>122,165</b>	<b>142,547</b>	<b>131,552</b>	<b>144,844</b>
Interest/ Rent	11,355	10,468	10,065	13,426	11,686	11,995	13,647
Profit and Dividends	7,365	11,982	31,301	34,351	46,761	35,169	46,814
Sales and Charge	32,260	25,387	22,925	37,292	26,019	40,720	35,499
Social Security Contribution	9,791	11,165	11,120	12,628	11,738	15,145	14,919
Central Bank Profit Transfers	8,000	20,000	15,000	22,000	43,000	26,350	11,500
Other	868	1,710	2,122	2,468	3,343	2,173	22,466
<b>Total Revenue</b>	<b>655,259</b>	<b>699,644</b>	<b>817,279</b>	<b>967,861</b>	<b>1,051,460</b>	<b>1,137,447</b>	<b>1,195,206</b>
<b>As a % of GDP</b>							
<b>Tax Revenue</b>	<b>13.3</b>	<b>12.8</b>	<b>12.9</b>	<b>12.9</b>	<b>12.0</b>	<b>11.6</b>	<b>10.7</b>
Income Tax	2.9	2.9	2.4	2.4	2.3	2.4	2.0
VAT	4.6	3.5	3.9	3.5	3.0	2.9	2.8
Nation Building Tax	-	0.6	0.8	0.5	0.5	0.5	0.5
Excise Tax	2.3	2.0	2.3	3.1	3.0	2.9	2.6
Import Duties	1.4	1.6	1.1	1.2	1.1	1.0	0.8
Ports & Airports Development Levy	0.7	0.8	0.9	1.0	0.9	0.7	0.7
Special Commodity Levy	0.3	0.4	0.2	0.2	0.4	0.5	0.5
Other	1.0	1.0	1.2	0.9	0.8	0.8	0.8
<b>Non Tax Revenue</b>	<b>1.6</b>	<b>1.7</b>	<b>1.7</b>	<b>1.9</b>	<b>1.9</b>	<b>1.5</b>	<b>1.5</b>
Interest/ Rent	0.3	0.2	0.2	0.2	0.2	0.1	0.1
Profit and Dividends	0.2	0.2	0.6	0.5	0.6	0.4	0.5
Sales and Charge	0.7	0.5	0.4	0.6	0.3	0.5	0.4
Social Security Contribution	0.2	0.2	0.2	0.2	0.2	0.2	0.2
Central Bank Profit Transfers	0.2	0.4	0.3	0.3	0.6	0.3	0.1
Other	..	..	..	..	..	..	0.2
<b>Total Revenue</b>	<b>14.9</b>	<b>14.5</b>	<b>14.6</b>	<b>14.8</b>	<b>13.9</b>	<b>13.1</b>	<b>12.2</b>

Sources: Department of Treasury Operations, Department of State Accounts and Department of Fiscal Policy  
 .. Negligible

### 3.2.1 Tax Revenue

Total tax revenue as a percentage of GDP continued to decline and accounted for 10.7 percent in 2014 in comparison to 11.6 percent in 2013. The share of tax revenue in total revenue also fell to 87.8 percent in 2014 from 88.4 percent in 2013. The decline of revenue collected from corporate and non-corporate income tax, tax on interest, ESC,

excise duty on cigarettes and import duty mainly contributed to this slow performance. However, taxes such as Pay-As-You-Earn (PAYE), Value Added Tax (VAT), Ports and Airports Development Levy (PAL), as well as cess, excise duties on liquor, vehicles and petroleum products, Nation Building Tax (NBT) and Telecommunications Levy indicated an improved performance in 2014.

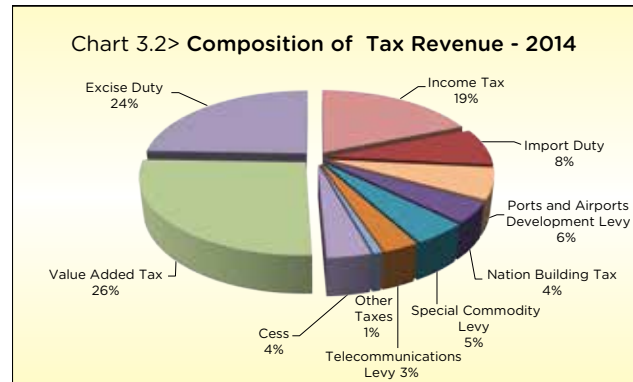
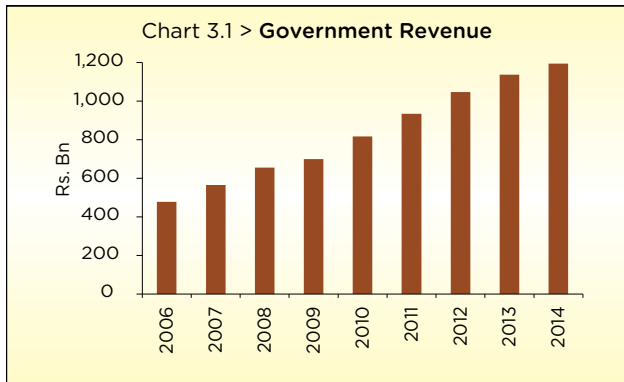


Table 3.4 &gt; Government Tax Revenue - By Source

Source	Rs. Mn		
	2013	2014 (Provisional)	2014/2013 Change (%)
<b>Income Tax</b>	<b>205,666</b>	<b>198,115</b>	<b>(3.7)</b>
Corporate & Non Corporate	102,578	100,047	(2.5)
PAYE	18,558	22,297	20.1
ESC	6,596	6,155	(6.7)
Tax on interest	77,934	69,617	(10.7)
<b>Domestic Consumption Based Taxes</b>	<b>276,540</b>	<b>298,005</b>	<b>7.8</b>
VAT - Domestic	124,206	140,084	12.8
NBT - Domestic	25,243	28,494	12.9
Tax on Liquor	66,008	69,100	4.7
Tax on Cigarettes/Tobacco	58,567	57,240	(2.3)
Other (Excise)	2,516	3,087	22.7
<b>Import Based Taxes</b>	<b>493,526</b>	<b>515,032</b>	<b>4.4</b>
Import Duties	83,123	81,108	(2.4)
VAT - Import	126,317	135,266	7.1
NBT - Import	15,694	16,089	2.5
PAL	61,987	68,646	10.7
SCL	46,705	47,953	2.7
Cess Levy	36,091	38,707	7.2
Petroleum - Excise	27,131	28,732	5.9
Motor Vehicles - Excise	96,478	98,531	2.1
<b>Licence and Other</b>	<b>30,163</b>	<b>39,209</b>	<b>30.0</b>
Telecommunications Levy	24,445	31,351	28.3
Other	5,718	7,858	37.4
<b>Total Tax Revenue</b>	<b>1,005,895</b>	<b>1,050,362</b>	<b>4.4</b>

Source: Department of Fiscal Policy

## Income tax

The revenue from income tax fell by 3.7 percent to Rs. 198 billion in 2014 in comparison to Rs. 206 billion in 2013. The revenue from the corporate income tax dropped by 1.3 percent to Rs. 92 billion in 2014 mainly due to the decline of revenue from particularly electricity generation and supply. However, the revenue generated from sectors such as construction, insurance,

alcoholic beverages and domestically used gas increased in 2014.

The revenue from PAYE tax increased by 20.1 percent to Rs. 22.3 billion in 2014 benefiting from the increased wage income and enhanced tax compliance especially in the government sector and increased contribution from exports, imports and construction sectors. The number of persons registered under PAYE scheme has increased

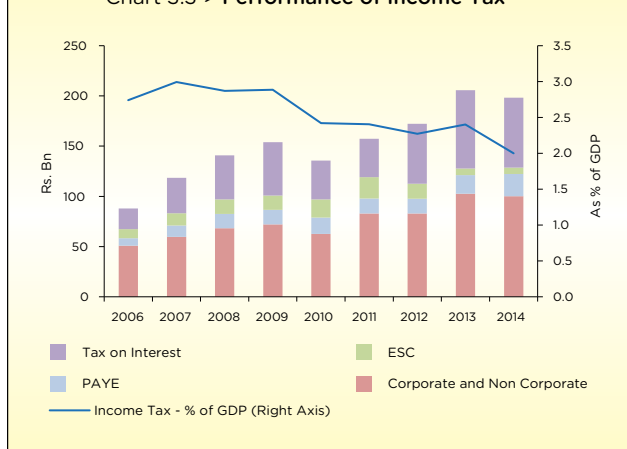


Table 3.5 &gt; Performance of Income Tax

	Rs. Mn.		
	2013	2014 (Provisional)	Growth%
<b>Income Tax</b>	<b>205,666</b>	<b>198,115</b>	<b>(3.7)</b>
Corporate & Non Corporate	102,578	100,047	(2.5)
PAYE	18,558	22,297	20.1
ESC	6,596	6,155	(6.7)
Tax on Interest	77,934	69,617	(10.7)

Source: Department of Fiscal Policy

Chart 3.3 &gt; Performance of Income Tax



by 19 percent to 354,758 persons in 2014 compared to 2013. This includes 60 percent increase of government sector employees to 45,778 in 2014 compared to 28,509 employees in 2013. The revenue from tax on interest income declined by 10.7 percent to Rs. 69.6 billion in 2014 compared to Rs. 77.9 billion in 2013. This was mainly due to the significant reduction in the issuance of government securities in 2014. The revenue collected from ESC also declined by 6.7 percent to Rs. 6.2 billion in 2014 reflecting the reduction of claims by companies which made losses or claimed exemptions as the ESC.

The revenue collected from income tax accounted for 18.9 percent of the total tax revenue in 2014 compared to 20.4 percent recorded in 2013. The income tax as a percentage of GDP continued to decline and reached 2.0 percent in 2014 compared to 2.4 percent recorded in 2013.

## Value Added Tax

The revenue collected from VAT increased by 9.8 percent to Rs. 275.3 billion in 2014 and contributed to 26.2 percent of the total tax revenue. This increase was due to 12.7 percent growth in domestic VAT revenue to Rs. 140 billion coupled with 7.0 percent growth in the revenue from VAT on imports to Rs. 135 billion. This was due to the broadening of tax base by reducing the threshold on wholesale and retail trade with a quarterly turnover exceeding Rs. 250 million from Rs. 500 million. Furthermore, the expansion of construction and manufacturing sector, insurance, alcoholic beverages, and financial services activities assisted to improve the domestic VAT revenue. Also, the performance of domestic factory industry and food, beverages and tobacco sector contributed to increase in the VAT revenue.

Despite the fact that there was an increase in the growth of import VAT revenue, it was disturbed by several reasons. The slow performance was mainly attributed to policy measures taken to abolish VAT and several other taxes applicable for the importation of motor vehicles as a measure of consolidation of the tax structure since October 2014. In lieu of previously applied VAT and other taxes, excise tax was imposed under the Excise (Special Provisions) Act. However, the removal of VAT exemptions granted for the importation of rice, liquid or powdered milk, spices, wheat flour, rice flour, eggs, coconut, rubber and latex contributed to increase of VAT revenue in 2014.

VAT exemptions are granted administratively for the import of such goods for the use of infrastructure development projects with the view of reducing transaction costs of such projects. Such administrative exemptions, which amounted to Rs. 36 billion in 2014 in comparison to Rs. 27 billion in 2013, helped to neutralize the impact on cash management

Table 3.6 &gt; Value Added Tax Revenue

Item	2008	2009	2010	2011	2012	2013	Rs. Mn
							2014 (Provisional)
Domestic	112,616	105,486	129,046	111,245	112,214	124,424	140,413
Imports	100,831	73,997	99,669	120,961	120,539	126,538	136,221
<b>Gross Revenue</b>	<b>213,447</b>	<b>179,483</b>	<b>228,715</b>	<b>232,206</b>	<b>232,753</b>	<b>250,962</b>	<b>276,634</b>
Refunds	9,801	7,973	8,724	6,348	3,149	439	1,284
<b>Net Revenue</b>	<b>203,646</b>	<b>171,510</b>	<b>219,991</b>	<b>225,858</b>	<b>229,604</b>	<b>250,523</b>	<b>275,350</b>
<b>Net Revenue as a % of GDP</b>	<b>4.6</b>	<b>3.6</b>	<b>3.9</b>	<b>3.5</b>	<b>3.0</b>	<b>2.9</b>	<b>2.8</b>

Source: Department of Fiscal Policy

of government's infrastructure development projects. These are reflected in the economic classification as revenue and expenditure to reflect true revenue and expenditure and there is no net impact on the budget balance.

## Excise Duty

Total revenue collected from excise duties in 2014 was Rs. 256.7 billion, an increase of 2.4 percent over Rs. 250.7 billion recorded in 2013. The revenue collected from excise duty on motor vehicles increased by 2.1 percent to Rs. 98.5 billion in 2014 compared to Rs. 96.4 billion in 2013 due to increased importation of motor vehicles by 55.2 percent in 2014. In addition, the importation of motor vehicles for public servants under the concessionary duty structure was also implemented in 2014 to encourage effective public service delivery. The revenue forgone from excise duty under these concessionary permits was Rs. 22 billion in 2014 compared to Rs. 41 billion in 2013. Meanwhile, the revenue generated from cigarettes dropped by 2.3 percent

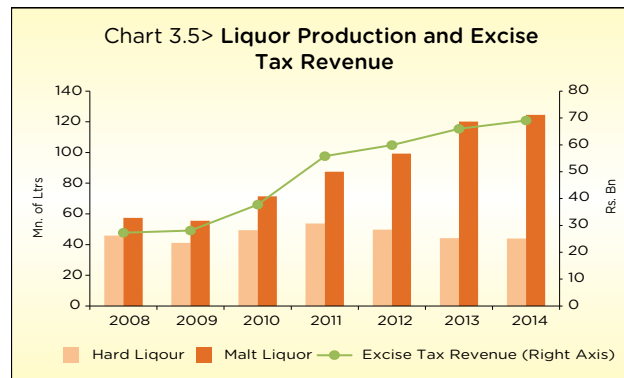
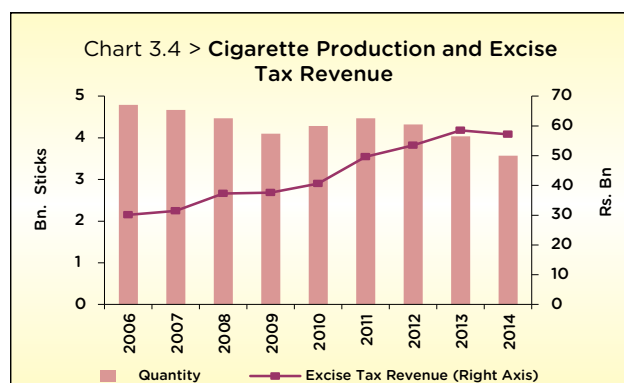


Table 3.7 &gt; Production and Excise Tax Collection from Liquor and Cigarettes

Year	Quantity Produced						Excise Tax Revenue			
	Hard Liquor (Liter Mn)	% Change	Malt Liquor (Liter Mn)	% Change	Cigarettes (Mn. Sticks)	% Change	Liquor (Rs.Bn)	% Change	Cigarettes (Rs. Bn)	% Change
2007	46.8	4.7	49.5	5.5	4,670	(2.5)	23.9	15.5	31.4	4.3
2008	45.8	(2.1)	57.4	16.0	4,467	(4.3)	27.3	14.2	37.3	18.8
2009	41.1	(10.3)	55.5	(3.3)	4,101	(8.2)	28.1	2.9	37.6	0.8
2010	49.4	20.2	71.4	28.6	4,286	4.5	37.7	34.2	40.6	8.0
2011	53.8	8.9	87.5	22.5	4,469	4.3	55.8	48.0	49.6	22.2
2012	49.7	(7.6)	99.3	13.5	4,320	(3.3)	59.9	7.3	53.9	8.7
2013	44.2	(11.1)	120.2	21.0	4,035	(6.6)	66.0	10.2	58.6	8.7
2014	43.9	(0.6)	124.5	3.6	3,571	(11.5)	69.1	4.6	57.2	(2.3)

Sources: Department of Fiscal Policy, Department of Sri Lanka Customs and Department of Excise

Table 3.8 &gt; Excise Duty Revenue

Item	2008	2009	2010	2011	2012	2013	Rs. Mn 2014 (Provisional)
Liquor	27,434	28,525	36,654	55,286	60,085	66,008	69,100
Cigarettes/Tobacco	37,288	37,601	40,675	49,623	53,528	58,567	57,240
Motor Vehicles	11,067	3,192	21,199	71,646	78,509	96,478	98,531
Petroleum Products	18,977	23,018	28,038	22,470	28,466	27,130	28,732
Other	6,205	5,268	3,298	5,798	3,336	2,516	3,087
<b>Total</b>	<b>100,970</b>	<b>97,604</b>	<b>129,864</b>	<b>204,821</b>	<b>223,924</b>	<b>250,700</b>	<b>256,691</b>

Source: Department of Fiscal Policy

Table 3.9 &gt; Motor Vehicle Imports

Item	No of Motor Vehicles				% Change		
	2011	2012	2013	2014	2012	2013	2014
Motor Bicycles	252,036	186,372	159,791	319,017	-26.1	-14.3	99.6
Three-Wheelers	137,389	93,284	80,586	82,853	-32.1	-13.6	2.8
Tractors	26,870	18,967	13,247	5,500	-29.4	-30.2	-58.5
Transport Vehicles	55,786	45,560	25,655	26,041	-18.3	-43.7	1.5
Passenger Van and Buses	3,836	3,245	1,627	3,856	-15.4	-49.9	137.0
Motor Cars	56,370	26,312	27,084	40,998	-53.3	2.9	51.4
Other	769	435	408	399	-43.4	-6.2	-2.2
<b>Total</b>	<b>533,056</b>	<b>374,175</b>	<b>308,398</b>	<b>478,664</b>	<b>-29.8</b>	<b>-17.6</b>	<b>55.2</b>

Source: Sri Lanka Customs

to Rs. 57.2 billion in 2014 as against 2013 due to the decline in cigarette sales by 11.5 percent to 3,571 million sticks. The government is keen on discouraging the consumption of cigarettes and liquor as a policy under the purview of National Alcohol and Tobacco Act. Similarly, higher excise duties were used to restrict the consumption of these products. Furthermore, the manufacturing of cigarettes packs with displaying 80 percent pictorial health warnings from January 2015 will also contribute to decline of the revenue in future.

However, total revenue collected from liquor increased by 4.7 percent to Rs. 69 billion in 2014 as against Rs. 66 billion recorded in 2013. This was due to the increased production from malt liquor by 3.6 percent. In addition, revenue collected from excise duty on petroleum products increased by 5.9 percent to Rs. 28.7 billion as against the drop in the revenue from this source in 2013. Increased imports of refined products by about 14 percent to 4,993 thousand metric tons stemming from

domestic sales of petrol and diesel by 6.1 percent and 14.4 percent, respectively also contributed to this improvement in 2014.

## Import Duty

Revenue collected from import duty declined by 2.4 percent to Rs. 81.1 billion in 2014 compared to Rs. 83.1 billion registered in 2013. This decline was mainly due to imposition of Excise (Special Provisions) duty on motor vehicles as a composite tax in lieu of import duties including other taxes. The import of duty exempted items such as fertilizer, manufacturing of pharmaceutical items, machineries and equipment used for supply and distribution of electricity, building material imported for special projects and duty exempted items under the investment agreements were also responsible for this decline. Furthermore, the importation of many products which are granted duty free or normal duty status under the Free Trade Agreements (FTA) entered into with various countries such as India and Pakistan, South

Asian Free Trade Agreement (SAFTA) and Asian Pacific Trade Agreement (APTA) to strengthen the bilateral and regional trade relationships also reduced the import duty revenue. The import value of the goods imported such agreements amounted to Rs. 82.7 billion in 2014 as against Rs. 65.9 billion in 2013.

### Nation Building Tax

Total revenue from NBT amounted to Rs. 66.9 billion in 2014, an increase of 9.0 percent, over Rs. 61.4 billion recorded in 2013. The revenue collected from NBT on domestic activities increased by 12.9 percent to Rs. 42.7 billion in 2014 while the revenue from NBT on imports increased by 2.4 percent to Rs. 22.3 billion compared to the previous year. The revenue generated from the NBT on services amounted to Rs. 17.6 billion in 2014 due to the inclusion of financial services in to the NBT base. Improvements of sectors such as retail trade and distribution, services and rent, manufacturing products, hotels and restaurants and food sector contributed this positive growth. Meanwhile, the revenue collected from the petroleum products had a negative impact on the NBT revenue.

Table 3.10 > Transfer of NBT Revenue to Provincial Councils - 2014

Provincial Council	Revenue (Rs. Mn)	% of the Total
Western Province	10,700	48
Central Province	2,006	9
Southern Province	2,006	9
North Western Province	2,006	9
Sabaragamuwa Province	1,115	5
North Central Province	1,115	5
Uva Province	1,115	5
Eastern Province	1,115	5
Northern Province	1,115	5
<b>Total</b>	<b>22,292</b>	<b>100</b>

Source: Department of Fiscal Policy

In 2014, Rs. 22,292 million of NBT revenue was transferred to Provincial Councils (PCs) under

the revenue sharing mechanism introduced in 2011 as a part of the simplification of the tax system.

### Ports and Airports Development Levy

Revenue collected from PAL increased by 10.6 percent to Rs. 68.6 billion in 2014 compared to Rs. 62 billion in 2013. It was about 6.5 percent of the total tax revenue in 2014. Increased imports such as consumer goods by 21 percent followed by increased imports of fuel, textiles and related articles in the second half of 2014 contributed to this surge. Although the standard rate of 5 percent applied to general goods, the rate of 2 percent was applicable on the raw material used for pharmaceuticals and machineries to provide impetus to the manufacturing sector.

### Special Commodity Levy

SCL was introduced in 2007 on a number of essential commodities under the Special Commodity Levy Act No. 48 of 2007 to encourage the local production and also to protect consumers due to escalation of prices in off-seasons. This levy is a single composite tax levied at the point of customs covering 37 commodities by the end of 2014.

The revenue from SCL increased by 2.7 percent to Rs. 47.9 billion in 2014 compared to Rs. 46.7 billion recorded in 2013. It was 4.5 percent of the total tax revenue in 2014. The improved performance of the revenue from SCL was mainly due to the increase of number of products coming under the SCL and upward revisions of the SCL rates to encourage domestic production of potatoes, big onions, onions, green gram and sugar etc. Meanwhile, the 2015 Interim Budget reduced the applicable rates of the SCL on sugar, green gram, sprats, canned fish, coriander, black gram, Maldiv fish, turmeric and chillies with effect from 30 January 2015 to reduce the cost of living of the people.

Table 3.11 &gt; Special Commodity Levy Rates

Item	Rate (Rs. Per kg)	
	End 2013	End 2014
Sprats	26	26
Potatoes	10	10
Red Onions	5	5
B Onions	10	10
Garlic	40	40
Green Gram	102	40
Lentils - Whole	18	2
Split	22	5
Chillies - Not Crushed	25	25
Crushed	150	150
Canned fish	102	102
Sugar	30	28
Watana - Whole	22	15
Split	25	18
Chick Peas - Whole	12	7
Split	15	10
Black Gram	110	110
Cowpea	100	70
Maldive Fish	302	302
Dried Fish	102	102
Orange-Fresh	65	65
Grapes - Fresh	130	130
Apples - Fresh	45	45
Seeds of Coriander - Neither Crushed nor Ground	46	46
Seeds of Coriander - Crushed or Ground	202	202
Seeds of Cumin	162	162
Seeds of Fennel	52	52
Turmeric - Neither Crushed nor Ground	202	202
Turmeric - Other	510	510
Mathe - Seed	50	50
Kurakkan	100	70
Millet	100	70
Kurakkan Flour	150	150
Black Gram Flour	300	300
Ground Nut - Shelled	112	112
Mustard Seeds	62	62
Palm oil Crude	90	90
Palm oil Refined	110	110
Palm kernel Crude	-	110
Palm kernel Refined	-	125
Fish	10% of the CIF value or Rs. 10 per kg., whichever is higher	10% of the CIF value or Rs. 10 per kg., whichever is higher
Mackerel	-	10
Yoghurt	625	625
Butter	880	880
Margarine (Fat 80% or more)	175	175
Margarine (Other)	275	275
Salt	40	40
Rice	-	1
Maize/ Sorghum	-	10% per kg

Source :Department of Trade and Investment Policy

## Telecommunications Levy

Telecommunications levy is a composite tax introduced under the Telecommunications Levy Act No. 11 of 2011. The revenue from this levy increased by 28 percent to Rs. 31.3 billion in 2014 compared to Rs. 24.4 billion in 2013. This relatively higher growth was mainly due to the increased usage of the telephones in Sri Lanka with the introduction of new services by telecommunication operators and the enhanced coverage. Additionally, the increase of tax rate to 25 percent in 2014 from 20 percent in 2013 also contributed to this performance. The exemptions granted to import of relevant machineries and equipment, expansion of the services sector, coupled with extended demand arisen from the information technology sector also assisted to increase the revenue from Telecommunications Levy.

## Cess Levy

Cess was introduced in 2005 as a protective instrument for encouraging local value added products and discouraging importation of non-essential commodities into the country. In 2014, the revenue generated from the cess increased

by 7.2 percent to Rs. 38.7 billion compared to Rs. 36 billion in 2013. The increased imports of Portland cement, tiles and steel during 2014 with the expansion of construction activities in the country mainly contributed to this improvement. The revenue from import cess increased by 7.9 percent to Rs. 35.6 billion in 2014. The revenue generated from export cess, which has been introduced to discourage low value-added exports, decreased marginally to Rs. 3 billion in 2014. This decline was mainly due to the decrease of exports of spices caused by adverse weather conditions prevailed in spices growing areas coupled with the reduction of export cess on leather to promote local value addition.

*The government is keen on discouraging the consumption of cigarettes and liquor as a policy under the purview of National Alcohol and Tobacco Act. Similarly, higher excise duties were used to restrict the consumption of these products.*

**Table 3.12 > Cess Revenue from International Trade and Government Subsidy for Agriculture Sector Development : 2012-2014**

	Cess Revenue				Government Subsidy Cost		
	2012	2013	2014(a)		2012	2013	2014(a)
<b>Cess Exports</b>	<b>3,140</b>	<b>3,087</b>	<b>3,085</b>	<b>Commercial Crop Development</b>			
Tea-under Tea (Tax and Control of Export) Act, Sri Lanka Tea Board Law	737	747	700	Tea	182	272	331
Rubber-under Rubber Replanting Subsidy Act	30	50	33	Rubber	435	587	763
Coconut-under Coconut Development Act	119	100	121	Coconut	353	485	485
EDB Cess- under Sri Lanka Export Development Act	2,254	2,175	2,230	Cashew	27	49	40
				Minor Export Crops (Cinnamon, Cocoa, Coffee, Pepper)	184	207	254
Cess on imports- under Sri Lanka Export Development Act	29,600	33,004	35,622	Fertilizer Subsidy for Total Agriculture Sector Development	36,456	19,706	31,802
<b>Total</b>	<b>32,740</b>	<b>36,091</b>	<b>38,707</b>	<b>Total</b>	<b>37,637</b>	<b>21,306</b>	<b>33,675</b>

Source: Department of Customs and Department of National Budget

(a) Provisional

### 3.2.2 Non-Tax Revenue

Total non-tax revenue in 2014 increased by 10.1 percent to Rs. 144.8 billion compared to Rs. 131.0 billion recorded in 2013. Non-tax revenue accounted for about 12.2 percent of the total revenue in 2014. However, non-tax revenue to GDP ratio remained at 1.5 percent in 2014. The returns on government assets increased by 28 percent to Rs. 60.4 billion due to increased rents and profits despite the fact that the interest and dividends received were declined

in 2014. Meanwhile, the sales proceeds and charges decreased by 38.5 percent to Rs. 25.1 billion in 2014 stemming from the decline in the revenue from administrative fees and charges by 4.8 percent and the increase of revenue from fines and forfeits by 20.8 percent. Furthermore, the non-tax revenue from social security contributions and current transfers declined in 2014. The profit transfers from the Central Bank also declined by 56 percent due to the decline in the profits of the Central Bank.

Table 3.13 &gt; Non Tax Revenue

Item	2008	2009	2010	2011	2012	2013	Rs. Mn.		2014 (% of Total Non Tax Revenue)
							2014 (Provisional)	2014/2013 (% change)	
Interest/Rent	11,355	10,468	10,065	13,426	11,686	11,995	13,647	13.8	9.4
Profits and Dividends	7,365	11,982	31,301	34,351	46,761	35,169	46,814	33.1	32.3
Sales and Charges	32,260	25,387	22,925	37,292	26,019	40,721	35,499	-12.8	24.5
Social Security Contribution	9,791	11,165	11,120	12,628	11,738	15,145	14,919	-1.5	10.3
Central Bank Profit Transfers	8,000	20,000	15,000	22,000	43,000	26,350	11,500	-56.4	7.9
Other	868	1,710	2,122	2,468	3,343	2,173	22,466	933.9	15.5
<b>Total</b>	<b>69,639</b>	<b>80,712</b>	<b>92,533</b>	<b>122,165</b>	<b>142,547</b>	<b>131,552</b>	<b>144,844</b>	<b>10.1</b>	<b>100.0</b>

Source: Department of Treasury Operations, Department of State Accounts and Department of Fiscal Policy

Table 3.14 &gt; Variance Analysis of Government Revenue - 2014

Item	2013	Rs. Mn.		Reasons
		2014 Estimate	2014 Prov.	
Income Tax	205,666	264,400	198,115	Revenue collected from PAYE increased during the year due to high wages, enhanced employment in high earning categories in sectors such as banks, professional services, IT BPO, export and improved tax compliance. Reduction of Treasury Bonds and Treasury Bills issuance and tax on interest contributed to the negative growth of income tax revenue. Reduced tax rates, exemptions and deductions given to the corporate and SME sector targeting their development had a negative impact on the revenue.
VAT	250,523	290,000	275,350	Better performance in sectors, such as manufacturing, financial services, hotels, restaurants and wholesale and retail trade helped to increase the VAT revenue from domestic activities. Higher demand for hybrid motor vehicles resulted in increased imports of motor vehicles and affected positively to the VAT revenue in the early part of 2014. However, from October 2014, policy measures taken to abolish VAT and several other taxes applicable for the importation of motor vehicles as a measure of consolidation of the tax structure had a negative impact on the VAT revenue.
Excise Tax	250,700	252,035	256,691	Hard liquor and cigarettes production was reduced with increasing the malt liquor production due to revision of excise duties in 2014. In addition, the increase of importation motor vehicles by 55 percent generated incremental revenue from excise duties. The imposition of excise (special provision) duty on motor vehicles as a composite tax in lieu of other taxes in end of the year 2014 also benefited the increase in the revenue from excise duty.



Item	2013	2014 Estimate	Rs. Mn.		Reasons
			2014 Prov.		
Import Duty	83,123	85,000	81,108		The reduction in importation of machinery and equipment, building material and other intermediate goods mainly affected to the decline of revenue collected from import duty. In addition, the import duty exempted items under the investment agreements and the importation of many products which are granted duty free or normal duty status under the Free Trade Agreements (FTA) entered into with various countries such as India and Pakistan as well as South Asian Free Trade Agreement (SAFTA) and Asian Pacific Trade Agreement (APTA) were attributed to the decline of revenue.
Ports and Airports Development Levy (PAL)	61,987	80,000	68,646		Increased imports such as consumer goods, fuel, textiles and related articles mainly contributed to the revenue increase.
Nation Building Tax (NBT)	40,937	45,600	44,583		Inclusion of financial services into the NBT in 2014 had a significant impact on the increase of NBT revenue. Also the better performance in certain sectors such as retail trade and distribution, services and rent, manufacturing products, hotels and restaurants sectors contributed to this positive growth.
Other Taxes	159,664	177,440	125,869		Revenue from Telecommunications Levy increased as a result of high usage of telecommunication services and the upward revisions of the rates. Revenue from Special Commodity Levy (SCL) increased due to the adding up of new commodities to the SCL list and the rate revisions made in selected commodities to increase domestic production, mainly contributed to this increase. Also the CESS revenue expanded due to the increase in import of cement, tiles and steel with increased construction activities.
Non - Tax Revenue	131,552	152,025	144,844		Increase of non tax revenue was mainly due to the increase of profits and dividends of SOBEs, interest and rent. However, the non-tax revenue from social security contributions and the profit transfers from the Central Bank declined.
<b>Total</b>	<b>1,137,447</b>	<b>1,346,500</b>	<b>1,195,206</b>		

Compiled by the Department of Fiscal Policy

### 3.3 Government Expenditure<sup>1</sup>

The government expenditure activities focused on further rationalizing the recurrent expenditure while maintaining the public investment at the desired level to achieve the development objectives of the government amidst the declining trend in the government revenue. In 2014, total government expenditure was Rs. 1,795.9 billion comprising Rs. 1,322.9 billion of recurrent expenditure and Rs. 473.0 billion of capital expenditure and net lending. The government expenditure reflected a 7.6 percent growth in 2014 compared to the previous year. As a percentage of GDP, it declined to 18.4 percent in 2014 from 19.2 percent in 2013.

In 2014, the expenditure on salaries and wages increased by 12.1 percent to Rs. 441 billion while interest payments declined marginally by 1.7 percent to Rs. 436 billion. Expenditure on transfers to public institutions such as

Department of Railways, Department of Postal and Sri Lanka Transport Board (SLTB) mainly to cover their operational losses and also to accommodate the salary increases amounted to Rs. 21 billion, an increase of 54.4 percent in comparison to 2013. Subsidies and transfers to households, including pension payments, fertilizer subsidy and other welfare activities covering mothers, school children and vulnerable sections of the society amounted to Rs. 226 billion in 2014 reflecting an increase of 8.4 percent from Rs. 105 billion in the previous year. The expenditure on public investment slightly increased by 1.1 percent to Rs. 487 billion in 2014 in comparison to Rs. 481 billion in the previous year.

#### 3.3.1 Recurrent Expenditure

Total recurrent expenditure of the government accounted to Rs. 1,322.9 billion in 2014, an increase of 9.8 percent in comparison to 2013. This was largely

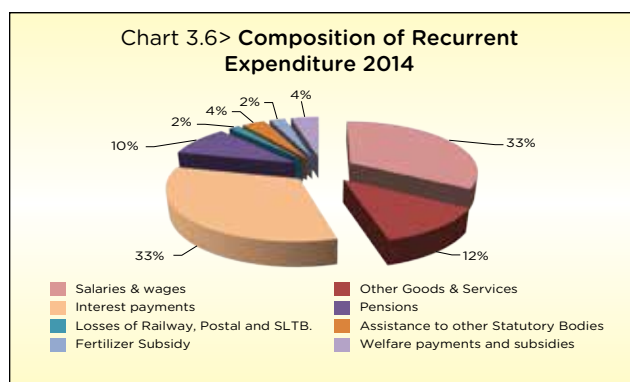
<sup>1</sup> For a detailed discussion, please refer to Chapter 4 of this publication.



Table 3.15&gt; Recurrent Expenditure of the Government

	Rs. Mn						
Item	2008	2009	2010	2011	2012	2013	2014 (a)
<b>Total Current Expenditure</b>	<b>743,711</b>	<b>879,575</b>	<b>937,094</b>	<b>1,024,906</b>	<b>1,131,023</b>	<b>1,205,180</b>	<b>1,322,898</b>
Salaries & Wages	239,078	271,229	300,558	319,601	347,747	393,228	440,982
Other Goods & Service	121,250	108,502	87,728	132,004	140,086	119,396	162,652
Interest Payments	212,475	309,676	352,591	356,699	408,498	444,007	436,395
Foreign	30,277	35,698	55,464	68,565	90,839	100,985	108,461
Domestic	182,198	273,978	297,127	288,134	317,659	343,022	327,934
Pensions	74,922	85,139	90,995	99,961	111,682	123,293	127,049
Operational Losses of Railway, Postal and SLTB	12,157	11,078	11,434	12,999	11,817	13,854	21,387
Operational Support to Statutory Bodies	27,192	30,097	28,588	32,164	34,979	39,407	46,577
Fertilizer Subsidy	26,450	26,935	26,028	29,802	36,456	19,706	31,858
Welfare Payments and Subsidies	30,187	36,919	39,172	41,676	39,757	52,289	55,998
<b>As a % of GDP</b>							
<b>Total Current Expenditure</b>	<b>17.2</b>	<b>18.2</b>	<b>16.7</b>	<b>15.7</b>	<b>14.9</b>	<b>13.9</b>	<b>13.5</b>
Salaries & Wages	5.5	5.6	5.4	4.9	4.6	4.5	4.5
Other Goods & Service	2.8	2.2	1.6	2	1.8	1.4	1.7
Interest Payments	4.9	6.4	6.3	5.5	5.4	5.1	4.5
Pensions	1.7	1.8	1.6	1.5	1.5	1.4	1.3
Losses of Enterprises	0.3	0.2	0.2	0.2	0.2	0.2	0.2
Assistance to Other Statutory Bodies	0.6	0.6	0.6	0.5	0.5	0.5	0.5

Sources: Department of State Accounts and Department of National Budget  
(a) Provisional



driven by the increased growth of salaries and wages by 12.1 percent in 2014 over the previous year providing public services such as national security, civil administration, education, health and provincial public services. Interest payments and salaries and wages continued to be the largest share of the recurrent expenditure amounting 66 percent

in 2014. However, recurrent expenditure as a percentage of GDP declined further to 13.5 percent in 2014 from 13.9 percent in the previous year. The decline in recurrent expenditure was mainly due to the decline in the interest payments to GDP ratio to 4.5 percent in 2014 from 5.1 percent in 2013.

### Interest Payments

The interest cost accounted for 33 percent of the total current expenditure in 2014. The interest payment in domestic debt declined by 4.4 percent to Rs. 328 billion in 2014 compared to Rs. 343 billion in the previous year while interest payments on foreign debt increased by 7.4 percent to Rs. 108.5 billion in 2014 from Rs. 101 billion in 2013. The decline in the

Table 3.16 &gt; Behaviour of Yield Rates

Period	Treasury Bills (%)			Treasury Bonds (%)			
	91 days	182 days	364 days	2 year	3 year	4 year	5 year
2012 Sep	11.30	12.57	13.02	13.62	-	14.10	-
2012 Dec	10.00	11.32	11.69	-	-	-	-
<b>Change (Basis Point) (2011 Dec-12 Dec)</b>	<b>132.00</b>	<b>261.00</b>	<b>238.00</b>	-	-	-	-
2013 Mar	9.26	10.25	11.35	-	-	-	-
2013 Jun	8.66	9.70	10.66	-	-	-	-
2013 Sep	8.60	9.63	10.57	-	-	-	-
2013 Dec	7.54	7.85	8.29	-	-	-	10.64
<b>Change (Basis Point)</b>	<b>-246.00</b>	<b>-347.00</b>	<b>-340.00</b>	-	-	-	-
2014 Mar	6.65	6.82	7.05	-	-	-	-
2014 Jun	6.51	6.69	6.99	-	-	-	8.93
2014 Sep	6.15	6.23	5.89	-	-	-	-
2014 Dec	5.74	5.84	6.00	-	-	-	-
<b>Change (Basis Point)</b>	<b>-180.00</b>	<b>-201.00</b>	<b>-229.00</b>	-	-	-	-
2015 Mar	6.79	6.87	6.99	-	8.70	-	9.13

Sources: Department of Treasury Operations and Department of Public Debt of the Central Bank

domestic interest payments was mainly due to the relaxed monetary policy stance adopted by the Central Bank amidst the decline in the inflation and inflation expectations and resultant decline in the domestic interest rates for government securities. The expansion in the interest payments on foreign debt was mainly due to the increase in the foreign debt by 5.2 percent and the relatively high non-concessional debt, which accounted for 52.1 percent of the total foreign debt.

## Salaries and Allowances

The salaries and allowances as a percentage of GDP remained unchanged at 4.5 percent in 2014 and became the largest item in the recurrent expenditure of the government in 2014. The expenditure on salaries and allowances for the government sector

employees including those who are in the Provincial Councils and national security services was Rs. 441 billion in 2014. This reflected an increase of 12.1 percent over 2013 and accounted for 33.3 percent of the total recurrent expenditure. This increase in salaries and allowances was mainly due to the provision of monthly cost of living

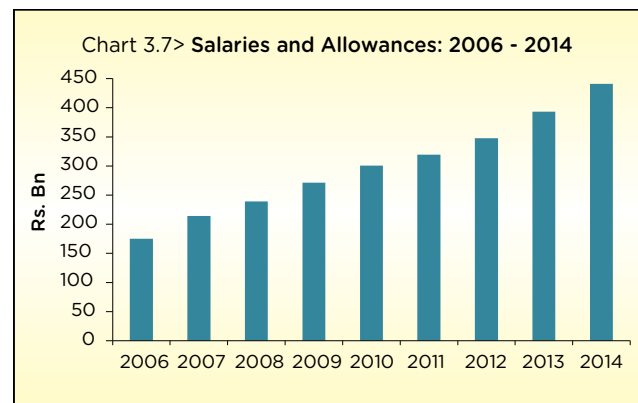


Table 3.17 &gt; Salaries and Allowances of the Government

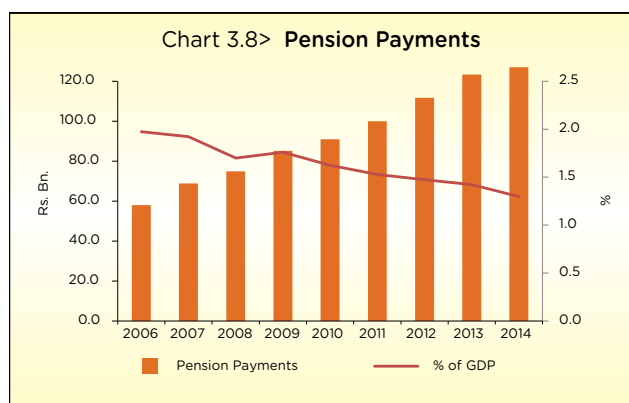
Sector	Rs. Mn						
	2008	2009	2010	2011	2012	2013	2014(a)
Central Government	65,315	73,100	75,817	83,072	95,965	113,223	133,584
Provincial Councils	73,791	73,393	81,887	90,818	88,217	105,033	121,789
Defence	73,509	93,770	110,335	112,703	126,950	134,295	141,138
Police and Public Security	26,463	30,966	32,519	33,008	36,615	40,677	44,471
<b>Total</b>	<b>239,078</b>	<b>271,229</b>	<b>300,558</b>	<b>319,601</b>	<b>347,747</b>	<b>393,228</b>	<b>440,982</b>

Sources: Department of State Accounts and Department of National Budget  
(a) Provisional

allowance (COLA) of Rs. 1,200 to all public servants with effect from January 2014 and the introduction of interim allowance of Rs. 3,000 per month with effect from November 2014. In addition, service related allowances paid to judges, university academic staff, medical practitioners and specialized categories were also revised upwards in 2014. The non-salary benefit of concessionary duty on import of motor vehicles for public servants amounted to Rs. 28.3 billion in 2014 in comparison to Rs. 56.4 billion in 2013.

### Pension Payments

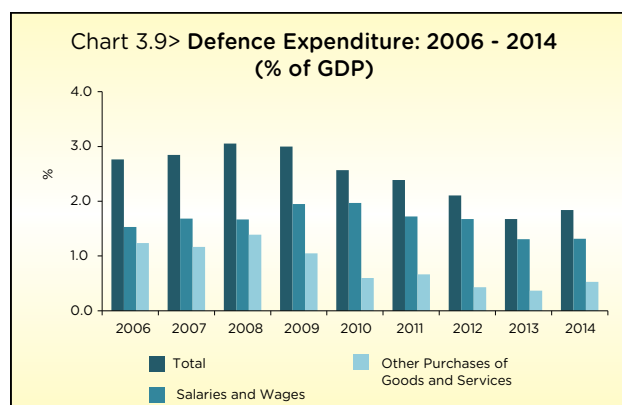
The expenditure on pensions was increased by 3.0 percent to Rs. 127 billion in 2014 from Rs. 123 billion in 2013. The increase was partly due to the impact of new pensioners of about 15,000 added to the pension bill



in 2014 coupled with the increase in cost of living allowance for all government pensioners who retired prior to 2006 by Rs. 500 and Rs. 350 for retirees after 2006.

### National Security Expenditure

Total expenditure on national security in 2014 amounted to Rs. 258 billion, comprising of Rs. 185.6 billion on salaries and Rs. 72.7 billion on other goods and services. As a percentage of GDP, it amounted to 2.6 percent in 2014 in comparison to 2.5 percent in the previous



year. The normalization of the recruitment and procurement to three forces with the peaceful environment in the country after 2009 helped to maintain the national security expenditure at this low level in comparison to the higher level of above 5 percent of GDP prevailed during the early 2000.

### Welfare and Social Safety

Sri Lanka has made a significant progress in social indicators, in the areas of primary school enrolment, poverty, infant and maternal mortality. The successive

Table 3.18> Expenditure on Key Welfare Programmes: 2014

Item	Rs. Mn
<b>Health</b>	
Free Medicine	34,805
Infant Milk Food Subsidy & Fresh Milk	197
Poshana Malla	278
Triplosa Programme	1,787
<b>Education</b>	
School Text Books	2,700
School Uniforms	3,574
Mahapola & Bursaries etc.	1,050
School Season Tickets	1,695
School Nutritional Food Programme	3,725
<b>Divineguma Back Yard Economy</b>	
Livelihood Support Programme	365
<b>Welfare Support</b>	
Samurdhi Cash Income Support	15,042
Assistance to Differently Aabled Soldiers	18,244
Food Assistance (with WFP assistance)	2,001
Flood and Drought Relief	521
<b>Livelihood and Production</b>	
Fertilizer Subsidy	31,858

Source: Department of State Accounts and Department of National Budget

governments continually implemented a number of welfare programmes targeting at alleviating poverty and strengthening vulnerable groups in the society.

Accordingly, the provision of free text books, uniforms, season tickets, scholarships, nutritional supplements and healthcare facilities for children and mothers were continued with a view of improving the equitable dispersion of resources and opportunities all over the country. In addition to these measures, targeted poverty alleviation strategies were implemented through the livelihood development and income generation support programmes.

### **Education Related Welfare Expenditure**

The government continued the provision of free school and Dhamma school text books, school uniforms and season tickets for the students of under-privileged schools and scholarships and bursaries programmes for the needy students at a cost of Rs. 11.5 billion in 2014 in comparison to Rs. 9.9 billion in 2013. This consists of Rs. 2,700 million to provide school text books among 4.2 million students, Rs. 3,574 million to provide school uniforms to 4.4 million school children, Rs. 1,050 million for Mahapola and bursaries and Rs. 1,695 million for season tickets, respectively. Furthermore, the government also spent Rs. 197 million for fresh milk programme and Rs. 3,725 million for school nutritional food programme during 2014.

### **Healthcare Related Welfare Expenditure**

In 2014, the government spent Rs. 34.9 billion to provide free medicine including drugs, vaccines and other supplies for the people in the country. This was an increase of 27.8 percent compared to Rs. 27.3 billion in 2013. With a view of improving the nutritional status of all populations, the government incurred Rs. 197 million for infant milk food subsidy and fresh milk programme, Rs. 1.8 billion for Thripasha nutritional food programme for children and expectant mothers, Rs. 278 million for Poshana Malla programme. There were significant number

of beneficiaries under the programmes for infant milk food subsidy and fresh milk programme (316,791), Poshana Malla (73,906) Poshana Manpetha (8,045) and Thripasha programme (978,354).

### **Supplementary Income Support to Poor and Vulnerable Groups**

A number of subsidy schemes were implemented by the government to uplift the economy of low-income families in the society. Accordingly, the Samurdhi programme continued in 2014 distributing Rs. 15,042 million as cash income supplements, targeting 1.5 million low-income families across the country. Furthermore, the government spent Rs. 2.5 billion for food assistance and flood and drought relief, for the people affected by the erratic weather conditions prevailed in the country. In addition, the government spent Rs. 18,244 million as social security for differently-abled soldiers in 2014 while another Rs. 2,530 million was spent on the “Ranaviru Mapiya Rekawarana” programme.

### **Livelihood and Production Support**

The existing livelihood support programmes continued during 2014 to uplift rural lives by improving agriculture and rural economic activities. With the view of facilitating the activities towards poverty alleviation, providing micro-finance facilities and developing physical and social infrastructure facilities to uplift the living standards and develop livelihoods of the people, the Divi Neguma Development Department was established in early 2014 by amalgamating the Samurdhi Authority, Southern Development Authority and Udarata Development Authority. Meanwhile, the expenditure on fertilizer subsidy amounted to Rs. 31.8 billion in 2014 in comparison to Rs. 19.7 billion in 2013.

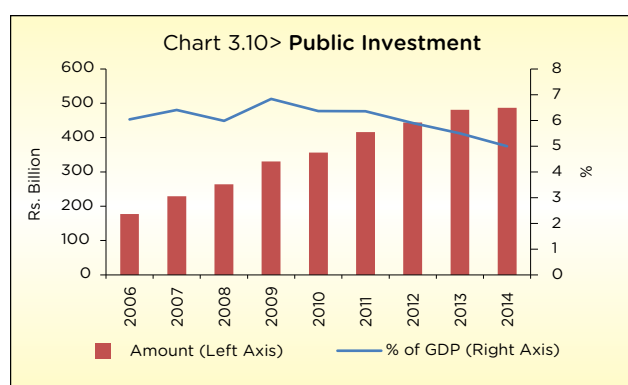
#### **3.3.2 Public Investment**

The emphasis in the public investment programme of the government was mainly on

Table 3.19 &gt; Public Investment

Item							Rs. Mn.
	2008	2009	2010	2011	2012	2013	2014 (Provisional)
Education	22,942	18,092	19,053	22,326	28,930	31,982	50,363
Health	18,674	12,664	13,329	14,794	17,155	19,920	22,252
Police and Public Security	4,728	1,409	1,298	3,816	945	1,173	3,338
Civil Administration	29,675	18,686	20,212	28,668	26,565	31,631	40,282
Housing and Common Amenities	4,826	5,291	5,489	7,105	7,823	8,014	20,569
Community Service	13,794	17,891	18,334	19,141	17,267	17,727	19,154
Agriculture and Irrigation	17,681	22,105	24,865	28,617	30,351	36,721	57,099
Energy and Water Supply	48,783	59,983	66,569	83,186	85,598	87,517	51,314
Transport and Communication	82,916	139,104	165,505	190,026	204,539	210,398	177,471
Other	19,825	35,223	21,865	24,621	24,800	36,120	44,769
<b>Total</b>	<b>263,844</b>	<b>330,448</b>	<b>356,519</b>	<b>422,300</b>	<b>443,973</b>	<b>481,203</b>	<b>486,611</b>

Sources: Department of National Budget and Department of State Accounts



the development of economic infrastructure in the areas of roads and bridges, ports, power generation, water supply and irrigation. In addition, resources were also directed to develop social infrastructure such as education, health, urban development,

housing and social welfare programmes. Total spending on public investment in 2014 was Rs. 486.6 billion, which is 5.0 percent of GDP in comparison to 5.5 percent of GDP in 2013. The issues related to procurement, project implementation, as well as lack of prioritization were claimed to be the key issues in public investment programme that needs attention.

### 3.4 Financing Provincial Councils

Out of the total NBT revenue of Rs. 66.9 billion recorded in 2014, one third or Rs. 22.3 billion was transferred to PCs under the revenue sharing arrangement with the central government. This was introduced in 2011 as a part of the simplification of the tax system

Table 3.20 &gt; Performance of NBT, Stamp Duty and Motor Vehicle Registration Fees

Item	Rs. Mn								
	2013			2014			% Change 2014/2013		
	CG	PCs	Total	CG	PCs	Total	CG	PCs	Total
NBT*	40,937	20,468	61,405	44,583	22,292	66,875	8.9	8.9	8.9
Domestic	25,243	12,621	37,864	28,494	14,247	42,741	12.9	12.9	12.9
Import	15,694	7,847	23,541	16,089	8,045	24,134	2.5	2.5	2.5
Stamp Duty**	-	6,883	6,883	-	7,891	7,891	-	14.6	14.6
Motor Vehicle Registration Fees***	666	1,553	2,219	670	1,563	2,233	0.6	0.6	0.6
<b>Total</b>	<b>41,603</b>	<b>28,904</b>	<b>70,507</b>	<b>45,253</b>	<b>31,746</b>	<b>76,999</b>	<b>8.8</b>	<b>9.8</b>	<b>9.2</b>

Source: Department of Fiscal Policy.

\* Since 2011, 33 1/3 percent of the revenue collected from the NBT by the central government is transferred to Provincial Council

\*\* Since 2011, 100 percent of the revenue collected from the stamp duty by the central government is transferred to Provincial Councils.

\*\*\* Data represent 70 percent of the revenue collected by the central government from Motor Vehicles Registration Fee and transferred to PCs

Note: CG = Central Government, PCs = Provincial Councils

Table 3.21 &gt; Consolidated Budget

Item	Rs. Bn.							% of GDP						
	2008	2009	2010	2011	2012	2013	2014 (d)	2008	2009	2010	2011	2012	2013	2014 (d)
<b>Total Revenue</b>	<b>717.8</b>	<b>754.9</b>	<b>870.9</b>	<b>1025.1</b>	<b>1116.7</b>	<b>1203.0</b>	<b>1263.2</b>	<b>16.3</b>	<b>15.6</b>	<b>15.5</b>	<b>15.7</b>	<b>14.7</b>	<b>13.9</b>	<b>12.9</b>
<b>Government</b>	<b>686.4</b>	<b>725.5</b>	<b>834.1</b>	<b>983.0</b>	<b>1067.5</b>	<b>1153.3</b>	<b>1204.6</b>	<b>15.6</b>	<b>15.0</b>	<b>14.9</b>	<b>15.0</b>	<b>14.1</b>	<b>13.3</b>	<b>12.3</b>
Tax	585.6	618.9	724.7	845.7	908.9	1005.9	1050.4	13.3	12.8	12.9	12.9	12.0	11.6	10.7
Non Tax	69.6	80.7	92.5	122.2	142.5	131.6	144.8	1.6	1.7	1.7	1.9	1.9	1.5	1.5
Grants	31.2	25.7	16.7	15.1	16.1	15.9	9.4	0.7	0.5	0.3	0.2	0.2	0.2	0.1
<b>Provincial Councils (a)</b>	<b>31.4</b>	<b>29.4</b>	<b>36.8</b>	<b>42.1</b>	<b>49.2</b>	<b>49.6</b>	<b>58.6</b>	<b>0.7</b>	<b>0.6</b>	<b>0.7</b>	<b>0.6</b>	<b>0.6</b>	<b>0.6</b>	<b>0.6</b>
Tax	26.0	24.9	31.0	36.0	41.7	42.6	52.1	0.6	0.5	0.6	0.6	0.5	0.5	0.5
Non Tax	5.4	4.5	5.8	6.1	7.6	7.1	6.4	0.1	0.1	0.1	0.1	0.1	0.1	0.1
<b>Total Expenditure</b>	<b>1027.4</b>	<b>1238.4</b>	<b>1317.5</b>	<b>1474.1</b>	<b>1603.9</b>	<b>1719.9</b>	<b>1854.4</b>	<b>23.3</b>	<b>25.6</b>	<b>23.5</b>	<b>22.5</b>	<b>21.2</b>	<b>19.8</b>	<b>19.0</b>
<b>Government (b)</b>	<b>996.1</b>	<b>1202.2</b>	<b>1280.2</b>	<b>1433.2</b>	<b>1556.5</b>	<b>1669.4</b>	<b>1795.8</b>	<b>22.6</b>	<b>24.9</b>	<b>22.8</b>	<b>21.9</b>	<b>20.5</b>	<b>19.2</b>	<b>18.4</b>
Current	743.7	879.9	937.1	1024.9	1131.0	1205.2	1322.9	16.9	18.2	16.7	15.7	14.9	13.9	13.5
Capital and Net Lending	252.4	322.3	343.1	408.3	425.5	464.2	473.0	5.7	6.7	6.1	6.2	5.6	5.4	4.8
<b>Provincial Councils (c)</b>	<b>31.3</b>	<b>36.2</b>	<b>37.3</b>	<b>40.9</b>	<b>47.4</b>	<b>50.5</b>	<b>58.6</b>	<b>0.7</b>	<b>0.7</b>	<b>0.7</b>	<b>0.6</b>	<b>0.6</b>	<b>0.6</b>	<b>0.6</b>
Current	26.4	33.9	33.8	34.1	44.3	46.3	53.7	0.6	0.7	0.6	0.5	0.6	0.5	0.5
Capital	4.9	2.3	3.5	6.8	3.1	4.2	4.9	0.1	0.0	0.1	0.1	0.0	0.0	0.1
<b>Budget Deficit</b>	<b>-309.6</b>	<b>-483.5</b>	<b>-446.6</b>	<b>-449.0</b>	<b>-487.2</b>	<b>-516.9</b>	<b>-591.2</b>	<b>-7.0</b>	<b>-10.0</b>	<b>-8.0</b>	<b>-6.9</b>	<b>-6.4</b>	<b>-6.0</b>	<b>-6.0</b>

Sources: Department of National Budget and Finance Commission

(a) Includes transfers from Government

(b) Includes transfers to PCs

(c) Represents expenditure incurred by PCs using their own funds and tax revenue transfers from the Government

(d) Provisional

following the amalgamation of provincial turnover tax and NBT. The own revenue of PCs generating from NBT, stamp duty and motor vehicle registration fees increased by 9.8 percent to Rs. 31.7 billion in 2014 compared to Rs. 28.9 billion in the previous year. The total revenue of Rs. 7.9 billion collected in 2014 from stamp duties and Rs. 1.6 billion, which is 70 percent of the total motor vehicle registration fees were also transferred to PCs to support their devolved activities. Non-tax revenue collected by the PCs through interest, profit and dividends and sales and charges amounted to Rs. 6.4 billion in 2014.

The government continued to make transfers to PCs by way of block grants to meet expenditure on salaries, specific development grants and grants for special projects. In 2014, such transfers reached to Rs. 31.5 billion, which accounted for 58.5 percent of the total revenue of PCs. Total recurrent expenditure of PCs amounted to Rs. 53.7 billion in 2014, with an increase of 16 percent, mainly reflecting the increased expenditure on salaries and wages.

Continuation of the development activities in provincial roads, transport facilities, land development, rural electrification projects, township facilities in the PCs and improvement in education and health facilities, paralleled to island wide programmes amounted to Rs. 4.9 billion in 2014. Accordingly, the total expenditure of PCs using their own revenue and revenue sharing mechanism with the government amounted to Rs. 58.6 billion in 2014 in comparison to Rs. 50.5 billion in 2013.

### 3.5 Deficit Financing<sup>2</sup>

In 2014, the overall budget deficit of Rs. 591.2 billion was financed mainly through domestic borrowings (including foreign investments in rupee denominated Treasury bills and Treasury bonds) of Rs. 378.7 billion (64 percent). The balance Rs. 212.5 billion (36 percent) was obtained through foreign borrowings.

The government borrowed Rs. 265 billion, on net basis, from the non-bank sources.

<sup>2</sup> For a detailed discussion on deficit financing and government debt, please refer to Chapter 5 of this publication.



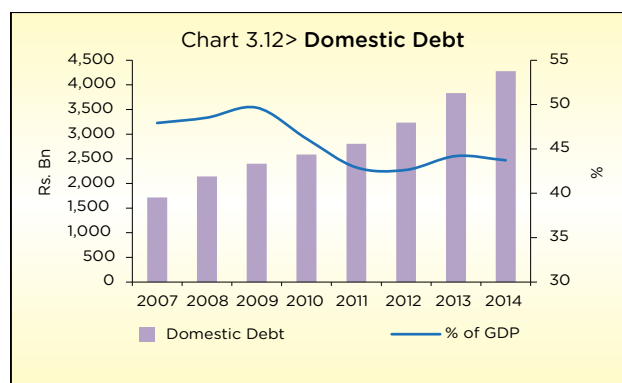
The non-bank financing mainly consisted of the borrowings from major institutional investors i.e. Employees' Provident Fund (EPF), National Savings Bank (NSB) and Employees Trust Fund (ETF). The borrowings from the domestic banking sector declined to Rs. 127 billion in 2014 in comparison to Rs. 297 billion in 2013 and accounted for 33.5 percent of the total net domestic financing. Meanwhile, the net foreign investments in Treasury bills and Treasury bonds amounted to Rs. 0.8 billion in 2014 in comparison to Rs. 55.8 billion in the previous year.

Gross foreign borrowings to finance the budget deficit in 2014 amounted to Rs. 395.6 billion, which consisted of project financing of Rs. 174 billion and the proceeds from the international sovereign bond of Rs. 197 billion. The project loans were mainly from bilateral and multilateral development partners such as India, Japan, China, Asian Development Bank (ADB) and International Development Association (IDA). There was a repayment of Rs. 106 billion in government foreign loans during the year.

### 3.6 Government Debt

In 2014, total government debt increased by Rs. 597.7 billion to Rs. 7,390.9 billion from Rs. 6,793.2 billion in 2013. This consisted with domestic debt of Rs. 4,277.8 billion and foreign debt of Rs. 3,113.1 billion, which accounted for

57.9 percent and 42.1 percent of the total debt, respectively. The debt to GDP ratio declined further to 75.5 percent in 2014 from 78.3 percent in 2013 reflecting the relatively lower growth of the total debt than the growth in the nominal GDP. The domestic and foreign debt to GDP ratio was 43.7 percent and 31.8



percent, respectively in 2014 in comparison to 44.2 percent and 34.1 percent in the previous year. As a result of appreciation of Sri Lanka rupees against main currencies such as Japanese Yen, Indian Rupees and Euros, the debt stock reduced by Rs. 89.3 billion in 2014.

The share of medium and long term debt in the total domestic debt increased to 78 percent in 2014 from 76.3 percent in the previous year. The medium to long-term debt category was dominated by the Treasury Bonds accounting for 85.2 percent of that category, reflecting the enhanced reliance on this medium and long term marketable debt instrument in the

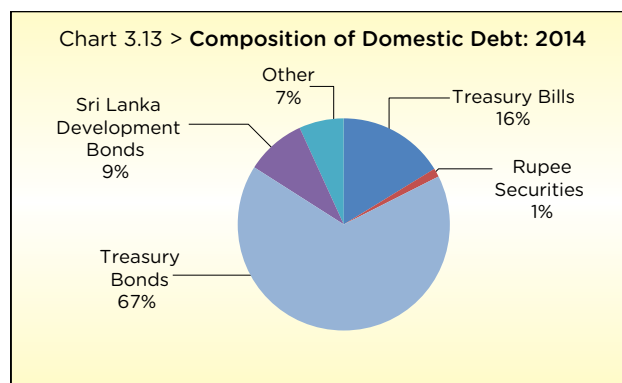
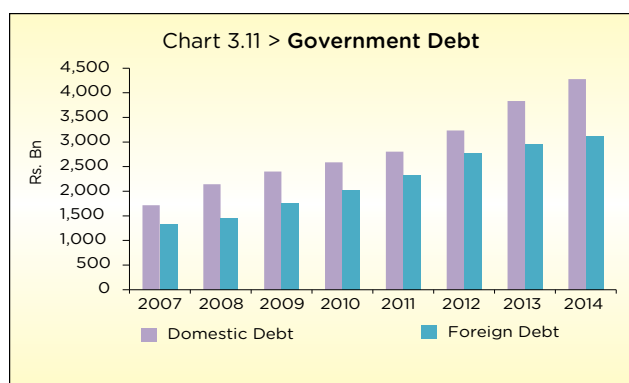


Table 3.22 &gt; Government Debt

Item	Rs. Bn		
	End 2012	End 2013	End 2014
<b>Total Domestic Debt</b>	<b>3,232.8</b>	<b>3,832.8</b>	<b>4,277.8</b>
<b>Short Term</b>	<b>813.3</b>	<b>909.2</b>	<b>941.2</b>
Treasury Bills	629.1	700.1	694.8
Provisional Advances from the Central Bank	111.3	109.2	143.9
Other	72.9	99.9	102.5
<b>Medium &amp; Long Term</b>	<b>2,419.5</b>	<b>2,923.7</b>	<b>3,336.6</b>
Rupee Securities	58.4	55.5	55.5
Treasury Bonds	2,095.1	2,452.4	2,844.1
Sri Lanka Development Bonds	223.0	369.2	391.1
Other	43.1	46.6	46.0
<b>Total Foreign Debt</b>	<b>2,767.3</b>	<b>2,960.4</b>	<b>3,113.1</b>
<b>Concessional Loans</b>	<b>1,369.6</b>	<b>1,492.8</b>	<b>1,491.0</b>
Multilateral	670.7	716.8	704.0
Bilateral	698.9	776.1	786.9
<b>Non-concessional Loans</b>	<b>1,397.8</b>	<b>1,467.6</b>	<b>1,622.1</b>
Multilateral	173.6	186.7	183.9
Bilateral	281.5	273.7	273.8
Market Borrowings	942.7	1,007.1	1,164.5
<b>Total Government Debt</b>	<b>6,000.1</b>	<b>6,793.3</b>	<b>7,390.9</b>

Sources: Department of External Resources and Central Bank of Sri Lanka

debt management operations. Meanwhile, the share of Rupee loans in the total domestic debt declined further to 1.7 percent from 1.9 percent in the previous year with the gradual phasing out of the borrowings from this non-marketable debt instrument.

Treasury bills remained as the main instrument within the short term domestic debt category accounting for 73.8 percent of the total short term domestic debt. The government debt to the banking system increased to Rs. 1,670

billion in 2014 from Rs. 1,433.8 billion in 2013 with the increase of borrowings from both commercial banks and the Central Bank. The share of the debt held by the banking system in the total domestic debt increased to 39.0 percent from 37.4 percent in the previous year.

Of the total foreign debt, total concessional loans declined to 47.9 percent while the balance 52.1 percent was on non-concessional terms and conditions. Both bilateral and multilateral development partners continued to account a significant part of the foreign debt and

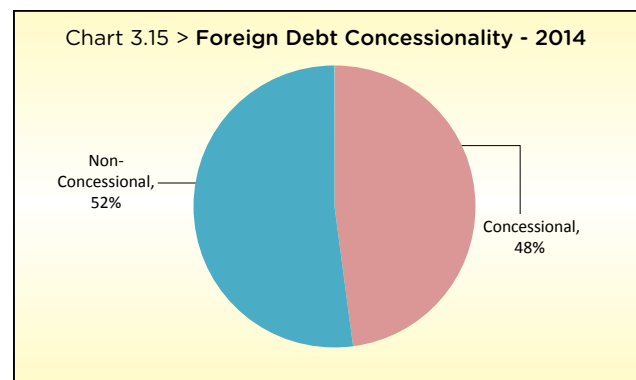
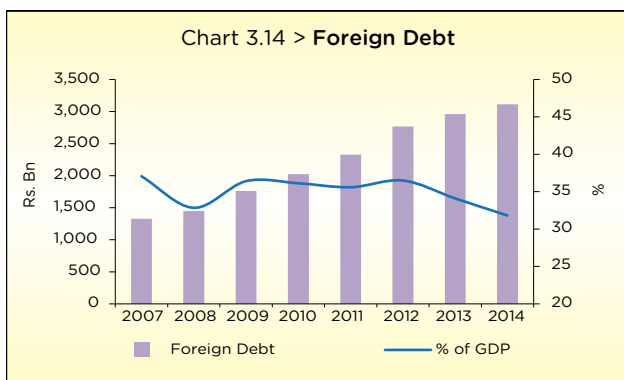




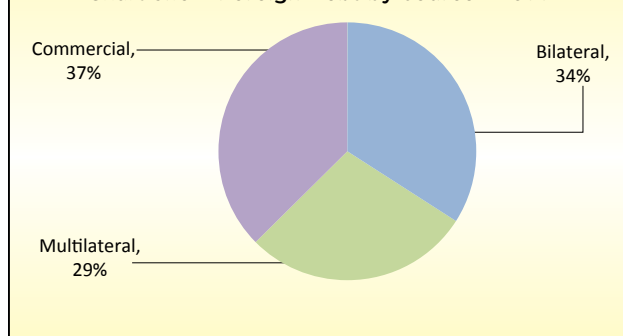
Table 3.23 &gt; Foreign Debt by Source 2014

Source	Number of Loans	Amount (Rs. Mn.)
<b>Bilateral</b>		
Japan	105	416,407
China	13	87,738
Germany	43	43,342
France	32	24,698
India	12	119,982
Saudi Arabia	6	4,982
Other	128	97,073
<b>Multilateral</b>		
ADB	161	471,762
IDA	117	363,052
Other	39	53,147
Export Credit*	105	318,480
International Sovereign Bonds	6	655,243
Non - Resident Investment in Treasury Bills		55,500
Non - Resident Investments in Treasury Bonds		401,710
<b>Total</b>		<b>3,113,116</b>

Sources: Department of External Resources and Department of Public Debt of the Central Bank

\* Including the loans obtained from China

Chart 3.16 &gt; Foreign Debt by Source - 2014



accounted to 25.3 percent and 22.6 percent of the total foreign debt, respectively. In the bilateral category, the outstanding debt to Japan, China and India amounted to Rs. 416.4 billion, Rs. 139.9 billion and Rs. 120.0 billion, respectively. In the multilateral category, the debt to Asian Development Bank (ADB) amounted to Rs. 471.8 billion while that to International Development Association (IDA)

Table 3.24 &gt; Currency Composition of the Government Foreign Debt

Currency	Percentage						
	2008	2009	2010	2011	2012	2013	2014
SDR	36.7	32.2	28.3	25.8	24.6	24.0	21.8
US Dollars	19.4	18.8	23.5	29.1	30.9	34.1	41.5
Japanese Yen	30.8	25.7	25.1	24.1	20.8	16.4	13.8
Euro	9.1	8.2	7.0	6.3	6.3	6.3	5.2
Other	4.1	15.1	16.0	14.7	17.4	19.2	17.6
<b>Total</b>	<b>100.0</b>	<b>100.0</b>	<b>100.0</b>	<b>100.0</b>	<b>100.0</b>	<b>100.0</b>	<b>100.0</b>
Memo: Total Foreign Debt (Rs. Billion)	1,448.7	1,760.5	2,024.6	2,329.3	2,767.3	2,960.4	3,113.1

Sources: Department of External Resources and Department of Public Debt of the Central Bank

*The debt to GDP ratio declined further to 75.5 percent in 2014 from 78.3 percent in 2013 reflecting the relatively lower growth of the total debt than the growth in the nominal GDP.*

was Rs. 363.0 billion. The increase in the non-concessional debt in the recent past was mainly due to the accommodation of foreign investments in government securities with specific limits and the issuance of international sovereign bonds by the government for budgetary financing.

### 3.7 Debt Service Payments

Total debt service payments in 2014 amounted to Rs. 1,076.3 billion of which Rs. 633 billion or 59 percent was for repayments while the balance 41 percent or Rs. 444 billion was on interest payments. Total debt service payments as a percentage of GDP declined to 11.0 percent

in 2014 in comparison to 13.4 percent in 2013. The debt service payments as a percentage of the government revenue declined to 90.0 percent from 102.2 percent in the previous year due to the decline in the total debt service payments by 7.5 percent in 2014 in comparison to the positive growth of 5.1 percent in the government revenue. The interest payments to revenue ratio also declined to 37.1 percent from 40.7 percent in 2013. The debt service ratios are anticipated to improve in the medium term with the expected improvements in the government revenue and the decline in the overall budget deficit together with the improvements in the government debt management and Treasury cash flow operations.

Table 3.25 > Government Debt Service Payments

Item	2008	2009	2010	2011	2012	2013	Rs. Bn. 2014 (a)
Interest (b)	212.5	309.7	352.6	356.8	408.5	462.9	443.6
Domestic	182.2	274.0	297.1	288.1	317.7	354.7	327.9
Foreign	30.3	35.7	55.5	68.7	90.8	108.2	115.7
Repayments	380.3	516.0	467.9	538.7	609.0	700.0	632.7
Domestic	258.7	401.3	389.7	439.9	415.4	496.0	449.6
Foreign	121.6	114.7	78.2	98.8	193.5	204.0	183.1
<b>Total</b>	<b>592.8</b>	<b>825.7</b>	<b>820.4</b>	<b>895.5</b>	<b>1,017.5</b>	<b>1,162.9</b>	<b>1,076.3</b>
Domestic	440.9	675.3	686.8	728.0	733.1	850.7	777.5
Foreign	151.9	150.4	133.6	167.5	284.4	312.2	298.8

Sources: Department of Treasury Operations and Department of Public Debt of the Central Bank

(a) Provisional

(b) 2013 and 2014 numbers include Rs. 18.9 billion and Rs. 7.2 billion of interest paid respectively, in respect of the ongoing public investment projects which have been capitalized as per the State Account Circular No. 230/2013, dated 29.11.2013 and shown under public investment in the economic classification.

Table 3.26 > Government Debt and Debt Service Indicators (Percentage)

Indicator	2008	2009	2010	2011	2012	2013	2014 Provisional
Total Debt/GDP	81.4	86.2	81.9	78.5	79.2	78.3	75.5
Domestic Debt/GDP	48.5	49.7	45.8	42.9	42.7	44.2	43.7
Foreign Debt/GDP	32.8	36.5	36.1	35.6	36.5	34.1	31.8
Debt Service/GDP	13.4	17.1	14.6	13.7	13.4	13.4	11.0
Debt Service/Revenue	90.5	118	100.4	92.5	96.8	102.2	90.0
Foreign Debt Service/ Export Earnings and Remittances	12.7	12.6	9.4	9.6	14.2	14.4	12.6
Domestic Interest/ Current Expenditure	24.5	31.1	31.7	28.2	28.1	31.2	27.4
Total Interest/ Government Revenue	32.4	44.3	43.1	37.0	38.9	40.7	37.1

Sources: Department of External Resources, Department of Treasury Operations and Department of Public Debt of the Central Bank



04

# EXPENDITURE REVIEW

## 4.1 Overview

The Appropriation Act provides avenue to appropriate funds from the Consolidated Fund which are to be incurred by the Government during a fiscal year. The legislative framework for authorizing the appropriation of expenditure is ensured by presenting an Appropriation Bill to Parliament as per the legal provisions of the Constitution. It appropriates funds to all Government Spending Heads assuring the government's economic and fiscal policies. The bill has to go through three stages of reading and be debated similar to any other bill presented in Parliament. Once it becomes law or an Act, certified by the Speaker, the Minister of Finance issues a warrant authorizing expenditure from the Consolidated Fund.

The Appropriation Act stipulates the expenditure for all entities of the Government, including those incurred under special laws, and the maximum borrowing limit for the financial year, taking all revenue receipts and payments into account. The maximum borrowing limit is the total amount of loan proceeds authorized to be raised during fiscal year for financing forecast expenditure of the government. Loans may be raised either from domestic or from foreign sources.

The total expenditure of the Government to be charged to the Consolidated Fund is shown in the Appropriation Act under three separate schedules as follows;

- a. First Schedule – as per clause 2 (1) of the Act, expenditure for the general services of the Government during the financial year.
- b. Second Schedule- as per clause 2 (4) of the Act, expenditure of the Government already authorized by Parliament under Special Laws.

- c. Third Schedule – as per clause 3 (1) of the Act expenditure related to Advance Account Activities.

Clauses 5 and 6 of the Appropriation Act authorize the Treasury to grant approval to reallocate or transfer of provisions already approved by Parliament under procedures specified in financial regulations and the printed estimates.

- a. Unutilized provisions within the total expenditure limit approved by Parliament for respective Heads of Expenditure are authorized to transfer/reallocate within the respective heads as per the provisions of clause 5 of the Appropriation Act.
- b. Transfer/Reallocation of Provisions under the clause 6 of the Act are allocated under “Development Activities” programme as “Supplementary Support Services and Contingent Liabilities” appearing under the Head “Department of National Budget” as per the Clause 6 of the Appropriation Act. A general provision is included annually for unforeseen expenditure that provisions have not been made under spending agencies and also for expenses of a special character which cannot appropriately be provided for, as direct expenses under a particular ministry or department. This provision is estimated during the budget formulation process considering the historical trends in public expenditure and budget deficits and other fiscal targets such as advance provisions to enable to improve favorable fiscal environment in the country.

## 4.2 Appropriation Act for 2014

As per the Appropriation Bill presented to Parliament on 22nd October 2013, the total estimated expenditure of the Government for 2014 was Rs.2, 543 billion and the maximum

borrowing limit was set as Rs. 1,100 billion. With the announcement of budget proposals by the Hon Minister of Finance and Planning, the expenditure of the government was increased by Rs 59 billion to total estimate of Rs. 2,602 billion. This increase was to be financed from the introduced revenue proposals and the additional borrowings. Subsequently the revised borrowing limit of the Government was Rs. 1,278 billion. Accordingly, the bill was approved on 20th December, 2013 as the Appropriation Act no 36 of 2013.

The expenditure in three schedules of the Act was as follows;

1. Estimated expenses related to general services of the Government, authorized under the clause 2 (1) of the appropriation Act, were Rs. 1,598 billion.
2. Estimated expenses of the Government had already been authorized by Parliament under special Laws were Rs. 1,001 billion.
3. Estimated maximum Limits of Advance Accounts were Rs. 4.0 billion.

Table 4.1 > Estimated Expenditure under Major Categories

Expenditure Category	Rs. Bn
<b>Recurrent Expenditure</b>	<b>907</b>
Personal Emoluments	318
Travelling Expenses	14
Supplies	98
Maintenance Expenditure	6
Services	44
Transfers	401
Other Recurrent Expenditure	27
<b>Capital Expenditure</b>	<b>662</b>
Rehabilitation and Improvement of Capital Assets	35
Acquisition of Capital Assets	252
Capital Transfers	90
Acquisition of Financial Assets	31
Capacity Building	4
Other Capital Expenditure	249
<b>Debt Service Payment</b>	<b>1,030</b>
Interest Payment	441
Public Debt Repayments	589
<b>Total</b>	<b>2,599</b>

Source : Department of National Budget

Total provision of Rs. 2,599 billion excluding Advance Account Activities, were allocated among 208 expenditure heads which consisted of 22 Special Spending Units, 60 Ministries and 126 Departments. Head-wise expenditure disaggregated in terms of Programmes, Projects and Object Codes with source of financing were presented to Parliament in the printed Estimates along with the Budget Speech for 2014. The total provisions disaggregated among spending units under major expenditure categories are in Table 4.1.

### 4.3 Maximum Borrowing Limit of the Government

As stipulated under the clause 2 (1) b of the Act, the maximum amount of the borrowing limit amounted to Rs. 1,278 billion. which could be raised by the government as loans to finance the approved expenditure of the financial year 2014. The figures derived by deducting projected expenditure outlays from revenue and grants as explained in annex to the budget speech for 2014.

### 4.4 Amendments to the Appropriation Act No.36 of 2013

2014 Appropriation Act was amended on 25<sup>th</sup> November 2014 in order to facilitate the government priorities of development. Accordingly, the requirement of increasing Rs.95 billion has been considered by increasing the approved expenditure limit of Schedule 01 from Rs.1, 598 billion to Rs.1, 693 billion. The expenditure under special laws was increased from Rs. 1001 billion to Rs. 1,059 billion by Rs.58 billion, specially, meeting the cost of increased debt service. Subsequently the borrowing limits of the government were amended by Rs.200 billion from Rs. 1, 278 billion to Rs. 1, 478 billion. Accordingly, the Appropriation Act (Amendment) No. 47 of 2014 which includes the above changes was approved by Parliament.

In this regard, a part of the required provisions for revising the original estimates of spending heads have met by reallocating the provisions, which had not been utilized as expected during the period concerned, due to various practical reasons. Further to the above, revision of Special Laws from Rs. 1,058 billion to Rs. 1,073 billion has been done through authorizing 3 special warrants. These provisions have been reallocated to spending heads which were in need of additional funds to meeting the cost of government priorities.

## 4.5 Performance in 2014

The total expenditure recorded for 2014 was Rs. 2,602 billion<sup>1</sup>. Of which, Rs. 1,529 billion or 59 percent was for the expenditure authorized under Appropriation Act and the balance Rs. 1,073 billion or 41 percent was for the expenditure under special law services. However, the unutilized budgetary provision for 2014 was Rs. 165 billion or 6 percent of the total provision. Table 4.2 indicates summary of utilization of budgetary provisions comparing to the provisions in 2013.

Table 4.2 > Utilization of Budgetary Provisions  
2013-2014

Expenditure Category	Rs.Bn			
	2013		2014	
	Budget	Expenditure	Budget	Expenditure
Appropriation Act	1,387	1,257	1,693	1,529
Programme 1	749	712	921	843
Programme 2	638	545	772	686
Special Law Services	1,216	1,155	1,058	1,073
<b>Total</b>	<b>2,603</b>	<b>2,412</b>	<b>2,751</b>	<b>2,602</b>

Source : Department of National Budget

Distribution of total expenditure among the codes of financing source is as follows.

<sup>1</sup> Review of expenditure in this section is done in terms of Accounting Format of government expenditure.

Table 4.3 > Financing Source of Government  
Expenditure

Financing Code	Financing Source	Rs. Bn
11	Domestic Funds	1,270.8
12	Foreign Loans	222.6
13	Foreign Grants	8.9
14	Reimbursable Foreign Loans	2.5
15	Reimbursable Foreign Grants	0.1
16	Counterpart Funds	0.4
17	Foreign Finance Associated Local Costs	23.6
21	Special Laws	1,072.8
<b>Total</b>		<b>2,602</b>

Source : Department of National Budget

Out of the recorded total expenditure for 2014, the actual expenditure related to general services of the government, provided under first schedule of the Appropriation (Amendment) Act was Rs 1,529 billion and it has increased by Rs. 272 billion or 22 Percent in 2014 compared to 2013. This included both capital and recurrent expenditure namely, salaries and wages, welfare, operational expenses such as electricity, water, stationery fuel, diet, uniforms and the expenditure related to development programmes.

The actual expenditure, under Special Law Services was Rs. 1,073 billion. However, the total utilization of special law provision has decreased from by Rs. 82 billion or 7 percent in 2014 compared to Rs. 1,155 billion in 2013 mainly, due to measures taken to reduce the share of short term debt in total domestic debt.

Actual expenditure of the Advance Account activities was Rs. 16.6 billion against the maximum expenditure limit of Rs. 18.1 billion and the total receipt was Rs. 15.5 billion against the minimum receipt of Rs. 14.1 billion. Accordingly, the Advance Account activities were within the approved limits of Appropriation Act for 2014.

The progress of utilization of provisions, including details of transfers from the



Table 4.4 &gt; Summary of Provisions made Under Clause 6 of Appropriation Act

	Purpose as per the Printed Estimates	Rs. Mn
1	Provisions for payment of salary increases proposed in the budget speech, ratification of salary anomalies, new recruitments and other related payments	20,280
2	Provisions for implementation of budget proposals	3,788
3	Provision for purchase of vehicles to Ministries, Departments, Special Spending Agencies as separate provisions are not included under those agencies to purchase passenger vehicles	1,771
4	Provisions for expenditure required for restructuring of public enterprises and to meet contingent liabilities of failed public enterprises	712
5	Provision to meet any short-fall in capital expenditure of development projects funded through external financing and related counterpart -funding requirement inclusive of payment of taxes and duties	7,410
6	Provision to meet any commitment arising from any agreement to which the government is a party and to meet obligations under Government guarantees	1,812
7	Contingency provisions for security related and or natural disaster related risks	22,228
8	Provisions to meet additional expenditure and liabilities arising from changes underlying assumptions based in the preparation of budget estimates	29,812
<b>Total</b>		<b>87,813</b>

Source : Department of National Budget

Supplementary Support Services and transfers made within the financial regulations, is in Table 4.34. It consists of Ministry-wise total revised provisions, actual expenditure and the unutilized provisions at the end of the year. Unutilized provision was recorded as Rs. 165 billion and it is a 13 percent reduction compared to Rs. 191 billion in 2013.

## 4.6 Public Expenditure Management

### 4.6.1 Transfer of Funds

Treasury has granted approval to reallocate or transfer of unutilized provisions within the total expenditure limit approved by Parliament under procedures specified in financial regulations and the printed estimates. In this process, transfers or reallocation of budgetary provisions allocated for recurrent expenditure, which has not been utilized or not likely to be utilized, to recurrent or capital expenditure within the same programme; or to recurrent expenditure or capital expenditure in any other programme within the same head of expenditure have been allowed. Similarly, capital expenditure, which has not been utilized or not likely to be utilized to capital expenditure within the same programme has been considered.

### 4.6.2 Supplementary Support Services

As a tool of providing necessary funds for the unforeseen urgent requirements, the Treasury implemented the Supplementary Support Services and Contingent Liabilities Project in 2014. The total provision of this project in 2014 was Rs. 90.2 billion, including the provision for implementation of budget proposals, and of which Rs. 87.8 billion has been reallocated to relevant spending agencies as supplementary allocations on the basis of need assessments undertaken by the Department of National Budget. All supplementary allocations have been provided in line with specified guidelines spelt out in the printed Estimates for 2014.

A summary of the supplementary allocations granted under the specific purposes stated in the printed estimates are given in Table 4.4 and for reporting on additional allocations to Parliament, as per the Fiscal Management (Responsibility) Act No. 3 of 2003, the details of head-wise Supplementary Support allocations are in Table 4.35. Finally, actual utilization is reported under the relevant object code in printed Estimates for the following year.

Table 4.5 &gt; Vehicles Purchased under Leasing Arrangement from 2011-2014

Category of Vehicle	2011	2012	2013	2014	Total
Vans	149	250	-	200	599
Motor Cars	487	625	148	450	1,710
Double Cabs	562	1,148	-	1,000	2,710
Jeeps	-	27	-	15	42
Ambulances	-	250	-	-	250
30 seater Buses	-	-	30	-	30
<b>Total</b>	<b>1,198</b>	<b>2,300</b>	<b>178</b>	<b>1,665</b>	<b>5,341</b>

Source: Department of National Budget

### 4.6.3 Procurement of Vehicles to the Public Sector

The government was able to manage the expenditure for purchasing vehicles for the use of government agencies by the Department of National Budget by continuing the method applied during past few years from 2011. The financial leasing method was applied as a part of cash flow management as the cost of vehicles could be distributed over a 05 year period in equal monthly installment and at the end the vehicle becomes an asset of the concerned agency. Out of the total leasing cost, Rs. 2,300 million incurred in 2014 and a total of Rs. 5,860 million has been paid during the period of 2011- 2014.

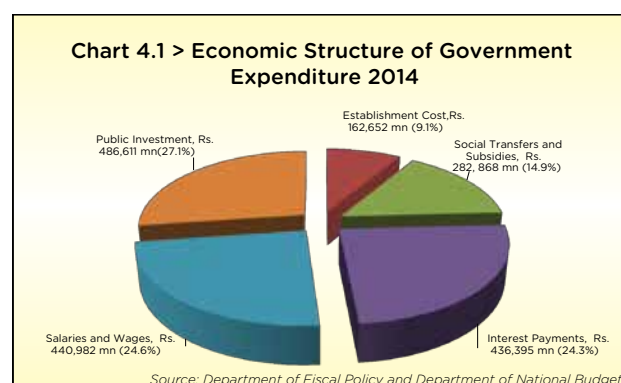
The purchased vehicles have been distributed among government agencies on the basis of a need assessment conducted by the Department of National Budget in consultation with relevant agencies.

### 4.7 Structure of Government Expenditure

The annual expenditure provisions are made in following broad areas of development.

- Enhancing the public expenditure in support of urban and rural infrastructure, roads, railways, expressways, water supply and irrigation.
- Strengthening development programmes in health and education sectors, welfare

programmes with specific focus on most needy groups of the society such as children, elderly, disabled and low income families in order to provide continuous social security.



- Sustaining the public expenditure in support of relocation of people and restoration of public assets, and security in Northern and Eastern Provinces by investing in necessary infrastructure facilities such as housing, restoration of rail transport, hospitals, schools, and other common amenities.

*Salaries and Wages* –The Government spending on salaries and wages for public servants, including those in the provincial councils and security services in 2014 increased by Rs. 47.8 billion to Rs. 441 billion from Rs.393.2 billion in 2013. This is an increase of 12.1 per cent and represented 24.6 per cent of the total recurrent expenditure of 2014. This significant

growth reflects the full impact of the increase of the special allowance from 15 percent to 20 per cent of monthly basic salary with a maximum increase of Rs. 2,500 per month paid to public servants in 2013, the increase of cost of living allowance by Rs. 1,200 per month with effect from January 2014, payment of a monthly interim allowance of Rs. 3,000 to all public officers in November and December 2014 according to a budget proposal 2015 and the recruitment of graduate trainees to the public service through development officers service minute. Public sector total salary bill has expanded as follows;

*Establishment Cost*- The establishment cost of the government in 2014 was Rs. 162.6 billion and shares 9.1 per cent of the total recurrent expenditure. This includes all costs associated with utilities and services such as fuel, electricity, transport, travelling, maintenance of vehicles and machinery, building rent and other contractual services. This was an increase of 36.2 per cent over the 2013 spending of Rs. 119.4 billion.

*Transfers and Subsidies* - The total expenditure on welfare and subsidy programmes of the government in 2014 was Rs. 282.9 billion with a significant increase of 13.8 per cent over the corresponding spending of Rs. 248.5 billion in 2013. This accounts for 14.9 per cent of the total recurrent expenditure and comprises of the subsidies provided by the Government for the provision of basic requirements like education, health, agriculture, transport

and social protection schemes which are especially planned targeting selected groups of the society such as infants, lactating mothers, elders, disabled people, farmers, and members of low income households of highly vulnerable segments of the population. Government spent Rs. 15,042 million in 2014 for the provision of Samurdhi cash grants, addressing the needs of the poorest families of the society. The expenditure for the nutritional food packages given to infants and expectant mothers under the School Nutritional Programme, Thripasha Programme and Fresh Milk Programme for School Children was Rs. 5,644 million. The public spending on free medical supplies for government hospitals in 2014 grew considerably by 27.6 per cent to Rs. 34,805 million, compared with Rs. 27,269 million incurred in 2013.

*Social Security* - In 2014, the total cost on pensions increased by 3 percent to Rs. 127 billion. The partial impact of 12,530 retirees in 2014, the full impact of 14,590 retirees in 2013 and the increase in Cost of Living Allowance for all government pensioners by Rs.350 per month from January 2014 and Rs. 500 per month for the retirees who retired prior to 2006 contributed to the growth in pension payments. The total number of pensioners increased from 521,699 in 2013 to 546,379 in 2014. The Government expenditure on social security assistance for injured and deceased security personnel numbering at 40,249 was Rs. 18,244 million in 2014 with a rise of 13 per cent from Rs. 16,152 million in the previous

Table 4.6 &gt; Salary Expenditure of the Government

Sector	2005			2013			2014		
	National	Provincial	Total	National	Provincial	Total	National	Provincial	Total
Education	7,504	23,292	30,796	27,303	57,079	84,282	33,618	71,765	105,383
Health	11,835	8,516	20,351	38,391	22,612	61,003	42,316	28,012	70,328
Public Service	25,611	12,812	38,423	52,677	20,294	72,971	57,650	22,012	79,662
National Security	49,033	-	49,033	174,972	-	174,972	185,609	-	185,609
<b>Total</b>	<b>93,983</b>	<b>44,620</b>	<b>138,603</b>	<b>293,243</b>	<b>99,985</b>	<b>393,228</b>	<b>319,193</b>	<b>121,789</b>	<b>440,982</b>

Source: Department of National Budget

Table 4.7 &gt; Increase of Salaries and Pensions for Public Sector Employees

Implementation time line	Circular Number	Increase in Personal Emoluments	Pension Increase
January 2006	06/2006	Minimum monthly salary of Karyala Karya Sahayaka (KKS) was increased from Rs.7,900/- to Rs.11,730/- Salary ratio between KKS to Secretary to the Ministry was 1:4.05	Pensions brought to the 1997 salary scale of those retired prior to 1997
	01/2006(I)	Introducing Cost of Living Allowance (COLA) of Rs.1,000/- per month	COLA of Rs.500/- was introduced
July 2006	Dec-06	COLA increased to Rs.1,375/- Minimum Emoluments- Rs. 13,105/-	COLA increased to Rs.687/50
January 2007	Feb-07	COLA increased to Rs.1,750/- Minimum Emoluments-Rs. 13,480/-	COLA increased to Rs.875/-
July 2007	17/2007	COLA increased to Rs.2,125/- Minimum Emoluments- Rs. 13,855/-	COLA increased to Rs.1,062/50
January 2008	Feb-08	COLA increased to Rs.2,500/- Minimum Emoluments- Rs. 14,230/-	COLA increased to Rs.1,437/50
July 2008	15/2008	COLA increased to Rs.3,500/- Minimum Emoluments- Rs. 15,230/-	
January 2009	15/2008	COLA increased to Rs.4,500/- Minimum Emoluments- Rs. 16,230/-	COLA increased to Rs.2,000/-
November 2009	21/2009	COLA increased to Rs.5,250/- Minimum Emoluments-Rs. 16,980/-	COLA increased to Rs.2,375/-
January 2011	28/2010	The Special allowance of 5% was introduced and COLA was increased to Rs.5,850/- Minimum Emoluments - Rs.18,167/-	Pensioners who retired prior to 2006 were paid Rs.750/- per month COLA increased to Rs.2,675/-
January 2012	31/2011	The Special allowance increased to 15% Minimum Emoluments- Rs. 19,340/-	The payment to pensioners who retired prior to 2006 was increased to Rs.1,750/-
January 2013	18/2012	The Special allowance increased up to 20 percent (by 5%).subject to minimum of Rs.1,500 and maximum Rs. 2,500. COLA increased to Rs. 6,600/- Minimum Emoluments- Rs. 20,840/-	The monthly allowance paid to pensioners who retired prior to 2006 was increased from Rs.1,750/- to Rs. 2,500. COLA increased to Rs. 3,175/-
January 2014	37/2013 31/2013	COLA increased to Rs. 7,800/- Minimum Emoluments- Rs. 22,040/-	COLA to pensioners who retired prior to 2006 was increased to Rs. 3,675/- and those who retired on or after 01.01.2006 was increased to Rs. 3,525/-
November 2014	24/2014	An interim allowance of Rs.3,000	An interim allowance of Rs.2,500
February 2015	05/2015	An interim allowance of Rs.5,000	An interim allowance of Rs.1,000 with effect from April 2015
June 2015	05/2015	An interim allowance of Rs.2,000	

Source: Department of National Budget

year. The expenditure on “Ranaviru Mapiya Rekawarana Allowance”, the Social Security Scheme introduced in 2013 to provide welfare support for parents of the employees of security forces, reached Rs. 2,529.7 million in 2014. The payment of a monthly allowance of Rs. 5,000 for those who lost their jobs due to the participation of an island wide protest

strike in July 1980 cost Rs. 158.2 million in 2014. The government contribution for the Farmers’ Pension and Social Security Benefit Scheme in 2014 was Rs. 2,129.6 million.

*Social Welfare* – The government’s commitment for the welfare of the school children is evident by the cost incurred for the implementation of welfare programmes in the

Table 4.8 &gt; Expenditure on Social Welfare, 2014

Area	2005	2009	2010	2011	2012	2013	2014	No of Beneficiaries in 2014
<b>1. Welfare Payments</b>	<b>75,063</b>	<b>139,702</b>	<b>144,549</b>	<b>158,008</b>	<b>170,428</b>	<b>201,471</b>	<b>222,522</b>	
<b>(a) Health &amp; Nutrition</b>	<b>7,747</b>	<b>13,978</b>	<b>14,980</b>	<b>18,568</b>	<b>18,439</b>	<b>29,098</b>	<b>37,079</b>	
Fresh Milk for Children	143	168	178	249	205	230	197	316,791
Medical Supplies for Govt. Hospitals	7,100	12,149	13,544	16,623	16,796	27,269	34,805	
Thriplosa Programme	504	1,156	870	1,336	1,189	1,396	1,798	978,354
Poshana Malla	-	505	388	360	249	203	278.8	73,996
<b>(b) Education</b>	<b>2,866</b>	<b>7,413</b>	<b>7,096</b>	<b>8,288</b>	<b>8,694</b>	<b>9,365</b>	<b>12,932</b>	
Free Text Books	1,080	2,196	1,941	2,294	2,400	2,329	2,700	4,076,813
School Uniforms	1,060	1,260	949	1,364	1,600	1,739	3,574	4,423,202
School Season Tickets	261	1,384	1,369	1,359	1,233	1,430	1,695	327,099
Handicapped Students	40	19	20	18	17	123	138	5,954
Scholarships	157	184	225	283	240	268	300	122,309
School Nutrition Programme and Food Programme	166	2,251	2,474	2,631	2,850	3,076	3,725	890,404
A Pair of shoes for students in remote areas	-	-	-	-	-	0.05	270	700,000
Uniforms Dhamma School Teachers	-	-	-	98	55	94	183.5	149,218
Library Allowance for Dhamma School Teachers	-	-	-	160	182	192	217	122,084
Text Book for Dhamma School Students	80	108	106	43	73	71	73	2,423,434
Vocational/Technical Training -Stipend, Bursaries & Season Tickets	22	11	12	38	44	43	56	13,184
<b>(c) Social Welfare</b>	<b>63,562</b>	<b>117,669</b>	<b>119,821</b>	<b>128,863</b>	<b>141,062</b>	<b>160,626</b>	<b>167,692</b>	
Pension	46,547	86,107	91,995	99,961	111,682	123,294	127,049	546,379
Samurdhi Relief & Kerosene Stamp	9,103	9,274	9,241	9,043	10,553	15,256	15,042	1,480,151
Assistance to Disabled Soldiers	4,747	9,796	10,498	13,316	14,779	16,152	18,244	40,249
Financial support for elders	-	-	-	-	554	2,045	2,655	220,833
National Programmes for Elders	17	48	53	62	56	71	81	122,900
Assistance to Internally Displaced Persons	1,592	2,860	1,016	199	54	32	27.85	
WFP Food Assistance	1,258	8,736	6,638	5,048	2,447	1,189	790	371,000
Flood & Drought Relief	276	738	265	649	153	148	521	
Assistance for Disable Persons	10	74	76	394	403	513	479	16,550
Secretariat for Persons with Disabilities	12	17	19	29	32	55	48	3,000
Poshana Manpetha	-	19	20	18	17	19	21	8,045
Allowance for July Strikers	-	-	-	-	-	44	158	1,771
Third Child Allowance for Defense Personnel	-	-	-	144	313	458	46	467
Ranawiru Mapiya Rakawarana	-	-	-	-	19	1,350	2,530	251,770
<b>(d) Other Welfare</b>	<b>888</b>	<b>642</b>	<b>2,652</b>	<b>2,289</b>	<b>2,233</b>	<b>2,382</b>	<b>4,820</b>	
Water for Religious Places & Schools	45	144	42	46	49	47	49.6	

Table 4.8 &gt; Expenditure on Social Welfare, 2014 ( Continued.....)

Area	2005	2009	2010	2011	2012	2013	2014	No of Beneficiaries in 2014
Street Lighting	743	204	360	123	-	-	-	
Transport Subsidy to SLTB for uneconomical routes (Sisusariya, Gamisariya and Nisisariya)	100	294	2,250	2,120	2,184	2,335	4,770	
<b>2. Development Subsidies</b>	<b>13,918</b>	<b>42,319</b>	<b>36,320</b>	<b>44,723</b>	<b>52,088</b>	<b>38,540</b>	<b>55,351</b>	
<b>(a) Subsidies for Agriculture</b>	<b>6,892</b>	<b>28,343</b>	<b>25,516</b>	<b>32,181</b>	<b>38,288</b>	<b>21,777</b>	<b>32,264</b>	
Fertilizer Subsidy*	6,846	26,935	23,028	29,802	36,456	19,706	31,858	1,479,840
Interest Subsidy for Agricultural Loans	46	348	683	750	172	282	178	
Paddy Purchasing		1,060	1,805	1,629	1,440	1,789	228	
<b>(b) Subsidy for Commercial Crops Development</b>	<b>485</b>	<b>854</b>	<b>1,033</b>	<b>1,196</b>	<b>1,181</b>	<b>1,518</b>	<b>1,873</b>	
Tea	183	210	190	171	182	272	331	21,153
Rubber	115	199	370	484	435	587	763	29,800
Coconut	124	236	269	293	353	403.3	485	1,855,347
Cashew	18	34	24	28	27	48.6	39.5	4,000
Minor Crops -(Cinnamon, Cocoa, Coffee, pepper etc.)	45	175	180	220	184	206.6	254	40,000
<b>3. Operational Losses</b>	<b>6,541</b>	<b>13,122</b>	<b>9,771</b>	<b>11,346</b>	<b>12,619</b>	<b>15,245</b>	<b>21,215</b>	
Sri Lanka Railways	3,554	4,988	3,173	4,060	3,797	5,163	11,034	
Sri Lanka Postal	1,653	2,565	2,761	3,341	3,306	2,858	2,984	
Sri Lanka Transport Board	1,334	5,557	3,828	3,939	5,516	6,734	6,351	
JEDB, Sri Lanka State Plantation Corporation and Elkaduwa Plantation						312	740.5	
National Paper Company						9	58	
Lanka Salusala Ltd						38	36.3	
Kanthale Sugar Industries		12	9	6		25	11	
Other						106		

Source: Department of National Budget

Table 4.9 &gt; Funds Transferred from Central Government to Provincial Councils

Year	Recurrent (BG)	Capital		Revenue Sharing Arrangement	Total Transfers to PCs	Total Expenditure by PCs
		Domestic Funds	Foreign Loans			
2009	77,875	15,280	9,042		102,197	128,605
2010	85,443	16,979	11,621		114,043	133,761
2011	94,764	16,273	11,344	25,884	148,265	157,921
2012	91,892	10,109	10,107	27,624	139,732	156,209
2013	108,801	10,396	16,396	27,677	163,270	173,648
2014	126,144	13,596	14,964	27,765	182,469	192,654

Source: Department of National Budget, Department of Treasury Operations

education sector including School Nutritional Food Programme, Fresh Milk Programme for School Children, provision of free school text

books, free school uniforms and bursaries and scholarships (grade 5) at a total spending of Rs. 12,932 million in 2014. The expenditure for



Table 4.10 &gt; Government Expenditure

Item	Rs.Mn					
	2009	2010	2011	2012	2013	2014 (Prov)
<b>1. Current Expenditure</b>	<b>879,575</b>	<b>937,103</b>	<b>1,024,906</b>	<b>1,131,023</b>	<b>1,205,180</b>	<b>1,322,898</b>
<b>Salaries and wages</b>	<b>271,229</b>	<b>300,558</b>	<b>319,601</b>	<b>347,747</b>	<b>393,228</b>	<b>440,982</b>
<b>Central Government</b>	<b>71,859</b>	<b>75,817</b>	<b>83,072</b>	<b>95,965</b>	<b>118,271</b>	<b>133,584</b>
Education	12,602	13,429	14,614	15,812	27,203	33,618
Health	22,531	24,323	27,766	32,104	38,391	42,316
Other	36,726	38,065	40,692	48,049	52,677	57,650
<b>Provincial Councils*</b>	<b>74,634</b>	<b>81,887</b>	<b>90,818</b>	<b>88,217</b>	<b>99,985</b>	<b>121,789</b>
Education	38,959	44,526	51,948	51,982	57,079	71,765
Health	14,244	17,684	20,071	20,113	22,612	28,012
Other	21,431	19,677	18,799	16,122	20,294	22,012
<b>Defense</b>	<b>94,189</b>	<b>110,335</b>	<b>112,703</b>	<b>126,950</b>	<b>137,459</b>	<b>141,138</b>
<b>Police and Public Security</b>	<b>30,547</b>	<b>32,519</b>	<b>33,008</b>	<b>36,615</b>	<b>37,513</b>	<b>44,471</b>
<b>Establishment cost</b>	<b>108,502</b>	<b>87,728</b>	<b>132,004</b>	<b>140,087</b>	<b>119,396</b>	<b>162,652</b>
<b>Central Government</b>	<b>42,970</b>	<b>38,618</b>	<b>71,741</b>	<b>92,740</b>	<b>69,258</b>	<b>85,572</b>
Education	4,652	4,834	5,794	6,102	8,151	10,235
Health	18,268	19,920	24,192	24,565	37,976	44,523
Other	20,050	13,864	41,755	62,073	23,131	30,814
<b>Defense</b>	<b>50,695</b>	<b>33,471</b>	<b>43,400</b>	<b>32,631</b>	<b>33,880</b>	<b>51,463</b>
<b>Police and Public Security</b>	<b>11,727</b>	<b>12,527</b>	<b>13,079</b>	<b>11,040</b>	<b>7,399</b>	<b>21,200</b>
<b>Provincial Councils*</b>	<b>3,110</b>	<b>3,112</b>	<b>3,784</b>	<b>3,676</b>	<b>8,859</b>	<b>4,417</b>
<b>Social Transfers</b>	<b>111,985</b>	<b>116,388</b>	<b>128,215</b>	<b>139,668</b>	<b>154,701</b>	<b>160,335</b>
Pensions	85,139	90,995	99,961	111,682	123,293	127,049
Samurdhi	9,267	9,241	9,043	10,553	15,256	15,042
Payments to Disabled Soldiers	9,796	8,498	13,316	14,779	16,152	18,244
Refugee Assistance	7,783	7,654	5,895	2,654	-	-
<b>Subsidies and contributions to institutions</b>	<b>64,057</b>	<b>63,908</b>	<b>75,387</b>	<b>83,206</b>	<b>79,994</b>	<b>101,148</b>
Transfers to Institutions	27,049	28,817	32,164	34,979	39,407	46,577
Fertilizer Subsidy	26,935	26,028	29,802	36,456	19,706	31,858
School Text Books	2,196	1,941	2,294	2,055	2,330	2,700
School Uniforms	1,260	949	1,364	2,218	2,300	3,574
School Nutrition Programme	2,251	2,275	2,631	2,790	3,077	3,725
Thripasha programme	1,155	865	1,336	1,189	1,396	1,787
Street Lighting	204	360	123	-	-	-
Fuel Subsidy for Ceylon Petroleum Corporation	900	-	-	-	-	-
Other	2,107	2,673	5,673	3,519	11,778	10,926
<b>Transfers to SOEs</b>	<b>14,126</b>	<b>15,929</b>	<b>12,999</b>	<b>11,817</b>	<b>13,854</b>	<b>21,387</b>
Department of Railways	4,768	3,173	4,060	3,795	5,161	11,034
Department of Post	2,562	2,783	3,336	3,305	2,859	2,983
Sri Lanka Transport Board	4,203	3,828	3,939	3,983	5,099	7,370
Other	2,593	6,145	1,664	734	735	-
<b>Interest Payments **</b>	<b>309,676</b>	<b>352,592</b>	<b>356,699</b>	<b>408,498</b>	<b>444,007</b>	<b>436,395</b>
<b>2. Public Investment</b>	<b>330,448</b>	<b>356,519</b>	<b>422,300</b>	<b>443,973</b>	<b>481,203</b>	<b>486,611</b>
Education	18,092	19,053	22,326	28,930	31,982	50,363
Health	12,664	13,329	14,794	17,155	19,920	22,252



Table 4.10 &gt; Government Expenditure ( Continued.....)

Item	Rs.Mn					
	2009	2010	2011	2012	2013	2014 (Prov)
Police and Public Security	1,409	1,298	3,816	945	1,173	3,338
Civil Administration	18,686	20,212	28,668	26,565	31,631	40,282
Housing and Common Amenities	5,291	5,489	7,105	7,823	8,014	20,569
Community Services	17,891	18,334	19,141	17,267	17,727	19,154
Agriculture and Irrigation	22,105	24,865	28,617	30,351	36,721	57,099
Energy and Water Supply	59,983	66,569	83,186	85,598	87,517	51,314
Transport and Communication	139,104	165,505	190,026	204,539	210,398	177,471
Other	35,223	21,865	24,621	24,800	36,120	44,769
<i>Of which</i>						
<b>Capital Transfers</b>	<b>133,826</b>	<b>143,599</b>	<b>160,374</b>	<b>202,732</b>	<b>201,768</b>	<b>207,551</b>
Road Development Authority	77,077	84,830	92,245	138,984	130,835	132,150
National Water Supply and Drainage Board	20,188	19,036	29,179	31,448	25,889	26,397
Sri Lanka Transport Board	1,059	849	1,243	579	1,238	1,877
Sub National Governments	23,780	24,101	27,619	25,266	29,692	31,547
Other	11,722	14,782	10,087	6,455	14,114	15,580
<b>Lending to Public Enterprises</b>	<b>53,032</b>	<b>54,432</b>	<b>44,488</b>	<b>43,891</b>	<b>26,902</b>	<b>26,756</b>
Ceylon Electricity Board	14,180	22,397	22,372	32,003	20,108	15,521
Sri Lanka Ports Authority	25,373	27,128	13,144	11,502	953	771
Other	13,479	4,907	8,972	386	5,841	10,464
<b>3. Loan Repayments by Public Enterprises</b>	<b>(11,978)</b>	<b>(15,535)</b>	<b>(14,878)</b>	<b>(16,409)</b>	<b>(15,969)</b>	<b>(14,892)</b>
<b>4. Restructuring Expenditure+ Net Lending through Advance Accounts</b>	<b>3,882</b>	<b>2,128</b>	<b>854</b>	<b>(2,088)</b>	<b>(1,019)</b>	<b>1,249</b>
<b>5. Total Expenditure</b>	<b>1,201,927</b>	<b>1,280,215</b>	<b>1,433,182</b>	<b>1,556,499</b>	<b>1,669,395</b>	<b>1,795,627</b>

Sources: Department of National Budget and Department of State Accounts

\* Provincial Councils are provided with a block grant to cover their current expenditures.

Out of that, over 80% is used for health and education expenditures of the Provincial Councils

\*\*Interest paid in respect of the ongoing public investment projects amounting to Rs.18.9 bn and Rs.7.2 bn have been capitalized in 2013 &amp; 2014 respectively as per the State Account Circular No. 230/2013 of 29/11/2013

the provision of a pair of shoes for students in difficult and very difficult schools was Rs. 270 million in 2014.

*Development Subsidies* - The expenditure on fertilizer subsidy in 2014 was Rs. 31,858 million and the government spending on total subsidies in the areas such as paddy purchasing, seed production, fisheries, plantation, and other areas was to Rs. 36,573.5 million.

*Subsidized Services* - The cost incurred in covering operational losses of public corporations including transport sector i.e. for the Department of Railways and Sri Lanka

Transport Board, subsidized postal services, under-performing institutes such as Janatha Estate Development Board, Sri Lanka State Plantation Corporation, is Rs. 22.8 billion.

*Devolved Administration* - In accordance with the thirteenth amendment to the constitution of the Democratic Socialist Republic of Sri Lanka, the Government shall, on the recommendation of and in consultation with, the Finance Commission, transfers funds to Provincial councils for recurrent and capital expenditure from the Annual Budget ensuring that, such funds are adequate for the purpose of meeting the needs of the provinces.

The sum of Rs. 126,143 million was transferred to the Provincial Councils for the recurrent expenditure and Rs. 31,488 million was for the capital expenditure from the national budget in year 2014. The highest percentage of the recurrent expenditure which is 70 per cent, represented by the salaries and wages of the Health and Education sectors. This is mainly due to the strengthening of the human resource attached to the provincial councils which is aimed to minimize the provincial disparities and improve the quality of service delivered at regional and rural levels.

*Interest Payment-* The government spent Rs. 436.4 billion on interest payments on domestic and foreign debt in 2014. This is a slight decline of 1.7 per cent over Rs. 444 billion of previous year. The decrease is due to relatively low domestic market interest rate regime prevailed throughout the year. The cost of interest payments on domestic debt was Rs. 328 billion and this is a decrease of 4.3 percent over Rs. 343 billion of 2013. This is mainly due to low market interest rates and also due to the measures taken to reduce the share of short term debt in total domestic debt. Interest payments in foreign debt increased by 7.4 percent to Rs. 108.5 billion in 2014 compared to Rs. 101 billion in 2013.

*Public Investment-* Public investments of the government in 2014 slightly increased by 1.1 per cent to Rs. 486.6 billion from Rs. 481.2 billion of investments in 2013. This accounts for

27.1 per cent of the total expenses. However, government was able to keep public investments at 5.0 percent of GDP in 2014 with a slight decrease from recorded 5.5 per cent in the preceding year. Public investments were more focused on the implementation of economic and social infrastructure development projects that have been initiated and continued for the expansion of urban and rural infrastructure including roads, bridges, ports, energy, railways, expressways, water supply and irrigation, while accelerating the social development projects and programmes in health and education sectors during the year. Government has been able to keep public investments around 5.0 per cent of GDP since 2006.

## 4.8 Human Resource Development

### 4.8.1 Investments in Health

With the prime objective of creating a healthier nation, the government continuously increased investment in the health sector for delivery of free health care services. Higher

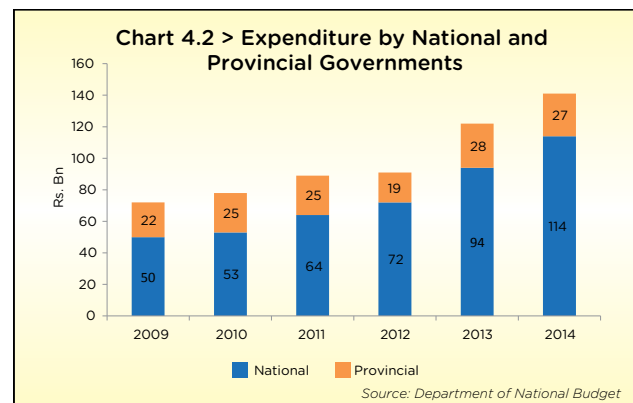


Table: 4.11 > Major Capital Investment in Curative Healthcare Services - 2009-2014

Investment Area	2009	2010	2011	2012	2013	2014
Hospital Development Projects	1,757	3,920	3,194	7,775	8,117	11,431
Hospital Rehabilitation & Construction	1,627	1,633	2,051	1,828	2,754	3,403
Medical Equipment & Machinery	1,683	1,338	2,306	1,969	3,880	3,208
Beds & Furniture	80	88	119	114	127	200
Ambulances & Utility Vehicles for Hospitals	195	2	20	69	250	5
<b>Total</b>	<b>5,342</b>	<b>6,981</b>	<b>7,690</b>	<b>11,755</b>	<b>15,128</b>	<b>18,247</b>

Source: Department of National Budget and Department of State Accounts

Note: Includes only Central Government Expenditure

Table 4.12 &gt; Key Development Projects in the Health Sector

## a. Completed during 2009 - 2012

Project	Out put	Total Cost (Rs. Mn)
Improvement of Central Functions at Teaching Hospital Jaffna	Operation Theatre Complex, Central Supply and Sterilizing Department, ICUs, Central Laboratory Complex	3,551
Improvement of Anuradhapura Teaching Hospital	OPD Clinics, Obstetrics & Gynecology Operation Department, Pediatric Division, ICU, Surgical Dept., Neonatal/Pediatric ICU	2,326
Improving Efficiency of Operation Theatres & Provision of Oxygen Concentrators to Tsunami Affected and Remote Area	Provision of four Oxygen Concentrators Jaffna, Point Pedro, Mannar and Vavuniya Hospitals and generator sets to hospitals in Jaffna and two Cardiac Catheterization Angiography Systems and one multisite CT Scanner for Jaffna Teaching Hospital	2,053
Supply of Medical Equipment for the TH Kurunegala & Other Essential Hospitals in Sri Lanka	Supply of Essential Medical Equipment	1,203
Construction of Sirimavo Bandaranayake Children's Hospital - Stage 1 & II	09 storied building with all modern facilities to treat children. Capacity increased ( OPD patient- 450, Clinical patients- 500)	629
Development of Health Facilities in Colombo National Hospital- Establishment of Neuro Trauma Unit Project	09 storied building with all modern equipment for neuro trauma	468
Korea - Sri Lanka Friendship Hospital at Godagama construction of a Pediatric Ward	Pediatric ward, Drug Store, water Supply tank, Sewerage treatment plant, Maternity treatment complex with 04 wards	345
Theater Complex at Kandy Teaching Hospital	08 Theaters, Endoscopy examination unit, etc.	255
Supply of Two Cardiac Catheterization Systems and Two Echo Cardiography machines for Cardiology Unit at NSSL	Two Cardiac Catheterization Systems and Two Echo Cardiography Machines	428
Establishment of 150-Beded DGH at Dikoya-Hatton	150 Bedded Hospital and a Training Center	1,402
Reconstruction of Hospitals in Kilinochchi & Mullaitivu Districts	Modified Hospitals in Kilinochchi & Mullaitivu Districts	498
Construction of OPD Ward Complex at Monaragala Hospital	(Square feet 50,000) 04 Storied 208 bedded Hospital Building including Emergency Treatment Unit, ICU, Male and Female Medical Wards, 02 Pediatric Wards.	365

Source: Ministry of Health, Department of National Budget

public investment in health resulted significant improvements of infrastructure facilities and human resource development which facilitated achievement of higher healthcare indicators. Sri Lanka is ranked 73 among 187 Countries in the Human Development Index (HDI).

National Health Development Plan 2013-2017 continued in 2014 streamlining all health sector related activities in a more rational manner by providing policy and strategic framework for the development of an innovative health care system.

The total investment in health sector was Rs. 138 billion, which was a remarkable increase of 19 percent over 2013. The recurrent expenditure in 2014 was Rs 111.5 billion which is 81 percent of the total expenditure and 47 percent of the recurrent expenditure was incurred on personal emoluments such as salaries & wages, overtime, allowances of health care staff. These enhanced investments resulted in increased per capita health expenditure from Rs. 5,642 in 2013 to Rs. 6,866 in 2014.

**(b) Major Ongoing Projects (2011-2014)**

Project	Out put	Duration	Total Estimated Cost	(Rs.Mn) Expenditure 2014
Development of District General Hospitals at Hambantota and Nuwara- Eliya	9 storied building for Hambanthota GH & 4 Storied building for Nuwara Eliya GH with Medical Equipment and furniture	2011-2013	15,484	2,805
Helmut Kohl Maternity Hospital, Karapitiya	850-Beded Maternity hospital with Modern facilities	2011-2015	4,053	52
Epilepsy unit at National Hospital Colombo	06 storied ward complex for epilepsy treatment	2008-2013	2,918	803
Upgrading of National Blood Transfusion Service (NBTS) of Sri Lanka with State of Art Technology giving Special Emphasis on North & East hospitals	Improved in fracture facilities and equipment for 14 hospitals.	2013-2015	4,518	2,510
Construction of State of the Art Cancer ward complex at National Institute of Cancer, Maharagama	7 Storied wards complex for cancer treatment	2011-2015	1,250	335
Development of Thousand Hospitals	Improved facilities in 100 Provincial hospitals	2012-2014	1,000	114
Construction & Upgrading of peripheral blood banks coming under the National Blood Transfusion Service (NBTS) of Ministry of Health	19 Level III Blood Bank and provision of equipment for 85 blood banks, improved infrastructure facilities of cluster.	2013-2015	3,750	1,401
Development of Dental Institute Colombo	10 storied building complex	2009-2014	733	132
Development of DGH Polonnaruwa	03wards, Theater and ICU, 03 quarters, New Blood banks and lab facilities	2011-2013	650	119
Expansion of Production Capacity at State Pharmaceuticals Manufacturing Corporation (SPMC).	Increase the capacity of SPMC Up to 4,000 mn. units	2010-2014	3,390	110
Provision of High Quality Radiotherapy for Cancer patients in Sri Lanka with High Energy Radiation	14 Nos of Linear Accelerators, Dosimetry and accessories including bunkers at selected 10 Hospitals (including National Cancer Hospitals)	2013-2014	7,014	520
Health Sector Development Programme	Healthy Life Style Centres, MCH, Emergency Treatment Centres, Health Information Systems	2013-2017	25,000	2,000

Source: Ministry of Health and Department of National Budget

**Curative Healthcare**

With the rapid ageing of the population and the increase in prevalence of non-communicable diseases demands the volume and efficient health care services. During the year 2014, Rs 19.2 billion of capital investment has been made for curative health services.

Priority was given to complete large scale projects in the view of easing the

overcrowding at National Hospital and Teaching Hospitals. Bio Medical equipment and Radio Therapy equipment provided to hospitals throughout the country to facilitate needy people with state of the art health facilities free of charge.

Recurrent expenditure on essential requirements such as diets, laundry, electricity and water are considerably increased. Medical

(c) Initiated for 2014-2016 Medium Term		
Project/Programme	Expected Out put	(Rs. Mn) Total Estimated Cost (Rs. Mn)
Development of DH Beliatta as a specialized Maternal and Children Hospital	Fully-fledged Maternal and Child Care Hospital	4,922
Provision of Bio Medical equipment	X- ray and X- ray related equipment such as MRI, CT,UT scanners, CR systems	5,000
Construction of National Stroke Centre at BH Mulleriyawa	04 Storied building with 02 wards ( 44 beds each.) , Stroke ICU, CT room and ETU	543
Construction and Upgrading of Peripheral Blood Banks	Infrastructure facilities of cluster centers, 20 Level III Blood banks. Supply equipment and mobile vehicles and freezer trucks for 80 blood banks.	560
Establishment of Cardiology and Cardiothoracic Unit at National Hospital Sri Lanka	Fully equipped and dedicated heart center and thirteen storied building complex with paying ward facilities	17,160
Enhance Maternal and Child care facilities at TH Ragama	Maternity ward complex	4,000
Development of Kalubowila, Ragama and Colombo National Hospitals	OPD building at NHSL and building complexes in other two hospitals	14,950
Modernization of Children's' Hospitals as centers of excellence	Fully equipped building complexes	2,000
Establishment of Clinical Waste Management System in the needy hospitals	Strengthening patient vcare services by establishing Clinical Waste Management Systems	2,350
Set up an Intravenous Solution (IV) Manufacturing Plant in Sri Lanka	Fully equipped an Intravenous Solution (IV) Manufacturing Plant	3,000
Construction of Maternity and Neonatal Ward Complex at TH Jaffna	8 ward with 140 beds, four labor rooms, two clinics, operation theater and a neonatal care unit	1,224

Source: Ministry of Health and Department of National Budget

Table 4.13 > Key on-going Projects in the Indigenous Medicine Sector

Project Name	Out put	(Rs.Mn) Total Estimated Cost
Construction of a ward Complex at Borella Ayurveda Teaching Hospital	Eight storied building complex	905
Research Hospital Nawinna, Maharagama	Five storied building complex	401
Traditional Research Hospital, Mihintale	New traditional research hospital including an OPD, ward complex, herbal garden etc.	586
Enhancing the Research Capacity of Bandaranayaka Memorial Ayurvedic Research Institute ( BMARI)	Upgraded BMARI with modern research equipment and Instruments for Major-Non communicable and communicable Diseases	957
Construction of Two storied Building for Ayurvedic Hospital Kaithady	Two storied building with modern pharmacy and Laboratory	86
Construction of Centre for Kidney Disease Treatment	Two storied building with modern pharmacy and Laboratory	300

Source: Ministry of Health and Department of National Budget

supplies cost remained at substantially high level and it was increased from Rs. 27.26 billion in 2013 to Rs.34.91 billion in 2014 to

maintain an uninterrupted supply of drugs and consumable surgical items to all the hospitals all over the country.

## Preventive Health Care

Demographic and epidemiological transition challenges resulted in increase of public investment from Rs. 1,820 million in 2013 to Rs. 2,445 million in 2014 on preventive health activities. Emerging communicable diseases such as Dengue, Rabies, Tuberculosis etc. and non- communicable diseases such as diabetes, kidney disease, hypertension and cardiovascular ailments absorbed significant resource allocation.

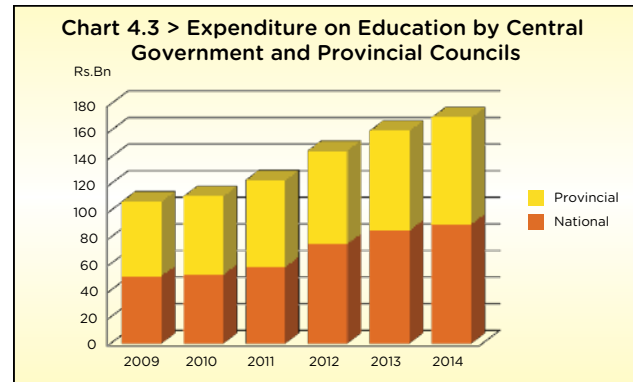
National nutrition programme addressing mother and child nutritional conditions continued at a cost of Rs. 1.8 billion in 2014 with 978,354 registered beneficiaries throughout the country.

## Promotion of Indigenous Medicine

Indigenous Medicine system is identified as an important contributor to the national health system and support strengthened by the government by providing Rs. 2,972 million in 2014 indicating a twofold increment over 2010. Intensive programmes executed targeting non- communicable disease mainly based on research activities and medicinal plants conservation programmes.

### 4.8.2 Education

Sri Lanka enjoys a remarkable progress in terms of the indicators of education compared to many other developing countries in the



world. The public expenditure was used to cover General Education, higher education and vocational education under both central and provincial level. The total expenditure on the education sector increased by Rs. 7 billion, from Rs. 157 billion in 2013 to Rs. 164 billion in 2014.

## General Education

Provision of equitable access for quality education is a primary focus in minimizing regional disparities. It is expected to develop 1,000 secondary schools and 5,000 feeder primary schools as the center for this transformation to create child friendly schools equipped with Advanced Level Technology stream, Languages, IT and Science studies. Accordingly, Rs. 10,313 million earmarked for 2012-2014 medium term budgetary framework to construct 1001 Mahindodaya Technical Laboratories in secondary schools of which construction work was completed for 942 Technical Laboratories and during the year 2014, Rs. 6,334 million was invested.

Table 4.14 > Expenditure on Personal Emoluments and Welfare Programmes

Investment	2009	2010	2011	2012	2013	Rs. Mn. 2014
Personal Emoluments	63,221	62,902	70,098	73,528	79,500	82,207
School Nutrition programme	2,251	2,474	2,631	2,850	3,076	3,725
Text Books	2,196	1,941	2,294	2,400	2,329	2,700
Uniforms	1,260	949	1,364	1,600	1,739	3,574
Bursaries & Scholarships	184	225	283	240	268	300
Season Tickets (a)	1,384	1,369	1,359	1,233	1,430	1,695
(a) Provided to the Ministry of Transport						

Source: Ministry of Education, Ministry of Education Services and Ministry of Transport



Table 4.15 > **Students Benefited by Welfare Programmes**

No. of Beneficiaries	2009	2010	2011	2012	2013	2014
School Nutrition programme	654,206	778,435	834,306	839,643	1,048,892	890,404
Text Books	3,695,432	3,724,303	3,750,000	3,762,000	4,194,363	4,076,813
Uniforms	4,038,000	4,119,000	4,153,000	4,186,808	3,998,890	4,423,202
Bursaries & Scholarships-Year5	85,000	85,000	85,000	85,000	97,309	122,309
Season Tickets	300,000	300,000	300,000	300,000	310,000	327,099

Source: Ministry of Education, Ministry of Education Services and Ministry of Transport

In 2014, the total recurrent expenditure for General Education was Rs. 97 billion of which approximately 90 percent was incurred for salaries of teachers and other staff, student welfare programs such as school uniforms, text books, and nutrition program to ensure the free education. Even though customarily such expenditure is recorded under recurrent expenditure, these investments are made for the Human Resource Development.

Development Framework of Education Sector is mainly focused on the transformation of school system while improving the quality of the education system and the human capital for knowledge centered economy and it continued throughout the year 2014. The expenditure on General Education increased by 8 percent from Rs. 108 billion in 2013 to Rs. 117 billion in 2014.

## Higher Education

In order to further enhance the facilities of the Universities, investment by the government has increased significantly. During the year 2014, total investments for the sector was Rs 38.7 billion, an increase of 20 percent over 2013. Around 40 percent of the capital allocation of 2014 was utilized for infrastructure development in universities such as lecture rooms, laboratories, hostel buildings, toilets, play grounds and library buildings for the convenience of students with better facilities and to allow enhanced learning environment.

Currently, there are 17 universities in Sri Lanka and approximately 92,000 students are studying at these universities. Out of the qualified students of 143,740 for university entrance i.e. 65 percent of the students who sat for A/L examination, 25,200 students were offered admissions for the academic year 2013/2014 and it was an increase of 82 percent of the student intake compared to the year 2005.

The government has recognized the limited hostel facilities in each university due to the intake of additional number of students to the universities in 2013. Therefore, an expeditious plan was prepared to construct 60 buildings with modern facilities in order to accommodate 24,000 additional number of students. Accordingly, stage I with 30 hostel buildings were completed during the year 2014 at a total cost of Rs 6,600 million.

Academic Allowance of the University Academic Staff has been increased remarkably by about 65% - 90% with effect from 01.01.2014 in order to acknowledge their contribution for the sector. In 2014, Rs 456 million was incurred to facilitate the leadership program, pre-orientation as pre-entry activities and the Kavitha program in order to enhance the talents of University undergraduates in literature, theatre, cinema, music, dancing, electronic media, art and photography in addition to the academic involvement. The Treasury contribution for Mahapola & Bursary scholarships to the university undergraduates was Rs. 500 million in 2014.



## Skills Development and Vocational Education

Although Sri Lanka scores highest literacy rate compared to other middle income countries, considerable efforts are necessary to transform the human resources into a dynamic skilled work force enabling the youth to find more opportunities in locally as well as foreign. In 2014, the government paid special attention on skills development by pursuing technical education opportunities and upgrading the quality of training programs.

Accordingly, the Skills Sector Development Program was initiated in line with the Skills Sector Development Plan 2014-2020. Establishment of 6 University Colleges in Matara, Ratmanala, Kuliapitiya, Anuradhapura, Jaffna and Batangala under the University of Vocational Technology (UNIVOTEC) were completed. Further, the rehabilitation works of 4 training centers at Urubokka, Marawila, Naula and Kadureuwela out of the identified 23 centers were completed and ready to introduce additional 14 courses and expand the intake capacity by 365 students.

With these initiatives, the total admissions were increased from 82,181 in 2010 to 115,895 in 2014. The total investment for the sector has been increased from Rs. 4,831 million in 2010 to Rs. 9,001 million in 2014.

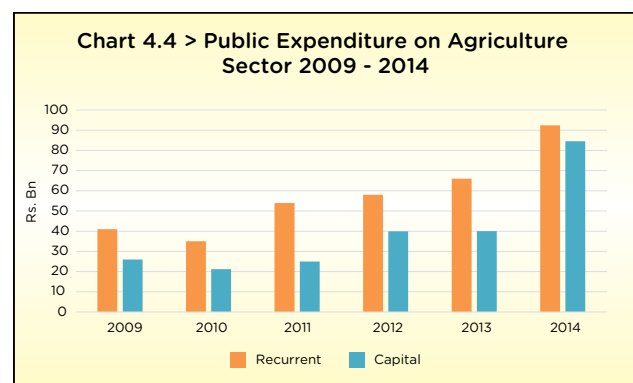
### 4.8.3 Real Economy

The real economy sector is consisted food crop and plantation agriculture, livestock, fisheries and aquatic resources, irrigation and water management and land development and transport sectors and it is considered as the backbone of the country's economy. Since the growth of food crops harvest substitutes the food imports, it was able to have a substantial saving in the foreign exchange reserve of the country. The investment on real economy focuses improving production with increased efficiency through research and development,

providing subsidies to smallholding sector, adopting concrete measures to increase domestic production of certain products such as dairy and food crops while maintaining regulatory framework favorably. The changes of these identified sectors have direct impact not only to the food security but also to the income levels mostly of small and medium scale producers and thus the investment in these areas have been considerably increased during the last few years.

#### 4.8.3.1 Agriculture

Since agriculture provides livelihood to a majority in the country, the target of this sector was to achieve above 5 percent sector growth by 2016 and to achieve this target it is vital to increase the domestic grain production in terms of paddy, maize ; field crops, fruits and vegetables production and its value addition.



Total public investment in the real economy sector in 2014 was Rs 130 billion reflecting 12.07 per cent increase compared to the previous year. Expenditure on the fertilizer subsidy provided to all agricultural crops amounted to Rs. 31.8 billion in 2014. Expenditure on plantation development was Rs 6,790 million including Rs. 1,518 million spent on cultivation subsidies to tea, rubber, coconut, cashew and minor export crops. Investment in the irrigation sector development was Rs. 40.8 billion in 2013 and it is a 8.8 percent increase compared to 2013.

Table 4.17 &gt; Livestock Production 2009-2014

Livestock Production	Unit	2009	2010	2011	2012	2013	2014
Eggs	Millions	1,622	1,385	1,711	2,278	2,075	2,232
Pork	MT x 000	7,002	6,040	6,700	7,003	7,004	7,006
Mutton	MT x 000	1,500	1,700	1,690	1,600	1,800	1,800

Source: Ministry of Livestock and Rural Community Development

## Food Crops Sector

Spending on food crops sector is the largest sub-sector in terms of GDP contribution of the agriculture sector. Besides the fertilizer subsidy provided to all agricultural crops; production and distribution of quality seeds and planting materials, research and development, extension and training and the land sector improvement can be identified as the main areas of investment

## Livestock

The investment in year 2014 was Rs.4,200 million. With the investment in the livestock

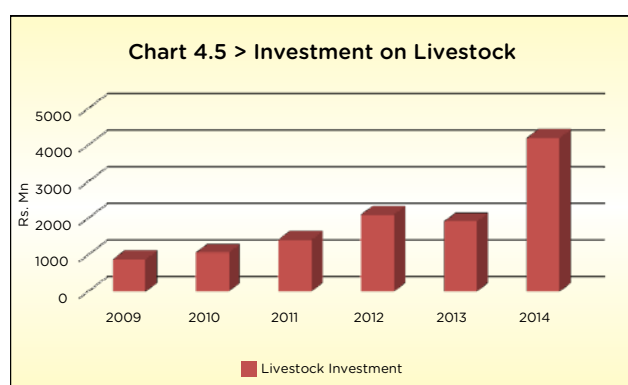


Table 4.16 &gt; Milk Production and Collection during 2009 - 2014

Year	Milk Production (Million Liters)	Milk Collection (Million Liters)
2009	233.3	125.1
2010	247.5	137.6
2011	258.3	143.7
2012	299.2	183.6
2013	319.8	200.3
2014	418.9	215.6

Source: Ministry of Livestock and Rural Community Development

sector, the government expects to ensure that the development initiatives are sustainable and have equitable economic and social benefits, to increase the supplies of domestic livestock produce at competitive prices to the consumers, to achieve increased self-reliance, of at least 50 percent, in domestic milk production by 2015, to double the current domestic production of poultry products by 2015 and to strengthen the domestic livestock products to be competitive with the imported. The investment in the livestock sector is mainly aimed at improving breeding stock, expanding extension services, milk collection and processing facilities targeting self-sufficiency in livestock production while enhancing the income and living standards of the rural community livestock products.

The investment in livestock sector during 2009-2014 has led to a significant growth particularly in milk production and poultry sector.

## Fisheries Sector

The investment in fisheries sector mainly focuses on upgrading and improving fishery harbours and anchorage facilities, facilitating modernize fishing fleet and technology, improving infrastructure, extension & support services for inland fisheries and providing assistance to fishery folk. The total investment in this sector during 2008-2014 was Rs. 28 billion. It is expected to improve the nutritional status and food security of the people by increasing the national fish production while trying to increase foreign exchange earnings from fish product exports.

A significant improvement was observed in the fisheries industry which benefited from programmes and projects implemented.

#### Major Projects implemented in 2014.

- Introduction of Modern Technology for Small and Medium Fishing Industry (Rs. 869.2Mn)
- Establishment of Inland Fresh Water Fish Breeding Centers (Rs. 169.7 Mn)
- Development & Rehabilitation of Fishery Harbours, Anchorages and Landing Sites (Rs. 249.4 Mn)
- Construction of Dikowita Fishery Harbour (Rs. 106 Mn)

#### Proposed Projects in the Fisheries Sector, 2014-2016

- Marine Fisheries Catch and Effort Survey

#### 4.8.3.2 Irrigation and Water Resource Management

The availability of water is becoming scarce for the purposes of drinking and other household activities as well as for the purposes of irrigation. Thus the proper management mechanism for using the available water resources is critical and extremely important. With the attainment of a middle income country status, Sri Lanka has identified the strategic importance of water as a natural resource and therefore maintenance and

development of irrigation schemes and proper management of water resources are given high priority in the national development framework keeping the motto “Water for all in 2025” in order to meet the demand of water for rapid economic growth by means of improved productivity in agriculture, industry and service sector and also to attain national food security and to develop livelihood assistance for rural people.

#### Investments in Irrigation Sector

In view of the aforesaid significance of irrigation and water resource management, since 2005, the government has continually allocated enhanced amount of funds for the development and rehabilitation of the sector.

In 2014, Rs. 39.37 billion has been invested in five major areas of irrigation and this was three and half fold increase compared with the amount of Rs 10.94 billion for the base year 2009. Within a financial year, a major portion of funds that is Rs. 25.8 billion are being diverted to large scale (inter-provincial, major and medium) irrigation projects constructions which have been commenced during the last 6 years. Irrigation schemes implemented under the Mahaweli development program and other schemes completed previously, still meet a substantial portion of water demand and therefore rehabilitation of those projects given significant amount of funds in every year and in 2014. Minor irrigation construction

Table 4.18 > Investment in Irrigation and Water Resource Management (Rs.Bn)

Particulars	2009	2010	2011	2012	2013	2014
Service Provision (Operational Expenditure)	2.94	3.04	3.2	3.3	3.48	4.09
Major and Medium Scale Construction including Inter-Provincial Irrigation Schemes	8.46	3.59	7.11	20.66	17.42	25.8
Irrigation Infrastructure Rehabilitation	3.71	4.7	5.74	6.54	7.02	9
Maintenance/Management of Water Resources	1.45	1.59	2.3	2.35	1.32	1.82
Minor Irrigation Constructions and Rehabilitation	0.54	0.63	0.61	2.1	2.29	2.1
Research and Development/Feasibility Studies	0.72	0.64	0.87	0.29	1.2	0.65

Source: Department of National Budget

Table 4.19 &gt; Special Irrigation Projects and Programs in the Implementation Stage

Name	TEC (Rs Mn)	Duration	Cumulative Expenditure by the end of 2014 (Rs Mn)	Physical Progress
Deduru Oya Reservoir Project	13,540	2005-2014	9379.95	97%
Weheragala (Menik Ganga) Reservoir Project	2,900	2005-2014	2426.6	99.50%
Mahaweli Consolidated Project(System B Rehabilitation)	2,800	2007-2016	2674.6	76%
Gal Oya Navodya Project	1,260	2008-2014	758.35	85%
Dam Safety & Water Resource Planning Project (GOSL-IDA-WB)	8,187	2008-2015	8,045	98%
Uma Oya Multipurpose Development Project	83,770	2009-2015	32,102.18	44%
Essential rehabilitation in selected major Irrigation Schemes	1,000	2009-2016	2,772.63	80%
Yan Oya Project	34,000	2011-2016	5422.84	4.20%
Thalpitigala reservoir(Lower Uma Oya)	16,633	2012-2014	2.48	0
Kalu Gal Oya Reservoir Project	1,481	2012-2014	58.54	3.20%
Digili Oya Reservoir Project	1,460	2012-2014	0	0
Morana Reservoir Project	1,700	2012-2015	400.67	20%
Moragahakanda Reservoir Head Works	30,276	2012-2016	79.04	31%
Kivul Oya Development Project	6,000	2012-2016	190.63	3.20%
Emergency Natural Disaster Rehabilitation Project	1,250	2012-2016	1325.1	
Rideemaliyadda Integrated Development Project	1,100	2012-2016	247.16	18%
Rabaken Oya Integrated Development Project	1,086	2012-2016	199.17	16%
Lower Malwathu Oya Multi sector Development Project	10,000	2012-2017	3.26	1.50%
Kumbukkan Oya Reservoir Project	10,000	2012-2018	0	0
Diversion of Mahaweli Water to Wayamba	12,000	2013-2016	23.24	0
Weli Oya Integrated Development Project	3,927	2013-2016	418.83	10%
Dam Safety & Water Resource Planning Project-AF	11,205	2014-2018	114	1%
Kaluganga Reservoir Head Works	14,993	2014-2018	8.21	8%
Gin Nilwala Diversion Project	108,290	2014-2020	998.57	0%

Source: Ministry of Irrigation and Water Resources Management

and rehabilitation activities come under Provincial Administration and additionally some rehabilitation works related to minor irrigations were carried out by the Ministry of Economic Development. In 2014, Rs. 2.4 billion was allocated for that purpose. In each year, Central Government grants funds to provincial councils and Rs. 2.023 billion on average has given in 2014 for the sectoral development. When considering the crucial need of irrigation facilities, in order to conserve and better management of water resources, research and development is an area which still requires greater focus in irrigation development.

The expenditure in 2014, Rs. 44,942 million was spent by the Government for the

continuous development of irrigation and water resources. Rs. 4,000 million has incurred for the operational activities in line with the sector development. Investment in capital works amounted Rs. 40,900 million in 2014, which is two times increase compared to the expenses made in 2008. When considering the financing source, Rs. 35,400 million provided by way of domestic funds while foreign financing was Rs. 5,500 million out of the total expenditure in 2014.

Deduru Oya & Weheragala projects have been completed in 2014 except for a few minor works to be completed. In addition, there are 17 projects being implemented having TEC of less than Rs. 1,000 million. Collectively all

projects which are on-going will cater to the irrigation requirement in Southern, Uva, Eastern, North Central and North Western provinces.

By the time of completing the above projects as planned, there is a greater possibility to meet the demands for water resources for irrigating the lands by the farming societies, ensuring food security in the country and upgraded livelihood of rural area.

#### 4.8.4 Infrastructure

##### 4.8.4.1 Power and Energy

The ultimate target of the power sector development is to provide high quality and uninterrupted supply of Electricity Island wide with sustainable and cost effective generation and power distribution.

During the period from 2007 to 2014 the Government investment on power and energy sector increased significantly. The fund channeled for the energy sector in 2014 was Rs. 25 billion. Majority of these funds have been invested in three main areas namely Power Generation, Transmission and Distribution. The average electricity coverage which was 67 percent in 2003 and it was increased to 98 percent at the end of year 2014.

Out of the total investment made by the Government in 2014, Rs. 4.96 billion was invested to enhance the power generation capacity. In addition to that Rs. 5.2 billion and Rs. 5.3 billion have been invested in transmission and distribution system development respectively. The country has a

Table 4.20 > Expenditure on Power & Energy Sector

Category	2009	2010	2011	2012	2013	2014
Generation	23,786	11,284	11,752	12,482	3,639	4,966
Transmission	3,635	4,281	2,447	8,114	5,782	5,230
Distribution	5,430	8,277	8,174	11,408	10,684	5,324
<b>Total</b>	<b>32,851</b>	<b>23,842</b>	<b>22,373</b>	<b>32,004</b>	<b>20,105</b>	<b>15,520</b>

Source: Department of National Budget

Table 4.21 > Non-Conventional Power Plants

Non-Conventional Primary Source	Grid Connected 2014	
	No. of Installations	Average Peak Capacity (MW)
Small Hydro	142	293.2
Wind	15	123.8
Solar PV	2	1.38
Biomass	6	23.5
<b>Total</b>	<b>146</b>	<b>441.9</b>

Source: Ministry of Power and Energy

The energy sources which are used in the country can be identified as coal, hydro, wind sources and there is a significant attention for using renewable energy sources like biomass specially in power generation in order to reduce the dependence on the non-renewable energy sources.

total installed capacity of 4,052 MW in 2014 compared to 2,483 MW in 2003 and increased gross electricity generation from 7,612 GWh in 2003 to 12,358 GWh in 2014. The annual increased demand for electricity was around 4-5 percent during 2003 to 2014.

Following new Power generation plants are being constructed in order to enhance the electricity generation.

Table 4.22 > **New Power Plants in Construction**

Name of the Power Plant	Capacity (MW)	Total Estimated Cost (Rs. Bn)	Remarks
Broadlands Hydro Power Plant	35	10	Ongoing
Uma Oya Hydro Power Plant	120	68	Ongoing
Moragolla Hydro Power Plant	26.6	16	Ongoing
Sampoor Coal Power Plant	500	66	Ongoing
Rehabilitation of Samanala Power Station	75	1.4	Ongoing

Source: Ministry of Power and Energy

## Non-Conventional Renewable Energy (NCRE)

The government has shifted its focus toward non-conventional renewable energy sources such as wind, dendro and solar power. That has contributed around 9 per cent of the national energy requirement in 2014.

The rapid development taken place in the regions has been facilitated by the rural electrification programme implemented

island-wide, with an estimated cost of Rs. 10 billion in 2014. Through the implementation of these programmes, more than 600 schemes and 4,500 extensions were completed and around 213,015 new electricity connections have been provided during 2014.

## Transmission Network Development

Rs. 5 bn has been spent on rural electrification programme to cater the demand emerged due to the rapid development in regional

Table 4.23 > **Investments on Rural Electrification Projects**

Name of the Project	2009	2010	2011	2012	2013	2014
RE- 04 (Rural Electrification project-All District except Northern & Eastern Province)	175	2,303	361	-	-	-
Colombo City Electricity Distribution Project		782	436	185	-	-
Ruhunu Udanaya	978	1,448	1,042	160	100	-
Sabaragamuwa Arunelokaya	450	450	200	-	135	-
Kandurata Udanaya	40	47	50	3	100	-
Wayamba Pubuduwa		95	142	-	200	-
Batahira Ran Aruna	150	368	150	40	21	-
Nagenahira Navodaya		149	103	1,029	1,685	2,088
Rajarata Navodaya - RE 4	200	170	2,295	3,603	2,455	365
Uva Udanaya	100	300	487	909	2,255	54
Uthuru Wasanthaya	940	79	76	1,789	1,425	1,170
Rural Electrification 8 (RE-08)		1,978	2,697	3,173	727	967
Accelerated Rural Electrification	310	1,200	1729	15	294	
Rural Electrification - Other projects (Covering Uva, Eastern, Sabaragamuwa etc.)	814	107	10	-	-	-
Eastern Distribution Development Project (Ampara)	-	-	-	464	549	537
Medium Voltage Network Improvement	-	-	-	-	-	3
Improving Gender inclusive access to Renewable Energy	-	-	-	-	-	14
<b>Total</b>	<b>4157</b>	<b>9,476</b>	<b>9,778</b>	<b>11,370</b>	<b>9,946</b>	<b>5,198</b>
<b>National Electricity Coverage</b>	<b>87%</b>	<b>90%</b>	<b>92%</b>	<b>94%</b>	<b>96%</b>	<b>98%</b>

Source: Department of National Budget



Table 4.24&gt; On-going Projects

Name of the Project	Total Estimated Cost (Rs.Mn)	Project Duration	
		Start	End
Clean Energy & Access Improvement Project Part 1- System Control Modernization - New System Control Centre at Sri Jayawardanapura	2,726	2012	2015
Clean Energy & Access Improvement Project Part 2- Transmission System Strengthening - Grid Substations	5,125	2010	2015
Clean Energy & Access Improvement Project - Part 4 -DSM Street Lighting	528	2010	2015
Clean Energy & Access Improvement Project - Part 8-Rural Household Connection Project	457	2010	2015
Clean Energy & Access Improvement Project - Part 7-Transmission System Strengthening Eastern Province Project-Enhancement Scope	340	2014	2015
Puttlam-Maho 132kV Transmission line-Second circuit stringing	231	2014	2015
Sustainable Power Sector Support II -New Galle Transmission Development Project	2,775	2012	2015
Sustainable Power Sector Support II -North East Power Transmission Development Project -Enhancement scope of Polonnaruwa & Monaragala Grid Substation Augmentation	7,163	2012	2015
Sustainable Power Sector Support II - Expansion of Rural Electrification & Distribution System Improvement	2,950	2011	2016
Clean Energy & Network Efficiency Project - Package1: Mannar Transmission Infrastructure	4,520	2013	2017
Clean Energy & Network Efficiency Improvement Project - Package 2- 132kV Transmission Infrastructure	2,936	2013	2017
Clean Energy & Network Efficiency Improvement Project -Package 3 - 220 kV Transmission Line	7,985	2014	2017
Clean Energy and Network Efficiency Improvement Project - Package 04	2,100	2014	2016
220 kV Protection Development Project under Rehabilitation Electricity Supply Jaffna Region Transmission Line Project	1,350	2010	2015
Kelaniya Grid Substation Augmentation Project	485	2014	2016
Augmentation of Kiribathkumura 132/33kV Grid Substation	1,099	2015	2017
Vavuniya Grid Substation Augmentation Project	690	2014	2015
Habarana - Veyangoda 220 kv Transmission Line	10,630	2015	2017
Greater Colombo Transmission & Distribution Loss Reduction Project	18,229	2014	2018
National Transmission and Distribution Network Development and Efficiency Improvement Project	38,190	2015	2018
Green Power Development & Energy Efficiency Improvement Investment Programme - Transmission Infrastructure Capacity Enhancement Project	8,689	2015	2017
Green Power Development & Energy Efficiency Improvement Investment Programme - MV Distribution Network	1,096	2015	2017
Rural Electrification - RE 08	17,200	2011	2015
Improving Gender Inclusive Access to Clean and Renewable Energy in Bhutan, Nepal & Sri Lanka	112	2013	2015
Rural Electrification Project to cover balance 5%	13,000	2015	2015

Source: Ministry of Power &amp; Energy

areas. More than 600 schemes and 4,500 schemes have been implemented and around 213,015 new electricity connections have been provided during the year 2014.

#### 4.8.4.2 Public Passenger Transport

Rs. 165.77 billion has been invested by the government during the period from 2009 to 2014 for the improvement and expansion of



Table 4.25 &gt; Investment in Transport

Major Thrust Areas	Rs. Mn.					
	2009	2010	2011	2012	2013	2014
Service Delivery	15,060	12,222	14,498	16,079	19,177	26,527
Bus Fleet Augmentation	1,059	849	1,900	579	898	1,877
Reconstruction of Rail Tracks	6,180	3,606	3,528	2,662	3,042	3,117
Construction of Rail Lines	391	2,599	18,381	15,045	14,586	32,144
Rail Fleet improvement	3,565	5,828	4,016	8,758	3,944	5,405
Installation of Signaling & Telecommunication systems	108	115	206	3,588	1,767	3,478
Improvement of Workshops	307	207	342	263	193	243
Improvement of bus services	285	79	175	227	412	150
Other capital expenditure	401	1,203	1,838	954	1,107	4,159
<b>Total</b>	<b>27,356</b>	<b>26,708</b>	<b>44,884</b>	<b>48,155</b>	<b>45,126</b>	<b>77,100</b>

Source : Department of National Budget

public transportation. In addition, the funds needed for the maintenance and rehabilitation of assets has also been provided annually to improve the quality of public transportation in order to achieve the government objectives. The main objective of the government related to transport sector is to become a country, with most comfortable and more efficient bus and railway service in the region. Rs. 50.57 billion has been provided to transport sector in 2014, recording more than four fold increase when compared to the amount of Rs. 12.29 billion invested in 2009.

In order to improve the quality of service and bus fleet augmentation of rural public transportation, 281 new buses were procured for SLTB in 2013 and distributed among rural depots to provide the service for rural people. In 2014, 80 nos. of small buses were procured as per the budget proposal of 2014, by assuming to achieve this objective further.

In addition, 68 new luxury buses which were used for CHOGM assigned to SLTB, also to provide quality and comfortable bus service for passengers particularly in the Highway Road Network. Cabinet approval was granted on 17. 10. 2013 to allocate Rs. 1,000 million per year during a period of 5 years from General Treasury to settle the cost of the buses to purchase 2,200 new buses for SLTB on suppliers credit basis. The purchasing of these 2,200 buses were completed at the end of the year and distributed for the operation in service.

### Private Bus Transport Service

Several steps have also been taken for further expansion of the quality private bus service. The initiation of Socially Obligatory Bus Service, including Sisusariya, Gemisariya, and Nisisariya, Rs. 500 million has been allocated in 2014. In addition, considerable

Table 4.26 &gt; Railway Development 2009 - 2014

Project Name	Length	TEC	Expenditure	Period	Status of the Project
	( Km)	Rs.Mn	Rs. Mn		
Reconstruction of Northern Rail Line	253.0	80,851	57,870	2011-2014	98% Completed
Construction of Rail Line from Matara to Beliatta	27.5	39,783	6,085	2014-2016	33% Completed
Restoration of Signaling and Telecommunication system from Anuradhapura to Kankasanthurai and Medawachchiya to Talaimanar	313.0	12,367	8,141	2011-2014	98% Completed

Source : Department of National Budget

amount of investment has been provided for development of passenger terminals, Reform of the private bus industry by introducing GPS technology.

Sri Lanka Railway continued its involvement to the transport sector in Sri Lanka economy during the period of 2014 providing maximum in passenger and freight transport responsibly. Total revenue of SLR for the 2014 was 5909.3 million and it increased by 8.96 per cent in 2014 in comparing with 2013. During the period of 2011 - 2014, the government invested Rs. 57.8 billion. mainly on reconstruction of Northern Rail Line. It was able to open and recommence the train operation in Northern Rail Line with the completion of Northern Rail line of Medawachchiya - Madu Line, Omanthai - Pallai Line, Madu - Thalaimannar line and Palali - KKS line, during the year 2014. New activities and policies adopted by SLR in 2014 to improve railway services. Regular allocations for rehabilitation and maintenance of DMUs, Rolling Stock and railway lines were being provided in order to enhance the safety and speed railway system of the country.

#### 4.8.4.3 Water Supply and Sanitation

The annual investment has increased on the water supply sector over the years and it can be amounted to Rs. 285 billion during 2004-

attempts to ensure the fulfillment of demand for water in other sectors of the economy.

The annual investment for the year 2014 amounted to Rs.21.5 billion. Large Scale Water Supply Schemes, Emerging Small Townships Water Supply schemes, Water sector community Facilitation and Sewerage Schemes areas are the key investments areas in the water supply and sanitation sector.

During the period from 2009-2014, it is recorded that 14 large scale water supply projects have been constructed and commissioned island wide.

Since it was identified that major proportion of the population particularly living in rural areas without access to safe drinking water sources, several projects were initiated in those areas in order to secure the access to safe drinking water in those areas. Apart from above projects, a number of medium scale Water Supply Schemes have been constructed in emerging small townships aiming at meeting increasing demand for safe drinking water in those areas.

#### Piped Sewerage

The investment for sewerage systems in 2014 amounted to Rs.1.9 billion and Rs. 1.5 has been invested in sewerage systems in 2013 and the

Table 4.27 > Investment in the Water Supply and Sanitation Sector

Category of Investment	2009	2010	2011	2012	2013	2014
	(Rs. Mn)					
Large Scale Water Supply Schemes	15,981	18,310	21,484	25,105	20,172	16,413
Emerging Small Townships Water Supply Schemes	900	1,300	1,804	2,256	2,756	2,332
Water Sector Community Facilitation	5,531	1,187	273	199	448	1104
Tsunami Water Supply Projects	3,466	2,290	1,038	1,561	633	31
Sewerage Schemes	2,439	3,191	2,457	1,977	1,875	1,506

Source: National Water Supply and Drainage Board

2014 in order to attain the main objective of the water supply sector of providing access to safe drinking water and quality sanitation services while making every possible

total investment for the five year period from 2009-2014 is progressively increased and amounted to be about Rs.14 billion. In 2014, 177 new piped sewerage connections have been added and therefore total number of sewerage

Table 4.28 &gt; Water Supply Connections

Category	2012	2013	2014
House	1,466,616	1,577,840	1,697,355
Others	116,650	127,076	136,864
Public stand Posts	4,397	2,881	1,779
<b>Total Water supply Connections</b>	<b>1,567,663</b>	<b>1,707,747</b>	<b>1,835,998</b>

Source: National Water Supply and Drainage Board

Table 4.29 &gt; Major Water Supply Projects Completed during 2009-2014

Name of the Project	Total Estimated Cost Rs.Mn	No. of Connections as at 31/12/2014
Greater Kandy Water Supply Project Phase I Stage I	4,820	20,000
Nuwara Eliya District Group Town WS	4,259	15,000
Towns South of Kandy Water Supply Project	9,626	22,000
Eastern Coastal Towns of Ampara District WS Phase I	11,078	
Kalu Ganga Water Supply Project Phase I Stage I	12,000	100,000
Towns North of Colombo WS Stage I	6,754	12,000
Towns North of Colombo WS Stage II	6,490	35,000
Kelani Right Bank Project	10,150	
Negombo Water Supply Improvements	7,288	23,000
Greater Galle Augmentation WS Stage II	4,250	40,000
Rehabilitation of Baddegama, Ambalangoda WS	4,200	48,500
Kirindi Oya Water Supply Project	2,104	8,750
Augmentation of Nawalapitiya, Ampara and Koggala	2,700	17,500 (Koggala 3,416)
Hambantota/ Ambalantota/ Weligama/ Kataragama Implementation Project and Badulla, Bandarawela Integrated Feasibility Studies	7,288	

Source: Department of National Budget

Table 4.30 &gt; Ongoing Projects on Water Sector Community Facilitation

Name of the Project	Total Cost (Rs. Mn)
Improving Community Based Rural WS & S in Jaffna & Killinochchi District	200
Improvement of Rural Water Supply & Sanitation in Badulla & Monaragala	930
South Asia Conference on Sanitation (SACOSAN IV) Follow up action - All island sanitation programme	200
North & East Pilot WASH (Water, Sanitation & Hygiene)	270
Community Infrastructure Development in Batticaloa, Mannar & Vavunia	348
Lunawa Environment & Community Development Project	825

Source: Department of National Budget

connections by the end of 2013 stood at 14,754. The coverage of piped sewerage system in highly populated municipal areas and industrial zones has been recognized especially in areas such as Ja Ela, Ekala, Rathmalana, Colombo areas due to the rapid urban development throughout last few years.

#### 4.8.4.4 Road Development

National roads and provincial roads development ensure the connectivity among

Table 4.31 &gt; National Road Development in 2014

Road Class	Completed Road Length (Km)	Developing Road Length (Km)
Expressway	40	9
A	250	368
B	717	1,309
AB	76	20
<b>Total</b>	<b>1,082</b>	<b>1,706</b>

Source: Road Development Authority

all regions as a priority in Government's infrastructure development strategy. Ministry

of Highways, Ports and Shipping involves in national roads. Ministry of Highways, Ports & Shipping, Ministry of Economic Development and Ministry of Local Government & Provincial Councils are working together with Provincial Councils and Pradeshiya Saba on this infrastructure development initiative.

During the year 2014, more than 1,082.32 km length of the roads were completed, another 1,706 km of road works were in progress in the same period. Under the “Rural Road Development Programme” more than 687.5 km of rural roads were developed or rehabilitated.

The total investment on road sector at both national and provincial levels stood at Rs. 200 billion in 2014 sharing 15.39 percent of the total capital expenditure and was around 2.02 percent

of the GDP. The expenditure on National and Provincial Road Development were Rs 144 billion and Rs. 56 billion respectively, in 2014.

In the year 2014, more than 67 percent share of foreign financing has been spent on development of highways and around 23 percent share spent on the construction of expressway projects. Rural and Provincial road development was carried out mostly through the utilization of domestic funds.

Length of Expressways was increased with the opening of Pinnaduwa – Godagama section of Southern Expressway and Kottawa – Kaduwela section of Outer Circular Highway. Accordingly travel time from Kaduwela to Matara has been reduced up to 1.30 hours.

Table 4.32 &gt; Major Investment Programmes Undertaken in 2014

S/No	Project/Programme	Budgetary Allocation in 2014		Expenditure in 2014	
		Domestic	Foreign	Domestic	Rs.Mn Foreign
<b>1</b>	<b>Expressways Development</b>				
	i. Southern Transport Development Project	202	3,100	202	1,994
	ii. Outer Circular Highway - Phase I	87	4,642	87	4,628
	iii. Outer Circular Highway - Phase II	83	13,872	83	13,872
	iv. Outer Circular Highway - Phase III	1,374	-	756	-
	v. Colombo - Katunayake Expressway	487	-	487	-
	vi. Others	755	1,449	681	925
	<b>Total</b>	<b>2,989</b>	<b>23,063</b>	<b>2,297</b>	<b>21,419</b>
<b>2</b>	<b>Highways Development</b>				
	i. Maintenance of Roads	5,000	-	3,725	-
	ii. Road Network Improvement Project	50	-	-	-
	iii. National Highway Sector Project	1,874	3,701	1,874	2,899
	iv. Road Sector Assistant Project	63	5,030	63	5,029
	v. Northern Road Connectivity Project	18	4,974	18	4,974
	vi. Priority Road Project - I	386	4,316	386	3,564
	vii. Priority Road Project - II	1,819	19,369	1,819	19,268
	viii. Priority Road Project - III	1,100	2,859	592	2,859
	ix. Road Network Development Project	129	1,608	80	3,652
	x. Others	1,238	18,659	1,201	14,679
	<b>Total</b>	<b>11,678</b>	<b>60,515</b>	<b>9,758</b>	<b>56,922</b>
<b>3</b>	<b>Widening and Improvement of Roads</b>	<b>14,458</b>	<b>-</b>	<b>14,425</b>	<b>-</b>
<b>4</b>	<b>Construction of Bridges and Flyovers</b>				
	i. UK Steel Bridge Project (Including Veyangoda Flyover Project)	555	4,626	224	4,626
	ii. Others	1,351	3,030	877	3,026
	<b>Total</b>	<b>1,906</b>	<b>7,656</b>	<b>1,102</b>	<b>7,652</b>
<b>5</b>	<b>Natural Disaster Affected Road Rehabilitation</b>				
	i. Emergency Natural Disaster Rehabilitation Project	112	948	112	936
	ii. Landslide Disaster Protection Project	19	178	19	178
	iii. Others	83	-	83	-
	<b>Total</b>	<b>214</b>	<b>1,126</b>	<b>214</b>	<b>1,114</b>
<b>6</b>	<b>Maganeguma</b>	<b>7,166</b>	<b>-</b>	<b>5,153</b>	<b>-</b>
	<b>Grand Total</b>	<b>38,411</b>	<b>92,359</b>	<b>32,948</b>	<b>87,108</b>

Source: Road Development Authority

\* as per the Expenditure Head no. 117 budget (Highways) only

Table: 4.33 &gt; National Roads Being Rehabilitated in 2014

S/ N	Project Name	District Covered	Length (Km)/ Bridge (m)	Commencement Date	Target Completion Date
<b>1</b>	<b>Expressways Development</b>				
	Outer Circular Highway Project -phase II	Colombo	8.9	1/9/2012	6/8/2015
	Outer Circular Highway Project- III		9.32	4/1/2014	1/9/2017
<b>2</b>	<b>Highways Development</b>				
	Hungama- Middeniya Road	Hambantota	30	3/20/2013	3/19/2014
	Reconstruction of Bridge No 3/2 on Polgahawela-Kegalla Road( Karadana Bridge)	Kurunegala	125	6/21/2013	12/20/2014
	Rehabilitation/Improvements of A 029 -Vavuniya-Horowupathana Roads	Vavuniya	10.95	8/24/2013	2/20/2015
	Rehabilitation/Improvements of B 283 -Madawachchiya-Kebithigollewa Roads	Anuradhapura	56.75	8/28/2013	4/25/2015
	Rehabilitation/Improvements of AB 019 -Jaffna-Pannai-Kayts Road from	Jaffna	10.28	12/12/2013	6/10/2015
	Puttalam - Trincomalee (from Anuradhapura to Trincomalee -97.1 Km)	Anuradhapura, Trincomalee	97.1	5/1/2012	10/31/2014
	Ibbagamuwa - Kumbukgete - Madagalla Road	Kurunegala	34.19	3/9/2012	3/8/2014
	Anamaduwa - Uswewa - Galgamuwa	Anuradhapura,	39.1	11/1/2012	4/30/2015
	Bangadeniya - Andigama - Anamaduwa	Puththam	38	11/29/2012	11/28/2014
	Bibile - Pitakumbura - Namaloya - Inginiyagala Road	Ampara	60.31	11/12/2012	11/11/2015
	Matara - Hakmana Road	Matara	24.14	2/1/2013	1/31/2015
	Alpitiya-Awiththawa-Lewwanduwa & Nagoda-Neboda Road	Kaluthara	30.57	7/25/2013	7/24/2015
	Haputhale-Borelanda-Keppetipola Road	Nuwaraeliya	27	7/25/2013	7/24/2015
	Bodagama-Hambegamuwa- Kaltota Road	Hambantota	48.2	7/5/2013	7/24/2015
	Passara Monaragala Road	Badulla	27	2/17/2014	8/16/2017
	Rehabilitation and Extension of Ambepussa-Kurunegala-Trincomalee Road From Ambepussa to Galewela	Kurunegala	75	11/26/2013	11/25/2016
	Rehabilitation/Improvements to B269 Roads from Mankulam to Vellankulam	Kilinochchi, Mannar, Mulativ	37.81	9/20/2011	3/31/2014
	Rehabilitation/Improvements to B357 Roads from Paranthan to Pooneryn	do	25.74	9/20/2011	11/30/2013
<b>3</b>	<b>Construction Bridges And Flyovers</b>				
	Bridge Over Galoya Connecting Salgashandiya River Bank Roadawardana Road -Polduwa Bridge	Colombo	172.4	10/25/2013	4/24/2015
	Bridge across Gin Gaga (Hammaliya-Agliya-Mlkada )	Galle	104.8	10/2/2014	11/5/2015
	Bridge No 21/1 on Paranthan-Mulativu Road	Mulative	60.96	2/17/2014	11/17/2014
	35/10 Kandehandiya Adikarigama Randenigala Loggaloya Road	Kandy	33.5	7/8/2014	4/7/2015
	Bridge Across Mahaoya on Mahaoya Pollebedda Road	Kurunegala	79.8	7/28/2014	4/27/2014
	Bridge Across Kolomune oya on Hungama Konogama Road	Hambantota	39.6	08-/12/2014	6/8/2015
	Bridge Across Kalu Ganga at Ellagawa	kaluthara	45.7	12/9/2014	1/8/2015
	Bridge Across Kelani River on Eswaththa Ranwala Road	Gampaha	148	12/10/2014	6/8/2016
	Construction of Bridge No 9/8 on Matale-Illukkubura-Pallegama Road (B274)	Matale	28.8	8/26/2013	8/25/2014

Source: Road Development Authority

Table 4.34 &gt; Progress of Utilization of Provisions - 2014

Name of the Ministry/Expenditure Item	Estimated Provisions	Additional Allocation provided from TMV	Total Provisions (sum of (1)+(2) )	Actual Expenditure	Rs Mn
					Unutilized Provisions (3)-(4)
	(1)	(2)	(3)	(4)	(5)
Special Spending Units	18,297	163	18,461	17,181	1,280
Buddha Sasana and Religious Affairs	2,000	5	2,005	1,942	63
Finance and Planning	42,317	9,311	51,628	46,549	5,079
Defence and Urban Development	283,763	1,907	285,670	274,723	10,947
Economic Development	98,988	8,898	107,886	107,667	219
Disaster Management	4,249	297	4,546	4,310	236
Postal Services	9,986	100	10,086	9,993	93
Justice	6,307	3	6,310	5,966	344
Health	117,162	-	117,162	112,122	5,040
External Affairs	9,823	240	10,063	9,770	294
Transport	80,381	753	81,134	76,337	4,797
Petroleum Industries	163	4	168	163	5
Co-operatives and Internal Trade	1,916	79	1,995	1,774	221
Highways, Ports and Shipping	144,258	7	144,265	133,304	10,962
Agriculture	40,956	50	41,005	37,758	3,247
Power and Energy	32,300	11	32,311	24,287	8,025
Child Development and Women's Affairs	2,277	3	2,280	2,080	200
Public Administration and Home Affairs	165,559	1,199	166,758	164,575	2,183
Mass Media and Information	3,399	18	3,417	3,137	280
Construction, Engineering Services, Housing and Common Amenities	5,308	2	5,310	3,964	1,346
Social Services	4,503	-	4,503	4,418	85
Education	43,134	913	44,046	43,511	536
Labour and Labour Relations	1,741	35	1,777	1,670	107
Traditional Industries and Small Enterprise Development	1,126	5	1,131	1,117	14
Local Government and Provincial Councils	228,791	1,783	230,574	164,223	66,351
Technology and Research	3,913	4	3,917	3,656	261
National Languages and Social Integration	576	-	576	479	97
Plantation Industries	4,255	21	4,277	3,915	362
Sports	3,464	-	3,464	2,423	1,042
Indigenous Medicine	1,815	53	1,869	1,628	241
Fisheries and Aquatic Resources Development	9,338	78	9,416	8,069	1,347
Livestock and Rural Community Development	5,689	100	5,789	5,439	351
National Heritage	1,571	14	1,584	1,510	74
Parliamentary Affairs	443	8	451	428	23
Re-settlement	403	-	403	398	5
Industry and Commerce	3,217	-	3,217	2,963	254
Irrigation and Water Resources Management	49,884	237	50,120	44,942	5,178
Land and Land Development	5,937	214	6,151	6,025	125

Table 4.34 &gt; Progress of Utilization of Provisions - 2014 ( Continued.....)

Name of the Ministry/Expenditure Item	Estimated Provisions	Additional Allocation provided from TMV	Total Provisions (sum of (1)+(2) )	Actual Expenditure	Rs Mn
					Unutilized Provisions (3)-(4)
Youth Affairs and Skills Development	10,082	-	10,082	9,043	1,039
Environment & Renewable Energy	4,272	32	4,304	3,497	807
Water Supply and Drainage	30,814	2	30,816	27,249	3,567
Higher Education	39,513	451	39,964	38,747	1,218
Public Management Reforms	240	-	240	214	25
Rehabilitation and Prison Reforms	6,853	-	6,853	6,590	263
State Resources and Enterprise Development	475	945	1,419	1,394	25
Civil Aviation	26,791	-	26,791	26,614	177
Culture and the Arts	1,914	-	1,914	1,556	358
Coconut Development and Janatha Estate Development	1,942	-	1,942	1,718	224
Wildlife Resources Conservation	1,541	28	1,569	1,344	226
Minor Export Crop Promotion	1,031	4	1,035	929	106
Productivity Promotion	804	1	804	742	63
Foreign Employment Promotion and Welfare	673	-	673	642	31
Public Relations and Public Affairs	377	-	377	335	41
Private Transport Services	769	6	775	763	12
Telecommunication and Information Technology	1,718	-	1,718	1,135	583
Sugar Industry Development	267	-	267	229	38
Investment Promotion	174	-	174	142	32
Botanical Gardens and Public Recreation	1,534	17	1,551	1,180	370
Education Services	8,524	2	8,526	8,306	221
Law and Order	53,244	241	53,485	52,611	874
<b>Debt Service Payment</b>	<b>1,089,862</b>	<b>16,039*</b>	<b>1,105,901</b>	<b>1,082,330</b>	<b>23,571</b>
<b>Treasury Miscellaneous vote (TMV)</b>	<b>28,375</b>	<b>(28,245)</b>	<b>130</b>	<b>-</b>	<b>130</b>
<b>Grand Total</b>	<b>2,751,000</b>	<b>16,039</b>	<b>2,767,039</b>	<b>2,601,723</b>	<b>165,316</b>

\* Provisions were provided from Supplementary Allocation.

Source : Department of National Budget / Department of State Accounts



Table 4.35 &gt; Allocations Provided from the Budgetary Support Services and Contingent Liability Project 01st January to 31st December, 2014

Head No.	Ministry/ Department	Purpose	Recurrent	Capital
1	His Excellency the President	Personal emoluments, vehicle rent, purchase of vehicles, repair & maintenance of electrical system, e- Sri Lanka Development Project, Kidney Diseases Elimination Project, rehabilitation of canals in drought affected areas, De-silting Project for Increasing the Water Retention Capacity of Tanks, waste management building and purchase of equipment for Nelum Pokuna Mahinda Rajapaksa Theatre	141,610,000	667,282,982
2	Office of the Prime Minister	Electrical system installation, repair and maintenance of buildings, purchase of vehicles, services, losses and write off and supplies	40,962,800	5,854,100
3	Secretariat for Special Functions (Senior Ministers)	Purchase of vehicles, repair of buildings and National Policy Framework & Action Plan on Consumer Welfare Project	7,000,000	35,300,000
4	Judges of the Superior Courts	Electricity and water	2,500,000	
6	Public Service Commission	Purchase of vehicles and services	2,350,000	480,000
12	National Education Commission	Maintenance of vehicles	500,000	
13	Human Rights Commission of Sri Lanka	Purchase of a vehicle		6,500,000
14	Department of Attorney General	Staff training, foreign travelling, vehicle maintenance, insurance cost, personal emoluments, electricity & water and services	43,330,000	11,000,000
15	Department of Legal Draftsman	Personal emoluments and fuel	1,687,000	
16	Parliament	Purchase of a vehicle		6,800,000
18	Office of the Chief Government Whip of Parliament	Purchase of a vehicle		10,700,000
19	Office of the Leader of the Opposition of Parliament	Purchase of new vehicles, rehabilitation and improvement of office premises		42,208,000
20	Department of Elections	Staff training and expenses for Presidential Elections 2015	110,000,000	1,500,000
21	Department of Auditor General	Staff training, purchase of office equipment and payment of incentives	125,000,000	46,000,000
101	Ministry of Buddha Sasana and Religious Affairs	Purchase of a new vehicle, Asgiriya Temple Restoration Programme as per the budget proposal and personal emoluments	12,200,000	27,191,236
203	Department of Christian Religious Affairs	Essential services for the visit of His Holiness Pope Francis	5,000,000	
204	Department of Hindu Religious and Cultural Affairs	Personal emoluments	28,000,000	
102	Ministry of Finance and Planning	Personal emoluments, payment of farmers' pension, project funded by United Nations Children's Fund (UNICEF) - Institute of Policy Studies, building rent of Tax Appeals Commission, Academy of Financial Studies, foreign travelling, services, purchase of vehicles and recurrent expenditure for Sri Lanka Accounting & Auditing Standards Monitoring Board and Social Security Board	1,475,552,850	67,516,192
237	Department of National Planning	Annual Publications and Management of Eastern Province Rural Road Project and Eastern Province Water Supply Project	7,750,698	56,304,000
238	Department of Fiscal Policy	Annual Publications & services	20,090,000	

239	Department of External Resources	Continuation of road in Addu City in Maldives, staff training, personal emoluments, travelling and subscriptions & contribution fees	8,998,000	331,569,000
240	Department of National Budget	Insurance cost for vehicles used for CHOGM	5,062,908	
241	Department of Public Enterprises	Buy back shares of Sri Lankan Airlines and contribution of capital to Bank of Ceylon as per the budget proposals 2014/15.		5,817,870,000
243	Department of Development Finance	Interest subsidy for the Loan Scheme for Media Personnel and Artists, District-level drought related development activities, providing seed paddy free of charge for cultivation in Maha 2014/15 as per Budget Proposal-2015	20,000,000	5,114,725,700
246	Department of Inland Revenue	Settlement of bills to Sri Lanka Telecom Ltd under Fiscal Management and Reform Project, Revenue Administration Management Information System(RAMIS), fuel, plant and machinery, transport, electricity & water and rents & local taxes	101,000,000	836,000,000
247	Department of Customs	Personal emoluments	60,000,000	
248	Department of Excise	Personal emoluments, property loan interest & services	17,802,051	
249	Department of Treasury Operations	Activities of EIB Credit Line (SME/Green Energy)		2,500,000,000
250	Department of State Accounts	Personal emoluments	538,000	
251	Department of Valuation	Payment of compensation for underperforming enterprises		700,000,000
252	Department of Census and Statistics	Initiate census on damaged property and humans due to civil war, Asian Development Bank project on Updating and Improving Social Protection Index, construction of new head office building, personal emoluments, services, Economic Census, Census of Population and Housing-2011, acquisition of capital assets	21,000,000	454,788,837
296	Department of Import and Export Control	Furniture and office equipment		3,561,693
323	Department of Legal Affairs	Maintenance of vehicles, foreign travelling, personal emoluments, fuel and property loan interest to public servants, maintenance of machinery and equipment	3,618,000	
329	Department of Information Technology Management	Personal emoluments, advertisement/media expenditure on development programmes and services	70,540,000	
103	Ministry of Defence and Urban Development	Ranaviru Mapiya Rakawarana Allowance, Development of sathi pola at Padukka, Delkanda, Embilipitiya, maintenance of staff quarters, compensation on land acquisition for Greater Hambantota Development Project, capacity building of the staff, expenditure on the meeting of Chief of the Defence Staff held in Sri Lanka, Defence Service Command and Staff College, Prefabricated Building Project and Veeraketiya Town Development Project	187,000,000	582,150,000
222	Sri Lanka Army	Personal emoluments, basic facilities for Sri Lanka Army, purchase of an ambulance & medical equipment, travelling, medical supplies, stationery and office requisites, vehicles & machinery maintenance, transport, electricity & water, acquisition, rehabilitation and improvement of capital assets and purchase of vehicles	4,559,700,000	1,756,899,853
223	Sri Lanka Navy	Personal emoluments, foreign travelling, staff training and maintenance of vehicles	508,616,000	30,000,000
224	Sri Lanka Air Force	Purchase of a vehicle, rehabilitation and improvement of machinery and equipment and Peace Keeping Mission in Central African Republic	256,000,000	355,000,000
226	Department of Immigration and Emigration	Deport of Pakistani and Afghan prisoners	56,597,000	
227	Department of Registration of Person	Personal emoluments	2,000,000	
291	Department of Coast Conservation and Coastal Resource Management	Personal emoluments	3,372,000	

320	Department of Civil Security	Fuel, vehicles maintenance, buildings and structures, plant, machinery and equipment, supplies, maintenance expenditure, services and personal emoluments	282,400,000	15,000,000
105	Ministry of Economic Development	Personal emoluments, development programmes under Deyata Kirula Development Programme, staff training, implementing Community Development and Livelihood Improvement Project, financial grant by World Bank for North East Local Services Improvement Project, purchase of a vehicle, Divineguma Programme, Upgrading Primary and Secondary Schools, Gama Neguma Development Programme, Divi Neguma Programme, Batahira Ran Aruna Development Programme, Kandurata Udanaya Development Programme, Sri Lanka Samurdhi Authority	1,375,000,000	12,561,235,000
218	Department of Commissioner General of Samurdhi	Personal emoluments	4,000,000	
106	Ministry of Disaster Management	Flood & drought relief, accounting the grant by United Nations Human Settlement Programme for development of the Early Disaster Warning System, relief assistance for damaged houses, cultivation and self-employment, grant given by the Government of Oman for the establishment of disaster resilient houses in flood prone areas, purchase of vehicles and personal emoluments	356,800,000	1,968,587,938
304	Department of Meteorology	Repairing VAST communication system, staff training and personal emoluments	9,000,000	475,000
108	Ministry of Postal Services	Purchase of vehicles, Transport, Buildings rent, personal emoluments, fuel and other expenses	20,875,000	43,200,000
308	Department of Posts	Personal emoluments	100,000,000	
110	Ministry of Justice	Purchase of a vehicle, UNICEF fund for Child protection programme and building rent of International Arbitration Centre	25,000,000	17,743,000
228	Courts Administration	Fuel, construction of International Arbitration Centre and construction of Judges' bungalow in Puttalam	130,200,000	107,800,000
233	Department of Government Analyst	Personal emoluments, Purchase of vehicles	5,000,000	480,000
234	Registrar of Supreme Court	Personal emoluments	3,050,000	
112	Ministry of External Affairs	Purchase of new vehicles for Sri Lankan missions overseas, settle due payments of Commonwealth Heads of Government Meeting and Lakshman Kadirgamar Institute for International Relations & Strategic Studies, personal emoluments, travelling expenses, maintenance expenditure and services	212,273,000	381,138,000
114	Ministry of Transport	Personal emoluments	128,500,000	
306	Department of Sri Lanka Railways	Rehabilitation and improvement of capital assets, land and land improvement, personal emoluments and purchase of vehicles	108,528,912	477,914,392
307	Department of Motor Traffic	Number plates of newly registered vehicles and personal emoluments	38,270,000	
115	Ministry of Petroleum Industries	Purchase of vehicles and services	4,200,000	22,000,000
116	Ministry of Co-operatives and Internal Trade	Accounting the grant by World Bank to build up capacities of Institute of Chartered Accountants of Sri Lanka, purchase of new vehicles, importation of dates for Ramasan festival and construction of Economic Centers and Dry Zone Urban Water Supply Project- ADB(V)	81,700,000	52,943,411
298	Department of Measurement Units, Standards and Services	Personal emoluments	2,855,000	
300	Department of Food Commissioner	Write off losses of the advances of paddy purchasing during 2004/2006	76,000,000	
302	Co-operative Employees Commission	Transport	322,000	

117	Ministry of Highways, Ports and Shipping	Provincial Road Development Project, purchase and repair of vehicles, Rectification of Slope Failure Project on Southern expressway, personal emoluments and Government Guaranteed Local Bank Funded Road Rehabilitation	103,485,200	2,745,163,800
118	Ministry of Agriculture	Personal emoluments, purchase and repair of vehicles, procure research equipment to newly constructed laboratories, travelling and fuel	10,824,450	149,650,000
285	Department of Agriculture	Personal emoluments and research equipment for newly constructed laboratories	49,610,000	70,000,000
119	Ministry of Power and Energy	Purchase of vehicles		22,500,000
120	Ministry of Child Development and Women's Affairs	Accounting of financial grant by SAARC for "South Asia Initiatives to End Violence Against Children"- project under National Child Protection Authority and grant by United Nations Development Programme for Ensuring and Strengthening Protection of Women., personal emoluments, rehabilitation and improvement of vehicles and annual expenditure of Anuradapura Rest House,	210,200,000	45,875,110
217	Department of Probation and Child Care Services	Personal emoluments	38,430,000	
121	Ministry of Public Administration and Home Affairs	Training allowances to newly recruited Grama Niladari - Class 111 Officers and purchase of vehicles	23,000,000	14,700,000
253	Department of Pensions	Service compensation for dead & injured soldiers	283,792,890	
254	Department of Registrar General	Personal emoluments	65,000,000	
256	District Secretariat, Gampaha	Personal emoluments, travelling and property loan interest to public servants	19,322,000	
257	District Secretariat, Kalutara	Personal emoluments, rehabilitation of damaged properties due to recent disturbances in Beru-wala area, property loan interest and construction of new office building	14,227,000	215,000,000
258	District Secretariat, Kandy	Personal emoluments, Development activities related to drought	30,500,000	25,376,000
259	District Secretariat, Matale	Personal emoluments and services	7,605,000	
260	District Secretariat, Nuwara Eliya	Construction of new office building		5,000,000
261	District Secretariat, Galle	Personal emoluments and construction of new office building	146,800,000	7,000,000
262	District Secretariat, Matara	Personal emoluments and Deyata Kirula Development Programme 2014	172,432,000	18,000,000
263	District Secretariat, Hambantota	Personal emoluments and construction of new office building	8,336,000	12,000,000
264	District Secretariat, Jaffna	Security payments and personal emoluments	34,600,000	
265	District Secretariat, Mannar	Write off the losses arising on Paddy Purchasing Programme, Resettlement activities conducted by District Secretariat - Mannar in coordination with Presidential Task Force for Resettlement and Construction of new office complex	1,950,000	101,100,000
266	District Secretariat, Vavuniya	Resettlement activities conducted by District Secretariat - Vavuniya in coordination with Presidential Task Force for Resettlement		110,000,000
267	District Secretariat, Mullativu	Construction of new office building		11,200,000
268	District Secretariat, Killinochchi	Personal emoluments and improvements in new District Secretariat	20,000,000	9,000,000
269	District Secretariat, Batticaloa	Personal emoluments, maintenance of vehicles, electricity and water, rents and local taxes, regional development programmes implemented in line with Deyata Kirula Development Programme 2013 and fuel	30,210,000	200,000,000

270	District Secretariat, Ampara	Personal emoluments, compensation of damaged properties in Ampara district and construction of new office building	13,120,000	58,000,000
271	District Secretariat, Trincomalee	Personal emoluments, operational expenses on coordination of development programmes, construction of new office building and write off the losses arising from Paddy Purchasing Programme during 2000-2007	24,692,000	5,000,000
272	District Secretariat, Kurunegala	Personal emoluments and initial infrastructure development of Deyata Kirula 2014	21,284,000	25,000,000
273	District Secretariat, Puttalam	Personal emoluments, operational expenses on coordination of development programmes and write off the losses arising from paddy purchasing programme in Maha 2004/2005, Yala 2005, Maha 2005/2006 seasons	22,509,000	
274	District Secretariat, Anuradhapura	Promotion of traditional rice varieties for the prevention of kidney diseases, operational expenses on coordination of special district development meeting, personal emoluments, construction of new office building and write off the losses arising from Paddy Purchasing Programme during 2000-2006	24,143,000	67,000,000
275	District Secretariat, Polonnaruwa	Operational cost and losses of paddy purchasing programme, regional development programmes implemented in line with Deyata Kirula Development Programme 2013 and construction of new office building	85,631,600	46,200,000
276	District Secretariat, Badulla	Coordination of district development programmes and rehabilitation of damaged properties due to natural disasters in Badulla District	2,100,000	228,600,000
277	District Secretariat, Monaragala	Construction of new office complex, acquisition of capital assets for District Secretariat-Monaragala, personal emoluments	10,216,000	16,150,000
278	District Secretariat, Ratnapura	Personal emoluments, new divisional secretariat office complex, personal emoluments, travelling and maintenance expenditure	8,708,000	51,500,000
279	District Secretariat, Kegalle	Personal emoluments and electricity & water	64,000,000	
122	Ministry of Mass Media and Information	Renovation of buildings and compensation for monthly revenue shortfall of Sri Lanka Broadcasting Corporation and expenditure on local and international media campaign of Commonwealth Heads of Government Meeting	30,000,000	401,000,000
210	Department of Information	Purchase of camera and other related equipment for media unit, rehabilitation & improvement of capital assets and acquisition of furniture and office equipment		10,640,000
211	Department of Government Printer	Personal emoluments	75,660,000	
123	Ministry of Construction, Engineering Services, Housing & Common Amenities	Repair of Minister's quarters		3,000,000
310	Government Factory	Personal emoluments	1,600,000	
124	Ministry of Social Services	Improvement of Minister bungalow, partitioning of Ministry premises and grant by United Nations Children's Fund for social service activities		9,260,000
216	Department of Social Services	Personal emoluments	50,500,000	
126	Ministry of Education	Personal emoluments, implementation of development activities of Polonnaruwa Royal Central College in line with Deyata Kirula Development Exhibition, vehicle maintenance, assistance for differently abled students, educational programmes implemented by United Nations Children's Fund and Education for Knowledge Society Project, property loan interest and facilitating Secondary Education and Strengthening of Pirivena Education	628,877,300	865,829,800

212	Department of Examination	Personal emoluments and G.C.E (A/L) examination paper marking payments	142,850,000	
127	Ministry of Labour & Labour Relations	Personal emoluments, foreign travelling, fuel, services, subscriptions and contribution fees and purchase of a vehicle	17,600,000	70,873,000
221	Department of Labour	Construction of ladies hostel-Seethawaka		5,000,000
128	Ministry of Traditional Industries & Small Enterprise Development	Personal emoluments of National Crafts Council, Palmyrah Development Board and Sri Lanka National Design Centre and implementation of Product Development Programme	5,225,200	3,000,000
130	Ministry of Local Government and Provincial Councils	Purchase of a vehicle, purchase of bowlers and garbage collectors, Central and Sabaragamuwa Provincial Road Project, vehicle maintenance and Greater Colombo Waste Management Project funded by ADB	11,000,000	1,195,500,000
312	Western Provincial Council	Personal emoluments, school buildings in Western Province under Criteria Based Grant and UNICEF to implement project activities at provincial level	2,589,313,000	450,000,000
313	Central Provincial Council	Personal emoluments, Emergency Natural Disaster Rehabilitation Project, Central and Sabaragamuwa Provincial Road Project and accounting the financial grant given by United Nations Children's Fund for implemented project activities at provincial level	2,151,925,000	1,116,960,000
314	Southern Provincial Council	Personal emoluments	1,840,604,000	
315	Northern Provincial Council	Personal emoluments and project activities implemented by UNICEF at provincial level	930,000,000	15,777,000
316	North Western Provincial Council	Personal emoluments, development of Isolated Villages in North Western Province, development programmes implemented under PSDG and construction of school buildings in North Western Province	1,253,000,000	1,537,900,000
317	North Central Provincial Council	Personal emoluments, Emergency Natural Disaster Rehabilitation Project and Eastern and North Central Provincial Road Project	1,498,879,000	220,200,000
318	Uva Provincial Council	Personal emoluments, Development of Isolated Villages in Uva Province and project activities at provincial level by UNICEF	1,385,152,000	763,050,600
319	Sabaragamuwa Provincial Council	Personal emoluments	659,408,000	
321	Eastern Provincial Council	Personal emoluments, implementation of Emergency Natural Disaster Rehabilitation Project, Eastern and Uva Provincial Roads Project, Eastern Province Rural Roads Development Project (GOSL & JICA), Eastern Province Rural Water Supply Development Project (GOSL & JICA) and grant given by United Nations Children's Fund to implement development projects at provincial level	1,161,708,000	1,430,700,000
133	Ministry of Technology and Research	National Science Foundation for the implementation of Nanotech Phase 11 Project, Gamma Irradiator Project, relocation of Atomic Energy Authority in Malabe and importation of required equipment and installation of 4D digital projectors in Sri Lanka Planetarium, personal emoluments	3,800,000	190,392,776
134	Ministry of National Languages and Social Integration	National Institute of Language Education and Training, maintenance and rental of vehicles and buildings, repair machinery and equipment, fuel, electricity and water, postal and telecommunication and acquisition of furniture and office equipment	22,750,000	4,700,000
135	Ministry of Plantation Industries	Personal emoluments, purchase of vehicles, vehicles maintenance and soil conservation assistance to tea small holders as per Budget Proposal 2014	12,500,000	763,532,965
136	Ministry of Sports	Purchase of ambulance for the use of the Institute of Sports Medicine		15,600,000
219	Department of Sports Development	Purchase of a vehicle		7,970,000
138	Ministry of Indigenous Medicine	Personal emoluments	14,200,000	

220	Department of Ayurveda	Personal emoluments, supplies of medicine, rent & local taxes, maintenance expenditure, re-search activities on Communicable and Non Communicable Diseases and acquisition of capital assets	63,603,000	116,500,000
139	Ministry of Fisheries and Aquatic Resources Development	Personal emoluments, development programmes implemented under Post Tsunami Coastal Rehabilitation, Resources Management Programme and Post Tsunami Livelihood Support and Partnership Programme, Indian Ocean Tuna Commission's Annual Conference, implementing the projects for introducing new technology for fisheries sector development, development of ornamental fish industry, National Aquatic Resources Research and Development Agency-compensation payments and purchase Tuna Fish from Multiday Boats	300,169,300	72,329,108
290	Department of Fisheries & Aquatic Resources	Acquisition of plant, machinery & equipment and transfers	9,724,840	4,000,000
140	Ministry of Livestock and Rural Community Development	Purchase of vehicles, development at Ridiyagama farm, Lagging Area Socio Economic Development Project, Facilitation and Promotion of Liquid Milk Consumption Project and MLCO - for the increase in buying price of raw milk from farmers as per the budget proposal 2015.	100,000,000	233,350,979
142	Ministry of National Heritage	Personal emoluments, purchase of vehicles and Sri Lanka-Netherland Cooperation Programme for conservation of Jaffna Fort	1,640,000	26,310,365
207	Department of Archaeology	Personal emoluments, Yudaganawa Conservation and Preservation, conservation of Rajagalahenna Archaeological Site, construction of new rest house in Anuradhapura and purchase of vehicles	12,885,200	37,190,000
208	Department of National Museums	Personal emoluments and rehabilitation of Kandy Museum	737,000	16,000,000
209	Department of National Archives	Construction of new cafeteria building		13,000,000
143	Ministry of Parliamentary Affairs	Personal emoluments	8,379,000	
145	Ministry of Re-settlement	Accounting the grant by United Nations High Commission for Refugees (UNHCR) for resettled families in Mulativu District, rehabilitation and improvement of buildings and structures and Welioya Resettlement Programme Stage - II		46,052,500
149	Ministry of Industry and Commerce	Purchase of vehicles and Small and Micro Industries Leaders and Entrepreneur Promotion Project		536,000,000
303	Department of Textile Industries	Compensation for workers in Power Loom Industry which was privatized in 1980-1982 and transport	119,880,700	
152	Ministry of Irrigation and Water Resources Management	Personal emoluments, purchase of vehicles and land and land improvements of inter provincial development programmes	30,582,021	81,370,618
282	Department of Irrigation	Personal emoluments, purchase of a Prime Mover with Low Bed Trailer and land and land improvements of Daduru Oya Reservoir	134,000,000	86,806,281
153	Ministry of Lands and Land Development	Personal emoluments, Bim Saviya Programme and Land Acquisition for State Purposes	6,287,000	142,000,000
286	Department of Land Commissioner General	Personal emoluments	5,000,000	
287	Department of Land Title Settlement	Personal emoluments	7,030,000	
288	Department of Survey	Personal emoluments	53,701,710	
156	Ministry of Youth Affairs and skills Development	Personal emoluments, expenditure of National Human Resources Development Council of Sri Lanka	46,500,000	
160	Ministry of Environment and Renewable Energy	Pilisaru Programme and personal emoluments	2,250,000	178,000,000



166	Ministry of Water Supply and Drainage	Development programmes of North and East Pilot (WASH) Water, Sanitation and Hygiene Project, mobilization advance of Western Province-Upgrading the WW collection and transmission in Kolonnawa Sewerage and Water Supply & Sanitation Trust Fund as per the cabinet decision dated 09.11.2014	7,040,000	390,000,000
171	Ministry of Higher Education	Accounting the grant by Germany to promote quality education, researches and training of University of Peradeniya, International Research Centre of Canada under the Project of Building Research Excellence in Wildlife and Human Health in Sri Lanka, grant by Tribhuvan University in Nepal to promote training and research of University of Peradeniya and improve quality of education of Bhikku University of Sri Lanka and Buddhist & Pali University of Sri Lanka, construct 60 university hostels as per the budget proposal 2013, acquisition of furniture & office equipment, staff training and purchase of new vehicles	23,000,000	4,561,897,896
214	University Grants Commission	Personal emoluments and purchase a land for development of infrastructure facilities of University of Moratuwa	687,000,000	1,053,000,000
173	Ministry of Public Management Reforms	Personal emoluments	12,770,000	
174	Ministry of Rehabilitation and Prison Reforms	Personal emoluments, transport expenses, rehabilitation centers for drug dependent persons, video camera for media activities, compensation for conflicts, 2006 and purchase of new vehicles	32,504,000	145,200,000
232	Department of Prisons	New buildings for the relocation of Tangalle Prison to Eraminivaya-Angunukolapellessa, purchase of equipment for Colombo prison and Dumbara new Bogambara prison, rehabilitation of Bogambara prison and purchase of vehicles		487,296,000
326	Department of Community Based Corrections	Personal emoluments, acquisition of furniture & office equipment and buildings & structures	73,500,000	5,900,000
175	Ministry of State Resources and Enterprise Development	Personal emoluments of employees of the National Paper Company Ltd, Sri Lanka State Plan-tation Corporation, Lanka Salusala Ltd and Janatha Estate Development Board, outstanding liabilities of Hingurana Sugar Industries Ltd, settlement of outstanding loan of Lanka Salusala Ltd to BOC and purchase of vehicles	2,300,000	1,061,981,643
177	Ministry of Culture and the Arts	Renovation of Elphinston Arts Theatre and purchase of a vehicle		28,100,000
178	Ministry of Coconut Development and Janatha Estate Development	Personal emoluments, transport, fuel, furniture and office equipment, purchase of vehicles and rehabilitation & improvement of buildings,	92,775,000	38,459,000
179	Ministry of Wildlife Resources and Conservation	Personal emoluments, purchase of vehicles and vehicle rent	2,287,000	9,100,000
283	Department of Forests	Personal emoluments and expand the forest cover in Sri Lanka to 35%	29,625,000	325,000,000
284	Department of Wildlife Conservation	Personal emoluments	25,753,787	
289	Department of Export Agriculture	Personal emoluments	3,900,000	
180	Ministry of Minor Export Crops Promotion	Personal emoluments, transport, fuel and purchase of new vehicles	15,595,000	34,902,205
289	Department of Export Agriculture	Project for Preventing and Control of Nutmeg Leaf-fall Disease in Mid Country		7,450,000
181	Ministry of Productivity Promotion	Personal emoluments and purchase of a vehicle	60,000,000	8,040,000
328	Department of Manpower and Employment	Personal emoluments	772,570	
182	Ministry of Foreign Employment Promotion and Welfare	Travelling, supplies, services and Welfare	25,000,000	
183	Ministry of Public Relation and Public Affairs	Personal emoluments	5,724,000	
184	Ministry of Private Transport Services	Purchase of a vehicle, vehicles maintenance, supplies, services and acquisition of furniture and office equipment	7,550,000	12,300,000

185	Ministry of Telecommunication and Technology	Personal emoluments	3,500,000	
186	Ministry of Sugar Industry Development	Personal emoluments of Kanthale Sugar Industries and Sugarcane Research Institute and rents & local taxes	110,382,346	8,250,000
187	Ministry of Investment Promotion	Personal emoluments, vehicle maintenance, transport, foreign travelling, postal and telecommunication, settle the commitments in 2013 and purchase of a vehicle	19,614,284	38,766,957
188	Ministry of Botanical Gardens and Public Recreation	Purchase of a vehicle and Sri Lanka Handicrafts Board to encourage small scale entrepreneurs through Laksala Network as per the budget proposal - 2013		41,682,951
294	Department of National Zoological Gardens	Personal emoluments	13,000,000	
281	Department of Agrarian Development	Write off losses of the advances of paddy purchasing during the Maha Season 2005/2006 in Polonnaruwa District.	11,800,000	
322	Department of National Botanical Gardens	Personal emoluments and Renovation of administration building at Janakala Kendraya	4,438,400	50,000,000
189	Ministry of Education Services	Personal emoluments, Library Promoting Programmes, Water, Sanitation and Hygienic Programme for Schools in Uva, Eastern, North Central and Central Provincial Councils and maintenance of vehicles	10,976,610	128,050,000
190	Ministry of Law and Order	Purchase of a new vehicle		6,510,000
225	Department of Police	Personal emoluments	241,000,000	
<b>Total</b>			<b>29,326,808,627</b>	<b>58,486,415,888</b>



**05**

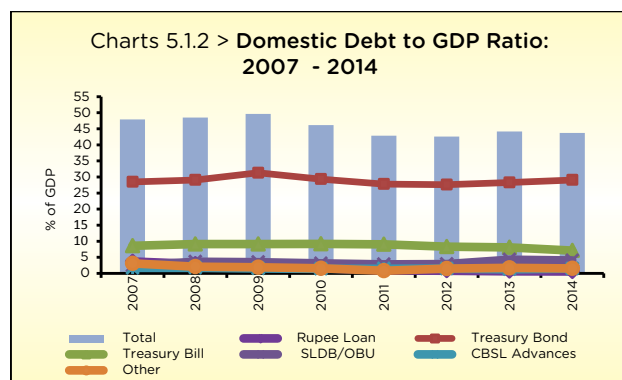
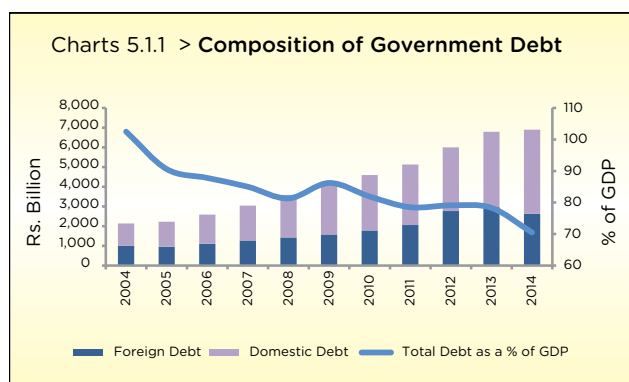
# **FINANCING OF THE BUDGET**

## 5.1 Overview

### Government Debt Management Strategy

The medium term debt management strategy of the government is designed to ensure that government debt remains on a sustainable path. The medium term direction is guided by the provisions of the Fiscal Management (Responsibility) Act No. 3 of 2003, as amended. Accordingly, the debt to GDP ratio is expected to reduce to 60 percent by 2020. The debt management is also guided by the Medium-Term Macro Fiscal Framework (MTMFF), which outlines in each year the macro-fiscal objectives of the government and decides the level of budget deficit and the borrowing requirement.

The government's medium term debt management strategy is implemented in line with the overall fiscal management strategy which is primarily aimed at reducing the government budget deficit to a sustainable level while maintaining desired level of public investment over the medium term to support growth momentum. Under this, raising of funds at the lowest possible cost for servicing debt and financing new expenditures from domestic and foreign sources considering the market conditions, liquidity needs and financing requirement of the import cost in public investment, largely through foreign borrowings are envisaged. Over the years, the domestic



debt has moved towards more marketable debt instruments while also allowing foreigners to investment in such instruments with a cap. The structure of the foreign borrowings also has diversified gradually with issuing sovereign bonds in the international market in addition to the traditional financing received from various sources such as bilateral countries, multilateral agencies and export credits.

### Government Borrowing Programme – 2014

Under the Appropriation Act No. 36 of 2013, approval of the Parliament was granted for a maximum gross borrowing limit of Rs. 1,278 billion to finance the resource gap for the year 2014. However, this limit was subsequently enhanced through the amended Act of No. 47 of 2014 to Rs. 1,478 billion to account for the bonds issued for capitalization and restructuring of balance sheets of public enterprises.

Complying with the borrowing limits set by Parliament, gross borrowing from domestic sources amounted to Rs 1,001.9 billion in 2014. Gross borrowing from foreign sources amounted to Rs. 422.5 billion, which includes the sovereign bond of Rs. 195.2 billion issued at the foreign market totalling at Rs 1,424.5 billion in 2014 which is a 10.7 percent increase over that of Rs. 1,286.0 billion in 2013.

Table 5.1 &gt; Government Borrowing Limits and Usage (Rs. Million)

Item	2013		2014	
	Approved Limit	Usage	Approved Limit	Usage
Gross Borrowing	1,303,000	1,286,013	1,478,000	1,424,506
Domestic	1,069,000	1,102,696	1,146,500	1,001,968
Foreign	234,000	183,317	331,500	422,538
Total Financing	1,303,000	1,286,013	1,478,000	1,424,506

Sources : Department of Treasury Operations and Central Bank of Sri Lanka

The actual total gross domestic borrowing of Rs 1,001.9 billion in 2014 indicated a 9.1 percent decrease over that of Rs. 1,102.7 billion in 2013. During 2014 issuance of Treasury Bills declined by 74.5 percent to Rs. 11.8 billion while issuance of Treasury Bonds increased by 6.9 percent to Rs 857.6 billion. However, issuance of Sri Lanka Development Bonds (SLDBs) decreased by 60.0 percent to Rs.95.5 billion in 2014.

Accordingly, actual total gross domestic borrowings, which include Treasury bills and Treasury bonds issued to foreign investors, accounted for 69.5 percent of total borrowings in comparison to 77.6 percent in 2013. The amount raised from foreign sources of Rs. 422.5 billion represented the balance 29.7 percent of the total gross borrowings.

Foreign financial inflows to the country increased in 2014 mainly due to the accelerated disbursements of foreign loans to finance ongoing major infrastructure development projects. Favourable economic outlook of the country enabled the country to complete its seventh international sovereign bond issue of US\$ 1,500 million during the year.

## 5.2 Domestic Financing

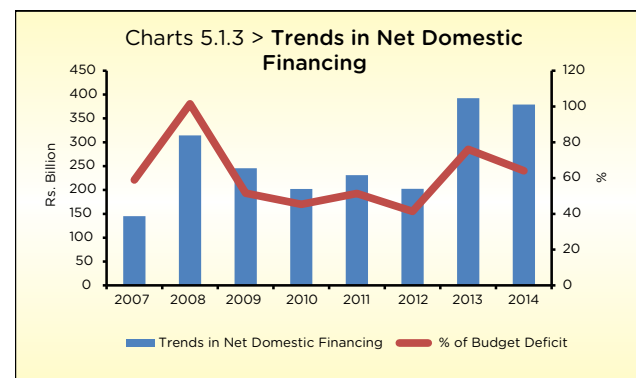
Total net borrowings from domestic sources to finance the budget deficit of Rs. 591.2 billion in 2014 amounted to Rs. 379 billion. This accounted for 64 percent of budget deficit. The total net borrowing to finance the deficit in 2014 through marketable debt instruments amounted Rs. 416.2 billion in accordance with

the government strategy of focusing more on marketable debt instruments while there was a repayment of non-marketable debt of Rs 37.5 billion.

Total net domestic financing (NDF) of Rs. 379.0 billion comprised mainly of marketable debt instruments such as Treasury bonds, Treasury bills and SLDBs. Of the total marketable borrowings, Rs. 369.1 billion or 97.5 percent were borrowed through Treasury bonds in 2014, excluding the net investments by non-residents in Treasury Bonds which amounted to Rs.15.0 billion.

Net borrowings from Treasury bills amounted to Rs. 26.1 billion, which accounted for 6.9 percent of NDF. The net borrowings through SLDBs declined to Rs. 21.0 billion from Rs 140.3 billion in 2013 and represented 5.5 percent of the total NDF.

The share of the medium to long term borrowings of Rs. 390.1 billion reflected a marginal increase up to 103.0 percent. Meanwhile, short term borrowings of the total NDF reflected a repayment of Rs. 11.4 billion in 2014.



During the year, the borrowings from the non banking system increased to Rs. 251.8 billion in 2014 compared to Rs. 95.4 billion in 2013. The higher amount of net borrowing from non banking sector was due to their increased holdings of Treasury bills and Treasury bonds.

As in the previous years, institutional investors such as Employees Provident Fund (EPF), National Savings Bank (NSB) and Employees Trust Fund (ETF) were the major contributors in the non-bank sector as government securities provided them with a risk free mode

of investment for the funds generated by them. Consequently, the share of non-bank borrowings in the total NDF increased to 66.5 percent in 2014 from 24.3 percent in 2013.

Meanwhile, a decline in the investments by the banking sector was also observed owing to the decline in the commercial bank holdings of government securities. Of the total NDF, the share of bank borrowings declined to 33.5 percent in 2014 from 75.7 percent in the previous year.

Table 5.2 &gt; Net Domestic Financing of the Government Budget: 2013 and 2014

Item	Amount (Rs.Billion)		As a % of Total	
	2013	2014	2013	2014
<b>By Type</b>	<b>392.4</b>	<b>378.7</b>	<b>100</b>	<b>100</b>
Borrowing from Instruments	443.0	416.2	112.9	109.9
Treasury Bonds*	252.1	369.1	64.2	97.5
Treasury Bills*	53.5	26.1	13.6	6.9
Rupee Loans	-2.9	0.0	-0.7	0
Sri Lanka Development Bonds	140.3	21.0	35.8	5.5
Non Instrument Borrowings	-50.6	-37.5	-12.9	-9.9
Provisional Advances from the Central Bank	-2.1	34.7	-0.5	9.2
Other	-48.5	-72.2	-12.4	-19.1
<b>By Maturity</b>	<b>392.4</b>	<b>378.7</b>	<b>100</b>	<b>100</b>
Medium to Long Term	389.5	390.1	99.3	103
Treasury Bonds*	252.1	369.1	64.2	97.5
Rupee Loans	-2.9	0.0	-0.7	0
Sri Lanka Development Bonds	140.3	21.0	35.8	5.5
Short term	2.9	-11.4	0.7	-3
Treasury Bills*	53.5	26.1	13.6	6.9
Provisional Advances from the Central Bank	-2.1	34.7	-0.5	9.2
Other	-48.5	-72.2	-12.4	-19.1
<b>By Marketability</b>	<b>392.4</b>	<b>378.7</b>	<b>100</b>	<b>100</b>
Marketable	445.9	416.2	113.6	109.9
Treasury Bills*	53.5	26.1	13.6	6.9
Treasury Bonds*	252.1	369.1	64.2	97.5
Sri Lanka Development Bonds	140.3	21.0	35.8	5.5
Non - Marketable	-53.5	-37.5	-13.6	-9.9
<b>By Ownership</b>	<b>392.4</b>	<b>378.7</b>	<b>100</b>	<b>100</b>
Banks	297.0	126.9	75.7	33.5
Central Bank	-164.8	35.7	-42	9.4
Commercial Banks	461.8	91.3	117.7	24.1
Non Bank Sector	95.4	251.8	24.3	66.5

Sources : Department of Treasury Operations and Central Bank of Sri Lanka

\*excluding investment by non residents



## 5.2.1 Domestic Debt

Total domestic debt, excluding the rupee denominated Treasury bills and bonds issued to non residents, stood at Rs.4,277.8 billion as at end 2014, an increase of Rs. 445 billion or 11.61 percent in comparison to Rs.3,832.8 billion at end 2013.

The ratio of domestic debt to total debt increased to 57.9 percent in 2014 from 56.4 percent in 2013 reflecting an enhanced reliance on borrowings from the domestic sources to finance the budget deficit. As a percentage of GDP, total domestic debt increased to 43.7 percent from 44.2 percent in 2013. Meanwhile, the US dollar denominated domestic debt (SLDBs and OBUs) increased by Rs. 21.5 billion in 2014.

### 5.2.1.1 Composition of Domestic Debt

#### Composition by Type

Of the total domestic debt by end 2014, the share of Treasury bonds and Treasury bills accounted for 66.4 percent and 16.2 percent, respectively. The balance accounted for SLDBs (9.1 percent), provisional advances from the Central Bank (3.4 percent), Rupee loans (1.3 percent) and other borrowings (3.6 percent).

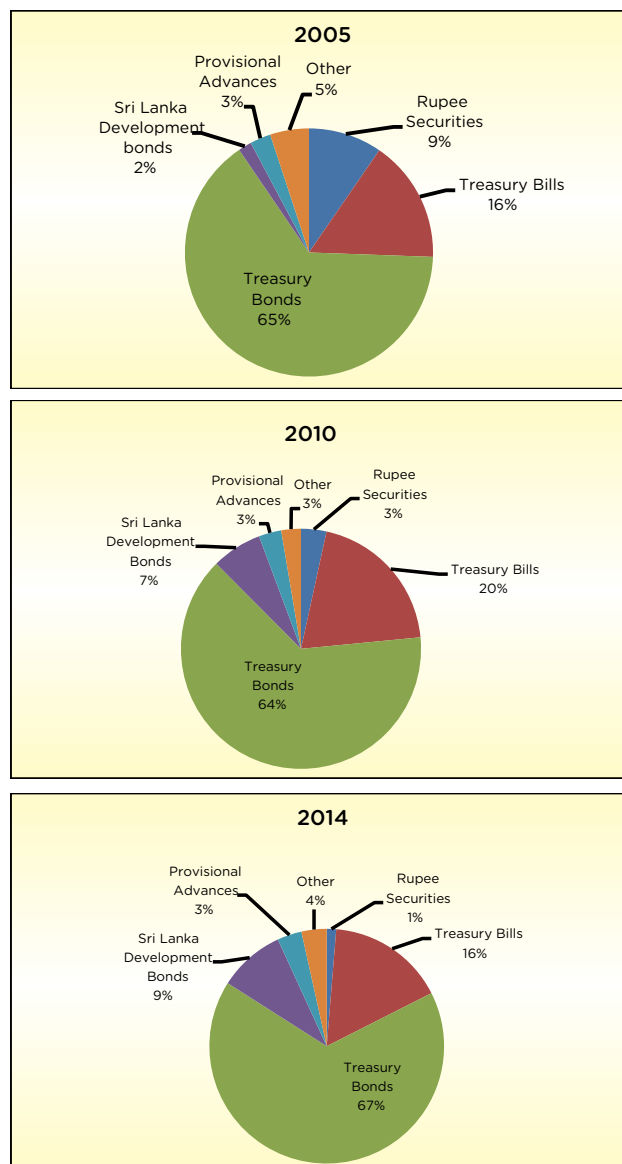
The stock of Treasury bonds increased by 15.9 percent to Rs. 2,844 billion in 2014 over 2013 while the stock of Treasury bills amounted to Rs. 695 billion, reflecting a marginal decrease of 0.7 percent over 2013. Total SLDBs issued increased by 5.9 percent to Rs. 391 billion as at end 2014.

#### Composition by Maturity

By end 2014, medium and long term debt accounted to 78 percent of the total domestic debt or Rs. 3,336.6 billion. It reflected a marginal increase compared to 76.3 percent or Rs. 2923.7 billion in 2013.

Total Treasury bonds of Rs. 2,844.5 billion constituted 85.2 percent of the total medium to long term debt. The balance consisted of SLDBs (11.7 percent) and Rupee loans (1.7 percent) and other (1.4 percent).

Chart 5.4 > Composition of Domestic Debt



The concentration of the government borrowings towards medium to longer term instruments facilitated the government to extend its yield curve during the year 2014.

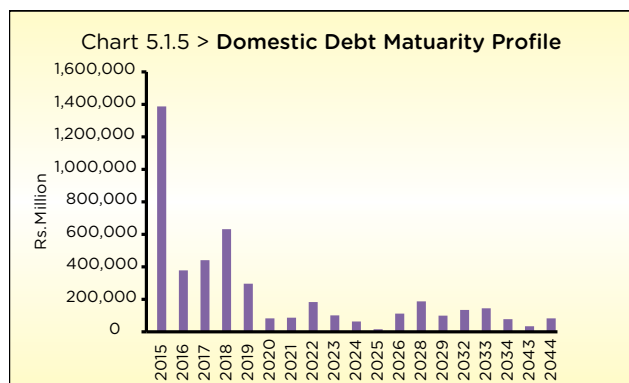
Of the total outstanding domestic debt, short term debt, which has a maturity period of less than one year, amounted to Rs. 941.2 billion by end 2014. This was an increase of Rs. 32

Table 5.4 > Central Government Domestic Debt<sup>(a)</sup>

Item	2007	2008	2009	2010	2011	2012	2013	Rs.Mn 2014
Total Domestic Debt	1,715,198	2,140,228	2,400,955	2,565,662	2,804,085	3,232,813	3,832,825	4,277,783
<b>By Type</b>								
Rupee Loans	131,509	130,009	112,292	87,709	61,961	58,386	55,518	55,518
Treasury Bills	307,012	402,600	441,032	514,442	590,885	629,070	700,137	694,767
Treasury Bonds	1,018,852	1,281,978	1,513,512	1,643,887	1,819,251	2,095,054	2,452,360	2,844,054
Sri Lanka Development Bonds	86,459	158,805	168,079	173,877	183,845	222,994	369,215	391,083
Provisional Advances	60,679	76,308	73,881	77,879	94,743	111,292	109,167	143,898
Other	110,686	90,528	92,160	67,869	53,400	116,017	146,428	148,463
<b>By Maturity</b>								
Short term	363,199	516,364	560,646	619,549	698,190	813,273	909,156	941,162
Treasury Bills	307,012	402,600	441,032	514,442	590,885	629,070	700,137	694,767
Provisional Advances	60,679	76,308	73,881	77,879	94,743	111,292	109,167	143,898
Other	-4,492	37,456	45,733	27,228	12,562	72,911	99,852	102,498
Medium and Long - Term	1,351,999	1,623,863	1,840,309	1,946,113	2,105,895	2,419,541	2,923,670	3,336,620
Treasury Bonds	1,018,852	1,281,978	1,513,512	1,643,887	1,819,251	2,095,054	2,452,360	2,844,054
Rupee Loans	131,509	130,009	112,292	87,709	61,961	58,386	55,518	55,518
Sri Lanka Development Bonds	86,459	158,805	168,079	173,877	183,845	222,994	369,215	391,083
Other	115,179	53,071	46,426	40,640	40,838	43,107	46,577	45,966
<b>By Marketability</b>								
Marketable	1,412,323	1,843,383	2,122,623	2,332,206	2,593,981	2,947,118	3,521,712	3,929,904
Treasury Bills	307,012	402,600	441,032	514,442	590,885	629,070	700,137	694,767
Treasury Bonds	1,018,852	1,281,978	1,513,512	1,643,887	1,819,251	2,095,054	2,452,360	2,844,054
Sri Lanka Development Bonds	86,459	158,805	168,079	173,877	183,845	222,994	369,215	391,083
Non - Marketable	302,875	296,845	278,332	233,456	210,104	285,695	311,113	347,879
<b>By Ownership</b>								
Banks	415,318	657,424	705,766	691,716	886,221	1,060,317	1,433,773	1,669,882
Central Bank	104,817	239,248	109,593	78,376	263,330	265,198	112,396	267,677
Treasury Bills	44,964	163,584	37,451	2,993	169,797	154,005	3,053	123,496
Provisional Advances	60,679	76,308	73,881	77,879	94,743	111,292	109,167	143,898
Other	-826	-644	-1,739	-2,496	-1,210	-99	176	282
Commercial Banks	310,501	418,175	596,172	613,340	622,893	795,119	1,321,377	1,402,205
Rupee Loans	15,870	15,870	17,251	17,615	16,234	15,870	15,870	15,870
Treasury Bills	68,818	87,869	160,081	220,358	185,756	219,748	443,951	278,296
Treasury Bonds	58,416	90,081	188,576	162,215	206,547	244,770	386,398	595,067
Sri Lanka Development Bonds	86,459	158,805	168,079	173,877	183,845	222,994	369,215	391,083
Other	80,938	65,550	62,186	39,276	30,511	91,737	105,943	121,890
By Ownership	310,502	418,177	596,172	613,340	622,892	795,119	1,321,377	1,402,205
State Banks	130,272	144,641	167,860	138,708	193,698	283,426	435,111	527,641
Other	180,230	273,536	428,313	474,632	429,194	511,693	886,267	874,564
Non Bank Sector	1,299,879	1,482,804	1,695,189	1,873,945	1,917,864	2,172,496	2,399,053	2,607,901
By Type	1,299,879	1,482,804	1,696,189	1,873,945	1,917,864	2,172,496	2,399,053	2,607,901
Rupee Loans	115,539	114,139	95,040	70,094	45,727	42,516	39,648	39,648
Treasury Bills	193,230	151,146	243,499	291,091	235,333	255,317	253,133	292,975
Treasury Bonds	960,436	1,191,897	1,324,936	1,481,672	1,612,704	1,850,284	2,065,962	2,248,987
Other	30,574	25,622	31,713	31,089	24,100	24,379	40,310	26,291
By Ownership	1,299,879	1,482,804	1,695,189	1,873,945	1,917,864	2,172,495	2,399,053	2,607,901
National Savings Bank	192,413	204,067	257,084	286,514	314,319	330,150	358,243	379,877
Savings Institutions & Individuals	366,161	431,562	410,540	482,305	436,221	408,827	350,562	441,106
Employees' Provident Fund	575,460	676,310	806,192	861,341	950,474	1,173,870	1,393,458	1,474,244
Insurance Institutions	21,012	25,976	34,490	31,089	34,356	33,768	30,849	30,536
Finance Companies	8,826	11,422	10,756	12,856	11,064	17,040	27,839	59,667
Other	136,007	133,467	176,127	198,090	171,431	208,841	238,102	222,470

Sources : Department of Treasury Operations and Department of State Accounts of the General Treasury, and Public Debt Department of the Central Bank of Sri Lanka

(a) Excludes non-residents' investments in Treasury bills and Treasury bonds, which are included in foreign debt.



billion from Rs. 909.2 billion in 2013. Treasury bills continued to dominate the outstanding domestic short term debt stock by accounting for 73.8 percent of the total short term domestic debt of the government.

Issuance of longer tenure securities in line with the medium term debt management strategy of the government resulted in an increase in the average time to maturity (ATM) of domestic debt to 5.74 years in 2014 from 4.8 years in 2013.

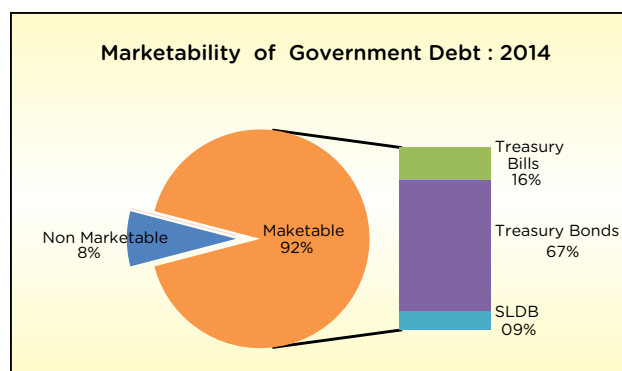
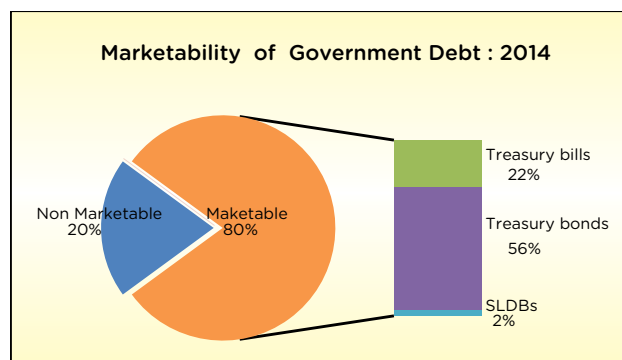
### Marketability of Domestic Debt

Reflecting the government strategy of focussing more on marketable debt instruments to raise funds, the stock of marketable debt increased by 11.6 percent in 2014 to Rs. 3,929 billion over 2013. Treasury bills, Treasury bonds and SLDBs constituted the portfolio of marketable debt instruments accounting for 91.9 percent of the total domestic debt while non-marketable debt accounted for the balance 8.1 percent or Rs. 347 billion in 2014.

### Ownership of Domestic Debt

The ownership of domestic debt by both banking sector and non-banking sector increased by 16.1 per cent and 8.7 percent, respectively in 2014 over the previous year. However, of the total outstanding domestic debt in 2014, the non banking sector share decreased to 61.0 percent from 62.6 percent in 2013 while the share of the banking sector increased to 39.0 percent in 2014 from 37.4 percent in 2013.

**Chart 5.6 > Marketability of Government Domestic Debt**



### 5.2.2 Domestic Debt Service Payments

Total domestic debt service payments in 2014 amounted to Rs. 777.5 billion in comparison to Rs. 850.7 billion recorded in 2013. Out of the total, Rs. 449.6 billion or 57.8 percent was for the domestic debt repayments while the balance Rs. 327.9 billion (42.2 percent) was on domestic interest payments. Both the repayments and interest payments on domestic debt decreased by Rs. 46.5 billion and Rs. 26.8 billion, respectively in 2014 over the previous year.

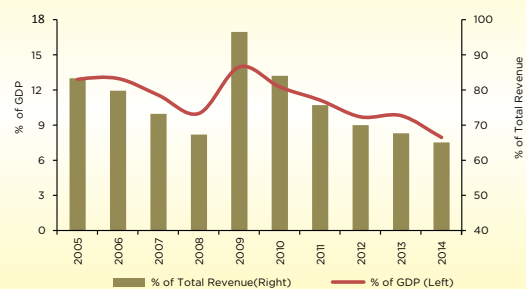
Total domestic debt service payments as a percentage of GDP declined to 7.9 percent in 2014 from 9.8 percent in 2013. Domestic interest payments as a percentage of GDP declined to 3.4 percent from 4.1 percent in 2013 while domestic debt repayments declined to 4.6 percent from 5.7 percent in the previous year. Domestic debt service payments to the total government revenue decreased to 65.1 percent from 74.8 percent in the previous year.

Table 5.4 > Domestic Debt Service Payments  
(Rs.Million)

Year	Principal payments	Interest payments	Total
2005	203,347	113,164	316,511
2006	247,536	133,787	381,323
2007	252,165	161,370	413,535
2008	258,720	182,198	440,918
2009	401,296	273,977	675,273
2010	389,672	297,127	686,799
2011	439,894	288,134	728,028
2012	415,441	317,659	733,100
2013	496,042	354,706	850,748
2014	449,554	327,934	777,488

Sources : Department of Treasury Operations, Department of State Accounts and Central Bank of Sri Lanka

Charts 5.1.7 &gt; Domestic Debt Service Payments as a % of GDP and Total Government Revenue 2005 - 2014



## 5.3 Foreign Financing

External development assistance, received in the form of loans and grants from bilateral and multilateral development partners plays an important role in meeting country's development financing needs as substantial level of public investment is essential to ensure robust and sustainable economic growth and the external financing provides resources to bridge domestic savings-investment gap.

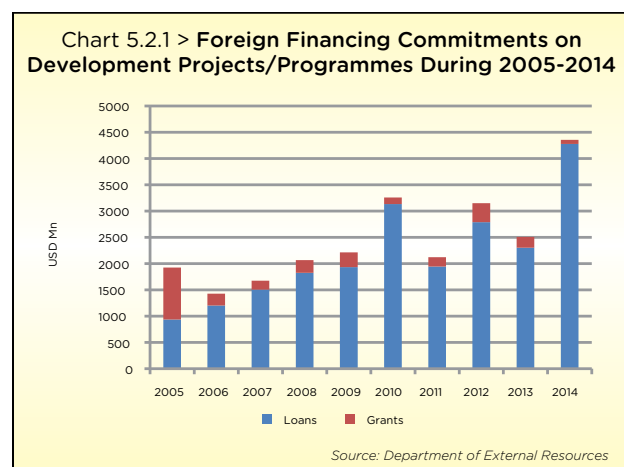
Over the past several decades, the country has enjoyed concessional financing from multilateral financial agencies such as the International Development Association (IDA) of the World Bank, the Asian Development Bank (ADB), International Fund for Agricultural Development (IFAD), United Nations Development Programme (UNDP), OPEC Fund for International Development (OFID), European Investment Bank (EIB) and bilateral development partners such as Japan, South Korea, France, Austria, Germany, Denmark, the USA, Australia, Kuwait, Saudi Arabia, the Netherlands, Sweden, China and India. The concessional financing has been extended in the forms of outright grants, credits with longer maturities and low or no interest and mixed credits (loans and grants combined). The concessional financing received from these development partners has been channelled to projects in the areas of poverty reduction, livelihood support, social welfare, education, health, economic infrastructure development projects such as power and energy, water supply, roads, bridges, ports, ground transport and aviation and other sector such as agriculture, irrigation and environment protection.

The composition and the form of external development financing has substantially changed over the last few years with Sri Lanka's reaching to middle income status. With the reduction of concessional financing,

steps have been taken to broaden the options for foreign financing for public investment with a proper mix of less or non concessional financing with the available concessional financing. Under this new development strategy, China and India have emerged as two lead development partners while the ADB, IDA and Japan are maintaining their support as in the past. With higher per capita income level, the concessional financing assistance from Western bilateral partners in general, is declining while financing in the form of export credits have taken a prominence. Similarly, the ADB's share of concessional financing is gradually declining while non concessional financing portion is increasing.

### 5.3.1 Foreign Financing Commitments

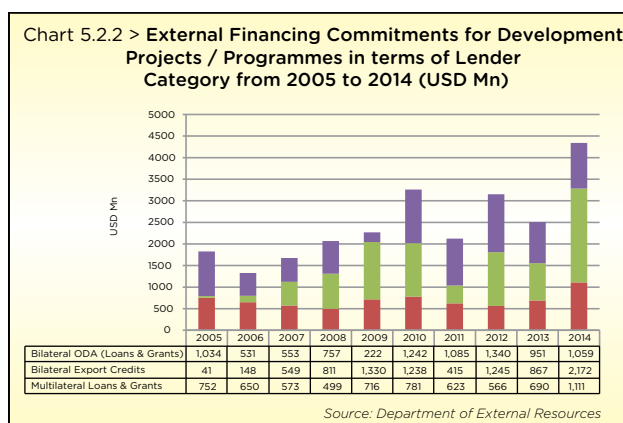
Foreign financing has enabled Sri Lanka to continue improvement of much needed economic, social and infrastructure facilities over the past decade. The total commitments made by development partners and export credit agencies during the last decade amounted to US\$ 26.9 billion<sup>1</sup> of which, almost 90 percent (or US\$ 24.2 billion) was



<sup>1</sup> Including International sovereign bond issuances. Foreign investments in Treasury Bills/Bonds are not included. Financing commitments made by development partners and lending agencies to State Owned Business Enterprises (SOBEs) are also not included.

committed in the form of loans and the balance ( about 10 percent or US\$ 2.7 billion) was made as grants. The total loans of US\$ 24.2 billion committed by development partners consisted of US\$ 18.7 billion of project/programme loans and US\$ 5.5 billion of funds raised through the issuances of sovereign bonds.

Roads and bridges sector is the largest sector benefitted from these commitments as almost one-third of the total commitments during this period have been directed for construction of expressways and highways, bridges and rehabilitation of the national road network.



multilateral ODA and a proper blend of concessional and non-concessional financing is required to be maintained with available concessional financing from multilateral and

**Table 5.5> Sectoral Distribution of Foreign Financing Commitments 2005-2014(USD Mn)**

Sector	Loans	Grants	Total	%
Roads and Bridges	6,612	81	6,693	31
Rehabilitation(conflict, tsunami etc . related)	434	445	879	4
Ground Transport	1,927	23	1,949	9
Water Supply & Sanitation	1,973	90	2,063	10
Power & Energy	1,523	15	1,538	7
Health & Social Welfare	540	271	811	4
Ports & Shipping	644	20	664	3
Irrigation & Related Activities	717	7	724	3
Housing & Urban Development	485	293	778	4
Education & Training	459	158	617	3
Other*	3,368	1,321	4,689	22
<b>Total</b>	<b>18,681</b>	<b>2,724</b>	<b>21,405</b>	<b>100</b>

\*Other - Including Defence 2.7%, Labour & Vocational Training 1.3%, Mgt. & Institutional Development 1.1%, Disaster Mgt. 1%, Rural Development 0.9%, Environment 0.7%, Agriculture 0.6%, SME Development 0.6%

Source: Department of External Resources

Other sectors including water supply and sanitation, ground transport, power & energy, rehabilitation, irrigation and health have also received significant foreign financing commitments during the last decade.

Broadening of foreign financing options to accommodate mixed credit from bilateral and multilateral sources as well as financial markets in the backdrop of declining concessional financing has led to substantive changes in the form and composition of foreign financing. At present, the mixed credit and export credit represent a significant share of the total foreign financing portfolio. However, a larger portion of foreign financing commitments is still made in the form of bilateral and

bilateral sources as well as financial markets with appropriate maturity structures to keep the cost of borrowing at an affordable level.

### 5.3.2 External Financing Commitments during 2014

The Government has entered into 51 financial agreements with external development partners and lending agencies during 2014. These agreements consist of 34 loan agreements with a total committed amount of US\$ 5,777.8 million including two sovereign bond issuances worth of US\$ 1,500 million and 17 grant agreements with a total committed amount of US\$ 76.5 million.

Table 5.6 &gt; List of Foreign Financing Loan Agreements Signed from January to December, 2014 with their Terms

Development Partner/ Lending Agency	Agreement Date	Project	Cur- rency	Original Amount Rs. million	US\$ million	Interest Type	Interest Rate per Annum	Margin (100 basis points)	Commit- ment Fee (from the undis- bursed balance)	Other Payments	Grace Period (Years)	Maturity (In- cluding Grace Period) (Years)
<b>Bilateral</b>												
Government of Japan	28/03/2014	New Bridge Construction over the Kelani River	JPY	35,040	44,808.10	Fixed	Tranche 1 - 0.10% Tranche 2 - 0.01%	N/A	-	Front- End Fee (0.2% of the loan amount, payable one time)	10	40
	23/08/2014	Digitalization of Terrestrial Television Broadcasting Project	JPY	13,717	17,199.76	Fixed	Tranche 1 - (0.10%) Tranche 2 - (0.01%)	N/A	-	Front- End Fee (0.2% of the loan amount, payable one time)	10	40
China Development Bank Corporation (CDB)	11/03/2014	Improvement and Rehabilitation of Priority Road Project 3 (Phase I)	USD	300	39,166.44	Variable	LIBOR 6 Months for USD	2.95%	-	Management Fee (0.5% of the loan amount, payable one time)	3	15
	24/11/2014	Improvement and Rehabilitation of Priority Road Project 3 (Phase II)	USD	100	13,100.00	Variable	LIBOR 6 Months for USD	2.95%	-	Management Fee (0.5% of the loan amount, payable one time)	3	15
Government of France	29/09/2014	Ambatale Water Supply System Improvement and Energy Saving Project	USD	70	9,124.50	Variable	LIBOR 6 Months for USD	1.76%	0.50%	Front- End Fee (0.5% of the loan amount, payable one time)	7	25
	30/12/2014	Deduru oya Water Supply Project	USD	58.15	7,622.83	Fixed	0.15%	N/A	-	-	10	40
Government of the Republic Korea	30/12/2014	Ruwanwella Water Supply Project	USD	20.53	2,691.02	Fixed	0.15%	N/A	-	-	10	40
	30/01/2014	Reconstruction of 25 Bridges	KWD	10	4,630.10	Fixed	2.00%	N/A	0.50%	-	5	24
<b>Export Credit</b>												
KBC Bank of Belgium	16/01/2014	Implementation of Monaragala - Buttala Water Supply Project	EUR	12.99	2,291.76	Fixed	1.20%	N/A	0.50%	-	2.5	10
	16/09/2014	Construction of Outer Circular Highway Project - Phase III	USD	494.03	64,363.19	Fixed	2.00%	N/A	0.25%	Management Fee (0.25% of the loan amount, payable one time)	5	20
Export - Import Bank of China	16/09/2014	Southern Expressway Extension-Section 4 from Mattala to Hambantota	CNY	2,528.17	53,585.87	Fixed	2.00%	N/A	0.25%	Management Fee (0.25% of the loan amount, payable one time)	5	20
	16/09/2014	Hambanthota Hub Development Project	CNY	1,555.99	32,980.10	Fixed	2.00%	N/A	0.25%	Management Fee (0.25% of the loan amount, payable one time)	5	20
Deutsche Bank of UK	09/12/2014	Southern Expressway Extension-Section 1 from Matara - Beliatta	USD	684.00	89,538.03	Fixed	2.00%	N/A	0.25%	Management Fee (0.25% of the loan amount, payable one time)	5	20
	10/10/2014	Construction 537 Rural Steel Bridges	GBP	100.00	21,074.17	Variable	LIBOR 6 Months for USD	1.5% (Export Credit) 4.15 % (Commercial Credit)	0.25%	arrangement fee : (0.5 % of the loan amount, payable one time)	3	13
Co-op Centrale Raiffeisen - Boerenleenbank	10/10/2014	Sri Lankan Dairy Development Project Phase II	USD	176	2,298.09	Variable	LIBOR 6 Months for USD	2.00%	0.25%	Management Fee (0.25% of the loan amount, payable one time)	2	10
	14/11/2014	Sri Lankan Dairy Development Project Phase II	USD	3.1	407.52	Fixed	5.00%	N/A	0.25%	Management Fee (0.25% of the loan amount, payable one time)	2.5	3.5
	05/12/2014	Construction of 463 Rural Bridges	EUR	105	17,026.93	Variable	LIBOR 6 Months for USD	1.45% (export Credit) 4% (commercial credit)	0.25%	Management Fee (0.5% of the loan amount, payable one time)	2.5	12.5



Table 5.6 &gt; List of Foreign Financing Loan Agreements Signed from January to December, 2014 with their terms ( Continued..... )

**Multilateral**

Asian Development Bank	27/05/2014	Skills Sector Enhancement Programme – Result Based Lending	USD	50	6,520.70	50	Variable	LIBOR 6 Months for USD	0.60%	0.15%	-	5	26
	27/05/2014	Skills Sector Enhancement Programme – Result Based Lending	XDR	32.6	6,597.71	50.6	Fixed	2.00%	N/A	-	-	5	25
	27/05/2014	Southern Road Connectivity Project	USD	70	9,129.06	70	Variable	LIBOR 6 Months for USD	0.60%	0.15%	-	5	26
	27/05/2014	Southern Road Connectivity Project	XDR	3.32	673.8	5.2	Fixed	2.00%	N/A	-	-	5	25
	03/06/2014	Greater Colombo Water & Wastewater Management Pro-2.	USD	70	9,124.70	70	Variable	LIBOR 6 Months for USD	0.60%	0.15%	-	5	26
	03/06/2014	Greater Colombo Water & Wastewater Management Pro-2.	XDR	11.83	2,376.90	18.2	Fixed	2.00%	N/A	-	-	5	25
	05/11/2014	Integrated Road Investment Programme Tranche 1	XDR	64.77	12,527.88	95.74	Fixed	2.00%	N/A	-	-	5	25
	20/11/2014	Green Power Development and Energy Efficiency Improvement Investment Programme	XDR	18.76	3,630.29	27.7	Fixed	2.00%	N/A	-	-	5	25
	20/11/2014	Green Power Development and Energy Efficiency Improvement Investment Programme	USD	121	15,851.00	121	Variable	LIBOR 6 Months for USD	0.60%	0.15%	-	5	26
	10/07/2014	Disaster Risk Management Development Policy Loan with a Catastrophe Deferred Drawn Option CAT - DDO	USD	102	13,282.50	102	Variable	LIBOR 6 Months for USD	0.63%	-	-	3	20
International Bank for Reconstructions & Development (IBRD) of the World Bank	10/07/2014	Climate Resilience Improvement Management	XDR	71.7	14,442.70	110.9	Fixed	1.25%	N/A	0.50%	Service Fees (0.75%)	5	25
	12/09/2014	Strategic Cities Development Project	XDR	95	18,780.36	144.2	Fixed	1.25%	N/A	0.50%	Service Fees (0.75%)	5	25
	12/09/2014	Additional Financing for Dam Safety & Water Resources Planning Project	XDR	53.7	10,615.84	81.5	Fixed	1.25%	N/A	0.50%	Service Fees (0.75%)	5	25
	12/09/2014	Skills Development Project (Portion B)	XDR	14.1	2,787.4	21.4	Fixed	1.40%	N/A	0.50%	Service Fees (0.75%)	5	25
Commercial Bank	12/09/2014	Skills Development Project (Portion A)	XDR	51.6	10,200.70	78.3	Fixed	1.25%	N/A	0.50%	Service Fees (0.75%)	5	25
	01/01/2014	Sovereign Bond Issuances	USD	1,000.00	130,681.10	1,000.00	Fixed	6.00%	N/A	-	-	-	5
	07/04/2014	Sovereign Bond Issuances	USD	500	65,281.20	500.00	Fixed	5.13%	N/A	-	-	-	5
<b>Total</b>					<b>754,412.25</b>	<b>5,777.79</b>							

Source: Department of External Resources

Note: 1. LIBOR = London Interbank Offer Rate (Average LIBOR 6 Months rate from January to December 2014 was 0.33 per cent)

2. EURIBOR = Euro Interbank Offer Rate (Average Euribor 6 Months rate from January to December 2014 was 0.27 per cent)

3. The conversion rates used for the report were the exchange rates prevailed for different currencies at the date where the disbursement was made

4. Foreign loans commitments received by State Owned Business Enterprises are not included

5. N/A = Not Applicable

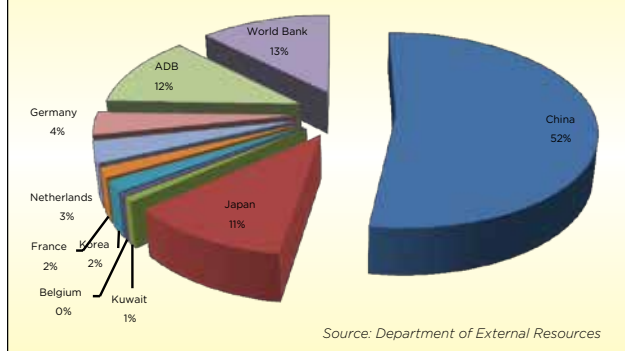
Table 5.7 &gt; List of Foreign Grant Agreements Signed during January -December, 2014

Development Partner/ Lending Agency	Agreement Date	Project	Currency	Loan Amount		
				Original Amount Million	Rs. million	US\$ million
Bilateral						
Government of Japan	11/03/2014	Medical Equipment and Welfare Apparatus Package - 2014	JPY	500	631.60	4.84
	26/11/2014	Non - Project Grant Aid for Provision of Japanese SME's Project - 2014	JPY	200	222.36	1.69
	02/06/2014	Project for Human Resource Development Scholarships 2014	JPY	215	274.75	2.11
Government of Pakistan	23/6/2014	Health Service Central Province	USD	0.017	2.21	0.017
	28/05/2014	Construction of 220 Houses for internally displaced People in Northern Province	USD	0.98	128.80	0.99
Multilateral						
Food & Agriculture Organization	07/01/2014	TA for the Introduction of Quinoa toward Improved Food Security	USD	0.12	16.07	0.12
	12/02/2014	Reduction of Post - harvest Losses in Horticultural Chains in SAARC	USD	0.48	63.70	0.49
	27/03/2014	Promotion of Appropriate Feeding Techniques to -Dairying	USD	0.27	35.81	0.27
	29/08/2014	Improving Seabass Equaculture in Sri Lanka	USD	0.34	44.92	0.34
UNDP	18/06/2014	Comprehencive Disaster Management program 2014 - 18	USD	2.03	265.41	2.04
	25/06/2014	Strengthenning the Resilience of Post Conflict Recovery and Development to Climate Change Risk in Sri Lanka	USD	3.00	390.00	3.00
World Food Programme	05/08/2014	Protracted & Recovery Operation(PRRO)	USD	23.48	3,058.07	23.48
International Development Association (IDA) of the World Bank	27/05/2014	Ausaid + IDA Grant Transforming the School Education System as the Foundation of Knowlegde Hub Hub Project (Enhancement)	USD	6.11	797.35	6.11
	09/12/2014	Ausaid + IDA Grant Transforming the School Education System as the Foundation of Knowlegde Hub Hub Project (Enhancement)	USD	10.29	1,349.34	10.3
	08/05/2014	Ausaid + IDA Additional Financing for North East Local Services Improvement Project - NELSIF	USD	18.8	2,455.28	18.8
	05/08/2014	Ausaid + IDA Additional Financing for North East Local Services Improvement Project - NELSIF(Enhancement)	USD	1.5	195.34	1.5
	11/07/2014	Disaster Reduction & Recovery support to Mainstreaming Disaster Risk Mgt.Project	USD	0.42	54.69	0.42
Total					9,985.70	76.52

Source: Department of External Resources

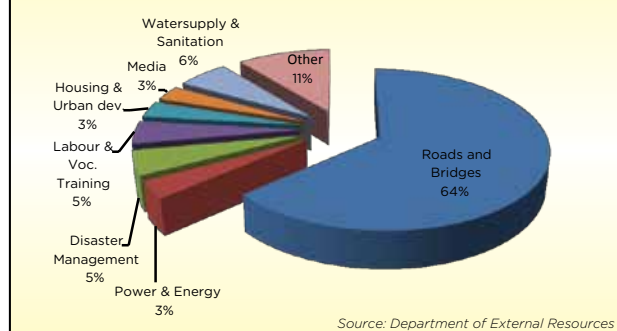
Out of the total commitments received for the implementation of development projects/ programmes during 2014, a major portion (52 percent) of the funds have been committed by China, followed by the World Bank, ADB and Japan, which contributed to 13 percent, 12 percent and 11 percent respectively.

Chart 5.2.3 > : Donor-wise Commitments during 2014



Almost 65 percent of foreign financing committed for the implementation of development projects / programmes (other than the funds raised through the sovereign bond issuances) during 2014 was diverted to the development of roads and bridges in the country while water supply & sanitation, disaster management and vocational training sectors have also received considerable funding commitments.

Chart 5.2.4 > : Sector-wise Commitments during 2014



### 5.3.3 External Financing Disbursements

During the past decade from 2005 to 2014, foreign financing disbursements of about US\$ 20.4 billion<sup>2</sup> has been made from development partners and lending agencies. Of that, US\$ 14.9 billion were received as project / programme loans and grants and remaining US\$ 5.5 billion were raised through the international bond issuances. Moreover, an amount of US\$ 18.1 billion were received as loans and the remaining US\$ 2.3 billion was received as outright grants. Almost all economic sectors, including roads and bridges, irrigation, power and energy, water supply, drainage and sanitation, ports, aviation, railway, fisheries, agriculture and plantation, urban and rural infrastructure development were the beneficiaries of such grants. Furthermore, a substantial investment on education, health and social protection has been made.

<sup>2</sup> Disbursements made through loans obtained from foreign development partner by SOEs are not included

Table 5.8 > External Financing Disbursements by Major Development Partner from 2005 to 2014.

Development Partner	2005	2006	2007	2008	2009	2010	2011	2012	2013(a)	2014(b)	US\$ mn Total
China*	11	12	43	33	14	126	300	476	584	309	1,907
Japan	241	303	232	296	311	337	380	396	277	257	3,029
Western Countries	185	280	307	311	339	335	205	227	408	179	2,775
ADB	219	203	174	291	286	343	291	302	281	254	2,644
World Bank	158	167	122	145	202	154	205	173	216	196	1,738
India	7	21	15	1	47	28	208	295	297	143	1,063
UN Agencies	148	91	36	104	111	54	111	78	34	7	774
Middle East Countries	9	14	13	17	22	8	28	56	42	27	237
Other	134	164	51	194	21	30	48	69	47	24	783
<b>Total</b>	<b>1,112</b>	<b>1,255</b>	<b>993</b>	<b>1,392</b>	<b>1,353</b>	<b>1,415</b>	<b>1,777</b>	<b>2,071</b>	<b>2,187</b>	<b>1,395</b>	<b>14,950</b>

(a) Revised

(b) Provisional

\* Disbursements of loans obtained by State Owned Business Enterprises (SOBEs) are not included

Note :The conversion rates used for the above table were the exchange rates prevailed for different currencies at the date on which the disbursement was made

Source: Department of External Resources

In terms of bilateral development partners, a larger share of foreign financing disbursements amounting to US\$ 3,029 million was recorded from the projects funded through the Japanese assistance followed by projects with funding assistance received from Western countries during the period from 2005 to 2014. Apart from the above, multilateral development partners and funding agencies, including the Asian Development Bank and the World Bank (WB) have made substantial contributions towards the development of the country during the last 10 years.

It is noted that the disbursements increased significantly after the end of the internal conflict in 2009. Improved business environment in the country and increased investments in conflict affected and un-served areas in the Northern and Eastern provinces have been the main reasons for this improvement. The total disbursements from January to December 2014 amounted to US\$ 1,395 million.

Table 5.9 >: Foreign Financing Disbursements in Development Projects in 2014 by Development Partner

Development Partner/ Lending Agency	million					
	Loan		Grant		Total Amount	
	Rs.	USD	Rs.	USD	Rs.	USD
<b>Bilateral</b>	<b>110,387.19</b>	<b>845.80</b>	<b>7,355.84</b>	<b>56.41</b>	<b>117,743.03</b>	<b>902.21</b>
China	40,315.24	308.92			40,315.24	308.92
Japan	31,308.09	239.89	2,179.01	16.68	33,487.10	256.57
India	15,076.92	115.50	3,564.71	27.35	18,641.63	142.85
United kingdom	7,268.92	55.69			7,268.92	55.69
Netherlands	5,168.49	39.57			5,168.49	39.57
South Korea	2,644.74	20.27			2,644.74	20.27
Hungary	659.18	5.05			659.18	5.05
Sweden	467.22	3.58			467.22	3.58
Spain	1,003.71	7.69			1,003.72	7.69
France	1,374.92	10.54			1,374.92	10.54
Austria	894.08	6.85			894.08	6.85
Belgium	453.29	3.48			453.29	3.48
Denmark	285.53	2.19			285.53	2.19
Germany	194.66	1.49	148.01	1.14	342.67	2.63
Kuwait	193.76	1.48			193.76	1.48
Saudi Fund	1,415.21	10.84			1,415.21	10.84
United States of America	1,463.31	11.23	1,331.48	10.22	2,794.79	21.45
Australia	199.91	1.54			199.91	1.54
Pakistan			132.63	1.02	132.63	1.02
<b>Multilateral</b>	<b>61,155.52</b>	<b>468.73</b>	<b>3,177.56</b>	<b>24.35</b>	<b>64,333.08</b>	<b>493.08</b>
Asian Development Bank	32,225.24	247.07	934.64	7.16	33,159.88	254.23
World Bank - International Development Association	21,084.19	161.5	2,011.39	15.42	23,095.58	176.92
World Bank - International Bank for Reconstruction and Development	2,434.92	18.67			2,434.92	18.67
International Fund for Agricultural Development	683.58	5.24	65.16	0.50	748.74	5.74
OPEC Fund for International Development (OFID)	1,973.90	15.14			1,973.90	15.14
European Investment Bank	2,753.69	21.11			2,753.69	21.11
UNDP			18.4	0.14	18.40	0.14
UNHCR			2.60	0.02	2.60	0.02
UNFPA			17.04	0.13	17.04	0.13
Food & Agriculture Organization			128.33	0.98	128.33	0.98
<b>Total</b>	<b>171,542.71</b>	<b>1,314.53</b>	<b>10,533.40</b>	<b>80.76</b>	<b>182,076.11</b>	<b>1,395.29</b>

Source: Department of External Resources

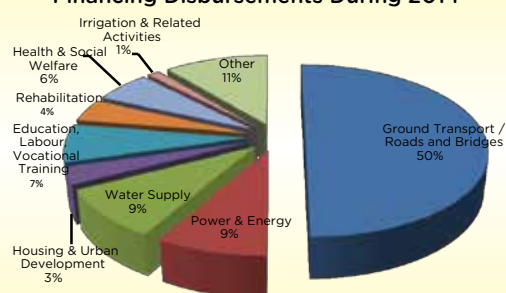
Note :1. The conversion rates used for the report were the exchange rates prevailed for different currencies at the date on which the disbursement was made

2. Disbursements of loans obtained from foreign development partners were not included

Similar to the disbursement pattern prevailed during the last few years, it was noticeable that roads, bridges and transport sector received about half of the total foreign disbursements for development projects during 2014.

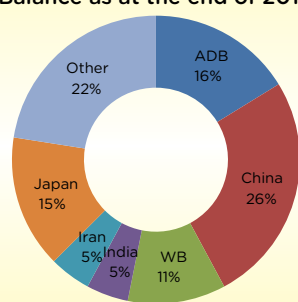
ADB, China, Japan and World Bank recorded about 68 percent of the total undisbursed amount of the foreign financing committed during the last 3-5 years.

Chart 5.2.5 > : Sectoral Distribution of the Foreign Financing Disbursements During 2014



Source: Department of External Resources

Chart 5.2.6 > Donor-wise Committed Undisbursed Balance as at the end of 2014



Source: Department of External Resources

Table 5.10 > Committed Undisbursed Balance as at the end of 2014

Sector	USD Mn	%
Roads and Bridges	3,496.9	40.6
Power & Energy	740.4	8.6
Water Supply	949.0	11.0
Ports & Shipping	117.6	1.4
Irrigation	585.4	6.8
Health & Social Welfare	265.2	3.1
Education, Vocational Training	193.9	2.3
Housing & Urban Development	297.8	3.5
Environment	85.0	1.0
Rehabilitation	17.4	0.2
SME Development	89.5	1.0
Other	1,773.8	20.6
<b>Total</b>	<b>8,611.9</b>	<b>100.0</b>

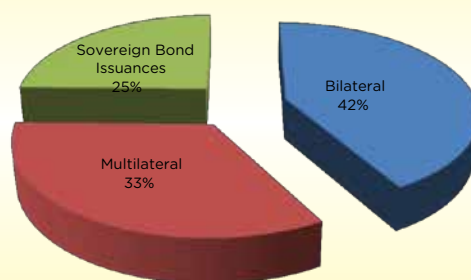
Source: Department of External Resources

Meanwhile, the committed undisbursed balance as at the end of 2014 amounted to US\$ 6.81 billion. The highest amount of committed undisbursed foreign financing balance was available for development of roads, expressways and transport facilities.

### 5.3.4 Government Foreign Debt Stock

At the end of 2014, the foreign debt stock amounted to US\$ 20.2 billion<sup>3</sup>. Out of this, 42 percent was from bilateral development partners, of that 30 percent represented the loans obtained from bilateral development partners under Official Development Assistance (ODA) and the balance 12 percent from bilateral export credit facilities. About 33 percent of the total debt stock consisted from the loans extended from multilateral development partners and lending agencies while the remaining 25 percent of the debt stock reflected funds raised through international bond issuances as actions were taken to tap financial resources from capital markets.

Chart 5.2.7 > Composition of the existing Government's external debt stock as at the end of 2014

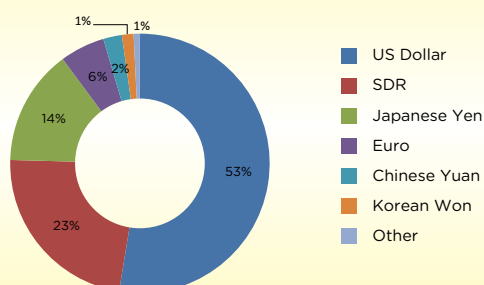


Source: Department of External Resources

In terms of the currency composition of the external debt stock, US\$ dominates the existing debt while Special Drawing Rights (SDR) and Japanese Yen represent the subsequent major currencies of the accumulated foreign debt stock, respectively. When the composition of the foreign debt

3. Contain outstanding debt of loans obtained to finance development projects/programmes and outstanding debt of International sovereign bonds. Outstanding external debt of SOEs and foreign investments on Treasury Bills / Bonds are not included

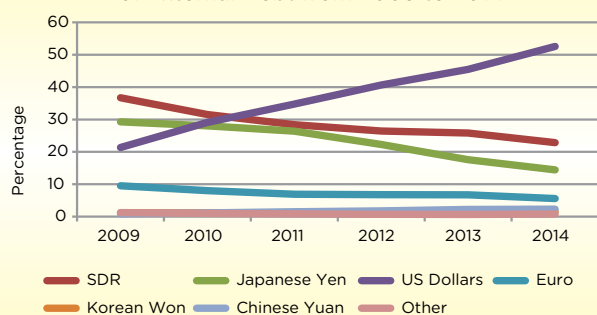
Chart 5.2.8 &gt; Currency Composition of the External Debt Stock as at the end of 2014



Source: Department of External Resources

stock is considered, it has been observed that US Dollar has gradually increased its share in the total foreign debt stock over the years while SDR, Euro and Japanese Yen indicate a declining trend.

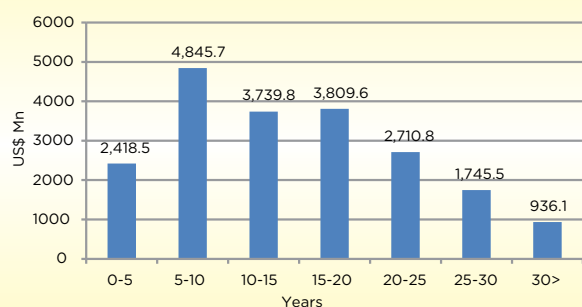
Chart 5.2.9 &gt; Change of Currency Composition of External Debt from 2009 to 2014



Source: Department of External Resources

According to the maturity structure of the accumulated external debt stock as at the end of 2014, the maturity is well spread throughout the next 30 years making lesser burden to the future cash flows. It was also noted that about 45 percent of the external debt stock is to be matured after next 15 years and the remaining 55 percent of the total external debt to be matured during next 15-35 years.

Chart 5.2.10 &gt; Maturity Structure of Outstanding External Debt as at the end of 2014

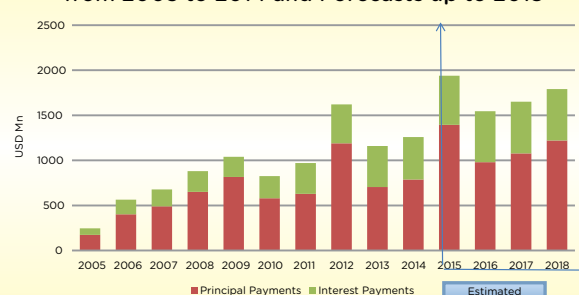


Source: Department of External Resources

### 5.3.5 Debt Service Payments

With the gradual accumulation of foreign loans raised for development projects and programmes implemented during the past 6 decades after independence, debt servicing has become an important aspect of monetary and fiscal management of the country. Despite the setbacks stemming from external shocks and domestic hurdles, Sri Lanka has maintained its default free status by settling all the debt service payments on time.

Chart 5.2.11 &gt; External Debt Service Payments from 2005 to 2014 and Forecasts up to 2018



Source: Department of External Resources

From 2005 to 2014, the government has paid about US\$ 9,246 million<sup>4</sup> as debt service payments. Of that, capital repayments amounted to US\$ 6,424 million and interest payments amounted to US\$ 2,822 million were made for the loans obtained for development projects and sovereign bond issuances. The debt service payments during 2014 for the loans obtained for development projects and international bond issuances amounted to US\$ 1,259 million of which principal payments amounted to US\$ 788 million and interest payments amounted to US\$ 471 million. As the maturity structure of the outstanding debt stock of the Government is well spread for next 30 years, it is expected that the borrowing costs for the existing debt stock are within the manageable level.

<sup>4</sup> Capital and interest payments with regard to the Treasury Bills / Bonds made to foreign parties were not included





**06**

**PERFORMANCE OF STATE  
OWNED BUSINESS  
ENTERPRISES**

## 6.1 Overview

State Owned Business Enterprises (SOBEs) in Sri Lanka make a substantial contribution to GDP, capital investments, employment and play a dominant role in key sectors of the economy. As in many other countries, the SOBEs in Sri Lanka are often prevalent in utilities and infrastructure sectors such as Energy, Banking, Ports and Transport, whose performance is of great importance to a large segment of the population and to the businesses run by the private sector. Healthy and smooth operation of SOBEs is an essential factor needed to establish and maintain enduring investor friendly economic environment which will contribute to the steady growth of the economy of Sri Lanka.

At present Sri Lanka possesses 245 State Owned Enterprises (SOEs), of which 55 have been identified by the General Treasury as strategically important SOBEs under the clusters of Banking & Finance, Insurance, Energy, Ports, Water, Aviation, Commuter Transport, Construction, Livestock, Plantation, Non Renewable Resources, Lotteries, Marketing & Distribution, Health and Media.

As SOBEs are playing a key role in the entire economy, their operation is highly sensitive to the behavior of all stakeholders including general public. Hence, the Government is keen to monitor operations of such SOBEs to harvest expected outcomes from each SOBE, based on its economic policy framework within which it operates to build the economy through a proactive participatory process involving both public and private parties.

With a view to achieve this target, Government has been engaging in a process of creating a conducive climate for strategic SOBEs enabling them to effectively contribute and operate towards the growth of the economy while ensuring return on public investment.

Among others, some of the strategies adopted by the Ministry of Finance (MOF) towards this end were; (a) facilitation of selected strategic SOBEs to be self-financed through conversion of on lent loans given by the Treasury to government equity and thereby strengthening their balance sheets. For example, shares of Sri Lankan Airline held by state banks were bought back allowing state banks to perform their commercial activities smoothly and capital contributions were increased by Rs.26.1 billion strengthening the aviation sector. (b) Intra government dues to state banks amounting to Rs.30.7 billion were settled enabling banks to diversify their portfolios towards growing sectors of the economy.

Total capitalization of major 55 SOBEs recorded as at 31/12/2014 is Rs. 5603.53 billion. It has shown a reasonable improvement of 9.95 percent compared to the preceding year. Cumulative operational results of those 55 SOBEs for the financial year ended 31/12/2014 shows a profit of Rs 58.35 billion. Treasury has collected non tax revenue amounting to Rs 35.31 billion by way of levies and dividends during 2014, while contributing Rs 323.9 billion as capital and recurrent financial support, which is an increase of 152 percent over 2013. It is noted that only 31 SOBEs contributed to this non tax revenue where majority of large strategic enterprises have not been able to contribute to the consolidated fund.

During the year, 44 SOBEs were operated at profits in their commercial operations while 11 SOBEs have incurred losses. Commercial operations of energy, aviation, and commuter transport and plantations clusters have ended up with losses by negatively contributing to the aggregated profits of 55 major SOBEs.

The consequences of certain less performing SOBEs such as Sri Lankan Airlines and Mihin

Lanka Limited have caused unbearable burden to the national budget and economy as a whole. Hence, development of apt policies and procedures of selecting and prioritizing major development projects of SOBEs and apposite maintenance mechanism as well are essential.

There is widespread recognition of the need for SOE's reforms since their poor performance can be attributed to several issues such as weak corporate and financial management and planning, lack of business models, governance issues and unaccountability for performance. The Committee on Public Enterprises (COPE) has also highlighted these issues in its reports issued in the recent years. It has been observed that Chairmen and Board of Directors do not adequately involve in the performance of SOBEs and the Board of Directors are accountable for performance of the SOBEs due to non-availability of performance agreements and established key performance indicators (KPI). Although the Secretary to the line Ministry is designated as Chief Accounting Officer for SOEs coming under his purview, the flow of accountability between the Board of Directors (BOD) and the Secretary is not clear and definite. For instance, in some large SOBEs, important business decisions are taken by the Ministry instead of the BOD. Hence, it limits the accountability of BOD and a more structured framework for overseeing performance of SOBEs is highly required.

Governance issues such as non-compliance with statutory obligations, non-submission of annual reports by some SOBEs, poor response to audit queries and COPE recommendations, procurement violations and misappropriation of funds by some of the agencies have been identified as main factors for undermining the performance of SOBEs. Such instances have been reported in the COPE reports.

Structural weaknesses such as lack of human resource policies and commercially viable strategic plans have adversely affected on

improving productivity and motivating the employees in some SOBEs.

It is further observed that some SOBEs have been adopting unacceptable procedures in the areas of recruitments and promotions and salary revisions without following the relevant circular instructions and guidance which has affected organizational behavior and resulted in de-motivating the staff and unrest situations in some SOBEs.

Some SOEs further shrinking the fiscal space for investment in physical and social infrastructure as it poses a heavy burden on the national budget.

Under these instances steps have to be taken to improve the financial performance of SOBEs while recognizing the urgency of reforming SOBEs as viable commercial enterprises. It is necessary to establish more effective policies and performance management mechanisms for SOEs through Treasury involvement to secure shareholders right, adherence to circular instructions and guidance, ensure professional approaches for SOBEs operations, including appointments to BODs and strengthening the capacity of monitoring units such as Public Enterprises Department (PED) and line Ministries.

The necessity for establishing more effective policies, procedures and good governance in SOBEs have become important as never before. The Treasury involvement in securing shareholder rights, the level of autonomy granted to the Boards of Management, the extent of Treasury involvement of decision making process of SOBEs should be appropriately demarcated. At the same time it is observed that although a significant number of SOBEs have already been adopted internationally accepted Financial Reporting Standards (IFRS), more improvements are needed to be made in the areas of best practices of corporate governance and maintaining ethical behavior at all levels of organizational hierarchy.

Table 6.1 &gt; Sector Wise Performance of Asset Bases of SOBEs

Sector	Total number of SOBEs	Total Assets as at (Rs Bn)		Growth (%) *
		31/12/2013*	31/12/2014 *	
Energy	2	972.75	954.69	(1.86)
Water	1	244.95	282.82	15.46
Ports	1	300.08	335.79	11.90
Commuter transportation	1	14.52	24.52	68.89
Aviation	3	122.11	134.07	9.80
Construction	3	39.25	42.08	7.22
Banking and Finance	9	3,111.80	3,501.91	12.54
Insurance	4	154.34	175.66	13.81
Lotteries	2	8.04	6.66	(17.21)
Livestock	2	6.14	8.40	36.84
Plantation	6	7.27	8.42	15.83
Non Renewable Resources	3	3.51	3.99	13.53
Health	4	18.86	11.45	(39.27)
Media	3	8.87	9.67	9.06
Marketing and Distribution	11	84.18	103.42	22.86
<b>Total</b>	<b>55</b>	<b>5,096.65</b>	<b>5,603.53</b>	<b>9.95</b>

Sources: SOBEs, Department of Public Enterprises

\*Provisional

Table 6.2 &gt; Sector Wise Contribution to GDP

Sector	Total number of SOBEs	Profit/(Loss) before tax (Rs Bn) *		Total Revenue (Rs Bn) *		Contribution to GDP (%)
		2013*	2014*	2013*	2014*	
Energy	2	15.18	(11.67)	694.94	733.88	7.50
Water	1	1.19	1.43	17.22	18.71	0.19
Ports	1	1.63	7.95	35.24	42.62	0.44
Commuter transportation	1	(10.64)	(9.41)	22.18	26.12	0.27
Aviation	3	(31.37)	(13.33)	143.94	154.64	1.58
Construction	3	0.79	0.60	27.43	20.05	0.20
Banking and Finance	9	46.97	68.65	347.40	340.53	3.48
Insurance	4	7.71	7.43	34.07	38.18	0.39
Lotteries	2	2.60	2.45	25.51	25.78	0.26
Livestock	2	0.16	0.27	8.59	9.88	0.10
Plantations	6	(0.16)	0.03	3.18	3.33	0.03
Non-Renewable Resources	3	0.41	0.26	1.69	1.66	0.02
Health	4	1.24	1.52	25.70	27.19	0.28
Media	3	0.76	0.33	5.69	5.54	0.06
Marketing and Distribution	11	3.15	1.83	48.90	56.31	0.58
<b>Total</b>	<b>55</b>	<b>39.63</b>	<b>58.35</b>	<b>1,441.67</b>	<b>1,504.41</b>	<b>15.37</b>

Sources: SOBEs, Department of Public Enterprises

\*Provisional

Table 6.3 &gt; Levy/Dividend Income from SOBEs

Rs. Mn

	2002	2008	2009	2010	2011	2012	2013	2014
<b>Levy</b>	<b>0</b>	<b>1,279</b>	<b>4,471</b>	<b>4,524</b>	<b>10,379</b>	<b>13,562</b>	<b>9,466</b>	<b>18,197</b>
National Savings Bank	-	1,060	1,750	2,312	4,560	8,260	5,060	4,060
State Mortgage & Investments Bank	-	-	50	-	-	25	40	10
Regional Development Bank	-	40	144	55	-	500	500	-
State Timber Corporation	-	75	50	10	75	50	50	25
State Pharmaceuticals Manufacturing Corporation	-	40	30	85	59	20	20	25
National Insurance Trust Fund	-	-	2,250	2,000	3,495	4,200	3,200	4,000
Sri Lanka Ports Authority	-	-	-	-	-	-	-	-
Ceylon Petroleum Corporation	-	-	-	-	-	-	-	10,000
Ceylon Electricity Board	-	-	-	-	2,000	-	-	-
National Lotteries Board	-	-	-	-	-	502	500	-
Other*	-	64	197	62	190	5	96	77
<b>Dividends</b>	<b>435</b>	<b>2,966</b>	<b>4,219</b>	<b>6,867</b>	<b>14,183</b>	<b>13,987</b>	<b>14,208</b>	<b>17,116</b>
Bank of Ceylon	-	1,046	1,346	2,923	4,020	5,346	5,346	6,846
People's Bank	-	816	1,139	3,253	4,500	4,658	4,816	6,316
Sri Lanka Telecom Plc	300	893	893	223	536	759	760	759
De La Rue Lanka (Pvt) Ltd	20	100	38	-	68	42	44	49
Lanka Mineral Sands Ltd	-	34	60	35	500	1,700	-	43
Lanka Industrial Estates Ltd	11	31	31	31	31	47	55	55
Airport and Aviation Services Ltd	-	-	200	-	2,406	-	500	500
West Coast Power (Pvt) Ltd	-	-	392	-	-	-	-	-
Lanka Electricity Company Ltd	100	-	-	300	-	75	75	25
Plantation Companies**	-	-	30	-	212	179	139	92
Sri Lanka Insurance Corporation Ltd	-	-	-	-	1,750	1,001	2,199	2,001
Other *	4	46	90	102	160	180	274	430
<b>Total</b>	<b>435</b>	<b>4,245</b>	<b>8,690</b>	<b>11,391</b>	<b>24,562</b>	<b>27,549</b>	<b>23,674</b>	<b>35,313</b>

Sources: Department of Treasury Operations and Department of Public Enterprises

\* Independent Television Network of Sri Lanka, National Lotteries Board, SL Rupavahini Corporation, State Pharmaceuticals Corp, SL Export Credit Insurance Corp, Lanka Phosphate Ltd, Lanka Leyland Ltd, Manthai Salt, Ceylon Fertilizer Ltd, Ceylon Shipping Corporation Ltd, Kahatagaha Graphite Lanka Ltd, Lanka Logistics Ltd, Ceylon Agro Industries Ltd, Colombo Commercial Fertilizer Ltd, Paranthan Chemical Company Ltd, Rakna Arakshana Lanka Ltd, Lankaputhra Development Bank, National Development Bank, Lanka Sugar Co. Ltd.

\*\*Chilaw, Kalubowitiyana, Elkaduwa, Kurunegala, Namunuluka, Kegalle, Agalawatte, Kotagala, Balangoda, Watawala, Horana, Elpitiya and Pussellawa Plantations

## 6.2 Energy

### Ceylon Electricity Board

Power generation capacity of Ceylon Electricity Board (CEB) was substantially diversified with the commissioning of 3rd phase of Lakvijaya Coal fired power plant at the second half of 2014. Accordingly dependency level on hydro power generation was shifted to coal based generation mix enabling CEB to mitigate the risk of power generation.

The generation cost of CEB is correlated with hydrological conditions and efficient functioning of coal power plants. It is noted that thirty one percent of total electricity generation of CEB in 2014 was based on the high cost Independent Power Produces (IPP) and Non Concessional Renewable Energy (NCRE) sources which consumed 45 percent of total expenditure or Rs.101 billion. However, some of the expensive IPP Agreements will expire within next few years and CEB will be able to generate through low cost coal power.

Consequently, weighted average generation cost per unit will further reduce. CEB has initiated a joint venture company with National Thermal Power Corporation which is fully owned by the Indian Government to set up Sampoor Coal Power Plant with 500 MW which will be added to the national grid by the end of 2017 and this will further reduce the dependency level on hydro sources.

Even though hydro power generation is a highly cost effective source, its dependency on rainfall is very high. Water in reservoirs are used for multiple purposes such as agriculture, drinking and power generation, etc., which cannot be used for power generation along.

Total electricity generation in 2014 has been increased by almost 4 percent compared to 1.3 percent in 2013. Sensible increment of Electricity demand in 2014 for Hotel sector, Industry sector and General Category sector was 12, 4 and 7 percent respectively, as evidenced by the potential boom in each sector.

Main Focus of the country's energy policy is to facilitate achieving sustainable economic growth and to improve living standards of people while achieving its domestic coverage up to 100 percent. Since the country has an emerging economy with expanded infrastructure facilities, energy sector has an important role to play in order to create a competitive investment climate.

Accordingly uninterrupted, relatively cost effective, environmentally friendly and reliable electricity supply needs to be established to meet the future demand. CEB has made significant investments on its system improvement over last decade which resulted in reducing system losses to an acceptable lower level of 11 percent in 2014 compared to 17 percent in 2005. However CEB requires to adopt strategies sufficiently in order to meet the increasing future demand.

Table 6.4 > Summary of the existing IPP Agreements

No:	Plant name	Capacity (Mw)	Expire Month
1	Asia power	51	2018.06
2	Colombo power (Barge)	60	2015.07
3	AES Kelenitissa	163	2023.03
4	Ace Ambilipitiya	100	2015.03
6	West Coast Power (Owned by CEB)	270	2035.05
7	Nothern Power	20	2023.09
Total		664	

Source: Ceylon Electricity Board

Charts 6.1 > Generation cost per unit Rs./kWh

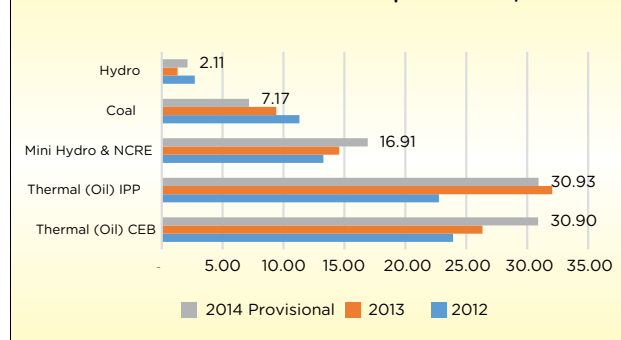
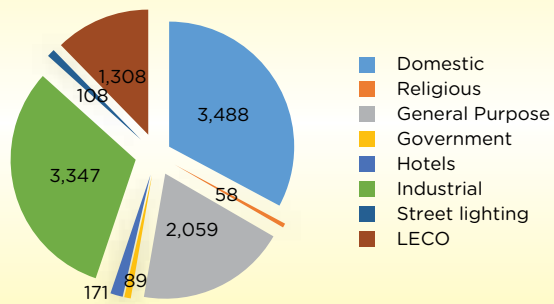


Table 6.5 > Installed Capacity and Power Generation of CEB - 2012-2014

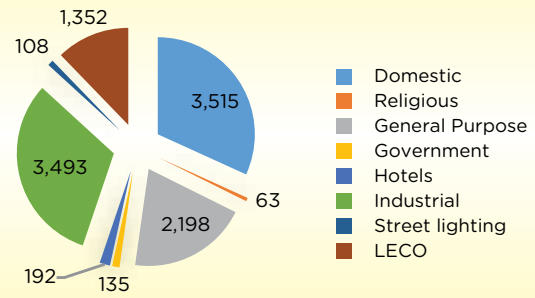
	2012			2013			2014 Provisional		
	Installed capacity MW	percentage on Total Generation	GWh	Installed capacity MW	percentage on Total Generation	GWh	Installed capacity MW	percentage on Total Generation	GWh
Hydro	1,357	23	2,727	1,361	50	6,011	1,361	29	3,652
CEB Oil	554	17	2,029	564	11	1,326	544	14	1,744
IPP Oil	784	42	4,906	771	17	1,977	771	21	2,609
Coal	300	12	1,403	300	12	1,469	900	26	3,193
NCRE	317	6	736	366	10	1,176	416	10	1,215
Total	3,312	100	11,801	3,362	100	11,959	3,992	100	12,413

Source: Ceylon Electricity Board

Charts 6.2 &gt; Electricity Usage GWh - 2013



Charts 6.3 &gt; Electricity Usage GWh - 2014



Due to dry conditions prevailed in the first 3 quarters in the country, hydro power generation reduced to 29 percent compared to 50 percent in 2013 resulting in generation

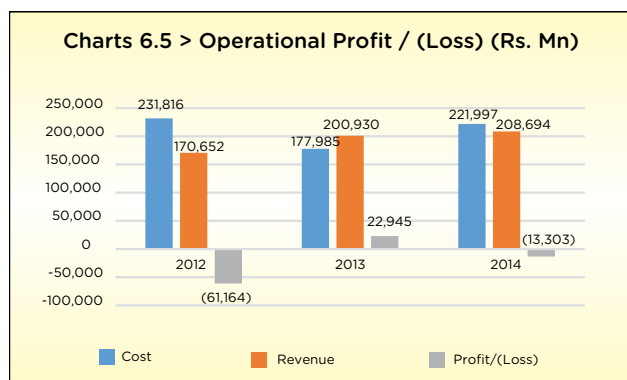
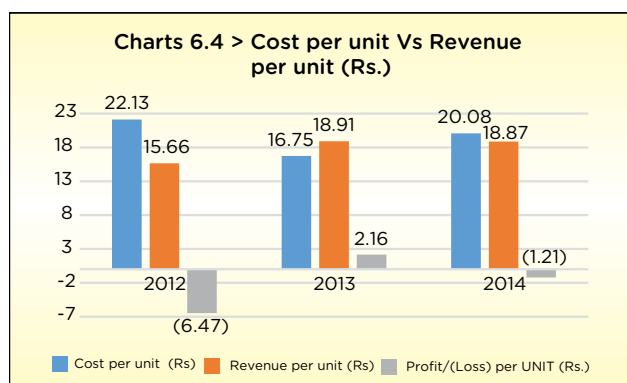
cost per unit increased to Rs. 20.08 from Rs. 16.75 in 2013. However generation cost per unit could have exceeded Rs. 22 unless the 2<sup>nd</sup> and 3<sup>rd</sup> phases of the coal power plant

Table 6.6 &gt; Financial Out-turn of Ceylon Electricity Board

	2013	Provisional 2014	Forecast 2015	Forecast 2016	Forecast 2017
<b>Revenue (Rs. Mn)</b>	<b>200,930</b>	<b>208,694</b>	<b>184,086</b>	<b>200,907</b>	<b>210,604</b>
Sale of Electricity	194,147	202,645	177,023	193,844	203,541
Other Income	6,783	6,049	7,063	7,063	7,063
<b>Expenditure (Rs. Mn)</b>	<b>177,985</b>	<b>221,997</b>	<b>188,899</b>	<b>204,416</b>	<b>213,650</b>
<b>Direct Generation Cost</b>	<b>120,410</b>	<b>164,762</b>	<b>109,910</b>	<b>121,477</b>	<b>126,564</b>
IPP (With NCRE)	80,308	101,149	53,885	56,052	56,927
CEB - Fuel Cost (Oil & Coal)	40,102	63,613	56,025	65,425	69,637
Generation, Transmission & Distribution O&M Cost	24,141	25,258	34,865	36,608	38,439
Corporate Expenses	2,383	3,637	9,519	9,995	10,495
Interest on Borrowings and Delayed Payments	10,560	6,979	7,993	8,393	8,812
Depreciation	20,491	21,361	26,612	27,943	29,340
<b>Operating profit /(loss) (Rs.Mn)</b>	<b>22,945</b>	<b>(13,303)</b>	<b>(4,813)</b>	<b>(3,509)</b>	<b>(3,046)</b>
Borrowing from Banks (Rs.Mn)	27,579	27,000	21,850	-	-
Outstanding Debt to Banks (Rs.Mn)	44,404	54,791	46,215	49,068	48,829
Outstanding Debt to CPC and IPP (Rs. Mn)	23,950	16,019	20,047	22,052	24,257
Units Sold	10,628	11,057	11,446	12,055	12,658
Unit Generated	11,959	12,413	12,900	13,545	14,223
Cost Per Unit (Rs.)	16.75	20.08	16.50	16.96	16.88
Revenue Per Unit (Rs.)	18.91	18.87	16.08	16.67	16.64
<b>Generation Composition (GWh)</b>					
Thermal(Fuel)CEB	1,326	1,744	1,248	1,651	1,733
Thermal(Fuel)IPP	1,977	2,609	930	930	930
Hydro	6,011	3,652	4,892	4,831	4,980
Mini Hydro & NCRE	1,176	1,215	1,033	1,152	1,200
Coal	1,469	3,193	4,797	4,981	5,380
<b>Total</b>	<b>11,959</b>	<b>12,413</b>	<b>12,900</b>	<b>13,545</b>	<b>14,223</b>

Source: Ceylon Electricity Board, Department of Public Enterprises





was connected to national grid. As a result of reduction of domestic tariff by 25 percent with effect from September 2014 and industry and general purpose tariff reduction with effect from November 2014, average revenue per unit reduced to Rs. 15.56 in December 2014. (Yearly average is around Rs. 18.87) Combined effect on tariff reduction and unfavorable weather conditions have made significant pressure on CEB ending up the year with an operational loss of Rs. 13 billion.

The General Treasury has facilitated foreign credit lines for CEB's investments including

diversification of electricity generation, accelerated distribution projects and reduction of system losses. Treasury has obtained these project loans and on-lent them to CEB. However, due to the weak financial position of CEB, these loans were earlier serviced by the Treasury. Based on the policy decision taken in 2013, Treasury converted on-lent loan amounting to Rs. 162 billion to equity with a view to strengthen CEB's balance sheet and facilitate CEB to operate independently. In that context CEB should explore avenues to meet its future financial requirements independently and is encouraged to service all new loans if obtained directly or through the Treasury.

### Ceylon Petroleum Corporation

In 2014, Ceylon Petroleum Corporation (CPC) engaged in refinery, importing crude oil and selling refined products including diesel, petrol, kerosene, fuel oil and aviation gas. Petroleum and related imports amounted to USD 4000 million in 2014 representing nearly one fourth of the total imports of the country while it contributes to the government tax revenue by 5.5 percent. CPC, the major market player in the petroleum sector currently holds nearly 80 percent of the market share in the country and is the third largest market player in the lubricant industry.

With the continuation of the cost reflective pricing mechanism introduced for most of the petroleum products with effect from

**Table 6.7 > Electricity Tariff Reduction - Domestic (with effect from September 2014)**

<b>Below 60 Units</b>						
Consumption	Prevailed Tariff			Reduced Tariff		
	Energy Charge (Rs/Kwh)	Fuel Adjust-ment	Fixed Charge (Rs/Month)	Energy Charge (Rs/Kwh)	Fuel Adjust-ment	Fixed Charge (Rs/Month)
0-30	3.00	0.25	30.00	2.50	-	30.00
31-60	4.70	0.35	60.00	4.85	-	60.00
<b>Over 60Units</b>						
0-60	10.00	-	-	7.85	-	-
61-90	12.00	0.10	90.00	10.00	-	90.00
91-120	26.50	0.40	315.00	27.75	-	480.00
121-180	30.50	0.40	315.00	32.00	-	480.00
Over 180	42.00	0.40	420.00	45.00	-	540.00

Source : Ceylon Electricity Board

February 2013, coupled with the reduction of petroleum prices in the international market, CPC's operational losses position continued from year 2008 was turned around to an operational profit of Rs. 1.6 billion in the year 2014. Moreover, crude oil prices in the year 2014 came down to an average of USD 98 per barrel.

During 2014, revenue was increased by 6.3 percent due to the increased demand for all the products except HF 1500cc and HF 800cc heavy fuel. The importation cost of petroleum products amounted to USD 3600 million within the year against the USD 3,187 million of the previous year.

CPC's outstanding borrowings from state banks decreased from Rs. 419 billion in 2013 to Rs. 373 billion as at the end of year 2014. During the year 2014 CPC has been able to utilize around Rs 25 billion to settle their bank exposure and in other investments. Further, it has recovered almost 36 percent of its outstanding trade and other receivables amounting to Rs 19.11 billion out of Rs 53.19 billion at the end of 2014, strengthening its balance sheet and liquidity position. In accordance with 2014 budget proposals, Treasury bonds were issued in February 2014 to CPC by the General Treasury in favour of CEB and several Government departments amounting to Rs. 30.69 billion in settlement

Table 6.8 &gt; Financial Out-turn of Ceylon Petroleum Corporation

	Draft		Forecast		
	2013	2014	2015	2016	2017
<b>Total Revenue (Rs.Mn)</b>	<b>494,010</b>	<b>525,182</b>	<b>658,648</b>	<b>704,497</b>	<b>739,717</b>
Octane90	102,733	106,302	121,084	133,215	139,875
Octane 95	7,739	9,954	10,286	11,310	11,875
Diesel	211,233	237,497	280,980	300,682	315,716
Super Diesel	4,037	4,944	5,501	6,071	6,374
HF 800cc	5,882	5,109	6,461	7,546	7,923
HF 1500cc	45,095	39,159	68,561	67,108	70,463
HF 3500cc	12,708	16,196	22,955	26,043	27,345
LSHF	8,668	13,628	22,576	21,131	22,187
Naphtha	13,026	13,478	14,641	16,611	17,441
Kerosene	16,746	15,230	19,737	21,552	22,629
JET- A-1	52,609	54,622	59,159	64,601	67,831
Other Products	9,905	9,061	21,907	23,347	24,514
Other Income	3,629	79,44	4,800	5,280	5,544
<b>Total Expenditure (Rs.Mn)</b>	<b>501,780</b>	<b>531,490</b>	<b>644,293</b>	<b>688,424</b>	<b>722,845</b>
Cost of Sales	467,638	500,734	614,291	660,573	693,601
Imports-Refine oil	285,034	201,590	395,136	409,912	430,407
Refinery- crude oil	182,604	299,144	219,155	250,661	263,194
Sales and Distribution	11,480	10,937	11,660	12,285	12,899
Administration	3,600	5,244	4,792	4,991	5,240
Finance Cost **	18,540	13,962	13,000	10,000	10,500
Depreciation	485	378	550	575	603
Other Cost	37	232			
<b>Profit/ (Loss) (Rs. Mn)</b>	<b>(7,770)</b>	<b>1,633</b>	<b>14,355</b>	<b>16,073</b>	<b>16,872</b>
Outstanding dues to state banks (Rs.Mn)	419,000	373,000	358,000	338,000	

Sources: Ceylon Petroleum Corporation, Department of Public Enterprises

\*\*Inclusive of hedging costs - Rs 7.6 billion (2012), Rs 0.2 billion (2013) and 0.036 billion (2014)

of long outstanding debts while setting off some of the taxes and levies charged at the importation of petroleum products against the kerosene subsidy payable to CPC. Further, with the recapitalization of Sri Lankan Airlines and Mihini Lanka Ltd, the outstanding debts to CPC by these two institutions amounting to Rs. 26.11 billion were settled during the first quarter of the year 2014.

During the period under review, the refinery was closed down for 25 days apart from shut downs for regular maintenance work. CPC was expected to procure crude oil varieties with higher refined yield in line with its procurement plan for 2014 with a view to ensuring uninterrupted refining process. However, US sanctions on Iran and non-availability of Iranian Crude oil has caused to prevent CPC from capitalising its maximum yield of the refinery which is subsequently affected to reduce the operational profits. During the year 2013, the refinery operated at a capacity of 82 percent while in 2014 it marginally increased to 85 percent. Although there was a difficulty in refining other varieties of crude oil in its refinery, CPC has been procuring Murban Crude and Oman blend crude which have provided higher refined yields in 2014. However, CPC in the process of exploring the economically viable alternative supplies of crude oil rather than depending on a few countries for oil supply.

Both because of its age and inefficiency, it is urgently needed to upgrade CPC's refinery. CPC has already initiated actions to repair the old pipeline system and to increase the capacity of the refinery from 50,000 barrels to 100,000 barrels per day and operations are expected to commence. The total cost of the project is estimated at USD 2.1 billion and the project would generate a positive net present value of USD 1500 million.

CPC's previous losses have had a substantial negative impact on its balance sheet. At

present, CPC has negative net equity of Rs 230 billion and has interest bearing loans outstanding of Rs. 373 billion. These loans are owed to two state banks and as such the banks would not be able to do their operations in a commercial manner divesting investment portfolio towards growing sectors of the economy.

As such, CPC's balance sheet need to be strengthened either by restructuring it by injecting more equity or via sustained earnings (Profits). In that, CPC need to consider more innovative financing with the concurrence of the line Ministry and Ministry of Finance. Thereby infrastructure facilities need to be developed to absorb substantial efficiency benefits from these investments.

## 6.3 Water

### National Water Supply & Drainage Board

The National Water Supply & Drainage Board (NWSDB) accounts for 33.4 percent of the safe drinking water coverage of the country, while the Community Based Organizations and local authorities account for 9.6 percent and 1.3 percent, respectively. Around 40.3 percent of drinking water coverage is through protected wells, hand pumps, tube wells, rainwater and natural springs.

In 2014, NWSDB produced 575 million cubic meters of water at a cost of Rs.17, 431 million which is an increase by 5.1 percent compared to year 2013. The average total cost per unit ( $m^3$ ) of water marginally decreased to Rs. 44 in 2014 from Rs. 45.35 in 2013. The sale price of water is currently based on a customer categorization where around 85 percent use less than 25 units of water per month, consuming approximately 324 million  $m^3$  of water per annum. Moreover, the public stand posts of 3,022 in 2013 were reduced to 1,779 by end 2014 through which 552,645  $m^3$  of water was provided free of charge during the year.

In comparison to the previous year, public stand posts have been reduced by 1,243 resulting a reduction of 'free water supply' by 523,224 m<sup>3</sup>.

The total revenue of NWSDB increased by 8.7 percent in 2014 contributed by increased production enabling profits to increase by 20 percent to Rs 1,432 million in 2014. Sale of water which constitutes 93 percent of the total revenue amounted to Rs.17.5 billion. During 2014, the total consumption was 411 million m<sup>3</sup> of water, an increase of 8 percent, compared to 381 million m<sup>3</sup> in 2013. The water distribution was carried out through 1.7 million household connections, 139,000 non household connections and 1,779 public stand posts. In line with the Government policy of higher accessibility to safe drinking water, NWSDB succeeded in increasing total water connections by around 120,000 in 2014.

Arising from unbilled, unmetered and unauthorized consumption, illegal tapping, meter inaccuracies and water leakages, NWSDB's Non-Revenue Water (NRW) remains at 28.5 percent from total production while it is even higher in the Colombo city at 46.6 percent. In terms of volume, the annual quantity of NRW remained as the same level of 164 million m<sup>3</sup> in 2014 as well. Thus, the reduction of NRW as a percentage from 30 to 28.5, was generated as a result of increase in water sales. This indicates that the reduction of NRW is not an actual decrease in the volume of NRW. The Greater Colombo Water and Wastewater Management Improvement Project jointly financed by ADB and GOSL is aimed at reducing NRW up to 20 percent and thereby enabling water sales to increase by 45 million m<sup>3</sup> which would earn an additional net income of nearly Rs. 2 billion per annum.

Table 6.9 &gt; Financial Out-turn of National Water Supply &amp; Drainage Board

	Provisional		Forecast		
	2013	2014	2015	2016	2017
<b>Revenue (Rs.Mn)</b>	<b>17,217</b>	<b>18,710</b>	<b>20,774</b>	<b>22,850</b>	<b>25,009</b>
Water	16,161	17,447	19,326	21,258	23,384
Water Related Income	1,056	1,263	1,448	1,592	1,625
Cost of Sales	10,015	11,326	11,289	12,079	12,925
Gross Profit (Rs.Mn)	7,202	7,384	9,485	10,771	12,084
Other Income	1,421	1,603	1,000	1,200	1,350
Administration Expenses	5,831	5,979	7,187	7,906	8,697
Other Opr. Expenses	559	334	700	900	1,000
Opr. Profit/(Loss)	2,233	2,674	2,598	3,165	3,738
Other Expenses	1,040	1,242	1,000	1,200	1,400
<b>Net Profit/(Loss)</b>	<b>1,193</b>	<b>1,432</b>	<b>1,598</b>	<b>1,965</b>	<b>2,338</b>
Outstanding dues to the Government (Rs.Mn)	38,996	41,000	*	-	-
<b>Key Performance Indicators</b>					
Connections (Nos. Mn)	1.7	1.8	1.9	2.1	2.31
Water Production (m <sup>3</sup> Mn)	547	575	615	658	704
Water Sales (m <sup>3</sup> Mn)	381	411	444	480	518
Non-Revenue Water (percent)	30.2	28.5	27.8	27.1	26
Water Supply Projects (Nos.)	85	79	94	98	101
Community Based Water Supply Projects (Nos)	6	9	6	6	6
Safe Drinking Water Supply Coverage (percent)	84	84.6	88	89	91
Sewerage Connections for institutions (Nos)	831	1,043	1,355	1,900	2,000
Sewerage Connections for households (Nos)	13,946	14,884	22,112	30,472	34,400

Source: National Water Supply & Drainage Board, Department of Public Enterprises

\* Outstanding dues to Govt. are expected to be converted into equity capital in the year 2015

Out of the total operating costs, personnel costs account for 42 percent, since NWSDB has a 10,483 of work force, while 21 percent of the unit cost of production is energy cost. Moreover, the Ambatale water treatment plant which is the largest plant providing water to Colombo, accounting for 21.4 percent of the total energy cost. Hence, NWSDB should adopt strategies aimed at conserving energy with the aim of reducing its energy cost.

At the end of 2014, NWSDB's project portfolio consisted of 26 large scale water supply projects, 41 medium and small scale water supply schemes, 3 water supply and sanitation projects in Tsunami affected areas, 6 large scale sewerage projects and 9 community based water supply projects.

However, it is noted that a number of projects have been behind the schedule in completing, resulting in cost overruns. NWSDB should implement proper procurement and project implementation measures in line with applicable Government procurement guidelines and standards in order to minimize project implementation delays, cost escalations and fluctuations in price. Further, the water sector often yields a very low return with a very long payback period primarily because of unmet connection targets and inherent limitations in the industry.

Maintenance of stocks and non-operating assets amounting Rs. 4,154 million had a negative impact on the liquidity position resulting in failure to meet the loan repayments to the Treasury. In order to strengthen the balance sheet of NWSDB, the Government proposed in the budget of 2014 to convert all previous loans granted to NWSDB by the Treasury, to Government equity. Such measures will enable NWSDB to make funds for capital expenditures through banking system in which NWSDB can meet the agreed performance targets.

## 6.4 Ports

### Sri Lanka Ports Authority

Sri Lanka Ports Authority (SLPA) has recorded a significant growth in 2014 compared to the previous year which is one of the highest growth in all ports in the world during the period. The container throughputs (TEUs) handled by SLPA during 2014 has marginally increased by 2.3 percent compared to year 2013 and total container TEUs arrived to Colombo Port has increased from 4.3 Mn to 4.9 Mn by 13 percent with the expansion of the facilities at ports. East Container Terminal will also be in operation in 2015 under Sri Lanka Ports Authority, which is also capable of accommodating latest generation container ships.

SLPA introduced new promotional tariff rates at the Magam Ruhunupura Mahinda Rajapaksha (MRMR) Port in order to encourage and expand the transshipment of vehicles as well as bunkering trade. SLPA also modified tariff rates at the Colombo Port to cover the expenses and introduced new services.

During the year 2014, Jaya Container Terminal (JCT) was able to handle 7900 TEUs; from a single voyage which is ever highest ship carried to Port of Colombo. Further, MSC Shipping line, one of the world largest shipping lines has increased the number of calls to Port of Colombo aiming to develop Colombo as their HUB for South and Western Asian Regions.

MSC NEWYORK , the largest container ship currently in operation in the world arrived Port of Colombo on 19<sup>th</sup> November 2014. That was the first time 18,000+ TEU ship visited a South Asian region port.

SLPA recorded a profit before tax of Rs. 7.9 billion during 2014, which is a 389 percent increase in comparison with profits of 2013.

Table 6.10 &gt; Financial Out-turn of Sri Lanka Ports Authority

Description	Provisional		Forecast		
	2013	2014	2015	2016	2017
<b>Total Revenue (Rs.Mn)</b>	<b>35,240</b>	<b>42,617</b>	<b>55,869</b>	<b>60,599</b>	<b>62,215</b>
Navigation	4,967	5,454	7,578	8,893	9,515
Stevedoring	19,741	20,466	27,279	28,045	28,500
Wharf Handling	3,633	3,920	5,243	5,401	5,670
Port Facilities	2,851	3,276	5,746	5,721	6,000
Other	4,038	9,495	10,023	12,539	12,530
Share of Associate Profit	10	6	-	-	-
<b>Total Expenditure (Rs.Mn)</b>	<b>33,615</b>	<b>34,667</b>	<b>45,589</b>	<b>46,914</b>	<b>50,185</b>
Operational Expenses	16,191	20,216	16,375	18,667	20,530
Repair and Maintenance Expenses	4,209	3,960	5,310	4,459	4,680
Administrative Expenses	10,272	7,457	15,596	13,033	13,685
Net Finance Cost	2,943	3,034	8,308	10,755	11,290
<b>Profit/(Loss) Before Tax (Rs.Mn)</b>	<b>1,625</b>	<b>7,950</b>	<b>10,280</b>	<b>13,685</b>	<b>12,030</b>
Outstanding debts to Banks (Rs.Mn)	7,151	11,968	15,694	17,407	19,148
Foreign Loans (Rs.Mn)	188,625	206,270	234,611	237,869	243,815
Interest on Foreign Loans (RS.Mn)	3,921	3,735	6,176	6,498	6,600
<b>Key Performance Indicators</b>					
TEU's Handling (Nos Mn)	2.5	2.6	3	3.25	3.25
Ship Arrivals (Nos)	3,862	4,102	4,500	4,950	5,020
Colombo	3,582	3,667	3,903	4,311	4,350
Galle	31	46	76	84	90
Trincomalee	113	120	313	331	350
MRMRP	136	269	208	224	230

Sources: Sri Lanka Ports Authority, Department of Public Enterprises

However, by the end of 2014, outstanding foreign borrowings increased by 9.3 percent to Rs. 206 billion and debts to local banks increased sharply by 67 percent to Rs. 11.9 billion. Ship arrivals except Trincomalee Port show an increasing trend during 2014.

## 6.5 Commuter Transportation

### Sri Lanka Transport Board

Sri Lanka Transport Board (SLTB) provides public transport covering the road network throughout the country. By end 2014, SLTB being the biggest single operator of bus services, has increased its running fleet of buses to 6,479 from 4,806 as new buses were added to the fleet with the financial support of the General Treasury. During 2014, the SLTB strengthened its running fleet by purchasing

1,673 new buses out of the projected 2,200 new buses on lease basis to remove old buses which were in dilapidated condition. Further it has augmented the existing bus fleet by adding spare parts of 200 Engine kits, 2,800 new tires, and 400 batteries each month. 1,215 buses were identified and disposed and these funds were used to remit EPF contribution and payment of Gratuity for retired SLTB employees.

SLTB continued providing its regular services in all parts of the country including rural services and school services. Among others, several projects were undertaken to improve the quality of public transportation services in 2014 as well.

The 'Gami Seriya' and 'Nisi Seriya' services were continued to provide transport facilities



on uneconomic routes in rural areas and to facilitate night time passenger services. 719 buses were deployed under the 'Sisu Seriya' project to provide children with a safe mode of transport to schools. Sisu Seriya' bus service was further improved with the introduction of electronic tickets to schools in the Western Province.

A luxury bus service had been established to the main routes in the Southern and Katunayake express ways by utilizing 68 new buses which were imported for the Commonwealth Heads of Government Meeting.

The Enterprise Resource Planning (ERP) system has been introduced covering 104 depots in 2014 and the required training to the all categories of employees are being provided. Thus, it is expected that operational, management and financial activities would be more efficient and effective enhancing the performance of SLTB.

A new accounting package and computerized accounts preparation process has been introduced and at present, a pilot project is being carried out before full implementation.

As SLTB operates in uneconomical routes and provides transport services to students at subsidized rates, the Government provided budgetary support totaling Rs, 8,562 million in 2014 for recurrent as well as capital expenditure.

In 2014, total revenue of SLTB has increased by 17.75 percent of which a 96 percent is from

operational income which comprised of way bill and season ticket income. Total way bill revenue increased by 14.4 percent in 2014. The increase in operated kilometers have contributed to the improvement in operating income in 2014.

The total expenditure increased by 11.5 percent largely due to increased costs on salaries and fuel. The salary cost has increased by 8.4 percent due to increase of total employees from 33,499 in 2013 to 34,303 in 2014. New recruitments were made to the driver and conductor category with the increase of new buses to the running fleet. At the same time, total fuel cost has increased by 3.6 percent due to the operated kilometres increased by 7.6 percent from 343.7 million in 2013 to 369.9 million in 2014. The fuel cost per km has slightly decreased from Rs. 36.50 in 2013 to Rs.35.01 in 2014 mainly due to the strengthening of running fleet with new buses.

SLTB's productivity is still low and management decision making is constrained by industrial constraints and special interest groups. It is noted that SLTB has been a loss making business for many years. Its operational revenue recover only 78 percent of operational expenses (excluding finance cost). Therefore SLTB has not been able to self-finance their operations, even Treasury has assisted for fleet augmentation and renewal. It is further noted that SLTB's ability to perform as a commercially viable entity is hindered by systematic issues such as management weaknesses, procurement inefficiencies and human resource related issues. Hence, SLTB should improve its corporate governance, management efficiency and business processes. Weaknesses on fuel utilization and use of ineffective spare parts etc. may cause additional burden to SLTB. High salaries and fuel costs are identified as main causes for operating losses although there was a decline of 8.8 percent of accounting losses from Rs 10,640 million in 2013 to Rs 9,407 million in 2014.

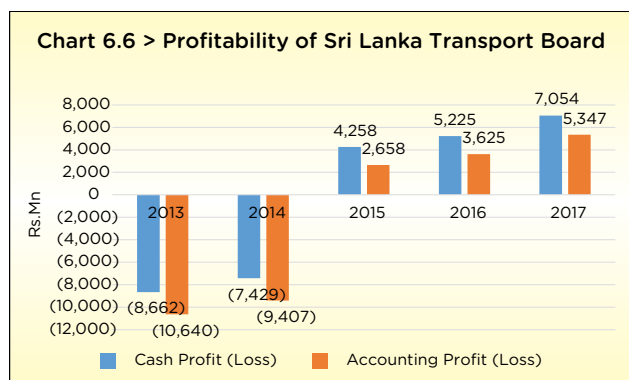




Table 6.11 &gt; Financial Out-turn of Sri Lanka Transport Board

		Provisional	Forecast		
	2013	2014	2015	2016	2017
<b>Revenue</b>	<b>22,182</b>	<b>26,121</b>	<b>43,960</b>	<b>48,300</b>	<b>52,713</b>
Operational Income	21,497	25,090	43,460	47,700	51,993
Other income	685	1,031	500	600	720
<b>Expenditure</b>	<b>30,844</b>	<b>33,550</b>	<b>39,702</b>	<b>43,075</b>	<b>45,660</b>
Salary	14,034	15,208	17,434	18,620	19,737
Fuel	12,545	12,996	17,246	18,970	20,108
Other Running Cost	3,477	4,487	4,229	4,652	4,931
Overhead	788	859	793	833	883
<b>Cash Profit (Loss)</b>	<b>(8,662)</b>	<b>(7,429)</b>	<b>4,258</b>	<b>5,225</b>	<b>7,054</b>
Depreciation	1,978	1,978	1,600	1,625	1,706
Accounting Profit (Loss)	(10,640)	(9,407)	2,658	3,625	5,347
Treasury Subsidy	7,471	8,562	8,370	8,370	8,370
Recurrent	6,565	7,542	6,470	6,470	6,470
Capital	906	1,020	1,900	1,900	1,900
Outstanding Dues to Banks	660	660	-	-	-
Outstanding Statutory Dues	4,022	5,538	3,538	-	-
<b>Key Performance Indicators</b>					
Fuel Cost per k.m.	36.5	35.01	36	36	35
No. of Employees per bus	8	7	6	6	6
Running Fleet	4,806	6,419	6,813	6,513	6,580
Break - down buses	2,337	1,770	726	1,026	1,000
Operated K.m. Mn	344	371	530	530	530
Avg. buses operated per day	4,720	6,000	6,000	5,960	6,250
<b>Bus Fleet Age Analysis</b>					
Less than 5 yrs	884	2,189	3,206	2,322	2,755
Less than 10 Yrs	2,014	2,133	2,013	2,897	1,475
10 > 15	2,486	1,611	1,690	1,190	1,320
Over 15 Yrs	1,759	1,736	50	550	450
<b>Total</b>	<b>7,143</b>	<b>7,669</b>	<b>6,959</b>	<b>6,959</b>	<b>4,525</b>

Source: Sri Lanka Transport Board, Department of Public Enterprises

## 6.6 Aviation

The country's aviation sector grew, supported by significant investments in infrastructure development. In 2014, Sri Lanka handled over 9 million passengers consisting of 3.93 million embarked passengers, 3.89 million disembarked passengers and 1.28 million transit passengers recording a year on year growth of 9 percent. The tourism sector expanded rapidly with tourist arrivals surpassing 1.5 million in 2014 contributed by the improved infrastructure facilities in the aviation as well as the tourism sector.

## Sri Lankan Airlines (SLA)

Sri Lankan Airlines became a fully-fledged member of one of the leading global airline alliances-one-world. This enhanced the airlines product through access to a worldwide network and services of the best airlines in the world.

The airline has embarked on a fleet renewal programme that will replace older wide bodied aircrafts with more fuel efficient and maintenance cost friendly models from Airbus. In order to replace the wide-body fleet, in June 2013, the Company entered into a purchase

agreement with Airbus for the purchase of six A330-300 and four A350-900 aircrafts for delivery between 2014-2021 and also entered into lease agreement to take delivery of further three new A350-900 aircraft in 2016. Accordingly, two new A330 -300 aircrafts replaced the existing fleet during 2014 as purchase agreement entered into with Airbus Industries in 2013.

SLA, earned a revenue of Rs. 130, 690 million during the financial year 2014/2015, which is a 0.4 percent decrease over the budgeted revenue and 9 percent increase compared to the same period in 2013/14. In the year 2014/2015, SLA's total expenditure was Rs. 146,870 million which represents a decrease of 5 percent compared to the same period of the previous year. SLA recorded a loss of Rs. 16,181 million during the year 2014/ 15 which is a 50 percent decreased over the previous year. the reasons for decreased in of SLA from 2013/14 to 2014/15 are mainly better revenues earned specially from higher passenger numbers

and improved passenger yield. Further the reduction in fuel price, by 7 percent brought down the fuel cost by 11 percent from Rs. 59, 944 million to Rs 53,521 million and reduction of aircraft maintenance cost from 18,977 million to 14,619 million were also a reason to minimise the loss. Therefore accumulated losses of SLA as at 31.03.2015 has gone up to Rs. 126,924 million.

In order to financially strengthen the national carrier, the government provided financial support of Rs. 14.3 billion in 2012, Rs. 12.6 billion in 2013 and Rs. 19.59 billion in 2014 in accordance with the Cabinet decision to infuse capital to the tune of USD 500 million over five year period commencing from 2012.

SLA raised a syndicated loan of USD 150 million from a consortium of banks led by the Standards Chartered Bank with a Government guarantee for USD 50 million at LIBOR + 400 bp pa. This loan was utilized to settle the outstanding loan of USD 112.5 million obtained

Table 6.12 &gt; Financial Out-turn of Sri Lankan Airlines

	Provisional		Forecast	
	2013/14	2014/15	2015/16	2016/17
<b>Revenue (Rs.Mn)</b>	<b>121,586</b>	<b>130,690</b>	<b>134,689</b>	<b>154,655</b>
Passenger	99,670	102,282	114,185	131,111
Cargo	12,425	13,497	15,636	17,954
Other	9,593	14,911	4,868	5,590
<b>Expenditure (Rs.Mn)</b>	<b>153,944</b>	<b>146,870</b>	<b>147,083</b>	<b>159,237</b>
Fuel Cost	59,944	53,521	60,550	65,446
Lease Rentals	14,549	16,514	16,626	19,490
Aircraft Maintenance	18,977	14,619	13,436	14,431
Staff Cost	12,406	13,628	15,577	19,441
Finance Cost	6,197	4,452	1,328	834
Others	41,871	44,136	39,524	39,694
<b>Operating profit (loss) (Rs.Mn)</b>	<b>(32,358)</b>	<b>(16,181)</b>	<b>(12,354)</b>	<b>(4,582)</b>
Outstanding Debt to Banks (Rs Mn)	45,789	51,729	13,000	10,300
Capital Contribution (RsMn)	19,585			
<b>Key performance Indicators</b>				
Passengers carried (No'000s)	4,183	4,352	4,438	4,672
Aircraft Fleet (Nos)	21	21	21	21
Routes (Nos)	41	39	40	40

Source: Sri Lankan Airlines, Department of Public Enterprises

from Mashreq Bank Psc at LIBOR + 400 bp pa. Further, SLA issued an international bond of USD 175 million at a rate of 5.3 percent. These funds used for re-fleeting and working capital purposes.

As Sri Lankan Airlines and Mihin Lanka Ltd have made huge losses in last several MLL years under the 100 day Revolution Programme, the government has decided to merge these two entities as an interim solution expecting the efficient use of resources to improve the operational efficiency and reduce loss gradually.

### Mihin Lanka Ltd. (MLL)

MLL's revenue has slightly decreased in the year 2014/15 to Rs. 10,129 million from Rs. 10,134 million compare to the previous year. Expenditure reduced considerably by 11 percent to Rs. 11,316 million in 2014/15 from Rs. 12,700 million in 2013/14. This has resulted to reduce the loss of the company during the year 2014/15 by 51 percent to Rs 1,187 million from Rs. 2,566 million compared to the same period of the previous year. Reasons for this loss reduction is mainly due to the reduction of fuel, aircraft maintenance staff cost and finance cost. Therefore, the accumulated loss was Rs 15, 834 million as at 31.03.2015. Further, in March 2014, the government provided Rs 6,528 million as capital contribution.

Table 6.13 > Financial Out-turn of Mihin Lanka Ltd.

	Provisional		Forecast	
	2013/14	2014/15	2015/16	2016/17
<b>Revenue (Rs.Mn)</b>	<b>10,134</b>	<b>10,129</b>	<b>13,467</b>	<b>15,487</b>
Passenger	9,596	9,057	12,494	14,368
Cargo	193	271	364	419
Other	345	801	609	700
<b>Expenditure (Rs.Mn)</b>	<b>12,700</b>	<b>11,316</b>	<b>13,247</b>	<b>15,232</b>
Fuel Cost	5,463	4,479	4,140	4,761
Lease Rentals	1,492	2,002	2,646	3,042
Aircraft Maintenance	1,528	830	1,704	1,959
Staff Cost	726	608	686	789
Finance Cost	516	402	134	154
Others	2,975	2,740	3,937	4,527
<b>Operating profit (loss) (Rs.Mn)</b>	<b>(2,566)</b>	<b>(1,187)</b>	<b>220</b>	<b>255</b>
Outstanding Debt to Banks (Rs Mn)	256	187	72	38
Capital Contribution (RsMn)	1,894	6,528		
<b>Key performance Indicators</b>				
Passengers carried	511,176	462,788	475,000	490,800
Aircraft Fleet (Nos)	3	3	3	3
Routes (Nos)	12	10	11	11

Source: Mihin Lanka Ltd, Department of Public Enterprises

Mihin Lanka Ltd (MLL) started its operations in 2007 with two Airbus A320 aircrafts to operate India and the Middle East. Initially MLL connected Colombo with seven destinations. As a leading low fare airline in South Asia, MLL is operating to a growing range of destinations in the Indian Sub-continent, Middle East and South East Asia.

### Airport and Aviation Services (Sri Lanka) Ltd (AASL)

Airport & Aviation Services (Sri Lanka) Limited (AASL) handled over 9 million passengers including 1.28 million transit passengers during the year 2014 recording 4 percent increase compared to the previous year .

Table 6.14 &gt; Financial Out-turn of Airport and Aviation Services (Sri Lanka) Ltd

	Provisional		Forecast		
	2013	2014	2015	2016	2017
<b>Revenue(Rs.Mn)</b>	<b>12,219</b>	<b>13,820</b>	<b>16,130</b>	<b>17,093</b>	<b>18,119</b>
Aeronautical	3,045	3,366	3,829	4,233	4,487
Non Aeronautical	9,164	10,168	11,684	11,880	12,592
Other	10	286	617	980	1,038
<b>Expenditure (Rs.Mn)</b>	<b>8,665</b>	<b>9,782</b>	<b>12,779</b>	<b>14,241</b>	<b>15,095</b>
Staff Cost	4,170	4,524	4,973	5,262	5,572
Administration	1,624	1,918	596	688	729
Finance Cost	574	700	1,207	1,036	1,098
Other Expenditure	2,297	2,640	6,003	7,255	7,690
<b>Operating profit/(loss) (Rs.Mn)</b>	<b>3,554</b>	<b>4,038</b>	<b>3,352</b>	<b>2,852</b>	<b>3,023</b>
Total Borrowings	37,317	35,747	59,057	70,482	74,710
Borrowings during the year	-	323	24,285	7,461	7,910
Outstanding Debts to Banks	-	-	-	-	-
<b>Key Performance Indicators</b>					
Passengers Movements (Nos) (Mn.)	7.31	7.77	9.11	10.02	10.8
Transits passengers	1.36	1.28	1.73	1.9	2.01
Aircraft Movements (Nos) (BIA & MRIA)	52,178	55,354	59,425	64,770	68,656

Source: Airport and Aviation Services (Sri Lanka) Limited, Department of Public Enterprises

AASL recorded 6 percent growth in its revenue by earning Rs. 13,820 million during the year 2014 compared to Rs 12,219 million in 2013. The company was able to record an operational profit of Rs 4,038 million in 2014 which is also 14 percent increase than operational profit of Rs. 3,554 million 2013. The AASL recorded operating profit margins of 25 percent, 29 percent and 29 percent on revenue for 2012, 2013 and 2014 respectively and declared a dividend of Rs. 500 million for the year 2014. Total foreign borrowings of AASL as at 31st December 2014 stood at Rs. 35,747 million. The company has paid Rs. 1,893 Million in the year 2014 to service seven foreign loans obtained through the General Treasury. AASL will commence the servicing of the loan amounting to USD 190 million obtained for the construction of Mattala International Airport in the future.

In recognizing need for doubling the handling capacity at Bandaranayake International Airport, the Japanese funded project commenced under the auspices of the prime Minister of Japan in September 2014.

## 6.7 Construction

The construction industry has shown remarkable progress during past few years. Its contribution to GDP was 10 percent during the year 2014 which depicts a 11 percent increase compared to year 2013. This is mainly due to large scale projects initiated in the country. The construction industry is a sector with considerable growth opportunities in Sri Lankan economy which need support to be competitive.

The State Engineering Corporation (SEC), Central Engineering Consultancy Bureau (CECB), State Development and Construction Corporation (SD & CC) are the main three state owned enterprises engaged in the construction industry.

These agencies need substantive investment for modern machinery and equipment to meet rising demand and make best use of the opportunities. Therefore it has become imperative to equip these agencies into modern standards, technologies and concepts. The employment of highly skilled workforce

who are capable of handling new large ventures, therefore crucial.

## State Engineering Corporation of Sri Lanka (SEC)

State Engineering Corporation (SEC) was established in 1<sup>st</sup> January 1962 under the State Industrial Corporation Act No.49 of 1957 and is providing services on construction, consultancy, civil and electro mechanical and building components.

has decreased by 37 percent mainly due to decrease in revenue. Sri Lanka Cricket Board is the largest debtor of SEC for upgrading of Khetarama and Pallekale cricket grounds and payments are due from year 2011 amounting to Rs.568 million.

Table 6.15 > Financial Out-turn -State Engineering Corporation

		Provisional	Forecast		
	2013*	2014	2015	2016	2017
<b>Revenue (Rs. Mn)</b>	<b>8,112</b>	<b>6,353</b>	<b>6,861</b>	<b>7,410</b>	<b>8,003</b>
Construction	7,597	5,964	6,441	6,956	7,513
Consultancy	419	263	284	307	331
Other Income	96	126	136	147	159
<b>Expenditure (Rs. Mn)</b>	<b>7,984</b>	<b>6,272</b>	<b>6,774</b>	<b>7,316</b>	<b>7,901</b>
Operating Expenditure	6,067	4,383	4,790	5,287	5,810
Staff Cost	1,627	1,712	1,792	1,823	1,868
Financial Cost	86	45	49	52	57
Other Expenditure	204	132	143	154	166
<b>Profit/ (loss) (Rs. Mn)</b>	<b>128</b>	<b>81</b>	<b>87</b>	<b>94</b>	<b>102</b>
<b>Outstanding Debts to Banks (Rs. Mn)</b>	<b>368</b>	<b>460</b>	<b>497</b>	<b>537</b>	<b>579</b>
<b>Receivables (Rs. Mn)</b>	<b>6,110</b>	<b>8,851</b>	<b>9,125</b>	<b>9,560</b>	<b>9,721</b>

Source: State Engineering Corporation, Department of Public Enterprises

SEC has completed Rs. 5,563 million worth of government contracts during 2014 including construction of a building for the Information and Communication Technology Centre in University of Kelaniya, a building of Faculty of Language Studies for University of Buddhashrawaka Bikshu and an Auditorium in University of Wayamba while undertaking Rs.6, 786 million worth of new government contracts during the year. However, SEC is facing a shortage of working capital and liquidity, mainly due to long delays in receiving payments from government institutions.

Revenue of SEC has decreased by 22 percent in 2014 while almost 99 percent of its revenue was from government contracts. SEC's profit

## Central Engineering Consultancy Bureau (CECB)

CECB was established in 1973 under the Industrial Corporation Act No.49 of 1957 to provide multi-disciplinary consultancy services for water resource development projects. CECB has expertise in this field, since it was closely engaged in Mahawali Development activities from its inception.

CECB has completed several major projects (construction and consultancy) in 2014 including Northern road rehabilitations project, reconstruction of Northern railway line, construction of academic building at University of Eastern and accident and emergency ward complex for the General Hospital in

Table 6.16 &gt; Financial Out-turn -Central Engineering Consultancy Bureau

	Provisional		Forecast		
	2013	2014	2015	2016	2017
<b>Revenue (Rs. Mn)</b>	<b>15,517</b>	<b>10,207</b>	<b>9,751</b>	<b>9,442</b>	<b>9,244</b>
Construction	12,936	8,269	7,856	7,463	7,090
Consultancy	2,090	1,773	1,738	1,824	2,007
Other Income	491	165	157	155	147
<b>Expenditure (Rs. Mn)</b>	<b>14,947</b>	<b>9,781</b>	<b>9,358</b>	<b>8,946</b>	<b>8,295</b>
Operating Expenditure	12,683	8,050	7,969	7,571	7,192
Staff Cost	1,754	1,702	1,361	1,348	1,078
Financial Cost	16	25	24	23	22
Other Expenditure	494	4	4	4	3
<b>Profit/ (loss) ( Rs. Mn)</b>	<b>570</b>	<b>426</b>	<b>393</b>	<b>496</b>	<b>949</b>
<b>Outstanding Debts to Banks (Rs. Mn)</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Receivables (Rs. Mn)</b>	<b>10,964</b>	<b>12,104</b>	<b>11,983</b>	<b>11,863</b>	<b>10,677</b>

Source: Central Engineering Consultancy Bureau, Department of Public Enterprises

Polonnaruwa while most of construction projects are completed through its fully Government owned subsidiary company. CECB was awarded “the prestigious Excellence in Engineering Award” in August 2014, by the Institute of Engineers of Sri Lanka (IESL) for its outstanding achievements in Consultancy Services and the “World Centre of Excellence on Landslide Disaster Reduction 2014-2017” by the Global Promotion Committee of the International Consortium of Landslide at China National Convention Centre.

Revenue of CECB has decreased by 34 percent amounting to Rs 10,207 million in 2014 and thereby profits have decreased to Rs. 426 million by 25 percent in 2014 compared to previous year while total receivables remain at Rs. 12, 104 million at the end of the year 2014.

### State Development & Construction Corporation (SD & CC)

State Development & Construction Corporation (SD&CC) was established in 1971 under the Industrial Corporation Act No.49 of 1957 with a view to be the best Infrastructure Development & Construction Organization providing value for money for the Nation.

During 2014, SD & CC completed the projects such as construction of laboratory building in Bathalegoda, three trough structure at right bank canal of Deduruoya project, gymnasium of University of Wayamba, supply and installation of light system of Colombo - Hambantota road and remedial works of New Laxapana Power Tunnel.

SD & CC has completed Rs. 1,422 million worth of Government projects during 2014 while Rs. 1,325 million worth of work in progress remains as at 31.12.2014. SD & CC's total revenue has decreased by 8 percent while net profit for 2014 has remained constant when compared to 2013. This is due to 8 percent decrease in total expenditure. Due to liquidity issues, statutory payments such as VAT has been delayed.

*“During 2014, SD & CC completed the projects such as construction of laboratory building in Bathalegoda, three trough structure at right bank canal of Deduruoya project, gymnasium of University of Wayamba, supply and installation of light system of Colombo - Hambantota road and remedial works of New Laxapana Power Tunnel.”*



Table 6.17 &gt; Financial Out-turn - State Development &amp; Construction Corporation

	Provisional		Forecast		
	2013	2014	2015	2016	2017
<b>Revenue (Rs. Mn)</b>	<b>3,796</b>	<b>3,490</b>	<b>3,623</b>	<b>3,677</b>	<b>3,747</b>
Construction	3,634	3,437	3,568	3,598	3,665
Others	162	53	55	79	82
<b>Total Expenditure (Rs. Mn)</b>	<b>3,706</b>	<b>3,400</b>	<b>3,524</b>	<b>2,570</b>	<b>3,612</b>
Operating Expenditure	2,997	2,713	2,812	2,845	2,866
Staff Cost	527	530	545	552	560
Financial Cost	68	83	88	92	98
Others	114	74	79	81	88
<b>Profit/ (loss)(Rs. Mn)</b>	<b>90</b>	<b>90</b>	<b>99</b>	<b>107</b>	<b>135</b>
<b>Outstanding Debts to Banks(Rs. Mn)</b>	<b>777</b>	<b>670</b>	<b>698</b>	<b>725</b>	<b>762</b>
<b>Receivables (Rs. Mn)</b>	<b>2,166</b>	<b>2,612</b>	<b>2,702</b>	<b>2,796</b>	<b>2,865</b>

Source: State Development & Construction Corporation, Department of Public Enterprises

## 6.8 State Banks

### Bank of Ceylon

Bank of Ceylon (BOC) celebrated its 75th year in business in 2014 and introduced a new slogan of “BEST beyond 75”, which denominates Business Excellence, Exceed Expectations, Speedy Delivery and Technology Driven. The total asset base of BOC grew by 10.9 percent to Rs.1, 323 billion in 2014 in comparison to Rs.1, 193 billion in 2013 mainly due to increase in investments by Rs.99.5 billion or 29 percent to Rs. 446 billion. The year on year growth of the lending portfolio of the Bank was only 3.5 percent in 2014 compared to 5.7 percent in 2013.

Despite the marginal decrease in interest income, net interest income of the bank increased by 14 percent in 2014 due to improvement in net interest margin from 29.3 percent in 2013 to 34.8 percent in 2014. Bank has ended the year 2014 with a net profit before tax of Rs.20.8 billion in comparison to Rs.15.2 billion in 2013 because of the increase in other income and decrease in personnel expenses surpassed the increase in other expenses. Bank's profitability also has increased in 2014 which reflects by improved Return on Assets ratio and Return on Equity

ratio. BOC paid dividend totaling to Rs. 6.8 billion to the Government in 2014.

With the view of strengthening the Tier I capital of the bank, Government infused Rs. 5 billion in December 2014. Bank's capital adequacy ratio (CAR) improved from 12.10 percent in 2013 to 12.48 percent in 2014 and above the minimum statutory requirement of 10 percent.

BOC's deposit base grew only by 11.8 percent in 2014 which is well below the growth of 21 percent recorded in 2013 and below the industry growth of 12.4 percent. The trading sector accounted for 23 percent of the BOC's lending portfolio in 2014 followed by housing loans at 11 percent.

Non-performing loan ratio (NPL) of the bank has improved as witnessed by 3.8 percent in 2014 in comparison to 4.3 percent in 2013 mainly due to decrease in non-performing pawning advances by Rs. 7.8 billion to Rs. 4.1 billion at the end of 2014.

During the year 2014, BOC added 6 new branches and 2 SME centers to its branch network. BOC has retained its AA+ long term rating from Fitch Ratings (Lanka) 2014 as well.



Table 6.18 &gt; Financial Out-turn of Bank of Ceylon

		Provisional		Forecast	
	2013	2014	2015	2016	2017
<b>Total Income (Rs. Mn)</b>	<b>124,592</b>	<b>127,141</b>	<b>122,860</b>	<b>137,514</b>	<b>153,475</b>
Interest Income	110,883	106,397	102,177	116,864	133,070
Interest Expense	78,434	69,346	64,955	73,226	78,946
Net Interest Income (Rs. Mn)	32,449	37,051	37,222	43,637	54,123
Other Income	13,709	20,744	20,682	20,650	20,405
<b>Total Operating Expenses (Rs. Mn)</b>	<b>30,899</b>	<b>37,018</b>	<b>33,755</b>	<b>34,810</b>	<b>37,992</b>
Personnel Expenses	13,470	12,918	15,671	16,298	17,113
Other Expenses	17,429	24,100	108,084	18,512	20,879
<b>Profit Before Tax (Rs. Mn)</b>	<b>15,258</b>	<b>20,777</b>	<b>24,150</b>	<b>29,478</b>	<b>36,536</b>
<b>Key Performance Indicators</b>					
Investments (Rs.Mn)	346,648	446,171	433,819	404,544	414,779
Deposits (Rs.Mn)	819,891	916,421	1,017,991	1,132,235	1,260,857
Loans and advances (Rs.Mn)	735,037	760,891	844,705	1,004,713	1,140,599
Non Performing Advances (Rs.Mn)	31,754	28,762	20,194	20,800	21,632
ROA (%)	1.4	1.6	1.8	2	2.2
ROE (%)	22.1	24.6	23.4	23.8	25.4
NPL Ratio (%)	4.3	3.8	2.4	2.1	1.9

Sources: Bank of Ceylon, Department of Public Enterprises

## People's Bank

Being the second largest commercial bank in Sri Lanka, People's Bank (PB) surpassed the Rs. 1 trillion asset base at the end of 2014 and recorded a growth of 10.6 percent from Rs.927 billion in 2013 to Rs.1, 026 billion in 2014. The bank operates with the largest branch network comprising of 348 branches and 391 service centers with 463 ATM locations covering almost all parts of the island.

Despite the decrease in net interest income by Rs. 6.8 billion or 18.6 percent over 2013, pre-tax profits of the Bank increased to Rs. 17.2 billion mainly due to the increase in other income and reversal of impairment for loans and other losses. The net interest margin of the PB deteriorated to 3.0 percent from 4.1 percent in 2013 reflecting the need for low cost deposit mobilization. Due to new recruitments at the beginning of 2014, personnel expenses of the

bank has increased by Rs.1.2 billion or 10.4 percent to Rs.13.2 billion. PB paid Rs.5.8 billion as dividends to the Government in 2014.

Loan portfolio of the bank increased only by 0.5 percent in 2014 which is well below the industry growth rate of 13.7 percent. Infrastructure, pawning and housing loans account for 26 percent, 16 percent and 15 percent respectively of the PB's loan portfolio.

Non-performing loan ratio of the bank has improved by the end of 2014 to 3.2 percent over 5.3 percent in 2013, mainly due to reduction in non-performing pawning by Rs.12.7 billion to Rs.0.95 billion.

The bank has recorded a lower deposit growth rate of 4.0 percent in 2014 compared to growth rate of 11.4 percent in 2013. Fitch Ratings (Lanka) has affirmed AA+ (lka) national long term rating for People's Bank for the third consecutive year.

Table 6.19 &gt; Financial Out-turn of People's Bank

	Provisional		Forecast		
	2013	2014	2015	2016	2017
<b>Total Income (Rs. Mn)</b>	<b>120,456</b>	<b>95,519</b>	<b>99,474</b>	<b>109,421</b>	<b>120,364</b>
Interest Income	110,441	83,772	86,853	95,538	105,092
Interest Expense	73,791	53,941	52,641	57,905	63,696
Net Interest Income (Rs. Mn)	36,649	29,830	34,212	37,633	41,397
Other Income	9,880	11,626	12,500	13,750	15,125
<b>Total Operating Expenses (Rs. Mn)</b>	<b>22,509</b>	<b>26,324</b>	<b>26,683</b>	<b>29,351</b>	<b>32,286</b>
Personnel Expenses	11,958	13,202	14,184	15,602	17,163
Other Expenses	10,551	13,122	12,499	13,749	15,124
<b>Profit Before Tax (Rs. Mn)</b>	<b>10,304</b>	<b>17,200</b>	<b>18,529</b>	<b>20,382</b>	<b>22,420</b>
<b>Key Performance Indicators</b>					
Investments (Rs.Mn)	227,138	291,498	320,647	352,712	387,983
Deposits (Rs.Mn)	762,249	793,342	872,676	959,943	1,055,938
Loans and advances (Rs.Mn)	681,467	684,987	753,486	828,835	911,718
Non Performing Advances (Rs.Mn)	33,435	20,699	26,500	26,000	25,000
ROA (%)	1.1	1.8	1.9	1.9	2
ROE (%)	22.8	31.3	31	31.5	32
NPL Ratio (%)	5.3	3.2	3.2	3.1	2.7

Sources: People's Bank, Department of Public Enterprises

## National Savings Bank

The National Savings Bank (NSB), the largest licensed specialized bank in the country, expanded its branch network to 236 branches with the opening of 7 new branches in 2014.

The bank's asset base grew by 19 percent to Rs.779 billion at the end of 2014 as against the industry asset growth rate of 17.3 percent.

The bank's loan book recorded a growth of 34 percent to Rs. 222.7 billion at the end of 2014 of which 29 percent and 24 percent represent

Table 6.20 &gt; Financial Out-turn of National Savings Bank

	Provisional		Forecast		
	2013	2014	2015	2016	2017
<b>Total Income (Rs. Mn)</b>	<b>65,573</b>	<b>77,890</b>	<b>77,827</b>	<b>98,478</b>	<b>124,602</b>
Interest Income	64,248	74,023	76,185	96,762	122,778
Interest Expense	54,141	52,642	50,643	68,957	87,975
Net Interest Income (Rs. Mn)	10,107	21,380	25,542	27,805	34,803
Other Income	1,292	3,798	1,569	1,635	1,738
<b>Total Operating Expenses (Rs. Mn)</b>	<b>9,120</b>	<b>14,706</b>	<b>16,484</b>	<b>17,900</b>	<b>20,830</b>
Personnel Expenses	4,209	4,797	5,828	6,232	6,743
Other Expenses	4,911	9,908	10,656	11,668	14,087
<b>Profit Before Tax (Rs. Mn)</b>	<b>2,279</b>	<b>10,472</b>	<b>10,627</b>	<b>11,540</b>	<b>15,711</b>
<b>Key Performance Indicators</b>					
Investments (Rs.Mn)	465,766	534,485	516,171	620,447	746,913
Deposits (Rs.Mn)	501,890	554,060	624,650	830,970	1,013,642
Loans and advances (Rs.Mn)	166,420	222,696	298,275	402,014	522,040
Non Performing Advances (Rs.Mn)	10,003	16,275	3,809	-	-
ROA (%)	0.4	1.5	1.3	1.2	1.4
ROE (%)	5.1	30.2	22.5	25.2	30.0
NPL Ratio (%)	7	7.8	1.5	-	-

Source: National Savings Bank, Department of Public Enterprises

the loans granted to infrastructure and housing sector respectively.

Increase in interest income together with improvement in net interest margin to 3.0 percent in 2014 over 1.7 percent in 2013 and increase in other income have resulted the bank to achieve a profit before tax of Rs.10.5 billion in comparison to Rs.2.3 billion in 2013.

NSB's deposit base grew by 10.4 percent to Rs.554 billion at the end of 2014 which is above the growth of 9 percent recorded in 2013. Time deposits account for 74 percent of the total deposits of the bank.

The bank's non-performing loan ratio has marginally deteriorated to 7.8 percent in 2014 in comparison to 7.0 percent in 2013 mainly due to increase in pawning non-performing loans by 103 percent to Rs.13.4 billion at the end of 2014.

NSB retained the AAA (Ika) national long term rating by Fitch Ratings Lanka for the 12<sup>th</sup> consecutive year in 2014.

## Pradheshiya Sanwardana Bank

The objective of the establishment of the Pradheshiya Sanwardana Bank (PSB) is to improve the living standards of the rural masses by providing them with accessible and affordable credit facilities which in turn contribute to strengthen the rural economy. PSB was established in 2010 by merging 6 Regional Development Banks.

Further, the bank is implementing strategies to empower its customers in the micro, small and medium scale enterprises and channel credits to predominantly rural based activities such as agriculture, livestock and fisheries industries, handicrafts, handloom etc which engage considerable proportion of self-employment and medium and small sized enterprises. However the bank provided 22 percent housing loans and 17 out of total portfolio of Rs. 57,271 million. Therefore management of bank should forces to achieve its strategic objectives of the bank. PSB relocated 19 branches, expanded 8 branches and opened 8 SME centers during the year.

Table 6.21 > Financial Out-turn of Pradheshiya Sanwardana Bank

	2013	Provisional 2014	2015	Forecast 2016	2017
<b>Total Income (Rs. Mn)</b>	<b>10,995</b>	<b>11,429</b>	<b>12,840</b>	<b>14,803</b>	<b>16,284</b>
Interest Income	10,388	10,775	12,083	13,895	15,285
Interest Expense	5,939	5,312	5,384	5,922	6,515
Net Interest Income (Rs. Mn)	4,449	5,463	6,699	7,973	8,770
Other Income	607	655	757	908	999
<b>Total Operating Expenses (Rs. Mn)</b>	<b>4,369</b>	<b>4,849</b>	<b>5,427</b>	<b>5,970</b>	<b>6,566</b>
Personnel Expenses	2,527	2,837	3,506	3,857	4,242
Other Expenses	1,840	2,012	1,921	2,113	2,324
<b>Profit Before Tax (Rs. Mn)</b>	<b>689</b>	<b>1,268</b>	<b>2,029</b>	<b>2,912</b>	<b>3,349</b>
<b>Key Performance Indicators</b>					
Investments (Rs.Mn)	14,754	25,827	21,927	23,681	25,576
Deposits (Rs.Mn)	62,606	72,525	87,707	100,863	115,993
Loans and advances (Rs.Mn)	60,093	62,005	83,737	96,298	110,742
Non Performing Advances (Rs.Mn)	1,235	1,700	2,165	2,283	2,458
ROA (%)	0.54	1.05	1.38	1.5	2.5
ROE (%)	5.08	9.11	13.49	14.18	15.2
NPL Ratio (%)	7.3	7.64	3.99	4	3.5

Source: Pradheshiya Sanwardana Bank and Department of Public Enterprises

The net profit increased sharply by 84 percent in 2014 due to decline in interest expense and increase in interest income. The interest expenses declined by 10.6 percent to Rs. 5,312 million in 2014 due to the adjustment of the higher interest rates offered for the deposits. Moreover, operational expenses also have increased by 11 percent. Non-performing loans ratio increased to 7.6 percent in 2014 from 7.3 percent in 2013 mainly due to losses in the pawning portfolio. The deposit base of PSB increased by 15.8 percent. However the industry deposit base growth rate was 12.4 percent.

*“Further, the bank is implementing strategies to empower its customers in the micro, small and medium scale enterprises and channel credits to predominantly rural based activities”*

## State Mortgage and Investment Bank

The State Mortgage and Investment Bank (SMIB), is a licensed specialized bank and has been in mortgage loan business for housing and housing related purposes since 1931. In 2014, the bank has expanded its branch network by opening two new branches in the districts of Matale and Anuradhapura. Out of the total loan portfolio of SMIB, 89 percent accounts for the housing sector while 10 percent is in the agricultural sector, same as previous year.

The net interest margin increased to 4.96 percent in 2014 from 4.76 percent in 2013. Accordingly the profit increased by 42 percent. Deposits and loan and advances increased by the same percentage to 14 percent as against the industry rates of 12.4 and 13.7 percent respectively. Further it is notable that the cost to income ratio increased to 2 percent. The NPL ratio decreased to 33.42 percent in 2014 from 35.33 percent in 2013 which include EPF related loans which can recover from the Central Bank.

Table 6.22 > Financial Out-turn of State Mortgage and Investment Bank

		Provisional	Forecast		
	2013	2014	2015	2016	2017
<b>Total Income (Rs. Mn)</b>	<b>3,737</b>	<b>3,742</b>	<b>1,760</b>	<b>1,862</b>	<b>2,074</b>
Interest Income	3,635	3,633	3,775	4,170	4,763
Interest Expense	2,459	2,213	2,129	2,448	2,859
Net Interest Income (Rs. Mn)	1,176	1,420	1,646	1,722	1,904
Other Income	102	109	114	140	170
<b>Total Operating Expenses (Rs. Mn)</b>	<b>835</b>	<b>995</b>	<b>1,268</b>	<b>1,332</b>	<b>1,434</b>
Personnel Expenses	469	580	695	730	767
Other Expenses	366	415	573	602	667
<b>Profit Before Tax (Rs. Mn)</b>	<b>343</b>	<b>411</b>	<b>492</b>	<b>530</b>	<b>640</b>
<b>Key Performance Indicators</b>					
Investments (Rs.Mn)	5,124	5,574	6,494	7,172	8,566
Deposits (Rs.Mn)	21,201	24,159	30,152	35,202	41,116
Loans and advances (Rs.Mn)	21,186	24,064	28,311	32,343	36,987
Non Performing Advances (Rs.Mn)	8,241	8,830	7,947	7,152	6,437
ROA (%)	1.39	1.7	1.44	1.31	1.38
ROE (%)	6	7.73	7.76	9.28	11.26
NPL Ratio including EPF (%)	35.33	33.42	30	25	20
NPL Ratio excluding EPF (%)	12.99	11.85	9	7	5

Sources: State Mortgage and Investment Bank, Department of Public Enterprises

## Sri Lanka Savings Bank

The Sri Lanka Savings Bank (SLSB) was established as a licensed specialized bank in 2008 to provide relief to the depositors of Pramuka Savings and Development Bank

*“SLSB has taken measures to complete recoveries and settlements of all PSDB customers by end 2017.”*

Table 6.23 > Financial Out-turn of Sri Lanka Savings Bank

		Provisional	Forecast		
	2013	2014	2015	2016	2017
<b>Total Income (Rs. Mn)</b>	<b>1,017</b>	<b>775</b>	<b>728</b>	<b>737</b>	<b>765</b>
Interest Income	996	693	668	666	680
Interest Expense	141	206	228	245	290
Net Interest Income (Rs. Mn)	855	487	440	421	390
Other Income	21	86	59	71	85
<b>Total Operating Expenses (Rs. Mn)</b>	<b>260</b>	<b>163</b>	<b>217</b>	<b>226</b>	<b>234</b>
Personnel Expenses	44	52	78	79	80
Other Expenses	216	106	139	147	154
<b>Profit Before Tax (Rs. Mn)</b>	<b>616</b>	<b>236</b>	<b>282</b>	<b>266</b>	<b>241</b>
<b>Key Performance Indicators</b>					
Investments (Rs.Mn)	5,529	6,435	5,669	5,263	4,098
Deposits (Rs.Mn)	749	935	1,452	2,032	2,845
Loans and advances (Rs.Mn)	3,256	2,869	4,970	6,461	8,399
Non Performing Advances (Rs.Mn)	1,460	1,473	1,323	1,363	1,404
NPL Ratio (%)	45%	51	45%	42	30

Source Sri Lanka Savings Bank, Department of Public Enterprises

(PSDB) and involves mainly in granting micro finance loans, leasing and hire purchase facilities for small sectors in the economy. SLSB has taken measures to complete recoveries and settlements of all PSDB customers by end 2017. SLSB has completed settlement of deposits less than 100,000 and started to settle deposits more than Rs. 100,000 in December 2014. Further, the bank has introduced three new loan schemes; educational loan, professional loan and Prajadiriya loan scheme.

The total deposit base of SLSB increased by 24.8 percent, while the net profit decreased by 57.2 percent in 2014 mainly due to reduction of the net interest margin to 8.51 percent in 2014 from 12 percent in 2013. Further, the NPL ratio of SLSB is significantly high at 51 percent in 2014.

## HDFC Bank

Being the only state bank listed on the Colombo Stock Exchange, the HDFC Bank is primarily engaged in granting loans or credit facilities for housing purposes. The Bank's asset base grew by 25 percent in 2014 to Rs.35 billion mainly due to increase in investments and loans & advances. The bank's lending portfolio grew by 18 percent to Rs.23 billion of which 94 percent has been granted to construct small and medium housing units. Deposit base of the bank has increased by Rs.5.5 billion or 29.5 percent to Rs.24.5 billion by the end of 2014, of which 87 percent represent time deposits. Asset quality of the bank deteriorated as witnessed by NPL ratio of 22.57 percent in 2014 in comparison to 19.85 percent in 2013.

Table 6.24 &gt; Financial Out-turn of HDFC Bank

	Provisional		Forecast		
	2013	2014	2015	2016	2017
<b>Total Income (Rs. Mn)</b>	<b>3,803</b>	<b>4,585</b>	<b>5,435</b>	<b>9,972</b>	<b>12,073</b>
Interest Income	3,528	4,378	5,098	9,635	11,246
Interest Expense	2,469	2,535	2,808	6,301	7,310
Net Interest Income (Rs. Mn)	1,059	1,843	2,290	3,334	3,936
Other Income	275	207	337	752	627
<b>Total Operating Expenses (Rs. Mn)</b>	<b>1,024</b>	<b>1,232</b>	<b>1,592</b>	<b>1,833</b>	<b>2,286</b>
Personnel Expenses	660	586	832	905	1,241
Other Expenses	365	646	761	928	1,045
<b>Profit Before Tax (Rs. Mn)</b>	<b>309</b>	<b>818</b>	<b>1,034</b>	<b>2,253</b>	<b>2,477</b>
<b>Key Performance Indicators</b>					
Investments (Rs.Mn)	6,333	9,574	14,758	15,957	12,499
Deposits (Rs.Mn)	18,909	24,495	29,549	43,640	49,995
Loans and advances (Rs.Mn)	19,701	23,356	36,100	50,500	55,550
Non Performing Advances (Rs.Mn)	3,843	5,199	4,332	5,050	5,303
ROA (%)	1.28	2.64	2.62	3.97	3.03
ROE (%)	6.36	15.2	18.51	29.69	31
NPL Ratio (%)	19.85	22.57	12.0	10.0	9.55

Sources: HDFC Bank, Department of Public Enterprises

Due to increase in interest income coupled with improvement in net interest margin to 5.94 percent in 2014 over 4.38 percent in 2013, the bank's profit before tax recorded an increase of 165 percent to Rs.818 million.

The bank's branch network has expanded to 36 with the opening of new 3 branches

during 2014. HDFC Bank has retained the Fitch Ratings (Lanka) national long term rating of BBB+ in 2014 as well.

## Lankaputhra Development Bank

Lankaputhra Development Bank (LDB) operates with 8 branches, with the objective of facilitating small and medium sized

Table 6.25 &gt; Financial Out-turn of Lankaputhra Development Bank

	Provisional		Forecast		
	2013	2014	2015	2016	2017
<b>Total Income (Rs. Mn)</b>	<b>757</b>	<b>612</b>	<b>676</b>	<b>742</b>	<b>815</b>
Interest Income	714	607	667	734	807
Interest Expense	64	56	75	90	105
Net Interest Income (Rs. Mn)	650	551	592	644	702
Other Income	43	5	9	8	8
<b>Total Operating Expenses (Rs. Mn)</b>	<b>322</b>	<b>362</b>	<b>438</b>	<b>460</b>	<b>506</b>
Personnel Expenses	103	125	198	200	230
Other Expenses	219	237	240	260	276
<b>Profit Before Tax (Rs. Mn)</b>	<b>371</b>	<b>193</b>	<b>163</b>	<b>192</b>	<b>204</b>
<b>Key Performance Indicators</b>					
Investments (Rs.Mn)	5,414	5,490	4,794	3,787	3,030
Deposits (Rs.Mn)	228	354	812	1,100	1,400
Loans and advances (Rs.Mn)	2,451	2,768	3,923	4,315	4,747
Non Performing Advances (Rs.Mn)	1,150	1,233	1,177	942	754
ROA (%)	5.8	2.5	2.3	3	3.5
ROE (%)	7.9	2.3	3.6	4.1	4.3
NPL Ratio (%)	46.7	44.6	30	22	16

Sources: Lankaputhra Development Bank, Department of Public Enterprises



enterprises. The LDB's deposit base has increased by Rs.126 million to Rs.354 million at the end of 2014. The loan portfolio of the bank has increased by 13 percent to Rs. 2,768 million of which 49 percent account for loans to manufacturing sector. The non- performing loan ratio has marginally improved to 44.6 percent from 46.7 percent in 2013, but well above the industry average of 4.2 percent which reveals the need for close monitoring of poor quality loans. LDB recorded a sharp decline in its profit before tax to Rs. 193 million due to decrease in net interest income and other income. The bank was able to secure a credit rating of A- by Fitch Ratings (Lanka) in 2014.

During the year 2014, Rs 15.9 billion was contributed to the fund by 74,276 employers for 2.4 million active members among the 12 million total member accounts. Total of 183,928 claims were made during the year with refund totaling Rs 13.9 billion. The total investment portfolio grew by 10.3 percent to Rs. 185.9 billion in 2014. The investment in government securities is Rs 168 billion which is 90.4 percent of total investment portfolio. 36,256 number of self-employees and 212 number of migrant workers are contributing to fund. Average monthly contribution by employers and Average monthly refund to members were Rs 1321 million and Rs 1155 million respectively.

## Employees' Trust Fund Board

Employees' Trust Fund Board (ETF) contributes 1.7 percent to the total financial sector of the country recording Rs 199.1 billion assets for the year which is a 11.5 percent growth over Rs. 178.5 billion asset in last year. Three percent contribution on gross earnings of the employees who are working in the private sector and non-pensionable government organizations, is mandatory as per the regulations in the Employees' Trust Fund Board Act No 46 of 1980.

*"Employees' Trust Fund Board (ETF) contributes 1.7 percent to the total financial sector of the country recording Rs 199.1 billion assets for the year"*

Table 6.26 > Financial Out-turn of Employees' Trust Fund Board

	Provisional		Forecast		
	2013	2014*	2015	2016	2017
<b>Total Income (Rs. Mn)</b>	<b>16,477</b>	<b>18,833</b>	<b>18,671</b>	<b>19,418</b>	<b>20,389</b>
Investment Income	16,122	17,621	18,450	19,188	20,147
Other Income	286	317	221	230	241
Income Net of Tax	16,224	18,631	18,549	19,291	20,256
<b>Total Expenditure (Rs. Mn)</b>	<b>1,310</b>	<b>1,559</b>	<b>1,802</b>	<b>1,874</b>	<b>1,968</b>
Operating Expenses	867	951	1,091	1,135	1,191
Member Expenses	314	380	711	739	776
Net Income (Rs. Mn)	14,913	17,072	16,747	17,417	18,288
Profit for Distribution (Rs. Mn)	15,875	17,680	17,578	17,417	18,329
<b>Key Performance Indicators</b>					
Interest on Members Fund 3%	4,752	5,287	6,005	6,516	7,112
Dividend	11,089	12,337	11,010	10,860	10,668
<b>Total Rate-Interest &amp; Dividend (%)</b>	<b>10</b>	<b>10</b>	<b>8.5</b>	<b>8</b>	<b>7.5</b>

Sources : Employees' Trust Fund Board; Department of Public Enterprises



## 6.9 Insurance

Table 6.27 &gt; Performance of Insurance Industry

	2013	2014
<b>Gross Written Premium (Rs Bn)</b>	<b>94.5</b>	<b>103</b>
Life	41.3	44.0
General	53.2	59.0
<b>Total Assests (Rs Bn)</b>	<b>363.8</b>	<b>411.7</b>
Life	217.0	249.9
General	146.8	161.9
<b>Percent of GDP</b>	<b>1.09</b>	<b>1.05</b>
<b>Insurance Density</b>		
Rs Million	4,613.0	4,962.0
USD Million	35.7	38.0

Among the 21 insurance companies in operation, 12 companies are composite insurance companies, 6 companies engage in general insurance business and 3 companies only in long term insurance business. The IBSL as the regulator in the insurance industry monitoring the behavior of the companies and make necessary legal arrangements to ensure the growth of the industry in Sri Lanka. The contribution of State to the insurance sector through the Sri Lanka Insurance Corporation, Agricultural and Agrarian Insurance Board, National Insurance Trust Fund and Sri Lanka Export Credit Insurance Corporation.

Insurance sector account for 3.4 percent of assets in financial sector valuing Rs 411.7 billion in 2014 and it is 1.05 percent contribution to the GDP of the country. The total Gross Written Premium in the industry is Rs 103 billion and it is slight growth compared to the previous year. The insurance density is Rs 4,962 million in 2014.

### Sri Lanka Insurance Corporation

Almost completing 5 years, after reinstating in the state sector, the Secretary to the Treasury holding 99 percent shares of Sri Lanka Insurance Corporation (SLIC) since 2009, year 2014 was a key milestone in the history of SLIC. Composite insurance companies needed to be segregated as per the Regulation of Insurance Industry (Amendment) Act no 03 of 2011, but the splitting was suspended in respect to SLIC, due to the protest by the Trade Unions.

As a business strategic to expand the operations in foreign countries, the initiatives were made by SLIC to establish a branch in Seychelles in 2014. With the 23 percent salary increase and year on year 5 percent increment, the collective agreement for the period 2013 to 2016 was signed between trade unions and the management during the year.

Table 6.28 &gt; Financial Out-turn of Sri Lanka Insurance Corporation

	Provisional		Forecast		
	2013	2014	2015	2016	2017
<b>Revenue(Rs Mn)</b>	<b>27,625</b>	<b>29,301</b>	<b>34,818</b>	<b>40,498</b>	<b>42,386</b>
Gross written premium	21,254	20,666	26,932	30,693	32,484
Net earned premium	17,823	17,805	21,994	25,446	28,497
<b>Benefits, Losses and Expenses</b>	<b>17,080</b>	<b>18,929</b>	<b>18,094</b>	<b>18,928</b>	<b>19,759</b>
Investment income	9,221	11,217	12,200	13,775	14,891
Operating & Administrative Expenses	5,533	5,862	4,996	5,480	5,980
<b>Profit from operations (Rs.Mn)</b>	<b>5,012</b>	<b>4,511</b>	<b>9,032</b>	<b>11,244</b>	<b>12,483</b>
<b>Net Profit for the year (Rs.Mn)</b>	<b>3,401</b>	<b>3,429</b>	<b>5,326</b>	<b>6,295</b>	<b>7,384</b>
<b>Key Performance Indicators</b>					
Claims ratio - General	47	63	54	58	58
Solvency ratio- Life	13	13	13	13	13
Solvency ratio - General	4	4	4	4	4
<b>Life Fund</b>	<b>66,960</b>	<b>74,706</b>	<b>82,675</b>	<b>91,458</b>	<b>98,759</b>

Source: Sri Lanka Insurance Corporation, Department of Public Enterprises

Being the market leader in general insurance, corporation accounted 24 percent market share in general insurance, 19.86 percent in life insurance and 40 percent of total assets in domestic insurance industry for the 2014.

Rs. 29,301 million total revenue was earned during the year 2014 which is 6 percent increase compared to Rs. 27,625 million total revenue in 2013. The Gross Written Premium (GWP) for the year was Rs 20,666 million which is 2.8 percent decrease compared to Rs. 21,254 million in last year. The total Asset base for the year is Rs 173.3 billion which is 21.3 percent increase compared to Rs 142.9 billion in 2013.

The GWP from Life insurance business increase by 7 percent to Rs 8,988 million in the year managing the largest life insurance fund in the country, SLIC could grow by 12.1 percent during the year to 75 billion.

The GWP for the General insurance marginally declined by 10 percent to 11.7 billion compared to Rs 13 billion in 2013.

## National Insurance Trust Fund

National Insurance Trust Fund (NITF) manages and operates both Agrahara Insurance Scheme which is the insurance scheme set for 670,000 public sector employees who contribute Rs.125 each month and the Strike, Riots, Civil Commotion and Terrorism Fund which is the reinsurance fund established for the benefit of the insurance industry in Sri Lanka. All insurers in the domestic insurance industry, need to contribute with 30 percent compulsory reinsurance with their total business.

During the year 2014, GWP increased by 48 percent up to Rs 7.8 billion compared to Rs. 5.3 billion in 2013 and the total claims increased by 153 percent up to 3.51 billion compared to Rs 1.38 billion in 2013. The total investments for the year 2014 is Rs 8.7 billion of which investments in Government securities by the NITF has increased by 21.5 percent up to Rs 6.44 billion compared to Rs. 5.3 billion in 2013. The NITF has contributed Rs.4 billion to the Consolidated Fund as Levy during the year 2014.

Table 6.29 > Financial Out-turn of National Insurance Trust Fund

	Provisional		Forecast		
	2013	2014	2015	2016	2017
<b>Total Revenue (Rs.Mn)</b>	<b>5,935</b>	<b>8,350</b>	<b>5,351</b>	<b>5,481</b>	<b>5,678</b>
Gross Written Premium	5,265	7,827	4,611	4,703	4,921
Net Earned premium Income	5,265	7,666	4,611	4,703	4,921
Other Income	670	684	720	777	823
Insurance Claims & Benefits	(1,385)	(3,508)	(2,040)	(2,121)	(2,235)
<b>Total Expenditure (Rs.Mn)</b>	<b>176</b>	<b>168</b>	<b>436</b>	<b>456</b>	<b>482</b>
Staff Related Costs	66	77	68	70	72
Administration Expenses	56	74	85	89	97
Other Expenses	53	18	283	297	313
<b>Income over Expenditure (Rs.Mn)</b>	<b>4,374</b>	<b>4,674</b>	<b>2,854</b>	<b>2,904</b>	<b>2,961</b>
<b>Key performance Indicators</b>					
Agrahara Claims received (Nos)	123,105	118,717	126,500	129,000	131,000
Agrahara Claims paid (Nos)	105,829	103,233	108,300	112,500	118,000
Agrahara Premium Collected	1,407	1,497	1,520	1,536	1,598
Agrahara Claims paid (Rs.Mn)	1,079	1,193	1,220	1,227	1,371

Source: National Insurance Trust Fund, Department of Public Enterprises

## Agricultural and Agrarian Insurance Board

Agricultural and Agrarian Insurance Board (AAIB) operates Agricultural Insurance Scheme, Farmers' Pension Scheme and fishermen's Pension scheme for two vulnerable and trodden social groups, ie. Farmers and fishermen. Crops losses occurred due to drought, flood and wild elephants are compensated under the Agricultural Insurance Scheme and farmers in their elderly age are supported by the farmers' pension scheme. Fishermen's Pension Scheme, is a social safety net for the fishermen and their families.

The year was a reawakening year to AAIB, in which the suspended farmers' pension scheme in 2012 was re-launched with increased

Age of entitlement for Pension benefit	Monthly Payment of Pension (Rs)
60-63	1,000
64-70	1,250
71-77	2,000
78 or above	5,000

benefits for pensioners as shown in the table. This was suspended due to mismatch of cash inflows and outflows to the fund during the past years continuously. During the year retirement benefits were paid to contributors who were above the age of 60 years and who were entitled to receive the pension payment. But AAIB was not in a position to get new contributors for the scheme.

The investment fund in the Fishermen Pension scheme is experiencing insufficient cash inflows to the fund. AAIB has to either revise the pension scheme or increase contribution to ensure the going concern of the scheme and overcome the deterioration of the fund.

## Sri Lanka Export Credit Insurance Corporation

The prime objective of the Sri Lanka Export Credit Insurance Corporation (SLECIC) is to provide support services to the export sector through the provision of export credit insurance and credit guarantee services to the exporters of the country. The main functions are issuance of insurance policies covering export payments, providing credit guarantees to commercial banks and other financial institutions and facilitating finances to the exporters.

SLECIC covers only 0.6 percent of the total export of Rs 2,185 billion of the country and there is vast potential to expand the market. SLECIC needs to tap new market segments such as small and medium exporters, specific industries in service sector in the country by introducing innovative financial solutions to assist the exporters for their business. Further, SLECIC has to provide miscellaneous services those are clients friendly and should introduce global business credit information and rating analysis etc.

As the exporters and Banks were apprehensive about the capacity of SLECIC to settle the claims, internal changes need to be brought in terms of processes, practices, resources and overall organizational structure to ensure the effectiveness and efficiency of the SLECIC.

### 6.10 Lotteries

National Lotteries Board (NLB) and Development Lotteries Board (DLB) are the two players in the Sri Lankan lotteries market which offer passive and instant lotteries. NLB's product portfolio consists of 8 passive and 3 instant lotteries and Colombo Airport Super Draw Lottery while DLB's product portfolio consist of 6 passive lotteries and 2 instant lotteries.

NLB contributes its profit directly to the Consolidated Fund for the development of agriculture, sports, health, social service, labor, aviation and other projects while the entire profit of DLB is remitted to the President's Fund. In 2014, the market share of NLB was 55 percent while DLB's share was 45 percent. Both NLB and DLB have sold 1,396 million tickets with declared prizes amounting to Rs 13,522 million in 2014 compared to Rs. 13,565 million in 2013. Both these entities engage in competitive marketing campaigns.

Total revenue of the industry in 2014 was recorded as Rs 25,540 million which is a marginal growth of 1.5 percent compared to previous year. NLB has made a total contribution of Rs. 1,888 million to the Consolidated Fund in 2014 which is an increase of 8 percent. DLB has contributed Rs. 2,345 million to the President's Fund in 2014.

leadership of the Lotteries industry in the country. During the year 2014, NLB was able to achieve a turnover amounting to Rs. 15,153 million which is a marginal increase of 4 percent compared to 2013.

In the year 2014, the Board recorded 30 super prize winners of over Rs.10 million as against the 27 super prize winners recorded in 2013.

In keeping with e-Government policy, NLB is in the process of introducing e-lotteries such as SMS and WEB based lotteries to the local and international markets to capture untapped market share among users of mobile phones and internet.

In addition, a fully functional Enterprise Resources Planning (ERP) system is in place in NLB and NLB enabled on line purchasing of Airport Super Draw Lottery using the Lanka Government Payment System.

## National Lotteries Board

NLB distribution network consists of 87 District Dealers and 2,659 Agents spread all over the country and NLB holds the market

Table 6.30 > Financial Out-turn of National Lotteries Board

	Provisional		Forecast		
	2013	2014	2015	2016	2017
<b>Revenue (Rs. Mn)</b>	<b>14,757</b>	<b>15,242</b>	<b>24,664</b>	<b>30,201</b>	<b>33,221</b>
Lottery Sale Income	14,537	15,153	24,500	30,000	33,000
Other income	220	89	164	201	221
<b>Expenditure (Rs.Mn)</b>	<b>14,280</b>	<b>15,133</b>	<b>24,315</b>	<b>29,774</b>	<b>32,751</b>
Agency Commission	2,701	2,818	4,564	5,589	6,148
Prize Declared	7,084	7,311	12,014	14,711	16,182
Contribution to the Consolidated Fund	1,753	1,888	3,034	3,714	4,086
Selling & Distribution cost	25	30	189	231	254
Admin Expenses	389	435	777	951	1,046
Other Expenses	2,291	2,622	3,556	4,356	4,791
Finance Cost	37	29	181	222	244
<b>Net profit before Tax (Rs Mn)</b>	<b>477</b>	<b>109</b>	<b>349</b>	<b>427</b>	<b>470</b>
<b>Key performance indicators</b>					
Agency network	2,600	2,659	2,670	2,700	2,750
Contribution to the Consolidated fund as a Percentage of Revenue	12	12	12	12	12

Sources: National Lotteries Board, Department of Public Enterprises

## Development Lotteries Board (DLB)

DLB's product portfolio consists of 8 types of lotteries and the total revenue for the year 2014 has recorded a slight drop of 2 percent when compared to the previous year. DLB has made a substantial contribution of Rs. 2,345 million to the President's Fund in 2014 which in turn utilizes 50 percent for the Mahapola Higher Education Scholarship Trust Fund.

*"DLB has made a substantial contribution of Rs. 2,345 million to the President's Fund in 2014 which in turn utilizes 50 percent for the Mahapola Higher Education Scholarship Trust Fund."*

Table 6.31 > Financial Out-turn of Development Lotteries Board

		Provisional	Forecast		
	2013	2014	2015	2016	2017
<b>Revenue (Rs Mn)</b>	<b>10,611</b>	<b>10,387</b>	<b>10,726</b>	<b>11,048</b>	<b>11,379</b>
<b>Expenditure (Rs. Mn)</b>	<b>8,628</b>	<b>8,194</b>	<b>8,751</b>	<b>9,014</b>	<b>9,285</b>
Ticket cost	410	378	356	367	378
Price Declared	6,481	6,211	6,375	6,566	6,763
Other expenses	1,737	1,605	2,020	2,081	2,144
<b>Surplus after Direct Cost (Rs. Mn)</b>	<b>1,983</b>	<b>2,193</b>	<b>1,975</b>	<b>2,034</b>	<b>2,094</b>
Other Income	143	152	216	223	230
<b>Surplus brought forward (Rs. Mn)</b>	<b>2,126</b>	<b>2,345</b>	<b>2,191</b>	<b>2,257</b>	<b>2,324</b>
<b>Key performance indicators</b>					
Agency network	2,337	2,337	2,000	2,000	2,000

Sources: Development Lotteries Board, Department of Public Enterprises

The balance will be utilized for the programs aimed at uplifting the living standards of the poor relating to areas of health and providing funds for the maintenance of religious institutions, welfare societies and sports and to the field of arts.

In order to increase market share, DLB has planned to implement strategies such as modification of the existing prize structure, introducing new lotteries to niche markets, diversification of product portfolio based on high tech lotteries and penetration of untapped markets. In addition, DLB is in the process of obtaining ISO 9001/2008 certification and implementing an Enterprise Resource Planning (ERP) system to increase the operational efficiency.

## 6.11 Livestock

With the Government policy on self-sufficiency in milk production, significant emphasis has been made by the Government to encourage the dairy sector. Livestock sector alone contributed 0.82 percent to the GDP in 2014. The domestic milk production of the country increased by 3.3 percent from 329 million liters in 2013 to 340 million liters in 2014. Out of the total milk production in 2014 NLDB produced a total of 11 million liters ( ie 3.3 percent of the total milk production) while private sector production accounted to 329 million liters in 2014 (96.7 percent of the total milk production).

Development programs such as dairy village program, facilitation & promotion of liquid milk consumption, upgrading and training of farmer managed societies, distribution of milk cans and establishment of livestock breeder farms, have been implemented to upgrade the milk production. Towards achieving self-sufficiency in milk production during 2013, the Government imported 2,000 cows at a cost of Rs 600 million and another 2,500 high yielding cows are expected to import at a cost of Rs 800 million in 2015. This is expected to increase the milk production and promote the dairy industry among SMEs and small farmers.

### Milco (Pvt) Ltd

Milco has been set up with the mission to make the country self-sufficient in fresh milk and offer a variety of nutritious food products to all segments and all age groups of the society. Milco is presently engaged in collecting, processing and distribution of milk in the country.

percent share of milk powder market while being the market leader in yoghurt, butter and sterilized milk despite stiff competition from many other dairy producers in the market.

During the financial year 2013/14, MILCO has been able to increase its turnover by 10 percent supported by revision of milk product prices in April 2013, despite a decline in milk collection by 3.2 million liters. However during the last nine months ended 31st December 2014 turnover has increased in a slower rate (ie 8 percent) than the previous year rate since the prices of milk powder and yoghurt were decreased by the government.

Fresh milk collection, one of the key functions of Milco has been handed over to Farmer Managed Societies (FMSs) which are presently functioning well. To cater to the increasing demand for Milco products, a project (loan) funded by Denmark was commenced to refurbish the three factories in Ambewela, Digana and Polonnaruwa at a cost of Euro

Table 6.32> Financial Out-turn of MILCO (pvt) limited

	Provisional		Forecast		
	2012/13	2013/14	2014/15	2015/16	2016/17
<b>Revenue (Rs. Mn)</b>	<b>6,488</b>	<b>7,162</b>	<b>8,088</b>	<b>8,588</b>	<b>9,116</b>
Sale of Milk Production	6,385	7,020	7,963	8,451	8,966
Other Income	103	142	125	137	150
<b>Expenditure (Rs.Mn)</b>	<b>6,755</b>	<b>7,002</b>	<b>7,904</b>	<b>8,375</b>	<b>8,876</b>
Direct Expenses	5,899	6,014	6,902	7,314	7,752
Selling & Distribution	152	213	178	188	199
Administration	517	592	605	641	679
Finance cost	130	153	152	161	171
Other	57	30	67	71	75
<b>Profit/(Loss) Before Tax (Rs.Mn)</b>	<b>(267)</b>	<b>160</b>	<b>185</b>	<b>213</b>	<b>240</b>
Outstanding Debt to Banks (Rs.Mn)	581	612	494	385	470
<b>Key Performance Indicators</b>					
Milk Collection (lt, Mn)	69.20	66	73	80	88
Earnings per share Rs.	(9.33)	4.4	4.3	4.94	5.57

Source: MILCO (Pvt) Limited, Department of Public Enterprises

Milco's portfolio of products consist of yoghurt, pasteurized milk, sterilized milk, curd, butter, ice cream, ghee, processed cheese and milk powder.

During the past decade Milco established its brand name "MILCO" and retained a 20

33.8 million. With the implementation of this project, the production capacity will be increased from 200,000 liters to 800,000 liters per day and the market share of all dairy based products from local fresh milk will increase to 50 percent.



Though sufficient fresh milk were been collected at present, with the implementation of this project, Milco's challenge would be to ensure sufficient fresh milk is collected to operate the plant at a full capacity. As Digana and Polonnaruwa refurbishments have already been completed and Ambewela is due to complete by end of year 2015.

## National Livestock Development Board

National Livestock Development Board (NLDB) is a self-sustaining public sector organization. It engages in breeding of livestock, issuing quality breeding materials to farmers at reasonable prices, establishment and maintenance of marketing outlets to supply quality farm products at reasonable prices and sale of fresh cow milk to the public to popularize consumption of fresh milk. NLDB has 22 dairy farms, 5 goat farms, 10 poultry farms, 2 swine farms, 9 buffalo farms, and 79 milk stalls.

The increasing trend in domestic milk production continued in 2013 supported by concerted efforts of the Government to promote the dairy sector. The contribution of NLDB to National Production is around 3 Percent with plans to increase to 7 percent by 2016. In order to achieve this objective NLDB successfully imported high yielding 2,000

heifers from Australia in 2013. They have been located at Menik Palama, Bopaththalawa and Dayagama farms.

With the importation of new heifers, the total daily milk production of the board has increased up to 30,000 liters per day. With this project NLDB has introduced new milking machines, varieties of grass to obtain maximum yield and grass mixing vagans. NLDB also expects to import another 2,500 high yielding heifers in 2015 and locate them in Ridiyagama farm to enable cattle milk production to increase up to 29 million liters by 2016.

During the year 2014 revenue of NLDB has increased only by 1.9 percent. However the profit for the year increased from Rs. 2 million to Rs. 171 million as NLDB managed to control cost of sales, finance costs, and miscellaneous expenditures other than administrative expenditure. The farms owned by NLDB generates additional income due to sale of coconuts and these sales contribute to its income. Along with low expenditure, steady high price for coconut existed during the year, has contributed to the increase in profit.

It seems that the NLDB is more concerning about coconut cultivation to gain more profits than livestock from thereby deviating from its main purpose.

Table 6.33 > Financial Out-turn of National Livestock Development Board

		Provisional	Forecast		
	2013	2014	2015	2016	2017
Revenue (Rs. Mn)	1,427	1,789	2,200	3,600	4,000
Expenditure (Rs.Mn)	1424.6	1,702	1,900	3,100	3,500
Profit/(Loss) Before Tax (Rs.Mn)	2	87	300	500	500
Outstanding Debt to Banks (Rs.Mn)	1,738	1,736	1,916	2,012	2,113
<b>Key Performance Indicators</b>					
Neat Cattle Milk (lt,'000)	8,699	10,000	15,060	28,950	32,000
Buffaloes Milk (lt,'000)	700	771	726	1,292	1,300
Goat Milk (lt,'000)	5.6	7.7	11.1	82.6	89.4
Curd Production (lt,'000)	411	429	433	558	585
Yoghurt (80ml Cups) (Nos,'000)	485	527	522	1,572	1,650

Source: National Livestock Development Board, Department of Public Enterprises



## 6.12 Plantation

Janatha Estate Development Board (JEDB), Sri Lanka State Plantation Corporation (SLSPC), Elkaduwa Plantations Limited (EPL) being fully government owned plantations with acreages of 11,695 ha, 11,757 ha and 483 ha, respectively, and Kalubowitiyana Tea Factory Limited (KTFL) possessing three tea factories manage Tea and Rubber plantations. The CPL and KPL along with the Coconut Development Board

and the Coconut Research Institute manage a total of 9,303ha of coconut plantations and other minor crops.

During 2014, JEDB, SLSPC, EPL and KTFL produced a total of 5,593 Metric Tons of tea which is a 12 percent decrease over 2013 and accounted for 1.6percent of the total tea production in the country. This is against the 0.65 percent decrease in the national tea production in 2014.

Table 6.34 > Financial Out-turn of State owned Plantation Enterprises

		Provisional		Forecast		
		2013	2014	2015	2016	2017
Kurunegala Plantations Ltd	Operational Performance					
	Coconut Production (Nuts Mn)	13	16.7	18.5	19	19.5
	Rubber Production (Kgs)	157,434	188,934	193,600	197,472	207,346
	Yield per Ha. - Coconut(Nuts )	3,893	5,117	5,868	5,985	6,284
	- Rubber(Kgs)	981	981	1,027	1,048	1,100
	Financial Performance					
	Total Revenue (Rs. Mn)	476	577	655	684	718
	Coconut Sales (Rs. Mn)	402	514	592	618	649
	Rubber Sales (Rs. Mn)	62	40	39	41	43
	Total Cost Sale (Rs. Mn)	269	326	413	431	453
	Net Profit/ (Loss) Before Tax (Rs. Mn)	208	227	229	241	253
	Dividends (Rs. Mn)	40	50	50	50	50
Chilaw Plantations Ltd	Operational Performance					
	Coconut Production(Nuts Mn)	9.6	12.9	16.1	16.6	17.4
	Yield per Ha (Nuts)	2,715	3,748	4,859	5,011	5,255
	Financial Performance					
	Total Revenue (Rs. Mn)	287	380	406	432	470
	Coconut Sales (Rs. Mn)	76	36	86	69	96
	Cost of Sales (Rs. Mn)	174	224	230	247	251
	Net Profit/ (Loss) Before Tax (Rs. Mn)	82	85	138	123	181
	Dividends (Rs. Mn)	20	20	35	30	50
Sri Lanka Cashew Corporation	Operational Performance					
	Yield per Ha	147	216	240	250	250
	Average Price Rs/Kg	1,918	2,297	2,300	2,325	2,350
	Financial Performance					
	Total Revenue (Rs. Mn)	134	115	110	120	125
	Net cashew sale	79	64	90	100	115
	Net Profit/ (Loss) Before Tax (Rs. Mn)	1	2	8	12	15

		Provisional		Forecast		
		2013	2014	2015	2016	2017
Janatha Estate Development Board	Operational Performance					
	Tea Production (MT)	2,234	1,937	2,030	2,110	2,215
	Rubber Production (MT)	224	247	255	260	267
	Yield per Ha. -Tea	586	518	542	564	592
	-Rubber	611	569	587	599	615
	Financial Performance					
	Total Revenue (Rs. Mn)	862	893	928	966	1,004
	Cost of Production (Rs.Mn)	1,110	1,130	1,164	1,200	1,247
	Net Profit/ (Loss) Before Tax (Rs. Mn)	(248)	(237)	(236)	(234)	(243)
Sri Lanka State Plantation Corporation	Operational Performance					
	Tea Production (MT)	1,928	1,532	1,602	1,685	1,770
	Rubber Production (MT)	45	40	42	44	45
	Yield per Ha. -Tea	575	495	517	544	572
	-Rubber	690	613	644	674	689
	Financial Performance					
	Total Revenue (Rs. Mn)	654	590	617	649	682
	Cost of Production (Rs.Mn)	731	586	603	621	640
	Net Profit/ (Loss) Before Tax (Rs. Mn)	(228)	(69)	(22)	(20)	(15)
Kalubowitiyana Tea Factory Ltd (KTFL)	Operational Performance					
	Made Tea Production (MT)	1,534	1,424	1,472	1,546	1,623
	Sales Quantity (MT)	1,554	1,400	1,472	1,546	1,623
	Financial Performance					
	Total Revenue (Rs. Mn)	769	779	782	786	792
	Cost of Production (Rs. Mn)	730	747	750	765	775
	Net Profit/ (Loss) Before Tax (Rs. Mn)	28	24	-6.5	3	5
Lanka Sugar Company Ltd	Operational Performance					
	Suger Production (MT)	42,548	32,364	50,620	59,017	61,968
	Sprit Production (000 Liters)	10,708	10,326	11,170	9,997	10,497
	Financial Performance					
	Total Revenue (Rs. Mn)	5,747	5,539	7,911	8,115	8,521
	Suger Sale (Rs.Mn)	2,812	3,168	4,998	5,382	5,651
	Sprit Sales (Rs.Mn)	2,916	2,371	3,228	2,733	2,870
	Cost of Sales (Rs.Mn)	3,834	4,797	6,323	6,294	6,608
	Net Profit/ (Loss) Before Tax (Rs. Mn)	1,346	(31)	1,106	1,331	1,398

Sources: Kurunegala Plantations Ltd, Chilaw Plantations Ltd, Sri Lanka Cashew Corporation, Janatha Estate Development Board, Sri Lanka State Plantation Corporation, Kalubowitiyana Tea Factory Ltd, Lanka Sugar Company Ltd, Department of Public Enterprises

Land held by these Companies' account for almost 11.5 percent of the total land used for tea production in the country. Hence the average yield in plantations of JEDB, SLSPC and EPL is 550 MT/ ha which is almost 68 percent lower than the average yield of 1738kg/ha in the country.

In 2014, JEDB, SLSPC and KPL together produced 475Kg of rubber which is a 11percent increase over 2013 and accounted for 0.5 percent of the total Rubber production in the country. This is despite the total land held by these Companies' accounting for almost 1 percent of the total land used for Rubber Production in the country.

The average yield of 600kg/ha at the JEDB, SLSPC and KPL is almost 32percent lower than the average yield of 889kg/ha in the country.

CPL, KPL, Coconut Cultivation Board and the Coconut Research Institute which manages 9,303ha of land produced 41.8 million coconuts (Nuts) which is a 34 per cent increase over 2013. Their production accounts for 1.6 percent of the total Coconut production in the country.

Due to inadequate measures taken to apply adequate fertilizer, soil conservation measures and replanting in both tea and rubber of state managed plantations, the yield has continuously declined during the past few

years. This has resulted in continuous losses with severe liquidity constraint in these entities. Moreover, the excessively high labor force and the fixed day's wage structure instead of a productivity linked wage structure have resulted in high administrative costs pose a significant negative impact on profitability. Under the above circumstances, JEDB, SLSPC, EPL have not been able to meet statutory obligations such as EPF, ETF and gratuity, which have accumulated to Rs 2 billion as at the end of 2014.

## 6.13 Health

### State Pharmaceuticals Corporation (SPC)

SPC is the sole supplier of Drugs in to Department of Health Services (DHS) while importing and selling nearly 600 varieties of pharmaceuticals in the generic form through 31 osusala outlets, 189 franchise osusala outlets, 12 authorized retailers and 52 distributors throughout the country. During the year 2014 its market share in the private sector was 43 percent.

Turnover of the SPC has increased by 4 percent for the year 2014 due to the increase of sales to the Department of Health Services and sales at 31 SPC outlets. However total expenditure of the corporation has increased by 5 percent for the reviewed year as of

Table 6.35 > Financial out-turn of State Pharmaceuticals Corporation

		Provisional	Forecast		
	2013	2014	2015	2016	2017
<b>Revenue (Rs. Mn)</b>	<b>21,158</b>	<b>22,047</b>	<b>26,471</b>	<b>26,553</b>	<b>29,156</b>
Sales - DHS	16,816	17,229	21,299	20,847	22,932
Sales - SPC	4,342	4,818	5,172	5,706	6,224
<b>Expenditure (Rs. Mn)</b>	<b>20,381</b>	<b>21,394</b>	<b>25,863</b>	<b>25,964</b>	<b>28,612</b>
Operational expenses	19,606	20,321	24,737	24,612	26,990
Establishment and Administration	773	923	1,126	1,351	1,621
Finance Cost	2	150	0.3	0.5	0.7
<b>Profit/ (loss) (Rs. Mn)</b>	<b>777</b>	<b>654</b>	<b>608</b>	<b>589</b>	<b>544</b>
Outstanding Debt to Banks (Rs.Mn)	6,254	79	-	-	-
Osusala outlets operated (Nos)	31	31	34	36	37

Source: State Pharmaceuticals Corporation, Department of Public Enterprises

result of the incline the operational and establishment expenses. It is noted that the profit before tax of the entity decreased by 15 percent for the year under review. Remarkable change has indicated outstanding debt to bank by decreasing to Rs.79 million from Rs. 6,254 million.

As a healthcare organization, SPC is serving the general public of the Sri Lanka by providing safe, effective and high quality medical products and health services at reasonable prices, while promoting the usage of generic drugs. The government provided the revolving facility to SPC in recent last years to ensure the smooth supply of pharmaceuticals drugs to the hospital network and meets this expenditure through the Ministry of Health in providing free medicine. However, SPC has recovered the cost of revolving facility due to the increase of profit during the year 2014.

The effectiveness of the SPC operations is largely dependent on the success of the coordination between SPC and the system improvement in the procurement arrangement by DHS, which will require a management information system to facilitate the annual requirement of medicine on a transparent basis considering the large and rising

expenditure on pharmaceutical procurement. The introduction of measures for reduction in waste of drugs is also important. SPC should adopt strategies to develop the Osusala outlets by making profitable and expanding the distribution network.

SPC was able to turn around the long outstanding overdraft position to surplus bank balances during the year end of 2014.

### State Pharmaceuticals Manufacturing Corporation (SPMC)

SPMC completed 27 years of its contribution to commercial production of essential medical drugs for the health sector in the year 2014. Total share of SPMC drugs market indicate almost 15-20 percent of the total drug requirement of Department of Health Services. The entity has extended its production capacity over 1,910 million (units) per year by introducing sophisticated machineries and having 46 numbers of effective formulations out of the 63 of its owned developed formulation. SPMC has continuously developed three main distribution channels including medical supplies division, State Pharmaceuticals Corporation and SPMC distribution during the year 2014. They have introduced 68 new products for the market since 1987.

Table 6.36 > Financial Out-turn of State Pharmaceuticals Manufacturing Corporation

	Provisional		Forecast		
	2013	2014	2015	2016	2017
<b>Revenue (Rs. Mn)</b>	<b>1,941</b>	<b>1,712</b>	<b>1,902</b>	<b>1,997</b>	<b>2,097</b>
Sales -DHS	1,412	1,099	1,211	1,272	1,335
Sales - SPC	10	8	93	98	103
Other	519	605	598	628	659
<b>Expenditure (Rs. Mn)</b>	<b>1,613</b>	<b>1,489</b>	<b>1,714</b>	<b>1,800</b>	<b>1,890</b>
Cost of Raw Materials	1,482	1,308	1,498	1,573	1,652
Administration	105	131	143	150	158
Research and Development	2	14	16	17	18
Selling and Distribution	23	34	55	58	61
Finance Cost	2	2	2	2	2
<b>Net profit before tax (Rs. Mn)</b>	<b>328</b>	<b>270</b>	<b>214</b>	<b>225</b>	<b>236</b>
Outstanding Debt to Banks (Rs. Mn)	282	175	195	205	215

Source: State Pharmaceuticals Manufacturing Corporation, Department of Public Enterprises

International quality standards of British Pharmacopeia (BP) and United States Pharmacopeia (USP) are maintained by SPMC. As the only state sector corporation engaged in manufacturing of pharmaceuticals in Sri Lanka, need to strengthen their marketing and promotional activities to increase the production levels and implementing proper marketing surveillance is essential with a sufficient research and development initiatives. To ensure the smooth flow of products to meet the domestic demand, particularly that of DHS at affordable prices, SPMC should focus on improving its productivity through technological advances. Management of SPMC has to pay their attention to build up the brand name of “SPMC” with a best quality perspective in the drug industry.

Revenue of the SPMC has decreased by 12 percent during the year 2014 compared to previous year as a result of decline in the sales to the Department of Health Services by 22 percent. However expenditure of the SPMC has decreased by 8 percent due to the decline of cost of raw materials. Net profit before tax for the year has increased by 18 percent. It is noted that the outstanding debt to bank by

SPMC has decreased significantly for the year under review and amounted as 37 percent decline compared to previous year.

### Sri Jayawardenapura General Hospital (SJGH)

Sri Jayawardenepura General Hospital (SJGH) is the only fee levying state hospital and engaged in the provision of quality healthcare and serve as a center for training of Medical undergraduates, graduates postgraduates and other health personnel needed by healthcare services of the country. As the largest semi-government hospital which also the largest government controlled commercialized healthcare center in Sri Lanka, SJGH has 1,079 beds, 38 Specialists, 11 operating theaters and a comprehensive range of clinical and para clinical services.

Government assistance for its operation has been given to SJGH since its inception as the hospital's pricing structure is not fully cost effective. In 2014, Rs 1,888 Million budgetary support contributed to its continuous services for the customers. During the year 2014, total admissions of patients decreased by 2 percent

Table 6.37 > Financial Out-turn of Sri Jayawardenapura General Hospital

	Provisional		Forecast		
	2013	2014	2015	2016	2017
<b>Revenue (Rs.Mn)</b>	<b>2,155</b>	<b>2,981</b>	<b>2,368</b>	<b>2,696</b>	<b>2,844</b>
Hospital Revenue	1,120	1,242	1,328	1,394	1,464
Other	1,035	1,739	1,040	1,302	1,380
<b>Expenditure (Rs.Mn)</b>	<b>2,083</b>	<b>2,432</b>	<b>2,229</b>	<b>2,341</b>	<b>2,482</b>
Staff Cost	1,150	1,223	1,200	1,260	1,336
Operating cost	599	862	870	704	746
Other	310	342	355	373	395
Finance Cost	4	5	4	5	6
<b>Operating Surplus/(Deficit) (Rs.Mn)</b>	<b>92</b>	<b>549</b>	<b>139</b>	<b>355</b>	<b>362</b>
Outstanding Debt to Banks (Rs.Mn)	-	-	-	-	-
<b>Key Performance Indicators</b>					
Clinics Held (Nos)	3,027	3,027	3,125	3,150	3,175
Patients Visits (Nos)	151,156	158,100	161,000	165,000	169,000
Admissions (Nos)	54,283	53,424	58,000	60,000	65,000
Surgeries (Nos)	13,651	13,005	15,000	16,000	17,000

Source: Sri Jayawardenapura General Hospital, Department of Public Enterprises

compared to previous year. The total number of beds of the hospital has decreased to 1,079 in 2014 from 1,088 in 2013 with 64 percent bed occupancy rate for the reviewed year.

Hospital revenue of the SJGH has inclined which is marginal during the year 2014 compared to previous year. However, expenditure of the hospital increased by 18 percent for the year as a result of the incline of the hospital operating expenses.

SJGH could expand its potential by introducing clinical research and increasing marketing share through image building and quality service for the general public. In this regard it is vital that the SJGH engages the ICTA and other such entities in developing the necessary infrastructure for providing “e health” services in the country, SJHG will have to invest more to enhance the standard of the services while adopting best practices in hospital administration.

### Sri Lanka Ayurvedic Drugs Corporation (SLADC)

Sri Lanka Ayurvedic Drugs Corporation is engaged in manufacturing and marketing of quality Ayurvedic Drugs to the government hospitals, Ayurvedic physicians and the

private sector. SLADC’s portfolio of products amounted to 156 at the end of 2014 of the supplies to all Ayurvedic hospitals, dispensaries in the provincial and local councils. Products are processed under the Ayurvedic pharmacopoeia.

The role of SLADC is becoming increasingly important with the growing demand for traditional medicines. In this regard SLADC should ensure with the sufficient supply of medicines to cater to the local and international demand. Conservation of and propagation of cultivation of herbs necessary for the smooth supply of drugs along with research on pharmaceutical manufacturing.

During the year 2014, total revenue inclined to Rs.452 million from Rs. 446 million mainly due to the slight increase of sales while non-operational income, declined by 5 percent for the reviewed year. However operating profit has increased 11 percent compared to previous year.

SLADC produced 6 new products further during the year, most of which are being manufactured through mechanical processes as opposed to the traditional methods. SLADC has continued to maintain its SLA ISO 9001:2008 Quality Standards.

Table 6.38 > Financial Out-turn of Sri Lanka Ayurvedic Drugs Corporation

		Provisional	Forecast		
	2013	2014	2015	2016	2017
<b>Revenue (Rs.Mn)</b>	<b>446</b>	<b>452</b>	<b>475</b>	<b>499</b>	<b>524</b>
Sales	425	442	464	487	511
Non Operational	21	10	11	12	13
<b>Expenditure (Rs.Mn)</b>	<b>404</b>	<b>405</b>	<b>425</b>	<b>445</b>	<b>466</b>
Cost of Sales	265	277	291	305	320
Administration & Establishment	81	78	82	86	90
Sales & Distributions	49	41	43	45	47
Finance Cost	9	9	9	9	9
<b>Operating Profit (Rs.Mn)</b>	<b>42</b>	<b>47</b>	<b>50</b>	<b>54</b>	<b>58</b>
Outstanding Debt to Banks (Rs.Mn)	56	52	48	44	40

Source: Sri Lanka Ayurvedic Drugs Corporation, Department of Public Enterprises

## 6.14 Media

### Independent Television Network Limited

The Independent Television Network Limited is a government owned public company which operates two TV channels (ITN and Vasantham TV) and two radio channels (Lakhanda and Vasantham FM) serving Sinhala and Tamil speaking communities in Sri Lanka with the widest range of entertaining programmes, educational programmes, news bulletins and current affairs.

the network shows almost similar revenue collection, air time sales of small channels, including Vasantham TV, Vasantham FM and Lakhada have recorded revenue reduction in the year 2014, compared to the previous year.

With the objective of enhancing their technological assets, ITN has carried out several major projects and improvements within the year 2014 including, installation of transmitters and transmission antennas worth of Rs. 62 million to expand FM transmission,

Table 6.39> Financial out-turn of Independent Television Network Limited (ITN)

	Provisional		Forecast		
	2013	2014	2015	2016	2017
<b>Revenue (Rs.Mn)</b>	<b>2,566</b>	<b>2,453</b>	<b>2,711</b>	<b>2,983</b>	<b>3,282</b>
Sale of Air Time-ITN	2,128	2,126	2,200	2,420	2,662
Sale of Air Time-VAS.TV	86	80	150	165	182
Sale of Air Time-Lakhada	84	66	125	138	152
Sale of Air Time-VAS.FM	27	19	40	44	48
Other Income	241	162	196	216	238
<b>Expenditure (Rs.Mn)</b>	<b>1,719</b>	<b>1,887</b>	<b>2,273</b>	<b>2,501</b>	<b>2,751</b>
Procurement and Production Exp	506	535	598	658	724
Distribution Exp.	154	226	300	330	363
Administration Exp.	1,059	1,126	1,375	1,513	1,664
<b>Operating profit/ (loss)</b>	<b>847</b>	<b>566</b>	<b>438</b>	<b>482</b>	<b>531</b>
Outstanding Debt to Banks (Rs.Mn)	0	0	0	0	0

Sources: Independent Television Network Limited, Department of Public Enterprises

ITN has been successfully doing their business activities over the past few years due to implementation of various strategies such as programme modifications and introduction of new programmes to meet viewer needs. By maintaining consecutive chain of entertainment during prime time, specially telecasting popular tele dramas, ITN still attracts a higher viewership, which provides the principal revenue portion to the network.

ITN recorded a profit of Rs.566 million in the year 2014, which is a 33.17 percent deterioration in comparison with profits of 2013, contributed by 4.40 percent revenue decrease and 9.77 percent expenditure increase. While ITN, the main channel of

construction of New HDTV Outdoor Broadcasting Vehicle (OB Vehicle) consisting of 08 HDTV Cameras and other HDTV equipment worth of Rs.90 million to improve Video Production Facilities, and construction of New 05 Storied studio complex worth of Rs.150 million to improve Video production facilities.

### Sri Lanka Broadcasting Corporation

The SLBC engaged in broadcasting activities through 07 national channels, 06 regional channels and 02 community radio channels with a view to rendering its services as the pioneer radio broadcasting network of Sri Lanka.



Table 6.40 &gt; Financial out-turn of Sri Lanka Broadcasting Corporation (SLBC)

	Provisional		Forecast		
	2013	2014	2015	2016	2017
<b>Revenue (Rs.Mn)</b>	<b>957</b>	<b>1,085</b>	<b>1,098</b>	<b>1,116</b>	<b>1,132</b>
Sale of TV time- Asia Service	19	25	25	26	27
Sale of TV time- TWR	78	77	78	80	85
Sale of TV time- Local Service	401	431	430	435	435
Sale of TV time- Other	17	5	5	5	5
Other Income	441	547	560	570	580
<b>Expenditure (Rs.Mn)</b>	<b>1,089</b>	<b>1,136</b>	<b>1,095</b>	<b>1,110</b>	<b>1,120</b>
Cost of Sales	374	394	420	440	450
Distribution Exp.	60	81	65	70	75
Administration Exp.	309	327	240	240	245
Operating and maintenance Exp.	345	334	370	360	350
<b>Operating profit /(loss)</b>	<b>(130)</b>	<b>(51)</b>	<b>3</b>	<b>6</b>	<b>12</b>
Outstanding Debt to Banks (Rs.Mn)	-	-	-	-	-

Sources: Sri Lanka Broadcasting Corporation, Department of Public Enterprises

The total revenue of SLBC increased by 13.37 percent in 2014 contributed by increased sales of channel TV times enabling operating losses to decrease by 60.76 percent to Rs. 51 million in 2014. Budgetary support of Rs. 345 million was granted to SLBC for capital and recurrent expenditure during the year.

However to render a pioneer service in Sri Lanka's broadcasting field, and to maintain optimum financial management, SLBC should implement strategies to expand and diversify its customer base to increase market share and

update transmission technology appropriately to provide a clear, strong broadcast output.

### Sri Lanka Rupavahini Corporation

Sri Lanka Rupavahini Corporation (SLRC) continues to be the largest television broadcaster in Sri Lanka with island wide reception of its channels. The VHF and UHF frequencies are supported by six main divisions of the entity. As the national television of Sri Lanka, the SLRC broadcasts through three channels namely Rupavahini,

Table 6.41 &gt; Financial out-turn of Sri Lanka Rupavahini Corporation (SLRC)

	Provisional		Forecast		
	2013	2014	2015	2016	2017
<b>Revenue (Rs.Mn)</b>	<b>2,164</b>	<b>1,997</b>	<b>2,528</b>	<b>2,576</b>	<b>2,635</b>
Sale of TV time- Channel 1	1,622	1,428	1,946	1,968	2,120
Sale of TV time- Channel Eye	222	329	360	400	450
Sale of TV time- Contra Deal	80	47	54	72	85
Sale of TV time - Satellite Channel	-	-	-	-	-
Other Income	240	193	168	176	185
<b>Expenditure (Rs.Mn)</b>	<b>2,116</b>	<b>2,174</b>	<b>2,433</b>	<b>2,457</b>	<b>2,506</b>
Programme Exp.	1,397	1,401	1,528	1,530	1,546
Distribution Exp.	247	253	281	288	305
Administration Exp.	471	520	624	639	655
<b>Operating profit/ (loss)</b>	<b>48</b>	<b>(182)</b>	<b>95</b>	<b>119</b>	<b>129</b>
Outstanding Debt to Banks (Rs.Mn)	0	98	-	-	-

Sources: Sri Lanka Rupavahini Corporation, Department of Public Enterprises

Nethra TV (Tamil) and Channel Eye. Currently all the network services are only available through analog transmissions.

When comparing with the Rs. 48 million profit earned in the year 2013, SLRC recorded a loss of Rs.182 million in the year 2014. During the period under review, TV time sales of channel 1 showed Rs.194 million revenue deterioration when compared with the previous year and by the end of 2014, outstanding debt to banks were recorded as Rs. 98 million. Hence SLRC should adopt strategies to improve the quality of programs while expanding coverage, with the aim of increasing its customer base to increase market share.

## 6.15 Marketing and Distribution

### Lanka Sathosa Limited

have facilitated LSL to increase its sales revenue by 19 percent in 2014. However, the total expenditure has increased by 22 percent during 2014 and as a result, profit before tax has decreased by 45 percent.

However, in the year 2014, LSL was involved in purchasing of B-onions and local potatoes at acceptable prices to protect local farmers. In addition LSL imported 235,000 MT of rice during the year to avoid rice shortages in the local market. For this purpose, LSL obtained bank loans of Rs. 10 billion and about Rs.7 billion was remained unsettled by the end of 2014. It can reasonably be assumed that this liability will cause the finance cost of LSL to increase in coming years. Therefore, it is necessary to take actions to settle this loan using related income from each sales component.

Table 6.42 > Financial Out-turn of Lanka Sathosa Limited

	Provisional		Forecast		
	2013	2014	2015	2016	2017
<b>Revenue(Rs. Mn)</b>	<b>25,357</b>	<b>30,424</b>	<b>39,594</b>	<b>49,451</b>	<b>54,887</b>
Sales	25,160	30,078	39,313	49,141	54,547
Indirect Income	197	346	281	310	340
<b>Expenditure (Rs. Mn)</b>	<b>24,694</b>	<b>30,060</b>	<b>37,951</b>	<b>47,268</b>	<b>52,509</b>
Cost of Sales	22,090	26,864	34,516	43,145	47,891
Other Expenditure	2,604	3,196	3,435	4,123	4,618
<b>Profit/ (Loss) Before Tax (Rs. Mn)</b>	<b>663</b>	<b>364</b>	<b>1,643</b>	<b>2,183</b>	<b>2,378</b>
<b>Key Performance Indicators</b>					
No. of Outlets	287	303	347	377	400

Source: Lanka Sathosa Limited, Department of public Enterprises

Lanka Sathosa Limited (LSL) is a Government owned supermarket network operating with 303 outlets providing essential items to consumers at affordable prices. Although, LSL accounts for almost 25 percent of the market share, aggressive expansion in private sector super market networks has prevented LSL from expanding its market share further.

Opening of 16 new outlets and provision of some selected essential items at lower prices

### State Timber Corporation (STC)

State Timber Corporation is engaged in extracting and purchasing of timber and converting them into value added products, as well as reforestation. Extracted log sales accounted for around 66 percent of total revenue while sawn timber, railway sleepers, transmission poles, elephant poles and furniture accounted for the balance.

Table 6.43 &gt; Financial out-turn of State Timber Corporation

	Provisional		Forecast		
	2013	2014	2015	2016	2017
<b>Revenue (Rs.Mn)</b>	<b>3,213</b>	<b>3,756</b>	<b>4,402</b>	<b>4,605</b>	<b>4,857</b>
Timber Sales	2,894	3,473	4,231	4,394	4,635
Investment & Other Income	319	283	171	211	222
<b>Expenditure (Rs.Mn)</b>	<b>2,831</b>	<b>3,331</b>	<b>3,949</b>	<b>3,969</b>	<b>4,168</b>
Cost of Sales	1,696	2,022	2,654	2,752	2,890
Other Expenditure	1,135	1,309	1,295	1,217	1,278
<b>Profit Before Tax /Levy(Rs.Mn)</b>	<b>382</b>	<b>425</b>	<b>453</b>	<b>636</b>	<b>689</b>
<b>Key Performance Indicator</b>					
Production –Non-value added Logs (M3)	106,122	131,162	151,143	104,000	107,000
Value added Product - Sleepers (Units)	73,526	39,389	45,350	102,000	102,000
Transmissions (Units)	31,887	41,332	41,700	34,276	34,276
Sawn timber (M3)	4,117	4,239	8,431	12,000	13,000
<b>Revenue Structure of products</b>					
Non-value added Product (Logs) (%)	62	66	65	51	50
Value added Products (%)	38	34	35	49	50

Source: State Timber Corporation, Department of Public Enterprises

STC continued to be a profitable entity reporting increase of revenue by 17 percent due to the increase of timber sales from Rs. 2894 million in 2013 to Rs. 3473 million in 2014 resulting profit before tax amounting to Rs 425 billion, which includes an interest income of Rs 283 million. It is further observed that more than 50 percent of the profit is derived from interest income.

It should be noted that STC has been facing several liquidity issues with the challenge of a drop in revenue due to the restrictions on felling of trees above 5000 ft. As such STC should conceptualize necessary measures which goes in line with Government policy of green economy to ensure its viability by focusing more on eco-friendly products to cater to niche market demands which in return offers higher profit margins.

### Sri Lanka Handicrafts Board (Laksala)

Mandate of the Sri Lanka Handicrafts Board, known as Laksala, is to preserve and develop the traditional skills of Sri Lankan craftsmen

while improving the traditional handicraft industry and broadening the network of the production of handicraft items.

Laksala has recorded 19 percent increase in total turnover in 2014 while the total expenditure increased by 20 percent due to the increased administrative cost resulting the profit before tax to decrease by 13 percent over the previous year to reach Rs. 21 million from Rs. 24 million. This rise in expenditure is mainly caused by the payments of high rentals for the outlets with small returns.

There is an enormous potential for the handicraft industry in future with the boosting tourism industry, targeting 2.5 million tourist arrivals by 2016 where huge market opportunities for local gifts and souvenir industry is created. Hence it is pertinent to note that a proper strategic plan should be constructed aligned to the institute being sustainable and increasing its market share.

Table 6.44 &gt; Financial Out-turn of Sri Lanka Handicraft Board

	Provisional		Forecast		
	2013	2014	2015	2016	2017
<b>Total Revenue (Rs.Mn)</b>	<b>737</b>	<b>873</b>	<b>1,165</b>	<b>1,175</b>	<b>1,200</b>
Revenue	700	823	1,013	1,025	1,050
Other Income	37	50	152	150	150
<b>Total Expenditure (Rs.Mn)</b>	<b>(713)</b>	<b>(852)</b>	<b>(1,126)</b>	<b>(1,136)</b>	<b>(1,144)</b>
Cost of Sales	235	263	375	376	384
Other Expenditure	415	516	659	670	675
Finance cost	62	73	92	90	85
<b>Profit Before Tax (Rs.Mn)</b>	<b>24</b>	<b>21</b>	<b>39</b>	<b>39</b>	<b>56</b>
Bank Loans (Rs.Mn)	337	689	616	550	450
Key Performance Indicators					
Purchases (Rs. Mn)	532	377	540	600	650
No.Registered Suppliers	8,223	5,434	6,000	6,500	7000
No. of Showrooms	13	13	14	14	14
Tourist Arrivals (Mn)	1.27	1.5	1.99	2.5	2.6
Per capita per Tourist	551	549	509	410	404
Revenue per Outlet (Rs. Mn)	54	63	72	73	75

Source: Sri Lanka Handicrafts Board, Department of Public Enterprises

## Sri Lanka State Trading (General) Corporation Ltd

Sri Lanka State Trading (General) Corporation Ltd (STC) is engaged in a diversified retail business, supplying chemicals and allied products, office supplies, construction

specially due to increase in finance cost. Thus STC has to find effective solutions to face stiff competition in the market for its products, while identifying products which it can offer to niche markets and develop strategies to promote its brand name in these markets.

Table 6.45 &gt; Financial Out-turn of Sri Lanka State Trading (General) Corporation Ltd

	Provisional		Forecast		
	2013/14	2014/15	2015/16	2016/17	2017/2018
<b>Total Revenue (Rs. Mn)</b>	<b>3,066</b>	<b>4,120</b>	<b>3,742</b>	<b>4,111</b>	<b>4,513</b>
Revenue	3,052	4,079	3,593	3,953	4,348
Other Income	14	41	149	158	165
<b>Expenditure (Rs. Mn)</b>	<b>2,988</b>	<b>4,074</b>	<b>3,552</b>	<b>3,907</b>	<b>4,297</b>
Cost of sales	2,552	3,434	2,998	3,297	3,627
Operating cost	429	582	513	564	620
Finance cost	7	58	41	45	49
<b>Profit before tax (Rs. Mn)</b>	<b>78</b>	<b>46</b>	<b>190</b>	<b>204</b>	<b>217</b>

Source: Sri Lanka State Trading (General) Corporation Ltd, Department of Public Enterprises

materials, agricultural products, motor cycles, machinery and equipment and automotive tire products.

Although STC has been able to improve its revenue by 34 percent in 2014, when compared with the previous year, profit before tax has decreased by 41 percent due to an increase of 36 percent in expenditure

## Ceylon Fertilizer Company

Ceylon Fertilizer Company (CFC) is the leading state entity engaged in importing, blending and distributing 65 percent of fertilizer to paddy farmers under the fertilizer subsidy scheme. Until 2014, 90 percent of the other crops fertilizer subsidy scheme has been handled by the private sector.

Table 6.46 &gt; Financial Out-turn of Ceylon Fertilizer Company (CFC)

	Provisional		Forecast		
	2013/14	2014/15	2015/16	2016/17	2017/2018
<b>Revenue (Rs. Mn)</b>	<b>2,734</b>	<b>3,460</b>	<b>3,284</b>	<b>3,462</b>	<b>3,800</b>
Core-Business	2,564	3,258	3,054	3,222	3,550
Other Income	170	201	230	240	250
<b>Expenditure (Rs. Mn)</b>	<b>2,493</b>	<b>3,171</b>	<b>2,985</b>	<b>3,220</b>	<b>3,537</b>
Cost of Sales	1,988	2,709	2,352	2,565	2,867
Distribution	57	16	42	48	50
Administration	448	444	511	522	530
Finance Cost	-	2	80	85	90
<b>Profit/Loss (Rs. Mn)</b>	<b>241</b>	<b>288</b>	<b>205</b>	<b>242</b>	<b>263</b>
Outstanding Debt (Rs. Mn)	129	109	120	125	130
Govt. Fertilizer Subsidy (Rs.Mn)	9,065	5586	2200	2250	2300
<b>Key Performance Indicators</b>					
Sales Quantity (MT)(,000)					
Paddy Subsidy Fertilizer					
Urea	133	130	139	142	145
TSP	33	31	40	41	42
MOP	37	37	42	44	48
	204	198	221	227	235
Other Crop Subsidy Fertilizer					
Urea	25	55	105	110	120
TSP	7	13	6	7	8
MOP	6	12	6	8	13
Other	22	35	22	24	26
	60	114	139	149	167

Sources: Ceylon Fertilizer Company, Department of Public Enterprises

During the year 2014, 40 percent of the scheme has been handed over to state sector resulting in 27 percent increase in the core business revenue of the company. In 2014/15, the total quantity of paddy fertilizer distributed by CFC increased by 13 percent from 199,000 MT in 2013/14 to 212,000 MT. CFC has improved its profit before tax to Rs 288 million from Rs. 241 million in 2013/14. CFC was able to remit Rs.38 million as dividends to Government with this improvement of their operational performance during the year.

Effective warehouse facilities in close proximity to the plantation is an utmost necessity to avoid shortages and to ensure prudent use of the subsidy. Efficient provisioning of other crops fertilizer to farmers become difficult without having state of art mixing facilities available at CFC. With this background company should directs invest towards on

improving and enhancing warehouse facilities and mixing facilities appropriately.

### Colombo Commercial Fertilizers Limited

Colombo Commercial Fertilizers Limited (CCFL) is the second largest state owned fertilizer importer of the country. CCFL mainly engages in importing, mixing, packing and distribution of fertilizer. CCFL meets around 35 percent of the total fertilizer requirement of the country under the subsidy scheme and accounts for 24 percent of the total fertilizer imports to the country.

After opening up of 40 percent other crops fertilizer subsidy scheme to state sector in 2014 CCFL was able to increase revenue by 15.5 percent from Rs. 1,372 million in 2013/14 to Rs. 1,625 million in 2014/15. Profit before tax of CCFL increased by 75 percent during

Table 6.47 &gt; Financial Out-turn of Colombo Commercial Fertilizers Limited

	Provisional		Forecast		
	2013/14	2014/15	2015/16	2016/17	2017/18
<b>Total Revenue(Rs. Mn)</b>	<b>1,372</b>	<b>1,625</b>	<b>1,361</b>	<b>1,429</b>	<b>1,500</b>
<b>Expenditure (Rs. Mn)</b>	<b>1162</b>	<b>1,310</b>	<b>1,056</b>	<b>1,108</b>	<b>1,164</b>
Cost of Sales	1034	1015	848	890	935
Administration Expenses	89	128	110	115	121
Distribution Expenses	11	110	95	100	105
Finance Cost	27	3	2	2	2
Other	1	3	1	1	1
<b>Profit Before Tax (Rs. Mn)</b>	<b>209</b>	<b>366</b>	<b>340</b>	<b>358</b>	<b>374</b>
Importation of Fertilizer (MT'000)	84	151	147	154	162
Outstanding Debt (Rs. Mn)	9,727	12,483	10,633	11,165	11,723
Govt. Fertilizer Subsidy (Rs. Mn)	5,529	16,756	8,206	8,616	9,047

Sources: Colombo Commercial Fertilizers Limited, Department of Public Enterprises

the year. However, CCFL also should focus on the provision of subsidized fertilizer to farmers when and where necessary avoiding shortages and to avoid over purchases.

## State Printing Corporation

State Printing Corporation (SPC) accounts for 63 percent of school text book printing, 16 percent of exercise book printing and 19 percent of lottery ticket printing in the market.

The increase in short term loans by 13 percent in 2014 will result in an increase in the finance cost in future. Hence, SPC should maximize the utilization of its capacity and improve its market share by adopting strategies to be more cost efficient, to improve its profitability in the medium term.

Table 6.48 &gt; Financial Out-turn of State Printing Corporation

	Provisional		Forecast		
	2013	2014	2015	2016	2017
<b>Total Revenue(Rs. Mn)</b>	<b>1,245</b>	<b>1,344</b>	<b>1,480</b>	<b>1,516</b>	<b>1,610</b>
Revenue	1,237	1,334	1,470	1,506	1,600
Indirect Income	8	10	10	10	10
<b>Total Cost (Rs. Mn)</b>	<b>1,167</b>	<b>1,273</b>	<b>1,324</b>	<b>1,357</b>	<b>1,446</b>
Cost of Sales	802	879	885	907	976
Operating Expenditure	303	327	316	324	350
Finance Cost	62	67	123	126	120
<b>Profit/ (Loss) before tax (Rs. Mn)</b>	<b>78</b>	<b>71</b>	<b>156</b>	<b>159</b>	<b>164</b>
Bank Loan L/T (Rs. Mn)	6	0	7	7	7
Bank Loan S/T (Rs. Mn)	437	495	260	258	250

Source: of State Printing Corporation, Department of Public Enterprises

While SPC's revenue has increased by 8 percent, total expenditure also increased by 9 percent mainly due to the increase in cost of sales. As a result, the profit before tax has declined by 9 percent.

## Ceylon Fishery Harbours Corporation

Table 6.49 &gt; Financial Out-turn of Ceylon Fishery Harbours Corporation

	Provisional		Forecast		
	2013	2014	2015	2016	2017
<b>Total Revenue (Rs.Mn)</b>	<b>566</b>	<b>730</b>	<b>780</b>	<b>879</b>	<b>930</b>
Rent	39	51	52	67.2	78
Dredging	35	1.15	10	10	10
Harbour	301	346	400	466.35	527
Security	13	10	7.5	7.5	8
Other	69	8	10	8	8
Recurrent Grant	108	313	300	320	300
<b>Expenditure (Rs. Mn)</b>	<b>608</b>	<b>710</b>	<b>750</b>	<b>808</b>	<b>832</b>
Harbor Expense	303	310	320	320	320
Staff Cost	195	225	250	260	270
Administration	75	118	120	160	160
Finance Cost	14	11	10	-	-
Other	21	46	50	68	82
<b>Profit /(Loss) before Tax (Rs. Mn)</b>	<b>-42</b>	<b>20</b>	<b>30</b>	<b>71</b>	<b>98</b>
Bank Overdraft (Rs. Mn)	27	26	-	-	-
Outstanding Debt to Bank (Rs. Mn)	44	-	35.2	-	-

Sources: Fishery Harbour Corporation, Department of Public Enterprises

Ceylon Fishery Harbours Corporation (CFHC) provides fishery harbour related services and supporting infrastructure facilities to the fishing communities through its harbours situated around the country. CFHC has opened Suduwalla fisheries harbour in 2014.

11 out of 20 fishery harbours operate at a profit. CFHC recorded a profit of Rs 20 million during 2014 which is 147 percent increase with compared to previous year with the financial support from the Government. Further it is expected that the CFHC will continue operating at a profit from 2015 with adopting proactive strategies to improve profitability of all its harbours.

*“11 out of 20 fishery harbours operate at a profit. CFHC recorded a profit of Rs 20 million during 2014 which is 147 percent increase with compared to previous year with the financial support from the Government.”*

## Ceylon Fisheries Corporation

Ceylon Fisheries Corporation (CFC) engages in procurement of fish from fishermen and supply to the market in order to maintain a stable fish price in the market. However, it is unable to make a significant influence on fish prices in the market as CFC represents around 2 percent of the market share. The demand for fish and fishery products has increased during the last few years. Therefore, CFC has opportunity to expand its market share in the medium term and loan term.

During the year, CFC's losses decreased by 30 percent. Outstanding debts to banks have been settled with the financial assistance of Rs 237 million provided by the Government. Therefore, new strategies have to be adopted to improve sales revenues as well as manage the cost efficiently. CFC conducted asset valuation after 1965 and recorded asset surplus of Rs 1300 million. CFC opened 12 sales outlets and operate 110 outlets during 2014.



Table 6.50&gt; Financial Out-turn of Ceylon Fisheries Corporation

	Provisional		Forecast		
	2013	2014	2015	2016	2017
<b>Revenue (Rs.Mn)</b>	<b>2,008</b>	<b>1,903</b>	<b>4,227</b>	<b>4,557</b>	<b>4,785</b>
Fish Trading	1,733	1,751	3,969	4,286	4,500
Ice Trading	107	35	98	102	108
Cold Room	40	45	34	36	37
Canned Fish	90	21	90	94	99
Other	39	51	37	39	41
<b>Expenditure(Rs.Mn)</b>	<b>2,088</b>	<b>1,959</b>	<b>4,117</b>	<b>4,323</b>	<b>4,539</b>
Cost of Sales	1,296	1,325	3,233	3,395	3,565
Distribution Cost	136	127	112	117	123
Admin. Cost	199	100	302	317	333
Staff Cost	398	360	442	464	487
Other	23	18	12	10	8
Finance Cost	36	29	14	20	24
<b>Operating profit/ (loss) (Rs.Mn)</b>	<b>(80)</b>	<b>(56)</b>	<b>110</b>	<b>234</b>	<b>246</b>
Outstanding Debt to Banks (Rs.Mn)	209	-	-	-	-
<b>Key Performance Indicators</b>					
Own Outlets (Nos)	132	110	140	195	250
Other Sales Points	368	373	378	378	386
Market Share (percent)	2.00	3.60	4.00	5.00	6.00
Avg. Revenue per outlet/month	3.47	6.29	6.66	7.00	7.50

Sources: Ceylon Fisheries Corporation, Department of Public Enterprises

## Hotel Developers (Lanka) PLC

Hotel Developers (Lanka) PLC (HDL) is engaged in the hospitality trade, owning Hilton Colombo Hotel. HDL was vested with the Government under the provisions of the Revival of Under performing Enterprises or Underutilized Assets Act No. 43 of 2011 and operates as a fully owned government company.

In 2013, HDL's share capital increased by Rs.17.7 billion as a result of the conversion of 80 percent of the GOSL's loan (Rs. 10.7 billion) and the value of the leasehold land (Rs.7 billion) where the hotel is situated, into government equity. Remained 20 percent of the loan amounting to Rs. 2.35 billion was converted to equity in 2014 strengthening the balance sheet of the company further. Hence the current share capital of HDL held by the government is amounting to 20.46 billion.

Revenue of HDL declined from Rs. 2858 million in 2013/14 to Rs. 2537 million in 2014/15 reflecting a drop of 11 percent due to a major

refurbishment program of the Hilton Colombo between 2014/2015 and 2015/2016. The profit before tax which stood at Rs. 253 million in 2013/14 has increased up to Rs. 316 million in 2014/15.

The revenue levels have been projected considering the reduction in occupancy during the refurbishment period due to the partial closure of the hotel in 2014/2015 & 2015/2016. Completion of the refurbishment program is expected in December 2015.

*"In 2013, HDL's share capital increased by Rs.17.7 billion as a result of the conversion of 80 percent of the GOSL's loan (Rs. 10.7 billion) and the value of the leasehold land (Rs.7 billion) where the hotel is situated, into government equity."*

Table 6.51 &gt; Financial Out-turn of Hotel Developers (Lanka) PLC

	Provisional		Forecast		
	2013/14	2014/15	2015/16	2016/17	2017/18
<b>Revenue (Rs.Mn)</b>	<b>2,858</b>	<b>2,537</b>	<b>2,393</b>	<b>4,151</b>	<b>4,513</b>
Room Revenue	1,221	1,083	958	2,102	2,317
Food & Beverage Revenue	1,219	1,252	1,335	1,822	1,994
Other Operating Departments	100	63	53	160	168
Other Income	318	139	47	66	34
<b>Expenditure (Rs.Mn)</b>	<b>2,280</b>	<b>2,183</b>	<b>2,345</b>	<b>3,264</b>	<b>3,456</b>
Cost of Sales	472	451	418	706	770
Administrative Expenses	1,189	1,077	1,293	1,571	1,685
Depreciation & Amortization	327	336	370	580	555
Other Expenses	292	319	264	407	446
<b>Profit or Loss Before Tax</b>	<b>253</b>	<b>316</b>	<b>-35</b>	<b>605</b>	<b>840</b>
<b>Profit before interest &amp; Tax</b>	<b>578</b>	<b>354</b>	<b>48</b>	<b>887</b>	<b>1,057</b>
Interest on Long-term Loans	325	38	83	282	217
Borrowing from Bank (Refurbishment)	-	-	3,845	3,092	2,389
Overdraft facility	652	-	-	-	-
Outstanding dues to Government	-	-	-	-	-

Source: Hotel Developers (Lanka) PLC; Department of Public Enterprises

## 6.16 Non –Renewable Resources

Lanka Phosphate Limited (LPL), Kahatagaha Graphite Lanka Limited (KGLL), Lanka Mineral Sands Limited (LMSL) are the main three state owned enterprises engaged in the non-renewable resources industry. The common constraints for the performance of LMSL, KGLL and LPL is the nonexistence of adequate levels of modern technology and machinery.

A significant level capital infusion is necessary if all three SOEs are to make a higher contribution to the economy through more value addition. Systematic exploitation of these resources is a vital factor to meet the increased demands in future.

## Lanka Phosphate Limited (LPL)

LPL is a fully Government owned company which established to excavate, process and sell the rock phosphate which is used as fertilizer for perennial agricultural crops such as Tea, Rubber and Coconut. LPL produce two main products namely, Eppawala Rock Phosphate (ERP), High Grade Eppawala Rock Phosphate (HERP). With the fertilizer subsidy extended to the plantation crop sector, the demand for Eppawala Rock Phosphate fertilizer has increased and market has expanded to a very high potential.

high concentration of carbon is considered to be able to demand relatively high prices. KGLL mainly depends on few regular foreign buyers for its exports weakening the entity's ability to demand high prices in the international market.

Synthetic Graphite remains a significant challenge to natural graphite produced by KGLL in the international market. As such, in future KGLL will have to adopt a strategy to diversify its customer base while exploring the possibility of exporting value added products.

Table 6.52 > Financial Out-turn of Lanka Phosphate Ltd

	Provisional		Forecast		
	2013/14	2014/15	2015/16	2016/17	2017/18
<b>Total Revenue (Rs. Mn)</b>	<b>555.5</b>	<b>626.9</b>	<b>689.6</b>	<b>758.5</b>	<b>834.4</b>
Eppawala Rock Phosphate (ERP)	388.1	455.9	501.5	551.6	606.8
High Grade Eppawala Rock Phosphate (HERP)	111.8	123.3	135.6	149.2	164.1
Other Income	55.6	47.7	52.5	57.7	63.5
<b>Expenditure (Rs. Mn)</b>	<b>384.0</b>	<b>448.0</b>	<b>492.8</b>	<b>542.0</b>	<b>596.2</b>
Cost of Sales	208.9	268.9	295.8	325.4	357.9
Staff Cost	80.8	94.4	103.8	114.2	125.6
Electricity	26.1	32.9	36.2	39.8	43.8
Other	68.2	51.7	56.9	62.6	68.9
<b>Profit/ (Loss) (Rs.Mn)</b>	<b>171.5</b>	<b>178.9</b>	<b>196.8</b>	<b>216.5</b>	<b>238.2</b>
<b>Key Performance Indicators</b>					
Production (MT)	52,466	54,750	56,740	57,420	58,315
Sales (MT)	54,577	56,860	58,450	59,125	60,205
Stock (MT)	162	4,955	5,325	5,565	5,865
Selling price per MT (ERP) Rs	8,778	8,778	8,800	8,850	8,900
Selling price per MT (HERP) Rs	10,900	11,500	11,800	12,100	12,500

Source: Lanka Phosphate Ltd, Department of Public Enterprises

LPL has produced 54,750 MT in 2014/15, which is more than the production of 52,466 MT in 2013/14. Consequently, LPL recorded an increase in revenue of 13 percent to Rs. 626.9 million in 2014/15.

## Kahatagaha Graphite Lanka Limited (KGLL)

KGLL accounted for nearly 20 percent of the export earnings from Graphite in country in 2014. The Graphite deposit in Sri Lanka with its

Production of graphite has decreased in 2014/15 to 601 MT due to heavy rains during the year. Consequently revenue which consists solely of exports of USD 1.09 million in 2013/14 has decreased by 27 percent in 2014/15 to USD 0.79 million thereby has decreased the profit by 20 percent over 2013/14.

Table 6.53 &gt; Financial Out-turn of Kahatagaha Graphite Lanka Limited

	Provision		Forecast		
	2013/14	2014/15	2015/16	2016/17	2017/18
<b>Total Revenue (Rs. Mn)</b>	<b>145.5</b>	<b>106.1</b>	<b>250.3</b>	<b>271.9</b>	<b>296.2</b>
Sale of Graphite	144.1	105.2	247.0	269.5	292.4
Other Income	1.4	0.91	3.3	2.4	3.8
<b>Expenditure (Rs. Mn)</b>	<b>124.3</b>	<b>89.1</b>	<b>234.8</b>	<b>213.2</b>	<b>234.8</b>
Cost of Sales	52.8	55.6	97.7	111.7	118.4
Operational Expenditure	19.2	15.8	20.1	22.7	24.6
Staff Cost - Admin	10.2	7.8	14.2	15.7	16.8
Electricity Cost	0.3	0.2	0.4	0.4	0.5
Other Expenditure	41.9	9.8	102.3	62.7	74.5
<b>Net Profit before Tax (Rs. Mn)</b>	<b>21.2</b>	<b>17.0</b>	<b>15.5</b>	<b>58.7</b>	<b>61.4</b>
<b>Key Performance Indicators</b>					
Production (MT)	848	601	1,260	1,320	1,365
Sales (MT)	794	970	1,100	1,200	1,300
Graphite Stock (MT)	893	813	973	1,093	1,155
Exports (US\$)'000	1,091	792	1,900	2,073	2,145

Source: Kahatagaha Graphite Lanka Limited, Department of Public Enterprises

## Lanka Mineral Sands Limited (LMSL)

Having significant deposits of Ilmenite, Rutile, Silica, Zircon, Monazite etc which are of high quality, the mineral sector is recognized to have the capacity to contribute significantly to the expansion of the economy.

The LMSL which is the sole licensee for the extraction of minerals operations faces lack of modern technology and adequate machinery which curtailed the LMSL's capacity to

optimize its performance. Majority of these minerals are exported as raw materials through an International bidding process though steps are now being taken to promote value addition locally.

Revenue of LMSL has decreased to Rs. 931 million in 2014 from Rs. 992 million in 2013.

As a result of this, LMSL has decreased its profit by 72 percent to Rs. 61 million in 2014 compared to previous year.

Table 6.54 &gt; Financial out-turn of Lanka Mineral Sands Ltd

	Provisional		Forecast		
	2013	2014	2015	2016	2017
<b>Revenue (Rs.Mn)</b>	<b>992</b>	<b>931</b>	<b>1,464</b>	<b>1,541</b>	<b>1,623</b>
Ilmenite	690	47	624	665	696
Rutile	256	184	255	265	275
Zircon	-	157	187	192	215
Hi Ti Ilmenite	-	75	44	58	65
Others	46	468	354	361	372
<b>Expenditure (Rs.Mn)</b>	<b>771</b>	<b>870</b>	<b>977</b>	<b>997</b>	<b>1,022</b>
Cost Of Sales	274	416	784	796	812
Distribution	4	7	11	12	14
Administrative	164	157	182	189	196
Other Operating	329	290	-	-	-
<b>Profit before tax (Rs.Mn)</b>	<b>221</b>	<b>61</b>	<b>487</b>	<b>544</b>	<b>601</b>
<b>Key Performance Indicators</b>					
Production (MT)	89,444	148,165	54,785	57,524	60,400
Sales (MT)	38,177	27,407	74,785	78,524	82,450
Stock (MT)	128,239	60,755	96,665	101,498	106,573

Source: Lanka Mineral Sands Ltd, Department of Public Enterprises

Annex I > Profitability of State Owned Business Enterprises							Rs. Mn	
	Enterprise	Profit/(Loss)				Business Turnover	Budgetary Support 2014	
		2005	2012	2013*	2014 *		Recurrent	Capital
1	Bank of Ceylon	3,120	19,794	15,258	20,777	127,141	-	-
2	People's Bank	4,035	15,249	10,304	17,200	95,519	-	-
3	National Savings Bank (NSB)	3,457	6,169	2,279	10,472	77,890	-	-
4	State Mortgage & Investment Bank (SMIB)	415	522	343	411	3,742	-	-
5	HDFC Bank (HDFC)	162	176	309	818	4,585	-	-
6	Lankaputhra Development Bank Ltd	-	294	371	193	612	-	-
7	Pradeshiya Sanwardhana Bank (RDB)	658	1,492	689	1,268	11,429	-	-
8	Sri Lanka Savings Bank Ltd	-	645	616	236	775	-	-
9	Employee's Trust Fund Board	-	14,130	15,167	17,274	18,833	-	-
10	Sri Lanka Insurance Corporation	1,215	4,236	5,012	4,511	29,301	-	-
11	National Insurance Trust Fund	-	2,083	4,374	4,674	8,350	-	-
12	Sri Lanka Export Credit Insurance Corporation	86	163	207	190	311	-	-
13	Agriculture and Agrarian Insurance Board	(98)	(1,775)	(1,887)	(1,941)	218	144	3
14	Ceylon Electricity Board	(6,852)	(61,447)	22,945	(13,303)	208,694	-	166,793
15	Ceylon Petroleum Corporation	(7,710)	(97,380)	(7,770)	1,633	525,182	-	30,690
16	Sri Lanka Ports Authority	13,239	5,211	1,625	7,950	42,617	-	-
17	National Water Supply and Drainage Board	(22)	408	1,193	1,432	18,710	-	88,162
18	Airport and Aviation Services (SL )Ltd	670	2,738	3,554	4,038	13,820	-	19,588
19	Sri Lankan Airlines Ltd	480	(21,751)	(32,358)	(16,181)	130,690	-	-
20	Mihin Lanka (Pvt) Ltd	-	(2,866)	(2,566)	(1,187)	10,129	-	6,528
21	Sri Lanka Transport Board	(1,119)	(2,964)	(10,640)	(9,407)	26,121	6,965	1,597
22	State Engineering Corporation of Sri Lanka	(42)	226	128	81	6,353	-	-
23	Central Engineering Consultancy Bureau	45	384	570	426	10,207	-	-
24	State Development and Construction Corp.	21	48	90	90	3,490	-	-
25	Milco Ltd	85	(267)	160	185	8,088	-	-
26	National Livestock Development Board	(12)	29	2	87	1,789	-	-
27	Sri Lanka State Plantations Corporation	(84)	(117)	(228)	(69)	590	49	435
28	Janatha Estates Development Board	55	(235)	(248)	(237)	893	189	65
29	Kurunegala Plantations Ltd	20	186	208	227	577	-	-
30	Chilaw Plantations Ltd	25	86	82	85	380	-	-
31	Kalubovitiyana Tea Factory Ltd	(135)	91	28	24	779	-	-
32	Sri Lanka Cashew Corporation	(1)	44	1	2	115	50	44
33	Lanka Mineral Sands Ltd	420	1,302	221	61	931	-	-
34	Lanka Phosphate Ltd	39	114	172	179	627	-	-
35	Kahatagaha Graphite Lanka Ltd	4	17	21	17	106	-	-
36	Development Lottery Board	1,218	1,758	2,126	2,345	10,539	-	-
37	National Lottery Board	269	590	477	109	15,242	-	-
38	State Pharmaceuticals and Manufacturing Corp.	15	116	328	270	1,712	-	-
39	SL Ayurvedic Drugs Corporation	6	54	42	47	452	-	-
40	State Pharmaceuticals Corporation	431	468	777	654	22,047	-	-
41	Sri Jayawardenapura General hospital	(185)	(121)	92	549	2,981	1,700	300
42	Independent Television Network Ltd	39	813	847	566	2,453	-	-
43	SL Rupavahini Corporation	228	47	48	(182)	1,997	-	-
44	Sri Lanka Broadcasting Corporation	(98)	(68)	(130)	(51)	1,085	150	150
45	Sri Lanka Handicraft Board	1	73	24	21	873	-	-
46	State Timber Corporation	408	202	382	425	3,756	-	-
47	STC General Trading Company	(112)	97	78	46	4,120	-	-
48	Lanka Sathosa Ltd	(4)	652	663	364	30,424	-	-
49	State Printing Corporation	21	140	78	71	1,344	-	-
50	Ceylon Fisheries Corporation	(34)	(42)	(80)	(56)	1,903	-	-
51	Ceylon Fishery Harbour Corporation	(66)	(259)	(42)	20	730	213	100
52	Ceylon Fertilizer Company Ltd	18	107	241	288	3,460	-	-
53	Colombo Commercial Fertilizer Company Ltd	10	216	209	366	1,625	-	-
54	Hotel Developers Lanka PLC	-	757	253	316	2,537	-	-
55	Lanka Sugar Company Ltd	-	(155)	1,346	(31)	5,539	-	-
Total		14,341	(107,520)	37,991	58,353	1,504,413	9,460	314,455

Source: State Owned Enterprises, Department of Public Enterprises  
 \*Provisional

## Annex II &gt; Submission of Annual Reports – State Owned Business Enterprises

		2010	2011	2012	2013
1	Bank of Ceylon	√	√	√	√
2	People's Bank	√	√	√	√
3	National Savings Bank (NSB)	√	√	√	√
4	State Mortgage & Investment Bank (SMIB)	√	√	√	√
5	HDFC Bank (HDFC)	√	√	√	√
6	Lankaputhra Development Bank Ltd	√	√	√	√
7	Pradeshiya Sanwardhana Bank (RDB)	√	√	√	√
8	Sri Lanka Savings Bank Ltd	√	√	√	√
9	Employee's Trust Fund Board	√	√	√	x
10	Sri Lanka Insurance Corporation	√	√	x	x
11	National Insurance Trust Fund	√	√	√	√
12	Ceylon Electricity Board	√	√	√	x
13	Ceylon Petroleum Corporation	√	√	√	x
14	Sri Lanka Ports Authority	√	√	√	x
15	National Water Supply and Drainage Board	√	x	x	x
16	Airport and Aviation Services (SL) Ltd	√	√	√	x
17	Sri Lankan Airlines Ltd	√	√	√	x
18	Mihin Lanka (Pvt) Ltd	√	√	√	x
19	Sri Lanka Transport Board	√	x	x	x
20	State Engineering Corporation of Sri Lanka	√	√	x	x
21	Central Engineering Consultancy Bureau	√	√	x	x
22	State Development and Construction Corporation	√	√	x	x
23	Milco Ltd	√	√	√	√
24	National Livestock Development Board	√	√	√	x
25	Ceylon Fisheries Corporation	√	√	√	x
26	Ceylon Fishery Harbour Corporation	√	√	x	x
27	State Pharmaceuticals and Manufacturing Corporation	√	√	√	x
28	SL Ayurvedic Drugs Corporation	√	√	√	x
29	State Pharmaceuticals Corporation	√	√	√	√
30	Sri Jayawardenapura General hospital	√	√	√	x
31	Independent Television Network Ltd	√	√	√	√
32	SL Rupavahini Corporation	√	√	√	x
33	Sri Lanka Broadcasting Corporation	√	√	x	x
34	Ceylon Fertilizer Company Ltd	√	√	√	√
35	Colombo Commercial Fertilizer Company Ltd	√	√	√	x
36	State Timber Corporation	√	√	√	x
37	STC General Trading Company	√	√	√	x
38	Hotel Developers Lanka PLC	√	√	√	√
39	Lanka Sugar Company Ltd	√	√	√	√
40	Lanka Sathosa Ltd	x	x	x	x
41	Development Lottery Board	√	√	√	x
42	National Lottery Board	√	√	√	x
43	Lanka Mineral Sands Ltd	√	√	√	√
44	Lanka Phosphate Ltd	√	√	√	x
45	State Printing Corporation	√	√	√	x
46	Sri Lanka Export Credit Insurance Corporation	√	√	x	x
47	Agriculture and Agrarian Insurance Board	√	√	√	x
48	Sri Lanka State Plantations Corporation	x	x	x	x
49	Kurunegala Plantations Ltd	√	√	√	√
50	Janatha Estates Development Board	√	x	x	x
51	Chilaw Plantations Ltd	√	√	√	√
52	Kalubovitiyana Tea Factory Ltd	√	√	√	x
53	Sri Lanka Cashew Corporation	√	√	x	√
54	Sri Lanka Handicraft Board	√	√	√	x
55	Kahatagaha Graphite Lanka Ltd	√	√	√	√

Source: State Owned Enterprises, Department of Public Enterprises





**07**

# **CADRE MANAGEMENT IN THE PUBLIC SECTOR**

## 7.1 Overview

Human resource management in the public sector plays a vital role in the country's social and economic development, particularly in uplifting rural economy, developing human resources and improving public service delivery to the people. Recent developments in public sector cadre management has made a remarkable contribution in achieving the optimum employment level which has consequently preceded to establish an efficient and effective public service. Further, the country has been able to accomplished outstanding levels of socio economic indices, especially, in the sectors of health and education as a result of deploying employees in an effective manner in a well structured cadre. The cadre composition comes under public sector, which consists of ministries, departments, institutions, state enterprises including banks and financial institutions, provincial and local authority level establishments is given in the Table 7.1

With the growing service requirements of the public sector, the approved public service cadre has been increased by 33 percent from

2005 to 2014. However, the actual utilization of the approved cadre was 88 percent in 2014 due to increasing gap between the retirement and new recruitments. This suggests the need for better planning in the recruitments to maintain public sector human resources in

Table 7.2 > Recruitment of employees during 2005 - 2014

Profession	Total
Administrator	1,133
Education Administrator	2,277
Planner	846
Engineer	986
Accountant	495
Doctor	10,154
Nurse	31,570
Midwife	3,090
Public Health Inspector	398
Teacher	118,103
Development Officer	88,069
Police Officer	37,744
Security Personnel	152,570
Management Assistant	23,417
Other	71,000
<b>Total</b>	<b>541,852</b>

Source: Ministry of Finance and Planning, Ministry of Health, Ministry of Public Administration and Home Affairs, Ministry of Education, Chief Secretary's Office - all the Provincial Councils

Table 7.1. > Public Sector Cadre Composition 2005 - 2014

Administrative Level		Year									
		2005	2006	2007	2008	2009	2010	2011	2012	2013	2014
National	App	559,914	563,620	579,615	635,711	680,442	698,335	705,331	710,909	796,266	844,948
	Act	437,248	469,065	505,900	557,590	607,717	643,748	643,399	661,837	683,719	703,600
Provincial Councils and Local government	App	336,714	348,870	358,604	362,755	364,396	367,207	367,730	385,562	391,647	392,698
	Act	267,955	281,219	283,885	290,162	296,714	332,107	363,248	378,933	375,752	377,445
Total Public Service	App	896,628	912,490	938,219	998,466	1,044,838	1,065,542	1,073,061	1,096,471	1,187,913	1,237,646
	Act	705,203	750,284	789,785	847,752	904,431	975,855	1,006,647	1,040,770	1,059,471	1,081,045
SOEs and State Banks	App	215,611	218,957	222,377	226,197	227,224	227,792	228,326	245,100	245,687	245,339
	Act	195,439	205,441	224,443	229,445	234,547	236,121	236,543	239,079	239,058	221,213
Total Public Sector	App	1,112,239	1,131,447	1,160,596	1,224,663	1,272,062	1,293,334	1,301,387	1,341,571	1,433,600	1,482,985
	Act	900,642	955,725	1,014,228	1,077,197	1,138,978	1,211,976	1,243,190	1,279,849	1,298,529	1,302,258
Cadre Utilization (%)		81	84	87	88	90	94	96	95	91	88
No. of Pensioners		418,923	430,153	438,190	445,120	456,113	473,762	493,549	510,343	521,699	546,379
App - Approved cadre	Act- Actual number of employees										

Source: Department of Management Services, Department of Pensions

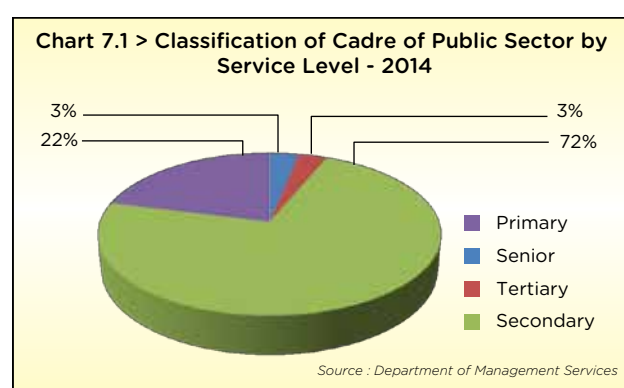
an optimum level. Recruitments to the public service were increased by 10 percent in the year 2014 compared to 2013 resulting a high competition in the labor market in a stable economic environment.

Table 7.2 depicts the recruitment of employees to the different professions in public service during the period of 2005 - 2014. The Highest number of employees have been recruited to the Defence sector due to conflict situation prevailed especially, during the first half of the period concerned. Further, 21 percent of the total recruitments is teachers while 17 percent is Development Assistants. Measures were taken to regularize the recruitments to the executive positions in the public sector and to filling of vacancies in the health and education sectors during the period. This recruitment policy largely contributed to minimize the unemployment rate in the country, particularly at the level of graduates.

## 7.2 Service Level Distribution

As per the classification based on the Public Administration Circular No. 06/2006, public service is provided under four main levels of staff comprising senior, tertiary, secondary and primary levels.

Employees perform basic functions in janitorial, electrical, transportation etc. and engage in primary supportive services for public service delivery are brought under the category of primary level. This category represents 22 percent of the total cadre, out



of which 65 percent are engaged in providing essential and community based services to the public such as street cleaning, under Local Authorities.

The secondary level category, which comprised of employees, such as Development Officers, Public Management Assistants, Nurses, Teachers, Police Constables, etc, who assist the administrative and managerial services, accounts for the highest percentage of 72 percent of the total public sector work force, representing devolved and decentralized administration of education, health, agriculture, irrigation, postal and social services.

Administrative officers and other non-executive supervisory grades are in tertiary level while all the executives, judicial and law officers as well as medical officers fall under the senior level, where each category represents three percent of public service.

## 7.3 Sectoral Distribution

The sectoral distribution of employment of the public service depends on the government

Table 7.3 > Classification of Cadre of Public Sector by Service Level - 2014

Administrative Level	Service Level				Total
	Senior	Tertiary	Secondary	Primary	
National	26,251	24,760	692,825	180,977	924,813
Provincial	13,781	15,463	236,789	61,423	327,456
Local Authorities	1049	882	15,798	32,260	49,989
<b>Total</b>	<b>41,081</b>	<b>41,105</b>	<b>945,412</b>	<b>274,660</b>	<b>1,302,258</b>
<b>Percentage</b>	<b>3%</b>	<b>3%</b>	<b>72%</b>	<b>22%</b>	<b>100%</b>

Source: Department of Management Services

policy, priorities and role of the service facilitation.

As shown in table 7.4, the largest share of 32 percent of public sector employment is engaged in the human resources development sector which includes education and health services. This reflects the government commitment to promote free education and health services throughout the country to ensure access to education and healthcare services.

A share of 23 percent and 10 percent represent the security and law & order services respectively, conforming the primary responsibility of the government to ensure national security as well as stable and orderly society for economic and social development forces.

Fifteen percent (15%) of the total cadre is engaged in the infrastructure sector employment, focusing public investments, particularly, in electricity, roads, irrigation, water supply and urban development sectors, which eventually contribute to regional development and poverty reduction in the country.

In the Human Resource Development sector, the share of employment in the Provincial Councils and Local Authorities is 72 percent as against 28 percent in the central government.

This was mainly due to the high share of employment in the provincial education and health sectors.

## 7.4 Cadre Distribution by Professions

Human resources profile of public sector includes several professional service categories such as Medical, Legal, Accountancy, Engineering and Technical. Proper deployment of these professionals in each and every sector, has been made in support of development activities and broadening multi disciplinary skills in public services. In the recent past, Sri Lanka has been able to achieve a considerable place in relevant human development indicators through a well balanced cadre, particularly, in the fields of health and education, following international standards. The students teacher ratio at 18:1 places Sri Lanka in a superior place in the region.

In the backdrop of restoration of services in the North and East after 2009, targeting the expansion of health services and infrastructure development at district level, there has been an upward trend in the recruitment of doctors and other service personnel such as Engineers, Quantity Surveyors and Technical officers ect. as shown in the table 7.5.

Table 7.4 > Classification of Employees by Sectors - 2014

Sector	National Level			Provincial Councils	Local Authorities	Total	Percentage
	Public Service	Non-Commercial Entities	Commercial Entities				
Human Resource Development	86,432	31,059	2,766	284,092	18,370	422,719	32
Infrastructure	53,252	45,738	82,614	3,518	15,029	200,151	15
Economy	70,510	15,844	15,416	11,582	250	113,602	9
Banking and Finance	0	1,429	22,036	0	0	23,465	2
Civil Administration	55,252	3,858	7,415	29,484	16,579	112,588	9
Law and Order	126,946	0	0	0	0	126,946	10
Security	300,584	925	1,278	0	0	302,787	23
Total	692,976	98,853	131,525	328,676	50,228	1,302,258	100

Source: Department of Management Services

### Box 7.1 > Developing Universities as the key element of the concept of Knowledge Hub.....

#### Management of Cadre and Motivation of Employees in the University System

Developing Sri Lanka as a knowledge hub in Asia is a key development strategy in Sri Lanka's recent development agenda. In this context, universities are to be developed as the key element of knowledge hub, aiming the country to be an attractive center of regional education market. In achieving this objective, the state universities will have to play a vital role in providing the human resources needed in the country as well as in the region, in a novel form. As such, the policy makers should focus on increasing efficiency and effectiveness as well as the academic and intellectual development of the universities.

As an initial step, a cadre review of universities was initiated by the Department of Management Services in 2014, with the intention of identifying the optimum cadre for the universities and other higher educational institutions. Accordingly, the cadre requirement for the universities are being identified, concerning the implementation of Outcome Based Education (OBE) system using Student Centered Learning which was introduced to the university system in Sri Lanka recently.

Incentives for the university staff have been extensively increased since 2012, considering the valuable contribution made by them in developing higher education in the country. The academic allowance, which was restricted to 25 percent of the basic salary, paid equally from

Universities Cadre - 2014		
	Approved Cadre	Actual Cadre
Academic	7,041	5,168
Non - Academic	10,980	9,545
Academic Support	1,006	692
<b>Total</b>	<b>19,027</b>	<b>15,405</b>

*Source: University Grants Commission, Department of Management Services*

temporary lecturer to senior professor, was revised in 2011 and since then the allowance has been granted with incremental amounts based on the occupational classification. In addition to above, a research allowance is also granted with a view to encourage inventions and researches. These incentives have resulted in attracting and retaining competent intellectuals in the university system as well as

increasing the quality and efficiency of the university academics.

In realizing the anticipated outcome through these motivations, the country needs the fullest cooperation and dedication of the university academic and non academic staff in a positive manner.

Table 7.5 > **Classification of Employees of Public Sector by Professions - 2014**

Profession	National	Provin- cial	Total
Administrator/Manager	7,043	505	7,548
Education Administrator	234	1,275	1,509
Doctor	10,695	6,842	17,537
Ayurvedic Medical Officer	975	917	1,892
Accountant	951	353	1,304
Planner	878	134	1,012
Engineer	2,394	353	2,747
Lecturer	7,261	0	7,261
Veterinary Surgeon	71	381	452
Nurse	19,186	10,393	29,579
Public Health Inspector	137	1,569	1,706
Public Health Officer (Midwife)	1,101	7,678	8,779
Teacher	33,517	176,910	210,427
Development Officer	31,796	12,992	44,788
Security Personnel	275,737	0	275,737
Police Officer	73,262	0	73,262
Technical Officer	1,492	2,382	3,874
Management Asst.	36,077	13,973	50,050
Grama Niladari	11,342	0	11,342
Postal Services Officer	4,214	0	4,214
Driver/Skilled Laborer	26,481	6,244	32,725
Semiskilled Laborer	14,063	7,195	21,258
Office Aide/Unskilled Laborer	96,608	53,625	150,233
Other	269,298	73,724	343,022
<b>Total</b>	<b>924,813</b>	<b>377,445</b>	<b>1,302,258</b>

Source: Department of Management Services

The decline in persons to doctor ratio from 1,927 in 2005 to 1,155 in 2014; the population served by a nurse to 683 from 813 are instances that reflect the increase in such employees in the public service during the last few years.

## 7.5 Cadre Distribution by Gender and Age

### 7.5.1 Gender Distribution of Public Sector Employees

With modernization of society followed by competitive economy, a gradual increase of female representation in the labour market

is observed while gender distribution of employment in public sector is reaching a comparable level simultaneously. Male contribution to the sectors of security and infrastructure and the female contribution to the sectors of education and health are dominant.

Table 7.6 > **Gender Distribution of Public Sector Employees - 2014**

Institutions	Male %	Female %
Ministries/Department	54	46
Provincial Councils	45	55
Government Corporations and Statutory Institutions	68	32

Source: Department of Management Services

As shown in the above table, contribution by women in the state corporations and statutory institutions seems comparatively lower than in Ministries, Provincial Councils and Local Authorities reflecting specific service nature. Female representation is high in Provincial Councils and Local Authorities as health and education services are mostly performed by provincial and local level.

### 7.5.2 Age Distribution of Public Sector Employees

Due to the gradual decline in the population growth rate of Sri Lanka during the last two decades, aged population in the public sector has increased. The employees of public sector in the age group of 46-55 and 36 - 45 years account for 26 percent and 29 percent, respectively. Since the cadre of public sector has reached its optimum level at present, the necessity for creation of new cadre has narrowed. Therefore, only the young labour is recruited in filling of vacancies and consequently, employees in the middle aged group appears high. Further, as a policy in the public sector, the elders over 60 years of age are not employed unless in an exceptional situation, so that the employees of above 56 of age remains comparatively low in the public sector work force.

### Box 7.2 > Need for Implementation of a New Salary Structure in the Public Sector

The prevailed complex and irregular salary structure in the public sector was regularized in 2006 to a greater extent followed by a comprehensive study. Posts were re-categorized reducing the number of salary scales up to 36 from 127. The current salary structure, which was prepared eight years ago, needs to be amended considering the present requirements.

The ultimate objective of the new salary structure adopted in 2006, could not be achieved due to affixing various allowances to it, considering the increase in cost of living index and the requests from various employee categories from time to time, during last few years. As a result, an unrest among different employee categories were developed affecting the economy.

Further, a considerable disparity appears between the existing salary structures of private and public sectors. In private sector, salaries of management and executive level grades are high compared to the lower grades. Conversely, in public sector, lower grade employees draw fairly high salaries compared to the management and executive grades. This results difficulty in attracting qualified intellectuals to the professional and managerial level posts of public sector.

The followings are some of the challenges that confronted in revising the existing salary structure.

- Continuous escalation of government recruitments
- Various interventions with respect to government recruitment
- The wide gap between the salary structure of private and public sector
- Accountability for rational utilization of government revenue
- Bargaining power of various employee groups

However, it is a timely requirement to prepare a rationalized salary structure acceptable by entire public service, taking qualifications at recruitment and service level into consideration, consistent with the assigned duties for each post. Further, payment of allowances extraneous to the common salary structure which create anomalies among employee groups should not be encouraged. Therefore, a suitable mechanism should be introduced to determine all the allowances by a central independent agency to ensure there will be no distortions in the common salary structure in future.

Table 7.7 > Age Analysis of Public Sector Employees - 2014

Age (Years)	Percentage %
<25	4
25-35	30
36-45	29
46-55	26
55<	11

Source: Department of Management Services

However, since such a decline in the population cannot be expected to normalize immediately, an opportunity has created to raise the age

of retirement as a remedy for the labour shortage.

## 7.6 Creation of New Posts in 2014

Considering the service requirements in government agencies to fill skills gaps, almost 10,674 new posts were created in 2014 based on need assessments carried out by the Department of Management Services on each of such requests in consultation with Ministries, Departments and Provincial Councils. Out



of the total number of posts created, 70 percent of posts was created for ministries while 15 percent was created for Provincial Councils. In 2014, school based cadres were identified through a comprehensive study carried out with the Ministry of Education with the intention of reducing anomalies in the deployment of teachers. This process was initiated from the North Western and Sabaragamuwa provinces where approval was granted for 4,470 and 1,350 posts respectively, for those provinces.

During 2014, the number of Veterinary Surgeon posts were increased to 350 with the intention of developing livestock sector. The creation of 881, 1,732 and 350 posts respectively for Ministry of Agriculture, Ministry of Health and the Ministry of Irrigation, in recognizing the need for provision of quality service in those sectors, is significant during the period concerned. Further, measures were taken to strengthen the Department of Prisons by approving 1000 posts of Guard Aide on temporary basis while creating 600 posts of skilled laborers and security personnel for the Ceylon Electricity Board in order to provide a better service delivery to the public.

## 7.7 Challenges

The cadre of public sector is gradually increased and has reached 1.4 Million. Unless productivity in public service is increased, the pressure on public sector as well as the entire economy would be high. It is a timely need to carry out an extensive cadre review within the entire organizational system in compliance with the changes of government policies taken place from time to time rather than cadre adjustments in government institutions. Labour market disequilibrium due to the government recruitments without a proper assessment of service would adversely affect the labour requirements of the private sector.

Furthermore, granting of allowances without a proper need assessment will create unrest among employees, thereby inefficiency and low productivity of employee will adversely affect the public sector. It is a long felt need to form salaries and allowance structures so as to give the advantage of transforming the country to a middle income country for the public servant as well, considering the duties and responsibilities of the posts and ensuring the identity of the said posts. Hence, it is vital to introduce a rational method for reviewing the national wage policy and granting approval for allowances.

There should be a more accurate scientific approach for identification of potentials of service delivery corresponding to adjustment of cadre and institutional capacities. Preparation of technical and professional staff coherently with the growing requirements in specified fields is a momentous task. Reinforcement of labour force which is one of the economic resources of a country is essential in gaining economic advantages of it. Optimum utilization of human resources through proper deployment of labour force to suit the development potentials and attach the excess as skilled-labour in other labour markets with comparative advantages is a challengeable task. In this scenario, labour market should be analyzed accurately, while education and vocational training opportunities should be planned enabling proper balancing of demand and supply of labour.

Productivity enhancement of public sector would result in creation of more opportunities to strengthen the economy. Similarly, implementation of public sector capacity building programs along with fortifying of performance appraisal procedure is a timely need. Promotional schemes could be based on such schemes thereby an efficiency and job satisfaction of the public servant could be improved.

It is essential to make proper recruitments and promotions in conformity with schemes of recruitments and promotions duly approved. Since the quality of the public service is adversely affected by irregular recruitments,

the relevant administrative and appointing authorities should draw attention towards making recruitments and promotions without outside intervention following a pre-prepared plan, having analyzed exigencies of service.



**08**

**PUBLIC FINANCE  
REVIEW - 2014**

## 8.1 Overview

An effective Public Financial Management system emphasizes the need for a sound public finance regulatory framework which improves transparency, accountability and service delivery in the public sector. In this direction the Treasury works with other government institutions to enhance the management of public resources in pursuit of growth, development and poverty reduction, while aiming to strengthen transparency and accountability.

It is also needed to strengthen the broader governance environment within which the public sector operates, supporting institutions for public accountability, such as departments, ministries, other government agencies and parliament by reducing the risk of corruption and conflict of interest in public affairs in order to achieve sustainable economic growth and development.

Realizing rapid public and private investments taking place in this post conflict stage of development, more than ever, the situation will require a formal, systematic approach identifying, managing and monitoring resources and outcome. The intuitive and often reactive, approach to managing resources that has characterized public sector management in the past will no longer sufficient. A more strategic and dynamic approach is required to stay accountable in such an environment. Having realized this significant national challenge a range of regulatory and advisory services on Public Finance has been provided for public sector institutions to ensure better public financial management in the country.

### 8.2 Financial Regulations

The basic framework for the Public financial management is usually provided in the Constitution of the country. Financial

Regulations which further elaborated these legislations and rules form a border framework for government financial transactions. In carrying out governmental affairs in an orderly manner all the government institutions are required to apply these regulations. Actions have been taken to revise current Financial Regulation-1992 to suit with more challenging development demands in more user friendly and meaningful way.

Accordingly, the Financial Policies (Financial Regulations) and Procedures (Practice Manual) were compiled separately in order to provide a clear guidance to the Ministries, Departments and other government agencies to help manage public funds effectively and efficiently.

Financial Policies and Procedures were drafted incorporating the comments and suggestions made by the stakeholders including Heads of Treasury Departments, Auditor General, Heads of key Ministries and retired experienced senior Government officials. In order to include the global best practices in revised Financial Regulations, service of an Adviser of the International Monetary Fund under IMF Technical Assistance was obtained to complete the task. The Cabinet of Ministers granted approval for the Financial Regulations at its meeting held on 09.10.2014.

### 8.3 Best Practices introduced to Manage Government Finance

The following Circular instructions issued in the year to ensure best practice in Public Financial Management in Ministries, Departments, Provincial Councils and other State Owned Enterprises (SOEs) are worth mentioning.

Area	Best practice	Action Taken
Emphasize the requirement to prepare Annual Action Plans and Corporate Plans for Ministries, Departments as well as SOEs	Smooth implementation of approved budget estimates within 3 year Medium Term Expenditure Framework and Public Enterprises to have workable business plan in long term	Public Finance Circular No. 01/2014 dated 17.02.2014
Ensure safe custody of the Government assets	Chief Accounting officers to account for safe custody and preservation of money, stores, equipment and other assets belonging to government and to dispose of assets in more efficient manner	Public Finance Circular No. 02/2014 dated 17.10.2014
Management of expenditure on settlement of Communication bills	Streamlining and simplifying the prevailing procedure on the provision of communication facilities for the public officers and Government institutions	Public Finance Circular No. 03/2014 dated 30.12.2014

## 8.4 Activities related to Committee on Public Accounts (COPA)

The Committee on Public Accounts (COPA) established under Parliament Standing Order No.125 plays a significant supervisory role ensuring good governance in Public Financial Management. COPA examines the financial and non-financial functions of the Ministries, and Departments. Assisting the Committee on Public Accounts (COPA) in its examination of transactions of government Ministries and Departments and implementation of recommendations and orders of the Committee on Public Accounts are also considered as a key responsibility of Public Financial Management. Accordingly, the Representatives of the Treasury had attended these committee meetings and provided the guidance in 44 meetings of Committee on Public Accounts held in 2014 and follow up actions had been taken in relation to 23 Committee reports.

## 8.5 Procurement Management

The Government Procurement Guidelines -2006 is a comprehensive procedural guidance applying to government procurement in Sri Lanka. The resulting framework embodies important principles such as value for money, open and effective competition, ethics and fair dealing, and accountability.

Government Procurement Guideline-2006 is being updated presently taking into consideration of new demands in public procurement to be effective from 2015. This new guideline will reflect subsequent policy decisions of the Cabinet of Ministers and circular instructions on procurement issued by the Department of Public Finance Revised Guideline is prepared under four sections as follows.

Part	Theme
1	Guidelines on Procurement of Works, Goods and Services
2	Guidelines on Selection and Employment of Consultants
3	Guidelines on Procurement of Pharmaceuticals and Medical Devices
4	Guidelines on Projects Financed by Private investors including PPP

## 8.6 Public Procurement Review-2014

The government in its Annual Budget allocates a large share for the procurement of goods, works, services and consultancy services required for the delivery of public service, mainly public health, education, national security and other services, implementation of road network, adding energy to national grid, ensure reliable and continuous drinking water supply, fulfilling the ecology and domestic water demand of the selected areas and other public goods.

The total spending of the government for year 2014 was Rs. 2,602 billion. Out of the total expenditure, around Rs.616 billion which is about 24 percent of the total government spending and 6.3 percent of GDP has been disbursed through public procurement. However, the amount disbursed in the year amounted to Rs.616 billion does not represent the total Government Procurement operations carried out during the year 2014 as the government accounts are prepared on cash basis. Total commitments made during the year on procurement awards were not accounted. In addition, large amount of contractual claims arisen in 2014 have not been settled until closing of accounts for year 2014 resulting these claims to carry forward to year 2015 as unpaid bills.

The major procurements of other goods and services involved fertilizer, pharmaceuticals, diet & uniforms for three Armed Forces, school uniforms and text books which are about Rs.102 billion. The procurement expenditure of the public investment mainly consists of construction, rehabilitation & improvement of roads(national, provincial and local government level) and highways, improvement of irrigation systems, improvement of public transport system, enhancement of capacity of the local government institutions,enhancement

of infrastructure facilities in education, higher education, health and public service sectors by way of construction of new buildings, hostels, office accommodations with equipment.

## 8.7 Procurement Expenditure by Sectors

Taking in to consideration of the economic sectors of the government budget, the largest procurement value which is about Rs.180 billion representing 29 percent of total procurement value was disbursed through infrastructure sector for development of roads, highways and public transport systems etc. In year 2013, it was accounted for Rs.207 billion and 41 percent of the total procurement value. Compared with year 2013, the decline of the expenditure was mainly due to the curtailment of public investment followed by revenue shortfall. In addition, large amount of contractual claims related to various infrastructure development projects remain unpaid, and hence not included in the 2014 government expenditure.

The second largest procurement value represented by Agriculture and Irrigation sector (Real Economy sector) which is about Rs. 156 billion and 25 percent of total procurement value involved procurement of fertilizer, construction of irrigation systems, rural roads and other community based facilities etc. In 2013 the

Table 8.1 > Procurement Expenditure in 2013 - 2014

	2013			2014		
	Value Rs.bn.	Share (%)		Value Rs.bn	Share (%)	
		Total Exp	GDP		Total Exp	GDP
<b>Other goods and services</b>	<b>129</b>	<b>26</b>	<b>1.5</b>	<b>187</b>	<b>30</b>	<b>1.9</b>
Supply of Consumables						
And other recurrent items						
<b>Public investment</b>	<b>375</b>	<b>74</b>	<b>4.3</b>	<b>429</b>	<b>70</b>	<b>4.4</b>
Acquisition and						
Rehabilitation	197	39		235	39	
& Improvement of Fixed						
Assets						
Infrastructure Development	175	35		194	31	
<b>Total</b>	<b>504</b>	<b>100</b>	<b>5.8</b>	<b>616</b>	<b>100</b>	<b>6.3</b>

Source: Department of State Accounts



procurement value in relation to agriculture and irrigation sector accounted for Rs.117 billion representing 23 percent of total Procurement value. This increase in expenditure is mainly due to increment of amount disbursed on fertilizer procurement from Rs.20 billion to Rs.32 billion, and other capital expenditure incurred by the Ministry of Economic Development such as implementation of Gama Naguma Programme and Emerging Regions Programmes such as Kandurata Udanaya, Pubudamu Wellassa and Ruhunu Udanaya etc.

The third largest procurement value was represented by the National Security and Enforcement sector which is about Rs. 112 billion and 18 percent of total procurement value for the provision of logistics for armed forces and Sri Lanka police, including various constructions taken place in island wide. Comparing with 2013, the procurement value reported through this sector in 2014 shows Rs.37 billion increase. The major portion of this amount is incurred on other goods and services which is about 66 billion including 29 billion for diet and uniforms. Among the investment and capital expenditure, construction of Defence Headquarters is notable.

Human Recourse sector which includes health, education and higher education was the fourth largest procurement transaction to provide free education and health. The total procurement expenditure disbursed through human resource sector is about Rs.104 billion representing 17 percent of total procurement expenditure. This

expenditure is mainly disbursed on building constructions of both schools and Faculties of the universities, hostels for university students, supply of pharmaceutical procurements and sophisticated equipment for hospitals, and distribution of school uniforms and text books.

A broader classification on sectorial procurement activities are given in Table.8.2

Table 8.2 > Public Procurement by Sector 2013- 2014

Sector	2013 Rs. billion	2014 Rs. billion	Increase/ Decrease (%)
Infrastructure	207	180	(13)
Agricultural and Irrigation (Real Economy)	117	156	33
National Security	75	112	49
Human Resources (Education, Health)	71	104	46
Public Services	20	42	110
Finance	11	16	45
Environment	2	5	150
Social Security	1	1	0
<b>Total</b>	<b>504</b>	<b>616</b>	

Source: Department of State Accounts and Annual Estimates -2014

## 8.8 Public Procurement System

The Government Procurement Guideline-2006 as amended is the comprehensive procedural guidance applying to government procurement in Sri Lanka. Other materials such as Manuals and Standard Bidding Documents are used to provide further guidance for the procurement process.

Table 8.3 > Significance of Procurement transactions by Ministries (Ministries which incurred more than Rs.10 billion on public procurement)

Name of the Ministry	Total Procurement Value		Rs.billion
	Recurrent	Capital	Total
Defence & Urban Development	63	36	99
Economic Development	-	71	71
Health	42	21	63
Transport	11	49	60
Highways, Ports and Shipping	-	127	127
Ministry of Education	12	14	26
Local Government and Provincial council	-	22	22
Irrigation and Water Resources Management	-	40	40

Source: Department of State Accounts and Annual Budget Estimates-2014

The resulting framework embodies important principles such as value for money, open and effective competition, ethics and fair dealing, and accountability. The salient feature is that the level of procedures required in the selection process should be in direct proportion to the extent and complexity of the goods and services to be provided. This Guideline is being updated constantly taking into consideration of new demands in public procurement.

The guidelines apply not only for ministries and departments but also for State Owned Enterprises (SOEs) in delivering expected services or outcome using their own funds unless they do not use entity specific Procurement Guidelines prepared within the basic principles of the Government Procurement Guidelines 2006. However, expenditure incurred on procurements by the SOEs using their own funds do not include in government procurement expenditure. For example, the largest procurement operation of the country governed by the Government Procurement Guidelines is the procurement of Petroleum & Petroleum related products by Ceylon Petroleum Corporation. The amount disbursed on procurement of Petroleum & Petroleum related products is around Rs.500 billion for 2014. This procurement value has not been accounted in Public Procurement expenditure value of Rs.616 billion.

Further, the Government has taken a policy decision to strengthen the Balance Sheets of the Ceylon Electricity Board (CEB) and National Water Supply & Drainage Board (NSW&DB) by converting all the debts relating to CEB and NSW&DB appeared in the government accounts as of 31.12.2014 as an equity, enabling them independently sourcing of funds for their operations. Hence, from 2015 onwards the procurement expenditure by CEB and NSW&DB will not be represented in the government accounts since CEB and NSW&DB will not be supported by government funds.

Under the provisions of the Government Procurement Guideline-2006 as amended, Public Procurement is administered by Procurement Committees assisted by the Technical Evaluation Committees and Project Committees. Depending on the value (Total Cost Estimate) of the procurement, the Procurement Guidelines have specified authority limits (value thresholds) for the various procurement committees to make recommendations/decisions for contract awards.

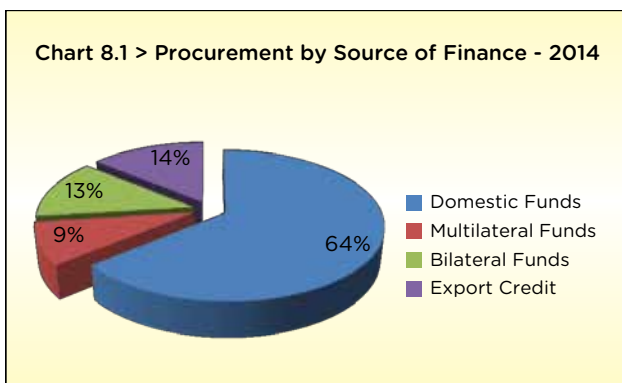
Open competitive bidding is the default method of procurement of goods and works to ensure transparency and accountability. Other methods used under exceptional situations are defined in procurement guidelines. Also procurement methods used are varied depending on the source of finance and related financial agreements and procurement guidelines of the respective development partners. Procurement methods ensure maximum publicity for Invitation to Bids (ITB) / Request for the Proposal (RFP) in calling National and International Competitive Bids. Price Quotation are called from registered suppliers or suppliers in Rainbow pages in SLT Telephone directory for the Procurement of works worth up to Rs.20 Million and with the value up to Rs.12 Million for goods and services.

For the purpose of streamlining the procurement process avoiding time and cost overrun, authority limits of the Procurement Committees under each procurement method was enhanced by issuing Supplement 28 for Procurement Manual.

## **8.9 Procurement Arrangement by sources of Finance**

Expenditure on Public Procurement is financed either by domestic resources (GOSL) or Multilateral and Bilateral Development partners funds. Funding arrangement from export credit often requires EXIM bank procedures to

be followed in selecting contractors. Lending governments either designate suppliers or procurements of related items and contractual services from their own country or lender country companies elsewhere. In 2014, a greater portion of Public Procurement expenditure has been disbursed from domestic resources following the Government Procurement Guidelines which is about 64.0 percent of total procurement spending. Procurement by source of finance is shown in chart 8.1.



## 8.10 Public Procurement challenges

Public procurement is a critical arm of the government's financial management strategy since over 25 percent of the National Budget is spent through Public Procurement system. The successful implementation of Procurement reforms will have an impact on the country's economy and subsequent development of the private sector as the government is the single largest purchaser in the country.

Transparency is the core principle of public procurement. An open and transparent procurement process improves competition, increase efficiency, mitigate corruptions and thereby save humongous amount of tax rupees by achieving value for money in public procurement. A robust transparency regime contributes massively towards the fight against corruption and improves governance enabling people to hold public officials and politicians accountable.

Public procurement in Sri Lanka is not regulated by a law. The basic contract law of the country has no specific provision directly related to public procurement. Public procurement in Sri Lanka is governed by regulatory framework, including the procurement Guidelines (for goods, works and services and for Selection and Employment of Consultants) providing guiding principles and scope of coverage to ensure transparent and accountable procurements. Since these guidelines do not provide frame work consisting of special legislation under which public procurement has to be functioned, in the recent past public procurement was criticized as a means of mismanagement of the tax payers' money.

In order to avoid repeating the same mistakes in future, the new government realized the urgent reforms necessary to the public procurement system. To that effect an Independent Procurement Commission will be established under 19<sup>th</sup> Amendment of the Constitution.

Passing and implementing a procurement law is significant as existence of such law will lead to establish greater transparency and accountability which help improve stake holders' trust in the system, increase competition through wide participation, enhance efficiency and savings in procurement operations and to improve country's image internationally with regard to public procurement. This would help address many weaknesses in the Procurement process.

The government recognizes the usefulness of implementation of Electronic Government Procurement (e-GP) system which could help increased transparency, easy access to information, increased competition and lower cost. The World Bank, ADB and other development partners recommend the introduction of electronic procurement as they are willing to provide technical

assistance to implement e-GP in Sri Lanka. One of the main purposes of establishment of Independent Procurement Commission is to early implementation of e-GP in Sri Lanka and it could be realized under the technical assistance of the development partners.

The Government recognizes strengthen of procurement capacity of the government organizations. The Sri Lanka Institute of Development Administration (SLIDA) conducts a Diploma Course in Procurement and Contract Management. The number of public officials followed this diploma course is around 35 per academic year. Major ministries have taken action to establish separate procurement unit under senior staff officer who is conversant with subject of procurement.

Moreover, The Department of Public Finance has conducted a training programme for Treasury officials who have been appointed to serve as members of the Cabinet level Procurement Committees and Technical Evaluation Committees.

Further it is required to enhance private sector awareness in Public Procurement to enable suppliers, contractors and consultants to play more effective role in presenting bids and civil society to serve as a watch dog to ensure that the public officials comply with the procurement rules and regulations and hold public officials accountable on delivery of public service.

09

# DEVELOPMENT FINANCE

## 9.1 Overview

The Government has adopted policies and strategies to promote Small and Medium Sector Enterprises (SME) and microfinance sectors having recognizing the advantage of these sectors for development of the country with achieving balance economic growth, equitable regional development, creating employment and improving productivity. Moving beyond the task of traditional banking, the commercial banks as well as development banks have moved forward to assure the proper functioning of SMEs through continuous financial assistance along with advisory support and supervision specially in marketing and in introducing new technology to support them to reach the next higher level of modernization.

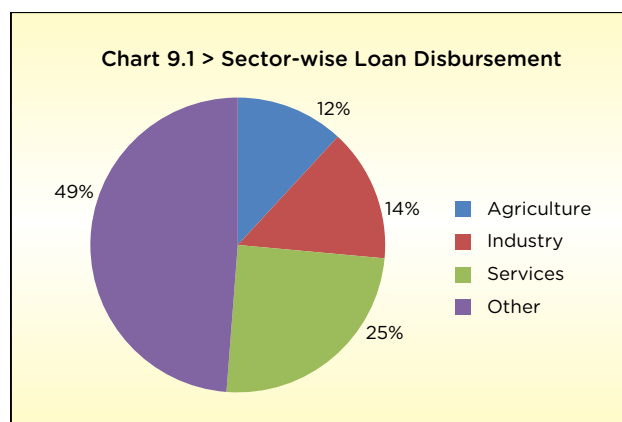
Micro finance presents many opportunities to develop entrepreneurship at the regional level, but entails some special qualities that makes it a unique form of a segment in the economy. Micro finance sector of the country has expanded substantially over the last several decades and has had an enormous impact on the rural development in the country. It also has satisfied the financial needs of the low income urban community including the micro entrepreneurs in the informal sector who do not have direct access to the formal banking system.

With the objectives of increase regional contribution to the Gross Domestic Products (GDP), minimize regional disparities, enhance farmers' income and ensure food security in the country the Government continued providing input subsidies including fertilizer, seed and planting materials, cultivation loans at concessionary interest rates, establishing

guaranteed prices for agricultural produces in order to promote agricultural Sector. Further, the Government has taken action to ensure farmer's social security and welfare through expanding farmer's pension scheme and widening crop insurance coverage.

## 9.2 SME Financing

The Government encouraged financial institutions to reach out to the SMEs in order to enhance the financial facilities available for them while functioning as advisory centers for SMEs which are recognized as the backbone of economic development. In 2014, approximately Rs. 521,385 million was granted by both state and private commercial and development banks to fulfill the funding needs of SMEs.



In 2014, out of the total SME sector loans granted by commercial and development banks, 12 percent was to the agriculture sector, 14 percent to the industry sector, 25 percent to the services sector while 49 percent went to all the other sectors under SME loans.

Table 9.1 &gt; Funds Disbursed by Commercial and Development Banks to SMEs - 2014

Bank	Agriculture		Industry		Services		Other		Total	
	No. of Loans	Total Loan Amount (Rs.Mn)	No. of Loans	Total Loan Amount (Rs.Mn)	No. of Loans	Total Loan Amount (Rs.Mn)	No. of Loans	Total Loan Amount (Rs.Mn)	No. of Loans	Total Loan Amount (Rs.Mn)
Bank of Ceylon	2,667	6,391	1,465	2,993	228	438	16,730	26,490	21,090	36,312
People's Bank	308	641	1,119	3,576	169	539	2	2	1,598	4,757
Regional Development Bank	834	552	1,015	773	1,120	859	613	421	3,582	2,605
Lankaputhra Development Bank	73	128	93	367	3	3	10	30	179	528
Sanasa Development Bank	652	319	139	206	73	112	401	282	1,265	919
National Development Bank PLC	889	2,220	2,556	8,452	194	1,121	494	1,486	4,133	13,278
DFCC Bank PLC	400	2,235	1,161	6,806	1,106	8,056	2,318	11,937	4,985	29,034
Commercial Bank of Ceylon PLC	4,753	15,071	6,929	30,645	25,703	151,679	10,041	22,851	47,426	220,246
Sampath Bank PLC	5,420	9,184	7,255	13,590	7,374	19,992	28,304	34,767	48,353	77,533
Seylan Bank PLC	1,617	5,931	4,443	16,809	6,063	13,037	3,507	9,543	15,631	45,320
Hatton National Bank PLC	4,054	6,981	2,417	11,562	6,439	26,401	1,150	2,472	14,060	47,415
Nations Trust Bank PLC	275	2,015	673	2,221	2,240	8,594	9,445	15,011	12,633	27,840
Union Bank of Colombo Ltd.	2,848	1,409	1,170	2,283	1,028	1,783	28,829	10,123	33,875	15,599
<b>Total</b>	<b>24,790</b>	<b>53,075</b>	<b>30,435</b>	<b>100,281</b>	<b>51,740</b>	<b>232,614</b>	<b>101,844</b>	<b>135,414</b>	<b>208,810</b>	<b>521,385</b>

Source: Respective Banks

### 9.3 Micro Financing

At present, microfinance industry is developing a new dimension called “financial inclusion” which covers four key areas; savings, credit, micro-insurance and money transfers. Microfinance of the country is facilitated by many actors; ministries, commercial banks, specialized banks, registered financial companies and informal lenders. Many development agencies and NGOs also support the improvement of accessibility of poor people to financial services at grass root level.

The Government plays a key role in providing concessional funding through various agencies in order to alleviate poverty and to create financial inclusion of underprivileged people in rural and remote areas of the country. Various Government-led micro financing programs targeting the low income families have been implemented during 2014. The progress of micro financing programmes carried out by government affiliated institutions in 2014 is as follows.

Overall these micro finance institutions provide financial services either through loans

Table 9.2 &gt; Progress of Major Microfinance Institutions - 2014

Microfinance Institution	No. of Branches	No. of Depositors	No. of Borrowers	Total Deposits (Rs. Mn)	Total Investment (Rs. Mn)	Total Borrowings (Rs. Mn)
Department of Divineguma	1,074	9,104,024	6,618,730	54,479	48,308	128,026
Department of Co-operative Development	2,185	8,743,625	1,454,695	89,634	74,919	37,757
Department of Agrarian Development	532	272,023	483,250	328	2,213	5,826
Regional Development Bank	265	5,228,002	466,106	72,544	25,807	25,881
Lankaputhra Development Bank	8	40,244	7,677	354	5,490	2,768
<b>Total</b>	<b>4,064</b>	<b>23,387,918</b>	<b>9,030,458</b>	<b>217,339</b>	<b>156,737</b>	<b>200,258</b>

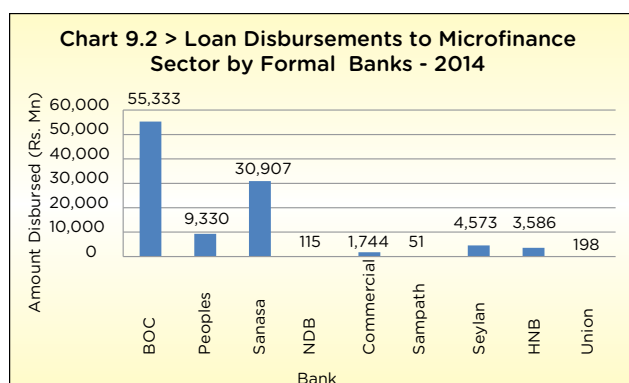
Source: Department of Development Finance



or deposit facilities. The outstanding loan portfolio of major microfinance institutions stands at Rs. 200 billion out of which 64 percent (Rs. 128 billion) is held by Department of Divineguma, 19 percent (Rs. 38 billion) is held by Department of Cooperative Development, 13 percent (Rs. 26 billion) is held by Regional Development Bank, 3 percent (Rs. 6 billion) is held by Department of Agrarian Development and the balance 1 percent (Rs. 3 billion) is held by Lankaputhra Development Bank.

Table 9.2 indicates that the savings of the indigent have reached up to Rs. 217 billion by 2014. The major MFIs have spent Rs. 156 billion on long term and short term investments.

In 2014, licensed commercial banks disbursed Rs. 106 billion in loans to the microfinance sector. Of this, Rs. 55 billion was provided by the Bank of Ceylon as small loans under



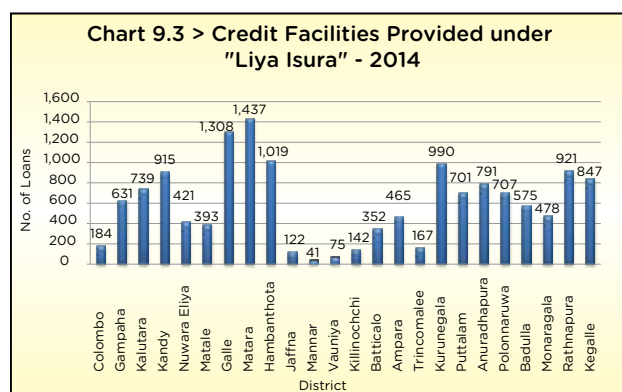
New Comprehensive Rural Credit Scheme (NCRCS), Poverty Alleviation Micro Finance Project (PAMP) and “Saubhagya” Loan Scheme. SANASA Development Bank and People’s Bank also play a significant role in this process and have disbursed Rs. 31 billion and Rs. 9 billion respectively in 2014. Compared with the state banks, Seylan Bank and Hatton National Bank (HNB) are the private banks with significant microfinance portfolio and have offered loans to the rural areas facilitating access to finance through various microfinance programs.

### 9.3.1 “Liya Isura” - A Loan Scheme for Women in Small Business

“Liya Isura” is a special loan scheme initiated by the Government in March 2014 targeting women entrepreneurs who do not have collateral but have profitable business or business proposals. Under this loan scheme, credit facilities are provided for women up to a maximum of Rs. 250, 000 to expand their on going businesses or to start up new businesses through the Regional Development Bank (RDB).

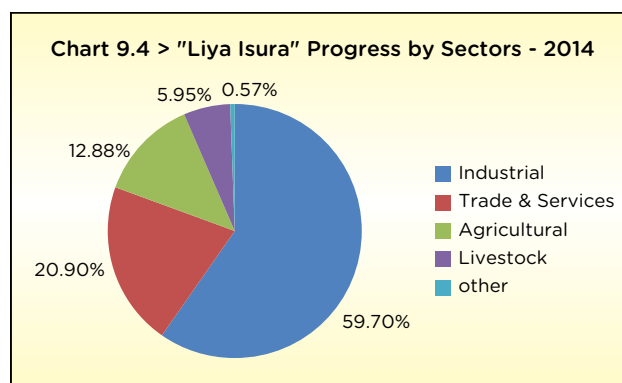
Women entrepreneurs who are engaged in their own business in various sectors were granted credit facilities without interest and collateral irrespective of their age. A substantial percentage of women who were unable to start their own businesses or unable to expand their business activities due to limited access to finance, were benefitted under this loan scheme in 2014.

The target, under the “Liya Isura” loan scheme in 2014 was to provide Rs. 3,350 million to 13,400 women Entrepreneurs Island wide. Achieving the expected targets in 2014, the “Liya Isura” loan scheme was successfully implemented by providing Rs. 2,316 million loans among 14,421 women entrepreneurs in island wide. Galle, Matara and Hambantota districts are significant in loan disbursements and more than 3,500 women entrepreneurs have been benefitted in 2014. These loan facilities have been utilized for new businesses



and for the development of the existing businesses in agriculture, industries and service sectors etc.

In 2014, about 60 percent of loans have been utilized in industrial sector especially in garments, coir and handy crafts industry and 21 percent in trade and services sectors. In addition 13 percent and 6 percent of women entrepreneurs have engaged in agricultural and livestock activities respectively. Most of the women have engaged in domestic industries with the support of their family members, as it was an great opportunity for women to protect their family while carrying out their own businesses and adding additional income to their family budget.



*"The total provision released under this programme during 2014 was around Rs. 31,802 million."*

#### Box 9.1 > Special Relief for Pawning Advances

The new Government has implemented several special measures to provide relief to the people by reducing the rising cost of living, which was considered as one of the key burning issues of the country. People who suffered from the cost of living burden have pawned their Jewellery received from their parents and close relatives as memorials to obtain instant loans in order to fulfill their day to day needs. Most of the people were not been able to settle those loans in line with the contract since they have utilized this money for consumption and the high interest rate charges by banks is not reachable. Therefore, poor people who have obtained loans from unauthorized sources to settle these pawning advances finally face the loan-trap.

The new Government understands the misery of the people who had gone through numerous hardships in facing up to the rising cost of living and announced to waive off the excess interest rate charged on pawned Jewellery as a special relief with effect from 15th March 2015.

According to this relief package, people who have obtained a pawning advance up to a maximum amount of Rs. 200,000 from the state owned banks are eligible to enjoy the benefit under this scheme. Rs. 7,000 million has been allocated to implement this relief package by the Interim Budget 2015 and more than 100,000 people will be benefited through this scheme.

## 9.4 Enhancing Agriculture Sector

### 9.4.1 Fertilizer Subsidy Programme

The contribution made by the fertilizer subsidy programme towards achieving agriculture sector growth targets was enormous due to the reduction of the cost of production in agricultural goods and improved access to agricultural inputs. The ongoing fertilizer

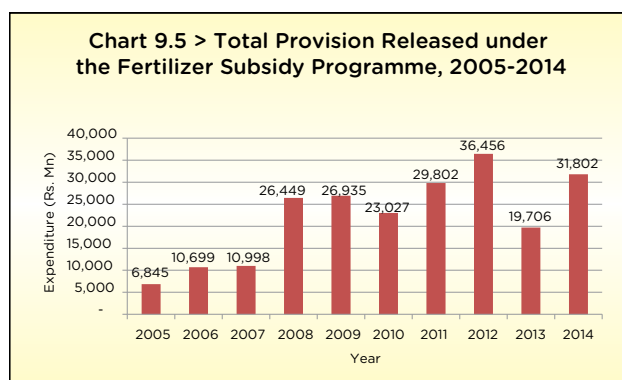


Table 9.3 &gt; Comparison of Paddy Cultivation Data in 2013 and 2014

Description	No. of Farmers Obtained Fertilizer	Fertilizer Quantity Issued (Mt)	Gross Extent Sawn (Ha)	Nett Extent Harvested (Ha)	Paddy Production (Mt)
2012/13 Maha	1,044,343	247,078	779,635	664,804	2,846,276
2013 Yala	658,560	113,434	447,613	402,534	1,774,452
<b>2013 Total</b>	<b>1,702,903</b>	<b>360,512</b>	<b>1,227,248</b>	<b>1,067,338</b>	<b>4,620,728</b>
2013/14 Maha	941,792	186,846	651,289	520,608	2,235,851
2014 Yala	538,048	92,518	312,979	272,339	1,144,929
<b>2014 Total</b>	<b>1,479,840</b>	<b>279,364</b>	<b>964,268</b>	<b>792,947</b>	<b>3,380,780</b>
<b>% Reduction from 2013 to 2014</b>	<b>13</b>	<b>23</b>	<b>21</b>	<b>26</b>	<b>27</b>

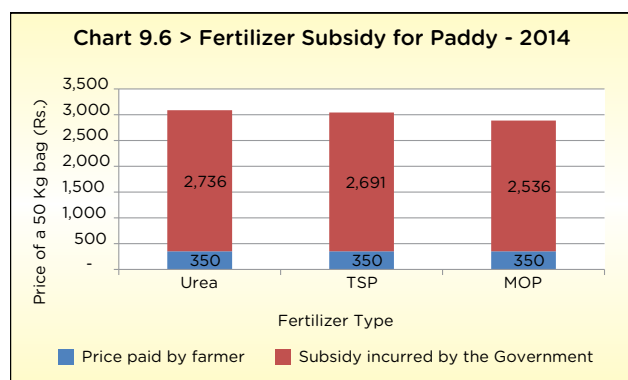
Source : Department of Agrarian Development and Department of Census and Statistics

subsidy programme was announced in 2005 enabling the farmers to get rid of the impediments faced due to high prices of fertilizer. At present, the fertilizer subsidy is provided for paddy as well as for other crops in order to obtain an optimum level of yield with a desired level of soil conservation. The total provision released under this programme during 2014 was around Rs. 31,802 million.

#### 9.4.1.1 Fertilizer Subsidy for Paddy

As fertilizer is identified as one of the key determinants in paddy cultivation, the three major fertilizer types used for paddy in their straight form was made available at a subsidized price of Rs. 350/- per 50 Kg bag each from 2005. Accordingly, Urea, TSP (Triple Super Phosphate) and MOP (Muriate of Potash) are issued at Agrarian Service Centers through the distribution channel of the two state fertilizer companies.

The average subsidy borne by the Government on a 50 Kg bag of paddy fertilizer is around 88 percent of the market price.



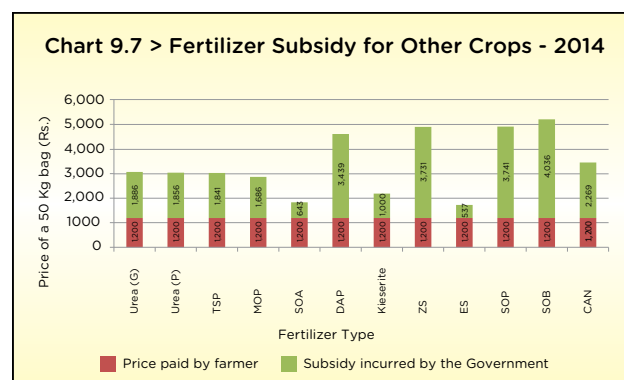
The drought situation which prevailed in 2014 has made a direct impact upon paddy cultivation. As a result, there was a significant drop in paddy production and even the extent cultivated, extent harvested and hence fertilizer issuance has fallen compared with both seasons of 2014.

#### 9.4.1.2 Fertilizer Subsidy for Other Crops

As an incentive for farmers to expand their cultivating capacity from one crop to multiple crops and to increase the productivity of crops other than paddy, the fertilizer subsidy for other crops was announced in 2011 at the following concessionary prices.

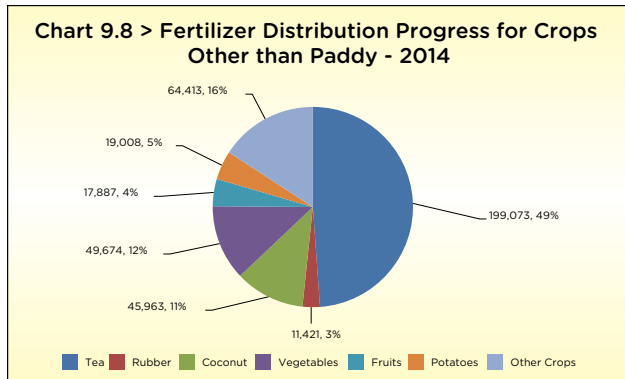
- A 50 Kg bag of any type of straight fertilizer to be sold at Rs. 1,200/-
- A 50 Kg bag of mixed fertilizer to be sold at Rs. 1,300/-

The subsidy borne by the Government as a percentage of the market price on a 50 Kg bag of straight fertilizer lies between the range of 31 percent to 77 percent.



This programme has increased the accessibility to fertilizer while providing consumers a variety of straight and mixed types with a range of quantities from both private and state owned fertilizer outlets.

In 2014, a total volume of 407,439 Mts of fertilizer was distributed under this programme for different types of crops other than paddy.



### 9.4.2 New Comprehensive Rural Credit Scheme (NCRCS)

New Comprehensive Rural Credit Scheme (NCRCS) was continued during 2014, enhancing the rural sector production and uplifting the living standards of rural community as well by providing credit facility for cultivation. The concessionary interest rate charged for the loans granted under NCRCS was revised in 2014 considering the prevailing situation of the financial market of the country. Accordingly, the interest

rate granted by the PFIs to farmers was reduced from 9 percent to 7 percent and the subsidy rate paid by the Government was reduced from 6 percent to 5 percent. In order to promote the local crops up to the self-sufficiency level as envisaged by the government, the maximum loan amounts for the 32 crops has increased considerably as a positive step given to offset increases in cost of cultivations.

In terms of loan distribution, the small loans below the maximum loan limit of Rs. 32,000 per Acre have been provided mostly to the paddy sector, and this represents 62 percent of the total loan disbursement in 2014. Onion and maize cultivators have also benefited under NCRCS and 14 percent and 10 percent of the total loan amount has been released for these sectors. In 2014 land to the extent of 240,921 acres has been utilized for crop cultivation of which 76 percent was for paddy which received more concessions by the Government to reach self-sufficiency level.

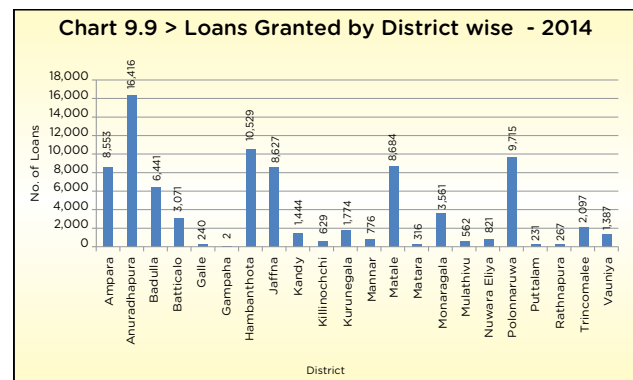


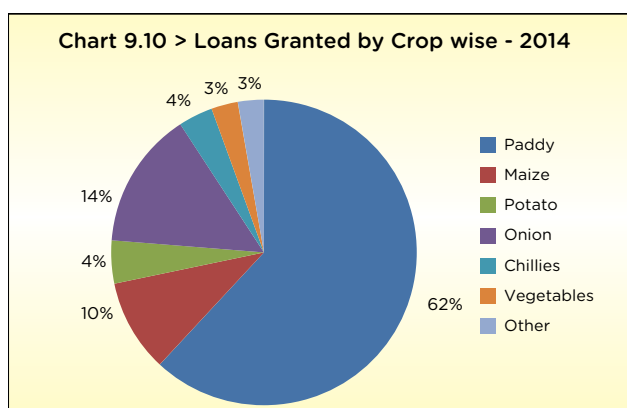
Table 9.4 > Loan Disbursements under NCRCS - 2014

Crop	Maximum Loan Limit per Acre (Rs.)	Maximum Land Units (Acres)	No. of Loans Granted	Amount Released (Rs. Mn)	Extend of Land (Acres)
Paddy-Irrigated	30,000	10	53,343	3,773	183,916
Rain fed	32,000	10			
Maize	34,000	10	8,446	465	20,466
Potato	252,000	2	3,907	612	3,975
Onion	140,000	2	12,518	1448	19,575
Chilies	88,000	2	3,141	177	4,744
Vegetables	31,000 - 119,000	2	2,414	136	3,797
Other-Ginger	70,000	2	2,374	137	4,447
<b>Total</b>			<b>86,143</b>	<b>6,748</b>	<b>240,920</b>

Source : Central Bank of Sri Lanka

In 2014 the highest loan disbursement of Rs 1,256 million was recorded in Jaffna District and 8,627 farmers benefitted. Broader access to credit facilities and the peaceful environment encouraged more farming in those areas. The number of farmers who benefitted under this credit scheme are considerably high in Anuradapura, Hambantota and Pollonaruwa districts in comparison with other Districts.

In terms of crop distribution, the paddy sector



further dominates in the total number of loans granted accounting for 62 percent of total disbursements in 2014 followed by onion and maize which have been promoted as import substitute crops to promote food security and livelihood income opportunities.

### 9.4.3 Crop Insurance

The crop insurance, which was introduced in 2013 with the intention of providing relief to the farmers for the damage caused to their cultivations due to drought, floods and wild elephants was initially implemented by the National Insurance Trust Fund (NITF). In year 2014, few timely amendments were made to this scheme in order to provide more efficient service for farmers insured under this scheme. Extension of this scheme from paddy farmers to all smallholder farmers engaged in all crops was made in year 2014 and the implementation authority was shifted from NITF to the Agricultural and Agrarian Insurance Board (AAIB) from December 2014 avoiding the unnecessary delays that had occurred on payments. In 2014, approximately Rs. 795 million was collected as the premium and Rs. 365 million was paid among 33,387 farmers for crop damages during this year.

### 9.4.4 Social Security for Farmers

The Farmers Pension Scheme was continued throughout 2014 with the higher benefits proposed in the Budget 2014. At the end of 2014, 123,768 elderly farmers were being

#### Box 9.2 > A Relief for Cultivation Loans

The contribution given by the farmers to foster the agriculture based economy is immense. However, in the recent past they had to undergo many difficulties since their crops have failed due to factors beyond their control such as floods, droughts, pests, natural calamities, civil commotion etc. On such situations, the farmers were unable to repay their loans obtained from banks to undertake their agricultural activities. By understanding the difficulties faced by the farmers, the Interim Budget 2015 proposed to write off 50 percent of the capital of cultivation loans granted by the state banks to farmers.

Individual farmers who have obtained cultivation loans for paddy and other field crops under cultivation loan schemes up to a maximum amount of Rs. 100,000 from state owned banks and transferred to non- performing category are eligible for the relief package. The banks write off 50 percent of the total outstanding capital of the cultivation loans of non-performing categories and the losses are reimbursed to the banks by the Treasury. Accordingly, Rs. 2,500 million has been allocated by the Government from 2015 budget to implement this scheme with effect from 06th March 2015.

Table 9.5 &gt; Pension Provided for Farmers by Age Group

Age Group	Monthly Pension (Rs.)	No. of Farmers Entitled	Amount Paid (Rs. Mn)
60 - 63	1,000	18,832	163
64 - 70	1,250	73,018	1,095
71 - 77	2,000	28,981	696
Above 78	5,000	2,937	176
<b>Total</b>		<b>123,768</b>	<b>2,130</b>

Source: Agriculture and Agrarian Insurance Board

benefited under this scheme and total of Rs. 2,130 million was spent during the year 2014 on this new scheme. Since the Farmers' Pension Fund is not in at a level of self-sufficiency, the Treasury provided Rs. 180 million per month for AAIB to provide the pension on time. Currently, the entitled farmers receive their monthly pension within the first week of each month through the post office.

#### 9.4.5 Assistance to the Small Holder Plantation Sector

In the process of developing the economy of the country, proper utilization and continuous improvements in the plantation sector are significant since it plays a vital role as a major foreign exchange earner. As the country has benefitted from the plantation sector for several decades the sector also was fortunate to get incentives from all the governments that came to power after independence. This plantation

sector contributes 1.9 percent to the Gross Domestic Product and shares 17.5 percent of total exports.

At present, the plantation sector is being led by the small holders with plots of land less than 10 acres in tea and rubber and less than 5 acres in coconut. Further, this smallholder sector contributes 72 percent of tea, 65 percent of rubber and 82 percent of coconut production.

In order to encourage the small holder plantation sector, the incentives that the Government provided for re-planting and new planting of tea and rubber increased in 2014. Accordingly, a subsidy of Rs. 500,000 and Rs. 400,000 per hectare was given respectively for the re-planting and new planting of tea. Further, a subsidy of Rs. 175,000 and Rs. 150,000 per hectare was given respectively for the re-planting and new planting of rubber.

Table 9.6 &gt; Performance of Small Holder Plantation Sector, 2010 - 2014

Year	Tea		Rubber		Coconut	
	Extent (Ha)	Total Production (Kg Mn)	Extent (Ha)	Total Production (Kg Mn)	Extent (Ha)	Total Production (Mn nuts)
2010	204,619	331	125,645	153	394,836	1,900
2011	206,104	328	128,120	158	394,836	2,303
2012	194,508	328	130,780	152	394,836	2,411
2013	194,508	340	133,668	130	394,836	2,061
2014	194,508	338	140,000	99	394,836	2,890

Source: Ministry of Plantation Industries, Department of Rubber Development, Sri Lanka Tea Board



**Box 9.3 > Guaranteed Price for Natural Rubber**

The guaranteed price of Rs. 300 per Kg of natural rubber was provided through the Department of Rubber Development (RDD) with effect from 15th November 2014 in line with the Budget Proposal announced at the Budget 2015 in order to encourage the rubber smallholders. At the initial stage, it was provided only to smoked sheet rubber (RSS 1,2,3,4 and 5) and this subsidy was further extended to latex rubber after considering the request made by the small scale latex rubber producers.

It was proposed at the Interim Budget 2015 to increase this guaranteed price up to Rs. 350 per Kg to further encourage the rubber smallholders and ensure the long term sustainability of the industry. Accordingly, the new scheme is being implemented with effect from 1st April 2015 and provides a guaranteed price under four categories based on the price prevailing at the local market through the RDD to the rubber smallholders who claim for this benefit in order to encourage the value added production.

Table 9.7 > **Guaranteed Price and Subsidy Provided for Each Category**

Category	Guaranteed Price (Rs. per Kg)	Local Market Price on 30.03.2015 (Rs. Per Kg)	Subsidy to be Paid (Rs. Per Kg)
RSS 1 & RSS 2	350	210	140
RSS 3	325	200	125
RSS 4 & RSS 5	300	190	110
Latex	300	195	105

Source : Department of Development Finance

The Government has to spend approximately Rs. 690 million per month to implement this scheme in a sustainable manner and Rs. 3,600 million has been allocated for this purpose for year 2015.

**Box 9.4 > Guaranteed Price for Tea Leaves**

Tea industry plays a significant role in the economy from colonial era as a foreign exchange earner and livelihood provider. At recent past, the price of tea leaves has drastically dropped and tea smallholders have suffered most as they contribute around 72 percent to the tea industry. Considering these facts, the new Government proposed to provide a guaranteed price of Rs. 80 per kg of Green Leaves with effect from April 2015.

Around 400,000 tea smallholders who supply green tea leaves to about 712 active tea factories will be benefitted from this scheme and it is proposed to implement through Sri Lanka Tea Board. According to the proposed methodology, the price difference will be paid to tea smallholders when the tea small holder is paid less than Rs.80/- per kg of green leaves based on the price at the Colombo Tea Auction.

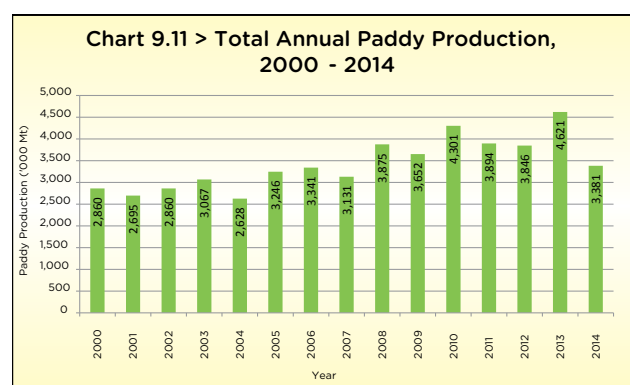
By implementing this scheme, the production of made tea and annual export income are expected to increase by 30 million Kgs and Rs. 9 billion per annum respectively. The estimated cost for implementation of this scheme is approximately Rs. 700 million per month and Rs. 5,000 million has been allocated for this purpose by the Interim Budget of 2015.



## 9.5 Food Security

### 9.5.1 Paddy Purchasing Programme

As in the previous years, the Government engaged in a special role in 2014 towards ensuring food security in the country. Due to the drought conditions that prevailed in the country during the 2013/2014 Maha season and 2014 Yala season, paddy production decreased by a considerable volume and the total paddy production was recorded at 3,380,780 Mt in 2014, which was a reduction by around 27 percent compared to the paddy production in the year 2013.



This decline in paddy production led to a competition among private millers in purchasing paddy, which, in turn, paved the way for the farmers to receive a higher price for their paddy than the guaranteed price, at the farm gate level. In the circumstances, Paddy Marketing Board purchased only 4,563 Mt from the farmers in 2014.

However, District Secretariats of Jaffna, Kilinochchi, Vavuniya, Mullaitivu, Monaragala and Balicaloa have purchased 7,586 Mt of rice under the Government's Paddy Purchasing Programme, utilizing Rs. 263 million of the funds provided by the Treasury. According to the revised Budget Proposals 2015, it was planned to purchase 200,000 Mt of paddy for the Maha 2014/15 season. A provision of Rs. 9,900 million was made for this purpose. By the end of April 2015, 157,158 Mt of paddy has been purchased by utilizing Rs. 7,500 million. Further, the revised Budget Proposal 2015 certified a guaranteed price of Rs. 50/kg for Keeri Samba and other varieties of Samba while Rs. 45/kg was guaranteed for all other varieties of rice.

Table 9.8 > Quantity of Paddy Purchased by Paddy Marketing Board

Season	Nadu (Mt)	Samba (Mt)	Total (Mt)	Value (Rs. Mn)
2009/10 Maha	63,850	6,919	70,769	1,995
2010 Yala	83,819	27,910	111,729	3,184
<b>Total</b>	<b>147,669</b>	<b>34,829</b>	<b>182,498</b>	<b>5,179</b>
2010/11 Maha	2,913	556	3,469	98
2011 Yala	58,967	16,205	75,172	2,137
<b>Total</b>	<b>61,880</b>	<b>16,761</b>	<b>78,641</b>	<b>2,235</b>
2011/12 Maha	107,319	8,467	115,786	3,259
2012 Yala	9,936	540	10,476	294
<b>Total</b>	<b>117,255</b>	<b>9,007</b>	<b>126,262</b>	<b>3,553</b>
2012/13 Maha	107,445	31,205	138,650	4,530
2013 Yala	81,834	12,542	94,376	3,058
<b>Total</b>	<b>189,279</b>	<b>43,747</b>	<b>233,026</b>	<b>7,588</b>
2013/14 Maha	3,971	592	4,563	148
2014 Yala	0	0	0	0
<b>Total</b>	<b>3,971</b>	<b>592</b>	<b>4,563</b>	<b>148</b>
<b>Grand Total</b>	<b>520,054</b>	<b>104,936</b>	<b>624,990</b>	<b>18,703</b>

Source: Paddy Marketing Board

Paddy purchasing through the Paddy Marketing Board (PMB) started in 2008. Funds for PMB paddy purchasing programme was arranged from two funding sources: the Treasury and State Banks. The total funds released to PMB from 01.01.2008 to 31.12.2014 through Treasury funds and State Banks for paddy purchasing was Rs. 16,947 million. However, total outstanding out of the funds provided is Rs. 8,432 million which is a 49 percent of the amount granted. The total paddy stock purchased by PMB from 01.01.2008 to 31.12.2014 by utilizing these funds was 680,831 Mt and currently there aren't any paddy stocks available with PMB.

Treasury guarantees were issued to the State Banks (Bank of Ceylon, People's Bank, National Savings Bank, and Regional Development Bank) to cover the total outstanding loan amount of the PMB as at 30.06.2013 which was Rs. 7,326 million. Period of these guarantees were extended till 31.12.2014 to cover the total outstanding loan (capital and interest) amount of Rs. 6,599 million as at 20.03.2014. However, by 31.01.2015 a balance of Rs. 6,453 million was outstanding.

Paddy purchasing through District Secretaries/ Government Agents started in 2006. The total amount of money released to District Secretaries/ Government Agents by the Treasury for paddy purchasing from 01.01.2006 to 31.12.2014 was Rs. 4,413 million. As at 31.01.2015, total outstanding dues to be collected from respective District Secretaries/ Government Agents was Rs. 485 million. This is approximately 11 percent of the total amount granted so far. However, currently there are no paddy stocks available with District Secretaries/Government Agents.

Out of the total Treasury funds provided to District Secretaries/ Government Agents and Paddy Marketing Board the outstanding balance as at 31.01.2015 is Rs. 2,540 million. Outstanding dues of the Paddy Marketing Board payable to State Banks is Rs. 6,453 million. Accordingly, total outstanding amount of the entire Government paddy purchasing programme as at 31.01.2015 is Rs. 8,993 million.

Due to the effects of drought situation on paddy harvest the increase in paddy purchasing is not significant compared to

Table 9.9 > Loans Granted to Private Sector for Paddy Purchasing - 2014

	2013/14 Maha		2014 Yala		Total	
	No. of Loans	Total Loan Amount (Rs. Mn)	No. of Loans	Total Loan Amount (Rs. Mn)	No. of Loans	Total Loan Amount (Rs. Mn)
People's Bank	193	1,583	142	1,706	335	3,289
Bank of Ceylon	333	9,000	229	6,100	562	15,100
RDB	80	150	114	109	194	259
<b>Total for State Banks</b>	<b>606</b>	<b>10,733</b>	<b>485</b>	<b>7,915</b>	<b>1,091</b>	<b>18,648</b>
Commercial Bank	53	144	199	875	252	1,019
Hatton National Bank	221	1,732	161	1,230	382	2,962
Seylan Bank	33	226	80	434	113	660
Sampath Bank	130	1,362	194	2,043	324	3,405
DFCC Bank	13	75	17	207	30	282
National Development Bank	21	249	-	-	21	249
<b>Total of Private Banks</b>	<b>471</b>	<b>3,788</b>	<b>651</b>	<b>4,789</b>	<b>1,122</b>	<b>8,577</b>
<b>Grand Total</b>	<b>1,077</b>	<b>14,521</b>	<b>1,136</b>	<b>12,704</b>	<b>2,213</b>	<b>27,225</b>

Source: Respective Banks

2013. In the year 2014 state banks and private banks have granted Rs. 27,225 million for paddy purchasing in total. This is an increase of around 19 percent compared to the amount granted in 2013 which was Rs. 22,868 million. The number of loans has increased from 1,423 in 2013 up to 2,213 in 2014.

### 9.5.2 Ensuring Guaranteed Prices for Farmers

With the aim of achieving self-sufficiency in food crops, the Government has taken several policy actions to encourage farmers in their farming activities. Providing guaranteed prices for food crops, crop insurance and the farmer pension scheme are the main policy decisions that were implemented by the Government for the benefit of local farmers.

In February 2014, the Cabinet of Ministers approved providing guaranteed prices of Rs. 80/- per Kg, Rs. 60/- per Kg and Rs. 350/- per Kg for Potato, Big Onion and Dried Chilies respectively. In addition to that, approval was given to provide guaranteed price of Rs. 160/- per Kg for Seed Potato and Rs. 12,000/- per Kg for Big Onion Seeds with the aim of making local farmers more profitable and enhance the availability of more productive local seeds. Further action was taken to ensure the implementation of these decisions and as a result, the harvests of local farmers were purchased through Lanka Sathosa Limited and District Secretaries/ Government Agents of respective districts at the guaranteed prices. Accordingly, a total quantity of 6,352 Mts of the potato harvest was purchased by Lanka Sathosa Limited, District Secretaries/ Government Agents of Badulla and Nuwara Eliya districts spending Rs. 605 million and 5,469 Mts of Big Onion were purchased by Lanka Sathosa Limited spending Rs. 464 million in year 2014.

### 9.5.3 Storage Facilities

The Government, with the assistance of the World Bank, has introduced an innovative mechanism to assist the farmer produces in the dry zone by providing them with quality storage facilities to store their produce such as Paddy, Maize and Soya Bean during harvesting periods and to use stored commodities as collateral to access financial facilities from the financial institutions. Under this project, construction of three warehouses has been initiated in the Districts of Anuradhapura, Mannar and Monaragala. Out of these, Anuradhapura warehouse was completed with a storage capacity of 8,000 Mt for the above crops.

In addition, 374 agreements have been signed to construct household based warehouses for Big Onion in the Districts of Anuradhapura, Matale, Polonnaruwa and Kurunagala. The total storage capacity of Big Onion warehouses was 3,980 Mt and it has been allocated to 1,685 Mt, 1,415 Mt, 560 Mt and 320 Mt in the Districts of Matale, Anuradhapura, Polonnaruwa and Kurunagala respectively. Among the above storages, 220 warehouses with a total capacity of 2,275 Mt have been completed as at 31st December 2014.

### 9.5.4 Rice Imports

With the objective of preventing a rice shortage in the country and stabilizing prices of rice in the market, while providing rice to the consumers at affordable prices, private and public sector institutions were encouraged to import rice from foreign countries. Accordingly, financial facilities required for importation of rice were arranged through the state banks. In addition, the import tax of Rs. 39/- imposed per 1Kg was reduced to Rs. 5/- with effect from 2014.01.01 and then to Rs. 1/- with effect from 2014.08.01.

The Government of Sri Lanka entered into an agreement with the Government of

Bangladesh to import 25,000 Mt of rice on Government to Government basis. Importation of rice under this agreement was carried out through Lanka Sathosa which was the main rice importer among the government institutions engaged in rice importation at the time. A total quantity of 599,718 Mt of rice was imported to the country during the year 2014, out of which, 108,897 Mt has been imported by Lanka Sathosa Ltd.

## 9.6 Drought Relief

As a result of the drought condition which occurred during the mid 2014 people throughout the country faced the problems such as shortage in drinking water, shortage in irrigable water for cultivation and loss of their daily income sources.

*“Development Programme for Providing Relief and Uplifting Livelihood of Drought Affected People”*

By considering the possible damage to crops including paddy and many social and economical drawbacks, the “Development Programme for Providing Relief and Uplifting Livelihood of Drought Affected People” was implemented under the direct supervision of the Ministry of Finance. This development programme consists of four separate projects that aim to uplift living conditions of the affected people and it was conducted successfully in 17 districts within a 3 month period commencing 21.07.2014.

### 9.6.1 Increasing the Water Storage Capacity of Reservoirs and Tanks through Desiltation

Under this project, approximately 750 reservoirs and tanks were de-silted spending about Rs. 1,300 million in order to increase the water level available in reservoirs and tanks for cultivation in the 17 districts affected from the drought.

Table 9.10 > Progress of the Tank Desiltation Project

District	No. of De-silted tanks	Volume De-silted (Acre Feet)	Expenditure (Rs. Mn)
Anuradhapura	37	1,182.00	220.00
Polonnaruwa	42	204.70	31.09
Hambantota	85	769.00	56.12
Puttalam	27	86.40	14.08
Vavuniya	16	79.10	36.88
Trincomalee	45	10.00	11.85
Ampara	17	200.10	..
Kandy	4	4,690.00	4.89
Kurunagala	23	61.50	10.52
Mannar	15	55.12	56.84
Mulativu	9	18.43	19.30
Bataloa	17	3.55	24.22
Monaragala	21	517.00	45.68
Jaffna	52	..	..
<b>Total</b>	<b>410</b>	<b>7,876.90</b>	<b>531.47</b>

Source: Department of Development Finance, Department of Project Management and Monitoring

Table 9.11 &gt; Performance of the Drinking Water Supplying Project

District	Nature of the Work	Expenditure (Rs. Mn)
Anuradhapura	supplied water through 18 water bowzers	3.14
Polonnaruwa	supplied water through 46 water bowzers	23.05
Mannar	305 water supply connections were built	2.50
Vavuniya	Tube well repairing and water supplying	11.27
Ampara	supplied water through 3 water bowzers	0.15
Monaragala	supplied water through 27 water bowzers	2.29

Source : Department of Development Finance, Department of Project Management and Monitoring

### 9.6.2 Enhancing Availability of Drinking Water

The main purpose of this project was to supply hygienic drinking water to people in those areas when it was not possible to find such drinkable water due to the drought. Approximately 97 bowzers were used to provide drinking water and Rs. 42.4 million was spent on the project.

### 9.6.3 Rehabilitation of Agro Wells

As an option to increase water available for farmers who are using agro wells to obtain water for cultivation, the project of rehabilitation of agro wells was conducted mainly in Anuradhapura, Polonnaruwa, Mannar, Vavuniya and Matale districts. Approximately 675 agro wells were rehabilitated by spending around Rs. 37.02 million.

Table 9.12 &gt; Performance of the Rehabilitation of Agro Wells Project

District	No. of Agro Well Rehabilitated	Expenditure (Rs. Mn)
Anuradhapura	137	2.02
Polonnaruwa	7	3.21
Matale	168	6.42
Mannar	96	17.00
Monaragala	2	0.41
Vavuniya	49	1.11
Mulativu	216	6.85
<b>Total</b>	<b>675</b>	<b>37.02</b>

Source : Department of Development Finance and Department of Project Management and Monitoring

### 9.6.4 "Cash for Work" for Enhancing Income of Affected People

This project was implemented to rehabilitate and maintain small irrigation systems/ channels and rural roads with the participation of the rural community. Simultaneously, it was expected to expand the short-term income generation opportunities in the affected areas to support affected people. A member of an affected family was assigned for this purpose, with the maximum payment of Rs. 6,000 per month.

Table 9.13 &gt; Progress of the "Cash for Work" Project

District	No. of Projects Implemented	No. of Beneficiaries	Expenditure (Rs. Mn)
Anuradhapura	129	68,770	48.96
Polonnaruwa	325	77,084	45.42
Puttalam	40	3,411	4.79
Kurunagala	..	..	18.39
Mulativu	270	4,994	29.15
Hambantota	346	60,937	186.89
Vavuniya	109	3,455	14.62
Trincomalee	31	5,100	6.20
Ampara	298	14,558	24.00
Monaragala	118	5,012	15.34
Bataloa	13	2,720	8.60
<b>Total</b>	<b>1,679</b>	<b>246,041</b>	<b>402.36</b>

Source : Department of Development Finance and Department of Project Management and Monitoring

Table 9.14 &gt; Provision of Seed Paddy Free of Charge

District	Expenditure (Rs. Mn)	Extent Cultivated (Acres)	No. of Beneficiaries
Kurunegala	550,086,714.00	196,682.00	155,160
Polonnaruwa	456,192,490.00	164,751.04	63,377
Ampara	297,795,800.00	106,355.65	50,870
Anuradhapura	255,941,660.00	91,408.00	49,773
Trincomalee	254,808,812.00	91,003.14	39,312
Killinochchi	50,000,000.00	67,984.50	32,245
Hambantota	181,394,227.25	67,574.33	33,354
Bataloa	143,240,420.00	57,772.35	22,454
Vavuniya	140,161,000.00	51,172.25	16,533
Mannar	120,423,500.00	43,008.60	14,622
Puttalam	112,448,514.50	40,160.14	21,944
Monaragala	96,649,800.00	34,830.22	22,560
Mathale	73,205,316.68	26,144.76	28,518
Mullaithivu	70,405,300.00	32,329.25	10,424
Kandy	65,115,084.50	23,457.20	23,651
Jaffna	62,663,916.57	22,379.97	15,175
Badulla	49,965,100.00	17,844.67	7,999
Ratnapura	4,440,887.50	1,580	1,174
<b>Total</b>	<b>2,984,938,543.00</b>	<b>1,136,438.07</b>	<b>609,145</b>

Source: District Secretaries

### 9.6.5 Seed Paddy Programme

Since the farmers in most districts were badly affected by the drought in 2014, the Budget 2015 proposed to provide seeds paddy free of charge to all small scale farmers for the 2014/15 Maha season. Implementing this budget proposal in 2014, Rs. 2,985 million was distributed among all fertilizer subsidy recipient farmers in 18 drought- affected districts to meet the requirement of seed paddy for cultivation of 1,136,438 acres of paddy. Around 609,145 farmers benefited from this relief measure.

## 9.7 Special Loan Schemes

### 9.7.1 Self-Employment Loan Scheme for Socially Re-Integrated Trainees

The self-employment loan scheme for socially re-integrated trainees was developed in June 2012 based on the Cabinet decision dated 29th February 2012 to provide credit facilities to the economic activities for enhancement of their income generating avenues and living standards in order to create a better environment for them to live as good citizens in the society. Under this program the loans

are provided to eligible rehabilitates up to a maximum Rs.250, 000 to purchase of equipment for the development of agriculture and dairy farming activities, extension services for agricultural activities, animal husbandry, purchase of productive enterprise equipment, domestic industries, fisheries activities, and small business activities and to pursue primary/ secondary/ higher education and vocational training.

In order to ensure the successful implementation of the Scheme, a Tri-Party agreement was signed among the Ministry of Finance and Planning, Rehabilitation of persons, properties, and Industries Authority (REPPIA) and the State Banks (Bank of Ceylon, People's Bank and Sri Lanka Savings Bank). At the first stage Rs. 300 million was allocated to provide loan facilities among the targeted beneficiaries. The interest rate for the loans disbursed under this scheme is 12 percent per annum of which 4 percent from the end borrower and remaining 8 percent paid by the Government as an Interest Subsidy to the selected PFIs. Maximum loan repayment period of this loan scheme is 10 years inclusive of maximum one year grace period, if required.



Table 9.15 &gt; Progress of Socially Re-integrated Trainees Loan Scheme as at 28.02.2015

District	No of Loans granted	Amount disbursed (Rs.)	Subsidy paid up to 31.06.2014 (Rs.)
Jaffna	288	48,336,000	5,649,096
Killinochchi	342	51,984,000	5,624,980
Mullaitivu	430	78,310,000	6,756,977
Vavuniya	307	47,075,000	5,410,252
Mannar	270	48,700,000	6,047,028
Batticaloa	74	11,075,000	513,610
Trincomalee	72	14,250,000	778,906
Ampara	10	1,650,000	139,752
Other Districts	5	1,150,000	59,403
<b>Total</b>	<b>1798</b>	<b>302,530,000</b>	<b>30,980,004</b>

Source : Rehabilitation Authority

Initially, awareness programmes were conducted and interviews were held for selection committee consisting of the followings;

1. Divisional Secretary or an Officer from Divisional Secretary's office
2. Bank Manger or a bank officer
3. An officer from Commissioner General of Rehabilitation
4. An officer from Rehabilitation Authority

The progress of stage I of this loan scheme as at 28.02.2015 was as follows.

In terms of disbursement, 1,798 beneficiaries have obtained loans in the North and Eastern Provinces by 2015. The highest loan disbursement is recorded in Mullaitivu District and 430 trainees benefitted. The Government has paid Rs. 31 million to the PFIs as interest subsidy by June 2014. Cabinet of Ministers at its meeting held on 23.01.2014 has granted approval to implement the 2nd stages of this loan scheme in respect of 4,724 beneficiaries who have been re-integrated in to society.

### 9.7.2 Special Vehicle Loan Scheme for Senior Artists and Writers and Journalists

A special vehicle loan scheme was introduced in 2012 to enable Senior Artists, Writers and Journalists who have made an uninterrupted contribution to the service for more than 25 years. This loan scheme was implemented

through the Ministry of Mass Media and Information and the Ministry of Cultural and the Arts to provide interest free loans to a maximum loan limit of Rs. 1.2 million with a repayment period of 7 years. The interest rate for the loans disbursed under this scheme was totally paid by the Government as an Interest Subsidy at a rate of 12 percent to 14 percent to the selected PFIs: Bank of Ceylon, People's Bank and National Savings Bank. The targeted number of beneficiaries in 2012 budget and 2013 budget were 150 and 1,000 respectively. The progress of the loan scheme as at 31.12.2014 was as follows.

Ministry of Mass Media and Information and Ministry of Cultural and Arts play a key role by recommending qualified applicants to obtain the loan under the above category. Accordingly, Rs. 1,284 million of loan facility has granted to purchase vehicles for 1,115 personals by the end of 2014. Treasury has paid Rs. 85.3 million as an interest subsidy during the same period.

Table 9.16 &gt; Progress of Senior Journalists, Artists and Writers Loan scheme as at 31.12.2014

Institute	No. of Loans Granted	Amount Disbursed (Rs. Mn)	Subsidy Paid (Rs. Mn)
Ministry of Mass Media and Information	500	573.2	30.4
Ministry of Cultural and Arts	615	710.6	54.9
<b>Total</b>	<b>1115</b>	<b>1283.8</b>	<b>85.3</b>

Source : Ministry of Mass Media and Information and Ministry of Cultural and Arts



**Box 9.5 > Special Interest Rate for Senior Citizens**

With the intension of providing financially stable and secure retirement life for senior citizens who supported for the country's development in their past, the Government decided to provide special interest rate for senior citizens above 60 years of age. Therefore, it was proposed to provide 12 percent special interest rate for senior citizens in the Budget 2015 presented by the previous Government. Initially, around 500,000 senior citizens were expected to be benefited through the implementation of this scheme.

Furthermore, this special interest rate was increased up to 15 percent through the Interim Budget 2015. Accordingly, senior citizens who deposit a total of rupee one million or less at a licensed commercial bank or specilized bank are eligible to receive this special interest rate of 15 percent per annum. Moreover, the additional interest cost incurred by banks, over and above normal interest rates to implement this scheme, will be reimbursed by the Treasury on a quarterly basis. The Government has allocated Rs. 4,000 million for the year 2015 in order to implement this scheme.

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# FINANCIAL STATEMENTS

## Financial Statements 2014

Financial Statements of the Democratic Socialist Republic of Sri Lanka for the year ended 31st December 2014 consisting of Financial Performance, Financial Position, Cash Flow, Changes in Net Assets / Equity and Notes to the Accounts are forwarded herewith.

By these Financial Statements, the utilization process of financial resources allocated by the Appropriation Act No. 36 of 20th December 2013 for the year 2014 and related Revisions, for recurrent and capital expenditure of twenty two (22) Special Spending Units, fifty nine (59) Government Ministries, ninety three (93) Government Departments and twenty five (25) District Secretariats have been described. In addition, the actual position regarding the process of collection of revenue approved by the above Act has also been explained. Further, the Financial Statements reveal the information relating to capital contribution or shareholdings in the, thirty five (35) Commercial Public Corporations, ninety (90) Government Owned Companies / Plantation Companies / US Dollar denominated Companies, three (03) Development Banks and also information relating to allocation of financial resources to nine (09) Provincial Councils by the Central Government.

These financial statements are prepared under historical cost convention in conformity with Generally Accepted Accounting Principles. Historical cost is applied as the measurement base and the The modified cash based accounting is adopted for reporting. In addition, information on movable assets required for accrual basis accounting has been included as a Note from the year 2004 onwards. The Department of Valuation has commenced the assessing of government owned land and buildings in the year 2012 and the progress reported as 85% by end of 2014. Further, actions have been initiated to record assets on accrual basis as a pilot project from the year 2013 onwards.

The Computerized Integrated Government Accounting System (CIGAS), which uses to record accounting transactions has been further improved enabling to facilitate recording of assets data in the Financial Statements commencing from the year 2015.

Similarly, according to the instructions given in the Handbook on Government Finance Statistics (GFS) in the year 2014, actions have been taken to compile financial data in the GFS data format with a view to improve comparison of government data with those of other countries.

# Statement of Financial Performance

for the Year ended 31<sup>st</sup> December 2014

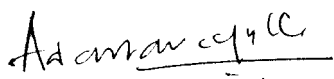
Budget Estimate 2014 (Revised) Rs.		Note	2014 Rs.	Actual 2013 Rs.
<b>REVENUE</b>				
<b>1,168,000,000,000</b>	<b>Tax Revenue</b>		<b>987,925,335,438</b>	<b>923,643,230,841</b>
264,400,000,000	Income Tax	1	198,114,559,416	205,665,631,566
627,875,000,000	Taxes on Domestic Goods & Services	2	556,002,742,646	498,526,294,340
275,725,000,000	Taxes on International Trade	3	233,808,033,376	219,451,304,935
<b>163,450,000,000</b>	<b>Non Tax Revenue &amp; Others</b>	<b>4</b>	<b>139,706,103,179</b>	<b>142,604,166,679</b>
<b>1,331,450,000,000</b>	<b>TOTAL REVENUE (a)</b>		<b>1,127,631,438,617</b>	<b>1,066,247,397,521</b>
<b>Less : EXPENDITURE</b>				
335,118,761,380	Salaries Wages & Other Employment Benefits	5	333,860,136,142	306,889,250,840
179,707,072,014	Other Goods & Services	6	176,808,209,023	130,477,016,546
474,136,573,089	Subsidies, Grants & Transfers	7	412,601,387,795	351,387,708,901
447,211,765,458	Interest Payments	8	446,393,046,266	464,529,359,896
488,107,774	Other Recurrent Expenditure	9	383,214,091	225,621,581
<b>1,436,662,279,714</b>	<b>Total Recurrent Expenditure (b)</b>		<b>1,370,045,993,316</b>	<b>1,253,508,957,764</b>
<b>105,212,279,714</b>	<b>REVENUE DEFICIT (a) - (b)</b>		<b>242,414,554,700</b>	<b>187,261,560,243</b>
671,657,485,744	<b>Public Investments</b>	<b>10</b>	595,710,645,910	455,578,156,584
<b>776,869,765,458</b>	<b>BUDGET DEFICIT</b>		<b>838,125,200,610</b>	<b>642,839,716,827</b>
<b>FINANCING THE BUDGET DEFICIT</b>				
646,008,099,200	Foreign Borrowings	<b>11</b>	422,542,966,357	183,317,158,351
(107,000,000,000)	Foreign Debt Repayments		(106,979,239,792)	(94,895,887,005)
<b>539,008,099,200</b>	<b>NET FOREIGN BORROWINGS</b>		<b>315,563,726,565</b>	<b>88,421,271,345</b>
13,400,012,000	Foreign Grants	<b>12</b>	9,415,027,292	15,858,996,167
<b>552,408,111,200</b>	<b>TOTAL FOREIGN FINANCING</b>		<b>324,978,753,857</b>	<b>104,280,267,512</b>
989,233,171,800	Domestic Non-Bank Borrowings	<b>13</b>	965,449,379,341	1,089,696,244,193
(551,719,217,799)	Domestic Debt Repayments	<b>14</b>	(528,987,326,574)	(607,623,016,759)
<b>437,513,954,001</b>	<b>NET DOMESTIC BORROWINGS</b>		<b>436,462,052,767</b>	<b>482,073,227,434</b>
14,750,000,000	Recoveries from On-lending	<b>15</b>	14,892,388,719	15,968,526,609
300,000,000	Sale of Capital Assets		17,604,343,728	280,283,429
-	Net Change in Deposits Accounts & Liabilities		16,916,631,122	7,639,592,944
-	(Increase)/ Decrease in Cash & Cash Equivalent		27,271,030,416	32,597,818,899
<b>1,004,972,065,201</b>	<b>TOTAL FINANCING</b>		<b>838,125,200,610</b>	<b>642,839,716,827</b>

## Statement of Financial Position

As at 31<sup>st</sup> December 2014

	Note	2014 Rs.	Actual 2013 Rs.
<b>Financial Assets</b>			
Advances to Public Officers	16	23,396,318,757	23,012,165,862
Advances to Government Departments	17	9,679,045,605	9,229,954,562
Membership Fees	18	3,517,179,875	3,517,179,875
On Lending	19	207,966,045,625	370,618,101,507
Capital Contributions to State Owned Enterprises	20	397,837,327,925	212,976,260,878
Investments on Borrowings	21	6,577,431,480,833	5,996,496,345,026
Stamp Stock Account		1,244,373,077	971,050,410
<b>Total Financial Assets</b>		<b>7,221,071,771,697</b>	<b>6,616,821,058,121</b>
<b>Statutory &amp; Other Funds</b>			
Consolidated Fund	22	(356,664,771,188)	(312,477,109,650)
Contingency Fund		140,000,000	140,000,000
Foreign Loan Revolving Funds	23	25,835,286,956	22,586,734,379
Investment based Funds - SOEs	24	606,420,185,102	584,215,373,939
Miscellaneous Funds	25	1,284,802,968	1,386,490,241
<b>Total Funds</b>		<b>277,015,503,838</b>	<b>295,851,488,909</b>
<b>Liabilities</b>			
Bank Overdrafts	26	164,347,861,546	137,076,831,129
Advance from the Central Bank	27	143,897,971,400	109,271,851,123
Government Borrowings	28	6,577,431,480,833	5,996,496,345,026
Deposits & Other Liabilities	29	62,723,510,419	83,410,410,768
Accounts operating with Government Departments	30	(4,315,027,762)	(4,905,317,622)
Sundry Accounts	31	(29,528,577)	(380,551,211)
<b>Total Liabilities</b>		<b>6,944,056,267,859</b>	<b>6,320,969,569,212</b>
<b>Total Funds and Liabilities</b>		<b>7,221,071,771,697</b>	<b>6,616,821,058,121</b>
<b>Contingent Liabilities &amp; Commitments</b>	32	<b>519,273,950,000</b>	<b>362,923,450,000</b>

The accompanying "Statement of Accounting Policies" and "Notes to Financial Statements" form an integral part of these Financial Statements. The Department of State Accounts is responsible for the preparation and presentation of these Financial Statements.



D.M.A. Harasgama  
Director General  
Department of State Accounts.



R.H.S. Samararatunga  
Secretary, Ministry of Finance and  
Secretary to the Treasury.

General Treasury  
Colombo-01.  
20<sup>th</sup> March, 2015

## Statement of Cash Flow

### for the Year ended 31<sup>st</sup> December 2014

	2014 Rs.	Actual 2013 Rs.
<b>Cash Flow from Operating Activities</b>		
Tax Receipts	987,925,335,438	923,643,230,841
Fees, Fines, Penalties & Licenses	26,823,759,345	18,128,228,673
Profit	53,636,523,420	56,750,250,000
Other Receipts	46,590,662,933	53,293,424,814
<b>Total Cash flow from Operating Activities (a)</b>	<b>1,114,976,281,135</b>	<b>1,051,815,134,329</b>
<b>Less - Cash disbursed for:</b>		
Personal Emoluments & Operating Payments	510,668,345,165	437,366,267,386
Subsidies & Transfer Payments	412,601,387,795	351,387,708,901
Finance Costs	446,776,260,356	464,754,981,476
<b>Total Cash disbursed for Operating Activities (b)</b>	<b>1,370,045,993,316</b>	<b>1,253,508,957,764</b>
<b>NET CASH FLOW FROM OPERATING ACTIVITIES (c)=(a) - (b)</b>	<b>(255,069,712,181)</b>	<b>(201,693,823,435)</b>
<b>Cash Flow from Investing Activities</b>		
Interest	7,978,067,995	9,663,976,962
Dividends	4,677,089,487	4,768,286,230
Divestiture Proceeds & Sale of Physical Assets	17,604,343,728	280,283,429
Recoveries from On Lending	14,892,388,719	15,968,526,609
<b>Total Cash flow from Investing Activities (d)</b>	<b>45,151,889,928</b>	<b>30,681,073,230</b>
<b>Less - Cash disbursed for:</b>		
Purchase or Construction of Physical Assets & Acquisition of Other Investments	595,710,645,910	455,578,156,584
<b>Total Cash disbursed for Investing Activities (e)</b>	<b>595,710,645,910</b>	<b>455,578,156,584</b>
<b>NET CASH FLOW FROM INVESTING ACTIVITIES (f)=(d) - (e)</b>	<b>(550,558,755,982)</b>	<b>(424,897,083,354)</b>
<b>NET CASH FLOW FROM OPERATING &amp; INVESTMENT ACTIVITIES (g)=(c) + (f)</b>	<b>(805,628,468,163)</b>	<b>(626,590,906,789)</b>
<b>Cash Flow from Financing Activities</b>		
Local Borrowings	965,449,379,341	1,089,696,244,193
Foreign Borrowings	422,542,966,357	183,317,158,351
Grants Received	9,415,027,292	15,858,996,167
<b>Total Cash flow from Financing Activities (h)</b>	<b>1,397,407,372,990</b>	<b>1,288,872,398,710</b>
<b>Less - Cash disbursed for:</b>		
Repayment of Local Borrowings	528,987,326,574	607,623,016,759
Repayment of Foreign Borrowings	106,979,239,792	94,895,887,005
Change in Deposits Accounts and Other Liabilities	(16,916,631,122)	(7,639,592,944)
<b>Total Cash disbursed for Financing Activities (i)</b>	<b>619,049,935,244</b>	<b>694,879,310,821</b>
<b>NET CASH FLOW FROM FINANCING ACTIVITIES (j)=(h) - (i)</b>	<b>778,357,437,747</b>	<b>593,993,087,890</b>
<b>Net Movement in Cash (k)=(g) + (j)</b>	<b>(27,271,030,416)</b>	<b>(32,597,818,899)</b>
<b>Opening Cash Balance as at 01st January 2014</b>	<b>(137,076,831,129)</b>	<b>(104,479,012,230)</b>
<b>Closing Cash Balance as at 31st December 2014</b>	<b>(164,347,861,546)</b>	<b>(137,076,831,129)</b>

## Statement of Changes in Net Assets / Equity

**for the Year ended 31<sup>st</sup> December 2014**

Rs.

Description	Attributable to Government entities				Total Net Assets / Equity
	Consolidated Fund	Contingency Fund	Foreign Loan Revolving Funds	Miscellaneous Funds	
Balance as at 31st December 2012	(272,239,697,812)	140,000,000	22,183,403,507	1,456,659,602	(248,459,634,703)
	<b>(272,239,697,812)</b>	<b>140,000,000</b>	<b>22,183,403,507</b>	<b>1,456,659,602</b>	<b>(248,459,634,703)</b>
<b>Changes in Net Assets/Equity for 2013</b>					
Net Changes in Consolidated Fund	(40,237,411,842)	-	-	-	(40,237,411,842)
Net Changes in Contingency Fund	-	-	-	-	-
Net Changes in Foreign Loan Revolving Funds		-	403,330,872		403,330,872
Net Changes in Miscellaneous Funds		-		(70,169,361)	(70,169,361)
<b>Balance as at 31st December 2013</b>	<b>(312,477,109,653)</b>	<b>140,000,000</b>	<b>22,586,734,379</b>	<b>1,386,490,241</b>	<b>(288,363,885,033)</b>
<b>Changes in Net Assets/Equity for 2014</b>					
Net Changes in Consolidated Fund	(44,187,661,535)	-	-	-	(44,187,661,535)
Net Changes in Contingency Fund	-	-	-	-	-
Net Changes in Foreign Loan Revolving Funds	-	-	3,248,552,577	-	3,248,552,577
Net Changes in Miscellaneous Funds				(101,687,273)	(101,687,273)
<b>Balance as at 31st December 2014</b>	<b>(356,664,771,188)</b>	<b>140,000,000</b>	<b>25,835,286,956</b>	<b>1,284,802,968</b>	<b>(329,404,681,264)</b>



## Statement of Budget and Actual

### for the Year ended 31<sup>st</sup> December 2014

					Rs.'000
Description	Original Budget	Adjustments	Revised Budget	Actual	Performance Difference
<b>Revenue</b>					
Income Tax	283,318,000	(18,918,000)	264,400,000	198,114,559	(66,285,441)
Taxes on Domestic Goods and Services	687,979,000	(60,104,000)	627,875,000	556,002,743	(71,872,257)
Taxes on International Trade	303,303,000	(27,578,000)	275,725,000	233,808,033	(41,916,967)
Non Tax Revenue and Others	172,471,000	(9,021,000)	163,450,000	139,706,103	(23,743,897)
<b>Total Income</b>	<b>1,447,071,000</b>	<b>(115,621,000)</b>	<b>1,331,450,000</b>	<b>1,127,631,439</b>	<b>(203,818,561)</b>
<b>Expenditure</b>					
Salaries, Wages & Other Employment Benefits	317,977,624	17,141,137	335,118,761	333,860,136	(1,258,625)
Other Goods & Services	161,385,668	18,321,404	179,707,072	176,808,209	(2,898,863)
Subsidies, Grants and Transfers	400,657,606	73,478,967	474,136,573	412,601,388	(61,535,185)
Interest Payments	441,035,000	6,176,765	447,211,765	446,393,046	(818,719)
Other Recurrent Expenditure	27,342,622	(26,854,514)	488,108	383,214	(104,894)
<b>Total Recurrent Expenditure</b>	<b>1,348,398,520</b>	<b>88,263,760</b>	<b>1,436,662,280</b>	<b>1,370,045,993</b>	<b>(66,616,286)</b>
Public Investments	661,739,480	9,918,006	671,657,486	595,710,646	(75,946,840)
<b>Total Expenditure</b>	<b>2,010,138,000</b>	<b>98,181,765</b>	<b>2,108,319,765</b>	<b>1,965,756,639</b>	<b>(142,563,126)</b>

## Comparison of Sector-wise Expenditure with the previous year Expenditure

Functional Classification	(Rs.Mn.)									
	Actual					2013				
	Recurrent	%	Capital	%	Total	%	Recurrent	%	Capital	Total
Law Enforcement and Security	291,704	21.29	48,186	3.91	339,890	13.06	249,699	19.92	35,285	284,984
Public Services	310,907	22.69	49,435	4.01	360,342	13.85	284,135	22.67	42,680	326,815
Finance	464,714	33.92	664,165	53.92	1,128,879	43.39	478,440	38.17	711,914	1,190,354
Social Security	5,503	0.40	1,393	0.11	6,896	0.27	4,307	0.34	884	5,190
Real Economy	92,926	6.78	132,497	10.76	225,424	8.66	69,858	5.57	100,931	170,789
Environment	3,562	0.26	5,589	0.45	9,151	0.35	2,086	0.17	2,335	4,420
Human Resources	162,673	11.87	64,822	5.26	227,495	8.74	134,846	10.76	42,378	177,224
Infrastructure	38,056	2.78	265,590	21.56	303,646	11.67	30,139	2.40	221,690	251,829
<b>Total</b>	<b>1,370,046</b>	<b>100</b>	<b>1,231,677</b>	<b>100</b>	<b>2,601,723</b>	<b>100</b>	<b>1,253,509</b>	<b>100</b>	<b>1,158,097</b>	<b>2,411,606</b>

## Significant Accounting Policies

### Reporting Entity

These Financial Statements are of the Government of the Democratic Socialist Republic of Sri Lanka encompass the Reporting Entity of the Central Government comprising of Government Ministries, Departments, Special Spending Units and District Secretariats. Public Enterprises which comprise of Commercial Public Corporations, State Owned Enterprises and Government owned Companies or other Companies and Statutory Boards, are not covered in these Financial Statements. However, cash outflows from Central Government to those entities taken place during the reporting year and the Government's total interest in the Commercial Public Corporations, State Owned Enterprises and Government owned Companies or other Companies held in the form of equity and loans are taken into consideration. The Revenue and Expenditure of Provincial Councils are not considered as a part of these financial statements, since there is no significant control by the Central Government over the financial and operating activities of Provincial Councils.

### Basis of Preparation

These Financial Statements are prepared under the historic cost convention in conformity with Generally Accepted Accounting Principles. Historical cost basis has been adopted for measurement while adopting modified cash based accounting for reporting.

### Reporting Period

The reporting period of these Financial Statements is from 1st of January 2014 to 31st December 2014.

### Basis of Consolidation

Expenditure incurred and revenue collected under revenue codes specified in the budget classification by respective Ministries and Departments in the form of financial assets, liabilities, revenue and expenditure are reported using same classification codes for preparation of consolidated accounts.

### Revenue

The Central Government provides non income generating goods, services and benefits to the general public. The revenue is raised by way of taxes, levies, fees and charges imposed under various statutes approved by Parliament to finance the expenditure incurred on provision of such goods, services and benefits. All revenue, so collected through the relevant Ministries and Departments are identified and accounted at the time of collection. Investment Income is accounted for the period during which such income is actually collected.

### Premiums and Discounts

Premiums and discounts on issue of debt instruments are adjusted against the cost of borrowings.

### Gains

Gains arising from the sale of assets are accounted during the period in which the transaction has taken place. Foreign exchange gains realized on monetary assets and liabilities are duly accounted in the Statement of Financial Position for the reporting period

### Expenses

All expenses are accounted in the period in which payments are made.

## Significant Accounting Policies

### Foreign Currency Transactions

Foreign Currency Transactions are Converted into Sri Lanka Rupees using the exchange rate prevailed on the date of the transaction. Exchange differences arising from the settlement of these transactions are duly accounted and presented in the Statement of Financial Performance.

### Investments

Value of the Government's equity investments in State Owned Enterprises is recorded at cost and shown separately in the financial statements. However, investments in Statutory Boards are not separately identified and disclosed since such entities are relying on the Central Government for their recurrent and capital expenditure requirements similar to those of the other Government Departments.

### Borrowings

In the Statement of Financial Position, all local borrowings are recorded at cost. Since foreign borrowings are subject to change in exchange rates, foreign monetary liabilities are converted to Sri Lanka Rupees using exchange rates prevailed at the end of the reporting period. Statement of individual loan details are shown in the Note - 28(I), Statement of Foreign Loan Balances.

### Employee Entitlements

Employee entitlements to salaries and wages, annual leave, pre-retirement leave and other similar benefits are recorded when they actually accrue to or utilized by the

employees. Retired Government employee entitlements for pension payments are also recorded on the same basis.

### Contingent Liabilities & Commitments

Contingent Liabilities and Commitments are recorded at the point of contingency or commitment is evident.

### Comparatives

To ensure consistency with the current period and classification method adopted in making a fair presentation of financial information, comparative figures have been restated where appropriate.

### Bank Overdrafts

The Bank Overdraft is comprised of all favorable and unfavorable cash book balances for the bank accounts operated in the name of the Deputy Secretary to the Treasury, sum of unsettled imprest balances of Ministries and Departments which are treated as cash in transit and Rupee equivalent amount of all foreign currency bank accounts balances as at end of the reporting period.

### Compilation of Government Finance Statistics

The Budget Outturn presented in Economic Classification of Government Finance Statistics (GFS) varies from the information presented in these Financial Statements due to the different classification methods adopted for economic analysis.

## Notes to Financial Statements

Budget Estimates	Revenue		Actual	
2014	Code	Revenue Title	2014	2013
Rs.			Rs.	Rs.
<b>NOTE - 1 INCOME TAX</b>				
98,000,000,000	1004.01.01	Income Tax	81,643,762,273	84,090,576,856
12,000,000,000	1004.01.02	Dividend Tax	10,365,556,301	9,767,479,326
100,000,000	1004.01.03	Remittance Tax	19,004,846	195,441,368
<b>110,100,000,000</b>	<b>1004.01.00</b>	<b>Total Corporate Tax (a)</b>	<b>92,028,323,419</b>	<b>94,053,497,550</b>
<b>28,000,000,000</b>	<b>1004.02.01</b>	<b>PAYE</b>	<b>22,296,672,242</b>	<b>18,558,406,098</b>
<b>10,000,000,000</b>	<b>1004.02.99</b>	<b>Other</b>	<b>8,018,445,617</b>	<b>8,524,096,082</b>
<b>107,900,000,000</b>	<b>1004.03.00</b>	<b>Withholding Tax</b>	<b>69,616,609,391</b>	<b>77,934,030,973</b>
107,400,000,000	1004.03.01	On Interest	69,402,270,951	77,679,122,230
500,000,000	1004.03.99	On Fees & Other	214,338,440	254,908,743
<b>8,400,000,000</b>	<b>1004.04.00</b>	<b>Economic Service Charge</b>	<b>6,154,508,746</b>	<b>6,595,600,863</b>
<b>154,300,000,000</b>	<b>1004.02.00</b>	<b>Total Non -Corporate Tax (b)</b>	<b>106,086,235,997</b>	<b>111,612,134,016</b>
<b>264,400,000,000</b>		<b>Total Income Tax (a+b)</b>	<b>198,114,559,416</b>	<b>205,665,631,566</b>
<b>NOTE - 2 TAXES ON DOMESTIC GOODS &amp; SERVICES</b>				
<b>290,000,000,000</b>	<b>1002.01.00</b>	<b>Value Added Tax</b>	<b>237,915,432,907</b>	<b>217,686,923,042</b>
25,000,000,000	1002.01.01	Financial Services	24,436,886,511	21,203,506,388
80,000,000,000	1002.01.02	Other Services	65,756,162,292	56,174,589,835
50,000,000,000	1002.01.03	Manufacturing	45,441,698,904	43,718,740,385
135,000,000,000	1002.01.04	Imports	102,280,685,200	96,590,086,435
-	<b>1002.02.00</b>	<b>Goods and Services Tax</b>	<b>3,459,764</b>	<b>15,976,746</b>
-	1002.02.01	Services	2,305,617	10,654,808
-	1002.02.02	Manufacturing	1,154,147	5,321,938
-	<b>1002.03.00</b>	<b>National Security Levy</b>	<b>13,772,420</b>	<b>2,149,612</b>
-	1002.03.01	Services	13,772,420	2,149,612
<b>74,000,000,000</b>	<b>1002.04.00</b>	<b>Excise (Ordinance) Duty</b>	<b>69,087,998,770</b>	<b>66,008,326,747</b>
74,000,000,000	1002.04.01	Liquor	69,087,998,770	66,008,326,747
<b>178,000,000,000</b>	<b>1002.05.00</b>	<b>Excise (Special Provisions) Duty</b>	<b>165,470,988,376</b>	<b>143,698,426,404</b>
61,000,000,000	1002.05.01	Cigarettes	57,204,263,149	58,534,245,572
-	1002.05.02	Liquor	12,122,984	76,847
40,000,000,000	1002.05.03	Petroleum Products	28,732,328,531	27,130,554,960
70,000,000,000	1002.05.04	Motor Vehicles	76,435,131,470	55,517,438,890
7,000,000,000	1002.05.99	Other	3,087,142,241	2,516,110,135
<b>35,000,000</b>	<b>1002.06.00</b>	<b>Tobacco Tax</b>	<b>35,606,823</b>	<b>33,042,507</b>
-	<b>1002.08.00</b>	<b>Debits Tax</b>	-	<b>(83,401)</b>
<b>30,000,000</b>	<b>1002.09.00</b>	<b>Turnover Tax</b>	<b>472,185,201</b>	<b>218,080,060</b>
<b>40,000,000</b>	<b>1002.10.00</b>	<b>Social Responsibility Levy</b>	<b>86,065,960</b>	<b>32,398,568</b>
<b>32,000,000,000</b>	<b>1002.11.00</b>	<b>Telecommunication Levy</b>	<b>31,351,492,028</b>	<b>24,445,219,973</b>
<b>45,600,000,000</b>	<b>1002.12.00</b>	<b>Nation Building Tax</b>	<b>44,583,121,715</b>	<b>40,936,670,691</b>
15,000,000,000	1002.12.01	Services	17,600,153,823	13,698,077,514
11,600,000,000	1002.12.02	Manufacturing	10,893,867,704	11,544,642,412
19,000,000,000	1002.12.03	Imports	16,089,100,189	15,693,950,765
<b>5,850,000,000</b>	<b>1003</b>	<b>Licence Taxes and other</b>	<b>4,819,905,968</b>	<b>3,764,496,032</b>
1,150,000,000	1003.01.00	Luxury Motor Vehicle Tax	1,114,853,639	1,145,754,012
-	1003.02.00	Transfer Tax	-	78,555,000
1,500,000,000	1003.03.00	Betting & Gaming Levy	815,175,141	591,870,451
2,200,000,000	1003.04.00	Share Transaction Levy	2,048,048,604	1,197,409,071
1,000,000,000	1003.05.00	Construction Industry Guarantee Fund Levy	841,828,584	750,907,497
<b>1,700,000,000</b>	<b>1003.07.00</b>	<b>Other Licenses</b>	<b>1,565,655,923</b>	<b>1,583,875,040</b>
200,000,000	1003.07.01	Fees for registration of nursing homes	168,722,653	171,812,780

## Notes to Financial Statements *contd...*

Budget Estimates	Revenue		Actual
2014	Code	Revenue Title	2014
Rs.			Rs.
1,200,000,000	1003.07.02	Registration fees relevant to the Registrar General's Department	1,106,416,384
60,000,000	1003.07.03	Private Timber Transport	50,101,112
58,000,000	1003.07.04	Tax on sale of Motor Vehicles	51,935,758
12,000,000	1003.07.05	Licence Taxes relevant to the Ministry of Defence & Urban Development	12,882,092
15,000,000	1003.07.06	Licence fees relevant to the Depts. of Fisheries & Aquatic Resources	15,083,000
155,000,000	1003.07.99	Other	160,514,924
20,000,000	1003.08.00	Fees under Certificates to be granted yearly to Notary Registrar of the High Court	17,585,171
600,000,000	1003.09.00	Tax on the Lands leased out to Foreigners	579,471,620
627,875,000,000		Total Taxes on Domestic Goods & Services	556,002,742,646
			498,526,294,340

### NOTE - 3 TAXES ON INTERNATIONAL TRADE

85,000,000,000	1001.01.00	Import Duties	77,726,309,486	74,668,082,758
25,000,000	1001.02.00	Export Duties	24,080,385	21,663,617
700,000,000	1001.03.00	Import & Export Licenses Fees	751,446,317	458,372,096
80,000,000,000	1001.04.00	Ports & Airports Development Levy	68,646,232,667	61,505,872,213
45,000,000,000	1001.05.00	Cess Levy	38,707,053,953	36,091,202,081
41,500,000,000	1001.05.01	Import Cess Levy	35,622,376,584	33,004,053,398
3,500,000,000	1001.05.02	Export Cess Levy	3,084,677,369	3,087,148,683
-	1001.07.00	Regional Infrastructure Development Levy	-	1,346,970
65,000,000,000	1001.08.00	Special Commodity Levy	47,952,910,569	46,704,765,201
275,725,000,000		Total Revenue from Taxes on International Trade	233,808,033,376	219,451,304,935

### NOTE - 4 NON-TAX REVENUE AND OTHERS

5,500,000,000	2001.01.00	Railways	5,909,311,865	5,424,898,677
6,200,000,000	2001.02.00	Postal	6,557,508,362	5,907,433,288
120,000,000	2001.03.00	Advance Accounts (Trading )	158,330,446	290,436,475
25,000,000	2001.04.00	Industrial and Agricultural Advance Account		
11,845,000,000		Revenue from Other Sources (a)	12,625,150,673	11,622,768,440
6,820,000,000	2002.01.00	Rent	5,668,696,825	2,331,019,631
650,000,000	2002.01.01	Rent on Government building & housing	641,730,114	620,889,832
2,000,000,000	2002.01.02	Rent on Crown forests	739,444,271	903,956,846
50,000,000	2002.01.03	Rent from land and other	44,477,083	49,503,519
1,000,000,000	2002.01.04	Lease rentals from Regional Plantation Companies	733,091,100	694,530,337
3,120,000,000	2002.01.99	Other Rentals	3,509,954,257	62,139,098
9,900,000,000	2002.02.00	Interest	7,978,067,995	9,663,976,962
8,425,000,000	2002.02.01	On-lending	6,757,893,792	8,178,888,527
1,475,000,000	2002.02.99	Other	1,220,174,203	1,485,088,434
38,440,000,000	2002.03.00	Profits	42,136,523,420	30,400,250,000
4,960,000,000	2002.04.00	Dividends	4,677,089,487	4,768,286,230
100,000,000	2003.01.00	Departmental Sales	98,745,252	108,144,039
29,685,000,000	2003.02.00	Administrative Fees & Charges	25,056,308,887	26,337,635,310
98,000,000	2003.02.01	Audit Fees	100,469,961	97,981,657
92,000,000	2003.02.03	Fees on Registration of Persons	102,459,908	90,430,443
135,000,000	2003.02.04	Fees of Department of Survey	156,469,407	132,827,068
480,000,000	2003.02.05	Service Charges of Government press	464,135,853	469,540,080
18,000,000	2003.02.06	Fees under the Fauna & Flora Protection Ordinance	17,029,398	17,250,282
8,200,000,000	2003.02.07	Fees on Passports, Visas & Dual Citizenships	8,150,850,432	7,529,358,276
3,600,000,000	2003.02.08	Embarkation Levy	3,605,497,640	2,783,782,986

## Notes to Financial Statements *contd...*

Budget Estimates	Revenue		Actual	
2014	Code	Revenue Title	2014	2013
Rs.			Rs.	Rs.
100,000,000	2003.02.09	Fees of Department of Valuation	110,029,819	59,347,451
90,000,000	2003.02.10	Fees of Registrar of Companies	70,763,473	68,506,419
35,000,000	2003.02.11	Legal fees from Corporations & Statutory Bodies	36,074,324	33,166,448
17,000,000	2003.02.12	Fees recovered under the Public Contract Act	17,014,500	6,966,000
225,000,000	2003.02.13	Examinations & other fees	229,422,610	156,306,619
7,600,000,000	2003.02.14	Fees under the Motor Traffic Act & Other receipts	8,123,798,261	6,525,205,404
220,000,000	2003.02.16	Air craft rentals	248,695,914	202,791,651
95,000,000	2003.02.17	Fee on local sales of Garments	89,275,709	91,519,377
200,000,000	2003.02.18	Fees relevant to the Department of Agriculture	195,492,238	167,655,907
480,000,000	2003.02.19	Fees relevant to Botanical Gardens	465,783,564	407,705,842
-	2003.02.21	Fees of Ministry of Petroleum Industries	21,384,958	-
8,000,000,000	2003.02.99	Sundries	2,851,660,917	7,497,293,400
<b>3,000,000,000</b>	<b>2003.03.00</b>	<b>Fines and Forfeits</b>	<b>2,735,725,806</b>	<b>2,274,461,399</b>
2,000,000,000	2003.03.01	Fines and Forfeits - Customs		
1,000,000,000	2003.03.02	Fines and Forfeits - Other		
<b>2,500,000,000</b>	<b>2003.04.00</b>	<b>Public Officers' Motorcycle Premium</b>	<b>5,737,579,124</b>	<b>-</b>
<b>12,000,000,000</b>	<b>2003.99.00</b>	<b>Other Receipts</b>	<b>4,705,351,239</b>	<b>11,430,262,069</b>
<b>19,000,000,000</b>	<b>2004.01.00</b>	<b>Social Security Contribution</b>	<b>14,918,885,482</b>	<b>15,144,741,947</b>
12,000,000,000	2004.01.00	Central Government	9,361,637,260	8,866,646,032
7,000,000,000	2004.02.00	Provincial Councils	5,557,248,223	6,278,095,915
<b>25,200,000,000</b>	<b>2005</b>	<b>Current Transfers</b>	<b>13,367,978,990</b>	<b>28,522,620,652</b>
23,000,000,000	2005.01.00	Central Bank Profits	11,500,000,000	26,350,000,000
2,200,000,000	2005.99.00	National Lotteries Board and Other Transfers	1,867,978,990	2,172,620,652
<b>151,605,000,000</b>		<b>Revenue from Other Sources (b)</b>	<b>127,080,952,505</b>	<b>130,981,398,239</b>
<b>163,450,000,000</b>		<b>Total Non - Tax Revenue &amp; Other Revenue (a) + (b)</b>	<b>139,706,103,179</b>	<b>142,604,166,679</b>
<b>1,331,450,000,000</b>		<b>Total Revenue (Notes 1 - 4)</b>	<b>1,127,631,438,617</b>	<b>1,066,247,397,521</b>



## Notes to Financial Statements *contd...*

Budget Estimates		Object	Actual	
2014		Code	2014	2013
Rs.		Object Title	Rs.	Rs.
<b>NOTE-5 OBJECT CODE-WISE CLASSIFICATION OF SALARIES WAGES &amp; OTHER EMPLOYMENT BENEFITS</b>				
		<b>Personal Emoluments</b>		
148,926,055,368	1001	Salaries and Wages	148,074,795,947	143,150,160,535
14,046,254,229	1002	Overtime and Holiday Payments	14,006,220,761	12,583,746,213
172,146,451,783	1003	Other Allowances	171,779,119,434	151,155,344,092
<b>335,118,761,380</b>		<b>Total</b>	<b>333,860,136,142</b>	<b>306,889,250,840</b>
<b>NOTE - 6 OBJECT CODE-WISE CLASSIFICATION OF OTHER GOODS AND SERVICES</b>				
		<b>Travelling Expenditure</b>		
11,571,854,965	1101	Domestic	11,486,241,091	11,177,405,161
2,191,195,448	1102	Foreign	1,981,639,276	2,205,535,296
<b>13,763,050,413</b>		<b>Total (a)</b>	<b>13,467,880,367</b>	<b>13,382,940,457</b>
		<b>Supplies</b>		
2,591,342,416	1201	Stationery and Office Requisites	2,519,493,650	2,106,980,820
37,548,928,629	1202	Fuel	37,355,001,451	17,055,913,913
34,493,491,346	1203	Diets and Uniforms	34,313,521,595	25,974,097,094
36,627,078,694	1204	Medical Supplies	36,495,477,293	28,354,698,199
5,530,239,650	1205	Other	5,439,458,890	3,615,330,795
<b>116,791,080,735</b>		<b>Total (b)</b>	<b>116,122,952,877</b>	<b>77,107,020,820</b>
		<b>Maintenance Expenditure</b>		
3,274,381,468	1301	Vehicles	3,177,042,189	2,523,672,990
1,994,057,012	1302	Plant and Machinery	1,919,684,388	1,270,576,653
841,092,102	1303	Buildings and Structures	785,794,382	650,787,124
<b>6,109,530,582</b>		<b>Total (c)</b>	<b>5,882,520,959</b>	<b>4,445,036,767</b>
		<b>Services</b>		
4,488,130,690	1401	Transport	4,437,333,967	3,037,540,298
2,631,569,207	1402	Postal and Communication	2,553,373,087	2,328,622,376
12,129,450,395	1403	Electricity and Water	12,008,916,526	9,505,753,154
4,587,737,420	1404	Rents and Local Taxes	4,482,045,491	3,659,243,138
18,147,322,573	1405	Other	16,961,908,147	16,340,212,207
1,059,200,000	1406	Interest Payment for Leasing Vehicles	891,277,601	670,647,329
<b>43,043,410,285</b>		<b>Total (d)</b>	<b>41,334,854,819</b>	<b>35,542,018,501</b>
<b>179,707,072,014</b>		<b>TOTAL EXPENDITURE ON OTHER GOODS AND SERVICES (a+b+c+d)</b>	<b>176,808,209,023</b>	<b>130,477,016,546</b>
<b>NOTE - 7 OBJECT CODE-WISE CLASSIFICATION OF SUBSIDIES, GRANTS &amp; TRANSFERS</b>				
		<b>Transfers</b>		
54,697,181,262	1501	Welfare Programmes	54,203,328,258	45,374,359,426
128,759,207,043	1502	Retirement Benefits	127,347,534,226	123,704,721,949
58,608,656,573	1503	Public Institutions	57,976,357,449	47,533,582,676
43,165,461,979	1504	Development Subsidies	40,036,778,432	20,786,945,107
1,828,953,423	1505	Subscriptions and Contributions Fees	1,711,814,262	1,617,100,335
2,328,268,091	1506	Interest on Property Loans to Public Servants	2,277,552,590	2,132,076,262
181,409,989,000	1507	Contribution to Provincial Councils	126,209,272,308	108,843,623,138
3,338,855,718	1508	Other	2,838,750,270	1,395,300,007
<b>474,136,573,089</b>		<b>Total</b>	<b>412,601,387,795</b>	<b>351,387,708,901</b>
<b>NOTE - 8 INTEREST PAYMENTS</b>				
377,167,898,766	1601	Domestic Debt	376,462,907,413	401,485,902,521
70,043,866,692	1602	Foreign Debt	69,930,138,852	63,043,457,374
<b>447,211,765,458</b>		<b>Total</b>	<b>446,393,046,266</b>	<b>464,529,359,896</b>

## Notes to Financial Statements *contd...*

Budget Estimates		Object	Actual	
2014	2014	Code	2014	2013
Rs.	Rs.	Object Title	Rs.	Rs.
<b>NOTE - 9 OTHER RECURRENT EXPENDITURE</b>				
398,034,745	1701	Losses and Writes off	383,214,091	225,621,581
90,073,029	1702	Contingency Services		-
488,107,774		Total	383,214,091	225,621,581
<b>1,436,662,279,714</b>		<b>Total Recurrent Expenditure (Notes 5 to 9)</b>	<b>1,370,045,993,316</b>	<b>1,253,508,957,764</b>
<b>NOTE - 10 OBJECT CODEWISE CLASSIFICATION OF PUBLIC INVESTMENTS</b>				
		<b>Rehabilitation and Improvements to Capital Assets</b>		
22,479,814,107	2001	Buildings and Structures	19,067,738,731	19,239,923,235
6,477,570,480	2002	Plant, Machinery and Equipment	6,184,939,848	4,822,819,714
4,223,814,640	2003	Vehicles	3,919,613,262	3,274,023,208
<b>33,181,199,227</b>		<b>Total (a)</b>	<b>29,172,291,840</b>	<b>27,336,766,157</b>
		<b>Acquisition of Capital Assets</b>		
10,369,870,289	2101	Vehicles	9,792,746,902	5,043,019,984
6,801,509,304	2102	Furniture and Office Equipment	6,598,057,911	2,524,260,075
12,566,609,404	2103	Plant, Machinery and Equipment	11,273,330,116	12,632,081,079
160,138,288,860	2104	Buildings and Structures	145,712,436,793	127,385,713,626
75,107,888,364	2105	Lands and Land Improvements	73,614,192,594	44,362,007,030
243,000,000	2108	Capital payment for leased Vehicles	241,676,382	-
<b>265,227,166,221</b>		<b>Total (b)</b>	<b>247,232,440,698</b>	<b>191,947,081,794</b>
		<b>Capital Transfers</b>		
69,673,547,610	2201	Public Institutions	64,066,081,987	45,307,906,292
5,965,002,029	2202	Development Assistance	5,828,619,856	1,910,339,899
17,195,175,000	2203	Contributions to Provincial Councils	11,734,859,000	8,692,600,000
1,251,769,000	2204	Transfers Abroad	883,033,314	1,378,920,048
<b>94,085,493,639</b>		<b>Total (c)</b>	<b>82,512,594,156</b>	<b>57,289,766,239</b>
		<b>Acquisition of Financial Assets</b>		
37,455,778,000	2301	Equity Contribution	37,455,276,013	-
36,644,602,986	2302	On-lending	26,755,581,468	25,922,985,798
<b>74,100,380,986</b>		<b>Total (d)</b>	<b>64,210,857,480</b>	<b>25,922,985,798</b>
		<b>Human Resource Development</b>		
5,983,230,752	2401	Staff Training	5,524,886,420	4,357,708,912
<b>5,983,230,752</b>		<b>Total (e)</b>	<b>5,524,886,420</b>	<b>4,357,708,912</b>
		<b>Other Capital Expenditure</b>		
1,650,176,000	2501	Restructuring	1,648,836,424	2,504,796,581
172,883,616,343	2502	Investments	145,596,796,724	126,306,255,185
40,009,976	2503	Contingency Services	-	-
24,506,212,600	2504	Investments in Provincial Councils	19,811,942,169	19,912,795,918
<b>199,080,014,919</b>		<b>Total (f)</b>	<b>167,057,575,317</b>	<b>148,723,847,684</b>
<b>671,657,485,744</b>		<b>TOTAL EXPENDITURE ON PUBLIC INVESTMENTS (a+b+c+d+e+f)</b>	<b>595,710,645,910</b>	<b>455,578,156,584</b>
<b>2,108,319,765,458</b>		<b>Total Expenditure (Notes 5 - 10)</b>	<b>1,965,756,639,227</b>	<b>1,709,087,114,348</b>

## Notes to Financial Statements *contd...*

### NOTE - 11 - FOREIGN BORROWINGS - 2014

	Funding Agency	Project	Loan Key Number	2014	Actual
				Rs.	2013 Rs.
	<b>AB SVENSK EXPORT CREDIT</b>			<b>148,749,283</b>	<b>1,137,471,578</b>
1		Ratmalana & Ja-Ela Wastewater Treatment Facilities Project	2007029	148,749,283	1,137,471,578
	<b>AGENCY FRANCAISE DE DEVELOPMENT</b>			<b>8,969,157</b>	<b>88,789,938</b>
2		Implementation of Jaffna & Kilinochchi Water Supply & Sanitation Project	2011036	8,969,157	88,789,938
	<b>ASIAN DEVELOPMENT BANK (ADB)</b>			<b>32,334,258,068</b>	<b>34,953,814,324</b>
3		Secondary Towns and Rural Community Water/Sanitation	1993	-	6,177,197
4		TA Loan - Road Project Preparatory Facility	2080	241,259,171	38,716,679
5		North East Community Restore and Development	2168	-	(89,650,124)
6		National Highways Sector Project	2217	-	609,456,340
7		Secondary Towns & Rural Community Water Sanitation (OCR)	2275	88,052,076	123,819,247
8		Secondary Towns & Rural Community Water Sanitation Supply	2276	-	2,145,022
9		Colombo Port Expansion Project	2319	-	833,065,628
10		Education for Knowledge Society Project	2371	703,482,491	1,832,447,736
11		Southern Transport Development Project - Supplementary	2413		2,619,264,907
12		Dry zone Urban Water and Sanitation Project	2477	1,461,035,997	1,130,954,715
13		Clean Energy and Access Improvement Project	2518	1,487,273,605	3,188,120,426
14		Clean Energy and Access Improvement Project	2519	222,308,992	416,341,164
15		Eastern & North Central Provincial Road Project	2546	272,708,888	861,106,981
16		Greater Colombo Wastewater Management Project (OCR)	2557	668,544,317	495,890,281
17		Greater Colombo Wastewater Management Project (ADF)	2558	58,590,058	248,309,786
18		N-E Community Restoration & Development Project II Supplementary	2618	-	14,659,966
19		ADB Funded Fiscal Management Efficiency Project	2624	146,901,912	434,131,520
20		Conflict Affected Region Emergency Project	2626	2,232,250,275	5,179,909,591
21		Northern Road Connectivity Project (OCR)	2639	2,531,400,770	4,509,339,885
22		Northern Road Connectivity Project (ADF)	2640	363,930,848	433,291,621
23		Jaffna & Kilinochchi Water Supply & Sanitation Project OCR	2710	20,572,189	54,560,392
24		Jaffna & Kilinochchi Water Supply & Sanitation Project ADF	2711	143,881,245	178,468,447
25		Sustainable Power Sector Support Project	2733	3,196,533,395	2,571,736,773
26		Sustainable Power Sector Support Project	2734	403,028,955	151,286,074
27		Secondary Towns & Rural Com/Based Water Supply	2757	43,239,611	125,578,375
28		Secondary Towns & Rural Com/Based Water Supply (XDR)	2758	199,483,606	340,640,191
29		Local Government Enhancement Project	2790	715,424,455	468,644,711
30		National Highways Sector Project AF	2767	2,896,452,759	2,351,402,067
31		Northern Road Connectivity Project (ADF)	2890	2,152,487,717	472,460,152
32		Northern Road Connectivity Project (ADF)	2891	1,249,673,291	3,918,078
33		Clean Energy and Network Efficiency Improvement Project	2892	23,298,414	-
34		Dry Zone Urban Water and Sanitation Project (ADF)	2977	746,689,611	39,411,307
35		Education Sector Development Programme (OCR)/(ADF)	3008/3009	5,282,440,657	5,308,209,189
36		Greater Colombo Wastewater Management Improvement Project	2947	6,860,028	-
37		Greater Colombo Wastewater Management Improvement Project	2948	116,223,700	-
38		Skills Sector Enhancement Programme	3119/3120	4,660,229,034	-
	<b>EXPORT IMPORT BANK OF UNITED STATES</b>			<b>1,463,315,730</b>	<b>-</b>
39		Badulla Haliela & Ella Water Supply Project	2013025	1,463,315,730	-
	<b>BOERENLEEN BANK</b>			<b>6,435,765,539</b>	<b>5,022,934,384</b>
40		Extension of a Disaster Management & Emergency Response System	2009031	318,803,647	-
41		Imputation Dairy Animals (Netherlands & Australia)	2011026/2011025	77,296,700	696,053,795
42		Development of Hambantota Hospital	2012010	1,358,123,930	2,055,462,175
43		Development of Nuwara Eliya Hospital	2012009	1,351,848,320	1,356,861,760
44		Upgrading of the National Blood Transfusion Services SL	2013001	2,504,523,547	28,845,435
45		Upgrading of the National Blood Transfusion Services	2013002	-	620,168,065
46		Upgrading of Peripheral Blood Bank Coming Under the National Blood Transfusion Services	2013024	825,169,393	265,543,154

## Notes to Financial Statements *contd...*

### NOTE - 11 - FOREIGN BORROWINGS - 2014

Funding Agency	Project	Loan Key Number	Actual	
			2014 Rs.	2013 Rs.
<b>DANSKE BANK A/S</b>			<b>2,753,693,405</b>	<b>-</b>
47	Sri Lanka SME & Green Energy Global Loan	2013047	2,753,693,405	-
<b>FORTIS EXPORT NV/FORTIS BANQUE SA</b>			<b>288,042,021</b>	<b>396,393,651</b>
48	Kolonna Balangoda Water Supply Project	2011029	288,042,021	396,393,651
<b>HSBC BANK Plc (UK)</b>			<b>10,385,273,450</b>	<b>189,661,516</b>
49	Construction of 210 Permanent Rural Steel Bridges	2012023	2,753,051,971	-
50	Modernization of Processing of MILCO (Pvt) Ltd	2013012	3,006,245,000	90,000,000
51	Regional Bridge Project - Phase II	2013027	4,625,976,479	99,661,516
<b>HSBC Limited (Hong Kong)</b>			<b>-</b>	<b>1,400,338,484</b>
52	Regional Bridge Project - Phase II	2013026	-	1,400,338,484
<b>INTERNATIONAL DEVELOPMENT ASSOCIATION (IDA)</b>			<b>21,073,488,356</b>	<b>21,766,171,101</b>
53	Second North East Irrigated Agriculture Project	3935	385,038,179	489,706,624
54	Road Sector Assistance Project	4138	361,620,658	157,066,760
55	Dam Safety & Water Resources Planning Project	4406	1,514,022,460	1,859,735,557
56	Public Sector Capacity Building Project	4412	-	59,412,355
57	Additional Financing For Road Sector Assistance Project	4429	138,351,545	-
58	Second Community Development Livelihood Improvement Project	4613	1,838,321,843	1,942,311,788
59	Provincial Roads Project	4630	2,208,048,474	3,455,185,412
60	Emergency Additional Financing For Community Livelihood	4671	-	29,018,072
61	Emergency Northern Recovery Project	4676	-	545,082,181
62	Higher Education for the Twenty First Century	4686	800,292,265	1,142,051,625
63	Sustainable Tourism Development Project	4702	-	(6,029,346)
64	North East Local Services Improvement Project	4728	1,061,524,854	536,867,330
65	Small & Medium Enterprise Development Facility Project	4804	130,385,698	713,731,621
66	2nd & 3rd Additional Financing for Community Livelihood in Conflict Affected Areas	4956	1,067,803,268	1,479,011,177
67	Second Additional Financing for Road Sector Assistance Project	4906	4,127,956,331	4,440,155,671
68	Additional Financing for E-Sri Lanka Development Project	5051	-	1,146,015,763
69	Transforming the School Education System as the Foundation of a Knowledge Hub Project	5037	2,031,336,343	2,306,465,636
70	Second Health Sector Development Project	5228	3,457,768,969	1,470,382,875
71	Climate Resilience Improvement Management Programme	5417	1,951,017,469	-
<b>INTERNATIONAL BANK FOR RECONSTRUCTION &amp; DEVELOPMENT</b>			<b>2,434,925,387</b>	<b>4,058,593,663</b>
72	Metro Colombo Urban Development Project	8145	2,368,522,673	4,058,593,663
73	Disaster Risk Management Development Policy Loan	8357	66,402,714	-
<b>INTERNATIONAL FUND FOR AGRICULTURE DEVELOPMENT</b>			<b>1,020,642,296</b>	<b>1,152,840,749</b>
74	Dry Zone Livelihood Support & Partnership Programme	636	12,647,768	66,845,501
75	Post Tsunami Coastal Rehabilitation & Resource Management Programme	664	-	45,277,517
76	Smallholder Plantations Entrepreneurship Development Programme	712	494,357,344	312,923,845
77	Post Tsunami Coastal Rehabilitation & Resource Management Programme II	693	22,360,109	507,880,243
78	Iranamadu Irrigation Development Project	1-857	491,277,075	219,913,643
<b>NORDEA BANK DENMARK A/S</b>			<b>1,013,740,406</b>	<b>2,749,783,414</b>
79	Kelani Right Bank Water Treatment Plant	2008028	16,362	448,970,163
80	Oluvil Port Development Project	2008029	695,250,377	-
81	Rural Electrification Project 4 Extension	2011011	318,473,668	2,300,813,251
<b>ORGANISATION OF PETROLEUM EXPORTING COUNTRIES (OPEC)</b>			<b>2,154,017,333</b>	<b>362,873,041</b>
82	National Highway Sector Project	1355 P	-	13,220,201
83	Kalu Ganga Development Project	1354	365,569,291	-
84	Road Network Development Project	1452 P	1,673,917,188	349,652,840
85	Colombo National Highways Project	1511	114,530,854	-

## Notes to Financial Statements *contd...*

### NOTE - 11 - FOREIGN BORROWINGS - 2014

Funding Agency		Project	Loan Key Number	2014 Rs.	Actual 2013 Rs.
GOVERNMENT OF THE RUSSIAN FEDERATION				8,675,269,135	-
86	Russian Line of Credit	2010018	8,675,269,135	-	
AUSTRALIAN & NEW ZELAND INVESTMENT BANK				1,630,223,171	1,654,218,020
87	Integrated Water Supply Scheme for the Unserved Areas of Ampara District - Phase III	2010023	1,630,223,171	1,654,218,020	
UNICREDIT BANK AUSTRIA AG				1,340,157,136	879,959,674
88	Rehabilitation of Old Laxapana Hydroelectric Power Plant	2010004	-	506,601,349	
89	Augmentation of Mahiyangana Water Supply Project	2013004	922,732,833	-	
90	Supply of 2 Nos Cardiac Catheterization System to Cardiology Dep. of the NHSL	2013006	43,177,633	373,358,324	
91	Sewerage Infrastructure at Kataragama Sacred City Area	2013045	374,246,670	-	
BNP PARIBAS				150,000,000	-
92	Reconstruction of (07) Railway Steel Bridges	2013032	150,000,000	-	
CALYON CREDIT AGRICOLE CIB				336,554,635	267,749,374
93	Rehabilitation of Wimalasurendra and New Laxapana Power Stations	2008042	336,554,635	267,749,374	
CHAINA DEVELOPMENT BANK CORPORATION				27,719,478,054	17,058,378,835
94	Rehabilitation and Improvement of Priority Road Project	2010051	3,563,559,938	3,178,513,142	
95	Rehabilitation and Improvement of Priority Road Project	2011007	19,267,683,684	10,830,496,029	
96	Moragahakanda Development Project	2012017	2,029,483,589	3,049,369,664	
97	Improvement and Rehabilitation of Priority Roads Project III	2014001	2,858,750,843	-	
GOVERNMENT OF FRANCE				2,388,188,610	896,113,958
98	Trincomalee Integrated Infrastructure Project	2005049	-	218,914,262	
99	Greater Trincomalee Water Supply Project	2005052	70,000,000	163,199,696	
100	Widening and Reconstruction of 46 Bridges on National Road Network	2012028	2,318,188,610	514,000,000	
GOVERNMENT OF GERMANY				190,616,050	690,969,736
101	DFCC 5th Credit Line for SME in the North and East	2006040	-	171,410,099	
102	Rehabilitation of Electricity Supply for Jaffna Region (Transmission Line)	2005051	140,696,772	493,889,957	
103	Construction of the Mahamodara Maternity Hospital Galle	2012022	49,919,278	25,669,680	
GOVERNMENT OF INDIA				24,799,190,770	13,680,915,789
104	Upgrading of Railway Line Colombo Matara	2008011	819,522,815	581,437,082	
105	Upgrading of Railway Line Colombo Matara phase II	2010010	-	2,131,710,360	
106	Railway Line Omanthai - Pallai, Madhu - Tallaimannar & Medawachchiya	2010052	14,785,489,496	7,218,720,544	
107	Greater Dambulla Water Supply Project I	2012002	784,593,071	674,635,241	
108	Restoration of Northern Railway Services	2012003	8,409,585,388	3,074,412,562	
GOVERNMENT OF KUWAIT				193,760,658	96,841,260
109	Bridges Reconstruction & Rehabilitation Project	466/627	37,439,956	29,220,199	
110	Strengthening of Tertiary Education & Administrative Infrastructure in Tsunami Affected Areas	711	62,890,496	-	
111	Kalu Ganga Development Project	781	-	52,932,498	
112	South Eastern University of Sri Lanka Development Project Phase I "B"	836	93,430,205	14,688,563	
GOVERNMENT OF SAUDI ARABIA				1,860,063,985	973,873,501
113	Epilepsy Hospital & Health Centers Project	7/477	253,621,591	587,200,476	
114	Road Network Development Project	9/574	1,606,442,394	386,673,024	
JAPAN / SRI LANKA				35,320,181,036	29,951,679,336
115	Pro-poor Economic Advancement & Community Enhancement	77	-	143,296,575	
116	Vavuniya Kilinochchi Transmission Line Project	83	87,809,241	216,393,154	
117	Galle Port Development Project	85	-	66,490,783	
118	Tourism Resources Improvement Project	86	-	750,025,771	
119	Greater Colombo Transport Development Project	89	4,791,768,963	2,155,626,126	
120	Water Sector Development Project	90	1,228,514,706	1,719,255,625	

## Notes to Financial Statements *contd...*

### NOTE - 11 - FOREIGN BORROWINGS - 2014

	Funding Agency	Project	Loan Key Number	Actual	
				2014 Rs.	2013 Rs.
121		Southern Highway Construction Project (II)	92	-	1,675,737,787
122		Water Sector Development Project (II)	93	1,710,248,460	1,835,226,118
123		Poverty Alleviation Micro Finance Project -II	94	353,357,511	144,795,305
124		Energy Diversification Enhancement Project	95	277,393,095	287,596,709
125		Provincial Rural Roads Development Project	96	3,506,491,653	2,823,713,872
126		Provincial Rural Roads Development Project	97	24,780,798	1,859,540,490
127		Eastern Province Water Supply Development Project	98	1,467,073,224	1,117,977,448
128		Kandy City Waste Water Management Project	99	746,069,186	339,407,176
129		Upper Kotmale Hydro Power Project II	100	3,922,178,367	1,799,313,259
130		Greater Colombo Urban Transport Development Project - Phase II	101	13,871,375,408	10,255,480,083
131		Vavuniya Kilinochchi Transmission Line Project - Phase II	102	93,895,913	132,102,155
132		Emergency Natural Disaster Rehabilitation Project	103	1,289,455,050	2,180,221,620
133		Habarana Veyangoda Transmission Line	106	44,374,104	123,480,925
134		Improvement of Basic Social Services Targeting Emerging Region	105	1,004,538,614	321,960,980
135		Greater Colombo Transmission and Distribution Loss Reduction Project	107	325,485,139	4,037,378
136		Major Bridges Construction Project	108	227,148,072	-
137		Landslide Disaster Protection Project	109	177,933,603	-
138		Anuradhapura North Water Supply Project	110	170,289,930	-
<b>GOVERNMENT OF SPAIN</b>				<b>1,246,957,524</b>	<b>1,589,846,676</b>
139		Veyangoda Railway Crossing Flyover Project	2012015	-	1,365,936,603
140		Greater Rathnapura Water Supply Project	2013003	1,246,957,524	223,910,073
<b>SRI LANKA- KOREA</b>				<b>3,220,649,045</b>	<b>4,699,637,830</b>
141		Ruhunupura Water Supply Development Project	19	1,138,686,079	2,177,550,283
142		Hatton - Nuwara Eliya Road Improvement Project	20	2,003,905,279	1,004,617,323
143		Improvement of Padeniya- Anuradhapura Road Project	23	-	1,517,470,224
144		Construction of Solid Waste Disposal Facilities	21	78,057,687	-
<b>THE EXPORT - IMPORT BANK OF CHINA</b>				<b>36,097,687,164</b>	<b>32,976,889,936</b>
145		Colombo - Katunayake Expressway (CKE) Section A1	2009011	-	2,751,304,899
146		Colombo - Katunayake Expressway (CKE) Section A2	2009010	-	2,451,157,596
147		Colombo - Katunayake Expressway (CKE) Section A3	2009012	-	1,824,276,894
148		Colombo - Katunayake Expressway (CKE) Section A4	2009013	-	2,648,924,750
149		Supply of 13 Nos. Diesel Multiple Units to Sri Lanka Railway Project	2010007	5,405,023,262	-
150		Bunkering Facility & Tank Farm Project at Hambantota	2009009	770,609,177	-
151		Northern Province Power Sector Development Project	2010030	1,170,009,027	1,120,441,066
152		Northern Road Rehabilitation Project	2010031	746,054,417	2,400,746,872
153		Northern Road Rehabilitation Project	2010032	1,370,408,895	959,373,679
154		Northern Road Rehabilitation Project	2010033	1,342,234,679	1,613,928,729
155		Northern Road Rehabilitation Project	2010034	2,805,628,933	1,747,361,055
156		Northern Road Rehabilitation Project	2010035	361,676,950	1,646,458,683
157		Highway Section Pinnaduwa to Kodagoda	2011005	847,396,829	2,380,927,573
158		Highway Section Kodagoda to Godagama	2011006	1,146,614,596	2,059,036,867
159		Rehabilitation & Improvement of 67 km Length of Navatkuli, Karaitivu, Mannar Road	2011008	2,996,716,473	837,236,673
160		Rehabilitation & Improvement of 113 km Length of Puttalam Marichchikade, Mannar Road	2011009	3,278,813,431	1,721,385,782
161		Lighting Eastern Province Project	2012001	2,088,051,287	1,552,393,719
162		Matara Beliatla Section of Matara, Kataragama Railway Line Extension	2013005	10,162,395,550	3,200,000,000
163		Kurunegala Water Supply & Sewerage Project	2013041	762,863,668	-
164		Matara Beliatla Section of Matara Kataragama Railway Line Extension	2013022	839,533,996	-
165		Lighting Uva Province Project	2011014	3,655,997	2,061,935,097

## Notes to Financial Statements *contd...*

### NOTE - 11 - FOREIGN BORROWINGS - 2014

Funding Agency		Project	Loan Key Number	2014 Rs.	Actual 2013 Rs.
EXPORT IMPORT BANK OF HUNGARY				659,181,173	1,198,169,264
166	Rehabilitation of Kalatuwawa Water Treatment Plant Project		2013008	291,228,135	610,853,768
167	Rehabilitation of Labugama Water Treatment Plant Project		2013009	367,953,039	587,315,496
EXPORT DEVELOPMENT BANK OF IRAN				(418,183)	3,422,249,319
168	Uma Oya Hydro Electric & Irrigation Project		2008027	-	3,002,018,586
169	Implementation of Rural Electrification Project 8		2010005	-	420,230,733
170	Refund		4671	(418,183)	
OTHERS				195,200,345,963	-
171	Sovereign Bond Issue 2014 - USD 1500 Mn		2011017	195,200,345,963	-
Total				422,542,966,357	183,317,158,351



## Notes to Financial Statements *contd...*

### NOTE - 12 - FOREIGN GRANTS

Donor	2014 Rs.	Actual 2013 Rs.
<b>Grants Received for Projects in the form of Cash</b>		
Asian Development Bank (ADB)	1,623,435	4,638,340
Government of Japan	230,904,076	206,846,345
International Labour Organization (ILO)	-	2,147,200
Government of Netherlands	14,810,365	14,820,090
United Nations High Commission for Refugees (UNHCR)	2,590,000	2,600,000
United Kingdom (UK)	34,984,174	22,845,431
United Nations Development Programme (UNDP)	357,247,693	220,421,490
United Nations Educational, Scientific and Cultural Organization (UNESCO)	4,928,483	8,981,420
United Nations Fund for Population (UNFPA)	71,422,163	64,903,919
United Nations Children's Education Fund (UNICEF)	430,906,567	452,350,318
United State of America (USA)	209,352	106,506,435
World Health Organization (WHO)	43,780,836	73,798,041
World Food Programme (WFP)	52,472,105	-
World Bank (WB)	625,037,638	484,330,230
United Nations Environment Programme (UNEP)	27,002,896	6,544,692
Global Alliance Vaccination Immunization (GAVI)	107,906,613	108,794,143
South Asian Association for Regional Cooperation (SAARC)	26,236,304	36,331,812
Government of Australia	-	7,249,777
Government of Korea	3,577,918	5,374,865
Government of Italy	9,395,991	1,665,535
Government of Norway	8,897,789	2,700,000
Government of Germany	756,965	-
Others	85,556,291	14,939,475
Others (Pakistan & World Meteorology Organization)	12,016,825	10,800,000
<b>Total (a)</b>	<b>2,152,264,477</b>	<b>1,859,589,558</b>
<b>Grants Received through Special Foreign Currency Accounts</b>		
International Development Association (IDA)	2,155,170,904	1,678,500,474
Asian Development Bank (ADB)	895,955,570	986,266,329
United Nations Development Programme (UNDP)	23,453,518	826,507
International Fund for Agricultural Development (IFAD)	174,164,346	90,958,035
<b>Total (b)</b>	<b>3,248,744,338</b>	<b>2,756,551,345</b>
<b>Grants Received and Reported in the form of Material &amp; Equipment</b>		
World Food Programme (WFP)	407,132,082	805,280,496
Korea International Cooperation Agency (KOICA)	1,302,304	-
The Government of India	6,000,000	71,961,587
The Government of Norway	-	5,350,000
Japan International Cooperation Agency (JICA)	1,192,533,083	1,199,999,109
The Government of Spain	-	10,200,000
<b>Total (c)</b>	<b>1,606,967,469</b>	<b>2,092,791,192</b>
<b>Direct Payments</b>		
The Government of Japan (JICA)	113,788,213	8,860,670
The Government of India	2,001,250,000	7,805,382,983
Government of Germany	269,134,601	617,512,607
United States Agency for International Development (USAID)	-	257,254,169
Asian Development Bank (ADB)	20,857,155	35,204,736
United Nations Fund for Population (UNFPA)	605,000	2,234,622
United Kingdom (UK)	-	423,614,285
South Asian Association for Regional Cooperation (SAARC)	1,416,039	-
<b>Total (d)</b>	<b>2,407,051,008</b>	<b>9,150,064,072</b>
<b>Grand Total = (a)+(b)+(c)+(d)</b>	<b>9,415,027,292</b>	<b>15,858,996,167</b>

## Notes to Financial Statements *contd...*

	2014 Rs	Actual 2013 Rs
<b>NOTE - 13 - DOMESTIC NON BANK BORROWINGS</b>		
Net Borrowings through Treasury Bills - 8085	11,827,708,588	46,782,614,568
Treasury Bonds - 9093	857,605,228,252	802,402,739,644
Foreign Currency Banking Unit - 9107	562,399,651	2,552,075,500
Sri Lanka Development Bonds - 9105	95,454,042,850	237,958,814,481
	<b>965,449,379,341</b>	<b>1,089,696,244,193</b>
<b>Net Borrowings through Treasury Bills - 8085</b>		
Borrowings through Treasury Bills	1,066,610,283,811	1,134,911,840,726
Less: Total Repayments	1,054,782,575,223	1,088,129,226,158
Net of Borrowings/Repayment	<b>11,827,708,588</b>	<b>46,782,614,568</b>
<b>NOTE - 14 - DOMESTIC DEBT REPAYMENTS</b>		
Treasury Bonds - 9093	439,765,496,940	487,741,907,290
Rupee Loans - 8249	-	2,868,000,000
Sri Lanka Development Bonds - 9105	74,482,913,000	97,810,317,001
Local Loans in Foreign Currency - 9107	208,807,858	-
Deferred Loan Re-Payment	14,530,108,776	19,202,792,468
	<b>528,987,326,574</b>	<b>607,623,016,759</b>
Note : - Net Borrowings through Treasury Bills reflects the difference between borrowings through Treasury Bills and their settlements on maturity, taken place during the year.		
<b>NOTE - 15 - RECOVERIES FROM ON-LENDING</b>		
<b>Foreign Funded Lending</b>		
National Development Bank	491,383,134	768,935,483
Sri Lanka Ports Authority	5,490,914,065	6,298,446,917
Development Finance Corporation of Ceylon	1,930,529,665	1,981,470,740
Hatton National Bank	781,622,436	518,297,056
Lanka Electricity Company Ltd.	56,025,602	76,565,863
National Water Supply & Drainage Board	1,030,000,000	200,000,000
Sampath Bank	355,242,609	217,631,200
Commercial Bank	290,484,872	238,070,488
Seylan Bank	44,011,632	44,428,298
Ceylon Petroleum Corporation	647,368,644	647,368,644
Lanka Orix Leasing Company	160,546,668	162,344,771
Local Loan Development Fund	94,610,052	91,828,713
Revolving Funds of Central Bank with Regional Development Banks	1,637,502,285	1,263,510,005
Lankaputhra Development Bank	8,878,642	8,878,643
Other Institutions	1,476,525,154	1,914,535,328
<b>Total (a)</b>	<b>14,495,645,460</b>	<b>14,432,312,147</b>
<b>Treasury Funded Lending</b>		
AHF Loan Scheme	290,526,262	300,819,193
Other Loans	106,216,998	1,235,395,269
<b>Total (b)</b>	<b>396,743,259</b>	<b>1,536,214,462</b>
<b>Grand Total (a+b)</b>	<b>14,892,388,719</b>	<b>15,968,526,609</b>

## Notes to Financial Statements *contd...*

	2014 Rs	Actual 2013 Rs
<b>NOTE - 16 ADVANCES TO PUBLIC OFFICERS</b>		
Advances to Public Officers Transferred to Provincial Councils (7004)	196,869,508	189,314,511
Advances to Public Officers of the Central Government (8493)	23,199,449,249	22,822,851,351
	<b>23,396,318,757</b>	<b>23,012,165,862</b>
<b>NOTE - 17 ADVANCES TO GOVERNMENT DEPARTMENTS</b>		
Treasury Authorized Advance Accounts (7000 )	9,679,045,605	9,229,954,562
	<b>9,679,045,605</b>	<b>9,229,954,562</b>
<b>NOTE - 18 MEMBERSHIP FEES</b>		
International Monetary Institutions Membership Fees (8234) and (8339)	1,885,484,942	1,885,484,942
Foreign Aids Counterpart Fund - Grants (8317)	1,631,694,933	1,631,694,933
	<b>3,517,179,875</b>	<b>3,517,179,875</b>

## Notes to Financial Statements *contd...*

### NOTE - 19 - ON LENDING

	Institution	Balance as at 31.12.2013 Rs.	New Loan During 2014 Rs.	Amount Settled During 2014 Rs.	Balance as at 31.12.2014 Rs.
1	Sri Lanka Ports Authority	77,336,372,632	-	5,490,914,065	66,757,994,299
	<b>Add / (Less) : Parity Variance</b>	(5,087,464,268)			(2,785,202,933)
	<b>Balance</b>	<b>72,248,908,365</b>	<b>-</b>	<b>5,490,914,065</b>	<b>63,972,791,367</b>
2	Ceylon Electricity Board	161,706,952,783	9,795,107,982	-	171,502,060,765
	<b>Less : Transfer of 17 Sub loan balance to Equity</b>				(161,706,952,783)
	<b>Balance</b>	<b>161,706,952,783</b>	<b>9,795,107,982</b>	<b>-</b>	<b>9,795,107,982</b>
3	Development Finance Corporation of Ceylon	19,791,054,366	1,751,920,112	1,930,529,665	19,309,431,086
	<b>Add / (Less) : Parity Variance/Adjustment</b>	(303,013,726)			19,368,039
	<b>Less : Revolving Recoveries/ Disbursement</b>				(410,268,269)
	<b>Balance</b>	<b>19,488,040,639</b>	<b>1,751,920,112</b>	<b>1,930,529,665</b>	<b>18,918,530,856</b>
4	Lankaputhra Development Bank	2,397,328,333	-	8,878,642	2,448,255,268
	<b>Add / (Less) : Parity Variance</b>	59,805,577			17,499,927
	<b>Balance</b>	<b>2,457,133,910</b>	<b>-</b>	<b>8,878,642</b>	<b>2,465,755,195</b>
5	People's Bank	261,988,314	293,238,812	65,501,404	489,725,723
6	National Development Bank	5,904,146,432	220,599,994	491,383,134	4,773,731,859
	<b>Add / (Less) : Parity Variance/Adjustment</b>	(859,631,433)			-
	<b>Less : Revolving Recoveries/ Disbursement</b>				(507,631,433)
	<b>Balance</b>	<b>5,044,514,999</b>	<b>220,599,994</b>	<b>491,383,134</b>	<b>4,266,100,427</b>
7	Lanka Electricity Company	56,025,602	(0)	56,025,602	0
8	Sampath Bank Ltd.	3,493,311,688	531,791,123	355,242,609	3,426,522,621
	<b>Add / (Less) : Parity Variance/Adjustment</b>	(243,337,581)	-	-	-
	<b>Less : Revolving Recoveries/ Disbursement</b>				(251,510,033)
	<b>Balance</b>	<b>3,249,974,108</b>	<b>531,791,123</b>	<b>355,242,609</b>	<b>3,175,012,588</b>
9	Hatton National Bank Ceylon Ltd.	4,132,946,844	477,479,596	781,622,436	3,763,197,885
	<b>Add / (Less) : Parity Variance/Adjustment</b>	(65,606,120)			-
	<b>Less : Revolving Recoveries/ Disbursement</b>				(82,329,320)
	<b>Balance</b>	<b>4,067,340,724</b>	<b>477,479,596</b>	<b>781,622,436</b>	<b>3,680,868,565</b>
10	Commercial Bank	5,355,160,162	80,679,998	290,484,872	4,437,802,102
	<b>Add / (Less) : Parity Variance/Adjustment</b>	(707,553,186)	-	-	-
	<b>Less : Revolving Recoveries/ Disbursement</b>				(711,327,066)
	<b>Balance</b>	<b>4,647,606,976</b>	<b>80,679,998</b>	<b>290,484,872</b>	<b>3,726,475,036</b>
11	Seylan Bank	243,464,025	123,490,240	44,011,632	322,942,633
	<b>Less : Revolving Recoveries / Disbursement</b>				(13,566,152)
	<b>Balance</b>	<b>243,464,025</b>	<b>123,490,240</b>	<b>44,011,632</b>	<b>309,376,481</b>
12	Ceylon Petroleum Corporation	1,998,218,559	-	647,368,644	1,350,849,915
13	Sri Lanka Savings Bank	1,391,019,249	-	16,032,023	1,374,987,226
14	Sarvodaya Economic & Enterprises Dev. Service	633,395,759	-	-	633,395,759
15	Local Loan Development Fund	5,527,852,664	-	94,610,052	5,433,242,612
16	Lanka Orix Leasing Co. Ltd.	1,093,741,241	-	160,546,668	897,320,809
	<b>Add / (Less) : Parity Variance/Adjustment</b>	(35,873,765)	-	-	-
	<b>Less : Revolving Recoveries/ Disbursement</b>				(35,873,765)
	<b>Balance</b>	<b>1,057,867,476</b>	<b>-</b>	<b>160,546,668</b>	<b>861,447,043</b>

## Notes to Financial Statements *contd...*

### NOTE - 19 - ON LENDING

	Institution	Balance as at 31.12.2013 Rs.	New Loan During 2014 Rs.	Amount Settled During 2014 Rs.	Balance as at 31.12.2014 Rs.
17	National Water Supply & Drainage Board	36,478,923,382	6,227,397,216	1,030,000,000	41,676,320,597
18	Bank of Ceylon	1,989,467,134	181,754,714	200,038,951	1,585,671,808
	<b>Add / (Less) : Parity Variance/Adjustment</b>	(385,511,089)	-	-	-
	<b>Less : Revolving Recoveries/ Disbursement</b>				(275,772,804)
	<b>Balance</b>	<b>1,603,956,045</b>	<b>181,754,714</b>	<b>200,038,951</b>	<b>1,309,899,004</b>
19	Colombo Dockyard	13,094,040		14,434,320	78,360
	<b>Add / (Less) : Parity Variance</b>	1,418,640			(78,360)
	<b>Balance</b>	<b>14,512,680</b>	-	<b>14,434,320</b>	-
20	Urban Development Authority	276,749,960	-	-	276,749,960
21	Ceylinco Leasing Company Ltd.	73,248,386	-	14,649,677	58,598,709
22	People's Leasing Company Ltd.	177,276,074	-	-	163,165,092
	<b>Add / (Less) : Parity Variance/Adjustment</b>	(14,110,982)	-	-	-
	<b>Less : Revolving Recoveries/ Disbursement</b>				(14,110,982)
	<b>Balance</b>	<b>163,165,092</b>	-	-	<b>149,054,111</b>
23	Regional Development Bank (Kandurata)	51,869,694	-	-	42,939,296
	<b>Add / (Less) : Parity Variance/Adjustment</b>	(8,930,398)	-	-	-
	<b>Less : Revolving Recoveries/ Disbursement</b>				(8,201,178)
	<b>Balance</b>	<b>42,939,296</b>	-	-	<b>34,738,118</b>
24	Distance Learning Centre Ltd	19,236,961	-	3,206,160	16,030,801
25	Central Bank of Sri Lanka	764,455,974	-	311,793,195	452,662,780
26	Prajashakthi District Organization-Badulla	5,820,000	-	-	5,820,000
27	Sanasa Development Bank (IFAD 283)	12,056,479	-	-	12,056,479
28	Sanasa Development Bank	23,126,948	-	3,854,492	19,272,456
29	Regional Development Bank	205,555,386	141,121,586	43,910,795	302,766,177
30	Ministry of Agricultural Dev. Agrarian Services	1,498,114,813	-	2,236,915	1,495,877,898
31	Alliance Finance Company Ltd.	151,144,131	-	11,708,954	139,435,177
32	Revolving Funds with Central Bank of Sri Lanka	21,154,826,642	407,953,673	1,637,502,285	22,667,601,527
	<b>Add : Parity Variance/ Adjustment</b>	2,742,323,496	-	-	-
	<b>Add : Revolving Recoveries/ Disbursement</b>				2,326,127,378
	<b>Balance</b>	<b>23,897,150,139</b>	<b>407,953,673</b>	<b>1,637,502,285</b>	<b>24,993,728,904</b>
33	Regional Development Bank (Wayamba)	34,502,022	-	-	23,001,348
	<b>Add / (Less) : Parity Variance/Adjustment</b>	(11,500,674)	-	-	-
	<b>Less : Revolving Recoveries/ Disbursement</b>				(11,500,674)
	<b>Balance</b>	<b>23,001,348</b>	-	-	<b>11,500,674</b>
34	Regional Development Bank	-	51,998,640	-	51,998,640
	<b>Less : Revolving Recoveries/ Disbursement</b>				(4,035,701)
	<b>Balance</b>	-	<b>51,998,640</b>	-	<b>47,962,939</b>
35	HDFC / NHDA	297,650,748	1,066,000	26,663,020	272,053,728
36	Airport & Aviation Services (Sri Lanka) Ltd	14,673,030,869	-	762,495,248	11,506,065,333
	<b>Add / (Less) : Parity Variance/Adjustment</b>	(2,404,470,288)	-	-	(1,289,601,061)
	<b>Balance</b>	<b>12,268,560,581</b>	-	<b>762,495,248</b>	<b>10,216,464,272</b>
	<b>On Lending Based on Foreign Aids</b>	<b>361,899,672,501</b>	<b>20,285,599,685</b>	<b>14,495,645,460</b>	<b>201,944,659,557</b>

## Notes to Financial Statements *contd...*

### NOTE - 19 - ON LENDING

	Institution	Balance as at 31.12.2013 Rs.	New Loan During 2014 Rs.	Amount Settled During 2014 Rs.	Balance as at 31.12.2014 Rs.
37	Local Loans & Development Fund	259,968,955	-	22,575,790	237,393,165
38	Sri Lanka Rubber Manufacture & Dev. Corporation	773,340,000	-	-	773,340,000
39	Sri Lanka Handicraft Development Board	7,377,500	-	1,362,000	6,015,500
40	Lankaputhra Development Bank - Small./Med. Gar.Pr.	10,909,600	-	5,454,400	5,455,200
41	Hotel Developers Lanka Ltd.	2,350,299,678	-	-	2,350,299,678
	Less : Parity Variance/ Adjustment	-	-	-	(2,350,299,678)
	<b>Balance</b>	<b>2,350,299,678</b>	<b>-</b>	<b>-</b>	<b>(0)</b>
42	Other Local Loan(NLDB & Lady Lahore)	53,000,000	-	750,000	52,250,000
43	AHF Loan Scheme 2004/2005	1,472,438,711	-	290,526,262	1,181,912,449
44	Real Estate Exchange Pvt Ltd	250,000,000	-	-	250,000,000
45	Min. of Petroleum & Petroleum Resources . Dev.	314,982,409	-	-	314,982,409
46	Department of Treasury Operations - (RFPDFP)	1,999,025,150	-	-	1,999,025,150
47	Department of Treasury Operations - (PLGF)	916,231,000	-	-	916,231,000
48	Ceylon Hotel Corporations	19,000,000	-	19,000,000	-
49	Ceylon Ceramic Corporations	8,676,923	-	-	8,676,923
50	Ceylon Fisheries Corporations	50,000,000	-	-	50,000,000
51	Ceylon Fisheries Corporations	11,600,000	-	-	11,600,000
52	Ceylon Fisheries Corporations	50,000,000	-	-	50,000,000
53	National Paper Company Ltd	50,000,000	-	-	50,000,000
54	Central Bank - (SPIRDP)	16,335,526	-	11,460,692	4,874,833
55	Selacine Rupavahini	7,440,000	-	1,860,000	5,580,000
56	Central Bank - SEPI Loan Scheme	97,803,554	50,000,000	43,754,115	104,049,439
	<b>On Lending Based on Domestic Funds</b>	<b>8,718,429,006</b>	<b>50,000,000</b>	<b>396,743,259</b>	<b>6,021,386,068</b>
	<b>Total (Before Parity Variance/Adjustment)</b>	<b>377,941,557,303</b>	<b>20,335,599,685</b>	<b>14,892,388,719</b>	<b>214,354,359,690</b>
	<b>Total Parity Variance</b>	<b>(7,323,455,796)</b>	<b>-</b>	<b>-</b>	<b>(6,388,314,065)</b>
	<b>Total (After Parity Variance/Adjustment)</b>	<b>370,618,101,507</b>	<b>20,335,599,685</b>	<b>14,892,388,719</b>	<b>207,966,045,625</b>

## Notes to Financial Statements *contd...*

### NOTE - 20 - CAPITAL CONTRIBUTION SHAREHOLDING IN THE COMMERCIAL PUBLIC CORPORATIONS/STATE OWNED / PLANTATIONS & OTHER COMPANIES / DEVELOPMENT BANKS (8468 / 8548)

Institution	Balance as at 01.01.2014	Additions in 2014	Adjustments */ Reductions in 2014	Balance as at 31.12.2014
	Rs.	Rs.	Rs.	Rs.
Note - 20.1 (a) Capital Contribution in Commercial Public Corporations	130,061,000,789	170,130,132,783		300,191,133,572
Note - 20.1 (b) Central Bank of Sri Lanka	15,000,000			15,000,000
Note - 20.2 Shareholding in Government Owned or Other Companies	76,411,981,371	19,589,687,250	4,858,041,430	91,143,627,191
Note - 20.3 Shareholding in Plantation Companies	1,677,234,650			1,677,234,650
Note - 20.4 Shareholding in Companies in US Dollar denomination	261,807,120		892,930	260,914,190
Note - 20.5 Shareholding in Development Banks	4,549,236,948	181,374		4,549,418,322
<b>Total</b>	<b>212,976,260,878</b>	<b>189,720,001,407</b>	<b>4,858,934,360</b>	<b>397,837,327,925</b>

### NOTE - 20.1 (a) - CAPITAL CONTRIBUTION IN COMMERCIAL PUBLIC CORPORATIONS

Institution	Balance as at 01.01.2014	Additions in 2014	Adjustments */ Reductions in 2014	Balance as at 31.12.2014
	Rs.	Rs.	Rs.	Rs.
1 Bank of Ceylon	5,000,000,000	5,000,000,000		10,000,000,000
2 Central Engineering Consultancy Bureau	500,000			500,000
3 Ceylon Ceramics Corporation	2,640,000			2,640,000
4 Ceylon Electricity Board	96,090,404,058	161,706,952,783		257,797,356,841
5 Ceylon Fisheries Corporation	326,609,805			326,609,805
6 Ceylon Fishery Harbours Corporation	50,100,195			50,100,195
7 Ceylon Petroleum Corporation	117,820,000	3,382,180,000		3,500,000,000
8 Development Lotteries Board	2,200,000			2,200,000
9 Housing Development Finance Corporation Bank	346,490,000			346,490,000
10 National Films Corporation of Sri Lanka	10,000,000			10,000,000
11 National Institute of Business Management	57,175,766			57,175,766
12 National Livestock Development Board	576,587,649			576,587,649
13 National Lotteries Board	21,263,100			21,263,100
14 National Savings Bank	3,200,000,000			3,200,000,000
15 National Water Supply & Drainage Board	185,480,000			185,480,000
16 People's Bank	7,198,133,000			7,198,133,000
17 Sri Lanka Ayurvedic Drugs Corporation	5,000,000			5,000,000
18 Sri Lanka Broadcasting Corporation	307,386,085			307,386,085
19 Sri Lanka Cashew Corporation	427,287,074			427,287,074
20 Sri Lanka Cement Corporation	966,971,844			966,971,844
21 Sri Lanka Transport Board	3,944,890,550			3,944,890,550
22 Sri Lanka Export Credit Insurance Corporation	40,000,000			40,000,000
23 Sri Lanka Handicraft Board	69,629,000			69,629,000
24 Sri Lanka Land Reclamation & Development Corporation	1,000,000			1,000,000
25 Sri Lanka Ports Authority	7,535,916,027			7,535,916,027
26 Sri Lanka Rupavahini Corporation	537,743,000			537,743,000
27 State Development & Construction Corporation	16,671,650			16,671,650
28 State Engineering Corporation of Sri Lanka	70,000,000			70,000,000
29 State Mortgage & Investment Bank	889,813,000			889,813,000
30 State Pharmaceuticals Corporation of Sri Lanka	59,055,258			59,055,258



## Notes to Financial Statements *contd...*

Institution		Balance as at 01.01.2014	Additions in 2014	Adjustments */ Reductions in 2014	Balance as at 31.12.2014
		Rs.	Rs.	Rs.	Rs.
31	State Pharmaceuticals Manufacturing Corporation	690,079,000			690,079,000
32	State Printing Corporation	15,000,000			15,000,000
33	State Resource Management Corporation		41,000,000		41,000,000
34	State Timber Corporation	41,503,668			41,503,668
35	Urban Development Authority	1,257,651,060			1,257,651,060
<b>Total (20.1)</b>		<b>130,061,000,789</b>	<b>170,130,132,783</b>	<b>-</b>	<b>300,191,133,572</b>

		Balance as at 01.01.2014	Additions in 2014	Adjustments */ Reductions in 2014	Balance as at 31.12.2014
		Rs.	Rs.	Rs.	Rs.
1	Central Bank of Sri Lanka	15,000,000	-	-	15,000,000

## Notes to Financial Statements *contd...*

### NOTE - 20.2 - SHAREHOLDING IN GOVERNMENT OWNED OR OTHER COMPANIES

NOTE - 02: SHAREHOLDING IN GOVERNMENT OWNED OR OTHER COMPANIES							
Company	Number of Shares			Nominal Value per Share (Rs.)	Value of the Investment as at 01-01-2014 (Rs)	Value of the Investment as at 31.12.2014 (Rs)	Percent- age of Share holding by the Treasury
	As at 01.01.2014	Additions	Deductions As at 31.12.2014				
1 Airport & Aviation Services (Sri Lanka) Ltd	200,000		200,000	100.00	20,000,000	20,000,000	98.00
2 BCC Lanka Ltd	10,000,000		10,000,000	10.00	100,000,000	100,000,000	100.00
3 Bogala Graphite Lanka Ltd	254,500		254,500	10.00	2,545,000	2,545,000	0.91
4 Borwood Ltd	200,000		200,000	-	2,000,000	-	
5 Building Materials Corporation	1,000,000		1,000,000	10.00	10,000,000	10,000,000	100.00
6 Ceylon Agro Industrial Ltd	11,903,402		11,903,402	5.00	59,517,010	59,517,010	8.50
7 Ceylon fertilizer Co. Ltd	50,245,608	-	50,245,608	10.00	502,456,080	502,456,080	100.00
8 Ceylon Hotel Corporation PLC (Preference Shares)	1,200,000		1,200,000	2.00	2,400,000	2,400,000	2.00
9 Ceylon Shipping Corporation Ltd	5,000,000		5,000,000	10.00	50,000,000	50,000,000	100.00
10 Ceylon Shipping Lines Ltd	156,493		156,493	10.00	1,564,930	1,564,930	-
11 Ceylon Petroleum Storage Terminals Ltd	250,000,000		250,000,000	-	2,500,000,000	-	-
12 Ceynor Foundation Ltd	4,000,000		4,000,000	10.00	40,000,000	40,000,000	100.00
13 Colombo Commercial Fertilizer Ltd	10,000,000		10,000,000	10.00	100,000,000	100,000,000	100.00
14 Colombo Sack Makers Ltd	2,499,996		2,499,996	-	24,999,960	-	-
15 Commercial Bank of Ceylon Ltd	30,029		30,029	5.00	150,145	150,145	0.00418
16 Comsec Management Services	2,499,996		2,499,996	-	24,999,960	-	-
17 Cultural Publication Company Ltd	600		600	100.00	60,000	60,000	-
18 Distance Learning Center Ltd	14,206,509		14,206,509	10.00	142,065,090	142,065,090	99.99
19 Laxapana Batteries Ltd -(Elephant Lite Corporation Ltd) (Preference Shares)	1,000		1,000	10.00	10,000	10,000	5.00
20 Galadari Hotels Lanka Ltd	292,200		292,200	10.00	2,922,000	2,922,000	0.06
21 Hotel Developers (Lanka) Ltd	1,111,615,718		1,111,615,718	10.00	11,116,157,180	11,116,157,180	100.00
22 Kingsbury PLC (Hotel Services Ltd)	2,263		2,263	10.00	22,630	22,630	0.0128
23 Hunas Falls Ltd	1		1	10.00	10	10	-
24 Independent Television Network Ltd	9,500,000		9,500,000	10.00	95,000,000	95,000,000	100.00
25 Kahatagaha Graphite Lanka Ltd	1,300,000		1,300,000	10.00	13,000,000	13,000,000	100.00
26 Kalubowitiyana Tea Factory Ltd	4,637,500		4,637,500	10.00	46,375,000	46,375,000	99.90
27 Kantale Sugar Industries Ltd	2,689,993		2,689,993	100.00	268,999,300	268,999,300	100.00
28 Lafarge Mahaweli Cement (Pvt) Ltd	480,000		480,000	10.00	4,800,000	4,800,000	10.00
29 Lanka Canneries Ltd	40,002		40,002	100.00	4,000,200	4,000,200	9.09
30 Lanka Cement Ltd	22,246,000		22,246,000	10.00	222,460,000	222,460,000	13.00
31 Lanka Coal Company (Pvt) Ltd	400,000		400,000	10.00	4,000,000	4,000,000	-
32 Lanka Electricity Company (Pvt) Ltd	49,880,000		49,880,000	10.00	498,800,000	498,800,000	43.56
33 Lanka Fabrics Ltd	210,000		210,000	10.00	2,100,000	2,100,000	93.30
34 Lanka Hydraulic Institute Ltd	50,000		50,000	10.00	500,000	500,000	4.54
35 Lanka Industrial Estates Ltd	7,800,000		7,800,000	10.00	78,000,000	78,000,000	48.84
36 Lanka Leyland Ltd	1,289,900		1,289,900	6.94	8,951,906	8,951,906	100.00
37 Lanka Leyland Ltd	860,000		860,000	0.01	8,600	8,600	-
38 Lanka Machine Leasers (Pvt) Ltd	588,884		588,884	-	58,888,400	-	-
39 Lanka Mineral Sands Ltd	80,000,000		80,000,000	10.00	800,000,000	800,000,000	100.00
40 Lanka Phosphate Ltd	7,251,000		7,251,000	10.00	72,510,000	72,510,000	100.00

## Notes to Financial Statements *contd...*

### NOTE - 20.2 - SHAREHOLDING IN GOVERNMENT OWNED OR OTHER COMPANIES

Company	Number of Shares			Nominal Value per Share (Rs.)	Value of the Investment as at 01-01-2014 (Rs)	Value of the Investment as at 31.12.2014 (Rs)	Percentage of Share holding by the Treasury
	As at 01.01.2014	Additions	Deductions				
41 Lanka STC General Trading Co. Ltd	10,000,000			10.00	100,000,000	100,000,000	100.00
42 Lanka Textile Mills Emporium Ltd	700,000			10.00	7,000,000	7,000,000	-
43 Mantai Salt Ltd	300,000			100.00	30,000,000	30,000,000	100.00
44 Mihin Lanka (Private) Ltd	51,406,108			100.00	5,140,610,800	5,140,610,800	100.00
45 MILCO (Pvt) Ltd - Kiriya Milk Industries	31,945,403			10.00	319,454,030	319,454,030	99.99
46 National Paper Company Ltd	32,300,000			10.00	323,000,000	323,000,000	100.00
47 World Duty Free Group Lanka Ltd. (Autogrill Lanka Ltd.)	1,048			10.00	10,480	10,480	0.035
48 Paranthan Chemicals Company Ltd	4,000,000			10.00	40,000,000	40,000,000	100.00
49 Rakna Arakshana Lanka Ltd		500,205		10.00		5,002,050	100.00
50 Rajarata Food Grain Ltd	386,249			10.00	3,862,490	3,862,490	-
51 Skills Development Fund Ltd	10,200,152		200,151	10.00	102,001,520	100,000,010	98.00
52 Sri Lanka Insurance Corporation Ltd	599,568,144			10.00	5,995,681,440	5,995,681,440	99.93
53 Sri Lanka Rubber Manufacturing & Export Corporation Ltd	7,798,000			10.00	77,980,000	77,980,000	100.00
54 Sri Lanka Savings Bank Ltd	4,584,460			100.00	458,446,000	458,446,000	100.00
55 Sri Lanka Telecom Ltd	893,405,709			10.00	8,934,057,090	8,934,057,090	49.50
56 Sri Lankan Airlines Ltd	317,590,992	195,846,852	22,451,516	100.00	31,759,099,200	49,098,632,800	95.12
57 The Selinsing Company Ltd	615			10.00	6,150	6,150	1.00
58 Thomas De La Rue Lanka Currency & Security Print (Pvt) Ltd	2,800,000			10.00	28,000,000	28,000,000	40.00
59 Wakers & Greig Ltd	2,850			2.00	5,700	5,700	-
60 Wakers & Greig Ltd	100			10.00	1,000	1,000	-
61 West Coast Power (Pvt) Ltd (Ordinary)	55,000,000			112.95	6,212,500,000	6,212,500,000	50.00
62 Lanka Logistics and Technologies Ltd	205			10.00	2,050	2,050	100.00
63 Lakdiwa Engineering Company (Pvt) Ltd	2			10.00	20	20	100.00
<b>Total</b>	<b>3,686,521,631</b>	<b>196,347,057</b>	<b>278,440,543</b>	<b>3,604,428,145</b>	<b>76,411,981,371</b>	<b>91,143,627,191</b>	

## Notes to Financial Statements *contd...*

### NOTE - 20.3 - SHAREHOLDING IN PLANTATION COMPANIES

Company	Number of Shares		Nominal Value per Share (Rs.)	Value of the Investment at cost as at 01-01-2014 (Rs.)	Value of the Investment at cost as at 31.12.2014 (Rs.)	Percentage of Share holding by the Treasury
	As at 01.01.2014	Additions/(Deductions)				
1 Agaraptana Plantation Ltd	23,284,644		10.00	232,846,440	232,846,440	30.39
2 Agalawatta Plantation Ltd	741		10.00	7,410	7,410	0.003
3 Bagawantalawa Plantation Ltd	21,664		6.67	144,430	144,430	0.03
4 Balangoda Plantation Ltd	4,761		10.00	47,610	47,610	0.02
5 Chilaw Plantation Ltd	20,000,001		10.00	200,000,010	200,000,010	100
6 Elkaduwa Plantation Ltd	18,000,001		10.00	180,000,010	180,000,010	100
7 Elpitiya Plantation Ltd	15,613,092		5.00	78,065,460	78,065,460	21.43
8 Gal oya Plantation Ltd	51,600,000		10.00	516,000,000	516,000,000	51
9 Hapugastenne Plantation Ltd	1		10.00	10	10	-
10 Horana Plantation Ltd	5,889		10.00	58,890	58,890	0.023
11 Kahawatte Plantation Ltd	1		10.00	10	10	-
12 Kegalle Plantation Ltd	4,387		10.00	43,870	43,870	0.02
13 Kelani Valley Plantation Ltd	1		10.00	10	10	-
14 Kotagala Plantation Ltd	3,800,557		10.00	38,005,570	38,005,570	11.88
15 Kurunegala Plantation Ltd	20,000,001		10.00	200,000,010	200,000,010	100
16 Madulsima Plantation Ltd	3,805,653		10.00	38,056,530	38,056,530	13.12
17 Malwalta Valley Plantation Ltd.	1		10.00	10	10	-
18 Maskeliya Plantation Ltd.	9,008		10.00	90,080	90,080	0.30
19 Maturata Plantation Ltd.	7,806,020		10.00	78,060,200	78,060,200	22.30
20 Namunukula Plantation Ltd.	3,763,301		10.00	37,633,010	37,633,010	15.85
21 Pussellawa Plantation Ltd.	7,816,790		10.00	78,171,230	78,171,230	32.70
22 Talawakelle Plantations Ltd	368		10.00	3,680	3,680	0.0015
23 Udupussellawa Plantation Ltd	1		10.00	10	10	-
24 Watawala Plantation Ltd.	151		10.00	160	160	-
<b>Total</b>	<b>175,537,034</b>	<b>-</b>	<b>175,537,034</b>	<b>1,677,234,650</b>	<b>1,677,234,650</b>	

## Notes to Financial Statements *contd...*

### NOTE - 20.4 - SHAREHOLDING IN COMPANIES IN US DOLLAR DENOMINATION

Company	Number of Shares			Nominal Value per Share	Value of the Investment at cost as at 01-01-2014 (Rs.)	Value of the Investment at cost as at 31.12.2014 (Rs.)	Percentage of Share holding by the Treasury
	As at 01.01.2014	Additions/(Deductions)	As at 31.12.2014				
1 Asian Reinsurance Corporation	980		980	US\$1000	128,135,000	127,752,800	
2 Ceylon Shipping Agency	24,500		24,500	1 (Singapore Dollar)	2,529,870	2,410,310	99.00
3 International Finance Corporation	1,003		1,003	US\$1000	131,142,250	130,751,080	
<b>Total</b>	<b>26,483</b>		<b>26,483</b>		<b>261,807,120</b>	<b>260,914,190</b>	

### Exchange Rate (Buying Rate) as at 01.01. 2014/ 31.12.2014

Currency	01.01.2014	31.12.2014
	Rate	Rate
US Dollar	130.75	130.36
Singapore Dollar	103.26	98.38

### NOTE - 20.5 - SHAREHOLDING IN DEVELOPMENT BANKS

Company	Number of Shares			Nominal Value per Share (Rs.)	Value of the Investment at cost as at 01-01-2014	Value of the Investment at cost as at 31.12.2014	Percentage of Share holdings by the Treasury
	As at 01.01.2014	Additions / (Deductions)	As at 31.12.2014		Rs.	Rs.	
1 Pradeshiya Sanvardhana Bank	87,744,671		87,744,671	10.00	877,446,710	877,446,710	79.81
2 Lankaputhra Development Bank	15,000,000		15,000,000	100.00	1,500,000,000	1,500,000,000	99.99
3 Lankaputhra Development Bank	21,071,022		21,071,022	103.07	2,171,790,238	2,171,971,612	
<b>Total</b>	<b>123,815,693</b>		<b>123,815,693</b>		<b>4,549,236,948</b>	<b>4,549,418,322</b>	

### NOTES - 20.2, 20.3, 20.4, 20.5 - SUMMARY

Currency	Numbers of Shares	Nominal Value of Shares as at 31.12.2014 (Rs.)
1 General	3,604,428,145	91,143,627,191
2 Plantation	175,537,034	1,677,234,650
3 Shares in Dollar Value	26,483	260,914,190
4 Development Banks	123,815,693	4,549,418,322
<b>Number of Shares</b>	<b>3,903,807,355</b>	<b>97,631,194,353</b>

## Notes to Financial Statements *contd...*

	2014	Actual 2013
	Rs	Rs
<b>NOTE - 21 - INVESTMENT ON BORROWINGS</b>		
Capital Expenditure Investment- Appropriation Loan Account (8341)	55,517,766,290	55,517,766,290
Capital Investment Inland & Foreign Consolidated Loan Account (8342)	2,614,990,561,262	2,491,067,436,322
Treasury Bond Repayment Account (9103)	2,731,754,899,966	2,313,915,168,130
SL Development Bond Investment Account (9106)	385,578,906,336	358,587,927,686
Foreign Currency Banking Unit Investment Account (9108)	22,646,587,067	22,292,995,274
Treasury Bills Utilization Account (9109)	706,942,760,403	695,115,051,814
Ceylon Petroleum Corporation Treasury Fund (9136)	59,999,999,509	59,999,999,509
	<b>6,577,431,480,833</b>	<b>5,996,496,345,026</b>
<b>NOTE - 22 - CONSOLIDATED FUND</b>		
Opening Balance of the Consolidated Fund as at 1 <sup>st</sup> January	(312,477,109,649)	(272,239,697,812)
<b>Add Receipts to the Consolidated Fund</b>		
Total Cash flow from Operating Activities	1,114,976,281,135	1,051,815,134,329
Total Cash flow from Investing Activities	45,151,889,928	30,681,073,230
Total Cash flow from Financing Activities	1,397,407,372,990	1,288,872,398,710
<b>Total Cash Receipts (a)</b>	<b>2,557,535,544,054</b>	<b>2,371,368,606,269</b>
<b>Less Total Payments of the Consolidated Fund</b>		
Total Cash Disbursement for Operating Activities	1,370,045,993,316	1,253,508,957,764
Total Cash Disbursement for Investing Activities	595,710,645,910	455,578,156,584
Total Cash Disbursement for Repayment of Debt	635,966,566,366	702,518,903,765
<b>Total Cash Payments (b)</b>	<b>2,601,723,205,592</b>	<b>2,411,606,018,113</b>
<b>Net Cash Flow (a) - (b)</b>	<b>(44,187,661,539)</b>	<b>(40,237,411,843)</b>
<b>Closing Balance of the Consolidated Fund as at 31<sup>st</sup> December</b>	<b>(356,664,771,188)</b>	<b>(312,477,109,654)</b>
<b>NOTE - 23 - FOREIGN LOAN REVOLVING FUNDS</b>		
Reimbursable Foreign Aid Revolving Fund ( 8760 )	3,135,900,238	2,395,174,538
IDA Revolving Fund (8814)	14,123,637,331	11,175,938,294
ADB Special Dolar Revolving Fund (8919)	3,016,375,162	2,320,220,924
CBSL Special Dollar Account (International Fund for Agr. Dev. Revolving Fund) (8974)	1,205,683,684	1,263,064,690
IBRD Revolving Fund (8982)	1,570,884,206	1,570,884,206
CBSL Revolving Fund ( Yen ) - (9095)	1,093,611,229	941,775,104
CBSL Special Deutsche Mark Revolving Fund (9102)	127,907,606	133,668,837
Central Bank Special Nordic Revolving Fund (9111)	99,027,033	101,582,760
Special Foreign Currency Account Italy (9119)	(1,222,595,255)	(36,264,500)
Special Rupee Revolving Fund (9120)	(476,985)	(476,985)
Special Foreign Currency Revolving Fund (Euro Italy) (9121)	1,994,062,440	2,020,807,400
Special Rupee Revolving Fund (9122)	498,950,000	498,950,000
Special Foreign Currency Revolving Fund (9126)	192,320,267	201,409,111
	<b>25,835,286,956</b>	<b>22,586,734,379</b>
<b>NOTE - 24 - INVESTMENT BASED FUNDS</b>		
Currency Payments Accounts-International Monetary Institution Fund (8340)	616,811,553	616,811,553
Government Corporations Capital Fund (8467)	300,206,133,572	130,076,000,789
Government Shares Account (8547)	97,631,194,353	82,900,260,089
On-lent Loan Investment Account (9117)	207,966,045,624	370,618,101,507
Netherland & Sri Lanka Cultural Assistance Programme - Special Revolving Fund (9130)	-	4,200,000
	<b>606,420,185,102</b>	<b>584,215,373,939</b>

## Notes to Financial Statements *contd...*

	2014	Actual 2013
	Rs	Rs
<b>NOTE - 25 - MISCELLANEOUS FUNDS</b>		
Public Service Provident Fund Account (8098)	694,069,319	864,351,283
Teachers' Widows & Orphans Pension Fund (8186)	590,733,649	522,138,958
	<b>1,284,802,968</b>	<b>1,386,490,241</b>
<b>NOTE - 26 - BANK OVERDRAFTS</b>		
Treasury Authorized Imprest Account (7002)	20,666,789,714	27,115,572,415
Treasury Authorized Imprest Account- (RFA) (7003)	171,443,023	70,086,042
DST Cash Account (8020) Note 26(1)	(173,965,961,900)	(157,429,854,012)
Crown Agent Current Account (8030)	19,551,698	11,174,015
Temporary Employed Balances of CBSL (8192)	(27,069,290,025)	(26,261,088,190)
Central Bank of Sri Lanka - IDA Special Dollar Accounts (8813)	11,472,481,407	12,713,658,662
ADB Loan SLCB Special Dollar Account (8918)	3,406,848,452	4,031,010,607
International Fund for Agriculture Development Special Dollar Account (8973)	528,884,768	482,987,724
Central Bank of Sri Lanka Special Yen Account (9094)	372,923,767	2,084,002,534
Central Bank of Sri Lanka Special Deutsche Mark Account (9101)	-	5,761,231
Central Bank Nordic Special Account (9110)	-	2,555,727
Special Rupee Account (9114)	-	-
Special Foreign Currency French Development Agency Account (9125)	48,467,548	97,302,116
	<b>(164,347,861,546)</b>	<b>(137,076,831,129)</b>
<b>NOTE - 26 (1)</b>		
<b>Sub Accounts of DST Accounts - (8020)</b>		
Bank of Ceylon - 0002026450	(78,363,112,411)	(93,231,575,948)
Bank of Ceylon - 7040003	-	20,156,958
Bank of Ceylon - 7041557	(55,000,000,000)	(20,000,000,000)
Peoples Bank - 014100130110432	(56,097,544,785)	(52,465,843,177)
Central Bank of Sri Lanka - 50516	309,136	14,130,975
Central Bank of Sri Lanka - 50545	2,875	-
Bank of Ceylon - 0007041634	16,853,000	140,235,940
Bank of Ceylon - 0071213619	-	154,638,880
Bank of Ceylon - 7040004	1,491,679,150	2,791,679,150
Bank of Ceylon - 73206830	1,870	2,923,375
Bank of Ceylon - 7040501	5,143,799,835	5,143,799,835
Bank of Ceylon - 7040035	-	-
Bank of Ceylon - 7041570	6,514,658,056	-
Bank of Ceylon - 7041571	2,327,391,374	-
	<b>(173,965,961,900)</b>	<b>(157,429,854,012)</b>
<b>NOTE - 27 - ADVANCES FROM CENTRAL BANK OF SRI LANKA</b>		
Advance from CBSL - Monetary Law Act (8176)	143,897,971,400	109,271,851,123
	<b>143,897,971,400</b>	<b>109,271,851,123</b>
<b>NOTE - 28 - GOVERNMENT BORROWINGS</b>		
<b>Domestic</b>		
Treasury Bills (8085)	706,942,760,403	695,115,051,814
Treasury Bonds (9093)	2,731,754,899,966	2,313,915,168,130
<b>Total (a)</b>	<b>3,438,697,660,369</b>	<b>3,009,030,219,944</b>



## Notes to Financial Statements *contd...*

	Actual	
	2014	2013
	Rs	Rs
Rupee Loans (8249)	55,517,766,290	55,517,766,290
Sri Lanka Development Bonds (9105)	385,578,906,336	358,587,927,686
Local Loans in Foreign Currency (9107)	22,646,587,067	22,292,995,274
Ceylon Petroleum Corporation Treasury Bond (9137)	59,999,999,509	59,999,999,509
<b>Total (b)</b>	<b>523,743,259,202</b>	<b>496,398,688,759</b>
<b>Total Borrowings - Domestic = (a)+(b)</b>	<b>3,962,440,919,570</b>	<b>3,505,428,908,704</b>
<b>Foreign</b>		
<b>Total Borrowings - Foreign (8343) Note 28(l)</b>	<b>2,614,990,561,262</b>	<b>2,491,067,436,322</b>
	<b>6,577,431,480,833</b>	<b>5,996,496,345,026</b>
<b>NOTE - 29 - DEPOSITS &amp; OTHER LIABILITIES</b>		
Treasury General Deposit Account (6000)	53,131,728,488	77,109,954,279
Treasury Deposit Account for District Secretaries (6003)	9,273,256,063	5,982,816,762
Public Service Mutual Guarantee Association (8013)	18,525,868	17,639,727
Director General of Customs - Cess Recovery Account (8105)	300,000,000	300,000,000
	<b>62,723,510,419</b>	<b>83,410,410,768</b>
<b>NOTE - 30 - OPERATING ACCOUNTS WITH GOVERNMENT DEPARTMENTS [(Dr.)/ Cr.]</b>		
General Manager - Railway Department (8003)	(691,390,393)	(1,316,847,587)
Director General of Customs (8005)	(58,104,181)	(30,418,932)
Post Master General - Department of Posts (8037)	6,602,795	6,602,795
Treasury Operations Department (8233) and (8583)	(3,638,056,526)	(3,591,012,106)
Treasury Operations Department (9092)	128,641,662	89,267,307
Return Cheque from Bank (8657)	(3,995,094)	(4,183,073)
Collection of GST (9098)	(37,953,565)	(37,953,565)
Non Operating Accounts (9100)	(20,772,460)	(20,772,460)
	<b>(4,315,027,762)</b>	<b>(4,905,317,622)</b>
<b>NOTE - 31 - SUNDRY ACCOUNTS [(Dr.)/ Cr.]</b>		
Cheque returned Account (8315)	-	(6,000)
Sinking Fund Investment Account (8574)	(46,492,720)	(46,492,720)
Sinking Fund Account (8575)	46,492,720	46,492,720
Parity Variance Account on Crown Agent Account (8029)	60,554,864	53,564,269
Foreign Aid Expenditure Account (8301)	(88,710,652)	(432,736,691)
Investment Account for National Housing Bonds (8859)	(1,284,200)	(1,284,200)
Stock Certificates Receiving from Inland Revenue Commissioner as Capital Tax (8491)	(88,589)	(88,589)
	<b>(29,528,577)</b>	<b>(380,551,211)</b>

# Notes to Financial Statements *contd...*

## NOTE - 28 (I) - STATEMENT OF FOREIGN LOAN BALANCES

		Loan Key	Balance as at 01.01.2014 (8343)	Accounted during the year	Repayments	Parity	Closing Balance as at 2014.12.31 (8343)
Name							(Rs.)
<b>Canada</b>							
Import of Commodities		1966002	6,104,817		2,923,028	(368,455)	2,813,334
Import of Asbestos, Fiber & Newsprint		1967001	5,367,407		1,468,538	(365,288)	3,533,581
Import Newsprint		1968004	15,341,550		3,672,831	(1,063,794)	10,604,925
Import Newsprint		1969004	16,875,706		2,938,265	(1,211,530)	12,725,911
Import of Asbestos Fiber		1969005	13,807,394		2,938,265	(971,200)	9,897,929
Import of Commodities		1969007	33,751,409		5,876,530	(2,423,060)	25,451,819
Import of Commodities		1970006	49,399,792		6,758,010	(3,615,658)	39,026,125
Import of Commodities		1971004	57,530,811		7,345,663	(4,230,475)	45,954,674
Import of Newsprint & Radio Telecom Equipment		1972003	27,614,790		2,938,265	(2,052,685)	22,623,840
Import of Asbestos, Nylon & Tyre Cord		1973004	49,553,207		4,745,298	(3,703,219)	41,104,690
Import of Commodities		1974005	70,877,961		6,464,183	(5,308,996)	59,104,782
Import of Commodities		1975004	70,877,962		6,170,357	(5,320,025)	59,387,581
Import of Commodities		1975005	460,246,500		35,259,180	(34,726,080)	390,261,240
Import of Fertilizer & Commodities		1977009	414,221,849		29,382,650	(31,341,700)	353,497,499
Import of Fertilizer, Alum. Rods & Asbestos		1978005	889,809,900		58,765,300	(67,490,000)	763,554,600
<b>France</b>							
Import of Commodities		2002048	53,294,337		40,417,804	(3,914,484)	8,962,049
<b>Germany</b>							
Purchase of 16 Locomotives		2001049	899,571,921		56,063,202	(101,763,122)	741,745,597
General Commodity Aid 1995 for Potash		2001054	752,982,811		31,248,424	(86,018,075)	635,716,312
Import of Commodities		2001058	400,240,245		19,147,740	(45,595,352)	335,497,153
Commodity Aid for Electronic Equipment for CBSL		2001060	71,596,710		2,762,292	(8,190,598)	60,643,820
Import of Commodities		2001064	574,618,841		25,530,320	(65,568,229)	483,520,292
Import of Commodity Loan XIII		2001067	332,148,459		17,250,217	(37,763,671)	277,134,571
Import of Commodities XVI		2001068	495,916,299		21,562,772	(56,613,711)	417,739,816
Import of Commodities XVII		2001106	559,487,567		21,217,765	(64,041,761)	474,228,041
Import of Commodities XVIII		2001108	576,648,606		21,562,772	(66,022,908)	489,062,926
Import of Commodities		2001111	183,050,727		10,695,135	(20,746,664)	151,608,928
Import of Commodities XIX		2001112	499,331,427		28,290,355	(56,641,866)	414,399,206
Import of Commodities		2001113	331,780,540		21,390,267	(37,493,157)	272,897,116
Import of Commodities		2001116	174,378,615		10,867,637	(19,726,409)	143,784,569
Import of Commodities IX		2001123	201,134,964		13,800,173	(22,683,665)	164,651,126
<b>Japan</b>							
Commodity Loan XIII		1990016	303,056,453		202,597,095	(11,440,529)	89,018,829
<b>Netherlands</b>							
<b>USA</b>							
Import of Fertilizer		1975014	91,427,015		44,999,747	71,667	46,498,935

# Notes to Financial Statements *contd...*

## NOTE - 28 (I) - STATEMENT OF FOREIGN LOAN BALANCES

NOTE - 28 (I) - STATEMENT OF FOREIGN LOAN BALANCES						(Rs.)
Name	Loan Key	Balance as at 01.01.2014 (8343)	Accounted during the year	Repayments	Parity	Closing Balance as at 2014.12.31 (8343)
Germany						
Small Entrepreneur Promotion Programme by DFCC	2001117	487,983,097	-	21,235,116	(55,690,605)	411,057,376
USA						
Supply of Wheat PL 480-Title 1-1973	1973009	22,011,631	-	21,938,131	(73,499)	1
Supply of Wheat PL 480-Title 1	1975013	184,750,687	-	92,001,143	(165,389)	92,584,155
Supply of Wheat PL 480-Title 1-1976	1976007	245,043,873	-	81,479,511	167,544	163,731,906
Supply of Wheat PL 480-Title 1 -1977	1976008	600,264,520	-	149,435,702	387,351	451,216,169
Supply of Wheat PL 480-Title 1 -1978	1978019	722,520,336	-	144,222,471	1,025,154	579,323,019
Supply of Wheat PL 480-Title 1 -1979	1979012	410,152,858	-	68,065,148	479,050	342,566,760
Supply of Wheat PL 480-Title 1 -1980	1980030	688,208,181	-	97,960,778	978,921	591,226,324
Supply of Wheat PL 480-Title 1 -1981	1981026	571,539,856	-	71,198,844	886,959	501,227,971
Supply of Wheat PL 480-Title 1 -1983	1982018	891,480,306	-	88,761,785	1,427,631	804,146,153
Supply of Wheat PL 480-Title 1 -1982	1982019	632,396,464	-	70,012,782	1,017,346	563,401,028
Supply of Wheat PL 480-Title 1 -1984	1983016	1,052,797,189	-	95,420,219	1,875,118	959,252,088
Supply of Wheat PL 480-Title 1 -1985	1984016	1,272,354,797	-	108,553,665	2,699,350	1,166,500,482
Supply of Wheat PL 480-Title 1 -1986	1985009	1,752,768,329	-	138,828,991	3,448,915	1,617,388,253
Supply of Wheat PL 480-Title 1 -1987	1986004	1,314,654,945	-	94,978,995	2,598,246	1,222,274,196
Supply of Wheat PL 480-Title 1 -1988	1987026	1,564,060,093	-	103,914,764	2,944,313	1,463,089,642
Supply of Wheat PL 480-Title 1 -1989	1988046	2,274,956,940	-	144,283,774	4,472,520	2,135,145,686
Supply of Wheat PL 480-Title 1 -1990	1989054	2,573,939,561	-	151,678,131	5,746,664	2,428,008,094
Supply of Wheat PL 480-Title 1 -1991	1991042	214,215,916	-	26,669,884	316,647	187,862,679
Supply of Wheat PL 480-Title 1 -1992	1992024	635,940,592	-	70,803,382	1,421,275	566,558,485
Supply of Wheat PL 480-Title 1 -1993	1993006	539,519,881	-	53,757,105	902,865	486,665,641
Supply of Wheat PL 480-Title 1 -1994	1994002	1,074,376,100	-	97,738,231	2,275,765	978,913,634
Supply of Wheat PL 480-Title 1 -1995	1994040	1,272,056,073	-	105,840,097	2,471,575	1,168,687,551
Supply of Wheat PL 480-Title 1 -1996	1995055	676,821,597	-	52,001,203	1,350,427	626,170,821
Supply of Wheat PL 480-Title 1 -1997	1997013	699,426,036	-	49,742,550	1,251,831	650,935,317
Supply of Wheat PL 480-Title 1 -1998	1998007	749,177,784	-	49,795,374	1,430,978	700,813,388
Supply of Wheat PL 480-Title 1 -2000	2000031	424,895,952	-	24,916,100	826,299	400,806,151
Supply of Wheat PL 480-Title 1 -2001	2001047	702,470,818	-	38,915,274	1,389,001	664,944,545
India						
Line of Credit	2001041	3,206,831,472	-	315,802,135	5,914,371	2,896,943,708
Import 300,000 tones of Indian Wheat	2002056	2,113,337,204	-	384,265,056	3,759,902	1,732,832,050
Indian Line of Credit	2003049	2,620,608,811	-	207,057,958	5,376,184	2,418,927,037
Indian Line of Credit	2004040	2,061,726,744	-	195,127,306	4,001,749	1,870,601,187
Indian Dollar Credit Line Agreement	2008006	6,367,484,569	819,522,815	190,428,881	17,378,264	7,013,956,767
China						
Economic & Technical Cooperation	2000037	647,100,000	-	105,088,295	(13,509,205)	528,502,500

# Notes to Financial Statements *contd...*

## NOTE - 28 (I) - STATEMENT OF FOREIGN LOAN BALANCES

NOTE - 28 (I) - STATEMENT OF FOREIGN LOAN BALANCES						(Rs.)
Name	Loan Key	Balance as at 01.01.2014 (8343)	Accounted during the year	Repayments	Parity	Closing Balance as at 2014,12,31 (8343)
Economic Stabilization Programme	India	-				-
	2002057	889,120,400		287,599,400	1,302,560	602,823,560
Economic Restructuring Programme	Japan	-				-
	1991057	2,646,695,272		852,703,654	(239,128,072)	1,554,863,546
Power Sector Restructuring Programme	2003041	4,408,628,363		226,709,550	(496,216,912)	3,685,701,901
Abu Dhabi	-	-				-
China Development Bank						
Rehabilitation and Improvement of Priority Road Project	2010051	13,117,635,711	3,563,559,938	1,530,741,825	35,475,845	15,185,929,668
Improvement and Rehabilitation of Priority Roads	2011007	31,363,683,552	19,267,683,684	5,010,341,886	114,324,393	45,735,349,743
Moragahakanda Development Project	2012017	11,860,206,672	2,029,483,589		32,415,289	13,922,105,549
Improvement and Rehabilitation of Priority Road Project 3 (Phase I)	2014001	-	2,858,750,843			2,858,750,843
Improvement and Rehabilitation of Priority Road Project 3 (Phase II)	2014034	-				-
China						
Rural Electrification Project VII	2003050	3,163,000,905		318,767,901	87,145,580	2,931,378,584
Kelanitissa Diesel Storage Tank Project	2004041	422,602,929		70,983,355	(6,469,358)	345,150,216
Puttlam Coal Power Project -Preferential Buyer's Credit	2005045	35,303,310,000		2,608,894,000	67,734,000	-
Puttlam Coal Power Project - Buyer's Credit Facility	2006045	517,191,257	-	-	(517,191,257)	
Supply of 100 Nos. Railway Passenger Carriages	2007014	2,842,023,532		318,244,148	(47,885,430)	2,475,893,954
Supply of 15 Nos. Diesel Multiple Units	2007015	4,046,116,421		453,076,076	(68,173,266)	3,524,867,079
Canada						
Katunayake Airport Development Project	1966001	9,204,931		4,407,398	(555,563)	4,241,971
Maskeliya Oya Hydro Electric Development Project	1968003	5,939,466		1,625,049	(404,278)	3,910,139
Mechanical Logging Project	1971003	76,836,625		9,810,674	(5,650,109)	61,375,842
Purchase of 14 Locomotives	1973003	176,261,382		17,864,651	(13,135,405)	145,261,326
Agriculture Sector Support Credit	1976002	282,226,150		21,403,366	(21,302,433)	239,520,351
Water Supply Project	1977004	248,533,107		18,235,440	(18,199,170)	212,098,497
Maduruoya Reservoir Complex	1980014	3,770,339,316		225,658,752	(286,847,615)	3,257,832,949
Maduruoya Right Bank Mahaweli System "B"	1983008	658,152,440		32,320,915	(50,337,646)	575,493,879
France						
Expansion of Telephone exchange in Colombo	1997077	161,483,802		8,430,351	(18,319,959)	134,733,492
TA/Maintain Water Treatment Plant Colombo	1997078	39,596,114		1,962,699	(4,499,007)	33,134,408
Cardio Thoracic Equipment for Kandy Hospital	1997080	182,465,923		8,742,798	(20,611,816)	153,111,309
Eli house & F/S on Colombo North Water Supply	1997081	94,431,178		4,615,627	(10,694,947)	79,120,604
Modernization - Colombo Water Distribution Network	1997082	37,112,544		1,856,128	(4,211,785)	31,044,631
Improvement of Government Film Unit	1997084	50,138,824		2,254,014	(5,707,062)	42,177,748
Water Treatment Plant in Anuradhapura	1998021	721,137,295		69,534,176	(79,256,282)	572,344,837
Modern Rathmalana Air Traffic Control System	1998083	207,970,590		17,910,748	(22,707,870)	167,351,972

# Notes to Financial Statements *contd...*

NOTE - 28 (I) - STATEMENT OF FOREIGN LOAN BALANCES						(Rs.)
Name	Loan Key	Balance as at 01.01.2014 (8343)	Accounted during the year	Repayments	Parity	Closing Balance as at 2014.12.31 (8343)
Expansion of E 10B Telecom Exchange - 1996	1998084	172,748,515		16,166,625	(19,156,072)	137,425,818
Improvement of Government Film Unit	1998090	69,035,959		5,379,558	(7,729,104)	55,927,297
Expansion of Colombo Telecommunication Units	1999100	160,868,715		8,398,425	(18,246,263)	134,224,027
Ambathale Water Treatment Plant Project	1999102	919,154,813		106,457,320	(100,192,245)	712,505,248
Samanalawewa Transmission Project	1999103	440,585,092		64,351,491	(47,506,702)	328,726,899
Mixed Credit for Telecommunication & CEB	1999104	310,349,189		32,598,599	(34,025,252)	243,725,338
Mixed Credit for Irrigation, Telecommunication & CEB	1999105	281,932,861		51,129,589	(29,507,742)	201,295,530
Rehabilitation of Ambatale Water Plant	2000100	291,005,689		16,795,063	(32,675,545)	241,535,081
Water Supply Network Colombo	2000101	322,313,669		25,793,479	(35,832,328)	260,687,862
Trinco Water Supply & Colombo Area Telecommunication Project	2002047	505,275		497,265	(7,909)	101
Nilwala Ganga Project	2002049	604,270		594,807	(9,447)	16
Colombo Airport Telecommunication Project	2002052	163,751,258		51,226,968	(16,269,524)	96,254,766
Mixed Credit for Airport, Telecom, Irrigation & Water Supply	2002053	208,783,784		57,716,658	(21,161,347)	129,905,779
Nilwala Ganga Project	2002054	205,446,416		57,863,143	(20,764,327)	126,818,946
Mixed Credit for Airport, Telecom, Irrigation & Water Supply	2002055	213,887,555		44,358,074	(22,291,088)	147,238,393
Trincomalee Integrated Infrastructure Project (TIPP)	2005049	11,067,757,224			(1,316,420,000)	9,751,337,224
Greater Trincomalee Water Supply Project	2005052	1,711,533,477	70,000,000		(227,390,143)	1,554,143,334
Construction Sector Support Project	2007040	1,804,522,000			(210,316,000)	1,594,206,000
Spatial Information Infrastructure for Reconstruction Monitoring Project	2007042	1,127,959,496			(131,463,030)	996,496,466
Trincomalee Integrated Infrastructure Project	2008030	2,625,607,691			(306,013,065)	2,319,594,626
Provision of Oxygen Concentrators, Operating Theaters & Medical Equipment to Tsunami Affected & Remote Hospitals Project	2010008	1,719,400,410			(200,282,471)	1,519,117,939
Widening and Reconstruction of 46 Bridges on National Road Network	2012028	528,397,114	2,318,188,610		(314,182,847)	2,532,402,877
<b>Germany</b>						
Private Sector Infrastructure Development Project	1997065	351,028,354		13,667,101	(40,150,414)	297,210,839
Grid Substation Kelaniya & Rathmalana	1998037	1,055,151,339		39,535,298	(120,773,772)	894,842,269
Navalapiya Water Supply Project	1998057	589,551,895		21,898,012	(66,976,671)	500,677,212
Ampara Water Supply Project	1998058	326,268,486		13,083,235	(40,016,031)	273,169,220
Koggala Water Supply Project	1999026	691,491,785		25,920,511	(80,894,280)	584,676,994
NDB IV Project	1999054	1,199,428,684		43,160,806	(137,387,145)	1,018,880,733
DFCC Bank (DFCC III)	2000010	1,202,934,698		42,470,233	(137,834,260)	1,022,630,205
Colombo Grid Substation Project	2001042	1,692,366,773		58,008,123	(173,288,619)	1,461,070,031
Kirindiya Irrigation & Settlement Project	2001061	559,469,017		26,759,699	(63,714,334)	468,994,984
Railway Wagons for Fertilizer Distribution	2001063	519,998,680		25,530,320	(59,202,323)	435,266,037
Expansion of two 132/11KV Substation In Colombo	2001065	738,110,126			(86,026,310)	652,083,816
Randenigala Dam Project	2001100	16,607,466,237		862,510,802	(1,888,185,316)	13,856,770,119
2nd Extension of Sapugaskanda Diesel Power Plant	2001101	4,279,376,110		106,693,513	(492,812,340)	3,679,870,257
Rantabe Dam Project	2001102	6,891,732,011		286,587,754	(787,254,381)	5,817,889,876
Railway Bridges Project	2001103	194,492,129		10,695,135	(22,080,096)	161,716,898

## Notes to Financial Statements *contd...*

### NOTE - 28 (I) - STATEMENT OF FOREIGN LOAN BALANCES

NOTE - 28 (I) - STATEMENT OF FOREIGN LOAN BALANCES						(Rs.)
Name	Loan Key	Balance as at 01.01.2014 (8343)	Accounted during the year	Repayments	Parity	Closing Balance as at 2014.12.31 (8343)
Small Entrepreneur Promotion Programme (DFCC II)	2001104	138,118,906		5,351,941	(15,799,387)	116,967,578
Kirindiya Irrigation & Settlement Project	2001105	947,733,429		55,418,474	(107,369,024)	784,945,931
Supply of a Railway Crane	2001110	151,589,247		5,347,568	(17,373,721)	128,867,958
Railway Bridges II	2001115	1,073,950,325		37,808,866	(123,061,007)	913,080,452
Embilipitiya Paper Mills Project	2001118	152,235,318		8,625,107	(16,731,210)	126,879,001
NDB Small Loan Programme III	2001122	152,050,738		5,524,583	(17,413,512)	129,112,643
NDB VI -Small and Micro Enterprises	2003047	364,650,118		11,480,467	(41,859,895)	311,309,756
DFCC IV Private Sector Development	2005043	1,907,184,652		460,569,331	(196,611,339)	1,250,003,982
NDB V - Private Sector Promotion Programme	2005044	1,907,184,651		460,569,331	(196,611,338)	1,250,003,982
Rehabilitation Electricity Supply Jaffna Region ( Transmission Line)	2005051	856,561,623	140,696,772		(115,158,484)	882,099,911
DFCC V Credit Line for SME in the North and East	2006040	890,028,633			(105,158,000)	784,870,633
Reconstruction of Water Supply Galle District - Phase II	2010036	40,450,843			(26,461,671)	13,989,172
Construction of Mahamodara Maternity Hospital, Galle	2012022	27,570,308	49,919,278	99,546,164	(10,420,840)	(32,477,418)
Denmark						-
Colombo Dockyard Project	1979013	14,512,680		14,438,413	(74,267)	0
Construction of 2 Coast Protection Scheme	1986001	447,717,959		64,836,584	(46,632,385)	336,248,990
Colombo Sewerage Rehabilitation Project	2004077	1,454,653,675		349,807,433	(141,010,323)	963,835,919
Nuwara Eliya District Group Water Supply Project	2006079	1,989,142,646		346,994,161	(204,350,036)	1,437,798,449
India						-
Upgrading of Railway Line Colombo Matara	2008011	11,872,343,496		1,101,974,740	22,012,629	10,792,381,385
Upgrading of Railway Line Colombo Matara phase II	2010010	8,537,186,964		379,117,309	19,053,082	8,177,122,737
Railway Line Omanthai -Pallai, Madu- Tallaimannar & Medawachchiya	2010052	30,544,485,352	14,785,489,496		123,252,472	45,453,227,321
Greater Dambulla Water Supply Project I	2012002	5,107,846,697	784,593,071		15,407,517	5,907,847,286
Restoration of Northern Railway Services	2012003	12,027,102,244	8,409,585,388		72,925,221	20,509,612,853
Procurement of Two Advanced Offshore Patrol Vessels	2013046	-			1,038,846	1,038,846
Japan						-
Port Colombo Expansion Project	1984003	193,047,222		197,956,454	4,910,093	861
Greater Colombo Telecom Network Project	1985013	574,716,229		370,320,401	(35,580,527)	168,815,301
Colombo Port Expansion Project	1985014	235,101,330		151,488,360	(14,555,060)	69,057,910
Samanalawewa Hydroelectric Power Project	1986016	2,643,727,538		883,682,746	(206,924,711)	1,553,120,081
Samanalawewa Hydroelectric Power Project II	1987022	3,383,974,039		851,697,295	(295,781,983)	2,236,494,761
Port Colombo Expansion Project	1987024	474,518,457		119,429,429	(41,476,090)	313,612,938
Mahaweli Development (System c) Project II	1988009	795,143,357		170,784,461	(79,378,894)	544,980,002
Minipe & Nagadeepa Irrigation Rehabilitation Project	1988011	519,316,038		105,309,573	(47,905,123)	366,101,342
Road Maintenance & Rehabilitation Project	1988012	1,738,304,598		352,502,333	(160,352,635)	1,225,449,630
Transmission System Augmentation Development Project	1988066	1,164,206,338		225,048,121	(118,429,658)	820,728,559
Commuter Train Improvement Project	1988067	2,048,010,420		395,892,792	(208,335,212)	1,443,782,416
Towns East of Colombo Water Supply Project	1990010	776,874,717		119,850,146	(77,756,062)	579,268,510

## Notes to Financial Statements *contd...*

NOTE - 28 (I) - STATEMENT OF FOREIGN LOAN BALANCES							(Rs.)
	Name	Loan Key	Balance as at 01.01.2014 (8343)	Accounted during the year	Repayments	Parity	Closing Balance as at 2014.12.31 (8343)
	Greater Colombo Drainage Rehabilitation Project	1990011	117,847,189		18,180,541	(11,795,124)	87,871,524
	Transmission & Grid Substation Development Project	1990012	925,025,931		142,705,754	(92,584,263)	689,735,914
	Port Colombo Expansion Project (I)	1990014	2,253,058,150		347,584,162	(225,504,737)	1,679,969,251
	Colombo - Katunayake Expressway Construction Project	1990015	201,940,455		31,153,792	(20,211,875)	150,574,788
	Railway Rehabilitation Project	1990049	3,877,176,013		568,108,336	(380,546,784)	2,928,520,893
	Greater Colombo Telecom. Network (II) Project	1991005	4,637,999,799		620,112,374	(475,774,375)	3,542,113,050
	Port of Colombo Extension Project	1991006	4,755,214,071		635,784,220	(487,798,427)	3,631,631,424
	Samalanawewa Hydroelectric Power (III) Project	1991007	1,487,772,796		198,919,008	(152,618,414)	1,136,235,374
	Port of Colombo Extension Project III	1992008	10,312,349,186		1,216,577,051	(1,077,522,980)	8,018,249,155
	Greater Colombo Flood Control & Environment Improvement (I)	1992009	5,393,732,837		636,313,945	(563,583,620)	4,193,835,272
	Upper kotmale Hydroelectric Power (Engineering Services)	1992010	531,074,843		62,652,404	(55,491,269)	412,931,170
	Baseline Road Project	1993023	2,993,922,618		307,081,926	(312,392,600)	2,374,448,092
	Port of Colombo Extension Project IV	1993024	4,149,868,638		425,645,488	(433,006,600)	3,291,216,550
	Transmission System Augmentation & Development Project	1993025	399,859,146		41,012,923	(41,740,200)	317,106,023
	Sri Lanka - Japan Friendship Bridge Widening Project	1993026	1,314,972,696		134,874,678	(137,207,200)	1,042,890,818
	The Regional Telecommunications Development Project	1993027	5,792,214,018		594,098,266	(604,372,600)	4,593,743,152
	Greater Colombo Water Supply System Extension Project	1993028	2,037,594,696		208,992,878	(212,607,200)	1,615,994,618
	Grater Colombo Flood Control & Environment Project (II)	1994015	2,371,824,814		218,623,098	(253,132,060)	1,900,069,656
	Industrial Estates Development Project	1994016	2,528,718,509		233,084,784	(269,876,477)	2,025,757,248
	Kukule Ganga Hydroelectric Power Project	1994017	12,883,921,670		1,187,576,272	(1,375,031,414)	10,321,313,984
	Port of Colombo North Prier Development Project	1994018	3,261,190,595		300,600,444	(348,049,269)	2,612,540,883
	Walawe L.B. Irrigation, Upgrading & Expansion Project	1994019	253,348,780		23,352,440	(27,038,548)	202,957,793
	Coal Fired Thermal Development Project	1994020	449,904,457		41,469,971	(48,015,874)	360,418,612
	Samanalawewa Hydro Electric Power Project	1995028	2,285,498,918		195,350,017	(243,977,331)	1,846,171,570
	Walawe Left Bank Irrigation & Uogra & Extension Project	1995029	1,819,811,376		155,545,988	(194,265,120)	1,470,000,268
	Kelanitissa Combined Cycle Power Plant	1996053	10,592,188,292		820,277,080	(1,155,960,907)	8,615,950,305
	Walawe Left Bank Irrigation & Extension Project (II)	1996054	6,807,311,033		527,169,747	(742,904,603)	5,537,236,683
	Towns North of Colombo Water Supply Project	1996055	4,042,728,713		313,075,789	(441,196,495)	3,288,456,429
	G.C. Flood Control & Environment. Imp. Project (III)	1996056	4,641,261,571		359,427,191	(506,516,386)	3,775,317,994
	Plantation Reform Project	1996057	3,220,357,468		249,389,960	(351,448,373)	2,619,519,135
	Transmission & Substation Development Project	1997032	2,104,310,149		154,168,412	(228,254,664)	1,721,887,073
	Baseline Road Project (II)	1997051	1,949,245,436		142,807,881	(211,434,784)	1,595,002,771
	Telecom. Network Expansion Project in Colombo	1997052	7,101,719,704		520,294,429	(770,324,016)	5,811,101,259
	Kalu Ganga Water Supply Project for Grater Colombo	1997053	9,438,749,029		691,512,583	(1,023,821,745)	7,723,414,701
	Mahaweli System C. Upgrading Project	1997054	2,619,285,471		191,897,131	(284,114,072)	2,143,274,268
	Small & Micro Ind. Leader & Entrepreneur Project	1997055	4,603,206,795		337,245,477	(499,310,152)	3,766,651,166
	Transmission & Substation Development Project II	1998053	2,547,541,566		164,844,236	(282,638,601)	2,100,058,729
	Medium Voltage Distribution Network	1998054	3,125,402,445		205,745,457	(346,324,311)	2,573,332,677
	Telecom. Network Expansion - Colombo Metro	1998055	264,778,668		17,700,791	(29,307,216)	217,770,661



## Notes to Financial Statements *contd...*

### NOTE - 28 (I) - STATEMENT OF FOREIGN LOAN BALANCES

NOTE - 28 (I) - STATEMENT OF FOREIGN LOAN BALANCES						(Rs.)
Name	Loan Key	Balance as at 01.01.2014 (8343)	Accounted during the year	Repayments	Parity	Closing Balance as at 2014.12.31 (8343)
Environmentally Friendly Solution Fund	1998056	2,419,600,095		97,052,007	(275,658,461)	2,046,889,627
Bandaranayake International Airport Development Project	1999029	11,835,930,394		729,059,841	(1,303,293,272)	9,803,577,281
Road Network Improvement Project	1999030	3,021,860,688		184,648,883	(332,956,793)	2,504,255,012
Poverty Alleviation Micro Finance Project	1999031	1,330,102,906		85,266,600	(145,992,112)	1,098,844,194
Engineering Service for the Southern Highway	1999032	402,909,110		15,894,520	(45,622,584)	341,392,006
Reduction of Non Revenue Water Project	1999033	264,190,604		11,728,566	(29,731,064)	222,730,974
Urgent Upgrading of Colombo Port Project	1999034	1,548,005,826		93,542,280	(170,711,039)	1,283,752,507
Port of Colombo North Pier Development Project II (Modification Agreement)	2000015	2,651,528,117		161,143,662	(295,439,720)	2,194,944,735
Small & Micro Ind. Leader & Entrepreneur Project II	2001043	4,556,094,333		263,973,773	(506,664,563)	3,785,455,997
Improvement of National Blood Transfusion Services	2001044	1,422,998,208		79,865,192	(158,583,898)	1,184,549,119
Southern Highway Construction Project	2001045	20,021,356,863		1,123,755,343	(2,242,105,366)	16,655,496,154
Greater Kandy Water Supply Project	2001046	5,216,838,703		190,228,530	(596,646,259)	4,429,963,914
Colombo City Electricity Distribution Development Project	2001051	6,557,171,818		331,382,226	(750,880,575)	5,474,909,017
Lunawa Environment Improvement & Community Development Project	2001052	6,974,169,449		355,755,090	(797,163,019)	5,821,251,340
Upper Kotmale Hydro Power Project	2002040	38,007,851,572		1,337,301,741	(4,352,826,954)	32,317,722,876
Plantation Reform Project II	2003042	2,011,241,406		103,426,190	(226,376,986)	1,681,438,230
Provincial Road Improvement Project	2003043	6,858,346,877		352,684,009	(771,947,058)	5,733,715,810
Pro-Poor Economic Advt. & Communication Enhancement	2003044	7,083,475,006		364,317,956	(797,411,187)	5,921,745,863
Power Sector Restructuring Project (Kerawalapitiya)	2003045	3,404,854,080		175,091,405	(383,236,245)	2,846,526,430
Small Scale Infrastructure Rehabilitation & Upgrading	2003046	11,370,715,072		584,728,283	(1,279,840,498)	9,506,146,291
Small Scale Infrastructure Rehabilitation & Upgrading (SIRUP II)	2004044	14,662,511,217		216,940,075	(1,736,697,944)	12,708,873,198
Small And Micro Industries Leader And Entrepreneur Promotion	2004045	11,976,427,851		177,193,956	(1,418,545,474)	10,380,688,421
Environmentally Friendly Solution Fund (II)	2004046	6,443,805,866		95,378,625	(763,234,274)	5,585,192,967
Vavuniya Kilinochchi Transmission Line Project	2005040	1,476,380,730			(186,546,530)	1,289,834,200
Sri Lanka Tsunami Affected Area Recovery & Take off (STAART) Project	2005041	12,466,475,360			(1,480,887,995)	10,985,587,365
The Galle Port Development Project	2006041	571,679,486			(67,909,595)	503,769,891
Pro - Poor Eastern Infrastructure Development Project	2006042	5,556,713,927			(660,079,991)	4,896,633,936
Tourism Resources Improvement Project	2006043	2,689,917,796	4,791,768,963	215,267,251	(292,642,698)	2,182,007,847
Greater Colombo Transport Development Project	2007004	19,021,534,783			(2,879,778,695)	20,933,525,051
Pro-Poor Rural Development Project	2007005	5,050,285,033			(599,921,490)	4,450,363,543
Water Sector Development Project	2007006	13,010,791,056	1,228,514,706		(1,722,410,765)	12,516,894,997
Greater Colombo Urban Transport Development Project - Phase 2(I)	2008012	7,119,208,409			(845,625,100)	6,273,583,309
Southern Highway Construction Project (II)	2008013	21,694,111,098			(2,577,036,417)	19,117,074,681
Water Sector Development Project (II)	2008014	5,121,469,479	1,710,248,460		(835,972,073)	5,995,745,866
Poverty Alleviation Micro Finance Project -II	2008015	2,677,022,269	353,357,511		(367,429,195)	2,662,950,585
Energy Diversification Enhancement Project	2008016	334,248,050	277,393,095		(77,965,129)	533,676,016
Provincial Rural Road Development Project	2010013	5,491,824,919	3,506,491,653		(1,113,755,548)	7,884,561,024
Provincial Rural Road Development Project	2010014	4,904,882,447	24,780,798		(585,551,786)	4,344,111,459

# Notes to Financial Statements *contd...*

## NOTE - 28 (I) - STATEMENT OF FOREIGN LOAN BALANCES

NOTE - 28 (I) - STATEMENT OF FOREIGN LOAN BALANCES							(Rs.)
Name	Loan Key	Balance as at 01.01.2014 (8343)	Accounted during the year	Repayments	Parity	Closing Balance as at 2014.12.31 (8343)	
Eastern Province Water Supply Development Project	2010015	2,364,438,898	1,467,073,224		(469,369,596)	3,362,142,527	
Kandy City Waste Water Management Project	2010016	429,094,667	746,069,186		(154,591,391)	1,020,572,462	
Upper Kotmale Hydro Power Project II	2010017	1,727,259,673	3,922,178,367		(655,164,563)	4,994,273,477	
Greater Colombo Urban Transport Development Project - Phase II	2011003	10,381,626,796	13,871,375,408		(3,010,734,764)	21,242,267,439	
Vavuniya Kilinochchi Transmission Line Project - Phase II	2011004	976,327,667	93,895,913		(129,224,999)	940,998,581	
Emergency Natural Disaster Rehabilitation Project	2011027	7,449,364,171	1,289,455,050		(1,067,379,163)	7,671,440,058	
Habarana Veyangoda Transmission Line	2012006	116,663,118	44,374,104		(19,754,046)	141,283,176	
Improvement of Basic Social Services Targeting Emerging Region	2012007	313,579,034	1,004,538,614		(176,227,227)	1,141,890,420	
Greater Colombo Transmission and Distribution Loss Reduction Project	2013016	4,037,378	325,485,139		(41,868,821)	287,653,696	
Major Bridges Construction Project of the National Road Network	2013018	-	227,148,072		(29,528,353)	197,619,719	
Landslide Disaster Protection Project of the National Road Network	2013019	-	177,933,603		(21,581,322)	156,352,281	
Anuradhapura North Water Supply Project (I)	2013020	-	170,289,930		(24,180,727)	146,109,203	
Korea		-				-	
Hospital Rehabilitation & Reconstruction	1996037	202,964,308		81,074,269	(3,944,678)	117,945,361	
Horana Area Telecom. Facility Improvement	1996038	467,594,883		62,260,394	(12,841,609)	392,492,880	
Expansion of Telecom Centre - Gampaha	1996039	514,876,981		68,556,019	(14,140,122)	432,180,840	
Power Sector Development Project	1996040	129,152,121		51,589,927	(2,510,114)	75,052,080	
Medical Equipment Project	1996041	193,634,884		65,483,528	(3,124,797)	125,026,559	
Ratnapura-Balangoda Road Rehabilitation	1996042	1,974,070,700		154,059,709	(55,149,869)	1,764,861,122	
Housing Project for Public Servants	1996043	657,600,489		51,320,219	(18,371,470)	587,908,800	
Greater Galle Water Supply Project	2001048	3,931,365,338		219,222,922	(116,058,976)	3,596,083,440	
Medical Equipment Project	2001050	209,502,013		26,568,555	(5,389,379)	177,544,079	
Balangoda -Bandarawela Road Rehabilitation Project	2003048	2,354,469,654		119,435,437	(68,694,199)	2,166,340,018	
Greater Galle Water Supply Project Phase II	2005042	1,920,263,813			(60,444,139)	1,859,819,674	
Re-Engineering Movement Component of Sri Lanka Project	2005046	1,788,205,439			(56,287,338)	1,731,918,101	
Administrative Complex in Hambantota Project	2006044	2,352,833,762			(74,060,143)	2,278,773,619	
Greater Galle Water Supply Project Phase II (Supplementary)	2007013	835,512,829			(26,299,435)	809,213,394	
Upgrading of Niyaagama National Vocational Training Centre Project	2007016	1,056,213,552		57,428,992	(31,112,959)	967,671,601	
Lanka Government Network Stage II Project	2008040	1,030,768,680			(32,480,487)	998,288,193	
Improvement of Padeniya- Anuradhapura Road Project	2008041	9,401,922,334			(295,944,287)	9,105,978,047	
Ruhunupura Water Supply Development Project	2009004	6,979,469,216	1,138,686,079		(263,604,547)	7,854,550,748	
Hatton - Nuwara Eliya Road Improvement Project	2010041	2,725,500,303	2,003,905,279		(172,629,002)	4,556,776,580	
Improvement of Padeniya- Anuradhapura Road Project	2012027	1,601,212,095			(50,401,349)	1,550,810,746	
Construction of Solid Waste Disposal Facilities	2013031	-	78,057,687		(4,302,392)	73,755,295	
Kuwait						-	
Bridges Reconstruction & Rehabilitation Project	1995013	770,153,539	37,439,956	122,850,824	(23,091,027)	661,651,644	
Rehabilitation of Irrigation Schemes - Hambanthota	1990017	488,934,762		44,302,356	(14,685,843)	429,946,563	
Rural Electrification Project V	2000023	638,671,030		52,484,291	(19,888,896)	566,297,843	

## Notes to Financial Statements *contd...*

NOTE - 28 (I) - STATEMENT OF FOREIGN LOAN BALANCES							(Rs.)
Name	Loan Key	Balance as at 01.01.2014 (8343)	Accounted during the year	Repayments	Parity	Closing Balance as at 2014.12.31 (8343)	
Strengthening of Tertiary Education & Administrative Infrastructure in Tsunami Affected Areas	2005048	2,360,844,835	62,890,496	137,622,282	(75,464,476)	2,210,648,573	
South Eastern University of Sri Lanka Development Project Phase I "A"	2007041	879,404,814		45,874,094	(27,688,266)	805,842,454	
Kalu Ganga Development Project	2009002	577,463,985			(19,478,691)	557,985,294	
South Eastern University of Sri Lanka Development Project Phase I "B"	2011030	14,956,913	93,430,205		(2,376,344)	106,010,774	
Netherlands		-				-	
Sweden		-				-	
Education Reforms in Plantation Schools	2004072	813,717,837		102,551,155	(127,173,453)	583,993,229	
USA		-				-	
Co-ordination Rice Research Project	1977015	79,907,065		19,080,067	124,012	60,951,010	
Mahaweli Development Project Stage 2	1977016	121,773,704		25,602,760	151,496	96,322,440	
Malaria Control Project	1978016	421,447,673		66,631,308	701,219	355,517,584	
Agriculture Base Mapping Project	1978017	101,905,298		19,168,609	169,911	82,906,600	
Paddy Storage & Processing Project	1978018	142,965,695		26,857,890	204,123	116,311,928	
Agricultural Inputs Project	1978020	388,834,562		68,047,011	647,030	321,434,581	
Water Management Project	1979017	200,099,423		28,268,828	336,242	172,166,837	
Agricultural Inputs Project	1979018	489,463,346		75,497,079	805,586	414,771,853	
Malaria Control Project	1979068	195,819,304		20,500,195	347,061	175,666,170	
Mahaweli Basin Development Phase I	1980026	416,355,315		50,176,141	720,003	366,899,177	
Reforestation & Watershed Management Project	1980027	138,365,511		16,672,101	234,251	121,927,661	
Jaffna Market Town Water Supply	1980028	145,221,657		15,225,417	279,645	130,275,885	
Agricultural Inputs Project	1980029	199,999,830		26,155,324	331,781	174,176,287	
Water Management Project	1980034	88,946,287		6,564,915	167,986	82,549,358	
Reforestation & Watershed Management Project	1980115	132,496,264		8,870,660	269,453	123,895,057	
Mahaweli Basin Development Phase Maduruoya	1981024	1,224,891,630		128,418,196	2,356,019	1,098,829,453	
Mahaweli Sector Support	1981084	921,118,478		96,496,492	1,697,735	826,319,721	
Mahaweli Basin Development Phase 2	1982093	1,470,770,239		120,887,331	2,829,508	1,352,712,416	
Mahaweli Sector Support (Rupee - Expenditure)	1982094	846,399,849		73,610,138	1,601,470	774,391,181	
Mahaweli Development Phase 2 & Maduruoya Project	1982100	127,066,102		9,384,446	245,974	117,927,630	
Private Enterprise Promotion Project	1983013	63,466,479		4,686,662	122,212	58,902,029	
Mahaweli Sector Support	1983082	1,023,874,132		75,631,917	343,995,876	1,292,238,091	
Mahaweli Development Phase 2- Maduruoya System B Project	1983083	1,016,528,764		75,075,565	1,967,791	943,420,990	
Malaria Control Project	1983084	293,746,353		22,901,008	604,856	271,450,201	
Water Management Project	1983089	67,224,246		4,499,074	135,098	62,860,270	
Mahaweli Development Phase 2- Maduruoya System "B" Project	1984006	1,604,258,433		112,672,580	3,149,194	1,494,735,047	
Malaria Control Project	1984007	213,655,277		13,648,172	439,211	200,446,316	
Mahaweli Basin Development Phase -2 ( Maduru Oya System B)	1984008	545,721,242		34,805,279	1,066,770	511,982,733	
Water Supply & Sanitation Project	1984013	97,372,162		6,837,049	189,414	90,724,527	

# Notes to Financial Statements *contd...*

NOTE - 28 (I) - STATEMENT OF FOREIGN LOAN BALANCES							(Rs.)
Name	Loan Key	Balance as at 01.01.2014 (8343)	Accounted during the year	Repayments	Parity	Closing Balance as at 2014.12.31 (8343)	
Diversified Agriculture Research Project	1984014	113,993,794		5,415,145	230,203	108,808,852	
Water Supply & Sanitation Project	1984068	236,904,999		13,809,119	469,337	223,565,217	
Malaria Control Project	1984072	111,976,510		6,538,672	233,443	105,671,281	
Diversified Agriculture Research Project	1984074	122,262,608		8,595,671	248,751	113,915,688	
Mahaweli Development Phase 2 - Maduroya System "B" Project	1984084	13,410,224		817,691	26,989	12,619,522	
Water Supply & Sanitation Project	1986002	75,995,373		3,482,434	160,821	72,673,760	
Irrigation System Management Project	1986010	603,494,141		32,745,771	1,259,310	572,007,680	
Agricultural Planning & Analysis Project	1986011	90,123,289		5,038,790	186,548	85,271,047	
Mahaweli Agriculture & Rural Development	1987009	257,933,035		13,172,855	524,864	245,285,044	
Mahaweli Down stream Support Project	1987010	277,912,329		13,231,485	590,798	265,271,642	
Irrigation System Management Project	1987027	294,611,314		14,570,854	613,920	280,654,380	
Mahaweli Agriculture & Rural Development	1988087	49,330,411		2,540,491	104,161	46,894,081	
Water Supply & Sanitation Project	1989019	131,932		5,520	273	126,685	
Spain		-				-	
The Supply & Construction of Pre-Fabricated Metal Bridges	2006086	1,762,087,706		209,161,874	(190,798,108)	1,362,127,724	
The Supply & Construction of Pre-Fabricated Metal Bridges	2006087	1,259,556,356			(146,800,568)	1,112,755,788	
Design Supply & Setting up of Tow Water Treatment Plants at Galle & Negambo	2007001	2,334,568,755			(272,092,644)	2,062,476,111	
Saudi		-				-	
Mahaweli Ganga Development Project System B.L.Bank	1983107	2,034				2,034	
Development Health Facilities - Colombo Hospital	2002058	854,643,934		104,405,363	1,089,100	751,327,671	
Baticolola - Trincomalee Road Project	2004043	897,278,133		92,781,566	1,201,814	805,698,381	
Epilepsy Hospital & Health Centers Project	2008001	910,427,369		130,506,704	6,587,852	786,508,518	
Development of Health Facilities in Colombo Project (Additional Loan)	2008002	366,459,140		19,140,983	555,878	347,874,035	
Road Network Development Project	2012025	395,055,868	1,606,442,394		36,407,536	2,037,905,798	
Commercial Loans		-				-	
Mixed Credit for Telecommunication, Air port, Irrigation & Water Supply	1986018	5,162,774				5,162,774	
International Bond Issue 2009 USD 500 Million	2009022	65,376,500,000			147,800,000	65,524,300,000	
International Bond Issue 2010 USD 1000 Million	2010040	130,753,000,000			295,600,000	131,048,600,000	
International Bond Issue 2011 USD 100 Million	2011017	130,753,000,000			295,600,000	131,048,600,000	
International Bond Issue 2012 USD 1000 Million	2012018	133,036,130,580			(1,987,530,580)	131,048,600,000	
Sovereign Bond Issues 2014- USD 1000 Million	2014008	-	195,200,345,963		788,854,037	195,989,200,000	
Sovereign Bond Issues 2014 - USD 500 Million	2014009				-	-	
Bear Stearns & Co						-	
Low Income Shelter Programme Phase -3	1988015	326,882,500		65,345,825	473,550	262,010,225	
Low Income Shelter Programme Phase -2	1986024	274,581,300		91,571,690	458,430	183,468,040	
Export Import Bank USA		-				-	
Badulla, Haliela & Ella Integrated Water Supply Project	2013025		1,463,315,730		7,403,445	1,470,719,175	

## Notes to Financial Statements *contd...*

### NOTE - 28 (I) - STATEMENT OF FOREIGN LOAN BALANCES

Name	Loan Key	Balance as at 01.01.2014 (8343)	Accounted during the year	Repayments	Parity	Closing Balance as at 2014.12.31 (8343)	(Rs.)
<b>Riggs National Bank</b>							
Low Income Shelter Programme Phase -3	1987006	382,691,744		95,628,034	469,279	287,532,989	-
Sri Lanka - USAID Housing Guarantee Loan	1994046	719,141,500		65,359,150	1,460,650	655,243,000	
Sri Lanka - USAID Housing Guarantee Loan	1997067	1,372,906,500		97,879,463	2,696,813	1,277,723,851	
US Housing Guarantee Loan for Private Sector	1998049	447,616,096		18,184,870	917,928	430,349,154	
<b>ADB</b>							
Special Operation - Merchant Bank	1991061	88,648,040		5,375,408	(4,771,946)	78,500,686	
<b>ADB</b>							
Agriculture Programme	1989068	8,712,011,402		538,497,429	(472,113,018)	7,701,400,955	
Financial Sector Programme	1990051	8,358,069,915		486,244,741	(454,346,533)	7,417,478,641	
Second Agriculture Programme	1991055	2,782,679,482		153,764,979	(150,815,560)	2,478,098,943	
Private Sector Development Sub Programme I	2001001	9,186,574,808		825,930,241	(485,815,498)	7,874,829,069	
Private Sector Development Sub Programme I	2001002	5,033,991		2,392,198	5,389	2,647,182	
Small & Medium Enterprise Sector Development Programme	2002002	2,320,258,309		191,221,748	(123,511,917)	2,005,524,644	
Power Sector Development Programme	2002005	1,873,687,875		401,741,827	2,563,001	1,474,509,049	
Private Sector Development Sub P Programme I	2003002	498,966,524		237,258,050	532,880	262,241,354	
Rural Finance Sector Development Programme	2004001	2,578,759,699		419,555,746	4,090,641	2,163,294,594	
Fiscal Management Programme	2004009	3,808,215,903		490,843,805	7,419,701	3,324,791,799	
Financial Markets for Private Sector Development	2004014	5,645,307,712		726,380,296	9,751,331	4,928,678,747	
<b>IDA</b>							
Economic Restructuring Credit	1990009	10,610,966,978		640,789,826	(571,125,168)	9,399,051,984	
Public Manufacturing Ent.Adj.Credit	1990047	12,905,929,884		757,151,856	(695,215,698)	11,453,562,330	
Poverty Reduction Support Credit	2003021	18,080,269,515		365,232,694	(1,010,991,965)	16,704,044,856	
<b>IFAD</b>							
Post Tsunami Coastal Rehabilitation & Resource Management Programme	2005022	1,880,530,194			(107,303,703)	1,773,226,491	
Post Tsunami Livelihood Support & Partnership Programme	2005023	314,113,800			(17,925,960)	296,187,840	
<b>ADB</b>							
Special Assistance to selected Projects	1983006	1,246,640,491		130,694,610	(64,164,503)	1,051,781,378	
Aquaculture Development Project	1983071	1,216,094,018		127,525,528	(62,590,495)	1,025,977,995	
Walawe Irrigation Improvement Project	1984018	992,877,804		93,513,198	(52,308,846)	847,055,760	
Plantation Sector Project	1985001	3,691,123,565		331,836,447	(195,199,298)	3,164,087,820	
Secondary Towns Power Distribution Project	1985002	1,181,762,867		106,257,757	(62,494,944)	1,013,010,166	
Trunk Roads Improvement Project	1985003	1,947,160,305		161,748,641	(102,365,019)	1,683,046,645	
Development Financing Project	1985004	1,787,723,293		148,097,872	(94,423,928)	1,545,201,493	
Kirindoya Irrigation & Settlement Project	1986020	1,305,480,739		99,825,971	(69,379,839)	1,136,274,929	
Agricultural Inputs Programme	1987001	2,708,011,719		207,056,836	(143,918,251)	2,357,036,632	
Water Supply Sector Project	1987002	2,593,407,499		198,883,783	(137,234,986)	2,257,288,730	
Land Use Planning Project	1987003	628,844,341		48,215,467	(33,276,983)	547,351,891	
1st Small & Medium Industries Project	1988002	1,213,365,056		86,136,925	(64,825,297)	1,062,402,835	
Emergency Road Restoration Project	1988003	688,526,971		50,297,005	(37,107,639)	601,122,327	
Secondary Towns Power Distribution Project II	1988004	3,101,112,193		219,047,102	(166,778,691)	2,715,286,400	
Second Road Improvement Project	1988005	3,041,982,065		222,147,569	(163,911,180)	2,655,923,316	

## Notes to Financial Statements *contd...*

NOTE - 28 (I) - STATEMENT OF FOREIGN LOAN BALANCES						(Rs.)
Name	Loan Key	Balance as at 01.01.2014 (8343)	Accounted during the year	Repayments	Parity	Closing Balance as at 2014.12.31 (8343)
2nd Technical Education Project	1988008	2,006,338,666		141,703,561	(107,902,122)	1,756,732,983
Emergency Schools Restoration Project	1988013	1,251,081,788		86,159,998	(66,612,900)	1,098,308,890
Perennial Crops Development Project	1988062	1,275,804,701		87,719,232	(68,059,421)	1,120,026,048
2nd Development Financing Project	1988063	3,540,313,648		228,044,570	(189,377,052)	3,122,892,026
Smallholder Tea Development Project	1989011	1,476,549,438		98,157,218	(78,950,536)	1,299,441,684
Agriculture Rehabilitation Project	1989067	1,894,797,560		122,063,349	(101,355,065)	1,671,379,146
Power System Expansion (Sector Loan) Project	1990025	7,021,833,285		427,544,747	(374,476,326)	6,219,812,212
Second Telecommunication Project	1990046	2,769,204,914		165,997,876	(150,306,743)	2,452,900,295
2nd Small & Medium Industries Project	1991017	2,759,735,709		156,743,586	(149,451,495)	2,453,540,628
3rd Development Financing Project	1991029	4,688,044,669		259,545,619	(253,563,508)	4,174,935,542
Low-Income Housing Development Project	1991034	1,948,482,342		110,747,635	(105,443,852)	1,732,290,855
Southern Province Rural Development Project	1991056	4,192,639,710		236,161,712	(229,005,556)	3,727,472,442
North Western Province Water Resources Development Project	1992029	1,855,034,271		97,089,427	(100,820,407)	1,657,124,437
Participatory Forestry Project	1992039	886,137,079		44,147,237	(48,193,235)	793,796,607
Second Health & Population Project	1992040	2,313,331,529		123,261,408	(126,662,177)	2,063,407,944
Fisheries Sector Project	1993002	2,723,735,861		143,330,882	(147,291,429)	2,433,113,550
Urban Development Sector Project	1993003	2,866,555,998		148,424,831	(157,410,932)	2,560,720,235
Second Water Supply & Sanitation Project	1993029	4,445,876,120		227,960,521	(240,760,340)	3,977,155,259
Secondary Education Development Project	1993030	3,575,986,437		179,627,052	(193,047,868)	3,203,311,517
Financial Management Training Project	1993041	1,309,565,100		65,782,339	(70,696,169)	1,173,086,592
Fourth Development Financing Project	1994026	8,439,186,586		311,365,455	(464,970,986)	7,662,850,145
Third Road Improvement Project	1995006	5,931,984,485		143,911,845	(331,053,063)	5,457,019,577
Plantation Reform Project	1996001	6,443,477,908		153,074,392	(361,067,454)	5,929,336,062
Second Power System Expansion Project	1996002	8,980,451,754		210,755,174	(503,342,092)	8,266,354,488
Emergency Rehabilitation Petroleum Facilities	1996028	2,969,690,142		69,709,189	(166,446,400)	2,733,534,553
NCP Rural Development Project	1996059	2,059,750,037		47,756,353	(115,471,486)	1,896,522,198
Upper Watershed Management Project	1998004	1,393,729,982		32,048,141	(77,716,095)	1,283,965,746
3rd Water Supply & Sanitation Sector	1998005	9,863,426,918		224,095,419	(550,150,803)	9,089,180,696
Southern Provincial Road Improvement Project	1998006	3,733,137,260		84,830,946	(208,221,772)	3,440,084,542
Second Perennial Crops Development Project	1998018	2,276,470,934		51,468,612	(127,240,903)	2,097,761,419
Science & Technology Personals Development Project	1998019	2,421,591,292		54,757,907	(135,916,751)	2,230,916,634
Urban Development & Low-Income Housing Sector	1998059	8,354,573,797		184,718,785	(469,092,250)	7,700,762,762
Coastal Resources Management Project	1999002	4,010,999,833		222,074,648	(216,943,335)	3,571,981,850
Road Network Improvement Project	1999004	11,542,287,156		255,652,635	(644,983,382)	10,641,651,139
Tea Development project	1999005	4,300,593,885		96,275,956	(240,286,612)	3,964,031,317
Skills Development Project	1999045	1,963,713,382		108,723,406	(106,211,574)	1,748,778,402
Southern Transport Development Project	1999057	9,727,105,193		538,718,520	(525,946,544)	8,662,440,129
Forest Resources Management Sector Project	2000032	2,610,269,588		139,087,298	(142,920,291)	2,328,261,999
Secondary Education Modernization Project	2000044	5,870,549,547		312,214,764	(322,025,571)	5,236,309,212



## Notes to Financial Statements *contd...*

### NOTE - 28 (I) - STATEMENT OF FOREIGN LOAN BALANCES

NOTE - 28 (I) - STATEMENT OF FOREIGN LOAN BALANCES						(Rs.)
Name	Loan Key	Balance as at 01.01.2014 (8343)	Accounted during the year	Repayments	Parity	Closing Balance as at 2014.12.31 (8343)
Water Resources Management Project	2000045	199,228,104		10,615,962	(10,908,345)	177,703,797
	2000055	1,283,911,993		68,282,555	(70,428,244)	1,145,201,194
Protected Area Management & Wildlife Conservation Project						
North East Community Restoration & Development Project	2001004	2,946,984,709		146,892,175	(160,227,611)	2,639,864,923
Southern Province Rural Economic Advancement project	2002001	3,135,334,159		156,280,339	(170,468,145)	2,808,585,675
SME- Business Service Facility Project	2002003	188,709,497		9,331,407	(10,334,962)	169,043,128
SME - SDP Credit Assistance Project	2002004	2,922,864,193		881,331,052	4,397,051	2,045,930,192
Power Sector Development Project	2002006	9,444,719,569		449,015,013	(514,061,790)	8,481,642,766
Aquatic Resource & Quality Improvement	2002007	1,676,286,820		82,372,959	(92,658,326)	1,501,255,535
Plantation Development Project	2002008	1,011,836,936		48,655,109	(55,629,750)	907,552,077
Plantation Development Project	2002009	1,058,446,539		80,169,828	(119,569,410)	858,707,301
Road Sector Development	2003001	7,105,092,633		337,288,270	(387,216,966)	6,380,587,397
Aquatic Resource Development & Quality Improvement	2003003	667,020,260		24,345,343	(74,976,479)	567,698,438
Secondary Towns & Rural Community Water/Sanitation	2003004	8,037,941,315		378,536,491	(441,091,168)	7,218,313,656
Distance Education Modernization Project	2003005	4,305,301,531		200,199,423	(234,316,071)	3,870,786,037
Rural Finance Sector Development Programme	2004002	980,971,202		30,273,277	2,092,154	952,790,079
Rural Finance Sector Development Programme	2004003	664,752,332		30,052,863	(36,375,215)	598,324,254
Conflict Affected Areas Rehabilitation Project	2004004	6,817,771,851		135,620,794	(382,034,178)	6,300,116,879
North East Coastal Community Development Project	2004005	2,358,839,599		106,640,559	(129,075,614)	2,123,123,426
North East Community Restoration & Development Project	2004007	1,161,330,475		11,607,449	(65,622,932)	1,084,100,094
Secondary Education Modernization II	2004008	4,272,753,650		191,265,564	(241,651,683)	3,839,836,403
Strengthening of the Fiscal Management Instructions Project	2004010	911,720,494	(4,360,754)	47,706,659	(49,862,685)	809,790,396
Modernization of Revenue Administration	2004011	1,414,826,358	87,809,241	38,330,026	3,099,612	1,467,405,185
Conflict Affected Areas Rehabilitation Project	2004012	3,306,888,866		44,932,673	7,289,940	3,269,246,133
Tsunami-Affected Areas Rebuilding Project	2005001	864,188,564			(49,317,826)	814,870,738
North East Community Restoration & Development Project II	2005002	3,297,627,619			(188,190,206)	3,109,437,413
Local Government Infrastructure Improvement Project	2006001	5,300,611,351		240,109,925	(292,056,649)	4,768,444,776
Technical Education Development	2006002	2,606,055,012		107,036,864	(144,060,362)	2,354,957,786
National Highways Sector Project AF	2006003	18,695,482,014		449,640,985	41,136,501	18,286,977,530
Secondary Towns & Rural Community Water/Sanitation	2006004	6,345,368,846			(361,748,171)	5,983,620,675
Colombo Port Expansion Project	2007007	38,271,572,473		772,685,056	83,301,947	37,582,189,364
Secondary Towns & Rural Community Water/Sanitation (OCR)	2007012	1,439,531,537	88,052,076	32,204,493	4,311,736	1,499,690,855
SME Regional Development Project	2007030	5,238,466,471			(298,950,700)	4,939,515,771
Education for Knowledge Society Project	2007031	7,385,394,112	703,482,491		(453,247,698)	7,635,628,905
Southern Transport Development Project -Supplementary	2008003	11,589,525,897		220,525,113	25,647,861	11,394,648,645
Clean Energy and Access Improvement Project	2009006	9,165,598,731	1,487,273,605	168,360,543	34,598,837	10,519,110,631
Clean Energy and Access Improvement Project	2009007	2,044,185,084	222,308,992		(127,314,911)	2,139,179,165
Dry Zone Urban Water and Sanitation Project	2009008	1,453,984,793	1,461,035,997		(157,744,834)	2,757,275,956
Eastern & North Central Provincial Road Project	2009018	8,010,781,167	272,708,888		(464,438,401)	7,819,051,655
Greater Colombo Wastewater Management Project (OCR)	2009028	753,324,161	688,544,317		5,154,889	1,427,023,367



# Notes to Financial Statements *contd...*

## NOTE - 28 (I) - STATEMENT OF FOREIGN LOAN BALANCES

NOTE - 28 (I) - STATEMENT OF FOREIGN LOAN BALANCES						(Rs.)
Name	Loan Key	Balance as at 01.01.2014 (8343)	Accounted during the year	Repayments	Parity	Closing Balance as at 2014.12.31 (8343)
Greater Colombo Wastewater Management Project (ADF)	2009029	650,973,897	58,590,058		(37,970,802)	671,593,153
ADB Funded Fiscal Management Efficiency Project	2010019	668,044,294	146,901,912		2,006,696	816,952,901
North Eastern Community Restoration & Development Project II Supplementary	2010020	1,533,024,766			(87,487,212)	1,445,537,554
Conflict Affected Region Emergency Project	2010021	11,936,747,388	2,232,250,275		92,909,680	14,261,907,343
Northern Road Connectivity Project (OCR)	2010025	12,393,928,151	2,531,400,770		63,608,209	14,988,937,130
Northern Road Connectivity Project (ADF)	2010026	1,925,309,236	363,930,848		(126,769,335)	2,162,470,748
Jaffna & Kilinochchi Water Supply & Sanitation Project OCR	2011001	325,592,490	20,572,189		811,382	346,976,061
Jaffna & Kilinochchi Water Supply & Sanitation Project ADF	2011002	619,384,117	143,881,245		(42,401,846)	720,863,517
Sustainable Power Sector Support Project	2011012	3,839,987,569	3,196,533,395		28,971,231	7,065,492,195
Sustainable Power Sector Support Project	2011013	288,574,137	403,028,955		(30,828,920)	660,774,173
Secondary Towns & Rural Community Based Water Supply Add.	2011015	423,303,118	43,239,611		1,216,875	467,759,604
Secondary Towns & Rural Community Based Water Supply (XDR)	2011016	1,002,753,531	199,483,606		(65,094,156)	1,137,142,981
Local Government Enhancement Project	2011028	539,203,380	715,424,455		(65,045,579)	1,189,582,256
National Highways Sector Project (ADF)	2011035	3,027,787,898	2,896,452,759		36,773,117	5,961,013,774
Northern Road Connectivity Project (ADF)	2012029	475,762,736	2,152,487,717		(103,445,814)	2,524,804,639
Northern Road Connectivity Project (ADF)	2012030	11,263,222	1,249,673,291		15,862,067	1,276,798,580
Clean Energy and Network Efficiency Improvement project	2013015		23,298,414		100,479	23,398,893
Dry Zone Urban Water and Sanitation Project (ADF)	2013021	39,411,307	746,689,611		(43,418,365)	742,682,553
Education Sector Development Programme (OCR)	2013034	2,645,116,000	2,604,414,000		22,575,469	5,272,105,469
Education Sector Development Programme (ADF)	2013035	2,663,093,189	2,678,026,657		(301,992,828)	5,039,127,018
Greater Colombo Wastewater Management Improvement Project	2013042		6,860,028		55,408	6,915,436
Greater Colombo Wastewater Management Improvement Project	2013043	-	116,223,700		(5,687,189)	110,536,511
Skills Sector Enhancement Programme - Results Based Lending	2014005	-	2,351,626,800		-	2,351,626,800
Skills Sector Enhancement Programme - Results Based Lending	2014006	-	2,308,602,234		-	2,308,602,234
European Int. Bank						-
DFCC Global Loan	2002075	4,015,652,683		586,859,346	(432,765,747)	2,996,027,590
Post Tsunami Line of Credit - Contract A	2006073	9,217,215,314		890,657,838	(1,013,096,140)	7,313,461,336
Post Tsunami Line of Credit - Contract B	2006074	1,263,165,400		545,970,220	(111,396,900)	605,798,280
DFCC Global Loan ii	2006093	8,751,931,700		348,548,625	(990,325,175)	7,413,057,900
Sri Lanka SME & GREEN Energy Global Loan	2013047		2,753,693,405		(131,855,521)	2,621,837,884
IBRD						-
Metro Colombo Urban Development	2012011	4,543,335,600	2,368,522,673		21,108,807	6,932,967,080
Disaster Risk Management Development Policy Loan with a Catastrophe Deferred Drawdown Option	2014013		66,402,714			66,402,714
IDA						-
Lift Irrigation Project	1968001	37,837,324		8,556,018	242,851	29,524,157
Highway Development Project	1968002	14,806,937		2,987,937	59,683	11,878,683

## Notes to Financial Statements *contd...*

### NOTE - 28 (I) - STATEMENT OF FOREIGN LOAN BALANCES

NOTE - 28 (I) - STATEMENT OF FOREIGN LOAN BALANCES						(Rs.)
Name	Loan Key	Balance as at 01.01.2014 (8343)	Accounted during the year	Repayments	Parity	Closing Balance as at 2014.12.31 (8343)
Drainage & Land Reclamation Project	1969001	56,465,034		10,101,008	(60,911)	46,303,115
Mahawelliganga Development Project	1970016	363,811,322		61,311,584	1,361,771	303,861,509
Fifth Power Project	1973001	223,587,630		23,471,730	388,458	200,504,358
Dairy Development Project	1974001	170,438,364		16,209,869	345,161	154,573,656
Programme Credit Project	1974002	646,419,105		58,827,150	1,251,990	588,843,945
Private Sector Industrial Project	1975001	187,339,368		16,275,496	371,817	171,435,689
Agriculture Development Project	1975002	972,569,634		80,872,826	1,840,867	893,537,675
Tank Irrigation Modernization Project	1977001	207,121,634		16,524,620	385,867	190,982,881
Mahawelliganga Development Project (2)	1977002	576,813,452		44,360,900	1,194,900	533,647,452
Water Supply Project	1977003	487,185,677		36,022,030	954,022	452,117,669
4th Development Finance Cooperation Project	1977005	399,457,207		29,536,868	783,644	370,703,983
Tea Crop Rehabilitation (Tea) Project	1978001	919,480,541		63,275,425	1,798,716	858,003,832
Kurunegala Rural Development Project	1979001	1,041,589,153		67,124,389	2,128,307	976,593,071
Road Maintenance Project	1979002	909,233,264		58,551,980	1,815,197	852,496,481
Agricultural Extension & Research Project	1979003	483,943,632		31,137,336	938,841	453,745,137
Small & Medium Industries Project	1979004	916,772,733		59,018,670	1,811,431	859,565,494
Water Supply Project	1979074	11,886,576			(1,274,678)	10,611,898
Water Supply Project	1979077	104,370,355			(5,102,597)	99,267,758
Road Passenger Transport Project	1980003	3,341,931,477		202,218,053	6,774,329	3,146,487,753
Small Holder Rubber Rehabilitation Project	1980004	721,017,075		43,627,694	1,461,554	678,850,935
Telecommunications Project	1980005	1,941,682,050		117,490,005	3,935,925	1,828,127,970
Second Water Supply & Sewerage Project	1980006	1,941,682,050		117,490,005	3,935,925	1,828,127,970
Sixth Power Project	1980007	1,226,214,410		74,197,027	2,485,624	1,154,503,007
Mahawelliganga Technical Assistance Project	1980110	3,369,386			(362,128)	3,007,258
Mahawelliganga Technical Assistance Project	1980120	29,570,295			(1,449,820)	28,120,475
2nd Rural Development Project	1981001	2,345,879,267		137,982,659	(126,010,063)	2,081,886,545
Construction Industry Project	1981002	1,069,104,594		61,190,050	(57,426,735)	950,487,809
Village Irrigation Rehabilitation Project	1981003	1,858,384,522		105,148,013	(101,038,184)	1,652,198,326
Third Mahawelliganga Development Project	1981004	6,236,229,543		352,854,262	(339,056,171)	5,544,319,110
Second Small & Medium Industry Project	1982001	2,882,897,059		159,594,423	(155,948,274)	2,567,354,362
Seventh Power Project	1982002	3,266,986,411		178,386,804	(179,195,890)	2,909,403,717
Tea Rehabilitation & Diversification Project	1982003	1,386,898,644		75,088,702	(74,748,361)	1,237,061,581
Forest Resources Development Project	1983001	524,400,895		27,146,783	(28,804,196)	468,449,916
Third Rural Development Project	1983002	283,438,043		14,473,423	(15,407,445)	253,557,175
Industrial Development Project	1983003	2,721,010,793		137,250,994	(149,608,386)	2,434,151,413
Major Irrigation Rehabilitation Project	1985005	1,406,371,552		65,821,530	(77,585,798)	1,262,964,224
Fourth Tree Crops Project	1985006	7,337,879,588		341,849,488	(398,730,760)	6,597,299,340
Second Industrial Development Project	1986007	2,321,514,795		102,682,987	(127,092,170)	2,091,739,638
Municipal Management Project	1986008	1,194,788,528		52,579,590	(65,675,968)	1,076,532,970
Water Supply & Sanitation Rehabilitation Project	1986012	4,362,859,463		192,973,958	(238,846,316)	3,931,039,189
2nd Vocational Training Project	1986013	1,359,153,297		60,503,931	(74,019,542)	1,224,629,824
9th Power Project	1986014	4,697,601,469		202,909,821	(257,762,009)	4,236,929,639
Agricultural Research Project	1987005	1,699,910,470		72,641,244	(93,064,880)	1,534,204,346
Third Small & Medium Industries Project	1988001	1,696,884,458		120,692,061	(90,434,990)	1,485,757,407
Emergency Reconstruction & Rehabilitation Project	1988007	3,749,696,567		266,548,136	(199,990,023)	3,283,158,408

## Notes to Financial Statements *contd...*

### NOTE - 28 (I) - STATEMENT OF FOREIGN LOAN BALANCES

	Name	Loan Key	Balance as at 01.01.2014 (8343)	Accounted during the year	Repayments	Parity	Closing Balance as at 2014.12.31 (8343)
							(Rs.)
	Health & Family Planning Project	1988014	938,672,101		64,424,045	(50,184,951)	824,063,105
	Distribution & Transmission Project	1988045	1,600,776,415		109,868,110	(85,583,452)	1,405,324,853
	2nd Smallholder Rubber Rehabilitation Project	1988085	1,085,273,771		74,486,343	(58,022,801)	952,764,627
	3rd Industrial Development Project	1988086	3,491,390,816		240,092,310	(186,199,572)	3,065,098,934
	Forest Sector Development Project	1989069	991,371,754		63,687,395	(53,196,968)	874,487,391
	General Education Project	1990003	4,961,387,200		304,769,622	(270,759,178)	4,385,858,400
	Third Roads Project	1990048	3,708,722,885		217,235,286	(200,125,123)	3,291,362,476
	Poverty Alleviation Project	1991009	3,708,963,661		211,329,997	(200,179,254)	3,297,454,410
	Second Telecommunications Project	1991022	4,864,916,138		277,194,843	(262,567,987)	4,325,153,308
	Forth Small & Medium Industries Project	1991023	4,616,558,076		263,044,175	(249,163,653)	4,104,350,248
	2nd Power Distribution & Transmission Project	1991030	4,488,185,884		252,069,810	(245,894,902)	3,990,221,172
	National Irrigation Rehabilitation Project	1991043	2,472,893,768		140,900,317	(133,466,437)	2,198,527,014
	Second Agriculture Extension Project	1992023	842,094,805		45,299,385	(45,677,863)	751,117,557
	Community Water supply & Sanitation Project	1992041	2,548,212,798		134,333,336	(137,551,329)	2,276,328,133
	Private Finance Development Project	1993013	6,188,907,017		316,534,844	(335,922,996)	5,536,449,177
	Colombo Urban Transport Project	1993017	1,575,365,056		79,993,867	(86,086,871)	1,409,284,318
	Colombo Environment Improvement Project	1995023	2,957,137,151		70,087,133	(165,860,912)	2,721,189,106
	Telecommunication, Regulatory & Public Enterprises Reforms	1996011	1,293,131,935		30,318,796	(72,168,095)	1,190,645,044
	Teacher Education & Teacher Development Project	1996033	7,438,189,529		173,296,520	(416,217,041)	6,848,675,968
	Private Sector Infrastructure Development Project	1996035	6,759,901,064		157,493,136	(378,262,234)	6,224,145,694
	Health Services Project	1997002	1,732,123,784		40,088,085	(96,744,054)	1,595,291,645
	Environmental Action 1 Project	1997022	1,824,894,839		41,830,797	(101,870,367)	1,681,193,675
	Energy Services Delivery Project	1997023	2,958,663,604		67,819,195	(165,160,291)	2,725,684,118
	Second General Education project	1997064	8,825,565,507		199,617,632	(493,176,717)	8,132,771,158
	Mahaweli Restructuring & Rehabilitation Project	1998017	7,463,404,780		167,988,267	(416,081,338)	6,879,335,175
	Year 2000 Emergency Assistance Project	1999001	1,998,785,263		43,710,173	(111,779,097)	1,843,295,993
	PPA- Postal Sector Reform Project	1999014	3,263,635				3,263,635
	North-East Irrigated Agriculture Project	1999058	3,455,437,963		73,829,849	(194,197,379)	3,187,410,735
	Legal & Judicial Reforms Project	2000036	2,210,950,248		46,732,020	(124,277,158)	2,039,941,070
	Distance Learning Project	2001020	200,903,124		4,204,277	(11,291,368)	185,407,479
	Land Titling & Related Services Project	2001021	608,376,864		12,731,665	(34,192,623)	561,452,576
	Sri Lanka Central Bank Strengthening Project	2001022	4,521,431,353		94,913,864	(252,872,364)	4,173,645,125
	Mahaweli Ganga Technical Assistance Project	2001024	59,323,362		5,874,881	(6,692,470)	46,756,011
	Water Supply	2001025	305,529,750		27,741,585	(34,336,345)	243,451,820
	Renewable Energy For Rural Economic Development Project	2002022	11,580,610,568		234,860,280	(651,175,147)	10,694,575,141
	Economic Reform Technical Assistance Project	2003020	2,141,180,246		43,412,273	(119,985,183)	1,977,782,790
	Improving Relevance & Quality of Undergraduate Education	2003022	5,722,782,306	385,038,179	115,603,762	(320,000,038)	5,287,178,506
	Second North East Irrigated Agriculture Project	2004020	8,356,666,994		89,009,857	(491,168,560)	8,161,526,756
	E - Sri Lanka Development Project	2004021	6,000,726,179			(342,451,613)	5,658,274,566

## Notes to Financial Statements *contd...*

NOTE - 28 (I) - STATEMENT OF FOREIGN LOAN BALANCES							(Rs.)
Name	Loan Key	Balance as at 01.01.2014 (8343)	Accounted during the year	Repayments	Parity	Closing Balance as at 2014.12.31 (8343)	
North East Housing Reconstruction Project	2005020	10,289,240,499			(587,190,100)	9,702,050,399	
Tsunami Emergency Recovery Project II	2005021	6,043,797,344			(344,909,614)	5,698,887,730	
Road Sector Assistance Project	2006020	13,474,444,270	361,620,658		(787,377,231)	13,048,687,697	
Puttalam Housing Project	2007021	3,162,789,707			(180,495,227)	2,982,294,480	
Renewable Energy for Rural Economic Development	2008020	5,296,010,478			(302,212,765)	4,993,797,713	
Dam Safety & Water Resources Planning	2008031	6,418,786,507	1,514,022,460		(457,628,794)	7,475,180,173	
Public Sector Capacity Building Project	2008033	1,822,262,751	(645,943)		(103,953,590)	1,717,663,218	
Additional Financing for North East Housing Reconstructions Project	2008034	5,274,468,969			(301,005,304)	4,973,463,665	
Additional Financing for Education Sector Development Project	2008035	1,173,874,561			(66,991,098)	1,106,883,463	
Additional Financing for Road Sector Assistance Project	2008036	11,859,687,245	138,351,545		(683,636,748)	11,314,402,042	
Additional Financing for Health Sector Development Project	2009014	3,104,401,367			(177,163,100)	2,927,238,267	
Second Community Development Livelihood Improvement Project	2009020	7,920,242,670	1,838,321,843		(553,123,322)	9,205,441,190	
Provincial Roads Project	2010001	9,652,608,663	2,208,048,474		(678,049,488)	11,182,607,649	
Emergency Additional Financing for Community Livelihoods	2010002	1,530,273,831	(487,109)		(87,310,942)	1,442,475,779	
Emergency Northern Recovery Project	2010003	8,235,419,500	(928,806)		(469,925,187)	7,764,565,507	
Higher Education for the Twenty First Century	2010024	2,651,240,947	800,292,265		(191,270,695)	3,260,262,517	
Sustainable Tourism Development Project	2010042	20,264,732			(1,246,284)	19,018,448	
North East Local Services Improvement Project (Pura Neguma)	2010043	5,477,642,070	1,061,524,854		(368,988,331)	6,170,178,593	
Small & Medium Enterprise Development Facility Project	2010044	4,469,875,245	130,385,698		(262,925,567)	4,337,335,376	
2nd & 3rd Additional Financing for Community Livelihood in Conflict Affected Areas	2011037	5,003,353,205	1,067,803,268		(345,950,585)	5,725,205,888	
Additional Financing for E-Sri Lanka Development Project	2012004	1,439,881,209			(81,542,503)	1,358,338,706	
Transforming the School Education System as the Foundation of a Knowledge Hub Project	2012012	3,709,213,696	2,031,336,343		(302,679,349)	5,437,870,690	
Second Health Sector Development Project	2013030	1,470,382,875	3,457,768,969		(275,365,025)	4,652,786,820	
Climate Resilience Improvement Management Programme - CRIP	2014010	-	1,951,017,469			1,951,017,469	
IFAD							
Kirindioya Irrigation & Settlement Project	1978004	549,162,600		39,165,591	1,092,531	511,089,540	
Anuradhapura Dry Zone Agricultural Project	1981006	321,348,406		18,597,240	(17,565,260)	285,185,906	
Coconut Development Project	1982004	278,094,846		15,199,750	(15,238,172)	247,656,924	
Kirindioya Irrigation & Settlement Project	1982009	336,528,981		17,724,024	(18,182,378)	300,622,579	
Badulla - Rural Development Project	1983004	997,673,158		52,545,027	(53,903,280)	891,224,851	
Kegalle Rural Development Project	1986026	685,001,332		31,156,674	(37,292,894)	616,551,764	
Small Farmers & Landless Credit Project	1988088	514,488,138		21,013,980	(28,148,311)	465,325,847	
2nd Badulla Integrated Rural Development	1991033	1,234,614,364		44,699,086	(68,091,170)	1,121,824,108	
North Western Province Dry Zone Participatory Development Project	1992051	664,310,426		22,807,031	(36,703,765)	604,799,630	
North Central Provincial.Oartici .Rural Development Project	1995040	797,224,046		36,079,390	(43,586,325)	717,558,331	
Matale Regional Economic Advancement Project	1999007	1,308,364,729		52,106,300	(71,907,864)	1,184,350,565	
Dry Zone Livelihood Support & Partnership Programme	2004022	3,003,963,427	12,647,768		(172,154,099)	2,844,457,096	

# Notes to Financial Statements *contd...*

## NOTE - 28 (I) - STATEMENT OF FOREIGN LOAN BALANCES

NOTE - 28 (I) - STATEMENT OF FOREIGN LOAN BALANCES						(Rs.)
Name	Loan Key	Balance as at 01.01.2014 (8343)	Accounted during the year	Repayments	Parity	Closing Balance as at 2014.12.31 (8343)
Smallholder Plantations Entrepreneurship Development Programme	2007011	1,536,787,622	494,357,344		(110,702,871)	1,920,442,095
Post Tsunami Coastal Rehabilitation & Resource Management Programme	2008025	1,912,943,728	22,360,109		(121,717,950)	1,813,585,887
Post Tsunami Livelihood Support & Partnership Programme II	2008026	322,616,197			(18,409,033)	304,207,164
National Agribusiness Development Programme	2010009	317,726,827			(19,010,831)	298,715,996
Iranamadu Irrigation Development Project	2012008	226,231,526	491,277,075		(35,349,606)	682,158,995
Nordic Development Fund						
2 nd Power Distance & Transmission Project (Anuradhapura)	1996008	824,460,914		19,291,427	(94,141,173)	711,028,314
The Skills Development Project	1999055	1,138,273,387		25,338,004	(63,472,816)	1,049,462,567
Southern Transport Development Project	1999056	662,180,147		14,752,807	(36,957,020)	610,470,320
Secondary Education Modernization Project	2000052	838,775,289		17,993,988	(46,882,313)	773,898,988
OPEC						
Science & Technology Education Project	1997075	31,763,381		31,725,775	(37,605)	1
Skills Development Project	2000012	219,143,845		80,717,567	72,946	138,499,224
Southern Provincial Rural Economic Advancement Project	2002070	315,628,603		39,334,105	507,679	276,802,177
North East Community Restoration & Development Project	2002071	267,976,875		33,484,313	520,733	235,013,295
Road Sector Development Project	2003076	624,872,146		65,579,438	1,069,431	560,362,139
National Highway Sector Project	2010037	980,562,033			2,364,800	982,926,833
Kalu Ganga Development Project	2010038		365,569,291		2,875,759	368,445,050
Road Network Development Project	2012024	350,374,984	1,673,917,188		15,367,142	2,039,659,314
Colombo National Highways Project	2013023		114,530,854		971,288	115,502,142
ADB						
Colombo Fort Efficiency and Expansion Project	2001003	967,487,700		48,224,298	(52,602,326)	866,661,076
TA Loan - Road Project Preparatory Facility	2004006	1,565,497,531	241,259,171	84,398,175	(96,001,649)	1,626,356,877
TA for Financial Market Programme for Private Sector Development	2004013	57,279,647		2,476,903	(3,140,191)	51,662,553
IDA						
Mahaweli Ganga Technical Assistance Project	1980001	120,245,852		7,275,503	243,749	113,214,098
ADB						
Communication Satellite Earth Station Project - 1974004	2010101	18,281,686		18,317,797	36,112	1
Urea Fertilizer Project - 1975003	2010102	1		318,704	318,704	1
Development Finance Cooperation of Ceylon - 1977006	2010103	142,716,610		47,303,059	(5,687,421)	89,726,130
Canyon Hydro Power Project - 1977007	2010104	564,792,598		185,273,495	(24,519,106)	354,999,997
Kirindoya Irrigation & Settlement Project - 1978003	2010105	873,392,844		218,257,504	(37,436,143)	617,699,197
Sevenagala Sugar Development - 1979006	2010106	1,231,648,043		269,272,599	(59,078,686)	903,296,758
Urea Fertilizer (Supplementary) Project - 1979007	2010107	115,786,653		21,027,381	(5,440,148)	89,319,124
Rural Credit Project - 1980008	2010108	340,830,486		56,602,239	(16,428,020)	267,800,227
2nd DFCC Project - 1980010	2010109	594,530,752		98,531,349	(28,810,635)	467,188,768
Mahaweli Area Road Development Project - 1980011	2010110	436,514,820		66,871,674	(21,340,169)	348,302,977

## Notes to Financial Statements *contd...*

NOTE - 28 (I) - STATEMENT OF FOREIGN LOAN BALANCES							(Rs.)
Name	Loan Key	Balance as at 01.01.2014 (8343)	Accounted during the year	Repayments	Parity	Closing Balance as at 2014.12.31 (8343)	
Third Tea Development Project - 1980012	2010111	728,028,394		103,625,604	(35,967,553)	588,435,237	
Rural Electrification Project - 1980013	2010112	521,962,075		86,688,475	(25,158,267)	410,115,333	
Anuradhapura Dry Zone Agriculture Project - 1981005	2010113	534,349,439		76,058,005	(26,432,871)	431,858,563	
National Development Bank of Sri Lanka - 1981007	2010114	690,252,890		91,522,006	(34,637,444)	564,093,440	
Second Fisheries Development Project - 1981008	2010115	106,032,175		14,080,358	(5,299,177)	86,652,640	
Coconut Development Project - 1981009	2010116	160,270,839		21,301,055	(8,008,383)	130,961,401	
Kirindioya Irrigation & Settlement Project - 1982005	2010117	707,942,327		78,670,939	(35,929,021)	593,342,367	
Community Forestry Project - 1982006	2010118	551,571,713		68,553,700	(27,933,027)	455,084,986	
Health & Population Project - 1982007	2010119	460,950,606		54,034,880	(23,420,178)	383,495,548	
Technical Education Project - 1982008	2010120	946,128,436		110,678,989	(48,271,830)	787,177,617	
Livestock Development Project - 1983005	2010121	893,944,720		99,325,080	(45,369,778)	749,249,862	
	IDA	-				-	
Second Additional Financing for Road Sector Assistance Project	2011010	5,104,240,897	4,127,956,331		(487,519,302)	8,744,677,927	
	Pakistan	-				-	
Pakistan Line of Credit (Pakistan)	1991003	5,747,520			472,960	6,220,480	
	Rumania	-				-	
	Pakistan	-				-	
Pakistan Line of Credit	2006071	4,052,738,499		490,631,428	7,072,057	3,569,179,128	
	ABN -AMRO Bank					-	
	Russia					-	
Russian Line of Credit	2010018	292,705,592	8,675,269,135		48,855,074	9,016,829,801	
	AB Sven Ex. Credit					-	
Credit Line to NDB	2001070	683,394		682,016	(1,374)	4	
Molecular Biology Institute, University of Colombo	2001072	140,448,939		18,044,098	(21,154,409)	101,250,432	
Fourth Rural Electrification Project - USD Potion	2004076	671,104,681		125,501,898	1,150,500	546,753,283	
Ratmalana & Ja-Ela Wastewater Treatment Facilities Project	2007029	11,057,689,128	148,749,283		25,954,100	11,232,392,511	
Fourth Rural Electrification Project - Euro Potion	2009026	2,229,273,477		379,218,234	(238,684,779)	1,611,370,464	
	AFDD					-	
Implementation of Jaffna & Kilinochchi Water Supply & Sanitation Project	2011036	94,179,095	8,969,157		(11,835,533)	91,312,720	
	Aust. & New Zealand Inv. Bank					-	
Integrated Water Supply Scheme Ampara District - 2	2002073	1,289,498,015		866,806,807	(43,918,211)	378,772,997	
Integrated Water Supply Scheme for the Unserved Areas of Ampara District - Phase III	2010023	11,039,975,159	1,630,223,171	1,374,583,474	25,546,277	11,321,161,133	



## Notes to Financial Statements *contd...*

NOTE - 28 (I) - STATEMENT OF FOREIGN LOAN BALANCES						(Rs.)
Name	Loan Key	Balance as at 01.01.2014 (8343)	Accounted during the year	Repayments	Parity	Closing Balance as at 2014.12.31 (8343)
<b>Bank Austria</b>						
Sirimavo Bandaranayake Children Hospital	2003070	1,875,353,599		309,993,108	(184,708,645)	1,380,651,846
Railway Bridges to Extend Rail Tracks	2003071	2,191,939,213		301,113,143	(230,994,676)	1,659,831,394
Water Supply Weligama, Ambalantota, Kataragama	2004073	1,292,632,480		162,522,140	(139,706,898)	990,403,442
Enhancement & Strengthening of the Road Infrastructure by Construction of five Bridges	2006089	1,903,770,709			(221,883,380)	1,681,887,329
Greater Colombo Sewerage Rehabilitation system II	2007003	1,709,007,351			(199,183,823)	1,509,823,528
Rehabilitation & Augmentation of Kirindi Oya Water Supply Project	2008021	1,810,788,051			(210,731,656)	1,600,056,395
Supply of Modern Medical Equipments for Teaching Hospital Kurunegala Project	2008023	1,353,391,497			(157,737,000)	1,195,654,497
<b>Banco</b>						
Veyangoda Railway Crossing Flyover Project - Spain	2012015	1,543,765,359		173,887,595	(166,474,467)	1,203,403,297
Veyangoda Railway Crossing Flyover Project - Spain	2012016	321,206,146		154,352,220	(24,871,958)	141,981,968
Implementation of the Greater Rathnapura Water Supply Scheme	2013003	223,910,073	1,246,957,524		(144,295,105)	1,326,572,492
<b>Banque Fra.Bank</b>						
<b>BNP Paribas</b>						
Equipment to Teaching/Base Hospitals - Finland	2004070	1,430,449,777		391,467,304	(136,317,033)	902,665,440
Reconstruction of (07) Railway Bridges Project	2013032	-	150,000,000		(16,243,375)	133,756,625
<b>City Bank International</b>						
Sustainable Water Assistance Management Project - Australian Export Credit	2004078	548,478,265		182,644,035	644,596	366,478,826
<b>Calyon Credit</b>						
Rehabilitation of Wimalasurendra and New Laxapana Power Stations	2008042	6,415,042,475	336,554,635	729,725,972	13,775,306	6,035,646,444
<b>Boerenleenbank</b>						
Disaster Management & Emergency Response Systems	2006085	1,819,356,820		349,073,099	(184,434,255)	1,285,849,466
Disaster Management Communication & Response Project	2007032	568,424,430		79,459,403	(58,529,408)	430,435,620
Improvement of the Facilities & Programmes of SLIATE	2008039	818,239,819		162,242,444	(102,333,650)	553,663,725
	2009030	(1)				(1)
Extension of a Disaster Management & Emergency Response System	2009031	2,933,506,486	318,803,647	375,459,049	(341,625,854)	2,535,225,230
Importation Dairy Animals ( Australia)	2011025	176,064,494	52,186,944	228,218,185	(33,253)	0
Importation Dairy Animals (Netherlands & Australia)	2011026	1,293,769,228	25,109,756	165,619,089	2,191,263	1,155,451,159
Development of Hambantota District General Hospital	2012010	3,324,928,076	1,358,123,930		(545,668,514)	4,137,383,493
Upgrading of the National Blood Transfusion Services Sri Lanka	2013001	28,845,435	2,504,523,547		9,972,691	2,543,341,673
Upgrading of the National Blood Transfusion Services	2013002	620,168,065			1,447,035	621,615,100
Upgrading of Peripheral Blood Bank Coming Under the National Blood Transfusion Services	2013024	265,543,154	825,169,393		(236,657,408)	854,055,140



## Notes to Financial Statements *contd...*

### NOTE - 28 (I) - STATEMENT OF FOREIGN LOAN BALANCES

NOTE - 28 (i) - STATEMENT OF FOREIGN LOAN BALANCES						(Rs.)
Name	Loan Key	Balance as at 01.01.2014 (8343)	Accounted during the year	Repayments	Parity	Closing Balance as at 2014.12.31 (8343)
Danske Bank						
Towns South of Kandy Water Supply Project	2006072	4,466,660,694	-	750,559,787	(446,783,142)	3,269,317,765
Exp. Development Bank of Iran						
Uma Oya Hydro Electric and Irrigation Project	2008027	6,618,625,856	-	-	14,963,066	6,633,588,922
Implementation of Rural Electrification Project 8	2010005	5,726,897,959	-	-	(667,466,659)	5,059,431,300
Exp. Imp. Bank of China						
Muthurajawela Oil Tank Farm Project	2001079	2,206,265,577	-	733,575,327	1,478,684	1,474,168,934
Hambantota Port Development Project	2007044	32,073,358,419	-	-	(867,012,617)	-
Bunkering Facility & Tank Farm Project at Hambantota	2009009	7,739,139,898	770,609,177	385,201,189	18,244,263	8,142,792,149
Colombo - Katunayake Expressway (CKE) Section A2	2009010	8,312,466,974	-	690,966,308	15,487,111	7,636,987,778
Colombo - Katunayake Expressway (CKE) Section A1	2009011	9,158,139,838	-	761,262,101	17,062,701	8,413,940,438
Colombo - Katunayake Expressway (CKE) Section A3	2009012	6,249,602,639	-	519,539,661	11,644,807	5,741,707,785
Colombo - Katunayake Expressway (CKE) Section A4	2009013	8,732,118,688	-	725,849,476	16,268,971	8,022,538,182
Puttalam Coal Power Project Phase II	2009027	2,601,274,669	-	-	(2,601,274,669)	-
Mattala Hambantota International Airport Project	2010006	1,356,473,947	-	-	(1,356,473,947)	-
Supply of 13 Nos. Diesel Multiple Units to Sri Lanka Railway Project	2010007	8,495,630,292	5,405,023,262	-	(277,046,405)	13,623,607,149
Supply of 2 Nos. MA60 Aircraft Project	2010029	5,698,868,345	-	-	(113,581,062)	5,585,287,283
Procurement of Material for the Northern Province Power Sector Development Programme	2010030	2,842,893,240	1,170,009,027	199,937,051	10,994,582	3,823,969,798
Northern Road Rehabilitation Project (A009) from Galkulama to 230 km post	2010031	8,534,908,185	746,054,417	385,031,708	18,441,387	8,914,372,280
Northern Road Rehabilitation Project - 11B	2010032	4,186,985,235	1,370,408,895	-	13,442,542	5,570,836,672
Northern Road Rehabilitation Project - (Mulativu - Kokkila) 11A	2010033	4,248,401,550	1,342,234,679	231,990,596	12,471,829	5,371,117,463
Northern Road Rehabilitation Project - (AB020) (AB032) (AB016) (AB018)	2010034	6,964,423,102	2,805,628,933	405,521,212	24,505,735	9,389,036,557
Northern Road Rehabilitation Project A009 (from 230km to Jaffna)	2010035	8,857,598,463	361,676,950	382,480,730	18,516,539	8,855,311,222
Highway Section Pinnaduwa to Kodagoda (30km to 45km)	2011005	4,191,146,977	847,396,829	-	13,001,552	5,051,545,358
Highway Section Kodagoda to Godagama (45km to 61km)	2011006	4,758,223,239	1,146,614,596	-	14,379,931	5,919,217,766
Rehabilitation & Improvement of 67 km Length of Navatkuli, Karativu, Mannar Road	2011008	2,565,715,677	2,996,716,473	-	15,179,057	5,577,611,207
Rehabilitation & Improvement of 113 km Length of Puttalam Marichchikade, Mannar Road	2011009	2,153,260,884	3,278,813,431	-	13,883,360	5,445,957,675
Finance Material Required for Lighting Sri Lanka Eastern Province Project	2012001	1,818,136,179	2,088,051,287	-	12,893,778	3,919,081,244
Hambantota Port Development Project Phase ii	2012033	757,875,668	-	-	(757,875,668)	-
Matarata - Beliatta Section of Matarata - Kataragama Railway Line Extension	2013005	3,200,000,000	10,162,395,550	-	34,697,751	13,397,093,301
Hambantota Port Development Project Phase I for Ancillary Work and Supply of Equipment Project	2013014	-	-	-	-	-
Greater Kurunegala Water Supply and Sewerage Project	2013041	-	762,863,668	-	(53,517,058)	709,346,610

## Notes to Financial Statements *contd...*

NOTE - 28 (I) - STATEMENT OF FOREIGN LOAN BALANCES						(Rs.)
Name	Loan Key	Balance as at 01.01.2014 (8343)	Accounted during the year	Repayments	Parity	Closing Balance as at 2014.12.31 (8343)
<b>Export Import Bank of Hungary</b>						
Rehabilitation of Kalatuwawa Water Treatment Plant Project	2013008	610,853,768	291,228,135		(105,066,670)	797,015,233
Rehabilitation of Labugama Water Treatment Plant Project	2013009	587,315,496	367,953,039		(107,724,075)	847,544,459
<b>Exp. Imp. Bank of Malaysia</b>						
Purchase 50 Units of Terberg Terminal Tractors to be used at Jaya Terminal	2011018	339,957,800		104,404,580	334,260	235,887,480
<b>Fortis Bank</b>						
Kolonna - Balangoda Water Supply Project	2011029	1,181,476,135	288,042,021	74,573,295	(164,910,652)	1,230,034,208
<b>HSBC UK</b>						
Regional Bridge Project HSBC Bank Plc UK	2007027	12,558,671,998		1,414,056,000	(1,307,432,000)	9,837,183,998
Supply and Installation of 5000 Solar Power Drip Irrigation & Fertilising Systems	2008024	1,164,355,465		178,769,656	1,865,392	987,451,201
The Development of the Dikkowita Fisheries Harbour (Netherlands)	2008037	4,567,525,785		595,619,194	(474,747,744)	3,497,158,847
Emergency Purchase of Container Handling Equipments - Jaya Terminal	2010011	(1,299,713,450)	-	912,817,500	(84,369,950)	(2,296,900,900)
Modernization of Processing of MILCO (Pvt) Ltd	2013012	90,000,000	3,006,245,000	171,706,291	10,150,162	2,934,688,871
Construction of 210 Permanent Steel Bridges	2012023	17,972	2,753,051,971	-	17,650,800	2,770,720,743
Regional Bridge Project - Phase II - Buyer's Credit Facility	2013027	99,661,516	4,625,976,479		16,141,076	4,741,779,071
<b>HSBC Hongkong</b>						
Rehabilitation of Bridges North & East	2003073	1,674,641,100		442,741,200	(133,929,400)	1,097,970,500
Regional Bridges Project Phase II - Commercial Credit Facility	2013026	1,400,338,484		276,951,994	2,239,647	1,125,626,138
<b>ING Bank</b>						
Negombo Water Supply Project	2008032	2,255,431,264		283,908,199	(249,865,814)	1,721,657,251
<b>JBIC</b>						
Ukuwela Power Station Rehabilitation Project	2008022	1,032,820,030	253,621,591	147,461,565	(105,244,454)	1,033,735,602
<b>KBC Bank</b>						
Delimitation of the Outer Edge of the Continental Margin of Sri Lanka	2007009	235,355,400		52,172,580	285,220	183,468,040
<b>Nordea Bank Denmark</b>						
Kelani Right Bank Water Treatment Plant	2008028	6,927,299,961	16,362	888,275,750	(723,866,849)	5,315,173,724
Oluvil Port Development Project	2008029	5,109,954,861	695,250,377	1,193,417,517	(626,016,204)	3,985,771,517
<b>Nordea Bank Finland</b>						
Solar Energy for the Development of Health & Education Facilities in Rural Areas	2005079	3,088,952,752		385,020,156	(338,853,787)	2,365,078,809

## Notes to Financial Statements *contd...*

NOTE - 28 (I) - STATEMENT OF FOREIGN LOAN BALANCES						(Rs.)
Name	Loan Key	Balance as at 01.01.2014 (8343)	Accounted during the year	Repayments	Parity	Closing Balance as at 2014,12,31 (8343)
<b>Nordea Bank Sweden</b>						
Rural Electrification Project 4 Extension	2011011	5,992,527,097	318,473,668	797,421,383	11,114,474	5,524,693,856
<b>Raiffeisen Bank</b>						
Upgrading of Technical Education (SLIATE)	2008038	1,985,404,283			(231,347,600)	1,754,056,683
<b>Uni Credit Bank</b>						
Rehabilitation of Old Laxapana Hydroelectric Power Plant	2010004	4,045,190,831		606,133,206	(415,135,482)	3,023,922,144
Rehabilitation of Eastern Railway Line	2010022	1,162,482,299		171,216,001	(122,269,981)	868,996,317
Augmentation of Mahiyangana Water Supply Project	2013004	-	922,732,833		(97,582,451)	825,150,382
Supply of the 2 Nos Cardiac Catheterization System to Cardiology Department of the NHSL	2013006	373,358,324	43,177,633		(50,291,190)	366,244,767
Upgrading of Sewerage Infrastructure at Kataragama Sacred City Area	2013045	-	374,246,670		(39,463,410)	334,783,260
<b>Raiffeisen</b>						
Development of Nuwara Eliya District General Hospital	2012009	2,405,923,574	1,351,848,320		(411,319,052)	3,346,452,842
<b>Exp. Imp. Bank of China</b>						
Procurement of Materials for Lightning Uva Province	2011014	2,899,036,897	3,655,997	144,505,464	5,597,887	2,763,785,317
Matara - Beliatta Section of Matara - Kataragama Railway Line Extension	2013022	-	839,533,996	-	(8,934,598)	830,599,398
<b>Total</b>		<b>2,491,067,436,322</b>	<b>422,536,961,928</b>	<b>106,366,684,267</b>	<b>(128,278,656,918)</b>	<b>2,614,990,561,262</b>

Note: Balances of Loan Nos. 2005045 & 2007044 have been transferred to CEB Books during 2012

# Notes to Financial Statements *contd...*

## NOTE - 30.1 - MOVABLE ASSETS ACQUIRED SINCE 01.01.2004

### 2101 - Vehicles

Rs. '000

Head No	Institution	2012								2013		2014			
		2004	2005	2006	2007	2008	2009	2010	2011	Balance	Additions	Disposal	Balance	Additions	Balance
1	His Excellency the President	-	30,910	1,321,809	1,332,904	2,236,847	2,410,346	2,612,435	3,085,334	3,085,334	315,354	71,184	3,329,504	369,360	3,698,864
2	Office of the Prime Minister	335	17,172	56,615	56,615	60,615	62,918	89,102	121,383	130,920	-	-	130,920	154	131,074
3	Secretariat for Special Functions (Senior Ministers)	-	-	-	-	-	-	-	77,609	166,350	32,577	-	198,927	29,385	228,312
4	Judges of Supreme Court	-	-	18,475	219,907	219,907	219,907	224,821	230,721	230,721	-	-	230,721	-	230,721
5	Office of the Cabinet Ministers	-	4,764	8,254	8,254	14,513	14,513	18,653	18,653	19,161	-	-	19,161	-	19,161
6	Public Service Commission	-	-	8,990	8,990	16,160	18,932	18,932	18,932	30,044	-	-	30,044	524	30,567
7	Judicial Service Commission	-	100	100	1,088	8,879	8,879	8,879	8,879	8,879	-	-	8,879	-	8,879
8	National Police Commission	-	-	249	5,560	6,117	6,117	6,117	6,117	6,134	5,078	-	11,212	-	11,212
10	Commission to Investigate Allegations of Bribery or Corruption	-	-	-	-	-	-	3,319	9,795	18,825	-	-	18,825	-	18,825
11	Office of the Finance Commission	-	4,850	4,850	7,700	7,700	7,795	12,835	12,835	12,835	-	-	12,835	-	12,835
12	National Education Commission	-	-	-	-	-	-	-	6,125	6,125	152	-	6,277	-	6,277
13	Human Rights Commission of Sri Lanka	-	-	-	-	-	-	8,071	8,071	8,071	355	-	8,426	5,655	14,081
14	Department of Attorney General	-	-	-	90,400	215,126	219,221	225,340	225,340	225,340	-	-	225,340	-	225,340
15	Department of Legal Draftsman	-	13,770	13,770	27,620	27,620	27,620	27,620	27,980	27,980	-	-	27,980	-	27,980
16	Parliament	6,800	27,735	27,735	27,735	61,770	68,870	76,370	111,813	159,853	3,883	4,692	159,044	5,565	164,610
17	Office of the Leader of the House of Parliament	78	78	7,536	13,036	13,036	15,304	11,566	16,616	16,616	-	-	16,616	-	16,616
18	Office of the Chief Government whip of Parliament	-	7,150	7,413	12,913	12,913	12,913	15,835	14,824	21,033	14,119	-	6,915	18	6,932
19	Office of the Leader of the Opposition of Parliament	80	7,512	7,512	8,012	8,012	8,267	16,209	16,209	16,209	10,650	-	26,859	15,608	42,466
20	Department of Elections	-	-	-	15,715	25,626	25,626	30,467	41,320	41,920	-	-	41,920	-	41,920
21	Auditor General	-	2,151	2,151	2,543	2,543	6,498	6,498	16,234	17,631	-	-	17,631	-	17,631
22	Office of the Parliamentary Commissioner for Administration	-	-	-	-	-	-	4,000	5,798	5,573	-	-	5,573	-	5,573
101	Ministry of Buddhasasana and Religious Affairs	-	-	5,500	24,545	24,545	24,545	32,717	38,976	45,359	11,600	-	56,959	992	57,950
102	Ministry of Finance & Planning	4,100	42,251	54,217	113,815	128,922	129,769	136,406	115,005	91,001	23,379	16,039	98,341	4,437	102,778
103	Ministry of Defence	495	10,152	57,907	459,119	2,545,912	2,563,739	2,563,780	2,617,984	2,648,635	10,212	-	2,658,847	10,040	2,668,887
105	Ministry of Economic Development	-	-	-	47,035	47,035	51,353	157,676	340,555	498,439	265,614	-	764,053	186,061	950,114
106	Ministry of Disaster Management	-	-	18,595	20,172	20,172	20,172	26,172	40,699	69,788	24,765	-	94,553	-	94,553
108	Ministry of Postal Services	-	5,800	19,825	52,725	52,725	52,725	72,728	77,085	77,085	1,657	75,428	42,371	117,799	117,799
110	Ministry of Justice	16,717	16,717	33,465	34,663	58,314	59,481	58,181	77,337	85,226	226,702	222,945	88,983	1,192	90,175
111	Ministry of Health	-	-	-	18,296	18,296	51,713	75,510	129,855	194,188	219,766	-	413,954	625,614	1,039,568
112	Ministry of External Affairs	-	25,986	151,191	273,957	345,547	386,696	405,674	509,828	614,621	37,873	-	652,494	102,098	754,592
113	Ministry of Ports & Aviation	-	-	9,446	9,446	22,259	26,109	38,809	38,809	38,809	-	-	38,809	-	38,809
114	Ministry of Transport	-	-	4,500	20,213	37,213	37,213	42,253	70,860	70,860	-	-	70,860	-	70,860
115	Ministry of Petroleum Industries	-	-	10,553	23,303	34,180	34,180	43,469	52,212	52,212	3,188	-	55,400	16,965	72,365
116	Ministry of Co-operative and Internal Trade	-	8,450	17,411	30,351	30,351	30,351	40,095	83,395	87,391	10,057	8,999	88,449	40,743	129,192
117	Ministry of Ports & Highways	-	-	5,432	67,087	83,787	83,787	125,414	125,414	597,552	6,738	1,387	602,904	8,752	611,656

# Notes to Financial Statements *contd...*

## NOTE - 30.1 - MOVABLE ASSETS ACQUIRED SINCE 01.01.2004

### 2101 - Vehicles

Rs. '000

Head No	Institution	2004	2005	2006	2007	2008	2009	2010	2011	2012 Balance	2012 Additions	2013 Disposal	2013 Balance	2014 Additions	2014 Balance
118	Ministry of Agriculture	15,047	18,274	37,096	123,672	125,089	192,710	228,062	228,062	228,062	13,393	-	241,455	52,030	293,485
119	Ministry of Power & Energy	1,682	16,727	16,727	16,727	16,727	16,727	21,324	30,075	30,256	-	6,870	23,387	19,370	42,757
120	Ministry of Child Development & Women's Affairs	-	3,475	16,325	26,175	26,175	26,175	44,628	51,511	74,243	10,751	5,671	79,323	-	79,323
121	Ministry of Public Administration & Home Affairs	7,923	569,755	1,031,387	1,031,387	1,035,497	1,047,422	1,066,404	1,111,457	1,115,319	5,500	16,136	1,104,682	14,654	1,119,336
122	Ministry of Mass Media & Information	-	3,428	13,707	52,662	57,218	61,928	35,929	35,929	42,429	25,103	-	67,531	-	67,531
123	Ministry of Construction, Engineering Services, Housing and Common Amenities	-	-	-	24,333	24,333	24,333	24,333	48,072	32,574	-	-	32,574	-	32,574
124	Ministry of Social Service	-	-	28,149	33,040	33,040	33,040	45,240	66,319	67,385	-	-	67,385	-	67,385
126	Ministry of Education	4,386	94,114	110,654	177,597	177,597	180,729	186,755	212,207	214,364	27,556	-	241,919	500	242,419
127	Ministry of Labour Relations & Productivity Improvement	-	19,050	30,410	47,090	47,090	47,776	47,724	64,224	61,573	9,154	-	70,727	35,373	106,100
128	Ministry of Traditional Industries & Small Enterprises Development	-	-	-	26,036	36,785	39,049	39,049	39,049	51,554	25,275	-	76,829	-	76,829
130	Ministry of Local Government & Provincial Councils	-	-	8,131	8,131	81,036	(109,079)	(65,054)	(16,177)	(31,825)	248,526	-	216,701	414,817	631,518
133	Ministry of Technology and Research	-	-	5,500	34,706	31,832	31,832	41,755	75,031	75,431	-	100,670	(25,239)	-	(25,239)
134	Ministry of National Languages & Social Integration	-	9,000	9,000	42,434	42,434	42,434	46,622	57,324	57,332	3,302	-	60,634	-	60,634
135	Ministry of Plantation Industries	-	-	35,579	115,151	115,151	134,674	146,950	187,187	196,742	6,405	-	203,147	28,222	231,369
136	Ministry of Sports	-	-	-	-	4,350	18,828	22,678	28,452	28,452	17,224	-	45,676	16,019	61,695
138	Ministry of Indigenous Medicine	-	9,242	20,217	35,217	35,217	35,217	35,217	56,091	70,025	14,258	-	84,283	-	84,283
139	Ministry of Fisheries & Aquatic Resources Development	2,625	2,625	10,776	21,864	48,225	138,562	164,564	181,525	181,525	6,396	-	187,921	-	187,921
140	Ministry of Livestock and Rural Community Development	-	-	3,390	46,160	58,221	68,044	76,655	90,601	75,179	24,835	9,500	90,515	21,401	111,915
142	Ministry of National Heritage	-	20,795	33,619	59,035	68,035	83,035	83,035	96,153	99,244	-	-	99,244	12,242	111,486
143	Ministry of Parliamentary Affairs	13,425	13,425	13,425	30,927	30,927	30,927	35,831	46,508	46,508	7,784	-	54,292	-	54,292
145	Ministry of Re-Settlement	-	-	16,638	39,363	48,863	56,068	56,068	82,945	89,094	15,442	-	104,536	-	104,536
149	Ministry of Industry and Commerce	2,667	2,667	15,538	37,338	50,928	65,327	71,627	73,261	88,798	9,216	-	98,014	33,354	131,368
152	Ministry of Irrigation & Water Resources Management	4,758	4,758	4,758	12,293	12,293	17,793	25,095	33,724	33,724	-	600	33,124	121,658	154,782
153	Ministry of Lands and Land Development	-	-	-	-	72,094	72,094	87,594	94,031	102,065	-	-	102,065	10,751	112,817
156	Ministry of Youth Affairs & Skills Development	-	1,912	14,902	22,402	20,861	20,861	71,342	95,842	98,793	6,185	-	104,978	-	104,978
160	Ministry of Environment & Renewable Energy	6,550	24,226	31,726	51,685	51,680	53,143	66,393	73,141	83,910	16,600	3,650	96,860	-	96,860
166	Ministry of Water Supply & Drainage	-	-	-	25,986	25,986	34,216	50,216	60,277	67,012	-	-	67,012	-	67,012
171	Ministry of Higher Education	-	-	-	14,795	14,795	14,795	31,855	45,289	66,333	18,447	-	84,780	15	84,795
173	Ministry of Public Management Reforms	-	-	-	-	-	-	-	20,753	20,753	-	-	20,753	-	20,753
174	Ministry of Rehabilitation and Prison Reforms	-	-	-	-	-	-	34,623	34,623	47,500	6,328	-	53,827	39,546	93,373
175	Ministry of State Resources and Enterprise Development	-	-	-	-	-	-	-	20,692	24,296	17,814	-	42,110	11,101	53,211

# Notes to Financial Statements *contd...*

## NOTE - 30.1 - MOVABLE ASSETS ACQUIRED SINCE 01.01.2004

### 2101 - Vehicles

Rs. '000

Head No	Institution	2013										2014	
		2004	2005	2006	2007	2008	2009	2010	2011	2012	2013	Balance	Additions
176	Ministry of Civil Aviation	-	-	-	-	-	-	-	24,335	24,365	19,676	33	44,009
177	Ministry of Culture and the Arts	-	-	-	-	-	-	-	-	12,083	6,700	7,249	11,534
178	Ministry of Coconut Development & Janatha Estate Development	-	-	-	-	-	-	-	17,197	22,275	15,091	-	37,366
179	Ministry of Agrarian Services and Wild Life	-	-	-	-	-	-	-	28,554	28,554	10,390	-	38,944
180	Ministry of Minor Export Crop Promotion	-	-	-	-	-	-	-	42,303	42,303	-	-	42,303
181	Ministry of Productivity Promotion	-	-	-	-	-	-	-	39,292	40,075	34,949	32,847	42,177
182	Ministry of Foreign Employment Promotion & welfare	-	-	14,515	14,515	19,890	19,890	19,890	56,740	56,740	-	-	56,740
183	Ministry of Public Relation and Public Affairs	-	-	-	-	-	-	-	6,159	6,339	9,906	-	16,244
184	Ministry of Private Transport Services	-	-	-	-	-	-	-	19,162	35,800	-	-	35,800
185	Ministry of Telecommunication and Information Technology	-	-	-	-	-	-	-	16,000	16,000	7,879	-	23,879
187	Ministry of Investment Promotion	-	-	-	-	-	-	-	-	-	-	-	35,473
188	Ministry of Botanical Gardens & Public Recreation	-	-	-	-	-	-	-	-	-	-	-	6,683
190	Ministry of Law and Order	-	-	-	-	-	-	-	-	-	-	-	30,893
201	Department of Buddhist Affairs	-	-	-	-	-	-	1,176	1,607	1,607	-	-	1,607
202	Department of Muslim Religious & Cultural Affairs	2,101	4,876	4,965	4,965	4,965	4,965	4,965	4,965	4,965	-	-	4,965
203	Department of Christian Religious Affairs	-	-	-	-	595	595	595	595	595	-	-	595
205	Department of Public Trustee	-	-	-	-	-	2,016	7,056	7,056	7,056	-	-	7,056
207	Department of Archaeology	5,573	5,573	9,773	10,538	10,538	14,802	14,802	14,802	14,802	-	-	14,802
208	Department of National Museums	-	3,475	3,475	3,475	3,475	3,475	3,475	3,475	3,475	-	-	3,475
209	Department of National Archives	2,275	2,275	2,275	2,275	2,275	2,275	2,612	2,612	2,612	-	-	2,612
210	Department of Information	-	-	79	9,379	9,379	9,379	9,379	9,126	9,126	-	-	9,126
211	Department of Government Printer	-	-	-	20,518	20,518	20,518	20,518	20,518	20,518	-	-	20,518
212	Department of Examinations	-	2,875	2,875	8,797	8,797	8,797	7,402	7,402	4,617	-	-	4,617
213	Department of Educational Publications	-	-	-	-	-	-	-	-	-	-	-	-
215	Department of Technical Education & Training	-	-	75,205	78,705	78,705	78,705	78,705	78,705	78,705	-	-	78,705
216	Department of Social Services	-	-	-	-	-	345	345	345	345	-	-	345
217	Department of Probation & Child Care Services	-	-	-	3,877	3,877	3,877	3,877	3,877	3,877	-	-	3,877
219	Department of Sports Development	-	-	-	-	3,098	3,098	3,098	3,098	3,098	-	-	3,098
220	Department of Ayurveda	-	-	789	6,584	6,584	6,584	6,584	6,584	6,584	-	-	6,584
221	Department of Labour	-	48	48	20,788	20,788	20,788	20,788	20,788	20,788	-	-	20,788
222	Sri Lanka Army	-	409,651	973,124	1,468,196	2,453,745	3,752,398	3,964,911	5,703,611	5,717,217	16,054	19,690	5,713,580
223	Sri Lanka Navy	38,152	38,152	251,852	761,052	1,266,602	1,466,230	1,823,572	2,360,662	2,382,203	5,485	209,930	2,177,757
224	Sri Lanka Air Force	-	201,940	401,595	523,506	686,680	780,672	787,112	1,204,615	1,230,569	113,165	-	1,343,734
225	Department of Police	-	-	479,644	680,084	2,192,626	2,365,837	5,222,492	5,178,483	5,207,967	-	-	5,207,967

# Notes to Financial Statements *contd...*

## NOTE - 30.1 - MOVABLE ASSETS ACQUIRED SINCE 01.01.2004

### 2101 - Vehicles

Rs. '000

Head No	Institution	2004	2005	2006	2007	2008	2009	2010	2011	2012 Balance	2012 Additions	2013 Disposal	2013 Balance	2013 Additions	2014 Balance
226	Department of Immigration & Emigration	-	-	10,410	10,410	10,410	10,410	10,410	10,410	10,930	-	-	10,930	-	10,930
227	Department of Registration of Persons	3,665	3,665	15,765	17,700	27,700	27,700	27,700	27,808	27,808	-	-	27,808	-	27,808
228	Courts Administration	-	-	1,321	17,176	186,796	202,237	217,678	231,832	231,832	-	-	231,832	-	231,832
232	Department of Prisons	17,813	19,905	45,497	58,804	79,926	84,901	107,970	107,970	107,970	51,401	-	159,371	-	159,371
233	Department of Government Analyst	-	-	3,441	13,137	13,137	18,177	18,177	18,177	14,331	-	2,280	12,051	478	12,529
235	Department of Law Commission	-	-	1,575	2,699	8,747	10,027	10,416	10,416	10,416	-	-	10,416	-	10,416
237	Department of National Planning	-	2,506	2,506	7,856	7,856	10,081	10,081	10,081	10,081	-	-	10,081	-	10,081
238	Department of Fiscal Policy	-	-	-	11,400	11,400	13,668	13,668	13,668	13,668	-	-	13,668	-	13,668
239	Department of External Resources	-	-	7,973	7,973	7,973	10,241	15,155	15,155	14,909	-	-	14,909	-	14,909
240	Department of National Budget	-	-	3,475	7,100	7,100	7,100	7,100	282,966	1,685,187	1,214,820	7,600	2,892,208	1,637,336	4,529,544
241	Department of Public Enterprise	-	-	-	12,200	12,200	12,200	12,200	12,200	12,200	-	-	12,200	-	12,200
242	Department of Management Services	-	-	-	2,600	2,600	2,600	2,600	2,600	2,600	-	-	2,600	-	2,600
243	Department of Development Finance	-	-	-	2,800	2,800	2,800	2,800	2,800	2,800	-	2,800	-	-	-
244	Department of Trade Tariff & Investment Policy	-	-	-	8,400	8,400	8,400	8,400	8,400	8,400	-	-	8,400	-	8,400
245	Department of Public Finance	-	-	3,500	3,500	9,365	9,365	9,365	9,365	9,365	-	-	9,365	-	9,365
246	Department of Inland Revenue	4,999	50,608	60,508	90,675	90,675	90,675	90,675	90,675	90,675	-	-	90,675	-	90,675
247	Department of Customs	-	18,562	18,562	3,923,342	3,923,342	3,929,768	3,944,699	3,946,629	3,946,629	13,826	-	3,960,455	-	3,960,455
248	Department of Excise	-	-	14,407	31,744	31,744	34,298	34,298	34,298	34,298	-	-	34,298	-	34,298
249	Department of Treasury Operations	-	-	-	12,818	12,818	12,818	12,818	5,636	5,636	-	-	5,636	-	5,636
250	Department of State Accounts	-	-	-	6,500	6,500	6,500	6,500	6,500	2,800	-	-	2,800	-	2,800
251	Department of Valuation	-	-	-	7,955	7,955	7,605	7,605	7,605	7,605	-	1,007	6,598	-	6,598
252	Department of Census & Statistics	3,446	6,874	29,132	48,643	48,643	48,643	77,501	79,955	79,955	-	-	79,955	-	79,955
253	Department of Pensions	-	-	3,360	14,205	14,205	14,205	14,205	14,205	14,205	-	-	14,205	-	14,205
254	Department of Registrar General	-	-	-	-	-	-	-	105	105	-	-	105	-	105
255	District Secretariat - Colombo	6	6	6	6	6	81	81	81	81	-	11,521	(11,440)	-	(11,440)
256	District Secretariat - Gampaha	-	-	-	-	(1,932)	(1,932)	(1,932)	(1,932)	(1,932)	-	-	(1,932)	-	(1,932)
262	District Secretariat - Matara	-	17,070	17,070	17,070	17,070	17,070	17,070	17,070	17,070	-	-	17,070	-	17,070
264	District Secretariat - Jaffna	-	5,390	5,390	5,390	5,390	5,390	5,390	5,390	5,390	-	-	5,390	-	5,390
271	District Secretariat - Trincomalee	-	-	-	-	-	-	-	-	-	-	-	-	-	-
280	Department of Project Management and Monitoring	-	-	-	-	-	-	-	-	-	-	-	-	2,520	2,520
281	Department of Agrarian Development	-	6,500	6,500	6,500	7,033	7,033	7,033	7,033	7,033	-	164	6,869	-	6,869
282	Department of Irrigation	494	494	181,243	249,450	372,179	482,062	509,670	509,670	509,670	-	587	509,084	26,830	535,913
283	Department of Forests	3,350	3,350	3,350	3,350	3,350	14,620	14,620	14,620	14,620	-	-	14,620	-	14,620
284	Department of Wildlife Conservation	-	-	-	2,643	23,508	23,508	23,508	23,508	23,508	-	-	23,508	-	23,508
285	Department of Agriculture	-	-	-	18,850	18,850	18,850	18,850	19,519	19,519	-	-	19,519	-	19,519
286	Department of Land Commissioner	-	7,150	7,150	7,150	7,150	7,150	7,150	7,150	7,150	-	-	7,150	-	7,150



# Notes to Financial Statements *contd...*

## NOTE - 30.1 - MOVABLE ASSETS ACQUIRED SINCE 01.01.2004

### 2101 - Vehicles

Rs. '000

Head No	Institution	2004	2005	2006	2007	2008	2009	2010	2011	2012 Balance	2013 Disposal	2013 Balance	2014 Additions	2014 Balance
287	Department of Land Settlement	-	-	-	-	-	-	-	-	-	-	-	-	-
288	Department of Survey	-	-	-	11,400	11,400	11,400	11,400	11,400	11,400	-	11,400	-	11,400
290	Department of Fisheries and Aquatic Resources	-	-	-	1,521	11,617	11,617	11,899	11,899	11,997	-	11,997	-	11,997
291	Department of Coast Conservation	181	181	12,054	12,054	12,054	12,054	23,954	38,524	38,524	563	37,961	-	37,961
292	Department of Animal Production & Health	-	-	7,500	7,500	7,500	10,520	10,520	10,518	10,518	29	10,489	-	10,489
293	Department of Rubber Development	-	-	-	1,266	1,266	5,341	20,155	33,114	33,114	-	33,114	-	33,114
294	Department of National Zoological Garden	-	359	359	6,654	14,879	25,575	25,575	25,575	25,575	-	25,575	-	25,575
295	Department of Commerce	-	-	-	3,410	3,410	3,410	3,410	3,331	3,331	150	3,481	-	3,481
296	Department of Import and Export Control	-	-	89	4,689	8,584	8,584	8,584	8,584	8,584	-	8,584	-	8,584
298	Department of Measurement Units, Standards & Services	-	2,256	2,256	2,256	2,256	2,256	2,256	2,256	2,256	-	2,256	-	2,256
300	Department of Food Commissioner	-	-	-	-	2,760	2,760	2,760	2,760	2,760	-	2,760	-	2,760
302	Co-operative Employees Commission	-	7	2,502	2,502	2,502	2,502	2,502	2,501	2,495	6	2,489	-	2,489
304	Department of Meteorology	-	3,970	3,970	3,970	3,970	3,970	3,970	3,970	3,970	14	3,984	90	4,074
306	Department of Sri Lanka Railways	-	5,285	5,285	3,624,645	8,573,784	10,526,170	14,412,658	17,682,917	24,420,249	1,697,548	950	26,116,847	31,560,084
307	Department of Motor Traffic	-	3,227	5,227	5,229	5,529	5,529	4,976	4,976	4,976	-	4,976	-	4,976
308	Department of Posts	2,095	33,225	123,212	123,274	151,812	178,418	202,415	219,507	219,507	78,290	297,797	-	297,797
309	Department of Buildings	-	4,950	5,300	5,300	5,300	9,008	7,885	5,206	773	728	45	-	45
310	Government Factory	-	-	4,000	4,000	4,000	4,000	4,000	4,000	4,000	-	4,000	-	4,000
311	Department of National Physical Planning	-	-	3,630	3,630	8,630	8,630	8,630	8,630	8,630	-	8,630	-	8,630
313	Central Provincial Council	-	-	-	-	-	-	-	-	-	-	-	-	-
314	Southern Provincial Council	-	-	-	-	-	-	-	-	-	-	-	-	-
319	Sabaragamuwa Provincial Council	-	-	-	7,500	7,500	7,500	7,500	7,500	7,500	-	7,500	-	7,500
320	Department of Civil Security	-	-	-	34,065	81,960	87,086	87,086	87,086	87,086	-	87,086	-	87,086
322	Department of National Botanical Gardens	-	-	-	-	3,700	3,700	3,700	14,446	14,446	4,441	18,887	-	18,887
323	Department of Legal Affairs	-	-	-	-	-	2,520	2,520	2,520	2,520	-	2,520	-	2,520
325	Department of Coast Guard of Sri Lanka	-	-	-	-	-	8,872	8,872	9,684	9,684	-	9,684	-	9,684
326	Department of Community Based Correction	-	-	-	-	-	-	-	-	-	2,385	(2,385)	-	(2,385)
328	Department of Man Power & Employment	-	-	-	-	-	-	-	-	-	2,693	(2,693)	-	(2,693)
<b>Grand Total</b>		<b>171,817</b>	<b>1,903,425</b>	<b>6,218,893</b>	<b>17,302,389</b>	<b>29,481,566</b>	<b>33,819,137</b>	<b>39,302,508</b>	<b>50,357,997</b>	<b>59,751,040</b>	<b>5,043,020</b>	<b>64,006,883</b>	<b>9,792,747</b>	<b>73,795,630</b>

# Notes to Financial Statements *contd...*

## Note 30.1 - MOVABLE ASSETS ACQUIRED SINCE 01.01.2004

### 2102 - Office Equipment

Rs. '000

Head No	Institution	2004	2005	2006	2007	2008	2009	2010	2011	2012	2013	2014			
										Balance	Additions	Disposal	Balance	Additions	Balance
1	His Excellency the President	1,723	10,526	138,511	1,328,118	1,426,035	1,481,452	1,511,430	1,541,415	1,571,142	41,930	-	1,613,072	110,792	1,723,864
2	Office of the Prime Minister	1,807	6,850	7,750	12,570	17,494	22,602	28,374	33,353	38,078	3,596	37	41,638	6,458	48,096
3	Secretariat for Special Functions (Senior Ministers)	-	-	-	-	-	-	-	4,910	5,898	964	-	6,862	2,294	9,156
4	Judges of the Superior Courts	-	-	-	-	-	-	-	-	2,967	3,108	-	6,076	1,838	7,914
5	Office of the Cabinet Ministers	45	77	307	784	5,264	13,081	14,245	17,611	22,880	1,562	-	24,442	301	24,743
6	Public Service Commission	11,394	11,988	12,402	12,862	14,767	15,489	15,520	15,607	16,095	6,698	-	22,793	268	23,061
7	Judicial Service Commission	476	578	1,451	1,787	1,810	1,838	1,856	2,002	2,051	262	-	2,313	594	2,907
8	National Police Commission	500	3,968	4,917	6,999	8,390	8,574	8,574	8,578	8,601	26	-	8,628	43	8,671
9	Administration Appeals Tribunal	144	144	205	250	295	335	347	359	360	742	144	958	474	1,432
10	Commission to Investigate Allegations of Bribery or Corruption	497	1,196	1,892	2,386	2,572	3,455	4,329	5,216	5,424	2,407	-	7,831	2,315	10,146
11	Office of the Finance Commission	194	759	814	994	978	993	2,654	4,907	4,968	18	-	4,986	1,038	6,023
12	National Education Commission	424	875	1,361	1,432	1,745	2,533	3,005	3,602	3,829	773	-	4,602	500	5,102
13	Human Rights Commission of Sri Lanka	-	-	-	-	-	905	2,210	3,207	4,391	2,000	-	6,391	2,196	8,588
14	Department of Attorney General	3,615	6,362	8,894	14,330	17,039	21,923	31,152	35,895	39,095	5,995	-	45,089	7,497	52,587
15	Department of Legal Draftsman	501	1,212	1,765	2,251	6,346	16,748	32,198	40,744	43,488	210	24	43,674	964	44,639
16	Parliament	3,313	6,831	11,826	17,564	27,390	34,703	43,511	57,662	64,891	11,138	-	76,029	7,698	83,727
17	Office of the Leader of the House of Parliament	117	316	516	623	747	1,071	1,406	1,873	1,965	495	-	2,460	407	2,867
18	Office of the Chief Government whip of Parliament	234	625	738	1,098	1,098	1,355	2,103	2,947	3,245	239	-	3,484	972	4,456
19	Office of the Leader of the Opposition of Parliament	-	392	492	572	627	689	889	1,108	1,290	224	-	1,514	300	1,814
20	Department of Elections	-	-	985	2,702	4,583	8,265	10,730	19,911	22,878	2,466	-	25,343	1,992	27,336
21	Auditor General	1,966	5,352	7,841	9,035	13,677	16,418	22,643	23,908	26,681	750	-	27,430	7,315	34,746
22	Office of the Parliamentary Commissioner for Administration	87	160	160	227	349	501	1,015	1,185	1,266	743	-	2,009	292	2,300
101	Ministry of Buddhasasana and Religious Affairs	50	220	2,614	3,578	4,178	5,312	6,064	6,964	7,408	821	-	8,229	1,262	9,490
102	Ministry of Finance & Planning	2,225	7,366	16,088	21,072	24,719	28,983	34,033	33,521	40,572	3,093	-	43,665	6,811	50,476
103	Ministry of Defense	1,876	13,307	39,173	76,086	150,733	174,680	230,703	259,825	285,423	49,273	-	334,696	32,900	367,596
105	Ministry of Economic Development	-	-	-	424	2,793	5,400	8,137	8,787	15,768	14,715	-	30,483	3,781	34,263
106	Ministry of Disaster Management	-	-	7,628	8,969	10,268	10,904	12,702	13,593	16,065	3,245	-	19,310	2,549	21,859
108	Ministry of Postal Services	-	754	1,837	3,741	7,133	9,052	11,559	12,654	14,098	1,436	-	15,534	663	16,197
110	Ministry of Justice	4,937	125,085	321,411	392,157	395,422	404,158	403,710	412,143	415,849	8,207	276	423,779	8,123	431,901
111	Ministry of Health	-	-	-	67,930	67,930	215,245	352,808	509,359	658,590	180,012	283	838,319	304,579	1,142,898
112	Ministry of External Affairs	1,921	14,645	77,465	154,033	219,778	268,413	341,930	409,223	492,926	71,594	-	564,520	78,632	643,152
113	Ministry of Ports & Aviation	1,627	3,767	5,300	5,739	7,158	8,062	8,865	11,306	11,306	-	-	11,306	-	11,306
114	Ministry of Transport	23,001	23,001	24,498	25,375	26,711	27,299	28,116	28,726	29,719	448	-	30,167	1,255	31,422
115	Ministry of Petroleum Industries	-	-	3,012	6,597	8,641	9,554	10,668	11,624	13,113	6,908	-	20,021	8,846	28,867

# Notes to Financial Statements *contd...*

## Note 30.1 - MOVABLE ASSETS ACQUIRED SINCE 01.01.2004

### 2102 - Office Equipment

Rs. '000

Head No	Institution	2013										2014	
		2004	2005	2006	2007	2008	2009	2010	2011	2012	2013	Balance	Balance
116	Ministry of Co-operative and Internal Trade	161	432	2,281	2,725	3,502	4,753	6,849	7,665	7,743	2,345	-	10,088
117	Ministry of Ports & Highways	690	1,840	4,264	4,983	7,044	8,456	16,995	16,995	41,207	12,564	142	53,629
118	Ministry of Agriculture	2,466	8,616	15,544	20,563	23,184	24,662	28,664	28,163	15,772	4,666	250	20,188
119	Ministry of Power & Energy	227	355	2,291	4,494	4,494	6,348	7,899	16,029	17,691	7,181	24	20,848
120	Ministry of Child Development & Women's Affairs	62	5,318	9,474	15,468	15,518	16,753	19,595	19,595	25,222	1,648	130	26,739
121	Ministry of Public Administration & Home Affairs	3,659	16,823	24,142	36,401	41,783	45,339	61,533	83,584	123,828	31,445	6,075	149,199
122	Ministry of Mass Media & Information	-	1,783	4,783	6,765	7,308	9,497	10,517	11,129	13,037	1,691	-	14,728
123	Ministry of Construction, Engineering Services, Housing and Common Amenities	279	1,050	2,585	3,442	4,224	4,791	6,084	8,610	9,074	736	-	9,810
124	Ministry of Social Service	-	-	3,414	5,141	5,812	6,662	8,309	9,926	11,018	1,912	-	12,930
126	Ministry of Education	20,709	1,505,227	2,907,513	4,342,564	4,366,124	4,413,179	5,604,857	6,734,515	7,379,544	637,474	-	8,017,018
127	Ministry of Labour Relations & Productivity Improvement	-	3,069	7,035	9,618	11,373	13,419	14,645	15,188	15,466	860	105	16,222
128	Ministry of Traditional Industries & Small Enterprises Development	-	-	-	765	1,595	2,161	3,194	4,656	4,906	1,655	-	6,562
130	Ministry of Local Government & Provincial Councils	357	357	2,134	4,219	6,248	7,774	10,362	16,152	20,796	5,443	-	26,239
133	Ministry of Technology and Research	3,265	7,530	13,746	25,372	36,497	50,468	70,627	81,143	91,516	17,370	-	108,887
134	Ministry of National Languages & Social Integration	724	1,478	1,542	8,188	9,376	16,551	12,715	24,488	14,687	6,903	-	21,590
135	Ministry of Plantation Industries	2,455	4,126	5,621	7,576	14,379	17,669	20,849	28,661	34,700	5,709	-	40,409
136	Ministry of Sports	-	-	-	-	2,375	3,566	7,008	12,180	12,716	19,196	23	31,889
138	Ministry of Indigenous Medicine	-	719	1,290	2,876	3,834	5,040	11,298	15,981	18,864	736	-	19,600
139	Ministry of Fisheries & Aquatic Resources Development	1,523	7,206	12,773	58,003	85,145	89,968	95,460	100,272	103,084	2,251	-	105,335
140	Ministry of Livestock and Rural Community Development	-	-	1,016	3,198	4,070	4,231	5,340	7,608	9,472	2,054	-	11,526
142	Ministry of National Heritage	-	19,745	40,466	45,405	45,405	67,297	88,032	92,233	93,526	4,290	-	97,817
143	Ministry of Parliamentary Affairs	532	532	707	1,834	2,228	2,991	3,729	4,725	5,626	1,429	42	7,013
145	Ministry of Re-Settlement	-	-	2,217	5,767	7,211	9,061	10,651	12,020	12,870	545	57	13,358
149	Ministry of Industry and Commerce	446	446	2,051	4,000	6,302	7,311	8,913	13,213	16,833	11,339	-	28,172
152	Ministry of Irrigation & Water Resources Management	-	-	3,652	5,212	6,653	7,196	10,604	13,204	16,480	16,606	224	32,862
153	Ministry of Lands and Land Development	1,943	1,943	1,943	1,943	5,482	8,630	11,942	14,122	13,989	4,470	-	18,459
156	Ministry of Youth Affairs & Skills Development	1,228	3,753	5,148	9,948	10,825	10,888	15,744	26,691	35,202	8,565	-	43,767
160	Ministry of Environment & Renewable Energy	146	11,320	12,267	16,580	18,257	19,169	20,222	20,531	21,297	835	-	22,132
166	Ministry of Water Supply & Drainage	-	-	-	3,277	4,814	6,312	7,014	7,438	7,541	651	-	8,192
171	Ministry of Higher Education	-	-	-	1,252	3,187	3,445	157,334	180,832	250,879	101,092	-	351,971
													118,142
													470,113

# Notes to Financial Statements *contd...*

## Note 30.1 - MOVABLE ASSETS ACQUIRED SINCE 01.01.2004

### 2102 - Office Equipment

Rs. '000

Head No	Institution	2004	2005	2006	2007	2008	2009	2010	2011	2012 Balance	2013 Disposal	2013 Balance	2014 Additions	2014 Balance
173	Ministry of Public Management Reforms	-	-	-	-	-	-	5,148	7,593	4,035	5,426	1	9,459	13,454
174	Ministry of Rehabilitation and Prison Reforms	-	-	-	-	-	-	2,610	3,588	3,935	2,337	16	6,255	8,502
175	Ministry of State Resources & Enterprise Development	-	-	-	8,654	9,900	10,947	11,596	11,960	13,362	2,409	-	15,771	18,126
176	Ministry of Civil Aviation	-	-	-	-	-	-	-	3,294	3,631	2,678	17	6,292	7,584
177	Ministry of Culture and the Arts	-	-	-	-	-	-	-	29,924	54,677	31,128	338	85,467	86,901
178	Ministry of Coconut Development and Janatha Estate Development	-	-	-	-	-	-	-	5,041	5,580	4,258	-	9,838	17,094
179	Ministry of Agrarian Services and Wild Life	-	-	-	-	-	-	-	3,388	7,774	5,507	235	13,046	15,840
180	Ministry of Minor Export Crop Promotion	-	-	-	-	-	-	-	3,041	8,019	4,560	-	12,579	15,548
181	Ministry of Productivity Promotion	-	-	-	-	-	-	-	2,195	4,831	3,645	-	8,476	14,476
182	Ministry of Foreign Employment Promotion & Welfare	-	-	2,076	2,628	4,518	4,960	4,960	12,022	13,813	1,568	44	15,338	18,235
183	Ministry of Public Relations and Public Affairs	-	-	-	-	-	-	-	1,202	2,678	674	-	3,352	4,229
184	Ministry of Private Transport Services	-	-	-	-	-	-	-	2,560	5,020	3,361	-	8,381	13,301
185	Ministry of Telecommunication and Information Technology	-	-	-	-	-	-	-	1,984	2,359	100	-	2,460	4,134
186	Ministry of Sugar Industry Development	-	-	-	-	-	-	-	-	-	-	-	-	1,853
187	Ministry of Investment Promotion	-	-	-	-	-	-	-	-	-	-	-	-	2,081
188	Ministry of Botanical Gardens & Public Recreation	-	-	-	-	-	-	-	-	-	-	-	-	8,547
189	Ministry of Education Services	-	-	-	-	-	-	-	-	-	-	-	-	174,106
190	Ministry of Law and Order	-	-	-	-	-	-	-	-	-	-	-	-	55,866
201	Department of Buddhist Affairs	3,795	7,344	8,308	9,288	9,992	10,228	10,685	12,128	13,070	1,744	-	14,814	17,309
202	Department of Muslim Religious & Cultural Affairs	616	635	883	1,411	1,505	1,546	1,696	1,786	1,816	221	-	2,036	2,328
203	Department of Christian Religious Affairs	-	-	-	173	427	1,246	1,532	1,800	1,821	449	-	2,270	2,558
204	Department of Hindu Religious & Cultural Affairs	739	781	1,534	2,705	3,733	4,026	4,516	5,945	6,462	2,980	-	9,442	10,935
205	Department of Public Trustee	136	651	729	1,391	1,639	1,850	2,176	2,322	2,511	392	105	2,797	3,185
206	Department of Cultural Affairs	-	3,059	4,665	5,983	7,896	8,655	9,561	11,715	13,681	1,686	-	15,367	17,065
207	Department of Archaeology	1,279	3,196	4,600	10,262	15,362	18,179	21,124	24,323	27,523	3,446	-	30,969	34,219
208	Department of National Museums	500	5,217	9,678	11,226	15,586	17,296	19,725	21,707	23,296	1,283	-	24,578	27,742
209	Department of National Archives	3,281	6,445	9,999	17,512	19,417	20,483	22,353	24,777	26,991	2,248	-	29,239	32,071
210	Department of Information	-	785	3,177	3,822	9,221	11,823	13,128	38,920	42,482	2,246	-	44,728	46,586
211	Department of Government Printer	-	1,684	5,464	8,272	9,855	11,407	13,071	14,999	17,235	3,065	-	20,300	20,929
212	Department of Examinations	-	499	1,992	3,020	3,800	4,714	98,987	99,984	101,049	19,799	-	120,847	138,378
213	Department of Educational Publications	815	1,159	1,159	1,801	2,269	2,863	3,789	4,326	4,922	861	-	5,783	7,079
215	Department of Technical Education & Training	7,444	14,940	24,940	36,987	39,843	42,954	49,942	62,316	85,987	11,701	-	97,688	130,643
216	Department of Social Services	1,257	5,650	9,204	16,950	17,942	18,494	21,367	22,222	22,615	484	-	23,100	23,798

# Notes to Financial Statements *contd...*

## Note 30.1 - MOVABLE ASSETS ACQUIRED SINCE 01.01.2004

### 2102 - Office Equipment

Rs. '000

Head No	Institution	2004	2005	2006	2007	2008	2009	2010	2011	2012		2013		2014	
										Balance	Additions	Disposal	Balance	Additions	Balance
217	Department of Probation & Child Care Services	300	1,154	2,309	3,148	3,372	3,682	4,006	4,417	4,862	1,077	-	5,939	1,260	7,199
218	Department of Commissioner General of Samurdhi	-	703	2,485	3,532	3,712	3,997	6,399	6,898	6,863	3,420	332	9,951	-	9,951
219	Department of Sports Development	2,185,223	2,187,994	2,189,215	2,190,155	2,190,954	2,191,174	2,191,652	2,191,918	2,192,218	410	-	2,192,628	48	2,192,676
220	Department of Ayurveda	3,316	5,879	9,811	14,027	19,304	22,474	29,243	38,033	53,358	8,990	-	62,349	8,774	71,123
221	Department of Labour	10,682	63,348	76,166	79,077	80,205	81,035	81,742	84,054	93,480	14,479	-	107,958	12,834	120,792
222	Sri Lanka Army	-	32,916	104,997	172,004	301,299	389,296	499,073	571,299	783,691	123,868	500	907,059	202,038	1,109,097
223	Sri Lanka Navy	34,298	34,298	34,298	69,570	69,570	69,570	99,130	153,697	269,602	46,684	18,529	297,756	55,280	353,036
224	Sri Lanka Air Force	2,810	32,689	50,689	69,091	77,542	171,488	202,572	268,671	327,846	85,030	-	412,876	107,324	520,200
225	Department of Police	-	-	-	146,389	146,389	146,389	266,702	366,702	486,314	186,569	587	672,296	256,048	928,344
226	Department of Immigration & Emigration	573	28,520	36,813	39,383	41,307	41,727	43,281	51,569	53,644	6,099	5,659	54,083	1,498	55,581
227	Department of Registration of Persons	1,312	2,034	3,040	3,884	4,543	6,154	7,018	7,654	8,162	1,222	-	9,384	2,499	11,883
228	Courts Administration	17,204	33,866	59,486	94,758	134,790	186,194	216,167	269,452	300,247	58,631	-	358,879	77,888	436,766
231	Department of Debt Conciliation Board	-	-	-	231	318	416	515	619	952	551	-	1,503	898	2,402
232	Department of Prisons	1,463	3,721	6,545	19,546	29,080	44,613	56,427	66,418	80,184	58,804	-	138,988	93,702	232,691
233	Department of Government Analyst	995	2,456	3,452	21,449	39,021	59,840	109,821	139,371	150,938	4,592	37	155,493	35,000	190,493
234	Registrar of Supreme Court	-	-	-	-	-	-	-	-	-	9,940	-	9,940	1,808	11,748
235	Department of Law Commission	352	352	952	2,182	3,112	4,082	4,301	4,701	4,851	964	-	5,815	468	6,283
236	Department of Official Languages	15	115	392	648	648	826	887	1,038	1,531	577	-	2,108	766	2,874
237	Department of National Planning	1,151	6,196	6,428	10,038	13,258	14,785	14,876	14,749	15,681	634	-	16,315	923	17,238
238	Department of Fiscal Policy	-	4,163	4,497	4,497	4,562	4,641	5,459	5,985	6,556	1,360	-	7,916	712	8,628
239	Department of External Resources	1,192	10,433	16,409	27,297	27,297	27,875	29,793	29,903	33,688	5,446	-	39,133	161	39,294
240	Department of National Budget	138	646	729	957	1,207	5,883	5,908	6,288	11,552	3,227	2,869	11,910	6,892	18,802
241	Department of Public Enterprise	782	1,305	1,480	2,609	4,286	5,821	6,324	6,370	8,312	3,507	-	11,819	2,941	14,760
242	Department of Management Services	1,945	3,161	4,482	5,894	5,910	6,362	6,684	9,962	10,059	2,728	-	12,787	582	13,370
243	Department of Development Finance	-	187	359	502	502	548	620	672	927	86	22	991	-	991
244	Department of Trade Tariff & Investment Policy	-	-	-	736	1,446	1,444	1,464	2,057	2,069	8	2	2,075	77	2,153
245	Department of Public Finance	1,518	1,772	2,329	5,361	5,361	5,389	5,678	6,032	6,564	726	-	7,290	1,326	8,616
246	Department of Inland Revenue	986	8,245	40,917	49,083	54,406	64,155	73,383	88,336	96,251	5,661	-	101,912	49,343	151,255
247	Department of Customs	-	722	722	18,478	18,478	44,397	144,397	145,333	146,206	1,292	-	147,498	2,994	150,492
248	Department of Excise	697	1,744	8,646	13,992	17,606	21,668	25,798	28,951	33,930	4,998	-	38,928	1,809	40,737
249	Department of Treasury Operations	-	-	277	417	531	2,112	2,988	3,058	3,625	271	63	3,833	2,999	6,831
250	Department of State Accounts	846	1,703	2,077	3,172	3,172	3,857	4,789	4,726	6,888	1,125	762	7,251	254	7,505
251	Department of Valuation	396	984	1,778	3,611	8,386	10,085	20,085	20,821	21,293	5,972	10	27,255	4,624	31,880
252	Department of Census & Statistics	1,016	3,010	4,639	6,128	7,559	12,239	38,468	136,916	140,387	8,897	4,601	144,684	2,082	146,746
253	Department of Pensions	767	4,542	8,201	11,429	14,312	16,815	21,556	25,052	28,110	5,949	-	34,059	7,152	41,211
254	Department of Registrar General	-	2,812	6,052	18,226	27,657	29,489	37,522	45,866	53,775	9,169	-	62,944	11,978	74,922
255	District Secretariat - Colombo	3,131	14,978	17,425	51,313	55,005	67,579	82,799	105,225	116,231	34,938	66	151,103	28,851	179,954

# Notes to Financial Statements *contd...*

## Note 30.1 - MOVABLE ASSETS ACQUIRED SINCE 01.01.2004

### 2102 - Office Equipment

Rs. '000

Head No	Institution	2004	2005	2006	2007	2008	2009	2010	2011	2012 Balance	2013			2014		
											Additions	Disposal	Balance	Additions	Balance	
256	District Secretariat - Gampaha	1,499	2,178	4,126	20,102	22,867	24,762	26,709	29,634	32,106	3,992	-	36,098	3,990	40,079	
257	District Secretariat - Kalutara	920	2,418	5,379	27,961	33,908	34,996	36,578	40,703	44,305	4,549	8	48,845	4,866	53,711	
258	District Secretariat - Kandy	746	2,242	4,793	44,617	51,427	55,663	63,036	68,001	71,249	3,448	4	74,694	3,500	78,193	
259	District Secretariat - Matale	1,691	3,688	5,538	25,040	28,403	32,476	35,779	40,191	43,789	4,896	49	48,635	4,966	53,601	
260	District Secretariat - Nuwara Eliya	475	2,468	3,926	19,193	26,077	31,171	36,632	42,143	47,110	3,984	72	51,022	3,970	54,992	
261	District Secretariat - Galle	3,918	7,177	9,161	39,153	46,565	52,432	59,249	64,101	67,679	6,074	-	73,754	5,442	79,195	
262	District Secretariat - Matara	1,375	10,146	12,695	33,522	38,153	44,524	56,508	63,502	69,087	6,990	-	76,078	13,397	89,475	
263	District Secretariat - Hambantota	2,135	4,403	7,403	22,384	26,102	31,048	37,497	50,252	80,790	12,141	195	92,735	12,217	104,952	
264	District Secretariat - Jaffna	-	3,797	7,493	27,487	31,206	39,406	45,155	52,413	58,145	4,000	-	62,145	3,998	66,143	
265	District Secretariat - Mannar	54	553	3,301	8,715	13,281	18,260	24,209	30,772	35,761	4,999	-	40,760	5,134	45,895	
266	District Secretariat - Vavuniya	-	899	2,139	8,013	11,268	12,265	16,221	20,220	25,213	4,530	4	29,739	4,998	34,737	
267	District Secretariat - Mullativu	500	894	3,373	7,792	7,792	9,905	12,874	18,369	23,735	9,699	-	33,435	7,497	40,931	
268	District Secretariat - Kilinochchi	365	1,365	2,864	11,849	13,999	21,998	30,493	38,078	43,075	2,997	-	46,071	2,994	49,065	
269	District Secretariat - Batticaloa	998	6,194	7,892	19,476	23,806	28,783	33,236	31,369	34,336	3,999	697	37,638	4,000	41,638	
270	District Secretariat - Ampara	850	2,321	3,779	20,970	23,331	29,510	49,583	57,583	62,583	7,000	9	69,574	7,000	76,574	
271	District Secretariat - Trincomalee	2,993	3,992	6,930	14,731	15,829	18,512	22,364	26,363	29,396	3,984	-	33,380	3,931	37,311	
272	District Secretariat - Kurunegala	4,583	7,730	10,533	61,954	66,799	66,799	71,629	75,582	79,911	5,000	-	84,911	4,811	89,722	
273	District Secretariat - Puttalam	999	2,729	5,228	20,227	24,621	28,471	31,265	33,274	34,941	3,992	-	38,933	4,000	42,933	
274	District Secretariat - Anuradhapura	1,186	2,983	5,735	25,295	29,006	33,409	38,200	43,156	47,620	5,472	-	53,092	4,982	58,074	
275	District Secretariat - Polonnaruwa	-	2,000	3,991	10,963	16,387	21,452	28,605	34,567	39,194	4,345	-	43,540	3,886	47,426	
276	District Secretariat - Badulla	988	3,584	6,571	28,777	34,940	36,904	39,368	43,233	45,510	2,792	29	48,274	1,400	49,674	
277	District Secretariat - Monaragala	989	2,994	5,111	12,981	15,304	18,801	24,793	30,623	31,336	7,500	19	38,817	3,000	41,817	
278	District Secretariat - Ratnapura	1,009	2,928	5,154	7,918	10,789	19,183	26,817	35,552	40,381	5,450	123	45,709	8,548	54,256	
279	District Secretariat - Kegalle	782	3,274	5,751	25,762	29,750	32,486	36,458	41,415	45,306	7,488	-	52,794	3,970	56,764	
280	Department of Project Management and Monitoring	-	-	-	-	-	-	-	-	45	29	-	74	-	-	74
281	Department of Agrarian Development	-	3,470	8,148	17,400	22,096	31,136	52,955	67,031	106,777	67,841	-	174,618	138,385	313,003	
282	Department of Irrigation	15,177	29,400	51,505	70,491	85,553	109,254	115,730	135,263	139,523	24,045	223	163,345	26,971	190,316	
283	Department of Forests	490	988	1,530	6,488	11,720	15,577	19,575	24,068	28,603	4,844	-	33,447	4,750	38,197	
284	Department of Wildlife Conservation	63	2,030	3,019	4,141	40,553	43,316	62,155	65,103	69,078	5,645	-	74,722	17,742	92,464	
285	Department of Agriculture	10,921	15,778	19,734	31,255	44,228	56,324	69,534	93,696	117,018	32,749	112	149,655	39,685	189,340	
286	Department of Land Commissioner	1,798	3,796	6,784	9,278	11,116	12,516	14,516	19,509	24,059	4,978	-	29,037	2,999	32,036	
287	Department of Land Settlement	198	1,571	2,848	3,351	4,151	5,580	6,854	7,853	8,599	1,000	-	9,599	8,347	17,946	
288	Department of Survey	3,386	125,364	127,493	132,310	133,456	133,322	134,889	137,176	138,847	2,427	-	141,274	8,032	149,306	
289	Department of Export Agriculture	2,929	2,929	2,929	2,961	5,257	7,648	10,538	13,744	16,913	3,632	-	20,545	4,146	24,691	
290	Department of Fisheries and Aquatic Resources	298	2,093	3,406	4,936	7,809	8,942	10,434	13,913	16,051	8,258	-	24,309	4,010	28,319	
291	Department of Coast Conservation	692	2,586	3,282	4,018	4,316	4,384	4,577	5,056	6,241	1,269	-	7,510	1,685	9,196	

# Notes to Financial Statements *contd...*

## Note 30.1 - MOVABLE ASSETS ACQUIRED SINCE 01.01.2004

### 2102 - Office Equipment

Rs. '000

Head No	Institution	2013										2014	
		2004	2005	2006	2007	2008	2009	2010	2011	2012	2013	Balance	Balance
292	Department of Animal Production and Health	2,296	2,296	7,441	12,226	19,318	21,792	26,790	36,222	41,860	1,877	15	43,722
293	Department of Rubber Development	-	759	946	4,008	5,112	7,576	8,558	10,043	10,752	1,303	-	12,055
294	Department of National Zoological Garden	211	511	895	1,537	2,036	2,737	3,089	3,840	4,638	893	-	5,531
295	Department of Commerce	-	1,681	2,317	3,106	3,175	3,674	4,110	4,483	5,263	3,665	-	8,929
296	Department of Import and Export Control	5,933	6,112	6,439	7,704	7,432	8,419	8,513	8,608	18,704	4,399	-	23,103
297	Department of the Registrar of Companies	2	215	215	215	215	215	215	215	215	-	659	(444)
298	Department of Measurement Units, Standards & Services	301	630	1,005	1,907	2,370	2,370	2,859	3,356	3,843	403	-	4,246
299	National Intellectual Property Office of Sri Lanka	44	44	44	44	44	44	44	44	44	-	44	-
300	Department of Food Commissioner	44	89	650	1,500	1,915	2,128	3,496	4,810	5,604	653	-	6,258
301	Department of Co-operative Development	167	796	1,976	2,469	2,558	2,634	2,734	2,832	2,906	308	-	3,214
302	Co-operative Employees Commission	-	295	1,369	1,540	1,535	1,596	1,660	1,674	1,982	211	14	2,178
303	Department of Textile Industries	494	919	1,117	1,708	1,769	1,913	2,403	3,303	3,749	499	-	4,248
304	Department of Meteorology	2,218	7,019	7,679	9,621	10,726	11,919	13,009	14,358	17,108	1,295	-	18,404
305	Department of Upcountry Peasantry Rehabilitation	49	298	741	741	1,089	1,344	1,544	1,788	2,016	8	-	2,024
306	Department of Sri Lanka Railways	-	5,839	9,751	10,185	22,307	26,950	31,824	42,577	60,802	17,236	200	77,839
307	Department of Motor Traffic	-	1,998	7,658	12,317	18,886	22,139	22,713	23,818	33,051	5,262	-	38,313
308	Department of Posts	26,557	45,544	52,744	55,100	89,712	98,470	108,286	120,230	130,522	11,695	-	142,217
309	Department of Buildings	-	1,244	4,035	13,216	22,450	28,072	30,979	32,432	34,450	2,342	12	36,780
310	Government Factory	240	1,010	1,872	2,843	3,305	3,942	4,439	4,928	5,926	941	-	6,867
311	Department of National Physical Planning	1,524	2,398	3,615	5,088	5,988	6,093	6,194	6,492	6,541	59	-	6,600
320	Department of Civil Security	-	-	-	26,075	44,651	63,110	70,594	78,093	85,092	7,496	-	92,588
322	Department of National Botanical Garden	-	-	-	-	462	462	759	1,201	1,637	509	-	2,146
323	Department of Legal Affairs	-	-	-	-	-	225	685	867	925	358	-	1,283
324	Department of Management Audit	-	-	-	-	-	179	310	657	662	158	22	799
325	Department of Coast Guard of Sri Lanka	-	-	-	-	-	875	6,085	11,049	14,280	1,689	-	15,969
326	Department of Community Based Correction	-	-	-	-	-	-	3,433	3,569	5,626	4,466	-	10,093
327	Department of Land Use Policy Planning	-	-	-	-	-	-	-	1,512	3,160	1,977	-	5,137
328	Department of Man Power and Employment	-	-	-	-	-	-	-	18,718	15,238	597	-	15,835
329	Department of Information Technology Management	-	-	-	-	-	-	-	-	-	-	-	-
<b>Grand Total</b>		<b>250,603</b>	<b>4,751,376</b>	<b>7,070,310</b>	<b>11,140,424</b>	<b>12,108,851</b>	<b>13,163,434</b>	<b>15,960,294</b>	<b>18,556,448</b>	<b>20,739,841</b>	<b>2,524,260</b>	<b>45,143</b>	<b>23,218,959</b>
													<b>6,598,058</b>
													<b>28,817,017</b>



# Notes to Financial Statements *contd...*

## Note 30.1 - MOVABLE ASSETS ACQUIRED SINCE 01.01.2004

### 2103 - Machinery

Rs. '000

Head No	Institution	2004	2005	2006	2007	2008	2009	2010	2011	2012 Balance	2012 Additions	2013 Disposal	2013 Balance	2013 Additions	2014 Balance
1	His Excellency the President	3,000	9,582	420,875	452,978	516,455	667,404	867,280	949,593	1,042,708	187,569	6,796	1,223,481	167,992	1,391,473
2	Office of the Prime Minister	2,880	59,564	63,902	68,949	77,634	80,633	81,876	86,834	87,072	1,020	261	87,831	687	88,518
3	Secretariat for Special Functions (Senior Ministers)	-	-	-	-	-	-	-	2,163	3,985	3,092	-	7,077	3,896	10,973
4	Judges of the Superior Courts	-	-	-	-	-	-	-	-	-	-	-	-	1,219	1,219
5	Office of the Cabinet Ministers	2,084	2,517	3,638	4,347	4,347	4,347	5,294	5,914	5,914	797	-	6,711	-	6,711
6	Public Service Commission	400	981	1,618	2,069	2,208	2,930	3,293	9,543	12,690	112	-	12,802	135	12,937
7	Judicial Service Commission	-	-	98	134	177	609	792	1,766	1,950	688	-	2,638	289	2,927
8	National Police Commission	152	1,006	1,534	1,534	1,557	1,596	1,621	1,621	1,709	23	-	1,732	452	2,185
9	Administration Appeals Tribunal	165	165	165	165	165	165	165	165	165	-	-	165	-	165
10	Commission to Investigate Allegations of Bribery or Corruption	1,656	2,521	4,001	4,545	4,693	4,693	4,693	4,693	4,693	-	-	4,693	-	4,693
11	Office of the Finance Commission	69	177	397	477	506	506	1,202	1,660	2,110	67	-	2,176	338	2,514
12	National Education Commission	-	-	25	29	38	533	533	481	505	291	-	797	498	1,294
13	Human Rights Commission of Sri Lanka	-	-	-	-	-	421	439	582	632	74	-	706	75	781
14	Department of Attorney General	-	-	-	5,799	5,799	5,799	5,799	15,299	17,673	2,500	-	20,173	2,500	22,673
15	Department of Legal Draftsman	562	562	562	562	562	562	562	562	562	-	-	562	-	562
16	Parliament	6,900	7,425	9,492	10,992	21,399	28,672	79,909	105,963	130,082	14,889	-	144,971	27,072	172,043
19	Office of the Leader of the Opposition of Parliament	-	-	-	-	461	1,131	1,131	1,131	1,131	-	-	1,131	-	1,131
20	Department of Elections	-	-	5,006	51,198	58,055	63,339	67,404	75,084	78,113	5,423	-	83,536	19,997	103,533
101	Ministry of Buddhasana and Religious Affairs	3,673	4,970	5,432	7,630	8,204	8,673	9,292	9,901	11,158	1,113	-	12,271	1,182	13,453
102	Ministry of Finance & Planning	14	312	562	4,618	5,075	5,124	9,356	9,208	9,511	3,250	-	12,761	877	13,638
103	Ministry of Defence	5,311	14,579	19,476	119,084	664,468	674,558	689,933	727,193	791,802	103,648	2,451	892,999	15,818	908,817
105	Ministry of Economic Development	-	-	-	1,216	2,318	3,486	5,281	7,086	2,576,790	4,062,274	-	6,639,064	8,155	6,647,219
106	Ministry of Disaster Management	-	-	2,431	19,108	20,402	20,934	22,104	22,650	23,642	2,394	-	26,035	121,812	147,847
108	Ministry of Postal Services	-	1,234	5,168	5,333	5,333	5,333	6,440	8,214	10,187	2,934	-	13,121	1,173	14,294
110	Ministry of Justice	-	75	311	791	1,012	1,012	1,012	1,012	1,012	87	-	1,099	-	1,099
111	Ministry of Health	-	-	-	311,773	311,773	965,166	2,555,472	4,968,230	7,025,413	3,945,364	5	10,970,772	4,171,607	15,142,379
112	Ministry of External Affairs	-	5,242	13,743	17,307	28,261	40,019	60,690	72,445	85,871	17,271	-	103,142	12,265	115,407
114	Ministry of Transport	78,900	78,900	80,878	82,936	84,845	86,175	87,364	91,821	94,489	1,455	-	95,945	1,455	97,400
115	Ministry of Petroleum Industries	-	-	1,606	3,558	4,669	4,876	4,937	4,937	4,937	-	-	4,937	-	4,937
116	Ministry of Co-operative and Internal Trade	-	1,160	3,379	4,209	6,337	7,771	12,874	14,486	14,567	2,413	705	16,275	4,260	20,534
117	Ministry of Highways	543	1,597	3,680	45,280	46,353	48,112	83,402	83,402	83,398	3,318	12	86,705	46,831	133,536
118	Ministry of Agriculture	38	1,217	2,289	76,072	1,021,632	1,663,408	1,970,654	2,181,066	2,678,580	20,930	128	2,699,382	6,616	2,705,998
119	Ministry of Power & Energy	-	-	-	-	-	135	1,825	3,426	4,000	3,589	15	7,575	12,121	19,696
120	Ministry of Child Development & Women's Affairs	57	2,429	2,499	3,402	3,787	4,033	4,837	5,036	5,334	1,433	3	6,764	1,967	8,731

# Notes to Financial Statements *contd...*

Note 30.1 - MOVABLE ASSETS ACQUIRED SINCE 01.01.2004

2103 - Machinery

Rs. '000

Head No	Institution	2004	2005	2006	2007	2008	2009	2010	2011	2012 Balance	2013 Additions	2013 Disposal	2013 Balance	2014 Additions	2014 Balance
121	Ministry of Public Administration & Home Affairs	270	1,685	4,353	11,206	18,089	19,078	23,835	25,846	105,641	36,515	-	142,156	36,153	178,310
122	Ministry of Mass Media & Information	-	3,186	5,386	11,000	13,302	15,241	17,127	18,760	23,546	1,882	-	25,429	2,401	27,829
123	Ministry of Construction, Engineering Services, Housing and Common Amenities	214	654	1,653	2,756	4,120	5,190	6,338	6,753	9,804	3,112	-	12,916	3,447	16,363
124	Ministry of Social Service	-	-	5,517	9,904	10,183	10,432	12,365	13,538	14,315	1,482	-	15,797	5,064	20,861
126	Ministry of Education	9,837	45,340	90,051	146,540	155,213	161,110	174,649	190,290	197,296	18,101	-	215,397	25,997	241,394
127	Ministry of Labor Relations & Productivity Improvement	-	5,707	14,407	30,388	32,706	36,649	40,145	42,276	43,271	3,860	51	47,080	3,200	50,280
128	Ministry of Traditional Industries & Small Enterprises Development	-	-	-	-	-	3,010	3,993	6,103	7,234	977	-	8,211	1,208	9,419
130	Ministry of Local Government & Provincial Councils	495	495	2,337	3,474	5,281	6,726	10,279	14,232	14,750	232	-	14,982	3,504	18,486
133	Ministry of Technology and Research	-	-	-	4,583	10,479	15,783	21,667	27,789	32,089	4,275	-	36,364	3,518	39,882
134	Ministry of National Languages & Social Integration	-	203	1,090	1,436	1,705	2,035	5,483	6,086	12,821	1,377	-	14,198	2,925	17,123
135	Ministry of Plantation Industry	-	-	-	-	-	-	-	-	-	-	-	-	-	-
136	Ministry of Sports	-	-	-	-	331	1,022	4,759	9,205	11,083	11,484	-	22,567	9,094	31,661
138	Ministry of Indigenous Medicine	-	221	388	563	1,798	2,452	9,488	12,024	13,719	3,106	-	16,825	2,791	19,616
139	Ministry of Fisheries & Aquatic Resources Development	3,454	4,042	4,976	10,156	34,873	68,560	129,589	134,259	134,658	511	-	135,169	1,536	136,705
140	Ministry of Livestock and Rural Community Development	-	-	1,914	3,117	4,078	6,328	8,540	9,979	12,536	2,088	-	14,624	3,990	18,614
142	Ministry of National Heritage	-	1,291	2,875	5,264	6,384	10,198	11,980	15,190	17,913	3,480	2	21,391	2,038	23,428
143	Ministry of Parliamentary Affairs	150	150	186	322	399	453	1,312	1,359	1,260	936	147	2,050	-	2,050
145	Ministry of Re-Settlement	-	-	529	17,210	19,506	25,642	27,040	28,698	30,067	1,396	73	31,389	1,621	33,010
149	Ministry of Industry and Commerce	434	434	2,334	4,689	7,313	10,047	12,907	15,276	15,317	141	-	15,458	2,861	18,319
152	Ministry of Irrigation & Water Resources Management	-	-	-	591	812	935	1,024	1,142	1,312	299	-	1,611	339	1,950
153	Ministry of Lands and Land Development	-	-	-	-	12,922	15,907	15,907	15,907	15,907	-	-	15,907	-	15,907
156	Ministry of Youth Affairs & Skills Development	2,282	9,085	13,211	17,027	17,910	18,148	18,417	19,441	19,641	5,670	-	25,311	217,824	243,135
160	Ministry of Environment & Renewable Energy	438	7,715	9,311	10,881	12,844	14,782	17,481	33,301	39,960	6,688	10	46,637	6,005	52,642
166	Ministry of Water Supply & Drainage	-	-	-	3,256	4,244	5,251	7,264	7,837	8,423	781	-	9,204	1,792	10,995
171	Ministry of Higher Education	-	-	-	3,667	5,212	5,338	5,893	6,559	7,082	4,602	-	11,683	2,492	14,175
173	Ministry of Public Management Reforms	-	-	-	-	-	-	3,135	6,061	7,226	2,346	6	9,566	1,750	11,317
174	Ministry of Rehabilitation and Prison Reforms	-	-	-	-	-	-	4,173	5,515	6,161	4,464	-	10,626	3,373	13,999
175	Ministry of State Resources & Enterprise Development	-	-	-	3,349	3,618	3,962	4,040	4,815	5,720	2,475	-	8,194	1,228	9,422
176	Ministry of Civil Aviation	-	-	-	-	-	-	-	3,074	3,914	1,824	76	5,662	1,499	7,161
177	Ministry of Culture and Arts	-	-	-	-	-	-	-	6,174	11,023	7,382	-	18,405	2,553	20,957
178	Ministry of Coconut Development and Janatha Estate Development	-	-	-	-	-	-	-	5,653	6,051	-	-	6,051	726	6,776

## Notes to Financial Statements *contd...*

### Note 30.1 - MOVABLE ASSETS ACQUIRED SINCE 01.01.2004

#### 2103 - Machinery

Rs. '000

Head No	Institution	2004	2005	2006	2007	2008	2009	2010	2011	2012 Balance	2012 Additions	2013 Disposal	2013 Balance	2014 Additions	2014 Balance
179	Ministry of Agrarian Services and Wild Life	-	-	-	-	-	-	-	11,921	17,029	3,074	7,292	12,812	2,758	15,569
180	Ministry of Minor Export Crop Promotion	-	-	-	-	-	-	-	2,412	2,415	2	-	2,417	-	2,417
181	Ministry of Productivity Promotion	-	-	-	-	-	-	-	2,099	6,592	1,173	38	7,728	2,294	10,021
182	Ministry of Foreign Employment Promotion & Welfare	-	-	3,027	4,372	6,070	6,205	6,205	7,344	7,353	90	-	7,443	130	7,573
183	Ministry of Public Relations and Public Affairs	-	-	-	-	-	-	-	1,366	3,595	2,556	-	6,152	296	6,448
184	Ministry of Private Transport Services	-	-	-	-	-	-	-	404	1,620	-	-	1,620	1,725	3,344
185	Ministry of Telecommunication and Information Technology	-	-	-	-	-	-	-	5,983	9,209	1,889	-	11,098	2,497	13,595
186	Ministry of Sugar Industry Development	-	-	-	-	-	-	-	-	-	-	-	-	3,982	3,982
188	Ministry of Botanical Gardens & Public Recreation	-	-	-	-	-	-	-	-	-	-	-	-	220	220
189	Ministry of Education Services	-	-	-	-	-	-	-	-	-	-	-	-	4,928	4,928
190	Ministry of Law and Order	-	-	-	-	-	-	-	-	-	-	-	-	100,947	100,947
201	Department of Buddhist Affairs	-	-	-	-	-	-	-	-	1,418	10	-	1,427	666	2,093
202	Department of Muslim Religious & Cultural Affairs	867	1,648	1,648	1,901	1,901	1,993	2,121	2,246	2,297	395	-	2,692	199	2,892
203	Department of Christian Religious & Cultural Affairs	-	-	-	-	-	180	395	397	397	-	-	397	-	397
204	Department of Hindu Religious & Cultural Affairs	-	-	-	-	-	103	175	460	2,607	17	-	2,624	500	3,124
205	Department of Public Trustee	319	319	319	1,116	1,667	1,734	1,766	2,083	2,052	967	70	2,949	560	3,508
206	Department of Cultural Affairs	-	504	1,435	3,349	6,820	7,625	15,983	18,782	21,500	355	-	21,855	826	22,681
207	Department of Archaeology	2,976	4,195	4,534	5,290	5,672	5,817	8,148	11,004	14,124	11,079	-	25,203	3,890	29,093
208	Department of National Museums	5,982	7,038	7,437	7,998	8,351	8,555	8,814	9,170	9,483	-	-	9,483	736	10,220
209	Department of National Archives	4,846	6,705	6,958	13,414	17,639	19,810	29,258	34,563	36,439	4,952	-	41,391	18,150	59,541
210	Department of Information	-	10,860	20,057	38,115	45,933	50,058	53,567	58,233	61,859	1,478	-	63,337	4,115	67,452
211	Department of Government Printer	-	17,016	60,077	156,533	263,018	288,300	377,749	451,279	480,917	86,262	-	567,179	74,121	641,300
212	Department of Examinations	-	5,096	10,097	11,860	14,001	16,462	17,871	19,438	21,015	14,511	-	35,526	88,013	123,539
213	Department of Educational Publications	8	8	8	8	391	803	899	1,853	2,633	699	-	3,332	1,546	4,878
215	Department of Technical Education & Training	41,559	64,575	95,602	103,292	123,825	124,666	126,626	139,599	188,215	6,853	2,009	193,059	38,708	231,767
216	Department of Social Services	-	-	44	823	1,737	2,072	2,387	2,736	3,112	1,285	-	4,397	548	4,945
217	Department of Probation & Child Care	600	886	890	1,117	1,246	1,489	1,926	2,006	2,006	-	-	2,006	-	2,006
218	Department of the Commissioner General of Samurdhi	-	-	-	-	-	-	-	-	17	-	-	17	-	17
219	Department of Sports Development	2,188	2,835	21,873	39,890	39,890	45,413	70,323	82,860	99,834	1,916	-	101,750	765	102,515
220	Department of Ayurveda	413	3,054	7,862	11,475	15,246	15,623	24,894	34,631	39,609	2,857	-	42,467	11,784	54,250
221	Department of Labour	15,663	29,885	43,561	185,489	205,913	230,310	290,114	345,021	447,015	90,681	-	537,696	66,981	604,677
222	Sri Lanka Army	-	28,065	74,013	386,758	870,410	1,550,750	2,517,378	3,085,240	3,989,299	347,936	2,723	4,334,513	572,228	4,906,741
223	Sri Lanka Navy	323,588	323,588	666,588	894,077	928,750	982,547	1,484,745	2,254,210	2,784,003	483,923	25,936	3,241,990	234,826	3,476,816
224	Sri Lanka Air Force	36,796	62,945	73,963	2,579,612	7,219,045	8,506,253	8,685,561	14,770,740	15,807,816	328,535	-	16,134,350	736,202	16,870,552
225	Department of Police	-	-	-	442,799	442,799	442,799	743,900	874,057	1,000,547	309,231	300	1,309,478	164,337	1,473,814
226	Department of Immigration & Emigration	23,720	24,915	112,550	158,583	197,979	217,589	226,947	233,112	251,241	4,763	17,553	238,452	14,523	252,975

# Notes to Financial Statements *contd...*

## Note 30.1 - MOVABLE ASSETS ACQUIRED SINCE 01.01.2004

### 2103 - Machinery

Rs. '000

Head No	Institution	2004	2005	2006	2007	2008	2009	2010	2011	2012			2013			2014	
										Balance	Additions	Disposal	Balance	Additions	Disposal	Balance	Balance
227	Department of Registration of Persons	667	3,237	4,995	12,451	13,136	14,570	16,070	17,528	20,544	3,966	-	24,509	9,629	-	34,138	
232	Department of Prisons	5,666	10,092	16,537	22,808	27,781	39,448	48,265	52,929	59,644	50,847	-	110,491	21,264	-	131,754	
233	Department of Government Analyst	-	-	-	-	-	-	-	-	-	9,584	-	9,584	42,160	-	51,743	
234	Registrar of Supreme Court	-	-	-	-	-	-	-	-	-	600	-	600	1,436	-	2,036	
236	Department of Official Languages	676	1,876	2,475	2,475	2,509	2,678	2,678	2,872	3,049	1,593	-	4,643	668	-	5,311	
237	Department of National Planning	-	-	3,334	3,334	3,334	3,334	3,334	3,334	3,334	-	-	3,334	-	-	3,334	
238	Department of Fiscal Policy	-	-	1,555	2,351	2,464	3,815	3,815	3,815	3,961	-	-	3,961	-	-	3,961	
239	Department of External Resources	-	-	-	-	-	-	-	-	-	-	-	-	-	-	3,125	
240	Department of National Budget	3,293	6,339	11,764	13,934	14,389	14,389	14,389	14,373	14,373	-	-	14,373	-	-	14,373	
241	Department of Public Enterprises	-	-	-	-	922	916	916	916	916	-	-	916	-	-	916	
242	Department of Management Service	-	-	-	-	-	110	110	110	110	-	-	110	-	-	110	
243	Department of Development Finance	-	-	-	33	33	33	33	33	33	-	-	33	-	-	33	
244	Department of Trade Tariff & Investment Policy	-	-	-	1,964	2,958	2,967	2,967	2,993	3,434	1,644	0	5,078	1,359	-	6,437	
245	Department of Public Finance	-	178	178	178	178	178	178	178	178	-	-	178	-	-	178	
246	Department of Inland Revenue	3,381	7,913	31,922	64,312	77,899	93,098	101,998	101,998	107,958	34,581	-	142,540	-	-	142,540	
247	Sri Lanka of Customs	-	14,983	14,983	2,046,228	2,046,228	2,131,293	2,140,598	2,140,598	2,142,379	2,459	-	2,144,838	3,979	-	2,148,817	
248	Department of Excise	293	680	2,615	6,485	10,447	12,353	12,743	12,748	13,242	440	-	13,682	327	-	14,009	
249	Department of Treasury Operations	-	-	-	1,318	2,457	2,457	2,457	2,435	1,854	-	-	1,854	-	-	1,854	
250	Department of State Accounts	500	1,501	1,648	1,648	1,648	1,648	1,648	1,648	1,648	-	-	1,648	-	-	1,648	
251	Department of Valuation	653	1,390	2,182	4,670	16,711	50,711	51,207	51,259	52,022	475	-	52,497	1,920	-	54,417	
252	Department of Census & Statistics	1,002	4,415	6,212	16,230	22,958	33,569	33,569	33,569	33,569	4,984	-	38,553	-	-	38,553	
253	Department of Pensions	237	299	299	1,978	4,363	6,883	12,580	15,748	16,453	14,763	-	31,216	62,300	-	93,516	
254	Department of Registrar General	-	-	357	1,091	3,488	5,390	9,023	12,229	14,002	10,318	-	24,319	11,409	-	35,728	
255	District Secretariat - Colombo	-	-	172	30,169	32,622	36,695	41,092	44,087	62,548	16,845	9	79,384	1,831	-	81,215	
256	District Secretariat - Gampaha	-	1,298	4,841	7,278	9,127	10,984	14,681	20,013	21,871	3,105	-	24,976	2,793	-	27,769	
257	District Secretariat - Kalutara	-	-	2,354	13,293	14,951	15,911	18,400	20,370	20,593	1,932	-	22,525	1,632	-	24,157	
258	District Secretariat - Kandy	47	47	1,472	2,345	4,181	5,006	7,000	8,453	9,433	1,109	-	10,542	1,471	-	12,013	
259	District Secretariat - Matale	380	380	1,879	2,756	3,496	4,512	5,902	7,883	8,768	2,974	2	11,741	2,980	-	14,721	
260	District Secretariat - Nuwara Eliya	1,526	2,510	4,106	4,106	5,077	7,235	9,424	11,707	12,560	2,000	15	14,545	1,999	-	16,544	
261	District Secretariat - Galle	274	1,088	3,939	8,785	10,610	11,759	17,186	18,185	18,629	1,470	-	20,099	1,748	-	21,848	
262	District Secretariat - Matara	14	372	1,846	2,644	4,479	6,121	8,533	10,506	12,075	1,742	-	13,816	1,739	-	15,555	
263	District Secretariat - Hambantota	400	400	2,434	2,879	3,530	5,029	5,254	5,696	6,647	1,200	-	7,847	2,120	-	9,967	
264	District Secretariat - Jaffna	-	96	2,091	3,862	5,205	5,803	6,671	8,048	8,235	448	-	8,684	500	-	9,184	
265	District Secretariat - Mannar	-	-	-	1,678	2,051	4,000	5,698	6,194	6,553	1,239	-	7,792	1,042	-	8,834	
266	District Secretariat - Vavuniya	-	172	1,087	2,085	3,009	4,561	5,559	6,757	7,754	1,248	-	9,001	240	-	9,241	
267	District Secretariat - Mullativu	-	-	1,258	3,369	3,369	4,142	6,980	10,464	11,886	10,550	-	22,436	7,500	-	29,936	
268	District Secretariat - Kilinochchi	-	-	825	2,823	4,322	6,929	8,414	11,814	13,312	1,500	-	14,812	7,843	-	22,655	

# Notes to Financial Statements *contd...*

## Note 30.1 - MOVABLE ASSETS ACQUIRED SINCE 01.01.2004

### 2103 - Machinery

Rs. '000

Head No	Institution	2011								2012		2013		2014	
		2004	2005	2006	2007	2008	2009	2010	2011	Balance	Additions	Disposal	Balance	Additions	Balance
269	District Secretariat - Batticaloa	-	-	1,277	1,277	2,167	3,133	4,123	5,076	5,986	898	700	6,183	1,000	7,183
270	District Secretariat - Ampara	499	2,384	4,263	9,236	10,415	15,200	24,624	29,424	31,424	2,700	25	34,099	2,500	36,599
271	District Secretariat - Trincomalee	-	-	604	604	604	604	2,604	4,604	4,691	1,417	-	6,108	1,353	7,461
272	District Secretariat - Kurunegala	48	97	6,152	6,552	6,568	6,568	9,548	11,539	13,501	2,000	-	15,501	1,992	17,493
273	District Secretariat - Puttalam	-	-	-	798	1,720	3,715	4,449	7,449	7,736	1,499	-	9,235	1,309	10,544
274	District Secretariat - Anuradhapura	184	314	3,082	4,830	6,478	8,098	10,474	11,246	12,129	500	-	12,629	967	13,596
275	District Secretariat - Polonnaruwa	-	101	1,637	2,133	2,133	3,828	5,521	7,575	9,418	2,504	-	11,922	3,213	15,135
276	District Secretariat - Badulla	-	-	1,934	3,841	6,592	7,589	14,077	18,731	20,217	5,596	-	25,813	2,498	28,311
277	District Secretariat - Monaragala	-	400	1,664	2,164	4,161	6,161	8,661	9,654	10,105	2,000	-	12,105	17,000	29,105
278	District Secretariat - Ratnapura	101	176	1,444	1,559	1,879	1,879	1,879	2,408	3,406	-	-	3,406	2,000	5,406
279	District Secretariat - Kegalle	-	-	1,315	1,315	2,321	3,143	3,143	3,143	3,302	2,000	-	5,302	1,999	7,301
280	Department of Project Management and Monitoring	-	-	-	-	-	-	-	-	-	625	-	625	-	625
281	Department of Agrarian Development	-	-	-	14,705	17,804	31,899	39,145	53,513	65,540	6,596	-	72,135	20,564	92,699
282	Department of Irrigation	14,833	38,625	45,692	56,341	178,121	353,191	550,685	747,675	929,016	236,424	96	1,165,344	304,941	1,470,285
283	Department of Forests	500	998	998	1,647	2,636	3,594	4,579	5,786	8,254	2,480	-	10,734	2,672	13,407
284	Department of Wildlife Conservation	860	1,847	2,330	3,452	131,457	132,120	132,404	133,122	133,930	1,100	-	135,030	11,743	146,773
285	Department of Agriculture	4,536	5,504	17,034	52,774	58,918	65,519	87,419	110,796	135,544	21,610	8	157,145	80,937	238,082
287	Department of Land Settlement	327	327	327	707	707	707	2,675	5,115	6,594	911	-	7,505	-	7,505
288	Department of Survey	22,333	22,333	61,516	75,507	87,314	89,226	109,781	156,022	170,184	20,521	422	190,284	29,364	219,648
289	Department of Export Agriculture	1,130	1,130	1,130	1,130	4,011	10,633	16,098	24,720	30,702	5,516	-	36,218	4,478	40,696
290	Department of Fisheries and Aquatic Resources	603	8,540	16,799	20,179	25,891	29,603	33,530	36,308	39,848	1,804	-	41,652	14,056	55,708
291	Department of Coast Conservation	-	1,055	2,502	11,427	11,720	12,133	12,633	13,131	13,620	479	-	14,099	773	14,872
292	Department of Animal Production and Health	2,254	2,254	41,823	82,701	94,440	103,089	109,405	111,012	118,184	3,470	-	121,654	3,912	125,565
293	Department of Rubber Development	-	-	-	-	1,822	3,808	4,211	5,422	5,422	-	-	5,422	469	5,891
294	Department of National Zoological Garden	5,262	9,345	14,269	19,867	24,419	28,595	32,998	35,258	39,716	4,403	-	44,120	7,287	51,406
295	Department of Commerce	-	1,330	2,122	2,921	3,392	3,883	4,343	4,580	4,628	235	-	4,863	198	5,061
298	Department of Measurement Units, Standards & Services	10,496	41,874	78,899	119,061	140,299	142,027	176,454	205,052	208,143	1,955	-	210,098	20,997	231,095
300	Department of Food Commissioner	-	-	45	916	916	1,151	5,664	5,664	6,205	235	-	6,440	16	6,456
301	Department of Co-operative Development	-	-	-	-	-	-	193	193	259	437	-	696	380	1,076
302	Co-operative Employees Commission	-	258	298	298	298	365	447	447	857	857	-	857	-	857
303	Department of Textile Industries	-	-	165	165	165	165	165	165	165	-	-	165	-	165
304	Department of Meteorology	4,492	6,048	9,841	186,547	349,911	357,872	400,320	438,070	582,143	41,104	-	623,248	6,301	629,548
306	Department of Sri Lanka Railways	-	-	-	923	55,409	166,749	283,056	431,310	4,022,807	1,769,678	-	5,792,485	3,301,061	9,093,546
307	Department of Motor Traffic	-	4,799	26,928	55,100	78,634	90,748	148,593	128,343	143,197	16,784	-	159,981	13,734	173,715
308	Department of Posts	48	416	70,630	76,413	93,357	97,509	104,908	111,845	123,294	13,634	-	136,928	13,480	150,408

## Notes to Financial Statements *contd...*

### Note 30.1 - MOVABLE ASSETS ACQUIRED SINCE 01.01.2004

#### 2103 - Machinery

Rs. '000

Head No	Institution	2004	2005	2006	2007	2008	2009	2010	2011	2012		2013		2014	
										Balance	Additions	Disposal	Balance	Additions	Balance
309	Department of Buildings	-	-	2,650	2,650	2,650	2,650	3,164	3,613	3,927	8,439	20	12,345	15,207	27,552
310	Government Factory	600	2,816	14,249	18,090	27,152	29,914	32,354	36,393	39,755	4,607	-	44,362	6,208	50,570
311	Department of National Physical Planning	225	1,710	3,631	5,576	5,637	5,736	5,814	5,863	5,863	-	-	5,863	96	5,959
320	Department of Civil Security	-	-	-	42,887	165,112	337,354	427,334	467,316	486,940	24,999	-	511,939	35,794	547,733
322	Department of National Botanical Gardens	-	-	-	-	270	270	561	873	1,149	390	-	1,539	498	2,037
324	Department of Management Audit	-	-	-	-	-	233	233	422	613	576	-	1,189	450	1,639
325	Department of Coast Guard of Sri Lanka	-	-	-	-	-	-	23,075	49,157	60,397	10,284	-	70,681	4,741	75,422
326	Department of Community Based Correction	-	-	-	-	-	-	-	-	494	486	-	979	2,313	3,293
327	Department of Land Use Policy Planning	-	-	-	-	-	-	-	1,598	3,335	1,583	-	4,918	1,965	6,882
328	Department of Man Power and Employment	-	-	-	-	-	-	-	420	1,772	992	-	2,764	700	3,464
329	Department of Information Technology Management	-	-	-	-	-	-	-	-	-	-	-	-	936	936
<b>Grand Total</b>		<b>671,843</b>	<b>1,084,507</b>	<b>2,592,418</b>	<b>9,833,198</b>	<b>17,677,872</b>	<b>22,018,000</b>	<b>27,395,746</b>	<b>38,735,149</b>	<b>51,187,373</b>	<b>12,632,081</b>	<b>67,959</b>	<b>63,751,495</b>	<b>11,273,330</b>	<b>75,024,825</b>

# Notes to Financial Statements *contd...*

## NOTE - 32 - STATEMENT OF CONTINGENT LIABILITIES

### NOTE - 32 (A) - STATEMENT OF BANK GUARANTEES ISSUED BY THE GENERAL TREASURY AS AT 31.12.2014

File No.	Institution	Bank or Institution	Purpose	Value of the Treasury Guarantee			Date of Issue	Date of Expiry	Outstanding Capital on Treasury Guarantee as at 31.12.2014	
				US\$ Mn.	Euro Mn.	J Yen				Rs. Mn.
Treasury Guarantee issued before 2014										
1	TO/CM7/298	Co-operative Whole Sale Establishment	People's Bank	Credit facility			157.10	2-Feb-05	30-Nov-15	151.72
2	TO/CM7/302	Sri Lanka Consumer Co-operative Societies Federation Ltd.	People's Bank	Credit facility			50.00	31-Jul-06	1-Sep-15	45.41
3	TO/CM7/303	Lakdhanavi Ltd.	National Savings Bank	Secure the Bonds			2,992.00	22-Feb-07	31-Mar-22	2,992.00
4	TO/CM7/303	Lakdhanavi Ltd.	Employee's Trust Fund Board	Secure the Bonds			2,992.00	1-Mar-07	31-Mar-22	2,992.00
5	TO/CM7/311	Ceylon Electricity Board	People's Bank	Credit facility			4,116.00	7-May-08	3-Mar-23	4,116.00
6	TO/CM7/303	West Coast Power (Pvt) Ltd.	Hongkong & Shanghai Banking Co.Ltd.	Secure the loan facility		134.84	21,993.75	28-Jun-07	28-Jun-22	11,184.08
7	SA/CM7/314	Ceylon Electricity Board	People's Bank	Credit facility	Rs.1.2Bn + US\$ 4.2Mn		1,760.15	11-Jun-08	9-Oct-23	1,408.53
8	SA/CM7/315	Ceylon Petroleum Corporation	Bank of Ceylon	Secure the loan facility	700		93,359.00	9-Sep-08	31-Dec-14	93,359.00
9	TO/CM/316	Ceylon Electricity Board	People's Bank	Credit facility		0.67	108.96	29-Sep-08	31-Dec-14	104.52
10	TO/CM/317	People's Bank Pension Trust Fund	People's Bank	Secure the Debentures			2,500.00	17-Dec-08	16-Dec-16	2,500.00
11	TO/CM7/312	State Trading (Co-operative Wholesale) Company Ltd.	People's Bank	Credit facility			32.00	13-Mar-09	30-Jun-14	31.48
12	TO/CM7/325	Ceylon Electricity Board	People's Bank	Secure Short Term Credit facility			7,000.00	7-Sep-09	12-Mar-15	7,000.00
13	TO/CM7/321 (ii)	Ceylon Petroleum Storage Terminals Ltd.	People's Bank	Credit facility	40.3		4,634.50	9-Oct-09	6-Oct-19	2,374.50
14	TO/CM7/317	People's Bank Pension Trust Fund	People's Bank	Secure the Debentures			2,500.00	23-Oct-09	22-Oct-17	2,500.00
15	TO/CM7/322	Urban Development Authority	National Savings Bank	Secure the loan facility			2,770.00	6-Nov-09	18-Nov-24	2,620.00
16	TO/CM7/322	Urban Development Authority	Bank of Ceylon	Secure the loan facility	64.5		8,602.37	30-May-11	30-Jun-14	8,602.37
17	TO/CM7/330	STC General Trading Company Ltd.	Bank of Ceylon	Secure the loan facility			460.00	22-Dec-09	31-Dec-14	459.81
18	TO/CM7/333	Ceylon Electricity Board	People's Bank	Term Loan Facility			5,000.00	17-Aug-10	31-Jul-16	1,247.00
19	TO/REV/TG/334	Urban Development Authority	Bank of Ceylon	Issue of Debentures			10,000.00	8-Jul-10	08-Jul-15	10,000.00
20	TO/REV/TG/340	Road Development Authority	Commercial Bank	Secure the loan facility			1,534.00	1-Sep-11	28-Feb-26	1,353.83
21	TO/REV/TG/346	General Sir John Kotalawala Defence University	Bank of Ceylon	Secure the loan facility			85.00	29-Aug-11	31-Dec-26	68.46
22	TO/REV/TG/353	Road Development Authority	Bank of Ceylon	Secure the loan facility			2328.36	14-Mar-12	31-Dec-26	1,816.82
23	TO/REV/TG/354	Road Development Authority	Bank of Ceylon	Secure the loan facility			2,472.36	12-Mar-12	31-Dec-26	1,877.69
24	TO/REV/TG/355	Road Development Authority	Bank of Ceylon	Secure the loan facility			2,750.00	12-Mar-12	31-Dec-26	2,653.88
25	TO/REV/TG/350	Road Development Authority	People's Bank	Secure the loan facility			1,400.00	21-Mar-12	31-Dec-26	1,166.88
26	TO/REV/TG/351	Road Development Authority	People's Bank	Secure the loan facility			7,995.68	21-Mar-12	31-Dec-26	7,792.50
27	TO/REV/TG/352	Road Development Authority	People's Bank	Secure the loan facility			2,861.81	21-Mar-12	31-Dec-26	2,631.12
28	TO/REV/TG/349	Ceylon Petroleum Corporation	People's Bank	Secure the loan facility	200		26,674.00	10-Apr-12	01-May-15	26,436.00
29	TO/REV/TG/344	Ministry of Defence and Urban Development	Hatton National Bank	Secure the loan facility			3,550.00	24-Apr-12	31-Dec-30	3,154.14



# Notes to Financial Statements *contd...*

## NOTE - 32 - STATEMENT OF CONTINGENT LIABILITIES

### NOTE - 32 (A) - STATEMENT OF BANK GUARANTEES ISSUED BY THE GENERAL TREASURY AS AT 31.12.2014

File No.	Institution	Bank or Institution	Purpose	Value of the Treasury Guarantee			Date of Issue	Date of Expiry	Outstanding Capital on Treasury Guarantee as at 31.12.2014
				US\$ Mn.	Euro Mn.	J Yen			
30	TO/REV/TG/344	Ministry of Defence and Urban Development	Commercial bank				24-Apr-12	31-Dec-30	1,989.81
31	TO/REV/TG/344	Ministry of Defence and Urban Development	People's Bank				24-Apr-12	31-Dec-30	1,000.00
32	TO/REV/TG/344	Ministry of Defence and Urban Development	DFCC Bank				24-Apr-12	31-Dec-30	873.64
33	TO/REV/TG/357	Road Development Authority	Bank of Ceylon				6-Jun-12	31-Dec-26	2,364.52
34	TO/REV/TG/361	Ceylon Petroleum Corporation	Bank of Ceylon	200			27-Jun-12	31-Dec-14	26,674.00
35	TO/REV/TG/363	Road Development Authority	Bank of Ceylon				15-Oct-12	30-Apr-27	242.59
36	TO/REV/TG/364	Road Development Authority	Bank of Ceylon				15-Oct-12	30-Apr-27	2,335.28
37	TO/REV/TG/364/1	Road Development Authority	Bank of Ceylon				31-Jan-13	30-Apr-27	
38	TO/REV/TG/365	Road Development Authority	National Savings Bank				25-Oct-12	30-Apr-27	2,404.21
39	TO/REV/TG/365/1	Road Development Authority	National Savings Bank				31-Jan-13	30-Apr-27	
40	TO/REV/TG/359	Road Development Authority	Commercial Bank				15-Nov-12	31-May-27	1,260.21
41	TO/REV/TG/359/1	Road Development Authority	Commercial Bank				31-Jan-13	31-May-27	
42	TO/REV/TG/366	Road Development Authority	Bank of Ceylon				15-Nov-12	31-May-27	2,665.08
43	TO/REV/TG/366/1	Road Development Authority	Bank of Ceylon				31-Jan-13	31-May-27	
44	TO/REV/TG/367	Road Development Authority	Bank of Ceylon				15-Nov-12	31-May-27	1,841.68
45	TO/REV/TG/367/1	Road Development Authority	Bank of Ceylon				31-Jan-13	31-May-27	
46	TO/REV/TG/369	Road Development Authority	Commercial Bank				26-Dec-12	30-Jun-27	1,183.55
47	TO/REV/TG/369/1	Road Development Authority	Commercial Bank				31-Jan-13	30-Jun-27	
48	TO/REV/TG/370	Road Development Authority	Bank of Ceylon				26-Dec-12	30-Jun-27	1,735.74
49	TO/REV/TG/370/1	Road Development Authority	Bank of Ceylon				31-Jan-13	30-Jun-27	
50	TO/REV/TG/371	Road Development Authority	Hatton National Bank				28-Dec-12	30-Jun-27	1,535.30
51	TO/REV/TG/371/1	Road Development Authority	Hatton National Bank				11-Feb-13	30-Jun-27	
52	TO/REV/TG/372	Road Development Authority	National Savings Bank				31-Dec-12	30-Jun-27	1,417.68
53	TO/REV/TG/372/1	Road Development Authority	National Savings Bank				31-Jan-13	30-Jun-27	
54	TO/REV/TG/373	Road Development Authority	DFCC Bank				31-Dec-12	30-Jun-27	491.51
55	TO/REV/TG/373/1	Road Development Authority	DFCC Bank				31-Jan-13	30-Jun-27	
56	TO/REV/TG/363/1	Road Development Authority	Bank of Ceylon				31-Jan-13	30-Apr-27	1527.2
57	TO/REV/TG/368/2	Mihin Lanka (Pvt)Ltd	Bank of Ceylon	2.78			20-Feb-13	31-Dec-16	187.08
58	TO/REV/TG/377	Road Development Authority	Hatton National Bank				14-May-13	30-Nov-27	966.98
59	TO/REV/TG/360	General Sir John Kotelawala Defence University	Bank of Ceylon				7-Jun-13	30-Jun-28	192.68
60	TO/REV/TG/376	General Sir John Kotelawala Defence University	National Savings Bank	201.63			24-Jun-13	31-Jan-32	26,891.39
61	TO/REV/TG/349/1	Ceylon Petroleum Corporation	People's Bank	250			25-Jun-13	30-Jun-15	33,045.00
62	TO/REV/TG/382	Road Development Authority	Hatton National Bank				11-Jul-13	31-Jan-28	960.86
63	TO/REV/TG/383	Road Development Authority	Hatton National Bank				11-Jul-13	31-Jan-28	871.94

# Notes to Financial Statements *contd...*

## NOTE - 32 - STATEMENT OF CONTINGENT LIABILITIES

### NOTE - 32 (A) - STATEMENT OF BANK GUARANTEES ISSUED BY THE GENERAL TREASURY AS AT 31.12.2014

File No.	Institution	Bank or Institution	Purpose	Value of the Treasury Guarantee			Date of Issue	Date of Expiry	Outstanding Capital on Treasury Guarantee as at 31.12.2014
				US\$ Mn.	Euro Mn.	J Yen			
64	TO/REV/TG/385	Ceylon Petroleum Corporation	People's Bank	Secure the loan facility	100		19-Jul-13	30-Jul-15	13,218.00
65	TO/REV/TG/378	Road Development Authority	Bank of Ceylon	Secure the loan facility			25-Jul-13	31-Jan-28	2,415.17
66	TO/REV/TG/380	Road Development Authority	Hatton National Bank	Secure the loan facility			5-Aug-13	31-Jan-28	505.66
67	TO/REV/TG/379	Road Development Authority	Hatton National Bank	Secure the loan facility			5-Aug-13	31-Jan-28	875.47
68	TO/REV/TG/385/1	Ceylon Petroleum Corporation	People's Bank	Secure the loan facility	100		8-Aug-13	31-Aug-15	13,218.00
69	TO/REV/TG/381	Road Development Authority	National Savings Bank	Secure the loan facility			12-Aug-13	29-Feb-28	2,080.47
70	TO/REV/TG/387/1	Paddy Marketing Board	Bank of Ceylon Bank	Secure the loan facility			12-Aug-13	31-Dec-14	3,129.78
71	TO/REV/TG/387/2	Paddy Marketing Board	People's Bank	Secure the loan facility			12-Aug-13	31-Dec-14	2,247.23
72	TO/REV/TG/387/4	Paddy Marketing Board	National Savings Bank	Secure the loan facility			12-Aug-13	31-Dec-14	1,000.00
73	TO/REV/TG/388	Road Development Authority	Bank of Ceylon	Secure the loan facility			28-Aug-13	29-Feb-28	1,549.86
74	TO/REV/TG/389	Road Development Authority	Hatton National Bank	Secure the loan facility			30-Aug-13	29-Feb-28	620.19
75	TO/REV/TG/390	Road Development Authority	National Savings Bank	Secure the loan facility			24-Oct-13	31-Oct-27	406.93
76	TO/REV/TG/391	Road Development Authority	National Savings Bank	Secure the loan facility			24-Oct-13	30-Apr-28	1,428.49
77	TO/REV/TG/392	Road Development Authority	National Savings Bank	Secure the loan facility			24-Oct-13	30-Apr-28	1,923.75
78	TO/REV/TG/393	Road Development Authority	National Savings Bank	Secure the loan facility			24-Oct-13	30-Apr-28	3,429.64
79	TO/REV/TG/394	Road Development Authority	National Savings Bank	Secure the loan facility			24-Oct-13	30-Apr-28	1,526.75
80	TO/REV/TG/395	Road Development Authority	National Savings Bank	Secure the loan facility			24-Oct-13	31-Oct-27	1,286.23
81	TO/REV/TG/396	Road Development Authority	National Savings Bank	Secure the loan facility			24-Oct-13	30-Apr-28	1,605.02
82	TO/REV/TG/398	Road Development Authority	National Savings Bank	Secure the loan facility			28-Nov-13	31-May-28	2,705.45
83	TO/REV/TG/399	Road Development Authority	Hatton National Bank	Secure the loan facility			28-Nov-13	31-May-28	727.47
84	TO/REV/TG/400	Road Development Authority	Hatton National Bank	Secure the loan facility			28-Nov-13	31-May-28	644.44
85	TO/REV/TG/401	Road Development Authority	Hatton National Bank	Secure the loan facility			28-Nov-13	31-May-28	297.26
86	TO/REV/TG/402	Road Development Authority	Hatton National Bank	Secure the loan facility			28-Nov-13	31-May-28	1,795.74
87	TO/REV/TG/403	Road Development Authority	Hatton National Bank	Secure the loan facility			28-Nov-13	31-May-28	985.84
88	TO/REV/TG/406	State Development and Construction Corporation	Bank of Ceylon	Secure the loan facility			6-Dec-13	06-Dec-16	385.20
89	TO/REV/TG/404	National School of Business Management Limited	Bank of Ceylon	Secure the loan facility			18-Dec-13	31-Dec-28	2,856.46
90	TO/REV/TG/407	Road Development Authority	DFCC Bank	Secure the loan facility			27-Dec-13	30-Jun-28	408.99
91	TO/REV/TG/408	Road Development Authority	Hatton National Bank	Secure the loan facility			27-Dec-13	30-Jun-28	1,244.58
92	TO/REV/TG/348	Air Port & Aviation Services (Sri Lanka) Limited	JICA	Secure the Foreign loan SLP104	28,969	32,587.23	28-Mar-12	28-Mar-52	445.46
Total Treasury Guarantees issued before 2014 (a)									382,261.16
									465,845.75

# Notes to Financial Statements *contd...*

## NOTE - 32 - STATEMENT OF CONTINGENT LIABILITIES

### NOTE - 32 (A) - STATEMENT OF BANK GUARANTEES ISSUED BY THE GENERAL TREASURY AS AT 31.12.2014

File No.	Institution	Bank or Institution	Purpose	Value of the Treasury Guarantee			Date of Issue	Date of Expiry	Outstanding Capital on Treasury Guarantee as at 31.12.2014	
				US\$ Mn.	Euro Mn.	J Yen				Rs. Mn.
Treasury Guarantees issued within the Year 2014										
93 TO/REV/TG/409	Road Development Authority	National Savings Bank	Secure the loan facility				3,914.22	27-Jan-14	31-Jul-28	3,682.05
94 TO/REV/TG/410	Road Development Authority	National Development Bank	Secure the loan facility				5,645.74	11-Feb-14	31-Aug-28	3,347.42
95 TO/REV/TG/411	Road Development Authority	Bank of Ceylon	Secure the loan facility				1,884.93	13-Feb-14	31-Aug-28	693.36
96 TO/REV/TG/412	Road Development Authority	National Development Bank	Secure the loan facility				800.00	13-Feb-14	31-Aug-28	447.75
97 TO/REV/TG/413	Road Development Authority	National Savings Bank	Secure the loan facility				6,956.05	7-Mar-14	31-Aug-28	6,730.18
98 TO/REV/TG/415	Road Development Authority	National Development Bank	Secure the loan facility				917.28	14-Mar-14	30-Sep-28	220.75
99 TO/REV/TG/415/1	Road Development Authority	National Savings Bank	Secure the loan facility				1,800.00	14-Mar-14	30-Sep-28	1,582.36
100 TO/REV/TG/416	Road Development Authority	National Development Bank	Secure the loan facility				500.00	25-Mar-14	30-Sep-28	135.56
101 TO/REV/TG/416/1	Road Development Authority	Hatton National Bank	Secure the loan facility				533.51	25-Mar-14	30-Sep-28	144.53
102 TO/REV/TG/419	Road Development Authority	Commercial Bank	Secure the loan facility				757.81	3-Apr-14	15-Oct-28	176.65
103 TO/REV/TG/418	Road Development Authority	Bank of Ceylon	Secure the loan facility				2,346.99	7-Apr-14	15-Oct-28	1,523.28
104 TO/REV/TG/417	Road Development Authority	National Savings Bank	Secure the loan facility				3,197.86	5-Mar-14	30-Sep-28	2,975.20
105 TO/REV/TG/420	Road Development Authority	National Savings Bank	Secure the loan facility				903.01	7-May-14	15-Nov-28	680.89
106 TO/REV/TG/421	Road Development Authority	National Savings Bank	Secure the loan facility				1,484.26	7-May-14	15-Nov-28	1,211.42
107 TO/REV/TG/422	Road Development Authority	National Savings Bank	Secure the loan facility				1,265.23	21-May-14	15-Nov-28	1,030.91
108 TO/REV/TG/425	Road Development Authority	National Savings Bank	Secure the Term loan facility				909.17	7-Jul-14	15-Jan-29	544.88
109 TO/REV/TG/424	Road Development Authority	National Savings Bank	Secure the Term loan facility				1,615.81	8-Jul-14	15-Jan-29	1,432.85
110 TO/REV/TG/426	Road Development Authority	National Savings Bank	Secure the Term loan facility				2,171.71	15-Jul-14	15-Jan-29	2,096.24
111 TO/REV/TG/423	Road Development Authority	Commercial Bank	Secure the Term loan facility				2,124.39	15-Jul-14	31-Jan-29	445.39
112 TO/REV/TG/430	Road Development Authority	National Savings Bank	Secure the Term loan facility				1,833.66	15-Jul-14	31-Jan-29	1,637.70
113 TO/REV/TG/429	Road Development Authority	Bank of Ceylon	Secure the Term loan facility				2,125.94	16-Jul-14	31-Jan-29	353.06
114 TO/REV/TG/431	Road Development Authority	National Savings Bank	Secure the Term loan facility				405.06	18-Jul-14	31-Jan-29	193.66
115 TO/REV/TG/432	Road Development Authority	National Savings Bank	Secure the Term loan facility				1,348.03	21-Jul-14	31-Jan-29	1,136.77
116 TO/REV/TG/433	Road Development Authority	National Savings Bank	Secure the Term loan facility				995.77	21-Jul-14	31-Jan-29	786.72
117 TO/REV/TG/434	Road Development Authority	Bank of Ceylon	Secure the Term loan facility				1,553.20	21-Jul-14	31-Jan-29	1,353.18
118 TO/REV/TG/428	Road Development Authority	National Savings Bank	Secure the loan facility				940.89	20-Aug-14	28-Feb-29	719.74
119 TO/REV/TG/438	Road Development Authority	National Development Bank	Secure the loan facility				490.29	21-Aug-14	28-Feb-29	62.65
120 TO/REV/TG/435	Ceylon Shipping Corporation Ltd	People's Bank	Secure the loan facility	80			10,669.60	26-Aug-14	30-Jun-29	4,626.30
121 TO/REV/TG/441	Road Development Authority	People's Bank	Secure the Term loan facility	44.72			5,963.91	22-Sep-14	30-Sep-27	2,822.04
122 TO/REV/TG/427	Road Development Authority	National Savings Bank	Secure the Term loan facility				1,401.38	23-Sep-14	31-Mar-29	1,208.33

## Notes to Financial Statements *contd...*

### NOTE - 32 - STATEMENT OF CONTINGENT LIABILITIES

#### NOTE - 32 (A) - STATEMENT OF BANK GUARANTEES ISSUED BY THE GENERAL TREASURY AS AT 31.12.2014

File No.	Institution	Bank or Institution	Purpose	Value of the Treasury Guarantee			Date of Issue	Date of Expiry	Outstanding Capital on Treasury Guarantee as at 31.12.2014	
				US\$ Mn.	Euro Mn.	J Yen				Rs. Mn.
Treasury Guarantees issued within the Year 2014										
123 TO/REV/TG/436	Sri Lanka Land Reclamation & Development Corporation	National Savings Bank	Secure the loan facility				2,000.00	26-Sep-14	31-Oct-28	1,600.00
124 TO/REV/TG/442	Road Development Authority	Bank of Ceylon	Secure the Term loan facility				2,267.65	21-Sep-14	15-Apr-29	92.55
125 TO/REV/TG/335/2	Lanka Coal Company (Pvt) Ltd	People's Bank	Secure Short Term Loan facility				5,000.00	12-Nov-14	30-Sep-15	4,877.64
126 TO/REV/TG/445/1	National Water Supply & Drainage Board (NWSDB) - Ampara	Bank of Ceylon	Secure Term Loan facility				1,148.06	12-Nov-14	31-May-29	192.79
127 TO/REV/TG/397	National Water Supply & Drainage Board (NWSDB)-Colombo City	Bank of Ceylon	Secure Short Term Loan facility				2,792.07	14-Nov-14	30-Nov-29	2,792.07
128 TO/REV/TG/446	National Water Supply & Drainage Board (NWSDB) - Bentota	National Savings Bank	Secure Term Loan facility				1,239.48	17-Nov-14	31-May-29	138.11
129 TO/REV/TG/447	National Water Supply & Drainage Board (NWSDB) - Ruhunupura	Commercial Bank	Secure Term Loan facility				193.00	8-Dec-14	15-Jul-29	193.00
130 TO/REV/TG/445/2	National Water Supply & Drainage Board (NWSDB) - Ampara	NDB	Secure Term Loan facility				2,800.00	9-Dec-14	31-Dec-29	470.00
131 TO/REV/TG/445/3	National Water Supply & Drainage Board (NWSDB) - Ampara	DFFC Bank	Secure Term Loan facility				2,900.00	9-Dec-14	31-Dec-29	486.99
132 TO/REV/TG/444	Road Development Authority	Bank of Ceylon	Secure Term Loan facility				242.54	1-Dec-14	31-May-29	182.26
133 TO/REV/TG/448	National Water Supply & Drainage Board (NWSDB)-Colombo District-Package I	Bank of Ceylon	Secure Term Loan facility				3,041.00	30-Dec-14	30-Jun-29	3,041.00
Total Treasury Guarantees issued during the year 2014 (b)							91,079.49			58,068.23
Grand Total of the Treasury Guarantees issued as at 31.12.2014 (a)+(b)							556,925.23			440,329.39

## Notes to Financial Statements *contd...*

### NOTE - 32 (B) - STATEMENT OF LETTERS OF COMFORT ISSUED TO LOCAL BANKS AND THE LIABILITIES AS AT 31<sup>st</sup> DECEMBER 2014

Institution	Bank	Liabilities as at 31.12.2014 Rs.Mn
1 State Pharmaceuticals Corporation of Sri Lanka	Bank of Ceylon	2,713.31
2 Ceylon Fertilizer Co.	Bank of Ceylon	5,631.63
3 Ceylon Fertilizer Co.	Bank of Ceylon	
4 Ceylon Fertilizer Co.	Bank of Ceylon	
5 Ceylon Fertilizer Co.	Bank of Ceylon	
6 Colombo Commercial Fertilizer Co. Ltd	Bank of Ceylon	3,288.50
7 Colombo Commercial Fertilizer Co. Ltd	Bank of Ceylon	
8 Colombo Commercial Fertilizer Co. Ltd	Bank of Ceylon	
9 Colombo Commercial Fertilizer Co. Ltd	Bank of Ceylon	
10 Ministry of Local Government	Bank of Ceylon	8,124.77
11 Command Officer Police (Special)	Bank of Ceylon	33.88
12 Sri Lanka Army	Bank of Ceylon	13,120.52
13 Sri Lanka Navy	Bank of Ceylon	4,197.91
14 Department of Immigration Emigration	Bank of Ceylon	9.23
15 Department of Coast Conservation	Bank of Ceylon	851.17
16 Ministry of Health Indigenous Medicine	Bank of Ceylon	2.77
17 Ministry of Defence	Bank of Ceylon	3.06
18 Ministry Technology and Research	Bank of Ceylon	78.51
19 Project Director-Aquatic Resource Development and Quality Improvement, Ministry of Fisheries	Bank of Ceylon	4.24
20 Ministry of Economic Development	Bank of Ceylon	6,346.76
21 Ministry of Fisheries and Aquatic Resources	Bank of Ceylon	353.27
22 Ministry of Irrigation and Water Resources Development	Bank of Ceylon	2,483.13
23 Ministry of Education	Bank of Ceylon	0.68
24 Ministry of Higher Education	Bank of Ceylon	6.83
25 Ministry of Sports	Bank of Ceylon	6.73
26 Ministry of Petroleum Industries	Bank of Ceylon	0.36
27 The President Secretariat	Bank of Ceylon	7,500.88
28 Ministry of Traditional Industries and Small Enterprises Development	Bank of Ceylon	9.32
29 Department of the Government Printer	Bank of Ceylon	154.30
30 Sri Lanka Air Force	People's Bank	60.68
31 Lanka Sathosa Limited	People's Bank	2,841.87
32 Lanka Sathosa Limited	Bank of Ceylon	7,368.27
33 Lanka Sathosa Limited	Bank of Ceylon	
34 Lanka Sathosa Limited	People's Bank	3,752.00
35 Ceylon Electricity Board	National Savings Bank	10,000.00
<b>Total</b>		<b>78,944.57</b>

## Explanatory Notes

### Note 10 - Vehicles on Lease

In terms of the Budget Circular No 150, the Department of National Budget has procured 2,519 motor vehicles and 21,498 Motorcycles on Lease in 2014 and a sum of Rs. 1,839,590,000 has been paid as lease installments during the year which included under the Object code No 2101-Acquisition of Vehicles.

### Note 30.1 - Disposal of Movable Assets

Disposal of Movable Assets in the reporting period is disclosed in the Financial Statements of the following year.

### Schedule I - Expenditure Committed in 2013 and Paid in 2014

The total expenditure incurred during the year 2014, represents recurrent expenditure of Rs. 27,478 million and Capital expenditure of Rs. 44,922 million, related to the reporting period of 2013.

### Schedule II - Total Revenue and Expenditure of Provincial Councils

Total Revenue of Rs. 59,979,015,473 and Total Expenditure of Rs. 195,782,311,048 were reported for 9 Provincial Councils. (Provincial amounts)

### Investment in Physical Assets

The detailed information on public investment in physical assets, both in terms of foreign and local funds, for the period from 2005 - 2014, amounts to Rs. 2,576,199 million, which covers around 75% of the same being a significant capital formation, is provided in a separate report.

### Loans Transferred from Debt Stock

Following loan balances have been transferred from debt stock to relevant public enterprises.

Loan key No.	Institution	Project	Amount (Rs.)
2005045	Ceylon Electricity Board	Puttalam Coal Power Project	32,762,150,000
2007044	Sri Lanka Ports Authority	Hambantota Port Development Project	31,206,345,802
Total			63,968,495,802

# STATEMENT OF CAPITAL INVESTMENT IN DEVELOPMENT PROJECTS - 2014

## Note 33

Head No.	Institution	Project Description	Provision (Rs.)	Expenditure (Rs.)	Expenditure as % of Provision
1	His Excellency the President	Development Initiatives, Coordination and Monitoring	745,000,000	657,892,077	88
		International Relations and Cooperation	922,000,000	861,436,044	93
		1. Establishment of RO Plants in Kidney disease endemic areas 2. Rehabilitation of canals in the drought affected areas & De-silting projects to increase the water retention capacity of Tanks	100,000,000	31,655,895	32
		Smart Sri Lanka (e-Sri Lanka Development Project) (GOSL-World Bank)	240,000,000	239,000,000	100
		Smart Sri Lanka (e-Sri Lanka Development Project) (GOSL-World Bank)	516,000,000	455,999,999	88
		Smart Sri Lanka (e-Sri Lanka Development Project) (GOSL-World Bank)	178,000,000	178,000,000	100
		Lanka Government Network	200,000,000	200,000,000	100
2	Office of the Cabinet Ministers	Improving Positive attitudes of Sri Lankans in order to establish a Noble Society with the Economic Development (2011-2015)	25,000,000	18,925,241	76
3	Secretariat for Special Functions (Senior Ministries)	Formulation of a National Human Resources and Employment Policy	1,000,000	996,688	100
		Co-ordination and Monitoring Framework for Scientific Affairs	85,000,000	64,880,685	76
4	Judges of the Superior Courts	Legal and Judicial Reforms	200,000,000	35,064,109	18
6	Public Service Commission	Construction of New Office Building	99,756,000	94,518,436	95
10	Commission to Investigate Allegations of Bribery or Corruption	Awareness Programmes against Bribery or Corruption	1,000,000	918,915	92
12	National Education Commission	Research Programmes on Education	3,500,000	2,372,612	68
13	Human Rights Commission of Sri Lanka	Human Rights Awareness Programmes	5,000,000	4,612,192	92
15	Department of Legal Draftsman	Other Capital Expenditure	1,000,000	184,891	18
		Revision of Legislative Enactments	32,175,000	659,934	2
101	Ministry of Buddha Sasana and Religious Affairs	Sacred Area Development	120,099,522	120,099,521	100
		Vidyalkara International Buddhist Centre-Kelaniya	69,818,712	69,818,712	100
		Mirisawetiya Buddhist Monk Training Center	8,546,033	8,546,033	100
		Asgiriya Temple Restoration Programme-700 Years Anniversary	20,870,478	13,572,794	65
		Kotmale Mahaweli Maha Seya	28,000,000	28,000,000	100
		Re-development of 2600 under Development Dham Schools	88,008,517	86,347,244	98
		Deyata Kirula-rehabilitation of under-developed Buddhist, Hindu Temples, Churches and Mosques	49,945,583	49,945,582	100
		Improvement of Rural Buddhist Temples under Punnyagrama	38,128,043	38,128,043	100
		Mathata Thitha Programme	8,802,594	8,802,594	100
		Promotion of Languages and Maintain Religious Harmony	2,750,518	2,750,518	100
		Dutugamunu Pilgrims Rest in Lumbini, Nepal	53,200,000	53,198,264	100
102	Ministry of Finance and Planning	Deyata Kirula Development Programme	6,293,200	518,593	8
		Fiscal Management Reforms Project (GOSL/ADB)	4,500,000	4,412,807	98
		Fiscal Management Efficiency Project (GOSL/ADB)	1,000,000,000	75,728,896	8
		Fiscal Management Efficiency Project (GOSL/ADB)	60,500,000	55,752,720	92
		Conducting a study on developing a Comprehensive Social Protection Scheme through IPS (UNICEF)	13,296,000	9,554,527	72
103	Ministry of Defence and Urban Development	3. Defence Head Quarters 4. Secretariat for Personal Identification - Consultancy fees and Loan Re-payment 7. Handala Ranaviru Sampath Centre 8. Prefabricated Building Project	3,067,000,000	3,040,222,878	99
		Other Capital Expenditure	10,000,000	9,514,946	95
		International Convention Center-Hambantota (GOSL-Korea)	833,000,000	428,000,000	51
		Metro Colombo Urban Development Project (GOSL/World Bank)	8,150,000,000	3,635,982,918	45
		Metro Colombo Urban Development Project (GOSL/World Bank)	756,000,000	755,961,215	100
		e-NIC Project	780,000,000	557,406,811	71
		Greater Colombo Urban Transport Development Project (Township Development) (GOSL/Japan)	400,000,000	163,144,371	41
		Greater Colombo Urban Transport Development Project (Township Development) (GOSL/Japan)	200,000,000	135,196,951	68



## STATEMENT OF CAPITAL INVESTMENT IN DEVELOPMENT PROJECTS - 2014 *contd...*

### Note 33

Head No.	Institution	Project Description	Provision (Rs.)	Expenditure (Rs.)	Expenditure as % of Provision
105	Ministry of Economic Development	Hataraliyadda Town Development Project	50,000,000	50,000,000	100
		Deyata Kirula Development Programme	210,000,000	201,139,348	96
		Development of Strategic Cities (GOSL/World Bank)	42,000,000	41,913,318	100
		Development of Strategic Cities (GOSL/World Bank)	48,000,000	18,579,786	39
		Greater Colombo Flood Protection and Environment Development Project	1,200,000,000	1,035,308,365	86
		Modernization of Lionel Wendt, Lumbini Theater and Gall Town hall Theater	100,000,000	65,000,000	65
		Establishment of a National Science Center	200,000,000	160,000,000	80
		Divineguma Programme	365,000,000	364,704,616	100
		Decentralized Budget	1,035,963,693	1,035,788,741	100
		Community Development & Livelihood Improvement Project -Phase II (GOSL-WB)	1,996,495,725	1,996,495,699	100
		Community Development & Livelihood Improvement Project -Phase II (GOSL-WB)	21,978,578	21,978,577	100
		Food Relief Programme	51,000,000	50,972,146	100
		Food Relief Programme	407,132,090	407,132,082	100
		Food Relief Programme	383,166,186	332,194,039	87
		Construction of Houses(GOSL-INDIA)	2,001,250,000	2,001,250,000	100
		Rural Bridges (GOSL-UK)	2,753,053,000	2,753,051,971	100
		Rural Bridges (GOSL-UK)	38,000,000	33,301,115	88
		North East Local Services Improvement Project (GOSL-WB)	1,612,466,320	1,612,466,275	100
		North East Local Services Improvement Project (GOSL-WB)	1,050,000,000	1,049,999,998	100
		North East Local Services Improvement Project (GOSL-WB)	67,661,270	67,661,269	100
		Programme of upgrading 5000 primary and 1000 Secondary schools	19,410,071	19,410,070	100
		Diriya Piyasa Programme	54,761,719	54,761,719	100
		Strengthening the Resilience of Post Conflict Recovery and Development to Climate Change Risks in Sri Lanka (GOSL-IFAD)	32,000,000	32,000,000	100
		National Agribusiness Development Programme (GOSL-UNDP)	32,357,740	32,357,738	100
		National Agribusiness Development Programme (GOSL-UNDP)	2,951,943	2,951,943	100
		Upliftment of living standards of hand woven textiles weavers- Gampaha District (GOSL-PAKISTAN)	8,240,002	8,240,000	100
		Wildlife Conservation at selected Divisional Secretariat Divisions	557,937,252	557,937,245	100
		Sanitary and other facilities for rural schools	776,511,594	776,205,005	100
		Implementation of Project proposals by People's Representatives	2,460,207,343	2,460,207,332	100
		Deyata Kirula Development Programme	5,729,530,827	5,705,765,951	100
		Project for Training Frontline Officers of Community Development in conflict affected areas in Sri Lanka (GOSL-JICA)	4,388,976	4,388,976	100
		Uthuru Wasanthaya	956,681,017	956,681,017	100
		Development of Infrastructure (Conflict affected region emergency project)(GOSL-ADB)	2,178,953,070	2,178,953,059	100
		Development of Infrastructure (Conflict affected region emergency project)(GOSL-ADB)	544,800,000	544,772,902	100
		Development of Infrastructure Emergency (Emergency Northern recovery project) (GOSL-WB)	376,841,830	376,841,818	100
		Development of Infrastructure Emergency (Emergency Northern recovery project) (GOSL-WB)	9,184,181	9,184,181	100
		Restoration of Livelihood Resettled IDP's in the North (GOSL-ADB)	18,923,790	18,923,785	100
		Restoration of Livelihood Resettled IDP's in the North (GOSL-ADB)	783,198	783,197	100
		Mine Risk Education Programme (GOSL-UNICEF)	1,469,035	1,469,030	100
		Negenahira Navodaya	468,256,938	468,256,938	100
		Sabaragamuwa Arunalokaya	2,772,772,563	2,772,772,562	100
		Rajarata Nawodaya	1,907,360,490	1,907,360,485	100
		Kandurata Udanaya	3,544,000,000	3,543,848,490	100
		Wayamba Pubuduwa	1,724,265,752	1,723,795,429	100
		Pubudamu Wellassa	1,627,318,059	1,627,315,059	100
		Batahira Ran Aruna	6,227,500,163	6,226,547,844	100
		Ruhunu Udanaya	2,292,007,761	2,291,638,020	100
		Saemual Undong Project	860,000	860,000	100
		Regional Interfacing Initiatives	2,059,183,426	2,058,586,779	100
		Tourism Promotion for Economic Development	9,953,499	9,953,499	100

## STATEMENT OF CAPITAL INVESTMENT IN DEVELOPMENT PROJECTS - 2014 *contd...*

### Note 33

Head No.	Institution	Project Description	Provision (Rs.)	Expenditure (Rs.)	Expenditure as % of Provision
106	Ministry of Disaster Management	Deyata Kirula	10,000,000	9,999,211	100
		Disaster Risk Management Programme	10,000,000	10,000,000	100
		Disaster Risk Management Programme	46,468,000	46,467,937	100
		Other Capital Expenditure	2,000,000	1,957,200	98
		Flood & Drought Relief	35,000,000	32,230,585	92
108	Ministry of Postal Services	Other Capital Expenditure - Enhancing Postal Services & Stamps	24,000,000	23,502,097	98
		Postal Network Improvement Project	171,000,000	132,483,055	77
110	Ministry of Justice	Other Capital Expenditure - Child Protection Programme (GOSL-UNICEF)	17,500,000	9,574,684	55
		Strengthening Enforcement of Law, Access to Justice and Social Integration (GOSL-UNDP)	67,500,000	15,809,528	23
111	Ministry of Health	Other Capital Expenditure	5,000,000	1,756,904	35
		Other Capital Expenditure	80,000,000	36,631,515	46
		Technical Assistance - WHO	100,000,000	15,370,859	15
		Health Sector Training	22,000,000	6,259,699	28
		Supply and Installation of Hazardous Healthcare Waste Treatment Units	21,095,000	21,091,082	100
		Equipment for Central Supply and Sterilization Departments and Infection Control Units	1,000,000	100,000	10
		Thousand Hospital Development Programme	300,000,000	113,784,941	38
		Infrastructure and Human Resource Development of National Drug Quality Assurance Laboratory	50,000,000	10,502,325	21
		Establishment of Elderly Wards in Identified Hospitals	10,000,000	6,850,825	69
		Development of Health Facilities in Identified Districts	40,000,000	7,378,748	18
		Special Emergency Provision for Crisis Management	75,000,000	55,979,469	75
		Improvement of comprehensive Emergency and Obstetric Care Facilities under line Ministry Hospitals	77,000,000	76,400,767	99
		Epilepsy Unit at National Hospital- Colombo (GOSL-Saudi Fund)	108,417,773	103,464,965	95
		Improving efficiency of Operation theaters and provision of oxygen concentrators to Tsunami affected and Remote Area Hospitals (GOSL-France)	2,000,000	811,162	41
		Improvement of Basic Social Services Targeting the Emerging Regions (GOSL-JICA)	8,000,000	4,943,012	62
		Implementation of Electronic IMMR System	5,000,000	4,934,164	99
		Establishment of Quality Management Units in selected Hospitals	20,000,000	17,231,762	86
		Modernization of Children's' Hospitals as Center of Excellence	200,000,000	183,023,645	92
		Improvement of Hospital Kitchens and related activities	33,905,000	13,276,055	39
		Epidemiology Unit	32,500,000	10,530,462	32
		Family Health Bureau	50,000,000	39,978,821	80
		Other Community Health Services	19,000,000	7,024,346	37
		National Dengue Control Programme	350,000,000	172,442,808	49
		National Dengue Control Programme	52,919,482	52,919,482	100
		Rabies Control Programme	224,610,327	224,610,326	100
		Kidney Disease Programme	101,680,404	101,680,404	100
		Anti-Leprosy and Anti-Filariasis Campaign	30,000,000	14,229,603	47
		Anti-Leprosy and Filariasis campaign	10,000,000	9,815,811	98
		Global Alliance for Vaccine Immunization (GAVI) - HSS	150,000,000	107,906,613	72
		Global Alliance for Vaccine Immunization (GAVI) - HSS	7,000,000	6,208,368	89
		Health Education Bureau	20,000,000	18,935,536	95
		Strengthening and Rehabilitation of Provincial Mental Health Units (GOSL-World Bank)	2,000,000	204,460	10
		Strengthening and Rehabilitation of Provincial Mental Health Units (WHO)	1,855,000	1,395,456	75
		Leptospirosis Controlling	5,000,000	4,721,965	94
		Children's' Action Plan	20,700,000	17,769,469	86
		Disaster Preparedness & Response Programme	10,517,828	10,517,828	100
		National Cancer Control Center	25,000,000	15,917,446	64
		National Cancer Control Center	1,900,000	1,361,812	72
		Oral Health Promotion & Fluorosis Prevention	15,000,000	4,438,928	30

## STATEMENT OF CAPITAL INVESTMENT IN DEVELOPMENT PROJECTS - 2014 *contd...*

**Note 33**

Head No.	Institution	Project Description	Provision (Rs.)	Expenditure (Rs.)	Expenditure as % of Provision
		Programme for Strengthening Primary Level Healthcare	19,000,000	16,593,423	87
		Programme for Strengthening Primary Level Healthcare	118,715,027	118,715,027	100
		Reproductive Health Programme (UNFPA)	16,145,000	16,145,000	100
		Youth, Elderly, Disable and Displaced Person	966,482	951,239	98
		Global Fund to fight against Aids, Tuberculosis and Malaria (GFATM)	660,000,000	577,362,659	87
		Global Fund to fight against Aids, Tuberculosis and Malaria (GFATM)	42,921,001	31,553,638	74
		Health sector Development Project Component II	32,618,303	3,426,787	11
		Improvement of Preventive health services in the Estate sector	50,000,000	7,781,663	16
		Investment in Non-Communicable Diseases- Cancer, Stroke and Kidney	800,000,000	677,495,641	85
		Control of Non Communicable Diseases	22,175,000	11,719,967	53
		Control of Non Communicable Diseases	40,132,995	40,132,995	100
		National STD/AIDS Control Programme	20,000,000	20,000,000	100
		National STD/AIDS Control Programme	7,325,000	4,827,953	66
		Improvement of Case Detection Service for TB through Central Chest Clinic NPTCCD and MOH Managed Hospitals	51,850,948	51,850,948	100
		National Programme for Improvement of the Nutritional Status of Vulnerable Population	50,000,000	45,935,405	92
		Other Capital Expenditure	24,536,848	24,536,848	100
		Other Capital Expenditure	20,000,000	5,199,437	26
		Other Capital Expenditure	14,000,000	1,768,412	13
112	Ministry of External Affairs	Commonwealth Heads of Government Meeting (CHOGM)	429,120,000	385,619,835	90
		Chancery Building and residence in London	234,155,000	234,154,203	100
		Residence in New Delhi and Other Constructions	186,725,000	7,697,373	4
114	Ministry of Transport	Implementation of Strategic Plan for Traffic Management	20,000,000	12,244,359	61
115	Ministry of Petroleum Industries	Petroleum Sector Development Framework	1,350,000	1,306,832	97
116	Ministry of Co-operative and Internal Trade	Establishment of Economic Centers	114,000,000	107,388,710	94
		Strengthening of Co-operatives	35,000,000	34,917,251	100
		Expansion of Lak Sathosa Retail Network	170,000,000	165,000,000	97
117	Ministry of Port and Highways	Northern Expressway	598,700,000	598,700,000	100
		Rectification of Slope Failure Project on Southern Expressway (GOSL-JICA)	275,000,000	179,012,800	65
		Road Sector Assistance Project (RSAP)- (GOSL-World Bank)	10,000,000	9,242,434	92
		Road Sector Assistance Project (RSAP)- (GOSL-World Bank)	500,000	370,002	74
		Technical Assistant for Southern Highway Investment Programme - Western Province (GOSL-ADB)	85,000,000	16,452,871	19
		Technical Assistant for Southern Highway Investment Programme - Western Province (GOSL-ADB)	20,000,000	16,722,423	84
		Tax Component	1,001,460,000	1,001,417,906	100
		Deyata Kirula	4,784,800,000	4,784,664,805	100
		Road Project Preparatory Facility (Including Provincial Roads)-(GOSL-ADB)	218,800,000	218,759,919	100
		Road Project Preparatory Facility (Including Provincial Roads)-(GOSL-ADB)	3,000,000	2,145,000	72
		Surveys, Investigations and Feasibility Studies	46,595,500	46,595,416	100
		Government Guaranteed Local Bank funded road rehabilitation projects - Interest & Loan Repayment	3,732,750,000	3,732,657,606	100
		Deyata kirula- Connecting Villages	1,500,000,000	680,418,587	45
		Provincial Road Development under the Ministry of Economic Development	1,013,000,000	1,013,000,000	100
118	Ministry of Agriculture	Crop Forecasting Programme	2,706,688	2,706,688	100
		Special Programmes for ensuring Food Security	281,846,437	281,818,043	100
		Production & Use of Organic Fertilizer	197,169,066	197,165,742	100
		Implementation of National Agricultural Research Plan (NARP) with Universities	11,256,164	11,256,164	100
		Big Onion Seed Production Programme	15,494,065	15,494,065	100
		Deyata Kirula Development Programme	32,893,084	29,764,869	90
		Promotion of rice exports by establishing Four Rice Export Zone	39,091,918	39,091,918	100

## STATEMENT OF CAPITAL INVESTMENT IN DEVELOPMENT PROJECTS - 2014 *contd...*

Note 33

Head No.	Institution	Project Description	Provision (Rs.)	Expenditure (Rs.)	Expenditure as % of Provision
120	Ministry of Child Development and Women's Affairs	Diriya Kantha Programme (GOSL/UNFPA)	33,000,000	32,436,096	98
		Diriya Kantha Programme (GOSL/UNFPA)	37,000,000	13,828,067	37
		Lama Saviya Programme	10,000,000	9,492,196	95
		Deyata Kirula	2,000,000	1,998,723	100
		Kekulu Udana (GOSL/UNICEF)	21,300,000	21,110,109	99
		Kekulu Udana (GOSL/UNICEF)	3,250,000	1,977,905	61
		Kantha Saviya	30,000,000	29,859,624	100
		Women Development Programme	6,000,000	5,245,720	87
		Early Childhood Care and Development	18,000,000	17,904,892	99
		Supervision of Children's Homes	8,000,000	7,941,595	99
		Improvement of Vocational Skills of Children's in Homes	2,500,000	2,314,365	93
		Ensuring Child Protection and Child Rights (GOSL/UNICEF)	5,500,000	1,205,615	22
		Prevention of Child abuse and Violence against women	400,000,000	399,955,011	100
		Ensuring and Strengthening Protection of Women Development (GOSL/UNDP)	32,800,000	32,796,706	100
		South Asia Initiatives to End Violence Against Children (GOSL/SAARC)	19,200,000	16,297,849	85
121	Ministry of Public Administration and Home Affairs	Governance of Local Economic Development (G-LED) Project-UNDP	22,000,000	21,982,282	100
		Governance of Local Economic Development (G-LED) Project-UNDP	3,000,000	2,482,503	83
		Providing Sanitary Facilities for National Heritage Sites	1,363,000	1,000,000	73
122	Ministry of Mass Media and Information	1. Media Publicity for National Development 2. Research and Monitoring for Media Personal 3. Media Centre for Commonwealth Heads of Government Meeting	313,500,000	305,926,396	98
123	Ministry of Construction, Engineering Services, Housing and Common Amenities	Capacity Building in Construction Industry RPL	3,000,000	3,000,000	100
		Converting ICTAD in to Construction Development Authority	10,500,000	10,499,999	100
		Construction of Technology Theme park	5,000,000	5,000,000	100
		Upgrading of Technical Training Infrastructure at CETRAC	35,000,000	35,000,000	100
		Development of Training Infrastructure at Operator Training Centre Galkulama	37,000,000	37,000,000	100
		Mahabimani National Programme	15,000,000	15,000,000	100
		Rural Housing Loan Programme (NHDA)	835,000,000	769,000,000	92
		Renovation of Housing Schemes	1,292,112,000	748,500,000	58
		Land Compensation for the Projects (NHDA)	60,000,000	60,000,000	100
		Transfer of Ownership of Housing Schemes for Tsunami Affected Peoples (CMA)	66,000,000	1,400,000	2
		Implementation of UN Habitat Programmes	20,000,000	19,019,237	95
		Janasevana Participatory Environment and Sanitation Improvement Project (USDA)	50,000,000	43,136,400	86
		Urban Housing Scheme at Angulana - Stage II (USDA)	450,000,000	260,535,029	58
		"Janauapahara" Housing Development Loan Programme	30,000,000	30,000,000	100
		Moratuwa Lunawa Urban Housing scheme (USDA)	408,000,000	188,849,931	46
		Housing Development Programme for the Unserved Public	550,000,000	512,937,500	93
		Chilaw Urban Housing Redevelopment Project (USDA)	24,200,000	24,200,000	100
		Lindula Housing Programme (USDA)	34,000,000	1,942,701	6
		Human Settlement Livelihood and Coastal Environmental Development Project (USDA)	82,800,000	25,000,000	30
		Seethawaka Low Income Housing Scheme	10,000,000	4,000,000	40
		Relocating Housing Scheme at Soysapura, Moratuwa (NHDA)	75,000,000	45,000,000	60
		Urgent and Essential Repairs of Government Housing (CMA)	158,000,000	110,690,000	70
124	Ministry of Social Services	Support for Low Income Disable Persons	48,000,000	47,899,537	100
		Social Development Management Information System	500,000	500,000	100
		Social Development Programme	2,500,000	2,487,451	99
		Self Employment Opportunities for single parent families	7,000,000	6,774,544	97
		National Counseling Programme	12,000,000	10,590,811	88
		Social care Centers (GOSL/UNICEF)	5,000,000	4,862,962	97
		GOSL/UNICEF Country Programme	11,200,000	7,803,050	70
		Improvement of Vocational Training Centers for Disabled - Dirisaviya (GOSL/WB)	155,000,000	154,989,787	100
		Deyata Kirula	10,000,000	9,602,730	96

## STATEMENT OF CAPITAL INVESTMENT IN DEVELOPMENT PROJECTS - 2014 *contd...*

### Note 33

Head No.	Institution	Project Description	Provision (Rs.)	Expenditure (Rs.)	Expenditure as % of Provision
126	Ministry of Education	Facilitating Secondary Education	47,000,000	47,000,000	100
		Deyata Kirula Programme	21,248,310	21,248,309	100
		Strengthening of Piriven Education	223,667,905	223,667,904	100
		Transforming the school education system as the foundation of a Knowledge hub Project (WB)	50,000,000	50,000,000	100
		Transforming the school education system as the foundation of a Knowledge hub Project	30,000,000	30,000,000	100
		UNESCO Activities	6,916,000	4,895,483	71
		Transforming the school education system as a Knowledge Hub Project 175 (Mahin-dodaya Labs (GOSL/WB)	100,184,951	100,184,950	100
		Other Capital Expenditure	8,400,000	8,400,000	100
		Transforming the school education system as a Knowledge Hub Project 175 (Mahin-dodaya Labs (GOSL/WB)	2,088,740	2,088,734	100
		Education for Social Cohesion (GOSL/German (GIZ)	5,000,000	4,997,044	100
127	Ministry of Labour and Labour Relations	Administration and Establishment Service	3,000,000	2,382,240	79
		Implementation of the National Policy for Decent Work	20,000,000	16,928,269	85
128	Ministry of Traditional Industries and Small Enterprises Development	Exhibition and Award Ceremony including Deyata Kirula	30,000,000	29,999,993	100
		Kithul Development Project	20,590,000	19,676,735	96
		Atchchuvely Industrial Estate Rehabilitation Project (GOSL-India)	6,000,000	6,000,000	100
		Atchchuvely Industrial Estate Rehabilitation Project	2,070,000	2,057,260	99
		North Sea Ltd - Development & Expansion of Fishing Net Factory (GOSL-India)	19,410,000	19,409,800	100
		Improvement in Elephant Pass Saltern	400,000	399,404	100
		Development of Traditional Handicraft villages	32,000,000	29,787,550	93
		Upgrading & Modernization of Main & Mini Industrial Estate	64,530,000	64,529,182	100
		Livelihood Development of Palmyrah Development in the Northern Province	57,000,000	56,997,834	100
		Development of Pottery Villages	37,000,000	30,005,706	81
		Development of Enterprise Villages & Women Entrepreneurship	27,000,000	26,474,510	98
130	Ministry of Local Government and Provincial Councils	Greater Colombo Waste Water Management Project -GOSL/ADB	1,450,000,000	808,218,086	56
		Greater Colombo Waste Water Management Project -GOSL/ADB	29,000,000	17,000,000	59
		Greater Colombo Waste Water Management Project -GOSL/ADB	230,000,000	230,000,000	100
		Upgrading the Disaster Response Network Project - Phase ii - GOSL & Netherland	360,000,000	359,507,592	100
		Upgrading the Disaster Response Network Project - Phase ii - GOSL & Netherland	38,000,000	37,295,535	98
		1.Local Authority Competition 2. Local Government Week 3. Establishment of Data Base in respect of Local Authorities 5. Local Authority Library Development	36,000,000	32,761,241	91
133	Ministry of Technology and Research	Deyata kirula	8,000,000	3,003,242	38
		Knowledge transfer Programmes and Other Development activities	25,400,000	23,744,411	93
		Scientific Development Programme	33,000,000	27,966,688	85
		Multipurpose Gamma Irradiator Project	87,000,000	69,750,736	80
		Nanotechnology Initiative	550,000,000	549,999,999	100
		Negenahira Navodaya	111,920	30,000	27
		Techno Entrepreneurship Development	5,000,000	3,626,158	73
		Installation of a 4D Digital Projectors	120,000,000	120,000,000	100
134	Ministry of National Languages and Social Integration	National Languages Development Programme	5,000,000	3,511,943	70
		Social Integration Development Programme	12,235,000	11,745,103	96
		Trilingual Programme	20,000,000	13,764,361	69
		Deyata Kirula Programme	4,000,000	3,483,907	87
		Research Activities	1,100,000	796,447	72

## STATEMENT OF CAPITAL INVESTMENT IN DEVELOPMENT PROJECTS - 2014 *contd...*

Note 33 - STATEMENT OF CAPITAL INVESTMENT IN DEVELOPMENT PROJECTS - 2014

Head No.	Institution	Project Description	Provision (Rs.)	Expenditure (Rs.)	Expenditure as % of Provision
135	Ministry of Plantation Industries	Equal Access to Justice Programme Phase iii (GOSL/UNDP)	100,000,000	38,963,838	39
		Equal Access to Justice Programme Phase iii (GOSL/UNDP)	100,000	100,000	100
		Bilingual Public Activity Programme	29,465,000	24,108,334	82
		Small Holders Out growers Estate Development Programme (GOSL/IFAD)	561,600,000	419,985,005	75
		Small Holders Out growers Estate Development Programme (GOSL/IFAD)	38,400,000	29,665,366	77
		Tea and Rubber Land (Fragmentation) Board	500,000	500,000	100
		Deyata Kirula Development Programme	2,922,000	1,667,904	57
		Cadastral surveys in the plantation sector	19,000,000	3,432,963	18
		Mapping of Tea, Rubber, and Other Plantation Lands using GIS Techniques	12,000,000	8,592,901	72
		Soil conservation and Productivity Development assistance for Tea Smallholders	472,307,000	472,307,000	100
136	Ministry of Sports	Tea Shakthi Fund	75,000,000	25,550,000	34
		Asian Youth Games-2017	502,000,000	218,922,810	44
138	Ministry of Indigenous Medicine	Establishment of Poshana Mandira	3,000,000	2,631,880	88
		Development of Homeopathic System	45,000,000	20,656,762	46
		Project to provide Community health facilities through indigenous medicine	100,000,000	89,394,842	89
		New Village Level Osu Govi Programme for Youth	1,000,000	156,848	16
139	Ministry of Fisheries and Aquatic Resources Development	Oruwella Radio Programme & Awareness Programme	7,895,119	7,128,000	90
		Fisheries Community Empowerment	126,552,115	126,552,115	100
		Purchase of Mother Vessels	347,981,000	2,653,663	1
		Dickowita Fishery Harbour	128,000,000	106,067,029	83
		Post Tsunami Coastal Rehabilitation & Resources Management Programme and Post Tsunami Livelihood Support & Partnership Programme	27,200,000	26,416,388	97
		Post Tsunami Coastal Rehabilitation & Resources Management Programme and Post Tsunami Livelihood Support & Partnership Programme	5,000,000	2,293,228	46
		Stocking of fish fingerlings in fresh water bodies to develop inland fisheries.	30,000,000	30,000,000	100
		Deyata Kirula Development Programme	13,149,369	13,149,369	100
		Development of Ornamental Fish Industry	8,000,000	8,000,000	100
		Establishment of Inland Fresh Water Fish Breeding Centers	225,000,000	169,707,103	75
140	Ministry of Livestock and Rural Community Development	Development & Rehabilitation of Fishery Harbours , Anchorages and Landing Sites	453,000,000	249,446,783	55
		Implementation of Vessel Monitoring System	70,780,000	759,192	1
		Facilitation and Promotion of Liquid Milk Consumption	75,000,000	73,102,654	97
		Establishment of Animal Breeder farms	35,000,000	34,374,967	98
		Medium Term Livestock Development Programme	50,000,000	45,262,872	91
		Importation of Dairy animals	77,300,000	77,296,700	100
		Importation of Dairy animals	53,700,000	49,976,619	93
		Increase of Fresh Milk Buying Price	30,931,000	30,930,979	100
		Development of small and medium scale poultry farming system	20,000,000	19,478,609	97
		Deyata Kirula Development Programme	5,000,000	4,788,237	96
142	Ministry of National Heritage	Swine Industry Development	15,000,000	10,513,511	70
		Livelihood and basic facility improvement in rural areas	200,000,000	193,374,907	97
		Lagging area Socio-Economic Development Project	599,500,000	535,663,594	89
		Estate Housing Programme	150,000,000	147,695,790	98
		Preservation native habits	4,500,000	4,268,047	95
		Deye Urumaya Daruwantai Awareness Programme	2,000,000	1,937,978	97
		Sri Lanka, Netherland Cooperation Programme-Jaffna Fort	14,810,365	14,810,365	100
		Folk Art Center	10,500,000	5,416,390	52
		Establishment of Heritage information & Activity Center-Col.	25,000,000	25,000,000	100
		Improving Existing Web Site	50,000	41,380	83
		Negenahira Navodaya Programme	3,000,000	3,000,000	100
		Deyata Kirula National Development Exhibition	4,000,000	3,968,088	99

## STATEMENT OF CAPITAL INVESTMENT IN DEVELOPMENT PROJECTS - 2014 *contd...*

### Note 33

Head No.	Institution	Project Description	Provision (Rs.)	Expenditure (Rs.)	Expenditure as % of Provision
145	Ministry of Resettlement	Ritigala Archeological Sites Conservation & Preservation Project	5,999,635	4,019,445	67
		Establishment of Navel Museum-Trincomalee	3,000,000	2,985,000	100
		Renovation of Ancient Dutch Market, Nupe at Matara	1,500,000	1,500,000	100
		Renovation of Broton Bungalow, Bandarawela	3,000,000	3,000,000	100
		Heritage Conservation and Promotion of Initiatives	60,000,000	26,223,294	44
		Deyata Kirula	1,000,000	990,919	99
		Support for Re-settlement Activities-UNCHR	2,603,000	2,600,000	100
		Welioya Resettlement Programme	40,000,000	38,157,804	95
		Provision of Water and Sanitation Facilities for resettled families in Northern & Eastern Province	150,000,000	148,631,677	99
149	Ministry of Industry and Commerce	Resettlement in Keppapilavu	25,000,000	24,997,284	100
		Industrial estates	315,000,000	216,915,489	69
		Thrust Area Development Programme	75,000,000	48,951,516	65
152	Ministry of Irrigation and Water Resources Management	Handloom and Textile Industries	200,000,000	181,093,279	91
		Pro poor Economic Advancement & Community Enhancement (PEACE) Project (GOSL-JBIC)	12,878,343	3,664,330	28
		Rehabilitation of major and medium irrigation schemes including emergency infrastructure rehabilitations work	791,878,042	791,878,042	100
		Feasibility studies	529,927,648	527,723,232	100
		Dam Safety and Water Resources Planning Project (GOSL/W.B)	1,921,000,000	1,920,691,122	100
		Dam Safety and Water Resources Planning Project (GOSL/W.B)	255,000,000	224,961,014	88
		Moragahakanda & Kaluganga Reservoir Project (GOSL - China, Kuwait & Saudi)	2,003,380,637	2,003,380,636	100
		Moragahakanda & Kaluganga Reservoir Project (GOSL - China, Kuwait & Saudi)	3,200,000,000	2,242,079,058	70
		Moragahakanda & Kaluganga Reservoir Project (GOSL - China, Kuwait & Saudi)	1,600,000,000	1,091,872,228	68
		Moragahakanda & Kaluganga Reservoir Project (GOSL - China, Kuwait & Saudi)	661,617,930	590,111,410	89
		Emergency Natural Disaster Rehabilitation Project	39,000,000	34,282,967	88
		Lower Malwathuoya Multi Sector Development Project	3,000,000	2,763,180	92
		Prefabricated buildings for Government Agencies from Peoples, Republic of China	3,765,519,130	3,765,436,515	100
		Implementing a mechanism to protect river bank of Mahaweli-Gatambe	100,000,000	89,235,216	89
		Climate Resilience Improvement Project (GOSL/W.B)	495,000,000	97,791,452	20
		Climate Resilience Improvement Project (GOSL/W.B)	50,000,000	35,000,000	70
		Climate Resilience Improvement Project (GOSL/W.B)	15,000,000	13,851,658	92
		Water Resources Development Investment Programme (GOSL/ADB)-Upper Elehera Canal, Moragahakanda, Kaluganga Transfer Canal, Minipe anicut raising & Lb Rehabilitation, North Western Province canal	5,000,000	963,810	19
		Gin Nilwala Diversion Project	3,305,000,000	998,576,311	30
		Additional Financing for Damsafety and Water Resources Planning Project (GOSL/W.B)	150,000,000	114,286,322	76
153	Ministry of Land & Land Development	Implementation of Recommendation of LLRC	300,000,000	255,403,890	85
156	Ministry of Youth Affairs and Skills Development	Other Capital Expenditure	1,100,000	911,853	83
		Other Capital Expenditure	50,000,000	49,315,213	99
		Improvement of Vocational Training Activities (Yovun Diriya Programme)	104,000,000	71,958,453	69
		UNICEF Supported Programme	7,912,000	7,911,842	100
		Young People's Reproductive Health (UNICEF)	15,000,000	11,963,659	80
		Establishment of 5 Automobile Centers (GOSL/Korea)	15,000,000	8,922,628	59
		Other Capital Expenditure	42,000,000	41,878,446	100
160	Ministry of Environment	Formulation, Review and gap Analysis of Environmental Policies	9,000,000	6,136,520	68
		Adaption and Mitigation of Climate Change Impacts	3,000,000	1,225,491	41
		Commemoration of Major Environment Events	6,500,000	4,619,838	71
		Education and Awareness Creation on Environment	3,000,000	619,590	21



## STATEMENT OF CAPITAL INVESTMENT IN DEVELOPMENT PROJECTS - 2014 *contd...*

### Note 33

Head No.	Institution	Project Description	Provision (Rs.)	Expenditure (Rs.)	Expenditure as % of Provision
166	Ministry of Water Supply and Drainage	Environmental Protection and Conservation	71,133,000	36,374,375	51
		School Environmental Pioneer Programme (Haritha Niyamu)	8,000,000	7,862,859	98
		Implementation of the Montreal Protocol (GOSL/UNDP)	15,500,000	13,604,842	88
		Implementation of the Montreal Protocol (GOSL/UNDP)	5,971,100	5,971,033	100
		Strengthen the National Coordination Activities of the Global Environment Facility	1,850,000	1,430,400	77
		Pilisaru Programme	459,000,000	343,800,000	75
		Plastic Waste Management Programme	45,000,000	44,465,095	99
		Waste Management System at Dompe, Gampaha District (GOSL/Korea)	45,513,000	41,375,761	91
		Strengthening of Laboratory of the Central Environment Authority	50,000,000	40,424,444	81
		Construction of Solid Waste Disposal Facilities Anuradhapura, Hikkaduwa, Udunuwara and Panadura (GOSL/Korea)	125,000,000	78,057,687	62
		Construction of Solid Waste Disposal Facilities Anuradhapura, Hikkaduwa, Udunuwara and Panadura (GOSL/Korea)	18,515,900	15,640,000	84
		Community Forestry Programme (GOSL/UNDP)	117,000,000	116,041,963	99
		Community Forestry Programme (GOSL/UNDP)	17,000,000	3,179,530	19
		Promoting Sustainable Biomass Energy Production and Modern Bio-Energy Technologies (GOSL/UNDP)	50,000,000	1,881,729	4
		Mechanism for Reducing Emissions from Deforestation and Degradation (GOSL/UNDP)	100,000,000	9,432,283	9
		Management of Invasive Alien Species which comes through Ship's Ballast Water	9,000,000	4,462,323	50
		Addressing Climate Change Impacts on Marginalized Agricultural communities living at Mahaweli River Basin (GOSL/WFP)	122,650,000	6,220,509	5
		Green Fishery Harbour Project at Mirissa	10,000,000	7,362,960	74
		Sustainable Management of Bio Diversity and Natural Resources	40,000,000	20,651,052	52
		Sustainable Management of Bio Diversity and Natural Resources	27,600,000	19,026,056	69
		Implementation of Rain Water Harvesting Programme	5,000,000	4,977,500	100
		Lunawa Environment and Community Development Project (GOSL-Japan)	40,000,000	39,809,371	100
		South Asia Conference on Sanitation, Follow up Action - All Island Sanitation Programme	20,700,000	20,669,228	100
		North & East Pilot WASH (Water Sanitation & Hygiene Project) (GOSL-WB)	80,000,000	64,774,340	81
		North & East Pilot WASH (Water Sanitation & Hygiene Project) (GOSL-WB)	27,000,000	26,995,555	100
		Improving community based rural water supply and Sanitation in Jaffna & Kilinochchi Districts (GOSL-ADB)	130,000,000	43,042,547	33
		Improving community based rural water supply and Sanitation in Jaffna & Kilinochchi Districts (GOSL-ADB)	11,000,000	10,988,998	100
		Community Infrastructure Development in Batticaloa, Mannar and Vavuniya	64,000,000	63,900,303	100
		Improvement of Rural Water Supply and Sanitation in Badulla & Monaragala	50,563,000	50,563,000	100
		Prevention on Water Borne Diseases in the North Central Province	619,000,000	618,781,959	100
		Establishment of National Community Water Supply Department and related development work	14,000,000	13,830,204	99
		Deyata Kirula Programme	30,005,250	30,005,250	100
171	Ministry of Higher Education	The Development Plan for South Eastern University Phase 1 "B" (GOSL/Kuwait)	12,000,000	3,449,846	29
		The Development Plan for South Eastern University Phase 1 "B" (GOSL/Kuwait)	218,000,000	216,085,141	99
		The Development Plan for South Eastern University Phase 1 "B" (GOSL/Kuwait)	37,000,000	34,072,509	92
		SATREPS Project for Development of Pollution Control & Environment Restoration Technologies of Waste Landfill Sites (GOSL/JICA)	77,000,000	76,947,613	100
		SATREPS Project for Development of Pollution Control & Environment Restoration Technologies of Waste Landfill Sites (GOSL/JICA)	34,110,000	11,865,000	35
		Improvement of Japanese Language Learning of University of Kelaniya and University of Sabaragamuwa (GOSL/JICA)	37,000,000	36,840,600	100

## STATEMENT OF CAPITAL INVESTMENT IN DEVELOPMENT PROJECTS - 2014 *contd...*

### Note 33

Head No.	Institution	Project Description	Provision (Rs.)	Expenditure (Rs.)	Expenditure as % of Provision
		Improvement of Japanese Language Learning of University of Kelaniya and University of Sabaragamuwa (GOSL/JICA)	5,890,000	5,889,891	100
		Building research excellence in Wildlife and Human Health in Sri Lanka (Canada)	17,616,000	17,615,744	100
		Erausmus Mundas Action 2 Lot 9, EXPERTS (Germany)	758,000	756,965	100
		Norwegian Programme for Capacity Building in Higher Education & Research Development (NORHED) Project	8,347,000	8,337,346	100
175	Ministry of State Resources and Enterprise Development	Deyata Kirula Development Programme	4,325,000	3,581,286	83
		State Resource Management Corporation Ltd.	11,000,000	11,000,000	100
177	Ministry of Culture & Art	Public Performance Board	600,000	395,900	66
		Improving existing Web Site	600,000	406,594	68
		Revealing & Preserving of Indigenous Knowledge & Cultural Values	2,500,000	1,980,054	79
		Improving facilities of Cultural Centers under Deyata Kirula Programme	15,000,000	14,484,922	97
		Renovation Project of Elphinestone Art Theatre	178,000,000	28,000,000	16
		In-service Training Centers - Veyangoda	2,500,000	2,127,726	85
		Preservation of Native Habits	10,000,000	457,448	5
		Construction of Cultural Center & the Tsunami Information Center at Peraliya, Telwatta	30,000,000	5,939,163	20
		Construction of SAARC Cultural Center	165,000,000	150,168,094	91
		Shilpa Gammana Programme	8,000,000	940,913	12
		Construction and Rehabilitation of Cultural Centers (Including LLRC & Deyata Kirula)	110,000,000	110,000,000	100
		Musical Instruments and Furniture for Cultural Centers	30,000,000	30,000,000	100
178	Ministry of Coconut Development and Janatha Estate Development	Control of Weligama Coconut Leaf Wilt & Rot Disease	200,000,000	91,287,715	46
180	Ministry of Minor Export Crop Promotion	Deyata Kirula Development	4,000,000	2,884,357	72
		Special Cocoa Cultivation Project in Uva-Wellassa	5,000,000	2,939,062	59
181	Ministry of Productivity Promotion	Implementation of Service/ Excellent Framework for Government and Semi Government Organizations	1,200,000	1,200,000	100
		Other Capital Expenditure	2,000,000	1,953,988	98
182	Ministry of foreign Employment Promotion and Welfare	Strengthening Island wide Administrative Network for the Development of Foreign Employment Industry	10,000,000	7,640,100	76
		Foreign Employment Promotional Road Shows	10,000,000	179,505	2
		Development of Promotional Materials	1,000,000	549,022	55
183	Ministry of Public Relations and Public Affairs	Community Development Projects in most difficult Villages	10,000,000	5,841,778	58
		Facilitating Less- known Traditional Villages	3,500,000	551,622	16
		Empowering the Community through Sramadhana Based Projects	8,980,000	5,995,530	67
		Minimizing the Community through Sramadhana based Projects	15,000,000	7,261,975	48
		Improving Common Amenities in Religious Places	17,000,000	16,359,642	96
		Establishing a Righteous Society by enhancing Social and Cultural Values	20,000,000	11,306,199	57
		Construction of Pilgrims Rests	200,000,000	195,358,985	98
		Providing facilities to empower under privileged communities and rural organizations	14,220,000	14,021,487	99
		Jana-Sethata Jana-Haula Mobile Service Programme	1,800,000	1,499,934	83
		Enhancing Capabilities of School Children in Remote Areas	2,500,000	1,569,117	63
185	Ministry of Telecommunication and Information Technology	Construction of Computer Labs in Schools	700,000,000	510,169,035	73
		IT Park-Jaffna	2,500,000	1,624,816	65
		IT Park- Mannar	1,100,000	1,098,307	100
		Set up Nenasala Centers at Grama Niladari Division Level (Budget Proposal 2014)	100,000,000	100,000,000	100
		Expansion of Nanasala Centers and New Facilities (Budget Proposal 2014)	550,000,000	193,044,465	35

## STATEMENT OF CAPITAL INVESTMENT IN DEVELOPMENT PROJECTS - 2014 *contd...*

Note 33

Head No.	Institution	Project Description	Provision (Rs.)	Expenditure (Rs.)	Expenditure as % of Provision
186	Ministry of Sugar Industry Development	Establishment of Sugarcane Nurseries	10,000,000	10,000,000	100
188	Ministry of Botanical Gardens & Public Recreation	Other Capital Expenditure	47,000,000	47,000,000	100
189	Ministry of Education Services	Water, Sanitation and Hygienic Programme (UNICEF)	198,837,000	138,403,101	70
201	Department of Buddhist Affairs	Improvements of Buddhist Temples	41,000,000	37,768,618	92
		Facilitation of Dhamma Schools	12,500,000	11,328,429	91
		Facilitation of Sasanarakshaka Mandala	4,000,000	3,754,942	94
		Facilitation of Seelamatha Arama	11,000,000	10,691,550	97
		Dhamma School Teacher's Training & Dham Sarasaviya Programme	4,000,000	3,886,786	97
202	Department of Muslim Religious and Cultural Affairs	Facilitation for Dhamma Schools	13,000,000	9,532,764	73
		Construction of Islamic Cultural Centers & Improvement of Mosque	6,000,000	5,299,359	88
		Construction of Kantakkudi Mosque	10,500,000	6,491,847	62
203	Department of Christian Religious and Cultural Affairs	Renovation, Rehabilitation of Infrastructure facilities of Churches (Including Deyata Kirula)	8,199,000	8,159,039	100
		Develop the Infrastructure facilities of Pilgrims (Talawa, Wahakotte, Madu)	7,400,000	7,400,000	100
204	Department of Hindu Religious and Cultural Affairs	Renovation, Rehabilitation of Infrastructure facilities of Hindu Temples (Including Deyata Kirula)	90,000,000	89,759,561	100
206	Department of Cultural Affairs	Construction Project of Kundasale Kala Nikethanaya	80,000,000	35,792,487	45
		Uthuru Dakunu Mithuru Sevana - Mihinthalawa	5,000,000	4,957,863	99
		Renovation Project of Jhon De Silva Theatre and National Art Gallery	88,000,000	86,340,093	98
		Project of accomplishment of Chapter VI of Mahawansa 1978-2010	4,000,000	4,000,000	100
207	Department of Archaeology	Nilagiriseya Conservation & Preservation Project	15,000,000	13,756,106	92
		Yudaganawa Conservation & Preservation Project	13,000,000	9,171,935	71
		Thiwankapilimageya Conservation & Preservation Project	14,000,000	13,647,407	97
		Maduwaneala Walauwa Preservation Project	6,000,000	5,912,287	99
		Rajagalathenna Archaeological Sites Conservation & Preservation Project	21,000,000	21,000,000	100
		New Rest House in Anuradhapura	17,000,000	15,823,724	93
		Deyata Kirula National Development Exhibition	5,075,000	3,783,037	75
208	Department of National Museums	Other Capital Expenditure - Deyata Kirula	1,500,000	1,499,711	100
		Construction of Hambantota Heritage Museum	22,000,000	22,000,000	100
		Astrology Gallery of National Science Museum	20,462,000	20,462,000	100
		Palei Bio Diversity park in Rathnapura National Museum	9,000,000	9,000,000	100
		Renovation of Colombo National Museum	25,538,000	19,695,968	77
		Improvement of Regional Museums	30,800,000	30,631,912	99
209	Department of Archives	Other Capital Expenditure 01. Deyata Kirula National Development Programme 02. Binding Legal Copies of News Papers	1,400,000	1,392,450	99
		Extension of Archives Building Complex	17,650,000	17,590,526	100
		Archival Management Project	6,150,000	6,136,740	100
		Tanap-Nap Project	340,000	339,060	100
212	Department of Examinations	Transforming the School Education System as the Foundation of a Knowledge Hub Project (WB)	10,000,000	10,000,000	100
213	Department of Educational Publications	Other Capital Expenditure - TSEP- Improving quality of text books and multiple book options (GOSL/WB)	10,000,000	9,994,860	100
216	Department of Social Services	Expansion of Jayavirusevana Institute at Puwakpitiya	7,000,000	5,381,069	77
		Community Based Rehabilitation Programme	9,000,000	8,829,681	98
		Modernization of Vocational Training Centers for Differently able	100,000,000	76,553,934	77
217	Department of Probation and Child Care Services	Refurbishment of Children's' Homes	5,500,000	5,247,467	95
219	Department of Sports Development	Sports Development	480,000,000	229,911,690	48
		Deyata kirula	8,000,000	1,479,092	18

## STATEMENT OF CAPITAL INVESTMENT IN DEVELOPMENT PROJECTS - 2014 *contd...*

### Note 33

Head No.	Institution	Project Description	Provision (Rs.)	Expenditure (Rs.)	Expenditure as % of Provision
220	Department of Ayurveda	Improvements of Dedicated Wards for Elderly in National and Provincial Ayurvedic Hospitals	8,042,093	5,678,669	71
		Promotional and Conservation of Traditional Indigenous Medical System	239,000,000	230,668,583	97
		Research Activities	2,957,907	2,957,906	100
		Maternal and Child Nutrition Programme	350,000	95,962	27
221	Department of Labour	Deyata Kirula	5,000,000	5,000,000	100
222	Sri Lanka Army	Prefabricated Building Project , Army Hospital Project	3,424,003,000	3,423,934,458	100
		Indian Line of Credit	1,000,000,000	341,668,867	34
		Indian Line of Credit	373,000,000	238,302,510	64
		Pakistan Line of Credit	160,000,000	159,829,050	100
223	Sri Lanka Navy	Prefabricated Building Project	57,800,000	57,721,551	100
		Development of Naval Academy	390,000,000	389,974,653	100
		Purchase of 2 Nos AOPVs (GOSL-India)	1,768,000,000	1,767,383,245	100
		Indian Line of Credit	327,665,000	327,664,607	100
		Indian Line of Credit	20,250,000	12,924,747	64
224	Sri Lanka Air force	Prefabricated Building Project	25,000,000	12,520,289	50
		Russian Line of Credit	8,675,270,000	8,675,269,135	100
		Indian Line of Credit	305,400,000	305,322,148	100
		Indian Line of Credit	170,000,000	10,683,971	6
225	Department of Police	Prefabricated Building Project	909,725,000	878,902,429	97
		Police Information and Communication Network	5,200,000	176,631	3
		Indian Line of Credit	400,000,000	191,482,226	48
		Indian Line of Credit	150,000,000	37,851,301	25
226	Department of Immigration & Emigration	1.Blank Travel Documents & related Deliverables 4. Introduction of machine Readable Visa Sticker 5. Document Scanning - Visa/CIT 6. Visa Sticker Labels 7. Issuing of Dual Citizenship Card for Dual Citizenship Holders (Machine Readable) 8. Queue Mgt System for Travel/Visa Division 9. Dream Home Visa	802,000,000	592,419,617	74
227	Department of Registration of Persons	Other Capital Expenditure	74,460,000	74,459,999	100
228	Courts Administration	Galle Court Complex, Stage I	137,641,482	137,641,482	100
		Homagama Court, Complex	110,652,028	110,652,027	100
		Wattala Court Complex, Stage I	50,000,000	33,252,564	67
		Baticalloa Court Building	20,200,000	20,191,265	100
		International Arbitration Center	39,500,000	39,224,886	99
		Small Scale Development Programme	187,625,249	172,723,283	92
		Galagedara Court Building	12,532,566	12,532,566	100
232	Department of Prisons	Construction of Palkelele Prison Complex	235,000,000	223,841,339	95
		Construction of Jaffna Prison Stage 1	100,000,000	87,153,977	87
		Relocation of Prisons in Other Districts	961,000,000	884,733,964	92
		Strengthening Enforcement of Law, Access and Social Integration (GOSL-UNDP)	19,000,000	8,994,374	47
		Deyata Kirula (Construction of Prison Training Center)	15,000,000	14,859,596	99
236	Department of Official Languages	1.Training conducted through language labs 2. Editing, Printing of Glossaries, Text Books and Dictionaries 4. Conducting languages Exams 5. Translation Project 6. Deyata Kirula Programme	28,450,000	22,841,316	80
237	Department of National Planning	Other Capital Expenditure	300,000	178,689	60
		National Council for Economic Development	200,000	162,820	81
		Project Management of Eastern Province Water Supply Project (GOSL/JICA)	31,294,000	31,214,171	100
		Project Management of Eastern Province Water Supply Project (GOSL/JICA)	422,500	422,243	100
		Project Management of Eastern Province-Rural Roads Project (GOSL/JICA)	25,010,000	24,780,798	99
		Project Management of Eastern Province-Rural Roads Project (GOSL/JICA)	3,500,000	3,475,952	99
		Emergency Natural Disaster Rehabilitation Project (GOSL/JICA)	1,472,000	1,470,939	100
		Emergency Natural Disaster Rehabilitation Project (GOSL/JICA)	2,284,000	2,283,079	100
		Project for Improvement of Basic Social Services targeting emerging Regions (GOSL/JICA)	4,200,000	4,191,688	100
		Strengthening National Capacity to Deliver Quality Reproductive Health Services (UNFPA)	3,750,000	605,000	16

## STATEMENT OF CAPITAL INVESTMENT IN DEVELOPMENT PROJECTS - 2014 *contd...*

Note 33

Head No.	Institution	Project Description	Provision (Rs.)	Expenditure (Rs.)	Expenditure as % of Provision
239	Department of External Resources	Other Capital Expenditure	5,000,000	1,642,202	33
243	Department of Development Finance	Other Capital Expenditure	5,239,725,700	4,992,464,075	95
		Global Food Crisis Response Programme (GOSL/W.B)	260,255,350	220,863,931	85
246	Department of Inland Revenue	Revenue Administration Management Information System (RAMIS)	833,200,000	806,802,414	97
251	Department of Valuation	Assessment of Government Properties	12,000,000	10,339,831	86
252	Department of Census and Statistics	Census of Population and Housing-2011	88,000,000	86,858,499	99
		Economic Census	610,000,000	602,327,572	99
		Social Protection Index (ADB)	1,929,000	1,623,435	84
		Census on Damaged Property and Human due to Conflicts	175,000,000	161,472,178	92
262	District Secretariat - Matara	Deyata Kirula Development Programme	18,000,000	18,000,000	100
263	District Secretariat - Hambantota	Setting up of Revolving Fund For Grain Producing Districts under Districts Secretariats	300,000,000	300,000,000	100
265	District Secretariat - Mannar	Other Capital Expenditure	52,100,000	30,901,839	59
266	District Secretariat - Vavuniya	Other Capital Expenditure	110,000,000	109,967,011	100
269	District Secretariat- Batticaloa	Other Capital Expenditure	200,000,000	199,997,262	100
270	District Secretariat- Ampara	Setting up of Revolving Fund for Grain Producing Districts under Districts Secretariats	300,000,000	300,000,000	100
272	District Secretariat- Kurunegala	Other Capital Expenditure	25,000,000	23,594,433	94
		Setting up of Revolving Fund for Grain Producing Districts under Districts Secretariats	300,000,000	300,000,000	100
274	District Secretariat- Anuradhapura	Other Capital Expenditure	35,000,000	34,561,996	99
		Setting up of Revolving Fund for Grain Producing Districts under Districts Secretariats	300,000,000	300,000,000	100
275	District Secretariat- Polonnaruwa	Other Capital Expenditure	38,900,000	38,895,009	100
277	District Secretariat- Monaragala	Setting up of Revolving Fund for Grain Producing Districts under Districts Secretariats	300,000,000	300,000,000	100
280	Department of Project Management and Monitoring	Project Evaluation & Web Based Monitoring System	3,000,000	2,998,590	100
		Strengthening of Capacity of Department of Project Management and Monitoring (UNDP)	5,000,000	3,528,490	71
281	Department of Agrarian Development	Crop Diversification	3,000,000	2,999,584	100
		Deyata Kirula Development Programme	4,400,000	4,320,792	98
		Development of Minor Irrigation Systems and Abundant Paddy Lands	1,271,000,000	1,270,912,399	100
282	Department of Irrigation	Other Capital Expenditure	118,172,824	118,089,799	100
283	Department of Forests	Bio Fuel Plantations in Sri Lanka	400,000	199,995	50
		Conservation of Hill Tops in the Central Highlands in Sri Lanka	25,000,000	24,968,756	100
		Expanding Forest Cover	412,100,000	412,093,734	100
		Eco Tourism	12,500,000	12,499,555	100
		Establishment and Management of Industrial Plantations	132,000,000	131,751,079	100
		Production of Planning Materials	21,000,000	20,736,662	99
		Conversion of Pine Plantations to Native Broad Leaf Species	12,000,000	11,978,035	100
		Research and Development	14,000,000	13,435,982	96
284	Department of Wild Life Conservation	Deyata Kirula Development Programme	2,000,000	1,741,907	87
		Strengthening of Wildlife Conservation Department	200,000,000	150,192,210	75
		Construction of Electric Fences	250,000,000	195,344,087	78
		Habitat Enrichment for Wildlife	150,000,000	88,054,148	59
		Improvement Road Network in National Parks	20,000,000	8,336,069	42
285	Department of Agriculture	Infrastructure Development needs to Improve Rice Research & Development Institutes (RRDI)	71,179,000	71,092,202	100
		Small Scale Agricultural Research Project	35,000,000	34,984,174	100
		Implementation of National Agricultural Research Plan (NARP)	42,500,000	42,456,110	100
		Implementation of Tree Felling Act and Soil Conservation Act	13,521,810	11,800,250	87
		Development of New Hybrids & Open Pollinated Chilli, Maize, Onion and Vegetable Varieties & Production of Seeds	85,290,678	85,290,677	100
		Establishment of 100 Fruit Villages	33,399,552	33,399,552	100
		Establishment of Bio Diversity Garden of Tropical Fruits at Fruit Crops Research and Development Center, Horana	28,000,000	26,999,793	96

## STATEMENT OF CAPITAL INVESTMENT IN DEVELOPMENT PROJECTS - 2014 *contd...*

### Note 33

Head No.	Institution	Project Description	Provision (Rs.)	Expenditure (Rs.)	Expenditure as % of Provision
		Media Programme	25,000,000	24,539,786	98
		Bataatha and Gannoruwa Agro Technology Parks	4,500,000	4,495,110	100
		Improvement of School of Agriculture	81,546,918	73,076,074	90
		National Seed Production and Purchasing Programme	255,000,000	254,998,383	100
		Quality Assurance of Seeds and Planting Materials through the Implementation of Seed Act.	20,000,000	13,980,112	70
		Accelerated seed farms development	150,000,000	149,110,506	99
		Minimize Potential adverse Effects of Agro-chemicals on Human Health and Environment	50,000,000	47,558,547	95
		Promotion of Local seed Potato Production	10,269,519	10,269,519	100
286	Department of Land Commissioner	Other Capital Expenditure	20,000,000	19,888,389	99
288	Department of Survey General	Other Capital Expenditure	10,000,000	9,495,253	95
289	Department of Export Agriculture	Implementation of National Agricultural Research Plan (NARP)	4,000,000	3,899,371	97
		Prevention & Control of Nutmeg Leaf Fall Disease in Mid Country	7,450,000	5,016,468	67
290	Department of Fisheries and Aquatic Resource	Fisheries Society activities	2,128,000	176,837	8
		Integrated Awareness Programme Fishery Sector	1,600,000	1,439,941	90
		Introduction of Modern Technology for Small & Medium Fishing Industry	1,500,000,000	869,264,747	58
291	Department of Coast Conservation	1.Coastal Engineering Investigation 2.Coastel Conservation & Management 3. Environmental Education Programme	1,361,263,900	1,053,148,775	77
		Participatory Costal Zone Restoration & Sustainable Management in the Eastern Province	250,000,000	174,164,346	70
		Participatory Costal Zone Restoration & Sustainable Management in the Eastern Province	20,000,000	5,622,347	28
292	Department of Animal Production and Health	Quality Control & Quarantine Activities	8,500,000	7,773,931	91
		Control of Contagious Diseases	69,400,000	54,432,812	78
		Livestock Health Improvement Programme	4,200,000	3,947,868	94
		Implementation of Livestock Research	32,000,000	15,466,879	48
		Production of Vaccine against Foot and Mouth Disease Locally	23,000,000	18,838,620	82
		Establishment of Laboratory for VRI	15,000,000	7,564,608	50
		Expansion of Animal Health Surveillance	50,000,000	19,261,117	39
		Mastitis Control Programme	15,000,000	2,508,823	17
		Increase the availability high quality heifer calves	45,600,000	31,123,707	68
		Improvement of services delivery system of field veterinary office	75,000,000	29,375,060	39
		Animal Identification and Traceability systems	15,000,000	6,276,062	42
		Expansion and Modernization of animal quarantine units	14,000,000	8,712,105	62
		Livestock Breeding Project	100,000,000	92,380,337	92
		Establishment of livestock technology park	5,000,000	2,987,190	60
		Goat Development Project	10,000,000	9,231,832	92
		Entrepreneurship Development	4,000,000	3,197,562	80
		Export Facilitation of Chicken Meat and Eggs Through Poultry Health Management	18,000,000	10,397,119	58
		Exploring Commercial Fodder Production for Dairy Development	5,000,000	3,493,641	70
293	Department of Rubber Development	Other Capital Expenditure	47,000,000	36,061,525	77
295	Department of Commerce	Other Capital Expenditure	6,000,000	5,020,113	84
301	Department of Co-operative Development	Co-operative Development Administration	15,000,000	11,439,975	76
304	Department of Meteorology	Awareness Building	1,502,217	1,502,216	100
		Development of Meteorological Observation, Weather Forecasting & Dissemination	36,000,000	35,145,013	98

## STATEMENT OF CAPITAL INVESTMENT IN DEVELOPMENT PROJECTS - 2014 *contd...*

### Note 33

Head No.	Institution	Project Description	Provision (Rs.)	Expenditure (Rs.)	Expenditure as % of Provision
307	Department of Motor Traffic	Other Capital Expenditure	850,000,000	833,930,386	98
308	Department of Posts	Enhancing Postal Services & Stamps	6,000,000	5,986,462	100
310	Government Factory	Kolonnawa Government Factory Modernization	125,000,000	106,407,356	85
311	Department of National Physical Planning	Physical Planning	3,000,000	2,055,305	69
		Regional Plans	3,000,000	2,648,457	88
		Research Work	1,000,000	665,000	67
		Township Development Plans	1,000,000	783,889	78
326	Department of Community Based Correction	Other Capital Expenditure	683,000	676,224	99
328	Department of Man Power & Employment	Administration and Establishment Services	9,000,000	8,732,751	97
		Jobs Net Programme	3,000,000	3,000,000	100
		Development of Labour Market Information System	100,000	100,000	100
		Strengthening Peoples' Services	400,000	400,000	100
		Upgrading Online Employment System, web based IT system and server infrastructure	500,000	484,000	97
		Producing Human Resources with Employment skills targeting the Demand of Labour Market	2,000,000	2,000,000	100
		Jobs Fair Programme	1,900,000	1,570,323	83
<b>Grand Total</b>			<b>168,962,847,343</b>	<b>145,596,796,724</b>	



# Head-wise Summary of Expenditure Account with Budgetary Provision - 2014

NOTE - 34

Head No.	Institution	Total			Recurrent			Capital		
		Expenditure	Provision	Savings	%	Expenditure	Provision	Savings	%	Savings
1	His Excellency the President	9,875,518	10,517,803	642,285	94	4,692,841	4,826,270	133,429	97	5,182,677
2	Office of the Prime Minister	321,385	335,268	13,882	96	269,089	269,363	274	100	52,296
3	Secretariat for Special Functions	439,897	533,000	93,103	83	310,550	363,040	52,490	86	129,348
4	Judges of the Supreme Courts	159,111	365,260	206,149	44	100,786	124,710	23,924	81	58,325
5	Office of the Cabinet Ministers	58,040	73,075	15,035	79	56,795	64,200	7,405	88	1,245
6	Public Service Commission	230,169	244,719	14,550	94	123,258	125,439	2,181	98	106,911
7	Judicial Service Commission	35,170	38,970	3,800	90	34,117	37,510	3,393	91	1,053
8	National Police Commission	42,938	44,810	1,872	96	42,285	43,940	1,655	96	653
9	Administrative Appeals Tribunal	15,097	17,675	2,578	85	14,622	16,625	2,003	88	474
10	Commission to Investigate Allegations of Bribery or Corruption	196,127	200,640	4,513	98	180,058	183,366	3,308	98	16,089
11	Office of the Finance Commission	34,693	40,725	6,032	85	32,992	36,625	3,633	90	1,701
12	National Education Commission	32,854	37,034	4,180	89	28,887	31,584	2,697	91	3,966
13	Human Rights Commission of Sri Lanka	153,604	191,250	37,646	80	137,873	150,500	12,627	92	15,731
14	Department of Attorney General	534,479	535,020	541	100	496,289	496,720	431	100	38,190
15	Department of Legal Draftsman	75,838	112,320	36,482	68	67,979	69,845	1,866	97	7,859
16	Parliament	1,646,582	1,729,340	82,758	95	1,586,228	1,606,040	19,812	99	60,354
17	Office of the Leader of the House of Parliament	27,108	28,825	1,717	94	25,493	26,675	1,182	96	1,615
18	Office of the Chief Govt. Whip of Parliament	35,790	49,400	13,610	72	34,229	36,750	2,521	93	1,561
19	Office of the Leader of the Opposition of Parliament	111,035	118,063	7,028	94	63,575	68,755	5,180	92	47,460
20	Department of Elections	2,178,827	2,194,450	15,623	99	2,099,117	2,113,450	14,333	99	79,711
21	Auditor General	966,926	1,042,100	75,174	93	779,336	814,900	35,564	96	187,590
22	Office of the Parliamentary Commissioner for Administration	9,446	10,840	1,394	87	9,116	10,480	1,364	87	330
101	Ministry of Buddha Sasana and Religious Affairs	654,936	665,136	10,200	98	169,062	170,271	1,209	99	485,873
102	Ministry of Finance and Planning	4,495,232	5,704,302	1,209,070	79	2,699,692	2,699,933	241	100	1,795,540
103	Ministry of Defence	19,515,168	25,626,497	6,111,329	76	5,313,631	5,353,559	39,928	99	14,201,538
105	Ministry of Economic Development	85,705,518	85,879,510	173,992	100	16,748,462	16,754,181	5,720	100	68,957,056
106	Ministry of Disaster Management	4,030,579	4,255,853	225,274	95	965,707	984,950	19,243	98	3,064,872
108	Ministry of Postal Services	307,913	359,000	51,087	86	103,821	112,700	8,879	92	204,091
110	Ministry of Justice	647,460	753,343	105,883	86	559,118	600,196	41,078	93	88,343
111	Ministry of Health	112,121,519	117,182,000	5,040,481	96	90,493,902	91,000,000	506,098	99	21,627,617
112	Ministry of External Affairs	9,769,527	10,063,386	293,859	97	8,813,176	8,827,073	13,897	100	956,351
114	Ministry of Transport	20,571,851	25,010,224	4,438,373	82	7,548,097	7,556,586	8,489	100	13,023,753
115	Ministry of Petroleum Industries	162,504	167,550	5,046	97	132,176	133,500	1,324	99	30,328
116	Ministry of Co-operatives and Internal Trade	1,232,923	1,433,052	200,129	86	661,044	845,595	184,551	78	571,879
117	Ministry of Ports and Highways	133,303,565	144,265,359	10,961,794	92	361,395	361,598	203	100	132,942,170
118	Ministry of Agriculture	33,578,396	36,730,521	3,152,125	91	32,744,007	35,857,931	3,113,924	91	834,399
119	Ministry of Power & Energy	24,286,788	32,311,412	8,024,624	75	179,981	183,900	3,919	98	24,106,807
										32,127,512
										8,020,705

# Head-wise Summary of Expenditure Account with Budgetary Provision - 2014 *contd...*

NOTE - 34

Rs.'000

Head No.	Institution	Total			Recurrent			Capital		
		Expenditure	Provision	Savings	%	Expenditure	Provision	Savings	%	Expenditure
120	Ministry of Child Development and Women's Affairs	1,840,381	2,034,345	193,964	90	1,172,546	1,293,895	121,349	91	667,835
121	Ministry of Public Administration & Home Affairs	1,080,340	1,159,576	79,236	93	672,540	703,775	31,235	96	407,800
122	Ministry of Mass Media and Information	1,048,325	1,283,050	234,725	82	448,986	459,809	10,823	98	599,339
123	Ministry of Construction, Engineering Services, Housing and Common Amenities	3,323,204	4,639,802	1,316,598	72	328,407	343,415	15,008	96	2,994,796
124	Ministry of Social Services	3,991,293	4,048,005	56,712	99	3,600,823	3,635,470	34,647	99	390,470
126	Ministry of Education	40,784,721	41,231,710	446,989	99	26,104,522	26,175,066	70,544	100	14,680,199
127	Ministry of Labour & Labour Relations	245,694	264,783	19,089	93	171,896	182,975	11,079	94	73,797
128	Ministry of Traditional Industries and Small Enterprise Development	1,116,891	1,130,935	14,044	99	698,880	699,535	656	100	418,011
130	Ministry of Local Government and Provincial Councils	9,517,435	11,112,239	1,594,804	86	1,273,872	1,583,939	310,067	80	8,243,563
133	Ministry of Technology and Research	3,655,816	3,917,098	261,282	93	1,285,909	1,396,130	110,221	92	2,369,906
134	Ministry of National Languages and Social Integration	383,381	473,090	89,709	81	231,456	241,970	10,514	96	151,925
135	Ministry of Plantation Industries	2,843,007	3,178,015	335,008	89	1,132,185	1,176,060	43,875	96	1,710,822
136	Ministry of Sports	878,282	1,210,320	332,038	73	380,076	403,325	23,249	94	498,206
138	Ministry of Indigenous Medicine	448,585	521,000	72,415	86	219,878	248,960	29,082	88	228,708
139	Ministry of Fisheries and Aquatic Resources Development	2,483,041	3,186,346	703,305	78	1,128,211	1,130,396	2,185	100	1,354,830
140	Ministry of Livestock and Rural Community Development	4,689,200	4,831,898	142,698	97	388,042	390,332	2,290	99	4,301,158
142	Ministry of National Heritage	283,801	329,620	45,819	86	157,981	161,060	3,079	98	125,820
143	Ministry of Parliamentary Affairs	428,424	450,979	22,555	95	406,241	406,379	138	100	22,183
145	Ministry of Re-settlement	398,408	403,458	5,050	99	172,299	174,114	1,815	99	226,109
149	Ministry of Industry and Commerce	2,364,812	2,601,074	236,262	91	714,942	739,784	24,842	97	1,649,870
152	Ministry of Irrigation and Water Resources Management	32,095,064	37,257,143	5,162,079	86	2,279,950	2,308,697	28,747	99	29,815,114
153	Ministry of Lands and Land Development	2,608,399	2,680,145	71,746	97	233,558	236,645	3,087	99	2,374,841
156	Ministry of Youth Affairs and Skills Development	7,541,591	8,538,425	996,834	88	3,769,195	3,801,122	31,927	99	3,772,396
160	Ministry of Environment	1,864,680	2,649,950	785,270	70	771,255	787,350	16,095	98	1,093,425
166	Ministry of Water Supply and Drainage	27,249,287	30,815,850	3,566,563	88	209,992	214,750	4,758	98	27,039,294
171	Ministry of Higher Education	8,108,322	8,177,672	69,349	99	1,089,470	1,089,781	312	100	7,018,853
173	Ministry of Public Management Reforms	214,420	239,800	25,380	89	125,924	132,800	6,876	95	88,496
174	Ministry of Rehabilitation and Prison	756,955	785,480	8,525	99	480,666	484,080	3,414	99	276,289
175	Ministry of State Resources and Enterprise Development	1,394,203	1,419,212	25,009	98	81,412	93,180	11,768	87	1,312,790
176	Ministry of Civil Aviation	26,613,945	26,791,408	177,463	99	160,311	168,900	8,589	95	26,453,634
177	Ministry of Culture and the Arts	1,027,758	1,322,340	294,582	78	649,801	658,640	8,839	99	377,957
178	Ministry of Coconut Development and Janatha Estate Development	1,717,522	1,941,654	224,132	88	913,166	952,105	38,939	96	804,356
179	Ministry of Agrarian Services and Wildlife	100,243	105,762	5,519	95	81,151	82,312	1,161	99	19,092
180	Ministry of Minor Export Crop Promotion	221,630	247,047	25,417	90	134,554	140,445	5,891	96	87,077
181	Ministry of Productivity Promotion	468,970	530,340	61,370	88	410,265	424,200	13,935	97	58,704
182	Ministry of Foreign Employment Promotion and Welfare	641,616	672,656	31,040	95	454,721	468,306	13,585	97	186,895
										204,350
										17,455

# Head-wise Summary of Expenditure Account with Budgetary Provision - 2014 *contd...*

NOTE - 34

Head No.	Institution	Total			Recurrent			Capital		
		Expenditure	Provision	Savings	%	Expenditure	Provision	Savings	%	Savings
183	Ministry of Public Relations and Public Affairs	335,432	376,700	41,268	89	71,986	78,700	6,714	91	263,445
184	Ministry of Private Transport Services	762,596	774,650	12,054	98	572,306	579,550	7,244	99	190,290
185	Ministry of Telecommunication and Information Technology	1,134,744	1,718,000	583,256	66	183,936	208,784	24,848	88	950,808
186	Ministry of Sugar Industry Development	228,989	267,334	38,345	86	149,222	172,384	23,162	87	79,767
187	Ministry of Investment Promotion	142,094	174,000	31,906	82	99,229	125,287	26,058	79	42,865
188	Ministry of Botanical Gardens & Public Recreation	141,135	150,383	9,248	94	60,159	63,550	3,391	95	80,976
189	Ministry of Education Services	8,305,614	8,526,279	220,664	97	7,908,800	8,053,142	144,342	98	396,815
190	Ministry of Law and Order	6,009,480	6,326,210	316,730	95	5,650,073	5,863,200	213,127	96	359,407
201	Department of Buddhist Affairs	814,131	846,470	32,339	96	740,718	766,420	25,702	97	73,412
202	Department of Muslim Religious and Cultural Affairs	77,756	91,690	13,934	85	55,351	60,640	5,289	91	22,405
203	Department of Christian Religious and Cultural Affairs	144,919	148,605	3,686	98	123,629	126,765	3,136	98	21,290
204	Department of Hindu Religious and Cultural Affairs	212,180	214,810	2,630	99	118,288	120,660	2,372	98	93,892
205	Department of Public Trustee	38,127	38,405	278	99	36,405	36,488	83	100	1,723
206	Department of Cultural Affairs	528,417	591,350	62,933	89	389,390	404,800	15,410	96	139,027
207	Department of Archeology	814,739	830,835	16,097	98	659,903	662,545	2,642	100	154,835
208	Department of National Museums	246,040	252,982	6,942	97	125,544	125,932	388	100	120,496
209	Department of National Archives	165,867	170,947	5,080	97	90,181	93,772	3,591	96	75,687
210	Department of Information	206,321	214,700	8,379	96	185,203	191,650	6,447	97	21,118
211	Department of the Government Printer	1,882,273	1,919,210	36,937	98	1,776,556	1,776,710	154	100	105,717
212	Department of Examination	2,646,806	2,704,700	57,894	98	2,491,402	2,493,450	2,048	100	155,404
213	Department of Educational Publications	79,036	110,075	31,039	72	26,796	29,275	2,479	92	52,240
214	University Grants Commission	30,638,235	31,786,394	1,148,159	96	20,637,741	20,841,394	203,653	99	10,000,494
215	Department of Technical Education and Training	1,500,994	1,543,493	42,499	97	1,313,737	1,319,393	5,656	100	187,257
216	Department of Social Services	427,191	455,145	27,954	94	326,360	328,233	1,872	99	100,830
217	Department of Probation and Child Care Services	239,187	245,555	6,368	97	231,041	236,955	5,914	98	8,146
218	Department of the Commissioner General of Samurdhi	15,503,511	15,509,925	6,414	100	15,503,083	15,504,125	1,042	100	428
219	Department of Sports Development	1,544,657	2,254,155	709,498	69	411,091	511,150	100,059	80	1,133,566
220	Department of Ayurveda	1,179,123	1,347,506	168,383	88	821,141	848,820	27,679	97	357,982
221	Department of Labour	1,423,991	1,511,750	87,759	94	1,117,107	1,138,550	21,443	98	306,883
222	Sri Lanka Army	142,786,245	144,875,978	2,089,733	99	135,282,249	135,287,684	5,435	100	7,503,997
223	Sri Lanka Navy	54,170,127	54,319,239	149,112	100	48,343,487	48,432,624	89,137	100	5,826,641
224	Sri Lanka Air Force	42,610,506	43,815,263	1,204,757	97	30,253,381	30,936,593	683,212	98	12,357,124
225	Department of Police	46,601,738	47,159,225	557,487	99	43,592,776	43,696,800	104,024	100	3,008,962
226	Department of Immigration and Emigration	1,453,454	2,432,547	979,093	60	812,654	937,447	124,793	87	640,800
227	Department of Registration of Persons	549,958	555,467	5,509	99	460,263	463,978	3,715	99	89,694
228	Courts Administration	4,931,111	5,102,450	171,339	97	4,053,688	4,075,550	21,862	99	877,423
231	Department of Debt Conciliation Board	9,018	10,970	1,952	82	7,959	9,720	1,761	82	1,059
										191
										1,250
										85

# Head-wise Summary of Expenditure Account with Budgetary Provision - 2014 *contd...*

NOTE - 34

Rs.'000

Head No.	Institution	Total			Recurrent			Capital		
		Expenditure	Provision	Savings	%	Expenditure	Provision	Savings	%	Savings
232	Department of Prisons	5,657,805	5,873,896	216,291	96	4,233,167	4,278,600	45,433	99	1,424,439
233	Department of Government Analyst	261,851	301,475	39,624	87	174,368	182,807	8,439	95	87,483
234	Registrar of Supreme Court	105,148	126,410	21,262	83	101,689	117,110	15,421	87	3,459
235	Law Commission of Sri Lanka	11,751	15,700	3,949	75	10,817	13,950	3,133	78	934
236	Department of Official Languages	95,934	103,160	7,226	93	70,710	71,710	1,000	99	25,225
237	Department of National Planning	145,670	173,364	27,694	84	73,527	75,252	1,725	98	72,143
238	Department of Fiscal Policy	75,735	75,890	155	100	74,731	74,770	39	100	1,004
239	Department of External Resources	1,075,187	1,537,147	461,960	70	184,877	264,898	80,021	70	890,310
240	Department of National Budget	2,613,130	3,117,187	504,057	84	965,148	1,226,687	261,539	79	1,647,982
241	Department of Public Enterprises	11,404,015	11,407,917	3,902	100	56,249	57,547	1,298	98	11,347,766
242	Department of Management Services	35,281	38,820	3,539	91	33,818	36,720	2,902	92	1,463
243	Department of Development Finance	7,304,492	7,964,051	659,559	92	463,357	575,890	112,532	80	6,841,135
244	Department of Trade, Tariff and Investment Policy	741,354	761,935	20,581	97	736,073	755,760	19,687	97	5,280
245	Department of Public Finance	190,277	190,550	273	100	188,177	188,250	73	100	2,100
246	Department of Inland Revenue	3,087,963	3,148,000	60,037	98	2,002,410	2,010,325	7,915	100	1,085,552
247	Sri Lanka Customs	2,013,626	2,078,800	65,174	97	1,659,489	1,680,687	21,198	99	354,138
248	Department of Excise	698,297	730,452	32,155	96	547,869	547,952	83	100	150,428
249	Department of Treasury Operations	1,091,702,442	1,117,378,814	25,676,372	98	453,774,797	455,503,704	1,728,907	100	637,927,645
250	Department of State Accounts	32,032	33,338	1,306	96	30,213	30,238	25	100	1,819
251	Department of Valuation	1,035,069	1,041,350	6,281	99	299,945	300,850	905	100	735,124
252	Department of Census & Statistics	1,958,056	1,994,789	36,733	98	673,168	683,900	10,732	98	1,284,887
253	Department of Pensions	145,812,903	147,223,663	1,410,760	99	145,718,147	147,128,137	1,409,991	99	94,756
254	Department of Registrar General	1,062,884	1,094,200	31,316	97	1,015,454	1,041,100	25,646	98	47,430
255	District Secretariat - Colombo	786,547	978,650	192,103	80	540,796	559,100	18,304	97	245,751
256	District Secretariat - Gampaha	747,832	770,322	22,490	97	723,377	728,672	5,295	99	24,455
257	District Secretariat - Kalutara	790,989	876,817	85,828	90	612,198	613,067	869	100	178,791
258	District Secretariat - Kandy	923,376	926,566	3,190	100	820,377	823,467	3,090	100	102,999
259	District Secretariat - Matale	479,771	480,830	1,059	100	429,483	429,580	97	100	50,288
260	District Secretariat - Nuwara-Eliya	374,971	423,300	48,329	89	332,248	378,650	46,402	88	42,723
261	District Secretariat - Galle	930,041	936,375	6,334	99	884,423	890,575	6,152	99	45,618
262	District Secretariat - Matara	890,223	892,907	2,684	100	783,549	784,152	603	100	106,674
263	District Secretariat - Hambantota	1,003,066	1,004,746	1,680	100	607,570	609,045	1,474	100	395,495
264	District Secretariat/ Kachcheri - Jaffna	547,992	550,650	2,758	99	515,013	517,650	2,637	99	32,879
265	District Secretariat/ Kachcheri - Mannar	257,876	291,550	33,674	88	158,760	170,600	11,840	93	99,116
266	District Secretariat/ Kachcheri - Vavuniya	298,284	303,450	5,166	98	150,448	155,350	4,902	97	147,837
267	District Secretariat/ Kachcheri - Mullaitivu	206,303	214,775	8,472	96	136,521	144,725	8,204	94	69,782
268	District Secretariat/ Kachcheri - Killinochchi	182,812	187,000	4,188	98	141,376	145,450	4,074	97	41,436

# Head-wise Summary of Expenditure Account with Budgetary Provision - 2014 *contd...*

NOTE - 34

Head No.	Institution	Total			Recurrent			Capital		
		Expenditure	Provision	Savings	%	Expenditure	Provision	Savings	%	Savings
269	District Secretariat / Kachcheri - Batticaloa	673,788	674,910	1,122	100	442,240	443,335	1,095	100	231,548
270	District Secretariat - Ampara	1,055,730	1,055,995	265	100	654,770	654,795	25	100	401,200
271	District Secretariat / Kachcheri - Trincomalee	323,066	329,692	6,626	98	286,329	291,292	4,963	98	36,737
272	District Secretariat - Kurunegala	1,559,767	1,564,459	4,692	100	1,200,390	1,202,209	1,819	100	359,377
273	District Secretariat - Puttalam	521,410	526,634	5,224	99	483,971	488,234	4,263	99	37,439
274	District Secretariat - Anuradhapura	1,016,728	1,021,368	4,640	100	605,252	606,192	939	100	411,475
275	District Secretariat - Polonnaruwa	442,583	453,257	10,674	98	357,471	367,357	9,886	97	85,112
276	District Secretariat - Badulla	604,078	743,815	139,737	81	475,979	486,065	10,086	98	128,098
277	District Secretariat - Monaragala	726,757	731,615	4,858	99	340,481	340,866	385	100	386,276
278	District Secretariat - Rathnapura	723,749	752,817	29,068	96	577,777	583,817	6,040	99	145,972
279	District Secretariat - Kegalle	550,798	587,970	37,182	94	506,794	518,020	11,226	98	43,994
280	Department of Project Management and Monitoring	71,445	74,050	2,605	96	61,696	62,313	617	99	9,749
281	Department of Agrarian Development	6,437,841	6,474,740	36,899	99	4,430,067	4,434,740	4,673	100	2,007,775
282	Department of Irrigation	12,847,007	12,863,342	16,335	100	1,833,373	1,842,884	9,511	99	11,013,635
283	Department of Forests	1,632,595	1,654,325	21,730	99	885,583	904,825	19,242	98	747,012
284	Department of Wild Life Conservation	1,243,565	1,463,679	220,114	85	652,158	653,029	870	100	591,406
285	Department of Agriculture	4,179,897	4,274,660	94,763	98	2,751,826	2,757,710	5,884	100	1,428,071
286	Department of Land Commissioner	332,145	337,700	5,555	98	245,018	248,600	3,582	99	87,127
287	Department of Land Settlement	305,739	308,080	2,341	99	293,711	295,180	1,469	100	12,028
288	Department of Survey	2,477,694	2,511,674	33,980	99	2,355,190	2,363,774	8,584	100	122,504
289	Department of Export Agriculture	707,404	788,292	80,888	90	407,355	407,642	287	100	300,049
290	Department of Fisheries and Aquatic Resources	5,586,037	6,229,565	643,528	90	4,655,887	4,666,515	10,628	100	930,150
291	Department of Coast Conservation	1,427,919	1,829,772	401,853	78	153,928	156,872	2,944	98	1,273,992
292	Department of Animal Production and Health	749,309	957,146	207,837	78	361,502	371,346	9,844	97	387,807
293	Department of Rubber Development	1,071,664	1,098,800	27,136	98	219,545	229,300	9,755	96	852,119
294	Department of National Zoological Gardens	383,306	738,725	355,419	52	219,996	221,750	1,754	99	163,310
295	Department of Commerce	105,020	107,000	1,980	98	91,789	92,250	461	100	13,231
296	Department of Import & Export Control	54,407	54,832	425	99	45,984	46,291	307	99	8,423
297	Department of the Registrar of Companies	27,603	30,300	2,697	91	27,603	30,300	2,697	91	-
298	Department of Measurement Units, Standards & Services	292,810	302,355	9,545	97	71,328	71,855	527	99	221,482
299	National Intellectual Property Office of Sri Lanka	15,697	17,245	1,548	91	15,697	17,245	1,548	91	-
300	Department of Food Commissioner	167,723	174,715	6,992	96	150,759	151,840	1,081	99	16,965
301	Department of Co-operative Development	68,277	71,975	3,698	95	55,539	55,575	36	100	12,738
302	Co-operative Employees Commission	12,364	13,082	718	95	10,965	11,679	714	94	1,399
303	Department of Textile Industries	449,664	461,381	11,717	97	418,671	427,681	9,010	98	30,993
304	Department of Meteorology	279,445	290,525	11,080	96	206,536	206,730	194	100	72,909
305	Department of Up-Country Peasantry	20,185	21,625	1,440	93	18,867	20,275	1,408	93	1,318
										32
										98

# Head-wise Summary of Expenditure Account with Budgetary Provision - 2014 *contd...*

NOTE - 34

Rs.'000

Head No.	Institution	Total			Recurrent			Capital		
		Expenditure	Provision	Savings	%	Expenditure	Provision	Savings	%	Savings
306	Department of Sri Lanka Railways	53,379,312	53,691,919	312,607	99	16,943,264	16,964,393	21,129	100	36,436,048
307	Department of Motor Traffic	2,386,061	2,432,070	46,009	98	1,463,520	1,473,320	9,800	99	922,541
308	Department of Posts	9,685,285	9,727,000	41,715	100	9,541,489	9,580,100	38,611	100	143,796
309	Department of Building	296,538	298,613	2,075	99	248,070	250,050	1,980	99	48,468
310	Government Factory	186,371	208,625	22,254	89	60,621	63,275	2,654	96	125,750
311	Department of National Physical Planning	158,136	163,050	4,914	97	150,682	153,350	2,668	98	7,455
312	Western Provincial Council	13,306,497	42,961,313	29,654,816	31	11,699,313	39,756,313	28,057,000	29	1,607,184
313	Central Provincial Council	21,997,848	28,005,885	6,008,037	79	17,916,925	22,961,925	5,045,000	78	4,080,923
314	Southern Provincial Council	17,331,543	22,876,604	5,545,061	76	15,785,604	20,781,604	4,996,000	76	1,545,939
315	Northern Provincial Council	16,415,232	20,550,777	4,135,545	80	12,642,000	14,591,000	1,949,000	87	3,773,232
316	North Western Provincial Council	19,036,604	25,950,900	6,914,296	73	16,413,000	21,943,000	5,530,000	75	2,623,604
317	North Central Provincial Council	13,155,308	16,641,079	3,485,771	79	10,593,879	13,027,879	2,434,000	81	2,561,429
318	Uva Provincial Council	16,432,566	19,380,203	2,947,636	85	12,500,152	14,744,152	2,244,000	85	3,932,414
319	Sabaragamuwa Provincial Council	18,881,336	22,003,408	3,122,072	86	14,809,408	17,423,408	2,614,000	85	4,071,928
320	Department of Civil Security	12,150,100	12,151,000	900	100	12,029,308	12,030,200	892	100	120,792
321	Eastern Provincial Council	18,148,294	21,091,408	2,943,114	86	13,783,708	16,114,708	2,331,000	86	4,364,586
322	Department of National Botanical Gardens	656,007	661,838	5,831	99	236,456	236,538	82	100	419,551
323	Department of Legal Affairs	17,449	18,180	731	96	17,168	17,530	362	98	281
324	Department of Management Audit	25,971	27,900	1,929	93	24,646	26,300	1,654	94	1,325
325	Department of Coast Guard of Sri Lanka	59,528	64,660	5,132	92	28,410	32,660	4,250	87	31,119
326	Department of Community Base Correction	175,258	213,720	38,462	82	162,308	200,620	38,312	81	12,951
327	Department of Land Use Policy Planning	301,475	312,970	11,495	96	252,826	260,320	7,494	97	48,649
328	Department of Man Power and Employment	272,752	273,973	1,221	100	249,272	249,373	100	100	23,479
329	Department of Information Technology Management	101,942	107,570	5,628	95	100,889	101,770	881	99	1,052
<b>Grand Total</b>		<b>2,601,723,206</b>	<b>2,767,038,983</b>	<b>165,315,778</b>		<b>1,370,045,993</b>	<b>1,436,662,280</b>	<b>66,616,286</b>		<b>1,231,677,212</b>
										<b>1,330,376,704</b>
										<b>98,699,491</b>

## Statement of Expenditure Committed in 2013 and Paid in 2014

Schedule I

Rs.Mn

Total Provision 2014 (1)		Total Expenditure 2014 (2)		Expenditure 2013 (3)		Expenditure related to 2014 Activities (4)=(2)-(3)	
Recurrent	Capital	Recurrent	Capital	Recurrent	Capital	Recurrent	Capital
1,436,662	1,330,377	1,370,046	1,231,677	27,478	44,922	1,342,568	1,186,755

Rs.Mn

Head No	Provision 2014 (1)		Expenditure 2014 (2)		Expenditure 2013 (3)		Expenditure related to 2014 Activities (4)=(2)-(3)	
	Recurrent	Capital	Recurrent	Capital	Recurrent	Capital	Recurrent	Capital
1	4,826	5,692	4,693	5,183	1,335	395	3,358	4,788
6	125	119	123	107	1	-	122	107
16	1,606	123	1,586	60	29	0	1,558	60
101	170	495	169	486	2	86	167	400
103	5,354	20,273	5,314	14,202	26	1,036	5,288	13,166
105	16,754	69,125	16,748	68,957	-	174	16,748	68,783
106	985	3,271	966	3,065	5	12	961	3,053
111	91,000	26,162	90,494	21,628	2,225	1,198	88,269	20,430
112	8,827	1,236	8,813	956	148	371	8,665	585
114	7,557	17,454	7,548	13,024	5	72	7,544	12,952
117	362	143,904	361	132,942	24	23,659	337	109,283
120	1,294	740	1,173	668	40	4	1,133	664
121	704	456	673	408	-	24	673	384
122	460	823	449	599	-	251	449	348
123	343	4,296	328	2,995	-	119	328	2,876
124	3,635	413	3,601	390	44	45	3,557	345
126	26,175	15,057	26,105	14,680	-	1,225	26,105	13,455
128	700	431	699	418	3	-	696	418
130	1,584	9,528	1,274	8,244	-	507	1,274	7,737
139	1,130	2,056	1,128	1,355	-	35	1,128	1,320
140	390	4,442	388	4,301	-	211	388	4,091
145	174	229	172	226	5	4	168	222
149	740	1,861	715	1,650	-	78	715	1,572
152	2,309	34,948	2,280	29,815	-	1,000	2,280	28,815
156	3,801	4,737	3,769	3,772	72	191	3,697	3,582
160	787	1,863	771	1,093	7	11	764	1,082
166	215	30,601	210	27,039	1	490	209	26,549
174	484	281	481	276	-	41	481	235
176	169	26,623	160	26,454	24	101	137	26,353
177	659	664	650	378	16	56	634	322
180	140	107	135	87	-	2	135	85
184	580	195	572	190	2	9	570	182
185	209	1,509	184	951	-	41	184	910
189	8,053	473	7,909	397	2,098	113	5,811	284
190	5,863	463	5,650	359	159	63	5,491	296
212	2,493	211	2,491	155	35	6	2,456	149
213	29	81	27	52	1,445	-	(1,418)	52
214	20,841	10,945	20,638	10,000	588	1,461	20,050	8,540
216	328	127	326	101	5	2	321	99
222	135,288	9,588	135,282	7,504	13,043	2,786	122,239	4,718
223	48,433	5,887	48,343	5,827	3,574	547	44,769	5,280
224	30,937	12,879	30,253	12,357	1,886	116	28,367	12,241
225	43,697	3,462	43,593	3,009	125	110	43,468	2,899
232	4,279	1,595	4,233	1,424	352	39	3,881	1,386
233	183	119	174	87	4	3	170	84



## Statement of Expenditure Committed in 2013 and Paid in 2014 *contd...*

Rs.Mn

Head No	Provision 2014		Expenditure 2014		Expenditure 2013		Expenditure related to 2014 Activities	
	(1)		(2)		(3)		(4)=(2)-(3)	
	Recurrent	Capital	Recurrent	Capital	Recurrent	Capital	Recurrent	Capital
246	2,010	1,138	2,002	1,086	43	-	1,959	1,086
247	1,681	398	1,659	354	-	155	1,659	199
255	559	420	541	246	-	14	541	232
256	729	42	723	24	-	203	723	(178)
257	613	264	612	179	-	84	612	95
258	823	103	820	103	-	119	820	(16)
259	430	51	429	50	-	52	429	(2)
260	379	45	332	43	-	129	332	(86)
261	891	46	884	46	-	38	884	8
262	784	109	784	107	-	72	784	35
263	609	396	608	395	-	105	608	290
264	518	33	515	33	-	6	515	27
265	171	121	159	99	-	18	159	81
266	155	148	150	148	-	10	150	138
267	145	70	137	70	-	1	137	69
268	145	42	141	41	-	1	141	40
269	443	232	442	232	-	404	442	(172)
270	655	401	655	401	-	313	655	88
271	291	38	286	37	-	138	286	(101)
272	1,202	362	1,200	359	-	159	1,200	200
273	488	38	484	37	-	156	484	(119)
274	606	415	605	411	-	575	605	(163)
275	367	86	357	85	-	297	357	(212)
276	486	258	476	128	-	133	476	(5)
277	341	391	340	386	-	213	340	173
278	584	169	578	146	-	4	578	142
279	518	70	507	44	-	91	507	(47)
281	4,435	2,040	4,430	2,008	-	242	4,430	1,766
285	2,758	1,517	2,752	1,428	-	243	2,752	1,185
287	295	13	294	12	-	21	294	(9)
288	2,364	148	2,355	123	14	10	2,341	113
289	408	381	407	300	-	48	407	252
290	4,667	1,563	4,656	930	29	279	4,627	651
291	157	1,673	154	1,274	-	596	154	678
306	16,964	36,728	16,943	36,436	-	840	16,943	35,597
309	250	49	248	48	-	80	248	(32)
311	153	10	151	7	5	-	146	7
320	12,030	121	12,029	121	61	9	11,968	112
PC	181,344	38,118	126,144	28,561	-	2,375	126,144	26,186
	<b>727,119</b>	<b>563,787</b>	<b>668,645</b>	<b>504,412</b>	<b>27,478</b>	<b>44,922</b>	<b>641,167</b>	<b>459,490</b>

PC : Total of 9 Provincial Councils

## STATEMENT OF PROVINCIAL COUNCILS REVENUE AND EXPENDITURE REPORT - 2014

Schedule II

Category	(Rs.)	Province							Total
		Southern	Sabaragamuwa	North Western	Central	Western	North Central	Uva	
<b>Total Revenue</b>	<b>5,410,464,185</b>	<b>2,834,363,153</b>	<b>5,719,613,382</b>	<b>5,228,781,255</b>	<b>31,091,834,690</b>	<b>2,596,347,717</b>	<b>5,228,781,255</b>	<b>1,866,461,659</b>	<b>59,979,015,473</b>
Recurrent Expenditure	20,147,131,409	15,728,646,409	21,198,581,206	19,316,019,166	38,582,047,668	11,597,280,268	13,870,736,763	13,924,886,464	169,812,446,094
Capital Expenditure	2,360,210,954	2,792,393,761	3,869,329,445	4,565,076,686	5,863,476,043	3,868,870,555	426,308,572	1,967,386,741	25,969,864,954
<b>Total Expenditure</b>	<b>22,507,342,362</b>	<b>18,521,040,170</b>	<b>25,067,910,652</b>	<b>23,881,095,852</b>	<b>44,445,523,711</b>	<b>15,466,150,824</b>	<b>14,297,045,335</b>	<b>15,892,273,205</b>	<b>195,782,311,048</b>



**විගණකාධිපති දෙපාර්තමේන්තුව**  
**கணக்காய்வாளர் தலைமை அபிபதி திணைக்களம்**  
**AUDITOR GENERAL'S DEPARTMENT**



මගේ අංකය } FR(2)/B/STA/06/14/01  
 எனது இல. }

ඔබේ අංකය }  
 உமது இல. }  
 Your No. }

දිනය } 27 May 2015  
 திகதி }

The Secretary,  
 Ministry of Finance.

**Report of the Auditor General on the Financial Statements of the Democratic Socialist Republic of Sri Lanka for the year ended 31 December 2014.**

The audit of financial statements of the Democratic Socialist Republic of Sri Lanka for the year ended 31 December 2014 comprising the statement of financial position as at 31 December 2014 and the statement of financial performance and cash flow statement for the year then ended and a summary of significant accounting policies and other explanatory information, was carried out under my direction in pursuance of provisions in Article 154(1) of the Constitution of the Democratic Socialist Republic of Sri Lanka

**Management's Responsibility for the Financial Statements**

Management is responsible for the preparation and fair presentation of these financial statements in accordance with Generally Accepted Accounting Principles and for such internal control as the management determines is necessary to enable the preparation of financial statements that are free from material misstatements, whether due to fraud or error.

**Auditor's Responsibility**

My responsibility is to express an opinion on these financial statements based on my audit. I conducted my audit in accordance with Sri Lanka Auditing Standards consistent with International Standards of Supreme Audit Institutions (ISSAI 1000 – 1810). Those Standards require that I comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatements.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the preparation and fair presentation of the financial statements of the Republic in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my audit opinion.





### **Basis for Qualified Opinion**

My opinion is qualified based on the matters described below.

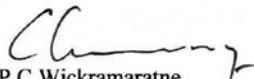
1. Even though it was stated in the financial statements that the General Treasury had contributed Rs.323,375 million to the capital of 08 Government Owned Enterprises, according to the direct confirmations made by those institutions to audit, the capital contribution totalled Rs.373,868 million . As such a sum of Rs.50,493 million relating to 08 institutions had been understated in the financial statements.
2. According to the Board of Survey conducted on the Investment Certificates, the value of investments relating to 07 institutions had been understated by a sum of Rs.19,504 million and the value of investments in 14 institutions had been overstated by a sum of Rs.20,929 million in the financial statements.
3. In comparison of the balance of the foreign borrowings payable included in the Account No. 8243 under the liabilities in the financial statements for the year under review with the balance of borrowings shown in the Report No. 854-1 of the Department of External Resources, a sum of Rs.2,917 million relating to 81 Loan Agreements had been overstated and a sum of Rs.3,328 million relating to 90 Loan Agreements had been understated in the financial statements.
4. Liabilities totalling Rs.180,182 million comprising liabilities totalling Rs.85,321 million relating to recurrent expenditure and liabilities totalling Rs.94,861 million relating to capital expenditure not settled as at 31 December 2014 as presented in Forms D.G.S.A. 8(i), 8(ii) and 8(iii) of 206 Appropriation Accounts presented for the year under review, had not been disclosed in the financial statements.
5. The total liabilities amounting to Rs.10,062 million committed by the General Treasury up to the end of the year under review for the purchase of 24,017 motor vehicles (including 21,498 motor cycles) on the lease basis had not been disclosed in the financial statements.

### **Qualified Opinion**

In my opinion, except for the effects of the matters described in the Basis for Qualified Opinion paragraph, the financial statements give a true and fair view of the financial position of the Democratic Socialist Republic of Sri Lanka as at 31 December 2014 and its financial performance and cash flows for the year then ended in accordance with Generally Accepted Accounting Principles.

### **Report to Parliament**

My report to Parliament in pursuance of provisions in Article 154 (6) of the Constitution will be tabled in due course.

  
W.P.C. Wickramaratne  
Acting Auditor General

# STATISTICAL APPENDIX

Table 1

## Sri Lanka : Demographic and Related Trends

Item	Unit	1990	1995	2000	2001	2002	2003	2004	2005	2006	2007	2008	2009	2010	2011	2012	2013	2014 (a)
Mid Year Population	'000	16,993	18,136	18,467	18,797	18,921	19,173	19,435	19,644	19,858	20,039	20,217	20,450	20,653	20,869	20,328	20,483	20,675
Mid- Year Population by Age Group	'000																	
0 -14 Years		5,982	6,384	-	4,942	5,041	5,108	5,107	5,163	5,220	5,266	5,315	5,378	5,431	5,488	5,132	5,171	5,222
15- 64 Years		10,277	10,969	-	12,671	12,668	12,838	13,103	13,243	13,386	13,509	13,625	13,784	13,921	14,065	13,604	13,707	13,834
65 Years and Over		734	783	-	1,184	1,212	1,227	1,225	1,238	1,252	1,264	1,277	1,288	1,301	1,316	1,592	1,605	1,619
Growth of Population	%	1.0	1.5	1.4	1.2	1.3	1.2	1.2	1.1	1.1	1.1	1.1	1.1	1.0	1.0	0.9	0.8	0.9
Density of Population	Persons per sq. km	271	289	305	300	303	307	310	314	317	319	332	326	329	333	324	327	330
Life Expectancy at Birth	Years																	
Male		67.7	69.5	-	-	-	-	-	-	69.9	-	-	-	-	70.5	n.a.	n.a.	n.a.
Female		72.1	74.2	-	-	-	-	-	-	78.7	-	-	-	-	79.8	n.a.	n.a.	n.a.
Crude Birth Rate	Per '000	20.8	19.9	18.2	19.1	19.4	19.3	18.8	18.9	18.8	19.3	18.8	18.4	17.6	17.4	17.5	17.9	16.9
Crude Death Rate	Per '000	6.0	6.0	6.1	6.0	5.9	6.0	5.9	6.7	5.9	5.9	5.9	5.9	6.2	5.9	6.0	6.2	6.2
Infant Mortality Rate (IMR)	Per '000 Live Births	19.3	16.5	13.4	12.6	11.4	11.3	9.8	11.2	10.0	8.5	8.5	9.7	-	-	n.a.	n.a.	n.a.
Maternal Mortality Rate (MMR)	Per 100,000 Live Births	n.a	23.6	22.1	17.8	16.3	19.7	12.1	11.9	14.2	-	-	22.3	22.0	n.a.	n.a.	n.a.	n.a.
Net Migration Rate	Per '000	1.2	-2.9	1.5	-0.9	-0.6	-1.3	-1.2	-1.5	-1.5	-1.8	-2.2	-1.4	-1.1	-2.2	-2.6	-2.3	n.a.
Dependency Ratio	%	65.35	65.34	-	48.35	49.36	49.35	48.32	48.33	48.35	48.34	48.38	48.36	48.36	48.38	49.40	52.9	n.a.
Dependency Ratio - 65 years and Over	%	7.14	7.14	-	9.34	9.57	9.56	9.35	9.35	9.35	9.36	9.37	9.34	9.35	9.36	11.70	14.10	n.a.
Literacy rate (b)	Overall % of Population	-	-	-	-	-	-	-	-	91.5	91.1	91.3	91.4	91.9	92.2	95.6(e)	92.5	n.a.
Computer Literacy Rate	% of Population	-	-	-	-	-	-	-	-	-	16.1 (c)	-	-	20.3 (c)	35.0(f)	37.0 (f)	40.0 (f)	25.1 (c)
Average Daily Calorie Intake (d)	Kilocalories	-	-	-	-	-	-	-	-	-	2,118	-	-	-	2,094	-	2,111	-

Sources: Department of Census and Statistics, Department of Immigration and Emigration and Ministry of Education

(a) Provisional

(b) Population 10 years &amp; over

(c) Computer Literacy Survey 2006/07 Computer Literacy Survey 2009 Computer Literacy Survey 2014

(d) Household Income and Expenditure Survey in 2006/07, 2009/10 and 2012/13

(e) Based on Census of Population and Housing 2012, Department of Census and Statistics

(f) Projection

Table 2

## Climate

Item	Unit	1990	1995	2000	2001	2002	2003	2004	2005	2006	2007	2008	2009	2010	2011	2012	2013	2014
<b>Annual Rainfall (Average) Total</b>	<b>mm</b>	<b>1,738</b>	<b>1,626</b>	<b>1,296</b>	<b>1,430</b>	<b>1,471</b>	<b>1,419</b>	<b>1,945</b>	<b>1,607</b>	<b>1,921</b>	<b>1,640</b>	<b>2,020</b>	<b>1,711</b>	<b>1,992</b>	<b>2,027</b>	<b>1,776</b>	<b>1,687</b>	<b>2,136</b>
<b>Highest Rainfall</b>																		
Cities with Highest Rainfall																		
mm																		
Anuradhapura		113.3	82.5	164.7	110.8	67.9	98.4	66.0	81.0	90.3	109.2	127.1	89.3	98.6	114.4	130.8	145.4	162.5
Badulla		230.6	52.8	90.9	73.1	71.9	73.5	127.4	60.6	108.4	65.7	69.8	72.6	90.9	131.6	102.9	108.6	195.9
Batticaloa		131.6	83.8	97.0	110.8	134.7	102.9	236.7	75.5	90.2	95.9	114.1	241.7	145.5	312.2	127.5	229.2	147.8
Colombo		110.3	126.3	141.7	94.1	132.4	110.5	96.5	270.1	163.9	131.6	111.0	207.0	440.2	81.9	114.6	134.3	102.8
Hambantota		78.6	92.4	81.7	151.1	94.4	96.0	70.5	67.6	91.8	139.9	56.0	62.6	82.9	100.6	176.5	104.8	112.0
Kandy		161.7	90.8	104.3	116.7	87.3	61.1	74.8	90.8	91.0	87.0	79.4	93.0	115.6	137.3	181.2	94.8	139.6
Kurunegala		119.3	140.1	116.4	136.0	111.6	62.1	200.0	97.1	162.0	97.0	186.3	123.2	135.4	144.4	315.5	139.6	162.6
Nuwara Eliya		172.4	76.2	77.0	85.3	64.2	61.1	81.1	73.2	76.8	77.6	48.7	62.8	68.2	94.1	109.5	73.2	77.1
Ratnapura		99.8	124.5	103.8	131.0	99.2	345.2	104.8	113.3	115.4	146.6	186.1	126.2	139.9	166.9	99.1	114.9	178.1
Vavuniya		118.4	64.5	276.9	94.9	58.9	133.4	115.5	77.3	81.3	156.5	104.7	104.7	163.9	123.2	225.7	81.8	205.2
°c																		
<b>Annual Average Minimum Temperature</b>																		
Low Country		24.4	24.4	24.6	24.7	24.7	24.8	24.7	24.8	24.7	24.4	24.3	24.7	24.9	24.7	24.2	24.3	24.3
Hill Country		17.2	17.3	17.2	17.2	17.3	17.4	17.3	17.4	17.2	17.2	17.0	16.9	17.5	17.1	16.8	17.1	17.1
<b>Annual Average Maximum Temperature</b>																		
Low Country		31.3	31.5	31.1	31.3	31.5	31.4	31.4	31.5	31.2	31.2	31.1	31.4	31.4	31.1	32.1	31.7	32.0
Hill Country		26.4	26.2	26.1	26.5	26.5	26.6	26.4	26.6	26.2	26.0	25.8	26.1	25.9	26.0	26.1	25.3	25.7

Source: Department of Meteorology

Note: Badulla, Bandarawela, Nuwaraeliya and Katugastota stations have been considered for the calculation of hill country temperature.



Table 3

## Gross Domestic Product (GDP), Inflation and Exchange Rate

Year	GDP					Inflation					Exchange Rate							
	GDP at Current Market Prices (Rs. Mn.)	GDP at Current Market Prices (US\$ Mn.)	Per Capita GDP at Current Market Price		Real GDP Growth (%)	Share of GDP (at Current Factor Cost Prices) (%)			GDP Deflator (%)	Annual Average Price Change of CCPI (%)	End Year		Annual Average					
			Rs.	US\$		Agriculture	Industry	Services			US\$	Yen	Euro	Indian Rs	US\$	Yen	Euro	Indian Rs
1990	321,784	8,033	18,708	473	6.2	26.3	26.0	47.7	20.0	21.5(b)	40.24	0.29	-	2.23	40.06	0.30	-	2.29
1991	372,345	9,000	21,444	522	4.6	26.8	25.6	47.7	11.0	12.2(b)	42.58	0.34	-	1.63	41.37	0.30	-	1.85
1992	425,283	9,703	24,233	557	4.3	25.9	25.6	48.5	10.0	11.4(b)	46.00	0.37	-	1.75	43.83	0.30	-	1.69
1993	499,565	10,354	28,362	588	6.9	24.6	25.6	49.8	9.5	11.7(b)	49.56	0.44	-	1.58	48.25	0.40	-	1.59
1994	579,084	11,718	32,419	656	5.6	23.8	26.2	50.1	9.3	8.4(b)	49.98	0.50	-	1.59	49.42	0.50	-	1.57
1995	667,772	13,030	36,571	719	5.5	23.0	26.5	50.5	8.4	7.7(b)	54.04	0.52	-	1.54	51.25	0.50	-	1.58
1996	768,128	13,898	42,119	759	3.8	22.4	26.4	51.1	12.1	15.9(b)	56.70	0.49	-	1.58	55.27	0.50	-	1.56
1997	890,272	15,092	48,031	853	6.3	21.9	26.9	51.2	8.6	9.6(b)	61.28	0.47	-	1.56	58.99	0.48	-	1.63
1998	1,017,986	15,761	55,697	879	4.7	21.1	27.5	51.4	8.4	9.4(b)	67.78	0.59	-	1.60	64.59	0.49	-	1.57
1999	1,105,963	15,712	60,899	863	4.3	20.7	27.3	52.0	4.4	4.7(b)	72.11	0.70	72.53	1.66	70.39	0.62	75.07	1.63
2000	1,257,636	16,596	64,750	899	6.0	19.9	27.3	52.8	6.7	6.2(b)	80.06	0.70	71.32	1.71	75.78	0.70	69.93	1.68
2001	1,407,398	15,750	74,541	837	-1.5	20.1	26.8	53.1	12.4	14.2(b)	93.16	0.71	83.06	1.93	89.36	0.74	79.99	1.89
2002	1,581,885	16,537	86,076	900	4.0	20.5	26.3	53.2	8.4	9.6(b)	96.72	0.82	101.38	2.01	95.66	0.76	90.43	1.97
2003	1,822,468	18,882	94,664	981	5.9	13.2	28.4	58.3	5.1	6.3(b)	96.74	0.90	121.60	2.12	96.52	0.83	109.16	2.07
2004	2,090,841	20,663	107,432	1,062	5.4	12.5	28.6	58.8	8.8	9.0(c)	104.60	1.02	142.32	2.39	101.19	0.93	125.79	2.23
2005	2,452,782	24,406	124,709	1,241	6.2	11.8	30.2	58.0	10.4	11.0(c)	102.12	0.87	120.96	2.27	100.50	0.91	125.09	2.28
2006	2,938,680	28,267	147,775	1,421	7.7	11.3	30.6	58.0	11.3	10.0(c)	107.70	0.90	141.58	2.44	103.96	0.89	130.63	2.30
2007	3,578,688	32,351	178,845	1,634	6.8	11.7	29.9	58.4	14.0	15.8(c)	108.72	0.97	160.27	2.77	110.62	0.94	151.63	2.69
2008	4,410,682	40,715	218,167	2,014	6.0	13.4	29.4	57.2	16.3	22.6(c)	113.14	1.25	159.45	2.36	108.33	1.05	159.31	2.52
2009	4,835,293	42,068	236,445	2,057	3.5	12.7	29.7	57.6	5.9	3.5(d)	114.38	1.24	163.72	2.46	114.94	1.23	160.21	2.40
2010	5,604,104	49,568	271,346	2,400	8.0	12.8	29.4	57.8	7.3	6.2(d)	110.95	1.36	147.56	2.48	113.06	1.30	150.10	2.49
2011	6,544,009	59,184	313,576	2,836	8.2	12.1	29.9	58.0	7.9	6.7(d)	113.90	1.47	147.42	2.15	110.57	1.39	153.86	2.38
2012	7,578,554	59,393	372,814	2,922	6.3	11.0	31.5	57.5	8.9	7.6(d)	127.16	1.48	168.12	2.33	127.60	1.60	164.00	2.39
2013	8,674,230	67,185	423,484	3,280	7.2	10.8	32.5	56.8	6.7	6.9(d)	130.75	1.24	180.45	2.11	129.11	1.32	171.51	2.21
2014(a)	9,784,672	74,938	473,261	3,625	7.4	9.9	33.8	56.3	5.1	3.3(d)	131.05	1.10	159.42	2.07	130.57	1.24	173.59	2.14

Sources : Department of Census and Statistics and Central Bank of Sri Lanka

(a) Provisional

(b) 952=100

(c) 2002=100

(d) 2006/07=100

Table 4

## Gross Domestic Product - Sectoral Composition (2002) Constant Prices

Sector	2002	2003	2004	2005	2006	2007	2008	2009	2010	2011	2012	2013	2014 (a)
Rs. million													
<b>Agriculture, Forestry and Fishing</b>	<b>233,615</b>	<b>237,531</b>	<b>237,536</b>	<b>241,851</b>	<b>257,147</b>	<b>265,870</b>	<b>285,897</b>	<b>295,097</b>	<b>315,610</b>	<b>320,154</b>	<b>336,818</b>	<b>352,583</b>	<b>353,799</b>
<b>1. Agriculture, Livestock and Forestry</b>	<b>207,923</b>	<b>213,359</b>	<b>213,246</b>	<b>228,006</b>	<b>235,887</b>	<b>241,285</b>	<b>258,881</b>	<b>266,208</b>	<b>283,203</b>	<b>282,724</b>	<b>295,923</b>	<b>309,134</b>	<b>308,401</b>
1.1 Paddy	32,173	34,566	29,567	36,541	37,608	35,261	43,406	41,179	48,377	44,325	43,596	52,084	43,386
1.2 Livestock	15,981	16,189	16,270	16,644	17,992	19,415	20,495	21,761	22,397	24,029	25,556	27,175	28,015
1.3 Other Food Crops	72,532	73,007	75,524	79,587	81,937	85,503	89,536	95,799	99,994	102,378	111,722	116,546	124,760
1.3.1 Highland Crops	25,340	24,481	23,939	25,745	27,054	28,428	29,439	31,368	33,117	33,507	36,297	36,463	38,289
1.3.2 Vegetables	45,635	46,910	49,824	52,012	53,138	55,249	58,197	62,436	64,821	66,832	73,376	77,906	84,383
1.3.3 Fruits	1,557	1,616	1,761	1,830	1,745	1,826	1,900	1,995	2,057	2,039	2,049	2,178	2,089
1.4 Other Agricultural Crops	7,861	8,244	8,228	8,253	8,689	8,749	8,931	9,390	10,146	10,839	11,535	12,406	12,100
1.5 Tea	26,918	26,330	26,753	27,544	26,988	26,494	27,601	25,272	28,770	28,432	28,507	29,477	29,844
1.6 Rubber	4,140	4,208	4,332	4,773	4,993	5,205	5,743	6,198	6,983	7,119	6,693	6,083	4,118
1.7 Coconut	25,888	27,003	28,012	27,204	28,933	30,403	31,975	33,685	28,855	29,720	31,504	26,440	28,536
1.8 Minor Export Crops	8,229	8,780	8,569	9,966	10,187	10,706	10,478	11,028	14,955	12,114	11,507	12,480	10,610
1.9 Plantation Development	4,044	4,282	4,669	5,413	5,679	6,006	6,216	6,540	6,895	7,287	7,926	8,191	8,212
1.10 Firewood and Forestry	10,157	10,751	11,322	12,081	12,882	13,544	14,499	15,357	15,832	16,481	17,377	18,252	18,820
<b>2. Fishing</b>	<b>25,692</b>	<b>24,171</b>	<b>24,290</b>	<b>13,846</b>	<b>21,260</b>	<b>24,585</b>	<b>27,016</b>	<b>28,888</b>	<b>32,407</b>	<b>37,431</b>	<b>40,894</b>	<b>43,449</b>	<b>45,397</b>
2.1 Inland - Fishing	1,206	1,708	2,824	2,787	2,993	3,228	3,763	3,960	4,359	5,054	5,775	5,660	6,443
2.2 Marine - Fishing	24,486	22,464	21,466	11,059	18,267	21,357	23,253	24,928	28,048	32,377	35,120	37,789	38,954
<b>Industry</b>	<b>458,284</b>	<b>479,647</b>	<b>505,602</b>	<b>545,981</b>	<b>590,298</b>	<b>635,199</b>	<b>672,791</b>	<b>701,129</b>	<b>760,334</b>	<b>839,932</b>	<b>925,152</b>	<b>1,016,887</b>	<b>1,132,892</b>
<b>3. Mining and Quarrying</b>	<b>19,888</b>	<b>23,156</b>	<b>24,439</b>	<b>28,791</b>	<b>35,769</b>	<b>42,631</b>	<b>48,090</b>	<b>52,031</b>	<b>60,079</b>	<b>71,191</b>	<b>84,672</b>	<b>94,388</b>	<b>104,767</b>
3.1 Gem Mining	8,367	7,363	7,768	9,842	11,028	12,462	13,548	11,220	12,111	14,211	15,660	17,340	17,058
3.2 Other Mining	11,521	15,793	16,671	18,949	24,741	30,169	34,542	40,811	47,968	56,980	69,012	77,048	87,709
<b>4. Manufacturing</b>	<b>302,365</b>	<b>314,204</b>	<b>330,459</b>	<b>350,886</b>	<b>370,355</b>	<b>394,233</b>	<b>413,681</b>	<b>427,334</b>	<b>458,661</b>	<b>494,990</b>	<b>520,938</b>	<b>559,843</b>	<b>604,677</b>
4.1 Processing (Tea, Rubber and Coconut)	13,560	12,927	13,509	13,703	13,818	14,150	14,897	14,995	15,868	16,006	17,043	17,147	17,977
4.2 Factory Industry	270,266	281,787	296,349	315,276	333,372	355,611	373,215	385,927	414,925	449,177	472,721	509,933	553,102
4.2.1 Food Beverages	122,615	130,674	138,148	147,353	155,842	166,101	174,794	185,142	197,731	211,848	222,722	239,519	258,861
4.2.2 Textile, Wearing Apparel & Leather	72,114	70,447	71,529	75,843	78,870	84,603	87,215	87,762	92,293	102,263	107,242	116,828	130,246
4.2.3 Chemicals, Petroleum, Coal, Rubber & Plastic	38,914	40,869	44,462	47,899	51,714	55,140	58,650	59,706	66,990	73,203	77,455	83,306	90,395
4.2.4 Non-Metallic Mineral Products except Products of Petroleum & Coal	9,221	11,050	11,855	12,341	13,687	14,547	15,306	14,794	16,328	17,670	18,826	19,873	20,407
4.2.5 Fabricated Metal Products, Machinery & Equipment	23,697	24,645	26,089	27,214	28,378	30,011	31,702	32,794	35,482	37,733	39,663	43,135	45,229
4.2.6 Other Industries	3,705	4,102	4,266	4,626	4,881	5,209	5,548	5,730	6,101	6,459	6,813	7,272	7,964
4.3 Cottage Industry	18,539	19,490	20,601	21,907	23,166	24,472	25,570	26,412	27,868	29,808	31,174	32,764	33,599
<b>5. Electricity, Gas and Water</b>	<b>35,608</b>	<b>38,151</b>	<b>40,445</b>	<b>46,108</b>	<b>52,926</b>	<b>55,339</b>	<b>56,847</b>	<b>58,974</b>	<b>63,682</b>	<b>69,547</b>	<b>72,452</b>	<b>79,914</b>	<b>83,542</b>
5.1 Electricity	29,775	32,142	34,189	39,757	46,183	48,303	50,184	52,017	56,291	61,722	64,352	71,620	74,609
5.2 Gas	3,765	3,904	4,092	4,087	4,399	4,525	4,062	4,280	4,593	4,855	5,100	5,181	5,660
5.3 Water	2,068	2,105	2,164	2,264	2,344	2,512	2,601	2,677	2,798	2,970	2,999	3,113	3,273

Table 4

Gross Domestic Product -Sectoral Composition (2002) Constant Prices *contd...*

Sector	2002	2003	2004	2005	2006	2007	2008	2009	2010	2011	2012	2013	2014
<b>6. Construction</b>	100,404	104,136	110,259	120,196	131,248	142,996	154,173	162,790	177,912	203,204	247,091	282,742	339,906
<b>Services</b>	944,158	1,016,045	1,084,459	1,153,839	1,243,119	1,331,587	1,406,813	1,452,988	1,569,598	1,704,605	1,783,318	1,896,572	2,019,973
<b>7. Wholesale and Retail Trade</b>	389,331	420,476	451,632	480,402	514,511	546,146	571,911	570,697	613,358	676,565	701,408	739,826	798,837
7.1 Import Trade	149,845	163,083	178,024	184,086	196,647	203,105	212,651	195,247	213,477	243,963	246,446	253,617	277,550
7.2 Export Trade	77,334	80,874	86,736	92,175	95,535	103,926	104,861	102,578	106,279	117,064	117,960	125,839	131,573
7.3 Domestic Trade	162,153	176,520	186,873	204,142	222,328	239,115	254,400	272,872	293,602	315,538	337,002	360,370	389,714
<b>8. Hotels and Restaurants</b>	3,460	8,802	10,691	9,186	9,411	9,199	8,741	9,901	13,845	17,501	21,029	25,715	28,676
<b>9. Transport and Communication</b>	173,745	191,872	210,495	230,596	259,546	286,764	310,029	329,578	368,643	410,402	435,872	476,721	511,296
9.1 Transport	153,441	170,285	185,130	198,733	220,990	241,648	256,954	272,086	302,983	337,088	357,221	390,847	419,428
9.1.1 Transport - Railway	2,323	2,394	2,361	2,298	2,384	2,522	2,640	2,754	2,899	2,980	3,126	3,194	3,320
9.1.2 Transport - Passenger and Goods	151,118	167,891	182,769	196,436	218,606	239,127	254,314	269,332	300,084	334,108	354,095	387,653	416,108
9.2 Cargo Handling - Ports and Civil Aviation	10,293	9,497	10,262	11,320	13,583	14,773	15,951	16,017	18,706	20,060	21,194	21,842	22,716
9.3 Post and Telecommunication	10,011	12,090	15,103	20,543	24,973	30,343	37,124	41,475	46,953	53,254	57,457	64,032	69,152
<b>10. Banking, Insurance and Real Estate and etc.</b>	130,465	144,816	153,143	163,863	177,817	193,375	206,048	217,819	234,255	252,706	269,744	285,750	304,478
<b>11. Ownership of Dwellings</b>	68,371	69,252	70,008	70,749	71,535	72,345	73,137	74,051	74,692	75,607	76,926	79,175	80,178
<b>12. Government Services</b>	139,094	140,234	146,030	153,866	161,611	171,259	181,051	191,778	202,187	204,704	207,559	213,439	216,477
<b>13. Private Services</b>	39,691	40,592	42,460	45,177	48,689	52,500	55,896	59,164	62,617	67,119	70,779	75,946	80,030
<b>Gross Domestic Product</b>	1,636,037	1,733,222	1,827,597	1,941,671	2,090,564	2,232,656	2,365,501	2,449,214	2,645,542	2,863,691	3,045,288	3,266,041	3,506,664

Source: Department of Census and Statistics

(a) Provisional

Table 5

## Savings, Investments and Selected External Sector Indicators

Item	Unit	2000	2001	2002	2003	2004	2005	2006	2007	2008	2009	2010	2011	2012	2013	2014(a)
Investment	Rs. Mn	352,632	309,684	334,804	388,757	528,016	658,019	822,240	1,000,320	1,215,248	1,181,449	1,545,500	1,959,483	2,318,253	2,560,214	2,904,987
Savings	Rs. Mn	289,986	285,988	309,007	374,601	459,520	583,473	656,301	834,928	784,278	1,148,305	1,424,025	1,448,393	1,816,348	2,236,253	2,641,560
Savings - Investment Gap	Rs. Mn	(82,646)	(23,696)	(25,797)	(14,156)	(68,496)	(74,546)	(165,939)	(165,392)	(430,970)	(33,144)	(121,475)	(511,090)	(501,905)	(323,961)	(263,427)
Investment	% of GDP	28.0	22.0	21.2	21.3	25.3	26.8	28.0	28.0	27.6	24.4	27.6	29.9	30.6	29.5	29.7
Savings	% of GDP	21.5	20.3	19.5	20.6	22.0	23.8	22.3	23.3	17.8	23.7	25.3	22.1	24.0	25.8	27.0
Savings - Investment Gap	% of GDP	(6.6)	(1.7)	(1.6)	(0.8)	(3.3)	(3.0)	(5.6)	(4.6)	(9.8)	(0.7)	(2.3)	(7.8)	(6.6)	(3.8)	(2.7)
Exports of Goods	US\$ Mn.	5,522	4,817	4,699	5,133	5,759	6,347	6,883	7,640	8,111	7,085	8,626	10,559	9,774	10,394	11,130
Imports of Goods	US\$ Mn.	7,320	5,974	6,106	6,672	8,000	8,863	10,253	11,297	14,091	10,207	13,451	20,269	19,190	18,003	19,417
Trade Balance	US\$ Mn.	(1,798)	(1,158)	(1,407)	(1,539)	(2,241)	(2,518)	(3,368)	(3,657)	(5,981)	(3,122)	(4,825)	(9,710)	(9,417)	(7,609)	(8,287)
	% of GDP	(10.7)	(7.3)	(8.5)	(8.1)	(10.9)	(10.3)	(11.9)	(11.3)	(14.7)	(7.4)	(9.7)	(16.4)	(15.9)	(11.3)	(11.1)
Exports of Goods & Services	US\$ Mn.	6,475	5,880	5,967	6,557	7,300	7,892	8,517	9,419	10,114	8,972	11,092	13,644	13,562	15,079	16,735
Imports of Goods & Services	US\$ Mn.	8,235	6,862	7,079	6,648	9,123	10,072	11,627	12,776	15,687	11,704	15,210	22,256	21,678	21,508	23,142
Exports and Imports of Goods & Services	US\$ Mn.	14,710	12,741	13,046	13,205	16,423	17,964	20,144	22,195	25,801	20,676	26,301	35,899	35,239	36,587	39,877
Foreign Remittances	US\$ Mn.	1,160	1,155	1,287	1,414	1,564	1,918	2,161	2,502	2,918	3,330	4,116	5,145	5,985	6,407	7,018
Earnings from Tourism	US\$ Mn.	252	213	363	454	408	429	410	385	342	350	576	830	1,039	1,715	2,431
Earnings from Computer and Information Services	US\$ Mn.	n.a	66	50	65	72	82	98	110	230	245	265	355	564	604	628
Current Account Balance	US\$ Mn.	(1,066)	(215)	(237)	(71)	(648)	(650)	(1,499)	(1,402)	(3,886)	(214)	(1,075)	(4,615)	(3,982)	(2,541)	(2,018)
	% of GDP	(6.4)	(1.4)	(1.4)	(0.4)	(3.1)	(2.7)	(5.3)	(4.3)	(9.5)	(0.5)	(2.2)	(7.8)	(6.7)	(3.8)	(2.7)
Foreign Direct Investments including loans	US\$ Mn.	175	82	197	229	223	272	604	734	889	601	516	1,066	1,382	1,438	1,685
Inflows	US\$ Mn.	175	82	192	199	193	272	480	603	752	404	478	956	941	933	944
Outflows	US\$ Mn.	2	-	11	27	42	38	29	55	62	20	43	60	64	65	67
Loans & Other	US\$ Mn.	2	0	16	58	72	38	153	186	198	217	81	170	505	571	808
Portfolio Investments	US\$ Mn.	(45)	(11)	25	2	7	60	51	101	60	(6)	(230)	(171)	2,126	2,068	1,996
Inflows	US\$ Mn.	19	24	78	145	95	276	355	423	548	375	819	452	2,116	2,068	1,996
Outflows	US\$ Mn.	64	35	53	143	89	215	304	322	488	381	1,049	623	(10)	(0.01)	(0.2)
Total Reserves	US\$ Mn.	2,131	2,238	2,495	3,218	3,439	4,201	4,005	4,956	3,640	7,030	8,621	7,991	8,586	8,574	9,884
Gross Official Reserves	US\$ Mn.	1,049	1,338	1,700	2,329	2,196	2,735	2,837	3,508	2,402	5,357	7,197	6,749	7,106	7,495	8,208
Total External Debt	US\$ Mn.	9,031	8,372	9,333	10,735	11,346	11,354	11,981	13,990	15,107	18,662	21,438	32,748	37,098	39,905	42,989

Sources: Sri Lanka Customs and Central Bank of Sri Lanka

(a) Provisional

Note: Since 2012, refers, to data on "Computer Services" and "Portfolio Investment" as per BMP6 Presentation Format.

Table 6

## Economic Classification of Government Fiscal Operations

Item	1990	1995	2000	2001	2002	2003	2004	2005	2006	2007	2008	2009	2010	2011	2012	2013	2014 (a)
<b>1. Revenue and Grants</b>	<b>74,661</b>	<b>145,286</b>	<b>216,427</b>	<b>239,796</b>	<b>268,967</b>	<b>284,421</b>	<b>320,154</b>	<b>412,387</b>	<b>507,901</b>	<b>595,559</b>	<b>686,483</b>	<b>725,566</b>	<b>834,188</b>	<b>983,003</b>	<b>1,067,532</b>	<b>1,153,306</b>	<b>1,204,621</b>
1.1 Total Revenue	67,964	136,258	211,282	234,296	261,888	276,465	311,473	379,747	477,833	565,051	655,260	689,644	817,279	967,862	1,051,461	1,137,447	1,195,206
Tax	61,206	118,543	182,392	205,840	221,838	231,597	281,552	336,828	428,378	508,947	585,621	618,933	724,747	845,697	908,914	1,005,895	1,050,362
Non-Tax	6,758	17,715	28,890	28,456	40,050	44,868	29,921	42,919	49,455	56,104	69,639	80,711	92,532	122,165	142,547	131,552	144,844
1.2 Grants	6,697	9,028	5,145	5,500	7,079	7,956	8,681	32,640	30,068	30,508	31,222	25,922	16,909	15,141	16,071	15,859	9,415
<b>2. Expenditure and Lending minus Repayments</b>	<b>99,814</b>	<b>203,484</b>	<b>335,822</b>	<b>386,517</b>	<b>402,989</b>	<b>417,673</b>	<b>476,906</b>	<b>584,783</b>	<b>713,647</b>	<b>841,604</b>	<b>996,126</b>	<b>1,201,928</b>	<b>1,280,206</b>	<b>1,433,182</b>	<b>1,556,499</b>	<b>1,669,396</b>	<b>1,795,865</b>
2.1 Recurrent	71,771	154,159	254,279	303,361	330,847	334,694	389,679	443,350	547,960	622,758	743,710	879,575	937,094	1,024,906	1,131,023	1,205,180	1,322,898
2.2 Capital and Lending minus Repayment	28,043	49,325	81,543	83,156	72,142	82,979	87,227	141,433	165,687	218,846	252,416	322,352	343,112	408,276	425,476	464,216	472,967
o/w Public Investment	27,605	52,810	80,955	82,491	72,177	87,409	97,631	148,582	177,443	229,273	263,859	330,448	356,519	422,300	443,973	481,204	486,610
<b>3. Current Account Surplus(+)/ Deficit (-)</b>	<b>-3,807</b>	<b>-17,901</b>	<b>-42,997</b>	<b>-69,065</b>	<b>-68,960</b>	<b>-58,229</b>	<b>-78,206</b>	<b>-63,603</b>	<b>-70,127</b>	<b>-57,707</b>	<b>-88,450</b>	<b>-179,931</b>	<b>-119,815</b>	<b>-57,043</b>	<b>-79,563</b>	<b>-67,733</b>	<b>-127,692</b>
<b>4. Budget Deficit</b>	<b>-25,153</b>	<b>-58,198</b>	<b>-119,396</b>	<b>-146,722</b>	<b>-134,022</b>	<b>-133,251</b>	<b>-156,752</b>	<b>-172,396</b>	<b>-205,745</b>	<b>-246,045</b>	<b>-309,644</b>	<b>-476,361</b>	<b>-446,017</b>	<b>-450,180</b>	<b>-488,967</b>	<b>-516,090</b>	<b>-591,244</b>
<b>5. Financing of Budget Deficit</b>	<b>25,153</b>	<b>58,198</b>	<b>119,396</b>	<b>146,722</b>	<b>134,022</b>	<b>133,251</b>	<b>156,752</b>	<b>172,396</b>	<b>205,745</b>	<b>246,045</b>	<b>309,644</b>	<b>476,361</b>	<b>446,017</b>	<b>450,180</b>	<b>488,967</b>	<b>516,090</b>	<b>591,244</b>
5.1. Total Foreign Financing (Net)	11,644	21,224	495	14,538	1,979	43,117	37,071	47,773	41,941	63,748	12,933	83,885	194,912	193,888	180,760	67,905	211,733
Gross Borrowings	16,550	29,701	23,777	42,459	39,036	77,542	70,112	69,133	87,930	127,863	67,730	194,171	270,004	287,060	364,593	179,287	329,326
Repayments	-4,906	-8,477	-23,282	-27,921	-37,057	-34,425	-33,041	-21,360	-45,989	-64,115	-54,797	-110,286	-75,092	-93,172	-183,833	-111,383	-117,593
5.2. Total Domestic Financing (Net)	13,508	33,972	118,501	123,595	126,351	79,910	117,243	123,604	163,805	182,297	296,711	392,476	251,104	256,291	308,207	448,186	379,510
Non- Bank Financing (Net)	12,946	26,359	58,797	74,294	132,003	100,735	69,274	93,109	83,797	111,308	114,437	185,247	193,891	44,171	70,984	82,414	265,155
Gross Borrowings																	
Repayments																	
Foreign Investment in Treasury Bills and Bonds (Net)																	
Bank Financing (Net)	257	7,065	56,528	48,554	-4,836	-20,905	43,289	26,195	80,008	15,769	195,233	49,027	-1,892	191,850	131,527	296,977	126,929
Other Borrowings (Net)	305	548	3,175	747	-816	80	4,680	4,300	-	18,060	4,619	11,280	10,230	-4,798	-	13,000	-13,364
5.3 Privatization Proceeds	-	3,001	401	8,589	5,693	10,223	2,437	1,020	-	-	-	-	-	-	-	-	-

Sources: Department of Inland Revenue, Sri Lanka Customs, Department of Excise, Telecommunications Regulatory Commission of Sri Lanka, Department of Treasury Operations, Department of State Accounts, Department of Fiscal Policy and Central Bank of Sri Lanka  
(a) Provisional

Table 7

## Economic Classification of Government Fiscal Operations

Item	1990	1995	2000	2001	2002	2003	2004	2005	2006	2007	2008	2009	2010	2011	2012	2013	2014 (a)	As a % of GDP
1. Revenue and Grants	23.2	21.8	17.2	17.0	17.0	15.6	15.3	16.8	17.3	16.6	15.6	15.0	14.9	15.0	14.1	13.3	12.3	
1.1 Total Revenue	21.1	20.4	16.8	16.6	16.6	15.2	14.9	15.5	16.3	15.8	14.9	14.5	14.6	14.8	13.9	13.1	12.2	
Tax	19.0	17.8	14.5	14.6	14.0	12.7	13.5	13.7	14.6	14.2	13.3	12.8	12.9	12.9	12.0	11.6	10.7	
Non-Tax	2.1	2.7	2.3	2.0	2.5	2.5	1.4	1.7	1.7	1.6	1.6	1.7	1.7	1.9	1.9	1.5	1.5	
1.2 Grants	2.1	1.4	0.4	0.4	0.4	0.4	0.4	1.3	1.0	0.9	0.7	0.5	0.3	0.2	0.2	0.2	0.1	
2. Expenditure and Lending minus Repayments	31.0	30.5	26.7	27.5	25.4	22.9	22.8	23.8	24.3	23.5	22.6	24.9	22.8	21.9	20.5	19.2	18.4	
2.1 Recurrent	22.3	23.1	20.2	21.6	20.9	18.4	18.6	18.1	18.6	17.4	16.9	18.2	16.7	15.7	14.9	13.9	13.5	
2.2 Capital and Lending minus Repayment	8.7	7.4	6.5	5.9	4.6	4.6	4.2	5.8	5.6	6.1	5.7	6.7	6.1	6.2	5.6	5.4	4.9	
o/w Public Investment	8.6	7.9	6.4	5.9	4.6	4.8	4.7	6.1	6.0	6.4	6.0	6.8	6.4	6.5	5.9	5.5	4.9	
3. Current Account Surplus(+) / deficit (-)	-1.2	-2.7	-3.4	-4.9	-4.3	-3.2	-3.7	-2.6	-2.4	-1.6	-2.0	-3.7	-2.1	-0.9	-1.0	-0.8	-1.3	-
4. Budget Deficit	-7.8	-8.7	-9.5	-10.4	-8.5	-7.3	-7.5	-7.0	-7.0	-6.9	-7.0	-9.9	-8.0	-6.9	-6.5	-5.9	-6.0	-
5. Financing of Budget Deficit	7.8	8.7	9.5	10.4	8.5	7.3	7.5	7.0	7.0	6.9	7.0	9.9	8.0	6.9	6.5	5.9	6.0	-
5.1. Total Foreign Financing (Net)	3.6	3.2	...	1.0	0.1	2.4	1.8	1.9	1.4	1.8	0.3	1.7	3.5	3.0	2.4	0.8	2.2	
Gross Borrowings	5.1	4.4	1.9	3.0	2.5	4.3	3.4	2.8	3.0	3.6	1.5	4.0	4.8	4.4	4.8	2.1	3.4	
Repayments	-1.5	-1.3	-1.9	-2.0	-2.3	-1.9	-1.6	-0.9	-1.6	-1.8	-1.2	-2.3	-1.3	-1.4	-2.4	-1.3	-1.2	
5.2. Total Domestic Financing (Net)	4.2	5.1	9.4	8.8	8.0	4.4	5.6	5.0	5.6	5.1	6.7	8.1	4.5	3.9	4.1	5.2	3.9	
Non - Bank Financing (Net)	4.0	3.9	4.7	5.3	8.3	5.5	3.3	3.8	2.9	3.1	2.6	3.8	3.5	0.7	0.9	1.0	2.7	
Foreign Investment in Treasury Bills and Bonds (Net)	-	-	-	-	-	-	-	-	-	1.0	-0.4	3.0	0.9	0.4	1.4	0.6	...	
Bank Financing (Net)	0.1	1.1	4.5	3.4	-0.3	-1.1	2.1	1.1	2.7	0.4	4.4	1.0	-0.03	2.9	1.7	3.4	1.3	
Other Borrowings (Net)	0.1	0.1	0.3	0.1	-0.1	...	0.2	0.2	-	0.5	0.1	0.2	0.2	-0.1	-	0.1	-	
5.3 Privatization Proceeds	-	0.4	0.03	0.6	0.4	0.6	0.1	...	-	-	-	-	-	-	-	-	-	

Sources: Department of Inland Revenue, Sri Lanka Customs, Department of Excise, Telecommunications Regulatory Commission of Sri Lanka, Department of Census and Statistics, Department of Treasury Operations, Department of State Accounts, Department of Fiscal Policy and Central Bank of Sri Lanka  
(a) Provisional



Table 8

## Economic Classification of Government Revenue

Item	1990	1995	2000	2001	2002	2003	2004	2005	2006	2007	2008	2009	2010	2011	2012	2013	2014 (a)	Rs.million
1. Tax Revenue	61,206	118,543	182,392	205,840	221,839	231,597	281,552	336,828	428,378	508,947	585,621	618,933	724,748	845,697	908,913	1,005,895	1,050,362	
Income Tax	7,337	17,161	27,457	34,636	37,437	39,398	41,372	52,535	79,693	107,169	126,541	139,558	135,624	157,310	172,593	205,666	198,115	
Personal and Corporate Income Tax	7,337	17,161	27,457	31,903	26,338	25,118	26,046	32,139	50,175	59,659	68,235	72,162	78,914	97,814	98,124	121,136	122,344	
Corporate & Non Corporate	6,251	15,004	22,935	21,969	21,190	20,266	19,791	26,478	42,710	48,409	53,901	57,716	62,646	83,016	83,360	102,578	100,047	
Pay-As-You-Earn (PAYE)	1,086	2,157	4,522	9,934	5,148	4,852	6,255	5,661	7,465	11,250	14,334	14,446	16,268	14,798	14,764	18,558	22,297	
Economic Service Charge (ESC)	-	-	-	-	-	-	4,052	8,067	8,853	12,203	14,476	14,207	18,048	21,335	14,864	6,596	6,155	
Tax on Interest Income	-	-	-	2,733	11,099	14,280	11,274	12,329	20,665	35,307	43,830	53,188	38,662	38,160	59,606	77,934	69,617	
Value Added Tax (VAT) (b)	20,291	36,429	43,893	45,901	66,692	97,230	120,382	138,660	164,555	187,452	203,646	171,510	219,990	225,858	229,604	250,757	275,350	
Domestic (Net)	10,524	16,980	25,021	26,940	34,320	50,949	55,523	65,300	71,877	85,490	102,815	103,891	120,412	104,897	109,370	124,440	140,084	
Services	3,726	7,074	14,413	15,157	18,644	41,326	42,688	45,951	49,613	62,920	79,116	75,652	88,694	71,447	69,680	80,716	93,630	
Manufacturing	6,798	9,906	10,608	11,782	15,677	9,624	12,835	19,349	22,265	22,570	23,699	28,239	31,718	33,450	39,828	43,724	46,454	
Import (net)	9,767	19,449	18,872	18,961	32,372	46,281	64,859	73,360	92,678	101,962	100,831	67,619	99,578	120,961	120,234	126,317	135,266	
National Security Levy (NSL) (c)	-	14,408	33,539	43,065	28,859	79	240	35	-	-	-	-	-	-	-	-	-	
Excise Tax	8,170	19,436	42,655	44,978	52,114	50,972	65,790	76,978	93,529	96,675	100,971	97,604	129,864	204,822	223,960	250,700	256,691	
Liquor	2,657	6,298	9,532	9,795	10,235	10,735	13,512	16,285	20,661	23,723	27,434	28,525	36,654	55,286	60,086	66,008	69,100	
Cigarettes/Tobacco	5,461	8,788	19,269	19,475	20,579	20,055	23,457	26,992	30,067	31,437	37,288	37,602	40,675	49,623	53,563	58,567	57,240	
Petroleum	-	-	10,700	12,948	16,708	13,251	14,817	17,041	18,234	19,124	18,977	23,018	28,038	22,470	28,466	27,131	28,732	
Motor Vehicles	-	-	2,599	2,202	4,261	6,405	12,674	14,220	21,671	17,415	11,067	3,192	21,199	71,646	78,509	96,478	98,531	
Other	52	4,350	555	558	332	526	1,330	2,440	2,896	4,976	6,205	5,268	3,298	5,798	3,336	2,516	3,087	
Stamp Duties (d)	-	-	8,564	8,415	2,331	69	51	9	1,516	4,026	3,751	3,328	4,439	-	-	-	-	
Ports & Airports Development Levy (PAL)	-	-	-	-	3,497	5,483	7,340	10,969	21,126	26,700	31,017	36,286	49,632	66,028	70,111	61,987	68,646	
Debits Tax (e)	-	-	-	1,119	1,315	3,611	4,489	5,700	6,255	7,187	8,410	8,036	10,843	4,232	-	-	-	
Import Duties	16,792	24,365	23,970	26,356	28,345	34,184	41,096	45,391	52,657	56,017	63,842	79,560	64,165	79,811	80,155	83,123	81,108	
Cess Levy	-	-	-	-	-	-	-	4,444	5,872	17,157	24,472	28,520	29,752	29,662	32,741	36,091	38,707	
Special Commodity Levy (SCL)	-	-	-	-	-	-	-	-	-	-	14,603	18,965	10,173	15,622	33,666	46,705	47,953	
Nation Building Tax (NBT) (f)	-	-	-	-	-	-	-	-	-	-	-	27,205	46,022	35,667	38,736	40,937	44,583	
Domestic	-	-	-	-	-	-	-	-	-	-	-	-	19,310	19,040	23,077	25,243	28,494	
Imports	-	-	-	-	-	-	-	-	-	-	-	-	26,712	16,627	15,660	15,694	16,089	
Telecommunications Levy (g)	-	-	-	-	-	-	-	-	-	-	-	-	8,869	18,651	22,289	24,445	31,351	
License Taxes & Other	8,616	6,744	606	1,371	1,249	572	792	2,108	3,175	6,563	8,367	8,361	15,376	8,035	5,058	5,485	7,858	



Economic Classification of Government Revenue *contd...*

Item	1990	1995	2000	2001	2002	2003	2004	2005	2006	2007	2008	2009	2010	2011	2012	2013	2014 (a)	Rs.million
2. Non Tax Revenue	6,758	17,715	28,890	28,456	40,050	44,868	29,921	42,919	49,455	56,104	69,639	80,712	92,532	122,165	142,547	131,552	144,844	
Rent	238	217	1,325	630	620	607	1,163	1,155	1,294	1,709	2,050	1,425	2,048	3,580	2,197	2,331	5,669	
Interest	1,143	6,946	7,304	7,626	13,232	7,963	8,673	8,642	10,320	9,242	9,305	9,043	8,017	9,847	9,489	9,664	7,978	
Profit and Dividends	76	4,368	6,305	3,507	3,055	5,380	4,357	5,929	7,451	7,682	7,365	11,982	31,301	34,351	46,761	35,169	46,814	
Sales and Charges	1,016	2,336	6,177	8,189	4,477	11,806	9,207	16,196	22,249	18,437	32,260	25,387	22,925	37,292	26,019	40,720	35,499	
Social Security Contributions	381	825	3,620	2,667	2,930	3,037	3,444	4,910	6,470	8,777	9,791	11,165	11,120	12,628	11,738	15,145	14,919	
Central Bank Profit Transfers	500	1,200	3,200	5,000	10,000	10,000	1,000	5,000	-	4,000	8,000	20,000	15,000	22,000	43,000	26,350	11,500	
Other	3,404	1,822	959	838	5,736	6,075	2,077	1,087	1,671	6,257	868	1,710	2,122	2,468	3,343	2,173	22,465	
3. Total Revenue	67,964	136,258	211,282	234,296	261,888	276,465	311,473	379,747	477,833	565,051	655,259	699,644	817,279	967,862	1,051,460	1,137,447	1,195,206	

Sources: Department of Inland Revenue, Sri Lanka Customs, Department of Excise, Telecommunications Regulatory Commission of Sri Lanka, Department of Treasury Operations, Department of State Accounts, Department of Fiscal Policy and Central Bank of Sri Lanka

(a) VAT was introduced with effect from 01 August 2002 and is in operation since then. It replaced the Goods and Services Tax (GST), an almost similar tax on the consumption of goods and services, which was in effect since April 1988. Prior to that, the data represents the revenue from central government Business Turnover Tax (BTT).

(b) VAT was introduced since April 2002 with the introduction of VAT.

(c) NSL was abolished since April 2002 with the introduction of VAT.

(d) Under the revenue sharing mechanism introduced in 2011 with the Provincial Councils (PCs), 100 percent of the revenue from stamp duties is transferred to PCs. The BTT collected by Provincial Councils was abolished in 2011 and NBT was extended to buying and selling activities.

(e) Debits tax was abolished with effect from April 2011.

(f) Data from 2011 represents only two thirds of the total revenue from NBT as the balance one third is transferred to PCs under the revenue sharing mechanism with them.

(g) Data from 2011 represents the revenue from Telecommunications Levy, which was introduced as a composite tax to the telecommunications sector by removing VAT, NBT, Regional Infrastructure Development Levy, Environment Conservation Levy and the Mobile Subscribers' Levy on this sector in 2011.

Table 9

## Economic Classification of Government Expenditure and Lending Minus Repayments

Item	2000	2001	2002	2003	2004	2005	2006	2007	2008	2009	2010	2011	2012	2013	2014(a)
<b>1 Recurrent Expenditure</b>	<b>254,279</b>	<b>303,361</b>	<b>330,849</b>	<b>334,692</b>	<b>389,679</b>	<b>443,351</b>	<b>547,959</b>	<b>622,758</b>	<b>743,711</b>	<b>879,575</b>	<b>937,094</b>	<b>1,024,906</b>	<b>1,131,023</b>	<b>1,205,180</b>	<b>1,322,888</b>
<b>1.1 Expenditure on Goods &amp; Services</b>	<b>130,765</b>	<b>143,747</b>	<b>139,894</b>	<b>138,659</b>	<b>164,530</b>	<b>194,861</b>	<b>253,025</b>	<b>292,632</b>	<b>360,328</b>	<b>379,731</b>	<b>388,286</b>	<b>451,605</b>	<b>487,833</b>	<b>512,624</b>	<b>603,634</b>
Salaries and Wages	68,544	78,056	88,806	91,783	106,187	138,604	175,031	214,160	239,078	271,229	300,558	319,601	347,747	393,228	440,982
Central Government	18,506	22,618	24,383	26,285	30,246	44,950	54,544	61,799	65,315	71,859	75,817	83,072	95,965	113,223	133,584
Provincial Councils	21,401	25,125	29,213	29,237	34,455	44,820	61,453	69,366	73,791	74,634	81,887	90,818	88,217	105,034	121,789
Defense	28,636	30,313	25,748	26,604	30,850	38,040	44,960	60,185	73,509	94,189	110,335	112,703	126,950	134,295	141,138
Police and Public Security			9,462	9,657	10,636	10,993	14,074	22,810	26,463	30,547	32,519	33,008	36,615	40,677	44,471
Other Purchases of Goods and Services	62,221	65,691	51,088	46,877	58,343	56,257	77,994	78,472	121,250	108,502	87,728	132,004	140,086	119,396	162,652
Central Government	18,265	26,434	20,784	19,993	24,941	21,466	29,012	25,725	46,950	42,970	38,618	71,741	92,738	74,307	85,572
Provincial Councils	1,819	1,280	1,377	1,539	1,436	1,859	1,576	1,416	3,075	3,110	3,112	3,784	3,676	3,810	4,417
Defence	34,825	31,767	23,417	20,401	25,491	23,458	36,283	41,671	61,201	50,695	33,471	43,400	32,631	31,855	51,463
Police and Public Security	7,312	6,210	5,510	4,944	6,475	9,474	11,123	9,660	10,024	11,727	12,527	13,079	11,040	9,424	21,200
<b>1.2 Interest Payments</b>	<b>71,200</b>	<b>94,307</b>	<b>116,515</b>	<b>125,126</b>	<b>119,782</b>	<b>120,159</b>	<b>150,777</b>	<b>182,681</b>	<b>212,475</b>	<b>309,676</b>	<b>352,592</b>	<b>356,699</b>	<b>408,498</b>	<b>444,007</b>	<b>436,395</b>
Foreign	9,015	9,747	10,617	11,586	13,904	6,995	16,990	21,311	30,277	35,698	55,464	68,565	90,839	100,985	108,461
Domestic	62,185	84,560	105,897	113,540	105,878	113,164	133,787	161,370	182,198	273,978	297,127	288,134	317,659	343,022	327,934
<b>1.3 Subsidies and Transfers</b>	<b>52,314</b>	<b>65,307</b>	<b>74,441</b>	<b>70,907</b>	<b>105,367</b>	<b>128,331</b>	<b>144,157</b>	<b>147,445</b>	<b>170,908</b>	<b>190,168</b>	<b>196,216</b>	<b>216,601</b>	<b>234,692</b>	<b>248,549</b>	<b>282,868</b>
Households	41,815	53,319	53,958	52,649	83,585	101,602	104,842	110,910	131,342	148,993	156,194	171,438	187,895	195,288	216,860
o/w Pensions	21,602	26,493	31,123	31,150	36,444	46,782	58,006	68,822	74,922	85,139	90,995	99,961	111,682	123,293	127,049
Samurdhi (b)	9,661	12,574	9,910	8,715	8,498	9,161	10,789	9,200	9,995	9,267	9,241	9,043	10,553	15,256	15,042
Fertilizer Subsidy	1,733	3,650	2,448	2,190	3,572	6,846	11,867	11,000	26,450	26,935	26,028	29,802	36,456	19,706	31,858
Sub National Governments	1,424	694	392	608	358	233	172	150	217	-	-	-	-	-	-
Non Financial Public Enterprises	3,370	4,376	7,998	5,705	8,405	10,412	18,336	10,639	12,942	14,126	12,361	12,999	11,817	13,854	19,431
Institutions and other	5,705	6,919	12,093	11,945	13,019	16,084	20,807	25,746	26,407	27,049	27,661	32,164	34,979	39,407	46,577

## Economic Classification of Government Expenditure and Lending Minus Repayments contd...

Item	2000	2001	2002	2003	2004	2005	2006	2007	2008	2009	2010	2011	2012	2013	2014(a)
<b>2 Capital Expenditure</b>	<b>67,769</b>	<b>67,902</b>	<b>58,595</b>	<b>75,089</b>	<b>83,807</b>	<b>140,154</b>	<b>162,214</b>	<b>206,162</b>	<b>232,607</b>	<b>277,416</b>	<b>302,087</b>	<b>377,812</b>	<b>400,082</b>	<b>454,303</b>	<b>459,855</b>
2.1 Acquisition of Fixed Capital Assets	32,934	36,115	26,501	36,580	40,449	88,141	88,209	111,510	128,605	143,590	158,488	208,963	176,562	252,535	252,303
2.2 Capital Transfers	34,835	31,787	32,094	38,509	43,359	52,013	74,005	94,652	104,002	133,826	143,599	168,849	223,520	201,768	207,551
Institutions	14,522	18,351	15,118	19,894	19,306	20,700	32,371	50,408	59,991	90,291	99,151	105,603	145,935	143,504	147,166
Non Financial Public Enterprises	12,048	6,973	11,459	14,339	19,068	19,969	21,526	23,737	22,432	19,750	20,345	35,168	50,860	27,193	28,322
Sub National Governments	8,218	6,251	5,421	4,186	4,812	11,141	19,699	20,346	21,237	23,780	24,101	27,619	25,266	29,692	31,547
Abroad	47	212	96	90	173	203	409	160	341	5	1	459	1,459	1,379	516
<b>3 Lending Minus Repayments</b>	<b>13,775</b>	<b>15,254</b>	<b>13,547</b>	<b>7,890</b>	<b>3,420</b>	<b>1,279</b>	<b>3,473</b>	<b>12,684</b>	<b>19,809</b>	<b>44,936</b>	<b>41,025</b>	<b>30,464</b>	<b>25,394</b>	<b>9,913</b>	<b>13,112</b>
3.1 Net Lending through Advance Accounts	2,638	2,044	1,336	1,710	1,950	1,850	83	700	1,457	1,932	2,126	854	(2,088)	(1,019)	1,249
3.2 Lending to Public Enterprises	13,187	14,590	13,582	12,320	13,823	8,428	15,230	23,112	31,253	53,032	54,433	44,488	43,891	26,901	26,756
3.3 Loan Repayments by Public Enterprises	(6,209)	(6,699)	(6,060)	(10,741)	(15,920)	(10,364)	(13,881)	(11,677)	(13,526)	(11,978)	(15,535)	(14,878)	(16,409)	(15,969)	(14,892)
3.4 Restructuring Expenditure	4,159	5,320	4,689	4,601	3,567	1,365	2,041	549	625	1,950	-	-	-	-	-
<b>Total</b>	<b>335,823</b>	<b>386,518</b>	<b>402,992</b>	<b>417,671</b>	<b>476,907</b>	<b>584,784</b>	<b>713,646</b>	<b>841,604</b>	<b>996,126</b>	<b>1,201,927</b>	<b>1,280,205</b>	<b>1,433,182</b>	<b>1,556,499</b>	<b>1,669,396</b>	<b>1,795,865</b>

Sources: Department of National Budget, Department of Treasury Operations, Department of State Accounts, Department of Fiscal Policy and Central Bank of Sri Lanka

(a) Provisional

Table 10

## Functional Classification of Government Expenditure

Item	1990	1995	2000	2001	2002	2003	2004	2005	2006	2007	2008	2009	2010	2011	2012	2013	2014(a)
Rs.million																	
<b>1. Current Expenditure</b>	<b>71,770</b>	<b>154,159</b>	<b>254,279</b>	<b>303,382</b>	<b>330,847</b>	<b>334,693</b>	<b>389,678</b>	<b>443,350</b>	<b>547,960</b>	<b>622,758</b>	<b>743,710</b>	<b>879,575</b>	<b>937,094</b>	<b>1,008,244</b>	<b>1,131,023</b>	<b>1,205,180</b>	<b>1,322,898</b>
General Public Services	17,943	47,888	82,643	82,149	80,970	86,361	95,443	106,992	136,352	165,807	207,348	224,281	228,184	245,266	254,371	270,554	334,354
Civil Administration	6,622	6,562	13,416	14,944	17,473	24,755	23,196	25,027	29,912	31,481	36,150	37,123	37,895	43,076	47,135	54,303	73,282
Defence	6,736	35,186	56,915	54,242	49,163	47,005	56,341	61,498	81,243	101,856	134,710	144,884	145,243	156,103	163,219	170,150	195,401
Police and Public Security	4,585	6,140	12,312	12,963	14,334	14,601	15,906	20,467	25,197	32,470	36,487	42,274	45,046	46,087	44,017	46,101	65,671
Social Services	24,449	57,647	77,160	87,988	106,096	104,812	138,820	188,652	204,635	226,271	240,768	260,072	267,636	315,749	335,427	399,666	446,441
Education	8,529	15,784	23,794	23,448	31,162	31,673	33,792	50,697	61,144	72,592	77,141	82,414	85,195	99,043	107,271	119,819	139,787
Health	3,685	8,818	15,394	14,785	20,234	22,073	25,919	34,113	44,069	51,741	55,874	58,789	60,506	74,443	81,946	99,609	116,151
Welfare	11,973	32,106	35,686	44,635	47,503	45,849	73,571	92,909	86,753	91,747	94,789	105,017	107,690	123,122	128,451	159,787	165,467
Community Services	262	941	2,286	5,100	7,198	5,217	5,538	10,933	12,669	10,191	12,963	13,852	14,245	19,141	17,758	20,451	25,036
Economic Services	3,927	6,830	9,738	13,882	14,769	11,625	17,548	25,811	43,977	45,479	74,489	78,464	78,819	81,646	92,034	82,146	105,031
Agriculture and Irrigation	982	3,826	5,706	7,967	7,635	7,002	8,876	13,500	22,173	22,849	41,579	43,967	44,081	46,290	46,429	29,899	46,782
Energy and Water Supply	345	990	474	565	385	9	112	1,008	2,766	3,647	3,323	3,429	3,492	3,533	3,612	4,001	394
Transport and Communication	2,600	2,014	3,558	5,350	6,749	4,614	8,560	11,303	19,038	18,983	29,587	31,068	31,246	31,823	34,995	36,810	41,129
Other	-	-	-	-	-	-	-	-	-	-	-	-	-	-	6,998	11,435	16,726
Other	25,451	41,794	84,738	119,363	129,014	131,894	137,867	121,896	162,996	185,201	221,105	316,759	362,455	365,583	449,191	452,814	437,073
o/w Interest Payments	20,668	38,687	71,200	94,307	116,515	125,126	119,782	120,159	150,777	182,681	212,475	309,675	352,592	356,699	408,498	444,007	436,395
<b>2. Capital Expenditure and Lending</b>	<b>27,605</b>	<b>52,810</b>	<b>80,955</b>	<b>82,491</b>	<b>72,177</b>	<b>87,409</b>	<b>97,631</b>	<b>148,582</b>	<b>177,443</b>	<b>229,273</b>	<b>263,859</b>	<b>330,448</b>	<b>356,519</b>	<b>438,962</b>	<b>443,972</b>	<b>481,203</b>	<b>486,610</b>
General Public Services	3,617	5,776	7,157	6,563	4,713	5,203	7,191	9,901	21,356	32,143	34,403	20,095	21,510	32,484	27,510	32,804	43,620
Civil Administration	1,599	3,962	5,610	5,478	4,075	4,826	5,986	8,537	18,109	28,438	29,675	18,686	20,212	28,668	26,565	31,631	40,282
Police and Public Security	2,018	1,814	1,547	1,085	638	377	1,205	1,364	3,247	3,705	4,728	1,409	1,298	3,816	945	1,173	3,338
Social Services	3,019	9,855	16,471	14,559	15,690	19,190	28,996	35,992	48,387	54,986	60,236	53,938	56,205	63,366	71,176	77,643	112,338
Education	1,042	3,124	7,135	4,838	6,048	7,443	8,548	12,860	17,200	19,948	22,942	18,092	19,053	22,326	28,930	31,982	50,363
Health	1,279	2,134	5,302	3,987	4,713	5,403	8,500	10,738	13,969	16,961	18,674	12,664	13,329	14,794	17,155	19,920	22,252
Housing	538	3,300	2,476	3,722	3,717	4,090	7,250	3,937	4,021	4,481	4,826	5,291	5,489	7,105	7,823	8,014	20,569
Community Services	160	1,297	1,558	2,012	1,212	2,254	4,698	8,457	13,197	13,596	13,794	17,891	18,334	19,141	17,267	17,727	19,154
Economic Services	18,295	36,105	54,647	54,906	51,678	58,740	61,271	77,537	106,798	141,244	168,879	256,410	278,803	342,653	343,828	369,377	330,136
Agriculture and Irrigation	5,215	6,060	6,908	6,034	6,936	8,420	8,207	10,041	12,615	14,736	17,681	22,105	24,865	28,617	30,351	36,721	57,099
Energy and Water Supply	6,500	5,003	13,282	14,758	17,732	23,801	22,283	19,234	26,376	47,850	48,783	59,983	66,569	85,186	85,589	87,517	51,314
Transport and Communication	4,312	18,888	24,911	21,464	18,916	20,238	22,198	31,765	37,988	50,995	82,916	139,104	165,505	190,026	204,539	210,398	177,471
Other	2,268	6,155	9,549	12,650	8,094	6,283	8,583	16,500	29,810	27,663	19,499	35,219	21,804	38,825	23,350	34,741	44,252
Other	2,674	1,074	2,680	6,463	96	4,276	173	704	912	900	341	5	1	459	1,459	1,379	516
Other	952	-	-	-	-	-	-	24,448	-	-	-	-	-	-	-	-	-
<b>3. Total Expenditure and Lending</b>	<b>99,375</b>	<b>206,969</b>	<b>335,234</b>	<b>385,853</b>	<b>403,024</b>	<b>422,102</b>	<b>487,309</b>	<b>591,932</b>	<b>725,403</b>	<b>852,031</b>	<b>1,007,569</b>	<b>1,210,023</b>	<b>1,293,613</b>	<b>1,447,206</b>	<b>1,574,995</b>	<b>1,686,383</b>	<b>1,809,508</b>

Sources: Department of National Budget, Department of State Accounts, Department of Treasury Operations, Department of Fiscal Policy and Central Bank of Sri Lanka

(a) Provisional

Table 11

## Composition of Government Debt

Source	1990	1995	2000	2001	2002	2003	2004	2005	2006	2007	2008	2009	2010	2011	2012	2013	2014 (a)
<b>1. Foreign Debt</b>	<b>176,883</b>	<b>346,286</b>	<b>542,040</b>	<b>636,741</b>	<b>721,957</b>	<b>843,882</b>	<b>996,138</b>	<b>956,620</b>	<b>1,103,418</b>	<b>1,326,487</b>	<b>1,448,734</b>	<b>1,760,467</b>	<b>2,024,583</b>	<b>2,329,280</b>	<b>2,767,299</b>	<b>2,960,424</b>	<b>3,113,116</b>
1.1 Project Loans	132,338	286,848	477,845	542,942	640,354	769,559	914,232	865,494	978,356	1,087,359	1,261,304	1,362,806	1,461,729	1,640,117	1,846,772	1,938,909	1,904,599
1.2 Non-project Loans	44,545	59,438	64,195	93,799	81,603	74,323	81,906	91,126	125,062	239,128	187,430	397,661	562,854	689,163	920,527	1,021,515	1,208,516
Commodity	43,393	57,730	63,009	67,000	68,050	68,892	73,835	69,116	69,021	68,665	66,499	62,304	54,653	53,460	56,599	61,597	69,993
Other	1,152	1,708	1,186	26,799	13,553	5,431	8,071	22,010	56,041	170,463	120,931	335,357	508,201	635,703	863,928	959,918	1,138,523
<b>2. Domestic Debt</b>	<b>133,896</b>	<b>289,410</b>	<b>676,660</b>	<b>815,965</b>	<b>948,386</b>	<b>1,019,969</b>	<b>1,143,389</b>	<b>1,265,722</b>	<b>1,479,230</b>	<b>1,715,198</b>	<b>2,140,228</b>	<b>2,400,955</b>	<b>2,565,662</b>	<b>2,804,085</b>	<b>3,232,813</b>	<b>3,632,825</b>	<b>4,277,783</b>
2.1 Rupee Loans	54,676	157,928	263,888	282,813	287,701	248,414	164,758	140,563	116,713	131,509	130,009	112,292	87,709	61,961	58,386	55,518	55,518
2.2 Treasury Bills	67,968	113,771	134,996	170,995	210,995	219,295	243,886	234,174	257,732	307,012	402,600	441,032	514,442	590,885	629,070	700,137	694,767
2.3 Treasury Bonds	-	-	204,124	229,174	347,128	483,107	643,349	751,569	885,972	1,018,852	1,281,978	1,513,512	1,643,887	1,819,251	2,095,054	2,452,360	2,844,054
2.4 Sri Lanka Development Bonds	-	-	-	14,749	24,177	8,816	26,083	25,519	62,469	86,459	158,805	168,079	173,877	183,845	222,994	369,215	391,083
2.5 Central Bank Provisional Advances	6,408	13,700	27,169	30,127	31,033	31,204	34,791	39,746	49,015	60,679	76,308	73,881	77,879	94,743	111,292	109,167	143,898
2.6 Other	4,844	4,011	46,483	78,107	47,352	29,133	30,522	74,151	107,329	110,687	90,528	92,160	67,869	53,400	116,017	146,429	148,463
<b>3. Total</b>	<b>310,779</b>	<b>635,696</b>	<b>1,218,700</b>	<b>1,452,706</b>	<b>1,670,343</b>	<b>1,863,851</b>	<b>2,139,526</b>	<b>2,222,342</b>	<b>2,582,648</b>	<b>3,041,685</b>	<b>3,589,962</b>	<b>4,161,422</b>	<b>4,590,245</b>	<b>5,133,365</b>	<b>6,000,112</b>	<b>6,793,249</b>	<b>7,390,899</b>
<b>Government Debt to GDP Ratio</b>																	
Foreign Debt	55.0	51.9	43.1	45.2	45.6	46.3	47.6	39.0	37.5	37.1	32.8	36.4	36.1	35.6	36.5	34.1	31.8
Domestic Debt	41.6	43.3	53.8	58.0	60.0	56.0	54.7	51.6	50.3	47.9	48.5	49.7	45.8	42.8	42.7	44.2	43.7
Total Debt	96.6	95.2	96.9	103.2	105.6	102.3	102.3	90.6	87.9	85.0	81.4	86.1	81.9	78.4	79.2	78.3	75.5

Sources: Department of Public Debt of the Central Bank of Sri Lanka, Department of External Resources, Department of National Budget, Department of Treasury Operations, Department of State Accounts and Department of Fiscal Policy

(a) Provisional

Table 12

## Domestic Production of Selected Items

Item	Unit	1990	1995	2000	2001	2002	2003	2004	2005	2006	2007	2008	2009	2010	2011	2012	2013	2014(a)
<b>Plantation Crops</b>																		
Tea	(Kg Mn)	233.2	245.9	305.8	295.1	310.0	303.2	308.1	317.2	310.8	305.2	318.7	291.0	331.0	327.5	328.4	340.2	338.0
Rubber	(Kg Mn)	113.1	105.7	87.6	86.0	90.5	92.0	94.7	104.4	109.2	117.6	129.2	136.9	153.0	158.2	152.0	130.4	98.6
Coconut	(Nuts Mn)	2,532.0	2,755.0	3,096.0	2,769.0	2,392.0	2,562.0	2,591.0	2,515.0	2,785.0	2,869.0	2,909.0	2,853.0	2,584.0	2,808.0	2,940.0	2,513.0	2,870.0
<b>Seasonal Crops</b>																		
Paddy	(Mt'000)	2,538.0	2,809.9	2,859.9	2,695.8	2,859.5	3,071.2	2,628.0	3,246.2	3,342.0	3,131.1	3,875.0	3,652.0	4,300.6	3,894.2	3,846.0	4,620.7	3,381.0
Potatoes	(Mt'000)	87.2	81.7	48.4	57.7	88.7	71.7	81.3	79.4	78.5	77.4	74.8	61.7	51.9	59.4	72.2	78.8	82.4
Sweet Potatoes	(Mt'000)	76.9	61.8	51.8	48.5	47.5	44.1	39.7	41.2	41.6	49.2	52.5	47.3	46.5	47.3	43.6	51.3	52.0
Chilies - Green	(Mt'000)	106.6	85.4	55.9	49.0	46.3	46.2	40.5	52.9	52.9	48.7	51.0	46.4	49.0	44.4	61.5	71.0	71.2
Chilies - Dried	(Mt'000)	39.1	21.3	14.0	12.3	11.7	11.7	10.1	13.2	12.7	12.2	12.8	11.6	12.3	10.9	15.4	17.8	17.9
Big Onions	(Mt'000)	15.3	29.7	36.6	32.0	31.6	32.3	37.5	55.5	73.6	92.2	57.4	81.7	58.9	45.7	83.6	69.6	101.2
Red Onions	(Mt'000)	57.7	48.4	42.5	36.9	35.3	35.5	39.5	53.7	60.7	57.0	49.3	46.2	61.8	72.3	74.0	55.6	63.0
Maize	(Mt'000)	33.2	34.8	31.0	28.8	26.4	29.6	35.2	41.8	47.5	56.4	112.3	129.8	161.7	137.8	202.3	209.0	240.6
Green Gram	(Mt'000)	26.9	16.0	11.7	9.7	10.3	10.6	7.8	9.0	7.9	8.5	8.9	9.3	11.7	17.0	12.0	14.1	14.3
Black Gram	(Mt'000)	4.9	7.9	5.4	5.1	5.1	5.9	5.0	6.9	7.5	7.7	9.5	7.1	10.0	5.8	10.2	9.4	9.6
Kurakkan	(Mt'000)	7.2	4.9	4.8	4.2	4.1	5.3	4.7	6.4	6.3	5.4	6.5	6.4	7.3	5.4	6.0	6.9	8.9
Cowpea	(Mt'000)	22.8	16.1	12.1	9.8	10.4	12.9	9.2	11.2	10.1	10.8	11.9	13.5	11.6	10.4	14.8	14.2	15.1
Soya Beans	(Mt'000)	3.1	2.4	0.6	0.6	1.2	3.0	1.9	5.0	5.2	4.8	3.0	3.8	7.5	3.8	1.7	13.4	6.8
Gingerly	(Mt'000)	4.8	4.5	4.6	4.2	4.1	5.5	4.3	6.2	6.0	6.3	6.3	8.5	16.9	11.3	12.4	14.2	14.2
Ground Nuts	(Mt'000)	6.1	5.9	7.0	6.8	5.8	6.6	7.9	9.0	9.6	9.8	10.3	13.1	14.4	16.9	22.0	27.5	25.4
<b>Other Agricultural Crops</b>																		
Sugar	(Mt'000)	57.2	51.7	64.0	48.0	38.0	57.0	58.0	54.0	56.0	29.0	39.0	32.0	31.0	35.0	36.7	53.0	51.8
Coffee	(Mt'000)	7.6	11.5	2.5	2.3	2.4	3.1	3.5	3.5	3.5	3.0	3.1	3.1	3.2	5.3	5.3	5.9	6.0
Cinnamon	(Mt'000)	10.4	11.8	13.5	13.6	13.0	14.0	14.9	14.5	15.9	16.5	14.9	15.8	16.4	18.2	16.1	16.0	16.0
Pepper	(Mt'000)	8.7	16.1	10.6	7.7	12.6	12.6	12.0	14.3	14.4	16.6	12.9	15.8	17.3	10.8	25.6	27.0	28.0
Cloves	(Mt'000)	1.3	3.7	1.7	2.7	4.1	2.4	3.6	6.1	3.6	3.0	8.2	3.0	9.6	5.5	4.0	4.0	6.0
<b>Livestock and Fish</b>																		
Milk	(Ltr Mn)	291.7	333.3	181.5	183.0	183.2	186.8	190.3	193.0	196.6	202.0	208.1	233.4	247.6	258.3	299.2	329.2	332.9
Fish	(Mt'000)	184.0	235.8	300.3	284.7	302.9	285.0	286.4	163.2	251.3	291.0	319.1	339.7	384.7	444.8	486.2	512.8	535.1

Sources: Department of Census and Statistics, Ministry of Irrigation and Agriculture, Department of Export Agriculture and Central Bank of Sri Lanka

(a) Provisional

Table 13

## Value of Exports

Category	2000	2001	2002	2003	2004	2005	2006	2007	2008	2009	2010	2011	2012	2013	2014 (a)
<b>Agricultural Exports</b>	<b>1,134</b>	<b>1,025</b>	<b>1,016</b>	<b>1,057</b>	<b>1,151</b>	<b>1,249</b>	<b>1,424</b>	<b>1,647</b>	<b>1,976</b>	<b>1,836</b>	<b>2,306</b>	<b>2,528</b>	<b>2,332</b>	<b>2,581</b>	<b>2,794</b>
Tea	700	689	660	683	739	811	882	1,027	1,272	1,185	1,441	1,491	1,412	1,542	1,628
Black Tea	637	613	593	601	646	718	769	890	1,111	1,072	1,383	1,430	1,354	1,471	1,555
Bulk	393	350	360	338	393	407	463	535	643	616	567	534	512	561	563
Packets	180	194	160	183	162	213	203	235	321	301	607	667	640	693	754
Bags	64	69	73	81	91	98	103	121	147	156	209	229	203	217	238
Instant	8	9	9	11	8	7	7	9	11	10	13	15	11	15	19
Green Tea	3	5	5	8	11	14	19	22	29	29	44	46	47	56	55
Other	52	63	53	63	73	72	86	106	118	74	-	-	-	-	-
<b>Rubber</b>	<b>29</b>	<b>24</b>	<b>26</b>	<b>39</b>	<b>51</b>	<b>47</b>	<b>93</b>	<b>109</b>	<b>125</b>	<b>99</b>	<b>173</b>	<b>206</b>	<b>125</b>	<b>71</b>	<b>45</b>
Sole Crepe	-	-	-	-	-	-	-	-	-	-	6	10	16	7	9
Latex and Other Crepe	-	-	-	-	-	-	-	-	-	-	25	102	58	38	25
Sheet Natural	13	11	15	22	28	25	54	59	69	46	67	63	38	14	5
Latex Natural	0.2	0.3	1	0.5	2	1	3	10	17	11	15	8	8	2	2
Block Rubber	14	11	10	14	15	16	24	25	23	2	1	2	1	1	...
Other	1	1	1	2	6	5	12	15	16	10	18	15	14	9	4
<b>Coconut</b>	<b>121</b>	<b>82</b>	<b>84</b>	<b>93</b>	<b>113</b>	<b>113</b>	<b>124</b>	<b>141</b>	<b>171</b>	<b>166</b>	<b>166</b>	<b>266</b>	<b>209</b>	<b>205</b>	<b>356</b>
Kernal Product	77	41	41	48	59	49	53	60	82	58	56	136	80	86	214
Other	44	41	42	45	54	64	71	81	89	108	110	130	129	119	142
<b>Other Agricultural Exports</b>	<b>155</b>	<b>136</b>	<b>168</b>	<b>150</b>	<b>162</b>	<b>183</b>	<b>195</b>	<b>208</b>	<b>243</b>	<b>215</b>	<b>335</b>	<b>379</b>	<b>388</b>	<b>529</b>	<b>511</b>
Vegetables	8.6	6.7	7.2	7.4	9.9	11.8	10.0	11.5	13.0	11.7	23.4	16.9	13.3	24.9	40.1
Fruits (Fresh or Dry)	4.5	4.5	4.0	6.3	6.6	6.3	9.6	11.2	13.9	12.1	14.5	17.1	18.1	29.1	44.2
Arecanut	0.6	0.1	0.3	0.2	0.4	0.7	2.0	0.9	3.4	1.4	2.2	2.5	3.7	15.9	63.6
Coffee	0.1	...	0.1	0.5	0.2	0.2	0.2	0.1	0.2	0.1	0.3	0.1	0.1	0.1	0.2
Pepper	20.9	6.0	15.5	12.8	9.2	12.2	17.1	31.7	26.2	20.6	42.7	32.1	70.2	128.3	72.4
Cinnamon	45.4	42.3	45.0	44.9	46.7	58.3	66.2	75.8	82.6	74.1	82.9	128.9	135.5	138.6	139.8
Cloves	4.0	13.0	28.3	6.0	14.0	17.5	12.6	9.2	33.0	12.0	37.4	35.4	18.5	49.7	14.0
Nutmeg and Maize	5.5	3.9	5.7	6.4	4.8	7.4	6.3	7.6	9.0	8.1	16.0	28.2	23.0	31.2	29.8
Cardamoms	0.1	0.1	0.1	0.1	0.1	0.2	0.2	0.1	0.3	0.2	0.3	0.6	0.2	0.2	0.3
Other Oil Seeds	...	...	...	...	...	...	...	0.2	...	0.1	...	0.1	5.2	0.4	1.2
Betel Leaves	1.7	1.3	2.0	2.9	3.0	2.6	2.6	4.1	6.7	6.0	5.1	6.9	5.0	10.6	10.5
Cocoa	0.0	0.1	0.1	0.0	0.1	0.0	0.0	0.1	0.1	0.2	4.1	21.3	13.1	0.3	1.1
Unmanufactured Tobacco	37.6	35.2	37.5	37.2	39.7	35.1	35.3	40.2	39.5	33.5	38.4	42.2	47.6	41.3	41.3
Sesame Seeds	0.1	...	...	0.4	1.6	0.7	1.3	0.6	0.4	1.6	8.9	0.5	2.5	10.4	6.2
Cashew Nuts	0.6	1.0	0.5	0.4	0.8	1.6	1.1	1.0	1.4	1.1	2.2	2.6	1.3	0.6	1.4
Essential Oils	0.9	0.9	0.9	1.0	1.3	1.4	1.7	3.5	3.8	2.4	5.0	1.1	0.9	1.3	4.5
Cinnamon Bark Oil	2.8	2.7	2.7	2.3	2.4	2.6	3.6	5.2	3.9	2.4	4.4	7.7	5.8	6.2	7.6
Clove Oil	0.1	...	0.2	...	0.1	...	0.2	0.3	0.3	0.1	0.4	0.4	0.3	0.3	0.2
Other Minor Agricultural Crops	21.7	18.3	18.6	21.2	21.7	24.2	24.7	4.2	5.8	27.6	52.4	38.4	28.7	33.5	32.9



Value of Exports *contd...*

Category	US\$ million														
	2000	2001	2002	2003	2004	2005	2006	2007	2008	2009	2010	2011	2012	2013	2014 (a)
Seafood	128.5	94.2	77.9	92.7	86.2	96.0	129.9	162.5	164.6	170.6	192.3	185.3	198.0	233.7	252.7
Industrial Exports	4,315	3,713	3,628	3,975	4,508	4,949	5,402	5,937	6,112	5,228	6,097	7,992	7,371	7,749	8,262
Food, Beverages and Tobacco	25	27	32	78	75	223	232	323	244	183	245	348	284	235	289
Milling Industry Products	8	7	9	9	13	30	52	48	62	40	71	142	90	37	43
Vegetable, Fruit and Nut Preparations	6	8	9	10	11	10	15	29	49	55	51	61	59	63	80
Cereal Preparations	1	2	2	2	4	4	5	7	11	9	11	19	20	25	22
Fish Preparations	...	...	...	...	1	3	1	1	1	1	1	...	...	1	1
Manufactured Tobacco	2	2	2	8	16	20	16	23	28	24	26	41	47	49	56
Other	9	8	10	48	30	156	142	215	93	54	85	85	67	61	88
Textile and Garments	2,982	2,544	2,425	2,575	2,808	2,890	3,084	3,337	3,478	3,261	3,356	4,191	3,991	4,508	4,930
Garments	2,712	2,335	2,246	2,400	2,654	2,748	2,917	3,144	3,284	3,120	3,178	3,986	3,784	4,265	4,682
Woven Fabrics	65	46	49	47	43	34	46	61	66	55	70	85	92	124	90
Yarn	32	27	25	23	22	24	24	45	44	42	50	57	58	58	68
Other Made Up Textile Articles	173	137	105	105	89	84	96	86	84	44	57	64	56	61	90
Petroleum Products	97	68	73	65	100	131	188	170	255	134	263	553	463	428	338
Bunkers and Aviation Fuel	75	53	60	65	100	131	181	168	253	133	259	524	457	423	327
Other Petroleum Products	22	14	13	...	-	-	7	2	2	2	4	28	6	5	11
Ceramic Products	47	42	42	40	47	47	47	47	49	36	40	38	36	40	41
Tiles	9	7	8	9	10	9	11	11	12	8	8	6	7	8	9
Tableware, Household Items and Sanitaryware	27	25	26	24	29	31	32	30	30	24	27	28	25	29	29
Other	10	11	9	8	8	7	5	5	7	4	5	5	4	3	3
Rubber Products	196	173	182	231	284	395	450	483	542	385	558	885	860	888	890
Rubber Tyres	101	84	84	121	160	259	295	309	337	213	336	569	540	551	564
Surgical Gloves and Other Gloves	62	56	61	73	77	86	105	111	117	114	137	181	177	195	176
Other Rubber Products	33	32	37	37	47	50	50	64	88	58	85	135	143	141	150
Leather, Travel Goods and Footwear	176	150	84	58	121	133	127	60	56	47	60	65	55	77	139
Footwear	56	32	19	21	13	13	19	24	22	17	20	17	12	29	87
Travel Goods	109	108	55	27	21	19	13	26	23	20	27	31	27	28	31
Other	12	10	9	10	87	101	94	10	12	10	13	17	16	19	21
Machinery and Mechanical Appliances	244	245	266	290	386	330	396	371	322	187	259	312	297	312	343

## Value of Exports contd...

Category	2000	2001	2002	2003	2004	2005	2006	2007	2008	2009	2010	2011	2012	2013	2014 (a)
<b>Gems, Diamonds and Jewellery</b>	<b>334</b>	<b>276</b>	<b>251</b>	<b>346</b>	<b>373</b>	<b>402</b>	<b>414</b>	<b>474</b>	<b>514</b>	<b>402</b>	<b>409</b>	<b>532</b>	<b>559</b>	<b>446</b>	<b>394</b>
Gems	143	91	45	113	108	124	86	105	76	69	70	95	118	130	173
Diamonds	178	166	192	216	247	265	312	348	418	317	322	414	417	295	198
Jewellery	13	19	14	17	19	13	16	22	20	17	17	22	24	21	22
<b>Transport Equipment</b>	<b>15</b>	<b>81</b>	<b>100</b>	<b>164</b>	<b>145</b>	<b>105</b>	<b>138</b>	<b>151</b>	<b>108</b>	<b>127</b>	<b>144</b>	<b>225</b>	<b>165</b>	<b>146</b>	<b>152</b>
Road Vehicles	5	4	3	5	8	13	20	23	39	50	58	49	86	32	39
Ships, Boats and Floating Structures	2	1	1	2	2	9	8	37	22	58	59	149	57	82	86
Other	8	76	96	157	135	83	111	91	48	20	28	27	22	33	27
<b>Printing Industry Products</b>	<b>2</b>	<b>2</b>	<b>2</b>	<b>2</b>	<b>3</b>	<b>9</b>	<b>15</b>	<b>34</b>	<b>47</b>	<b>48</b>	<b>246</b>	<b>235</b>	<b>42</b>	<b>36</b>	<b>52</b>
<b>Other Industrial Exports</b>	<b>197</b>	<b>105</b>	<b>170</b>	<b>126</b>	<b>166</b>	<b>285</b>	<b>311</b>	<b>487</b>	<b>497</b>	<b>418</b>	<b>517</b>	<b>608</b>	<b>619</b>	<b>633</b>	<b>694</b>
Chemical Products	31	28	31	35	53	73	65	78	71	74	93	118	117	120	134
<b>Mineral Exports</b>	<b>3</b>	<b>4</b>	<b>5</b>	<b>5</b>	<b>11</b>	<b>23</b>	<b>17</b>	<b>22</b>	<b>22</b>	<b>20</b>	<b>24</b>	<b>33</b>	<b>61</b>	<b>52</b>	<b>59</b>
<b>Unclassified Exports</b>	<b>69</b>	<b>75</b>	<b>50</b>	<b>94</b>	<b>89</b>	<b>125</b>	<b>42</b>	<b>38</b>	<b>-</b>	<b>-</b>	<b>199</b>	<b>7</b>	<b>10</b>	<b>12</b>	<b>15</b>
<b>Total Exports</b>	<b>5,522</b>	<b>4,818</b>	<b>4,699</b>	<b>5,133</b>	<b>5,759</b>	<b>6,347</b>	<b>6,883</b>	<b>7,640</b>	<b>8,111</b>	<b>7,085</b>	<b>8,626</b>	<b>10,559</b>	<b>9,774</b>	<b>10,394</b>	<b>11,130</b>

Sources: Sri Lanka Customs, Department of Trade and Investment Policy and Central Bank of Sri Lanka

(a) Provisional

Table 14

## Value of Imports

Category	2000	2001	2002	2003	2004	2005	2006	2007	2008	2009	2010	2011	2012	2013	2014 (a)
US\$ million															
<b>Consumer Goods</b>	<b>844</b>	<b>815</b>	<b>1,050</b>	<b>1,219</b>	<b>1,282</b>	<b>1,289</b>	<b>1,551</b>	<b>1,664</b>	<b>2,007</b>	<b>1,565</b>	<b>2,476</b>	<b>3,654</b>	<b>2,995</b>	<b>3,182</b>	<b>3,854</b>
<b>Food and Beverages</b>	<b>383</b>	<b>402</b>	<b>513</b>	<b>547</b>	<b>558</b>	<b>573</b>	<b>711</b>	<b>802</b>	<b>1,089</b>	<b>933</b>	<b>1,322</b>	<b>1,567</b>	<b>1,304</b>	<b>1,368</b>	<b>1,634</b>
Sugar	141	115	132	116	111	132	224	151	203	218	363	426	345	289	255
Milk and Milk Products	118	115	110	120	122	133	171	186	288	165	259	345	307	291	339
Rice	4	11	18	9	59	16	6	39	44	23	59	18	24	18	282
Flour	8	1	2	2	1	32	3	2	1	1	1	14	5	2	2
Fish	68	69	65	63	56	68	92	108	115	119	128	147	134	162	141
<b>Other Food and Beverages</b>	<b>213</b>	<b>140</b>	<b>186</b>	<b>237</b>	<b>208</b>	<b>192</b>	<b>216</b>	<b>317</b>	<b>437</b>	<b>407</b>	<b>512</b>	<b>617</b>	<b>489</b>	<b>607</b>	<b>614</b>
Potatoes	5.5	9.8	6.3	5.6	4.1	7.6	10.4	20.0	23.6	23.0	36.9	35.7	22.7	28.5	35.8
Chilies	22.2	17.0	17.5	22.5	16.6	16.2	26.3	36.9	41.3	42.5	44.2	82.4	46.4	49.3	59.6
Onions	26.0	26.0	27.0	26.0	27.0	26.0	28.0	57.0	53.0	60.0	96.0	86.0	51.9	100.1	65.3
Lentils	39.5	36.7	35.0	29.9	29.6	31.6	37.6	59.6	108.0	113.0	129.0	116.8	68.9	104.1	121.2
Green Gram	5.3	3.0	2.3	2.5	4.0	3.8	3.8	7.4	11.0	10.7	15.6	13.8	7.3	11.2	13.7
Peas	7.1	5.4	5.1	5.1	5.3	5.0	6.3	10.0	18.8	12.9	14.9	18.5	19.0	19.9	21.8
Chick Peas	9.8	5.9	6.5	6.5	7.3	4.4	6.3	9.8	17.3	17.7	17.8	26.9	25.6	20.5	20.0
Kurakkan	0.3	0.1	0.2	0.1	0.3	0.2	0.2	0.3	0.6	0.6	0.6	0.6	0.4	...	0.2
Oil and Fat	11.0	9.0	35.0	56.0	18.0	15.0	14.0	21.0	31.0	14.0	19.0	25.9	20.0	59.2	20.1
Spices	28.0	27.0	28.0	32.0	26.0	24.0	35.0	50.0	64.0	65.0	72.0	111.0	68.0	79.9	98.2
Other	58.0	72.0	23.2	50.8	69.8	59.0	47.7	44.7	68.8	47.4	66.5	99.3	158.7	134.1	157.9
<b>Non-food Consumables</b>	<b>461</b>	<b>413</b>	<b>537</b>	<b>672</b>	<b>724</b>	<b>716</b>	<b>840</b>	<b>862</b>	<b>918</b>	<b>632</b>	<b>1,154</b>	<b>2,087</b>	<b>1,691</b>	<b>1,814</b>	<b>2,219</b>
Vehicles	40	37	138	249	249	235	308	244	239	93	455	881	495	582	897
Home appliances-Radio and Television Sets	56	40	40	49	63	52	65	59	64	24	45	118	118	103	86
Rubber Products	34	26	29	32	37	38	42	44	51	46	72	83	80	88	90
Medical and Pharmaceutical Products	96	92	105	105	117	135	162	179	212	202	217	348	372	378	381
Household and Furniture Items	55	48	48	50	59	63	69	70	75	61	88	127	117	125	134
Other	180	170	177	187	199	193	194	266	277	206	277	530	509	538	632
Garments	131.9	100.0	88.1	89.1	98.7	91.5	81.5	85.9	89.1	98.9	94.4	112.0	131.9	157.6	227.0
Other Articles of Plastices	34.1	30.0	21.6	23.1	25.5	28.9	36.3	32.9	29.8	18.3	20.7	33.0	35.4	515.2	608.0
Printed Books	4.2	3.7	10.8	2.9	3.2	4.5	4.8	5.0	4.4	21.5	19.8	15.0	14.1	11.9	10.4
Fans	7.7	5.0	4.1	5.3	5.7	5.9	6.1	7.5	7.1	7.0	12.3	23.1	23.4	27.4	24.4
Washing Preparations	6.6	3.9	3.8	5.6	4.9	5.1	7.4	7.5	9.7	11.0	10.6	6.0	6.0	5.6	4.3
Powders, Makeup	4.9	2.3	2.7	3.0	3.6	2.8	4.3	4.2	6.2	4.8	5.6	10.7	6.8	8.1	6.7
Gas Cookers	4.5	2.2	3.6	3.1	3.4	3.7	3.6	3.5	3.8	3.7	5.0	9.4	6.4	6.8	5.7
<b>Intermediate Goods</b>	<b>3,376</b>	<b>3,406</b>	<b>3,667</b>	<b>4,023</b>	<b>4,953</b>	<b>5,607</b>	<b>6,257</b>	<b>6,983</b>	<b>9,019</b>	<b>6,159</b>	<b>8,054</b>	<b>12,274</b>	<b>11,578</b>	<b>10,554</b>	<b>11,398</b>
Fertilizer	79	68	75	87	107	134	163	192	577	182	240	407	311	239	272
Petroleum	902	729	791	837	1,213	1,657	2,070	2,516	3,392	2,184	3,041	4,795	5,045	4,308	4,597
Chemical Products	202	195	218	238	265	312	357	405	508	432	520	702	670	734	808
Paper and Paper Boards	116	108	156	186	210	222	254	290	328	264	350	427	363	380	490
Wheat and Maize	143	131	144	158	209	168	217	255	402	269	265	429	364	323	405

## Value of Imports contd...

Category	2000	2001	2002	2003	2004	2005	2006	2007	2008	2009	2010	2011	2012	2013	2014 (a)	US\$ million
Textile	1,139	1,459	1,414	1,476	1,634	1,659	1,656	1,724	1,788	1,529	1,812	2,321	2,266	2,046	2,328	
Diamond and Precious Metals	161	147	179	217	218	244	257	284	545	277	378	1,076	588	483	175	
Base Metal	64	55	124	175	253	298	298	252	275	167	239	354	440	406	478	
Vehicle and Machinery Parts	79	65	70	82	94	105	121	127	159	127	176	223	211	210	228	
Other Intermediate Goods	491	449	496	567	750	808	864	938	1,045	728	1,033	1,540	1,320	1,425	1,616	
Semi Finished Products of Iron	80	24	36	45	60	71	78	105	137	72	91	157	256	238	168	
Polymer of Ethylene	89	39	37	44	67	77	82	106	103	76	103	109	99	106	142	
Unmanufactured Tobacco	49	1	30	41	36	46	32	40	42	39	31	52	71	62	70	
Palm Oil (Refined <sup>1</sup> )	71	18	34	24	53	131	131	145	127	35	68	161	67	81	123	
<b>Investment Goods</b>	<b>1,387</b>	<b>1,065</b>	<b>1,180</b>	<b>1,360</b>	<b>1,714</b>	<b>1,937</b>	<b>2,400</b>	<b>2,597</b>	<b>2,852</b>	<b>2,093</b>	<b>2,758</b>	<b>4,286</b>	<b>4,590</b>	<b>4,253</b>	<b>4,152</b>	
<b>Machinery and Equipment</b>	<b>844</b>	<b>683</b>	<b>730</b>	<b>788</b>	<b>998</b>	<b>1,051</b>	<b>1,341</b>	<b>1,428</b>	<b>1,467</b>	<b>1,077</b>	<b>1,339</b>	<b>2,141</b>	<b>2,356</b>	<b>2,222</b>	<b>2,131</b>	
Recorders and Primary Batteries	38	13	15	18	29	50	49	119	124	107	87	124	138	152	n.a.	
Medical Instrument and Appliance - Used	63	34	48	31	47	56	56	60	73	54	63	81	87	92	104	
Wire Cables (Electrical)	26	16	14	11	20	18	19	5	13	11	38	33	32	34	47	
Gas Cylinders (For Industries)	6	4	4	3	4	3	4	7	6	3	6	12	n.a.	n.a.	n.a.	
Transport Equipment	245	127	156	228	269	333	405	410	481	357	593	1,065	992	668	707	
Building Material	296	254	292	342	443	548	651	753	900	656	822	1,076	1,237	1,357	1,309	
Iron Pipe & Tube	84	34	38	45	63	79	85	93	126	88	108	85	84	70	56	
Other Investment Goods	2	1	2	2	4	5	3	6	4	3	4	4	5	6	5	
<b>Unclassified Imports</b>	<b>1,715</b>	<b>687</b>	<b>207</b>	<b>73</b>	<b>50</b>	<b>31</b>	<b>48</b>	<b>52</b>	<b>213</b>	<b>390</b>	<b>162</b>	<b>54</b>	<b>28</b>	<b>14</b>	<b>14</b>	
<b>Total Imports</b>	<b>7,320</b>	<b>5,974</b>	<b>6,106</b>	<b>6,672</b>	<b>8,000</b>	<b>8,863</b>	<b>10,253</b>	<b>11,296</b>	<b>14,091</b>	<b>10,207</b>	<b>13,451</b>	<b>20,269</b>	<b>19,190</b>	<b>18,003</b>	<b>19,417</b>	

Sources: Sri Lanka Customs, Department of Trade and Investment Policy and Central Bank of Sri Lanka  
(a) Provisional

Table 15

## Import Quantities of Selected Items

Item	2000	2001	2002	2003	2004	2005	2006	2007	2008	2009	2010	2011	2012	2013	2014 (a)	MT'000
Sugar	570.4	457.4	567.7	526.0	496.5	444.2	520.6	470.7	563.1	460.7	539.2	596.6	559.0	539.0	509.5	
Milk Powder	56.9	52.2	61.9	63.8	54.2	52.8	68.1	62.1	62.5	62.4	72.4	84.1	79.5	66.0	67.2	
Potatoes	116.5	62.6	38.0	40.5	28.0	40.8	46.6	85.9	99.4	99.6	129.9	130.5	112.8	123.2	118.2	
Chilies - Red	23.4	25.8	25.3	27.7	24.3	27.3	29.4	31.2	34.7	36.0	37.7	42.2	40.7	44.1	47.8	
Big Onions	117.5	110.1	130.1	130.5	115.1	110.7	119.5	140.7	146.6	143.2	158.1	170.7	145.9	168.9	150.5	
Red Onions	5.9	2.7	1.8	0.2	2.7	10.2	10.9	23.8	26.9	16.2	11.9	6.8	7.0	15.4	11.8	
Dhal	80.4	90.7	106.5	90.9	89.6	86.4	107.7	103.2	104.9	108.0	134.3	151.3	114.0	150.9	153.4	
Rice	14.9	52.0	95.1	34.5	221.7	51.7	11.5	88.0	84.7	51.7	125.8	27.8	36.2	22.9	599.7	
Maize	115.2	157.3	94.6	128.5	148.8	146.8	83.7	78.4	82.5	27.2	9.6	7.0	1.0	0.5	29.4	
Green Gram	6.8	8.7	7.1	8.2	12.7	9.3	11.5	12.8	13.7	14.2	11.5	10.5	7.9	7.1	5.3	
Black Gram	7.3	7.9	6.9	7.6	5.4	4.6	6.2	7.1	5.0	3.3	1.5	7.1	3.2	4.2	6.2	
Peas	21.9	21.9	18.1	17.9	20.3	21.3	25.2	26.9	27.2	26.7	33.0	36.1	31.9	30.8	34.8	
Chick Peas	14.3	13.4	17.4	19.6	22.6	13.9	18.5	14.7	17.2	20.0	19.1	19.9	18.7	25.3	25.7	
Kurakkan	0.5	0.8	1.1	0.6	1.8	1.4	1.9	2.6	2.9	3.3	2.1	2.2	3.6	12.0	...	
Cowpea	0.2	0.1	0.1	0.2	0.1	0.2	0.3	0.6	0.7	0.4	0.6	0.9	0.7	1.1	1.0	
Soya Bean	2.9	3.2	3.5	1.5	1.6	1.3	0.2	...	2.4	1.8	1.6	...	0.1	1.1	...	
Coriander	12.8	10.1	11.7	13.1	13.1	9.9	11.0	14.8	9.7	10.9	12.1	13.3	10.1	15.3	13.8	
Turmeric	3.6	2.9	3.7	3.8	3.5	3.4	3.4	3.3	4.4	3.9	3.9	4.1	3.8	4.1	4.2	
Turmeric (Powder)	0.2	0.1	0.1	...	0.3	0.5	0.4	0.3	0.3	0.3	0.3	0.2	...	...	...	
Tamarind	0.8	...	0.4	0.7	0.1	1.0	0.1	0.1	0.1	0.1	0.9	0.7	...	...	...	
Garlic	13.7	15.7	19.0	19.5	17.5	18.4	18.4	20.9	25.0	21.2	20.4	23.8	23.1	24.4	27.0	
Apples	13.5	14.2	18.5	22.5	17.1	17.5	16.6	18.0	17.2	20.1	22.4	21.2	21.1	20.1	15.9	
Grapes	2.5	2.7	3.4	3.9	3.5	3.0	3.5	3.4	3.7	3.4	4.3	6.9	6.6	6.2	5.7	
Orange	10.8	9.4	10.8	11.1	7.6	3.8	5.0	3.3	3.6	4.3	4.5	7.0	6.0	7.6	6.5	
Mandarin	...	...	...	...	2.7	4.0	6.1	3.7	5.3	7.4	10.9	10.5	10.6	9.5	7.1	
Melon	...	...	...	...	0.1	0.1	0.1	0.1	0.1	0.1	...	-	...	...	-	
Canned Fish	21.8	20.3	20.1	18.1	18.1	20.2	19.7	23.1	18.2	13.6	16.7	20.7	19.6	22.2	19.7	
Maldiva Fish	4.3	5.6	6.2	5.9	5.2	5.5	5.6	3.6	3.1	3.2	2.9	2.8	1.4	1.4	1.3	
Sprats	19.1	19.2	17.6	20.9	17.6	21.5	23.2	25.4	22.8	25.4	27.3	27.6	25.2	23.5	24.9	
Other Dry Fish	31.4	28.9	27.0	24.8	20.3	23.4	21.6	22.7	22.1	20.1	18.5	19.6	14.2	14.0	10.1	
Palm Oil	77.7	60.9	88.0	53.9	118.8	326.2	297.1	205.6	126.8	49.7	74.3	135.5	51.1	45.3	128.5	
Coconut Oil	4.2	2.8	62.2	108.4	19.2	5.5	4.9	5.5	15.6	2.4	3.5	3.6	5.2	2.2	3.9	

Sources: Sri Lanka Customs, Department of Census and Statistics and Central Bank of Sri Lanka  
(a) Provisional

Table 16

## Value of Food Imports

Item	2000	2001	2002	2003	2004	2005	2006	2007	2008	2009	2010	2011	2012	2013	2014 (a)
Sugar	141.0	115.0	132.0	116.0	111.4	132.3	223.7	151.0	203.0	218.0	363.0	426.0	345.0	288.9	255.5
Milk Powder and Milk Products	118.0	115.0	110.0	120.0	122.0	133.0	171.0	186.0	288.0	165.0	259.0	345.0	307.0	291.0	339.4
Flour	8.0	1.0	2.0	2.4	1.0	31.9	3.0	2.0	1.0	1.0	1.0	14.0	4.9	1.8	2.1
Potatoes	5.5	9.8	6.3	5.6	4.1	7.6	10.4	20.0	23.6	23.0	36.9	35.7	22.7	28.4	35.8
Chillies - Red	22.2	17.0	17.5	22.5	16.6	16.2	26.3	36.9	41.3	42.5	44.2	82.4	46.4	49.3	59.6
Big Onions	19.8	19.6	19.9	21.3	21.4	18.2	18.7	39.7	32.1	40.8	58.8	59.3	29.5	71.1	42.0
Red Onions	1.4	0.7	0.6	0.1	0.7	3.0	3.6	8.6	14.6	9.4	5.7	4.2	3.0	10.7	5.0
Dhal	39.5	36.7	35.0	29.9	29.6	31.6	37.6	59.6	108.0	113.0	129.0	116.8	68.9	104.1	121.2
Rice	4.0	11.0	18.0	9.0	59.4	15.6	5.5	38.7	44.3	22.9	59.0	18.4	24.2	17.9	281.7
Maize	14.4	20.1	12.6	18.6	24.8	25.0	15.7	18.7	22.8	0.6	2.5	2.3	0.4	0.3	8.1
Green Gram	5.3	3.0	2.3	2.5	4.0	3.0	3.8	7.4	11.0	10.7	15.6	13.8	7.3	7.6	7.3
Black Gram	2.2	2.5	2.3	2.3	1.5	1.2	1.6	2.2	2.5	2.7	1.7	7.2	3.0	3.5	6.4
Peas	5.7	5.4	5.1	5.1	5.3	5.0	6.3	10.0	18.8	12.9	14.9	18.5	19.0	19.9	21.8
Chick Peas	6.3	5.9	6.5	6.5	7.3	4.4	6.3	9.8	17.3	17.7	17.8	26.9	25.6	20.5	20.0
Kurakkan	0.3	0.1	0.2	0.1	0.3	0.2	0.2	0.3	0.6	0.6	0.6	0.6	0.4	...	...
Cowpea	n.a	n.a	n.a	n.a	...	0.1	0.1	0.1	0.4	0.3	...	0.7	0.6	0.9	0.9
Soya Bean	0.8	0.9	1.0	0.4	0.5	0.4	0.6	...	0.9	0.7	0.8	...	0.1	...	...
Coriander	4.0	3.7	4.0	3.9	3.9	2.8	3.2	6.6	10.9	9.5	9.5	9.9	6.5	14.8	19.2
Turneric	1.9	1.0	1.6	1.6	1.3	1.1	1.1	1.1	2.7	4.2	8.2	7.0	3.7	4.6	4.6
Turneric (Powder)	0.1	...	0.1	...	0.2	0.2	0.1	0.1	0.2	0.5	0.6	0.2	...	...	...
Tamarind	0.2	...	0.1	0.1	...	0.2	...	...	...	...	0.2	0.2	-	...	...
Garlic	4.2	5.2	5.9	4.0	4.3	4.5	6.0	8.2	6.4	9.9	31.2	22.0	19.1	18	18.2
Apples	6.1	5.9	7.9	9.0	6.1	5.4	5.2	5.7	5.4	7.7	9.6	9.7	14.4	19.8	17.2
Grapes	4.0	4.0	4.4	4.3	3.9	3.1	3.7	3.7	4.0	4.4	5.6	6.8	10.5	11.2	10.4
Orange	2.6	2.2	2.8	3.0	2.1	1.5	1.8	1.4	1.6	2.0	2.3	3.7	4.0	5.2	4.7
Mandarin	...	...	...	0.1	0.6	0.8	1.2	0.8	1.2	2.1	3.2	3.3	3.8	2.8	2.1
Melon	0.1	0.1	0.1	0.1	0.2	0.2	0.2	0.2	0.2	0.2	...	-	...	...	-
Canned Fish	19.5	16.6	19.5	17.9	17.6	23.3	27.0	34.8	39.4	32.1	38.6	50.7	43.6	47.5	39.5
Maldivo Fish	8.7	11.2	10.4	9.1	7.8	8.3	8.5	5.9	8.1	14.1	11.5	12.3	7.5	6.6	5.0
Sprats	16.7	16.5	12.7	14.5	11.7	14.5	25.2	29.1	26.5	31.4	35.1	39.1	40.0	55.2	44.9
Other Dry Fish	28.7	33.0	28.4	24.4	20.5	23.2	27.8	27.4	31.2	37.0	32.0	36.8	30.0	25.3	18.4
Palm Oil	28.4	17.7	33.6	24.1	53.5	130.9	131.0	145.3	127.4	35.3	68.1	160.6	67.2	81.4	112.5
Coconut Oil	2.2	0.9	25.4	46.7	8.0	2.7	3.0	4.9	13.4	1.8	3.6	6.6	4.8	2.2	4.1

Sources: Sri Lanka Customs, Department of Census and Statistics and Central Bank of Sri Lanka

(a) Provisional

Table 17

## Motor Vehicles

Item	1990	1995	2000	2001	2002	2003	2004	2005	2006	2007	2008	2009	2010	2011	2012	2013	2014 (a)
<b>Motor Vehicle Imports</b>																	
<b>Total</b>	<b>127,295</b>	<b>99,918</b>	<b>93,417</b>	<b>74,612</b>	<b>130,713</b>	<b>208,930</b>	<b>236,868</b>	<b>295,928</b>	<b>337,693</b>	<b>296,290</b>	<b>258,244</b>	<b>169,493</b>	<b>383,099</b>	<b>533,056</b>	<b>374,175</b>	<b>308,398</b>	<b>478,664</b>
Motor Bicycles	101,964	29,741	37,717	37,546	70,749	117,301	142,445	193,411	209,635	177,193	153,191	117,913	221,832	252,036	186,372	159,791	319,017
Three-Wheelers	4,494	18,030	11,302	9,224	17,377	35,773	41,445	39,154	50,310	34,485	44,046	30,356	92,207	137,389	93,284	80,586	82,853
Tractors	3,433	8,893	14,307	8,592	12,591	16,379	15,288	26,106	23,120	23,629	28,181	12,874	18,617	26,870	18,967	13,247	5,500
Transport Vehicles (goods)	10,010	27,803	14,378	10,608	12,680	19,770	18,291	18,423	22,987	36,084	13,742	5,639	20,655	55,786	45,560	25,655	26,041
Passenger Vans and Buses	1,330	744	1,775	936	1,201	1,358	2,241	2,229	3,025	2,094	1,117	649	2,766	3,836	3,245	1,627	3,856
Motor Cars	6,007	14,621	13,723	7,614	15,989	17,871	16,876	15,944	28,464	22,315	17,273	1,852	26,745	56,370	26,312	27,084	40,998
Other	57	86	215	92	126	478	282	661	152	490	694	210	277	769	435	408	399
<b>New Registration of Motor Vehicles</b>																	
<b>Total</b>	<b>106,224</b>	<b>82,401</b>	<b>92,237</b>	<b>72,634</b>	<b>113,351</b>	<b>181,502</b>	<b>223,842</b>	<b>229,669</b>	<b>300,522</b>	<b>297,892</b>	<b>265,199</b>	<b>204,075</b>	<b>359,243</b>	<b>525,421</b>	<b>397,295</b>	<b>326,651</b>	<b>429,556</b>
Motor Cars	5,938	6,206	13,893	8,426	12,003	21,184	19,116	17,283	27,578	22,603	20,237	5,762	23,072	57,886	31,546	28,380	38,780
Three Wheelers	3,893	12,661	11,593	10,274	20,876	36,204	43,789	41,085	64,466	43,068	44,804	37,364	85,648	138,426	98,815	83,673	79,038
Motor Cycles	84,424	34,207	40,080	34,119	54,762	86,877	124,474	130,696	156,626	182,508	155,952	135,421	204,811	253,331	192,284	169,280	272,885
Buses	1,237	1,701	2,291	1,310	1,429	1,949	2,167	2,069	3,346	2,637	1,180	739	2,491	4,248	3,095	1,805	3,851
Dual Purpose Vehicles	5,225	11,179	7,952	5,864	8,591	13,268	10,736	6,851	7,245	5,193	2,856	1,280	11,712	33,518	37,397	24,603	20,799
Goods Transport Vehicles-Lorries	2,835	7,323	8,750	6,095	8,166	11,158	10,703	14,262	20,436	18,408	14,038	8,225	11,845	14,818	12,266	5,872	5,121
Land Vehicles - Tractors	2,430	7,417	7,285	6,063	7,078	10,004	11,535	15,597	19,040	21,346	24,357	13,951	17,363	20,073	18,450	10,772	7,070
Land Vehicles - Trailers	242	1,707	393	483	446	858	1,322	1,826	1,785	2,129	1,775	1,333	2,301	3,121	3,442	2,266	2,012
<b>Total Vehicle Fleet *</b>																	
<b>Total</b>	<b>819,943</b>	<b>1,246,750</b>	<b>1,706,382</b>	<b>1,779,016</b>	<b>1,892,367</b>	<b>2,073,869</b>	<b>2,297,711</b>	<b>2,527,380</b>	<b>2,827,902</b>	<b>3,125,794</b>	<b>3,390,993</b>	<b>3,595,068</b>	<b>3,954,311</b>	<b>4,479,732</b>	<b>4,877,027</b>	<b>5,203,678</b>	<b>5,633,234</b>
Motor Cars	163,039	195,204	233,018	241,444	253,447	274,631	293,747	311,030	338,608	361,211	381,448	387,210	410,282	468,168	499,714	528,094	566,874
Three Wheelers	10,480	35,665	101,965	112,239	133,115	169,319	213,108	254,193	318,659	361,727	406,531	443,895	529,543	667,969	766,784	850,457	929,495
Motor Cycles	391,732	641,221	834,586	868,705	923,467	1,010,344	1,134,818	1,265,514	1,422,140	1,604,648	1,760,600	1,896,021	2,100,832	2,354,163	2,546,447	2,715,727	2,988,612
Buses	39,812	53,181	64,963	66,273	67,702	69,651	71,818	73,887	77,233	79,870	81,050	81,789	84,280	88,528	91,623	93,428	97,279
Dual Purpose Vehicles	19,622	68,857	135,632	141,496	150,087	163,355	174,091	180,942	188,187	193,380	196,236	197,516	209,228	242,746	280,143	304,746	325,545
Goods Transport Vehicles-Lorries	106,192	131,136	173,356	179,451	187,617	198,775	209,478	223,740	244,176	262,584	276,622	284,847	296,692	311,510	323,776	329,648	334,769
Land Vehicles - Tractors	66,407	94,122	130,663	136,726	143,804	153,808	165,343	180,940	199,980	221,326	245,683	259,634	276,997	297,070	315,520	326,292	333,362
Land Vehicles - Trailers	22,659	27,364	32,199	32,682	33,128	33,986	35,308	37,134	38,919	41,048	42,823	44,156	46,457	49,578	53,020	55,286	57,298

Sources: Sri Lanka Customs and Department of Motor Traffic

(a) Provisional

\* Cumulative number of all vehicles registered in Sri Lanka



Table 18

## Power Sector

Item	Unit	1990	1995	2000	2001	2002	2003	2004	2005	2006	2007	2008	2009	2010	2011	2012	2013	2014 (a)
<b>Installed Capacity</b>	<b>MW</b>	<b>1,289</b>	<b>1,409</b>	<b>1,838</b>	<b>1,999</b>	<b>2,231</b>	<b>2,483</b>	<b>2,499</b>	<b>2,411</b>	<b>2,434</b>	<b>2,444</b>	<b>2,645</b>	<b>2,684</b>	<b>2,818</b>	<b>3,146</b>	<b>3,312</b>	<b>3,356</b>	<b>3,932</b>
Hydro Power		1,017	1,137	1,150	1,161	1,172	1,247	1,281	1,291	1,314	1,324	1,345	1,379	1,383	1,401	1,584	1,625	1,665
Thermal		272	272	685	835	1,056	1,233	1,215	1,115	1,115	1,115	1,285	1,290	1,390	1,396	1,338	1,335	1,215
Coal		-	-	-	-	-	-	-	-	-	-	-	-	-	300	300	300	900
Wind*		-	-	3	3	3	3	3	3	3	3	3	3	3	3	3	3	3
Other		-	-	-	-	-	-	-	2	2	2	12	12	42	46	87	93	150
Maximum Demand	MW	640	980	1,405	1,445	1,422	1,516	1,563	1,748	1,893	1,842	1,922	1,868	1,955	2,163	2,146	2,164	2,152
Total sales by CEB	GWh	2,608	3,915	5,258	5,236	5,502	6,209	6,667	7,255	7,832	8,276	8,417	8,441	9,268	10,023	10,474	10,621	11,063
Generation	GWh	3,150	4,783	6,686	6,520	6,810	7,612	8,043	8,769	9,389	9,814	9,901	9,882	10,714	11,528	11,800	11,898	12,357
Average Electricity Price	Rs	2.18	3.70	4.53	5.48	7.25	7.68	7.66	7.71	9.01	10.56	13.17	13.10	13.03	13.21	15.56	17.93	18.50
Average Cost of Electricity	Rs	1.70	2.64	6.28	7.58	9.42	9.17	10.33	10.91	10.93	13.48	17.67	14.93	13.03	15.59	23.66	16.94	19.97
Access to Electricity	000'	n.a.	n.a.	2,752	2,850	2,928	3,131	3,401	3,592	3,698	3,811	3,995	4,158	4,327	4,611	4,979	5,211	5,418
Access to Electricity	%	29.0	45.0	62.6	63.9	64.7	67.9	73.4	76.7	78.1	80.0	83.0	85.4	88.0	91.0	94.0	96.0	98.0

Source: Ceylon Electricity Board

(a) Provisional

\*Wind capacity installed under CEB only

Note: Installed capacity of Thermal includes hired plants from 2000-2004

Table 19

## Roads

Item	Unit	1990	1995	2000	2001	2002	2003	2004	2005	2006	2007	2008	2009	2010	2011	2012	2013	2014 (a)
<b>Total Road Length</b>	<b>km</b>	<b>108,931</b>	<b>109,626</b>	<b>109,982</b>	<b>110,046</b>	<b>110,392</b>	<b>110,792</b>	<b>111,001</b>	<b>111,436</b>	<b>112,984</b>	<b>113,506</b>	<b>113,573</b>	<b>113,674</b>	<b>114,272</b>	<b>114,768</b>	<b>115,272</b>	<b>115,383</b>	<b>117,012</b>
National Roads		10,431	11,126	11,482	11,546	11,649	11,649	11,658	11,683	11,773	11,874	11,891	11,922	12,019	12,019	12,258	12,289	12,369
Class A		4,106	4,216	4,216	4,216	4,219	4,219	4,219	4,219	4,219	4,219	4,219	4,219	4,219	4,219	4,219	4,219	4,215
Class B		6,325	6,910	7,266	7,330	7,430	7,430	7,439	7,474	7,564	7,655	7,672	7,703	7,800	7,800	7,944	7,949	7,993
Expressways		-	-	-	-	-	-	-	-	-	-	-	-	-	-	95	121	161
Provincial Roads		15,500	15,500	15,500	15,500	15,743	15,743	15,743	15,743	16,532	16,532	16,532	16,532	16,973	17,429	17,614	17,614	19,083
Rural Roads		83,000	83,000	83,000	83,000	83,000	83,400	83,600	84,000	84,659	85,100	85,150	85,220	85,280	85,320	85,400	85,480	85,560
<b>Total Roads Density</b>	<b>km/km<sup>2</sup></b>	<b>1.66</b>	<b>1.67</b>	<b>1.68</b>	<b>1.68</b>	<b>1.68</b>	<b>1.69</b>	<b>1.69</b>	<b>1.70</b>	<b>1.72</b>	<b>1.73</b>	<b>1.73</b>	<b>1.73</b>	<b>1.74</b>	<b>1.75</b>	<b>1.76</b>	<b>1.76</b>	<b>1.78</b>
National Roads Density		0.16	0.17	0.18	0.18	0.18	0.18	0.18	0.18	0.18	0.18	0.18	0.18	0.18	0.18	0.19	0.19	0.19
Provincial Roads Density		0.24	0.24	0.24	0.24	0.24	0.24	0.24	0.24	0.25	0.25	0.25	0.25	0.26	0.27	0.27	0.27	0.29
Rural Roads Density		1.27	1.27	1.27	1.27	1.27	1.27	1.27	1.28	1.29	1.30	1.30	1.30	1.30	1.30	1.30	1.30	1.30
<b>Road Condition of National Roads as per IRI*</b>																		
Excellent	%	-	-	-	-	-	-	-	-	-	7	7	11	16	23	24	29	30
Good	%	-	-	-	-	-	-	-	-	-	28	23	24	27	23	29	36	37
Fair	%	-	-	-	-	-	-	-	-	-	19	18	17	13	10	10	8	8
Poor	%	-	-	-	-	-	-	-	-	-	36	41	37	33	26	17	13	12
Bad	%	-	-	-	-	-	-	-	-	-	10	11	11	11	18	20	14	13

Source: Road Development Authority

(a) Provisional

\*IRI = International Roughness Index

Table 20

Port Services																		
Item	Unit	1990	1995	2000	2001	2002	2003	2004	2005	2006	2007	2008	2009	2010	2011	2012	2013	2014 (a)
Vessels Arrived *	No.	3,089	3,612	4,232	4,014	4,062	4,032	3,883	4,139	4,469	4,710	4,814	4,592	4,075	4,358	4,178	4,024	4,298
Colombo		2,847	3,277	3,832	3,570	3,787	3,838	3,688	3,929	4,228	4,326	4,424	4,114	3,910	4,124	3,870	3,667	3,742
Sri Lanka Ports Authority		2,847	3,277	3,026	2,765	2,886	2,899	2,691	2,972	3,160	3,114	3,151	2,939	2,928	3,040	2,750	2,600	2,424
South Asia Gateway Terminal		-	-	806	805	901	939	997	957	1,068	1,212	1,273	1,175	982	1,084	1,120	1,011	855
Colombo International Container Terminal		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	56	463
Galle		59	69	97	117	76	73	88	114	100	87	68	32	48	73	69	36	60
Trincomalee		183	266	303	327	199	121	107	96	141	297	322	310	109	126	161	134	127
Magam Ruhunupura Mahinda Rajapaksa Port		-	-	-	-	-	-	-	-	-	-	-	-	-	9	34	139	335
KKS, Myliddy, Point Pedro & Karainagar		-	-	-	-	-	-	-	-	-	-	-	136	8	26	44	48	34
Total Cargo Handled	MT '000	13,052	19,517	27,535	27,062	28,363	30,500	33,959	37,300	42,661	46,344	50,582	48,778	61,240	65,097	65,030	66,292	74,431
Colombo		11,718	17,414	25,222	24,741	26,273	28,198	31,299	34,523	39,428	43,502	47,960	46,373	58,768	62,016	61,669	63,482	70,794
Sri Lanka Ports Authority		11,718	17,414	21,986	21,207	20,298	21,502	21,918	24,885	27,585	28,985	30,924	27,281	33,775	36,019	36,867	39,186	39,998
South Asia Gateway Terminal ***		-	-	3,236	3,534	5,975	6,696	9,381	9,638	11,843	14,517	17,036	19,092	24,993	25,997	24,802	23,551	22,148
Colombo International Container Terminal ***		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	745	8,648
Galle		190	237	597	662	526	482	578	655	735	627	459	167	318	464	422	207	394
Trincomalee		1,144	1,866	1,716	1,659	1,564	1,820	2,082	2,123	2,498	2,215	2,163	2,238	2,154	2,574	2,859	2,435	2,748
Magam Ruhunupura Mahinda Rajapaksa Port		-	-	-	-	-	-	-	-	-	-	-	-	-	15	20	119	474
KKS, Myliddy, Point Pedro & Karainagar		-	-	-	-	-	-	-	-	-	-	-	-	246	11	28	60	49
Total Container Traffic	TEUs '000	595	1,049	1,733	1,727	1,765	1,959	2,221	2,455	3,079	3,381	3,687	3,464	4,137	4,263	4,187	4,306	4,908
Sri Lanka Ports Authority		595	1,049	1,432	1,397	1,207	1,335	1,321	1,524	1,744	1,835	1,961	1,714	2,167	2,299	2,317	2,502	2,559
South Asia Gateway Terminal		-	-	301	330	558	624	900	931	1,335	1,546	1,726	1,750	1,970	1,963	1,870	1,747	1,662
Colombo International Container Terminal		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	57	687
Transshipment Container **	TEUs '000	422	721	1,181	1,195	1,218	1,370	1,531	1,716	2,330	2,578	2,874	2,712	3,205	3,216	3,167	3,274	3,781
Sri Lanka Ports Authority		422	721	959	959	848	964	949	1,106	1,297	1,412	1,517	1,301	1,604	1,652	1,652	1,825	1,916
South Asia Gateway Terminal		-	-	222	236	370	406	582	610	1,033	1,166	1,357	1,411	1,601	1,564	1,515	1,405	1,325
Colombo International Container Terminal		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	44	540
Employment (Sri Lanka Ports Authority)	No.	18,840	16,492	19,344	18,561	17,910	13,936	13,233	13,527	13,660	13,667	13,715	13,367	12,828	11,008	10,200	9,886	9,493
Colombo		16,892	14,851	17,411	16,744	16,157	12,522	11,888	12,217	12,382	12,470	12,548	12,263	11,747	10,109	9,373	9,081	8,700
Galle		758	779	758	737	752	638	634	622	615	577	553	513	480	433	391	379	373
Trincomalee		1,190	862	1,175	1,080	1,001	776	711	688	663	620	614	591	601	466	436	426	420
Revenue (Sri Lanka Ports Authority)	Rs Mn	3,382	6,820	14,717	16,387	15,667	16,356	17,861	20,552	23,004	25,913	25,142	23,331	28,279	31,086	38,098	37,232	39,020

Source: Sri Lanka Ports Authority

(a) Provisional

\* Excluding of Sailing craft, Naval Vessels, Fishing trawlers, Yatch &amp; Dredgers

\*\*Including Re-Stowing

\*\*\* Estimated tonnage

Note: The South Asia Gateway Terminal commenced its operations in 1999.

Table 21

## Water Supply and Sewerage

Item	Unit	1990	1995	2000	2001	2002	2003	2004	2005	2006	2007	2008	2009	2010	2011	2012	2013	2014(a)
Access to Pipe Borne Water	% population	6.5	13.0	n.a	n.a	n.a	n.a	28.0	n.a	30.0	31.0	32.0	34.0	37.0	40.0	42.4	43.5	43.7
Access to Safe Drinking Water	% population	n.a	n.a	n.a	n.a	n.a	n.a	71.0	n.a	75.0	76.0	77.0	78.0	80.0	81.0	82.9	84.1	88.7
Access to Piped Sewerage*	% population	n.a	n.a	n.a	n.a	n.a	n.a	n.a	n.a	n.a	n.a	n.a	1.8	1.8	1.8	1.8	1.9	1.9
Average Cost (per month)**	Rs.'000	n.a	n.a	n.a	n.a	n.a	n.a	406,069	441,030	513,698	587,222	741,554	880,770	946,918	1,066,353	1,160,719	1,331,254**	1,440,848
Average Household Bill (per month)	Rs	n.a	n.a	155.0	180.5	194.8	206.3	197.4	285.4	300.9	305.7	290.9	412.7	438.2	437.7	473.9	557.0	570.7
Water Supply Connections	No.	184,019	323,259	581,165	665,166	732,935	782,724	841,505	907,622	989,395	1,078,892	1,186,931	1,266,328	1,353,573	1,449,301	1,567,663	1,707,742	1,831,998
Water Production	Mn cum	219	275	332	343	349	357	368	383	398	425	440	449	470	490	490	525	547
Water Consumption	Mn cum	n.a	150*	213	220	230	233	244	253	261	284	299	309	322	342	342	368	381
Water Sales (Bill Revenue)	Rs Mn	555	1,542	3,006	3,498	3,966	4,366	4,460	5,839	6,947	7,422	7,875	11,119	12,409	13,343	13,209	18,167	19,969
Non- Revenue Water																		
Colombo City	%	n.a	n.a	53.7	54.5	52.0	52.3	53.0	51.3	51.8	53.2	54.0	53.1	52.0	50.0	49.2	47.7	46.6
Island wide	%	n.a	n.a	35.7	35.8	34.2	34.9	33.7	33.8	34.4	33.1	32.1	31.1	31.6	30.4	29.9	30.2	28.5
Employees	No.	7,355	7,555	7,809	8,334	8,103	8,187	7,806	7,981	8,335	8,848	9,006	9,063	9,018	9,199	9,670	9,953	10,483
Employees	Per 1000 connections	39.9	23.4	13.4	12.5	11.1	10.5	9.3	8.8	8.4	8.2	7.6	7.2	6.7	6.4	6.1	5.8	5.7
Collection Efficiency (Collection/Billing)		n.a.	0.89	0.99	0.96	0.97	1.09	1.10	1.02	0.98	1.00	0.99	0.94	1.00	0.99	0.98	1.01	1.00

Source: National Water Supply and Drainage Board

(a) Provisional

\*Increase of piped sewerage connections is not significant enough to show an increase in piped sewer coverage with the increase in population.

\*\*This cost includes total operating expenditure, depreciation and interest of commissioned projects.

\*\*\* Estimated figures.

Table 22

## Communications

Item	Unit	1990	1995	2000	2001	2002	2003	2004	2005	2006	2007	2008	2009	2010	2011	2012	2013	2014 (a)
<b>Telecommunication</b>																		
<b>Fixed Access Services</b>	<b>No.</b>	<b>121,388</b>	<b>204,350</b>	<b>767,411</b>	<b>829,282</b>	<b>883,108</b>	<b>933,771</b>	<b>991,239</b>	<b>1,243,993</b>	<b>1,884,078</b>	<b>2,742,059</b>	<b>3,446,411</b>	<b>3,435,958</b>	<b>3,534,575</b>	<b>3,608,392</b>	<b>3,449,391</b>	<b>2,706,767</b>	<b>2,678,739</b>
Wireline in Service		121,388	204,350	653,144	708,200	768,620	817,750	860,468	919,040	909,894	931,737	933,536	872,120	896,710	941,780	999,354	1,062,065	1,123,007
Wireless Access (b)		n.a.	n.a.	114,267	121,082	114,488	116,021	130,771	324,953	974,184	1,810,322	2,512,875	2,563,838	2,637,865	2,666,612	2,450,037	1,644,722	1,555,732
Cellular Phones (b)	No.	500	51,316	430,202	667,662	931,580	1,393,403	2,211,158	3,361,775	5,412,496	7,983,489	11,082,508	14,264,442	17,246,567	18,319,447	20,324,070	20,315,150	22,123,000
Telephone Density (Including Cellular Phones)	per 100 persons	0.7	1.4	6.3	8.0	9.6	12.1	16.5	23.4	36.7	53.6	71.9	86.6	100.8	105.1	116.9	112.4	120.0
Public Pay Phones	No. of Booths	363*	850	8,222	7,281	6,681	6,440	6,095	6,285	7,561	8,526	7,417	7,378	7,054	6,458	6,983	6,788	6,654
Internet and Email Subscribers	No.	n.a.	n.a.	40,497	61,532	70,082	85,500	93,300	115,000	130,000	202,348	234,000	249,756	280,000	359,216	423,194	507,845	593,263
Mobile Broadband Subscribers	No.	-	-	-	-	-	-	-	-	-	-	-	91,356	200,000	485,533	942,461	1,501,611	2,790,195***
Internet Service Providers	No.	-	-	-	-	-	-	-	1	3	4	5	8	9	20	19	15	15
<b>Postal</b>																		
<b>Public Post Offices</b>	<b>No.</b>	<b>3,864</b>	<b>3,966</b>	<b>4,043</b>	<b>4,043</b>	<b>4,038</b>	<b>4,041</b>	<b>4,040</b>	<b>4,043</b>	<b>4,046</b>	<b>4,051</b>	<b>4,053</b>	<b>4,057</b>	<b>4,059</b>	<b>4,058</b>	<b>4,062</b>	<b>4,061</b>	<b>4,063</b>
Main Post Offices		516	563	597	602	614	625	629	633	637	641	645	647	649	648	651	651	653
Sub Post Offices		3,349	3,376	3,446	3,441	3,424	3,416	3,411	3,410	3,409	3,410	3,408	3,410	3,410	3,410	3,411	3,410	3,410
<b>Private Post Offices</b>	<b>No.</b>	<b>80</b>	<b>179</b>	<b>309</b>	<b>339</b>	<b>421</b>	<b>621</b>	<b>650</b>	<b>654</b>	<b>679</b>	<b>646</b>	<b>654</b>	<b>657</b>	<b>606</b>	<b>675</b>	<b>676</b>	<b>602</b>	<b>629</b>
Private Agency Post Offices		80	179	309	339	376	420	436	439	463	480	488	494	491	512	516	497	524
Rural Agency Post Offices		-	-	-	-	-	156	156	157	158	159	159	159	111	156	156	101	101
Estate Agency Post Offices **		-	-	-	-	45	45	58	58	58	7	7	4	4	7	4	4	4

Sources: Department of Posts, Sri Lanka Telecom and Telecommunications Regulatory Commission of Sri Lanka

(a) Provisional

(b) The decline in the Wireless Local Loop telephones and cellular phones in 2013 is due to revision in the calculation of active subscribers.

\*Year 1991

\*\* In 2002, a three year project was started to establish Estate Agency Post Offices on recommendation made by the Presidential Committee to address the "Social Cultural Problems in the Estate Sector". These offices were ceased to function since 2006, due to the incapability of the Agents to expand the overall business capacity/potential to earn sufficient income and lack of continued financial remuneration from the Ministry of Estate Infrastructure and Livestock Development to the Agents of the Estate Agency Post Offices"

\*\*\* Mobile Broadband definition has been changed.

Table 23

## Crude Oil and Petroleum Products

Item	Unit	1990	1995	2000	2001	2002	2003	2004	2005	2006	2007	2008	2009	2010	2011	2012	2013	2014 (a)
<b>International Prices (End Year)</b>																		
<b>Crude Oil</b>																		
Brent	US\$(bbl)	28.32	17.96	25.28	18.60	28.52	29.88	39.65	56.75	62.31	91.45	41.58	74.67	91.80	107.97	109.64	110.63	62.16
WTI	US\$(bbl)	27.33	19.03	28.40	19.31	29.44	32.12	43.23	59.41	62.00	91.36	41.44	74.49	89.22	98.61	88.19	97.90	59.10
Dubai	US\$(bbl)	24.18	16.81	22.16	17.64	25.71	27.86	34.26	53.13	58.67	85.75	41.00	75.49	89.18	106.20	105.67	107.94	60.39
Oman*	US\$(bbl)	n.a.	n.a.	27.42	23.67	24.41	26.93	34.13	50.42	62.13	68.50	94.51	62.02	78.22	106.64	109.55	109.98	105.23
<b>Refined Products (Singapore Plattes) (Annual Avg)</b>																		
Petrol	US\$(bbl)	32.58	20.89	31.26	25.64	27.92	33.64	46.34	62.14	72.54	81.73	101.95	68.18	86.23	117.33	120.29	116.30	108.10
Diesel	US\$(bbl)	29.32	21.54	32.72	27.63	30.09	32.71	46.60	65.86	78.06	86.10	122.01	69.77	89.97	125.34	127.37	121.50	112.40
Kerosene	US\$(bbl)	32.62	22.84	34.48	28.33	29.77	32.90	47.61	67.93	80.66	86.77	122.08	70.14	90.18	125.29	126.84	122.98	112.49
<b>Domestic Prices (End Year)</b>																		
Petrol (90 Octane)	Rs/ltr	Super Petrol 30.00	Super Petrol 40.00	50.00	50.00	49.00	53.00	70.00	80.00	92.00	117.00	120.00	115.00	115.00	137.00	159.00	162.00	150.00**
Petrol (95 Octane)	Rs/ltr	-	-	53.00	53.00	52.00	56.00	73.00	83.00	95.00	120.00	133.00	133.00	133.00	155.00	167.00	170.00	158.00
Auto Diesel	Rs/ltr	11.00	12.40	24.50	26.50	30.00	32.00	44.00	50.00	60.00	75.00	70.00	73.00	73.00	84.00	115.00	121.00	111.00
Super Diesel	Rs/ltr	13.00	15.20	29.80	31.80	35.30	37.30	49.30	55.30	65.30	80.30	85.30	88.30	88.30	106.30	142.00	145.00	133.00
Kerosene	Rs/ltr	8.80	9.50	18.40	17.40	24.00	25.50	25.50	30.50	48.00	68.00	50.00	51.00	51.00	71.00	106.00	106.00	81.00
Furnace Oil - 800 Sec	Rs/ltr	6.30	6.80	15.10	17.00	21.90	23.70	25.20	32.80	45.80	53.90	33.90	32.90	42.20	52.20	92.20	92.20	92.20
Furnace Oil - 1000 Sec	Rs/ltr	6.00	6.50	14.60	16.50	21.20	23.20	24.70	31.40	44.40	44.40	52.70	52.70	48.70	48.70	-	-	-
Furnace Oil - 1500 Sec	Rs/ltr	n.a.	n.a.	14.00	15.80	20.70	22.30	24.30	30.30	43.30	51.70	25.00	32.70	40.00	50.00	90.00	90.00	90.00
Furnace Oil - 3500 Sec	Rs/ltr	n.a.	n.a.	12.40	14.10	18.90	20.70	22.00	28.00	41.00	41.00	45.00	26.00	40.00	50.00	90.00	90.00	90.00

## Crude Oil and Petroleum Products contd...

Item	Unit	1990	1995	2000	2001	2002	2003	2004	2005	2006	2007	2008	2009	2010	2011	2012	2013	2014 (a)
<b>Quantity Imported</b>																		
Crude Oil	Mt '000	1,779	1,872	2,330	1,955	2,300	1,995	2,200	2,008	2,151	1,968	1,853	2,066	1,819	2,070	1,486	1,743	1,824
Refined Products (b)	Mt '000	126	563	1,266	1,419	1,344	1,168	1,644	1,823	1,926	2,411	2,476	2,264	2,991	4,283	4,891	4,376	4,993
L.P. Gas	Mt '000	17	66	134	126	137	141	148	149	158	156	144	146	163	180	199	197	198
<b>Domestic Production</b>																		
L.P. Gas	Mt '000	19	14	12	15	20	20	15	13	15	16	16	24	23	24	17	22	28
<b>Local Sales</b>																		
Petrol (90 Octane)	Mt '000	181	190	220	244	277	375	417	526	454	487	490	518	573	676	726	733	767**
Petrol (95 Octane)	Mt '000	n.a.	n.a.	4	5	9	16	20	23	24	31	29	22	22	35	40	55	69
Auto Diesel	Mt '000	511	789	1,715	1,675	1,728	1,663	1,890	1,862	1,633	1,752	1,606	1,681	1,663	1,985	2,054	1,705	1,947
Super Diesel	Mt '000	37	107	47	49	47	42	36	17	9	14	9	9	12	15	42	50	61
Kerosene	Mt '000	167	222	229	228	229	207	204	252	206	168	151	151	165	169	143	126	122
Furnace Oil	Mt '000	158	241	785	811	758	715	748	1,026	912	986	999	1,110	1,117	1,222	1,322	827	915
L.P. Gas	Mt '000	34	77	146	141	157	161	166	165	170	197	174	194	210	228	228	218	232
Petroleum Tax Revenue	Rs Mn.	n.a.	n.a.	n.a.	n.a.	19,702	22,291	25,876	27,413	26,004	23,270	33,072	32,287	39,434	32,725	39,556	76,775	64,128
o/w Excise Duty	Rs Mn.	n.a.	n.a.	10,700	12,948	16,708	13,251	14,817	17,041	18,234	19,124	18,977	23,018	28,038	22,470	28,466	27,131	28,732

Sources: Ceylon Petroleum Corporation and Energy Statistics on Index Mundi([www.indexmundi.com/commodities](http://www.indexmundi.com/commodities))

(a) Provisional

(b) Including Coal Imports

\*Annual Average

\*\*Petrol(92 Octane)



Table 24

## Petroleum Products Tax Structure

Item	Unit	2002	2003	2004	2005	2006	2007	2008	2009	2010	2011	2012	2013	2014
<b>Petrol</b>														
Value Added Tax (VAT)	%	10	10	15	15	15	15	15	5	Ex	Ex	Ex	Ex	Ex
Import Duty	Rs. per ltr	Free	Free	Free	Free	Free	20	20	16	Rs. 35 Duty waived	Rs. 35 Duty waived	Rs. 35 Duty waived	Rs. 35 Duty waived	Rs. 35
Excise Duty	Rs. per ltr	21	21	20	20	20	20	20	25	25	25	25	27	27
Ports and Airports Development Levy (PAL)	%	1	1	1	1.5	2.5	3	3	3	3	5	5	5	5
Nation Building Tax (NBT)	%	-	-	-	-	-	-	-	Ex	Ex	Ex	Ex	Ex	Ex
Social Responsibility Levy (SRL)	%	-	-	-	-	-	1	1	1.5	1.5	-	-	-	-
Surcharge	%	-	-	-	-	-	10	10	15	Free	-	-	-	-
Provincial Turnover Tax (TT)	%	1	1	1	1	1	1	1	1	1	-	-	-	-
<b>Diesel</b>														
Value Added Tax (VAT)	%	10	10	15	15	Ex	Ex	Ex	Ex	Ex	Ex	Ex	Ex	Ex
Import Duty	Rs. per ltr	Free	Free	Free	Free	Free	Free	Free	Free	Rs. 15 Duty waived	Rs. 15 Duty waived	Rs. 15 Duty waived	Rs. 15 Duty waived	Rs. 15
Excise Duty	Rs. per ltr	3	3	2.5	2.5	2.5	2.5	2.5	2.5	2.5	2.5	2.5	3	3
Ports and Airports Development Levy (PAL)	%	1	1	1	1.5	2.5	3	3	3	3	5	5	5	5
Nation Building Tax (NBT)	%	-	-	-	-	-	-	-	Ex	Ex	Ex	Ex	Ex	Ex
Social Responsibility Levy (SRL)	%	-	-	-	-	-	1	1	1.5	1.5	-	-	-	-
Surcharge	%	-	-	-	-	-	10	10	15	Free	-	-	-	-
Provincial Turnover Tax (PTT)	%	1	1	1	1	1	1	1	1	1	-	-	-	-
<b>Kerosene</b>														
Value Added Tax (VAT)	%	Ex	Ex	Ex	Ex	Ex	Ex	Ex	Ex	Ex	Ex	Ex	Ex	Ex
Import Duty	Rs. per ltr	Free	Free	Free	Free	Free	Free	Free	Free	Free	Free	Free	Free	Free
Excise Duty	Rs. per ltr	1.25	1.25	1.25	1.25	1.25	Ex	Ex	Ex	Ex	Ex	Ex	Ex	Ex
Ports and Airports Development Levy (PAL)	%	1	1	1	1.5	2.5	3	3	3	3	5	5	5	5
Nation Building Tax (NBT)	%	-	-	-	-	-	-	-	Ex	Ex	Ex	Ex	Ex	Ex
Social Responsibility Levy (SRL)	%	-	-	-	-	-	1	1	1.5	1.5	-	-	-	-
Surcharge	%	-	-	-	-	-	10	10	15	Free	-	-	-	-
Provincial Turnover Tax (PTT)	%	1	1	1	1	1	1	1	1	1	-	-	-	-
<b>L.P. Gas</b>														
Value Added Tax (VAT)	%	10	10	15	15	Ex	Ex	Ex	Ex	Ex	Ex	Ex	Ex	Ex
Import Duty	Rs. per ltr	Free	Free	Free	Free	Free	Free	Free	Free	Free	Free	Free	Free	Free
Excise Duty	Rs. per ltr	Ex	Ex	Ex	Ex	Ex	5% or Rs. 8 ltr	5% or Rs. 24 ltr	5% or Rs. 14 ltr	Ex	Ex	Ex	Ex	Ex
Ports and Airports Development Levy (PAL)	%	1	1	1	1.5	2.5	3	3	3	5	5	5	5	5
Nation Building Tax (NBT)	%	-	-	-	-	-	-	-	Ex	Ex	Ex	Ex	Ex	Ex
Social Responsibility Levy (SRL)	%	-	-	-	-	-	1	1	1.5	1.5	-	-	-	-
Surcharge	%	-	-	-	-	-	10	10	15	Free	-	-	-	-
Provincial Turnover Tax (PTT)	%	1	1	1	1	1	1	1	1	1	-	-	-	-

Source: Department of Fiscal Policy

Note: EX - Exempted

Table 25

## Health Services

Item	Unit	1990	1995	2000	2001	2002	2003	2004	2005	2006	2007	2008	2009	2010	2011	2012	2013	2014 (a)
<b>Hospitals</b>	<b>No.</b>	<b>502</b>	<b>535</b>	<b>581</b>	<b>594</b>	<b>605</b>	<b>605</b>	<b>605</b>	<b>606</b>	<b>604</b>	<b>734</b>	<b>747</b>	<b>716</b>	<b>740</b>	<b>778</b>	<b>790</b>	<b>809</b>	<b>811</b>
Public		502	535	581	594	605	605	605	606	604	619	612	555	568	592	593	603	601
Private		n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	115	135	161	172	186	197	206	210
Central Dispensaries	No	278	386	389	389	385	398	397	397	397	387	417	461	476	475	480	481	484
Beds	No	42,079 (b)	47,665 (b)	58,423	58,833	59,781	61,522	61,868	61,937	61,835	66,430	66,835	68,905	69,501	69,731	73,437	79,945 (c)	82,604 (c)
<b>Doctors</b>	<b>No.</b>	<b>2,440</b>	<b>3,986</b>	<b>10,285</b>	<b>10,975</b>	<b>10,328</b>	<b>11,834</b>	<b>12,210</b>	<b>12,692</b>	<b>13,276</b>	<b>14,060</b>	<b>15,185</b>	<b>15,930</b>	<b>16,492</b>	<b>18,299</b>	<b>18,252</b>	<b>19,672</b>	<b>21,331</b>
Administrative MOO		n.a.	n.a.	101	97	102	101	106	124	124	128	131	136	138	240	211	143**	128
Specialist MOO		n.a.	n.a.	697	683	669*	719	791	848	905	959	1,006	1,135	1,216	1,264	1,458	1,566	1,468
Medical Officers		n.a.	n.a.	6,873	7,235	7,459	8,342	8,749	9,070	9,297	9,662	10,932	11,684	11,782	12,630	13,329	14,584	15,952
Intern MOO		n.a.	n.a.	693	676	746	624	514	585	857	1,218	993	765	989	1,835	1,062	1,043	1,404
Dental Surgeons		n.a.	n.a.	589	954	726	763	774	805	848	849	879	1,022	1,209	1,230	1,110	1,279	1,324
RMO/AMO		n.a.	n.a.	1,332	1,330	1,295	1,285	1,276	1,260	1,245	1,244	1,244	1,188	1,158	1,100	1,082	1,057	1,055
Nurses	No.	8,957	13,310	14,931	15,061	16,139	16,771	17,316	20,332	20,912	22,088	22,977	26,351	27,494	29,234	30,217	30,928	31,964
Pupil Nurses	No.	n.a.	n.a.	3,668	5,277	5,830	5,095	5,704	6,494	7,149	8,288	9,922	7,705	7,264	5,934	5,809	6,638	n.a
Public Health Nursing Sisters (PHNS)	No.	140	174	292	308	303	298	311	308	312	297	210	328	365	326	364	331	n.a
Public Health Midwives (PHM)	No.	3,321	4,383	5,371	5,189	5,342	7,453	7,407	7,316	7,165	7,590	8,722	8,276	8,276	8,385	8,703	9,120	9,164
Public Health Inspectors (PHI)	No.	886	932	1,448	1,450	1,482	1,517	1,564	1,581	1,574	1,662	1,695	1,691	1,689	1,718	1,644	1,713	1,867
Health Education Officers (HEOO)	No.	n.a.	n.a.	50	54	52	51	51	49	50	43	43	51	50	56	47	48	40
<b>Professions Supplementary to Medicine (PSM)</b>	<b>No.</b>	<b>2,153</b>	<b>2,313</b>	<b>2,357</b>	<b>2,471</b>	<b>2,456</b>	<b>2,557</b>	<b>2,488</b>	<b>2,756</b>	<b>3,251</b>	<b>3,509</b>	<b>3,553</b>	<b>3,694</b>	<b>3,699</b>	<b>3,773</b>			
Medical Lab Technicians (MLTT)		n.a.	n.a.	733	860	873	910	899	984	913	910	1,020	1,332	1,422	1,415	1,399	1,421	1,423
Physiotherapists		n.a.	n.a.	208	199	203	211	209	220	217	215	241	268	322	328	339	319	340
Radiographers		n.a.	n.a.	288	320	338	346	341	345	340	336	385	464	477	485	534	536	531
Occupational Therapists		n.a.	n.a.	45	49	47	49	49	47	46	47	56	75	92	100	105	94	93
Pharmacists		n.a.	n.a.	879	885	896	955	958	961	969	980	1,054	1,112	1,196	1,225	1,317	1,329	1,386
Attendants	No.	5,707	5,579	7,309	7,163	6,955	6,880	6,696	6,705	7,091	7,129	7,184	8,358	8,189	8,403	8,375	8,091	8,215

Source: Ministry of Health and Indigenous Medicine

(a) Provisional

(b) Excluding Northern province

(c) Private and Public Hospitals

\*Excluding Specialist MOO attached to Anti Filariasis Campaign, Blood Bank Colombo, Faculty Staff Colombo, Fever HS Colombo, Mental HS Angoda, Rehabilitation HS Ragama, NHHS, STD Clinic Katugastota, BH Kalinimal South, BH Dehiattakandya, DH Madirigiriya &amp; BH Nikaweretiya

\*\* Permanently employed

Table 26

## Education

Item	Unit	1990	1995	2000	2001	2002	2003	2004	2005	2006	2007	2008	2009	2010	2011	2012	2013	2014 (a)
<b>General Education</b>																		
<b>Schools</b>	<b>No.</b>	<b>10,382</b>	<b>10,832</b>	<b>10,615</b>	<b>10,552</b>	<b>10,508</b>	<b>10,473</b>	<b>10,501</b>	<b>10,461</b>	<b>10,459</b>	<b>10,430</b>	<b>10,445</b>	<b>10,205</b>	<b>10,502</b>	<b>10,549</b>	<b>10,737</b>	<b>10,849</b>	<b>10,973</b>
Government		9,864	10,239	9,976	9,891	9,829	9,790	9,765	9,723	9,714	9,678	9,662	9,410	9,685	9,731	9,905	10,012	10,123
o/w National		28	198	317	320	323	323	324	324	327	328	330	334	340	342	342	350	351
Private		61	79	78	78	80	85	85	85	91	94	92	98	98	98	98	103	103
Private		457	514	561	583	599	598	651	653	654	658	691	697	719	720	734	734	747
<b>Students</b>	<b>'000</b>	<b>4,232</b>	<b>4,351</b>	<b>4,340</b>	<b>4,337</b>	<b>4,179</b>	<b>4,099</b>	<b>4,029</b>	<b>4,008</b>	<b>3,999</b>	<b>4,111</b>	<b>4,101</b>	<b>4,038</b>	<b>4,119</b>	<b>4,159</b>	<b>4,195</b>	<b>4,234</b>	<b>4,272</b>
Government		4,111	4,216	4,194	4,187	4,027	3,942	3,871	3,937	3,838	3,942	3,930	3,865	3,940	3,974	4,004	4,037	4,078
National		n.a.	391	717	746	706	644	684	723	682	730	749	759	785	800	793	797	797
Provincial		n.a.	3,825	3,477	3,441	3,322	3,298	3,186	3,214	3,156	3,212	3,181	3,106	3,155	3,174	3,211	3,240	3,281
Private		83	88	95	97	97	101	101	106	106	114	115	115	117	122	126	130	131
Private		38	47	51	53	55	56	57	55	55	55	56	58	62	63	65	66	63
<b>Teachers</b>	<b>No.</b>	<b>184,822</b>	<b>195,388</b>	<b>194,718</b>	<b>198,410</b>	<b>196,407</b>	<b>196,897</b>	<b>197,697</b>	<b>199,715</b>	<b>215,439</b>	<b>220,204</b>	<b>223,314</b>	<b>224,672</b>	<b>226,646</b>	<b>231,819</b>	<b>235,533</b>	<b>236,131</b>	<b>242,310</b>
Government		178,333	187,571	186,097	189,485	186,999	186,695	187,337	189,234	204,645	209,197	212,116	213,126	214,562	219,886	223,333	223,752	229,655
Private		3,069	3,677	4,332	4,343	4,569	4,913	4,846	5,000	5,266	5,414	5,454	5,701	5,994	5,804	6,114	6,317	6,493
Private		3,420	4,140	4,289	4,582	4,839	5,289	5,514	5,481	5,528	5,593	5,744	5,845	6,090	6,129	6,086	6,062	6,162
<b>University Education</b>																		
<b>Universities</b>	<b>No.</b>	<b>9</b>	<b>9</b>	<b>15</b>	<b>15</b>	<b>15</b>	<b>15</b>	<b>15</b>	<b>17</b>	<b>17</b>	<b>17</b>	<b>17</b>	<b>17</b>	<b>17</b>	<b>17</b>	<b>17</b>	<b>17</b>	<b>17</b>
UGC (a)		9	9	13	13	13	13	13	15	15	15	15	15	15	15	15	15	15
MoHE		-	-	2	2	2	2	2	2	2	2	2	2	2	2	2	2	2
<b>Students</b>	<b>No.</b>	<b>35,919</b>	<b>36,669</b>	<b>56,071</b>	<b>57,414</b>	<b>58,382</b>	<b>70,995</b>	<b>73,083</b>	<b>74,458</b>	<b>78,600</b>	<b>80,836</b>	<b>80,057</b>	<b>82,822</b>	<b>86,592</b>	<b>92,963</b>	<b>86,197</b>	<b>94,492</b>	<b>96,765</b>
UGC (b)		31,447	32,004	50,636	51,017	52,253	64,337	64,952	66,386	68,588	71,257	69,491	71,471	73,398	77,657	70,222	77,126	81,153
OUSL		4,472	4,665	5,349	6,260	5,952	6,454	7,908	7,774	9,700	9,222	10,153	10,904	12,818	14,915	15,418	16,739	14,983
MoHE		-	-	86	137	177	204	223	298	312	357	413	447	376	391	557	627	629
New Admissions	No.	6,043	8,015	11,805	11,962	12,144	25,471*	13,396	14,520	16,598	17,196	20,069	20,846	21,547	22,267	29,009	24,444	25,488
<b>Employees</b>	<b>No.</b>	<b>7,687</b>	<b>8,541</b>	<b>11,486</b>	<b>12,112</b>	<b>12,634</b>	<b>12,390</b>	<b>12,417</b>	<b>13,269</b>	<b>13,859</b>	<b>14,119</b>	<b>14,549</b>	<b>15,412</b>	<b>15,670</b>	<b>15,905</b>	<b>16,301</b>	<b>16,971</b>	<b>17,600</b>
<b>Academic</b>																		
Lecturers		2,040	2,808	3,255	3,282	3,425	3,531	3,567	3,814	4,066	4,363	4,504	4,790	5,032	5,117	5,242	5,508	5,887
UGC (a)		2,040	2,808	3,241	3,268	3,390	3,487	3,525	3,770	4,016	4,313	4,452	4,735	4,984	5,064	5,176	5,439	5,809
MoHE		-	-	14	14	35	44	42	44	50	50	52	55	48	53	66	69	78
Non Academic		5,647	5,733	8,231	8,830	9,209	8,859	8,850	9,455	9,793	9,756	10,045	10,622	10,638	10,788	11,059	11,463	11,713
<b>Graduate Output**</b>	<b>No.</b>																	
First Degree		4,476	4,206	9,374	8,224	9,027	12,436	15,828	12,545	16,812	16,837	19,755	20,931	20,357	23,167	11,788***	20,880	24,685
Postgraduate		307	1,048	2,169	1,643	1,996	3,796	5,158	4,589	3,071	3,852	4,665	6,518	6,330	5,614	8,054	8,636	9,705

Sources: Ministry of Education and Ministry of Higher Education

(a) Provisional

OUSL - Open University of Sri Lanka

UGC (a) - Universities under the University Grants Commission, including OUSL

UGC (b) - Universities under the University Grants Commission, excluding OUSL

MoHE - Buddhist and Pali University and Buddhadasa Bhikshu University under Ministry of Higher Education

\* In year 2003, two batches of undergraduates were admitted

\*\* From 2003, Graduate output includes graduates who followed internal and external degree programmes of universities, Open universities and higher educational institutes

\*\*\* Number of graduated has been decreased in 2012 as final exams have not been held in several faculties due to academic &amp; Non academic Strikes in 2012.

Table 27

## Access to Banking and Finance

Category	Unit	2000	2001	2002	2003	2004	2005	2006	2007	2008	2009	2010	2011	2012	2013	2014 (a)
<b>Domestic Commercial Banks</b>	<b>No.</b>	<b>10</b>	<b>11</b>	<b>11</b>	<b>11</b>	<b>11</b>	<b>11</b>	<b>11</b>	<b>11</b>	<b>11</b>	<b>11</b>	<b>11</b>	<b>12</b>	<b>12</b>	<b>12</b>	<b>13</b>
State		2	2	2	2	2	2	2	2	2	2	2	2	2	2	2
Private		8	9	9	9	9	9	9	9	9	9	9	10	10	10	11
<b>Branches</b>	<b>No.</b>	<b>931</b>	<b>952</b>	<b>987</b>	<b>1,013</b>	<b>1,056</b>	<b>1,090</b>	<b>1,179</b>	<b>1,263</b>	<b>1,289</b>	<b>1,333</b>	<b>1,417</b>	<b>1,567</b>	<b>1,627</b>	<b>2,582**</b>	<b>2,635**</b>
State		603	604	608	610	620	624	630	633	637	640	640	654	675	1,356	1,361
Private		328	348	379	403	436	466	549	630	652	693	777	913	952	1,226	1,274
<b>Other offices</b>	<b>No.</b>	<b>480</b>	<b>523</b>	<b>633</b>	<b>679</b>	<b>700</b>	<b>742</b>	<b>2,296</b>	<b>2,894</b>	<b>3,256</b>	<b>3,452</b>	<b>3,523</b>	<b>3,610</b>	<b>3,727</b>	<b>2,864***</b>	<b>2,871***</b>
State		275	275	325	340	348	368	1,955	2,566	2,910	3,077	3,101	3,160	3,265	2,610	2,610
Private		205	248	308	339	352	374	341	328	346	375	422	450	462	254	261
<b>Automated Teller Machines (ATMs)</b>	<b>No.</b>	<b>n.a.</b>	<b>n.a.</b>	<b>n.a.</b>	<b>n.a.</b>	<b>n.a.</b>	<b>n.a.</b>	<b>n.a.</b>	<b>1,256</b>	<b>1,510</b>	<b>1,710</b>	<b>1,815</b>	<b>2,035</b>	<b>2,187</b>	<b>2,316</b>	<b>2,406</b>
State		n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	392	490	625	664	740	787	871	894
Private		n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	864	1,020	1,085	1,151	1,295	1,400	1,445	1,512
<b>Foreign Commercial Banks</b>	<b>No.</b>	<b>16</b>	<b>14</b>	<b>12</b>	<b>11</b>	<b>11</b>	<b>11</b>	<b>12</b>	<b>12</b>	<b>11</b>	<b>11</b>	<b>11</b>	<b>12</b>	<b>12</b>	<b>12</b>	<b>12</b>
Branches		38	37	31	32	33	35	39	43	44	44	46	49	49	221	221
Other Offices		7	9	4	6	6	7	23	133	170	170	170	171	171	-	-
Automated Teller Machines (ATMs)		n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	46	47	47	47	44	48	48	49
<b>Specialized Banks</b>	<b>No.</b>	<b>12</b>	<b>14</b>	<b>13</b>	<b>14</b>	<b>14</b>	<b>14</b>	<b>14</b>	<b>15</b>	<b>14</b>	<b>14</b>	<b>9</b>	<b>9</b>	<b>9</b>	<b>9</b>	<b>9</b>
National Level Banks		6	8	7	8	8	8	8	8	8	8	8	8	8	8	8
Regional Development Banks *		6	6	6	6	6	6	6	6	6	6	1	1	1	1	1
<b>Branches</b>	<b>No.</b>	<b>315</b>	<b>328</b>	<b>332</b>	<b>346</b>	<b>375</b>	<b>369</b>	<b>379</b>	<b>409</b>	<b>448</b>	<b>465</b>	<b>500</b>	<b>515</b>	<b>527</b>	<b>645**</b>	<b>652**</b>
National Level Banks		134	140	142	156	178	170	175	191	229	239	270	280	287	390	397
Regional Development Banks *		181	188	190	190	197	199	204	218	219	226	230	235	240	255	255
<b>Other Offices</b>	<b>No.</b>	<b>18</b>	<b>20</b>	<b>32</b>	<b>33</b>	<b>33</b>	<b>36</b>	<b>212</b>	<b>219</b>	<b>220</b>	<b>233</b>	<b>257</b>	<b>272</b>	<b>273</b>	<b>175***</b>	<b>175***</b>
National Level Banks		11	13	20	21	21	23	194	202	203	215	236	251	251	167	167
Regional Development Banks *		7	7	12	12	12	13	18	17	17	18	21	21	22	8	8
<b>Automated Teller Machines (ATMs)</b>	<b>No.</b>	<b>n.a.</b>	<b>n.a.</b>	<b>n.a.</b>	<b>n.a.</b>	<b>n.a.</b>	<b>n.a.</b>	<b>n.a.</b>	<b>68</b>	<b>97</b>	<b>119</b>	<b>158</b>	<b>158</b>	<b>180</b>	<b>180</b>	<b>180</b>
Insurance Companies		8	9	11	12	13	14	15	15	16	18	19	22	22	22	21
Registered Finance Companies		25	25	26	26	26	28	29	32	34	35	36	39	47	48	48
Specialized Leasing Companies		n.a.	n.a.	13	15	17	18	18	20	22	21	21	16	13	10	8
Credit Cards Issued		n.a.	n.a.	n.a.	n.a.	153,186	181,857	234,720	200,679	122,033	68,430	90,489	148,481	167,424	166,181	176,750
Credit Cards In Use		205,324	255,584	321,145	393,854	491,196	629,740	810,179	905,561	929,112	840,905	778,544	862,352	891,170	951,625	1,032,833

Sources: Central Bank of Sri Lanka and Insurance Board of Sri Lanka

(a) Provisional

\* During 2010, business of 6 Regional Development Banks was vested with a new level bank, i.e. Pradeshiya Sanwardhana Bank

\*\*All outlets excluding Student Savings Units

\*\*\* This includes Student Savings Units only.

Note: with effect from 01.01.2013 Banking Outlets were reclassified into two categories namely branches and student savings units

Table 28

## Labour Force and Unemployment

Item	Unit	1990	1995	2000	2001	2002	2003	2004	2005	2006	2007	2008	2009	2010	2011	2012	2013	2014
							(a)	(b)	(c)	(d)	(d)	(a)	(a)	(a)	(c)	(c)	(c)	(c) (e)
<b>Labour Force</b>																		
Total Labour Force	'000	6,001	6,106	6,827	6,772	7,146	7,653	8,061	8,141	7,598	7,489	8,082	8,073	8,108	8,544	8,454	8,802	8,805
Labour Force Participation Rate	%	51.9	47.9	50.3	48.8	50.3	48.9	48.6	48.3	51.2	49.8	49.5	48.7	48.1	53.0	52.6	53.8	53.3
<b>Employed Population by Industry</b>																		
<b>Agriculture</b>	'000	2,362	1,967	2,274	2,033	2,248	2,384	2,475	2,306	2,287	2,202	2,490	2,476	2,520	2,699	2,513	2,504	2,400
Public	'000	n.a.	36	32	33	24	23	33	27	89	98	157	145	107	116	127	128	77
Private	'000	n.a.	1,931	2,242	2,000	2,223	2,361	2,442	2,279	2,198	2,104	2,332	2,331	2,412	2,583	2,386	2,376	2,323
<b>Industry</b>	'000	979	1,188	1,491	1,491	1,459	1,611	1,781	1,928	1,890	1,874	2,005	1,910	1,867	1,977	2,118	2,203	2,230
Public	'000	n.a.	49	67	59	38	38	40	59	45	51	51	50	47	43	59	58	80
Private	'000	n.a.	1,139	1,424	1,433	1,421	1,573	1,742	1,869	1,845	1,823	1,954	1,860	1,820	1,934	2,059	2,145	2,150
<b>Services</b>	'000	1,706	2,202	2,545	2,711	2,813	3,017	3,138	3,284	2,928	2,966	3,154	3,216	3,320	3,511	3,487	3,711	3,794
Public	'000	n.a.	755	749	777	821	900	900	924	821	820	956	981	945	1,021	1,044	1,084	1,136
Private	'000	n.a.	1,447	1,796	1,934	1,992	2,117	2,238	2,360	2,107	2,146	2,198	2,235	2,375	2,490	2,443	2,627	2,658
<b>Unemployment</b>																		
Unemployment No.	'000	954	749	517	537	626	641	667	623	493	447	433	471	401	357	336	384	381
<b>By Gender</b>																		
Male	'000	n.a.	368	260	280	310	311	323	302	227	210	194	223	186	153	160	179	181
Female	'000	n.a.	381	257	257	316	330	344	322	268	237	239	248	216	205	176	205	200
<b>By Age Group</b>																		
15-19 years	'000	54	157	101	114	125	127	121	122	86	70	68	68	59	46	48	53	55
20-29 years	'000	244	436	325	340	398	404	422	381	300	272	260	277	240	225	200	227	225
30-39 years	'000	258	113	62	56	69	74	78	76	59	59	58	71	59	56	53	58	58
Over 40 years	'000	387	41	30	27	34	36	45	44	48	46	46	55	43	30	n.a.	47	43
<b>By Level of Education</b>																		
Grade 5 & Below	'000	304	41	16	19	29	31	36	28	23	20	20	20	11	10	9	15	13
Grade 6 - 10	'000	430	352	236	219	255	258	245	232	207	183	17	188	140	136	126	140	144
GCE O/L	'000	153	218	134	147	158	167	175	178	131	98	101	109	91	71	92	85	86
GCE A/L & Above	'000	67	138	131	153	184	185	212	185	133	146	142	154	159	141	110	144	139
<b>Unemployment Rate</b>	%	15.9	12.0	7.6	7.9	8.8	8.4	8.3	7.7	6.5	6.0	5.4	5.8	4.9	4.2	4.0	4.4	4.3

Source: Department of Census and Statistics

(a) Data including Eastern provinces but excluding Northern province

(b) Excluding Mullativu and Killinochchi districts

(c) All the districts are included

(d) Excluding Northern and Eastern provinces

(e) Provisional

Note: From year 2013 lower bound of working age has changed and therefore age 15 and above population is considered as working age population. Hence, this table provides 2011, 2012 and 2013 statistics considering the new lower bound (for the purpose of comparison)

Table 29

Average Daily Wages and Strikes																		
Item	Unit	1990	1995	2000	2001	2002	2003	2004	2005	2006	2007	2008	2009	2010	2011	2012	2013	2014 (a)
<b>Paddy Cultivation</b>	<b>Rs.per day</b>																	
Male	n.a.	n.a.	n.a.	n.a.	n.a.	279.00	304.00	341.00	361.00	391.00	456.00	562.00	615.00	658.00	704.00	787.00	882.00	937.00
Female	n.a.	n.a.	n.a.	n.a.	n.a.	217.00	230.00	258.00	261.00	293.00	336.00	395.00	423.00	454.00	530.00	599.00	667.00	678.00
<b>Tea Cultivation</b>	<b>Rs.per day</b>																	
Male	41.08	66.50	95.00	101.00	101.00	258.00	276.00	304.00	300.00	333.00	375.00	440.00	496.00	543.00	617.00	691.00	764.00	819.00
Female			95.00	101.00	101.00	188.00	201.00	218.00	217.00	234.00	263.00	305.00	356.00	391.00	438.00	512.00	565.00	598.00
<b>Rubber Cultivation</b>	<b>Rs.per day</b>																	
Male	38.86	64.01	95.00	95.00	95.00	277.00	280.00	304.00	305.00	335.00	389.00	500.00	532.00	588.00	658.00	741.00	853.00	881.00
Female			95.00	95.00	95.00	195.00	217.00	229.00	230.00	249.00	277.00	377.00	416.00	463.00	490.00	585.00	652.00	702.00
<b>Coconut Cultivation</b>	<b>Rs.per day</b>																	
Male	38.86	64.01	95.00	95.00	110.00	330.00	338.00	366.00	387.00	421.00	479.00	590.00	652.00	699.00	783.00	887.00	997.00	1,061.00
<b>Carpentry</b>	<b>Rs.per day</b>																	
Master Carpenter	50.00	90.33	105.00	105.00	165.00	439.00	470.00	516.00	556.00	633.00	732.00	844.00	932.00	1,002.00	1,115.00	1,248.00	1,334.00	1,406.00
Skilled and Unskilled	45.00	n.a.	92.00	92.00	145.00	269.00	289.00	356.00	368.00	416.00	479.00	558.00	617.00	657.00	729.00	824.00	903.00	958.00
<b>Masonry</b>	<b>Rs.per day</b>																	
Master Mason	47.50	76.98	105.00	105.00	165.00	433.00	466.00	510.00	553.00	629.00	727.00	837.00	935.00	995.00	1,093.00	1,216.00	1,304.00	1,376.00
Skilled and Unskilled	44.51	74.00	92.00	92.00	145.00	273.00	504.00	354.00	369.00	413.00	474.00	561.00	627.00	669.00	729.00	823.00	900.00	955.00
<b>Strikes</b>																		
No. of Strikes		116	183	87	92	104	98	90	57	53	25	51	8	15	21	34	42	38
Sources: Department of Labour and Central Bank of Sri Lanka (a) Provisional																		

Sources: Department of Labour and Central Bank of Sri Lanka  
(a) Provisional

Table 30

Poverty and Inequality							
Index	Unit	Survey period					
		1990/91	1995/96	2002	2006/07	2009/10	2012/13
Poverty Head Count Index							
Sri Lanka	%	26.1	28.8	22.7	15.2	8.9	6.7
Sector							
Urban	%	16.3	14.0	7.9	6.7	5.3	2.1
Rural	%	29.5	30.9	24.7	15.7	9.4	7.6
Estate	%	20.5	38.4	30.0	32.0	11.4	10.9
District							
Colombo	%	16.2	12.0	6.4	5.4	3.6	1.4
Gampaha	%	14.7	14.1	10.7	8.7	3.9	2.1
Kalutara	%	32.3	29.5	20.0	13.0	6.0	3.1
Kandy	%	35.9	36.7	24.9	17.0	10.3	6.2
Matale	%	28.7	41.9	29.6	18.9	11.5	7.8
Nuwara Eliya	%	20.1	32.1	22.6	33.8	7.6	6.6
Galle	%	29.7	31.6	25.8	13.7	10.3	9.9
Matara	%	29.2	35.0	27.5	14.7	11.2	7.1
Hambantota	%	32.4	31.0	32.2	12.7	6.9	4.9
Jaffna	%	-	-	-	-	16.1	8.3
Mannar	%	-	-	-	-	-	20.1
Vavunia	%	-	-	-	-	2.3	3.4
Mullaitivu	%	-	-	-	-	-	28.8
Killinochchi	%	-	-	-	-	-	12.7
Batticaloa	%	-	-	-	10.7	20.3	19.4
Ampara	%	-	-	-	10.9	11.8	5.4
Trincomalee	%	-	-	-	-	11.7	9.0
Kurunegala	%	27.2	26.2	25.4	15.4	11.7	6.5
Puttlum	%	22.3	31.1	31.3	13.1	10.5	5.1
Anuradapura	%	24.4	27.0	20.4	14.9	5.7	7.6
Polonnaruwa	%	24.9	20.1	23.7	12.7	5.8	6.7
Badulla	%	31.0	41.0	37.3	23.7	13.3	12.3
Monaragala	%	33.7	56.2	37.2	33.2	14.5	20.8
Rathnapura	%	30.8	46.4	34.4	26.6	10.5	10.4
Kegalle	%	31.2	36.3	32.5	21.1	10.8	6.7
Poverty Gap	%	5.6	6.6	5.1	3.1	1.7	1.1
Squard Poverty Gap	%	1.8	2.2	1.6	0.9	0.5	0.3
Poverty Shortfall	Rs. / Month	101	191	317	448	587	607.0
Gini Coefficient of Per Capita Expenditure		0.32	0.35	0.40	0.40	0.36	0.39
Gini Coefficient of Household Expenditure		-	0.36	0.41	0.41	0.37	0.40
Gini Coefficient of Household Income		0.43	0.46	0.47	0.49	0.49	0.48
Quintile Ratio	%	4.7	5.3	6.9	6.7	5.7	12.0

Source: Department of Census and Statistics

Household Income and Expenditure Survey 1990/91 (excluding Northern and Eastern provinces)

Household Income and Expenditure Survey 1995/96 (excluding Northern and Eastern provinces)

Household Income and Expenditure Survey 2002 (excluding Northern and Eastern provinces)

Household Income and Expenditure Survey 2006/07 (excluding Northern province and Trincomalee district)

Household Income and Expenditure Survey 2009/10 (excluding Mannar, Mullaitivu and Killinochchi districts)

Household Income and Expenditure Survey 2012/13 (covered all districts)



Table 31

## Remittances and Departures for Foreign Employment

Item	Unit	1990	1995	2000	2001	2002	2003	2004	2005	2006	2007	2008	2009	2010	2011	2012	2013	2014 (a)
<b>Total Remittances</b>	<b>US\$ mn</b>	<b>401</b>	<b>727</b>	<b>1,160</b>	<b>1,155</b>	<b>1,287</b>	<b>1,414</b>	<b>1,564</b>	<b>1,918</b>	<b>2,161</b>	<b>2,502</b>	<b>2,918</b>	<b>3,330</b>	<b>4,116</b>	<b>5,145</b>	<b>5,985</b>	<b>6,407</b>	<b>7,018</b>
By Country																		
Middle East		217	423	730	703	770	804	868	1,089	1,234	1,451	1,745	1,995	2,474	3,030	3,358	3,562	3,853
European Union		46	108	156	190	220	253	286	355	411	500	525	603	724	885	1,071	1,160	1,277
Europe, Other		10	41	63	64	71	113	129	135	143	135	128	148	177	232	275	308	323
East Asia		20	55	68	61	63	69	76	86	110	135	175	203	247	401	509	557	639
North America		79	58	78	81	87	90	105	125	119	105	114	127	140	154	174	186	196
South and Central America		...	7	11	12	13	14	15	19	22	20	23	28	35	41	48	58	70
South East Asia		23	15	22	22	24	27	32	38	52	75	90	100	144	206	263	288	323
South Asia		3	5	8	7	11	12	13	19	22	25	32	40	58	51	90	83	84
Australia and New Zealand		2	7	12	14	14	16	23	29	28	33	55	57	82	103	132	147	168
Other		1	8	12	11	14	16	18	24	22	23	29	30	35	41	66	58	84
<b>Total Departures</b>	<b>No.</b>	<b>42,625</b>	<b>172,471</b>	<b>182,188</b>	<b>184,007</b>	<b>203,773</b>	<b>209,846</b>	<b>214,709</b>	<b>231,290</b>	<b>201,948</b>	<b>218,459</b>	<b>250,499</b>	<b>247,126</b>	<b>267,507</b>	<b>262,961</b>	<b>282,447</b>	<b>293,218</b>	<b>300,413</b>
Professional		116	878	935	1,218	1,481	1,541	1,827	1,421	1,713	1,653	2,835	2,832	3,057	3,844	4,448	5,151	5,340
Middle Level		381	2,495	3,781	3,776	4,555	7,507	6,561	8,042	6,638	3,962	8,667	6,388	6,884	6,134	9,280	16,510	20,749
Clerical and Related		843	4,594	5,825	6,015	7,239	6,779	6,679	7,742	7,911	4,551	6,791	6,719	7,923	9,906	16,184	26,561	29,237
Skilled		11,171	27,165	36,475	36,763	45,478	47,744	45,926	46,688	45,063	50,263	59,718	61,321	71,537	67,726	67,150	73,707	73,039
Semi Skilled		144	-	-	-	-	-	-	-	-	3,499	5,326	6,015	4,932	4,180	3,467	3,412	3,972
Unskilled		9,069	23,479	35,759	33,385	36,485	44,264	43,204	41,904	40,912	52,176	59,239	50,173	60,422	63,680	62,907	70,977	79,415
Housemaids		20,901	113,860	99,413	102,850	108,535	102,011	110,512	125,493	99,711	102,355	107,923	113,678	112,752	107,491	119,011	96,900	88,661

Sources: Foreign Employment Bureau and Central Bank of Sri Lanka

(a) Provisional

Table 32

## Welfare Payments and Development Subsidies

Description	2000	2001	2002	2003	2004	2005	2006	2007	2008	2009	2010	2011	2012	2013	2014 (a)
Rs. million															
<b>Healthcare</b>															
Pharmaceuticals (free medicine)	4,600	4,482	4,721	4,068	6,796	7,100	11,379	10,804	12,082	12,149	13,544	16,617	16,740	27,269	34,805
<b>Empowering the Vulnerable and Needy</b>															
Samurdhi	9,638	12,057	9,920	8,756	8,497	9,103	10,789	9,200	9,995	9,267	9,241	9,044	10,553	15,256	15,042
No. of Beneficiaries (Families Mn)	2.0	2.0	1.9	1.9	1.9	2.0	1.9	1.8	1.6	1.6	1.6	1.5	1.5	1.4	1.5
Assistance to Elderly	-	-	-	-	-	-	648	326	922	960	650	950	554	2,045	2,655
Allowance for Handicapped Students	-	-	-	-	-	40	50	71	70	74	71	80	80	123	136
Allowance for Disable People	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	43	75	74	75	394	403	513	479
<b>Empowering Government Security Forces</b>															
Allowance for the Third Child of Soldiers	-	-	-	-	-	-	-	-	-	-	-	297	313	458	46
Death and Disabled Soldiers Compensation	-	-	-	-	-	4,749	5,921	7,426	8,694	9,796	10,500	13,316	14,779	16,152	18,244
<b>Agriculture Development</b>															
Fertilizer	1,765	3,649	2,446	2,487	3,571	6,846	10,700	11,000	26,450	26,935	23,028	29,802	36,456	19,706	31,858
Paddy Purchasing (To Stabilise the Paddy Prices)	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	755	990	680	1,060	1,805	1,829	1,440	1,789	228
<b>Commercial Crop Development</b>															
Crop Subsidy															
Tea	81	96	141	160	206	183	188	199	232	211	191	171	182	272	331
Rubber	90	69	54	61	50	115	176	193	275	200	371	485	435	587	763
Coconut	68	69	126	218	56	124	270	179	222	237	269	293	353	403	485
Cashew	11	12	25	13	15	18	22	23	35	34	25	29	27	49	40
Minor Crops - (Cinnamon, Cocoa, Coffee, Pepper)	104	99	40	32	40	45	79	134	117	175	180	220	185	207	251
<b>School Children and University Students</b>															
School Uniforms	n.a.	n.a.	799	601	1,099	1,060	963	1,067	582	1,260	950	1,364	2,218	2,300	3,574
Season Tickets	225	225	225	225	225	250	250	500	600	1,384	1,369	1,359	1,233	1,430	1,695
School and Dharma School Text books	n.a.	n.a.	n.a.	970	1,099	1,080	1,123	2,250	3,387	2,196	2,056	2,337	2,127	2,583	2,800
Grade v Scholarships, Mahapola and Bursary	222	255	n.a.	441	362	421	235	201	565	578	645	777	790	801	1,050
Nutrition Program	-	-	5	43	61	166	722	1,308	1,649	2,251	2,475	2,631	2,790	3,077	3,725
Thripasa for Children and Expectant Mothers	246	487	617	512	304	504	537	488	649	1,155	865	1,336	1,189	1,396	1,787
Poshana Malla for Expectant Mothers	-	-	-	-	-	-	82	418	386	505	388	360	249	203	278
Fresh milk for Pre-school Children	-	-	-	-	-	-	-	13	35	167	178	249	205	230	197
Poshana Manpetha and Lama Saviya	-	-	-	-	13	4	25	22	24	30	30	18	17	19	21

## Welfare Payments and Development Subsidies contd...

Description	2000	2001	2002	2003	2004	2005	2006	2007	2008	2009	2010	2011	2012	2013	2014 (a)
<b>Disaster Assistance</b>															
Flood and Drought Relief	-	-	-	-	310	348	171	345	323	738	264	649	153	148	521
Cooked Meals and Dry Rations	-	-	-	-	1,800	1,482	2,586	1,670	1,457	2,859	1,000	199	54	32	28
<b>Assistance to Religious Places</b>															
Water for Religious Places	-	-	-	-	-	45	45	30	46	144	42	46	49	47	50
<b>Losses of Public Enterprises</b>															
Petroleum (Ceylon Petroleum Corporation)	16,062	-	-	-	-	-	946	-	11,085	7,717	20,295	85,165	89,656	7,969	-
Kerosene	-	12	-	-	-	-	-	259	357	-	-	-	-	-	-
Electricity (Ceylon Electricity Board)	4,147	6,195	3,023	-	10,124	6,852	14,176	22,314	33,870	7,440	-	19,266	61,164	-	15,737
Water	-	-	139	134	837	92	214	1,278	2,915	1,417	5,955	-	578	-	-
Railway	1,671	1,820	1,966	2,062	2,650	3,505	3,981	4,298	4,553	4,768	3,173	4,060	3,796	5,163	11,034
Sri Lanka Transport Board	984	2,403	2,197	2,464	3,515	2,778	2,542	2,312	6,261	8,026	827	3,307	4,287	4,333	6,351
<b>Transport Facilities</b>															
SLTB Transport Facilities - Uneconomical Routes	350	1,263	1,715	1,834	3,065	3,689	4,360	3,159	3,736	2,332	2,460	1,922	2,184	2,335	4,770
Transportation Facilities for Armed Forces	-	-	-	-	-	-	-	-	200	598	208	257	182	169	276
<b>Common Facilities</b>															
Street Lighting	-	-	300	294	-	800	900	1,000	1,300	204	360	123	-	-	-
<b>Total</b>	<b>40,263.7</b>	<b>33,191.8</b>	<b>28,459.3</b>	<b>25,375.5</b>	<b>44,694.6</b>	<b>51,401.1</b>	<b>74,834.7</b>	<b>83,520.5</b>	<b>133,828.7</b>	<b>106,940.8</b>	<b>103,489.0</b>	<b>198,751.1</b>	<b>255,420.9</b>	<b>117,062.8</b>	<b>159,256.2</b>

Sources: Department of National Budget, Department of Treasury Operations and Department of Public Enterprises

(a) Provisional

Table 33

Tourism																	
Item	Unit	1995	2000	2001	2002	2003	2004	2005	2006	2007	2008	2009	2010	2011	2012	2013	2014 (a)
Tourist Arrivals by Country of Nationality		No.	403,095	400,414	336,794	393,171	500,638	566,202	549,308	559,603	494,008	438,475	447,890	654,476	855,975	1,005,605	1,274,593
North America		14,580	17,352	16,304	20,004	25,095	30,654	46,727	35,688	28,338	23,203	25,044	40,552	53,658	59,236	65,616	72,653
Latin America & the Caribbean		594	342	400	549	636	715	732	805	4,104	3,721	666	594	1,167	1,626	3,166	4,124
Western Europe		251,061	261,011	204,510	200,676	255,179	285,366	227,558	228,666	195,813	165,822	170,186	255,172	320,431	373,063	421,037	479,007
Eastern Europe		4,551	6,840	7,045	8,046	10,600	14,259	9,305	14,236	25,485	29,352	26,177	35,630	51,922	72,401	125,695	154,153
Middle East		3,816	4,347	5,364	6,462	6,759	9,486	10,230	10,191	13,587	16,701	23,821	37,501	36,376	56,169	80,509	88,999
Africa		732	891	902	1,545	1,925	1,759	2,337	3,163	2,991	2,354	1,591	2,249	6,736	5,045	8,081	12,163
Asia		117,513	91,409	89,343	142,578	177,377	196,023	222,844	241,954	200,697	175,944	174,382	245,753	334,274	380,289	509,653	650,810
Australasia		10,248	18,222	12,926	13,311	23,067	27,940	29,575	24,900	22,993	21,378	26,023	37,025	51,411	57,776	60,836	65,252
Tourist Arrivals by Purpose of Visit		No.															
Leisure		383,570	360,887	300,545	335,898	404,327	442,534	382,321	377,093	331,238	321,079	358,188	516,538	687,830	748,436	915,158	1,037,644
Private & Official Business		10,772	19,346	22,677	36,793	45,762	59,961	92,789	99,404	52,116	37,261	38,473	83,270	68,436	90,040	67,553	24,886
Convention & Meetings		3,895	-	-	5,319	10,048	14,037	12,543	17,009	7,620	5,867	6,262	6,350	14,681	22,220	26,766	4,495
Visiting Friends & Relations		3,258	8,480	6,205	7,823	31,188	36,105	43,943	42,617	40,968	36,304	23,122	35,386	70,531	117,520	164,422	419,266
Religious & Cultural		1,119	6,891	3,974	3,771	5,765	8,289	5,400	9,561	13,902	11,523	9,127	5,150	2,321	22,371	65,004	18,054
Other		487	4,810	3,393	3,567	3,552	5,279	12,312	13,919	48,164	26,441	12,718	7,782	12,178	5,018	35,689	22,808
Official Tourist Receipts	US \$ Mn	225	253	211	253	340	417	362	410	384	342	349	575	830	1,038	1,715	2,431
Receipt Per Tourist Per Day	US\$	56	62	63	63	67	72	75	83	79	77	82	88	98	103	157	161
Average Duration (Nights)	No.	10	10	10	10	10	10	9	10	10	10	9	10	10	10	9	10
Accommodation Capacity (Graded)		No.															
Rooms		11,255	13,311	13,626	13,818	14,137	14,322	13,162	14,218	14,604	14,793	14,461	14,714	14,653	15,510	16,223	18,078
Beds		21,680	24,953	25,595	25,956	26,511	26,854	24,740	27,117	27,500	28,698	28,344	28,978	28,844	30,880	32,284	35,976
Foreign Travel by Sri Lankans (Departures)		504,420	524,212	505,341	532,737	591,126	680,248	727,301	756,735	862,011	966,337	962,786	1,122,212	1,239,290	1,268,792	1,261,711	1,311,063
Revenue from Tourism																	
Tourism Development Levy		-	-	-	-	0.1	300.6	172.5	177.5	214.3	344.5	405.2	516.9	653.5	809.4	1,044.2	1,005.6
Embarkation Tax on Foreign Tourists	Rs. Mn	201.6	200.2	269.3	393.2	500.6	566.2	823.9	839.4	741.0	738.8	766.3	1,000.1	1,041.7	1,161.6	1,604.9	1,779.8
Museums																	
Number of Foreign Visitors		24,997	10,122	11,157	13,577	19,213	23,883	15,281	13,771	9,040	7,353	10,244	22,061	31,096	37,305	44,751	57,604
Revenue from Sale of Tickets	Rs. '000	1,171.0	506.2	620.4	769.0	1,181.1	1,463.2	3,937.6	6,522.5	4,190.9	3,340.6	4,636.4	9,868.6	14,200.0	16,842.5	14,982.0	15,813.0

## Tourism contd....

Item	Unit	1995	2000	2001	2002	2003	2004	2005	2006	2007	2008	2009	2010	2011	2012	2013	2014 (a)
<b>Cultural Triangle</b>																	
Number of Foreign Visitors		166,661	155,167	129,201	131,804	212,521	246,380	110,443	138,232	104,583	112,190	109,404	197,947	239,920	592,980	504,699	627,136
Revenue from Sale of Tickets	Rs. Mn	168.7	276.0	222.0	242.8	403.3	543.1	284.7	400.9	279.8	307.5	402.8	743.5	998.2	1,330.7	1,727	2,178
<b>Zoological Gardens</b>																	
Number of Foreign Visitors		189,043	204,681	150,353	147,329	217,930	252,445	135,006	178,902	155,310	153,934	149,833	249,556	284,898	287,485	305,860	348,842
Revenue from Sale of Tickets	Rs. Mn	11,448	29,215	22,249	30,204	42,297	119,547	61,419	82,655	133,118	134,286	201,659	410,097	470,239	480,663	550,923	745,769
<b>Botanical Gardens</b>																	
Number of Foreign Visitors																	
Revenue from Sale of Tickets	Rs. '000	25,199	29,461	21,226	26,346	57,919	70,704	32,605	44,210	66,560	69,119	72,267	123,162	253,896	279,045	314,871	369,858
<b>Wild Life Parks</b>																	
Number of Foreign Visitors																	
Revenue from Sale of Tickets	Rs. '000	38,539	60,153	54,390	58,537	102,234	113,802	62,692	99,551	85,733	84,420	103,993	227,249	301,009	468,098	578,459	831,388

Sources: Sri Lanka Tourism Development Authority and Central Cultural Fund

(a) Provisional

Note: Since 2014, data on "tourist arrivals by purpose of visit" as per the new classification

Table 34

## Livestock Sector

Item	Unit	1990	1995	2000	2001	2002	2003	2004	2005	2006	2007	2008	2009	2010	2011	2012	2013	2014 (a)
<b>Total Livestock Population</b>		11,024	12,738	12,652	12,671	13,402	11,683	13,001	13,619	15,133	15,820	16,444	15,591	16,076	16,262	16,191	20,025	19,183
Cattle	No. '000	1,433	1,704	1,148	1,153	1,113	1,139	1,161	1,185	1,215	1,223	1,196	1,137	1,170	1,192	1,254	1,265	1,276
Buffalo	No. '000	823	764	305	290	282	280	302	308	314	319	440	372	423	405	415	474	481
Goat/Sheep	No. '000	437	610	506	504	360	424	417	405	395	405	387	385	381	384	394	409	424
Swine	No. '000	81	87	71	68	82	68	79	85	92	94	89	81	84	82	89	89	90
Chicken	No. '000	8,250	9,573	10,622	10,655	11,564	9,772	11,042	11,636	13,117	13,779	14,331	13,615	14,018	14,199	14,039	17,788	16,912
<b>Total Production</b>																		
Milk	Mn Lt.	292	333	181	183	183	187	190	193	197	202	208	233	248	258	299	329	333
Chicken meat	Mt '000	31	39	67	71	75	80	78	86	85	100	103	99	104	117	137	145	151
Eggs	Mn	817	862	1,032	1,172	1,290	1,357	1,595	1,449	1,243	1,252	1,380	1,099	941	1,185	2,279	1,637	1,741
Mutton	Mt	3,100	2,213	2,100	1,900	2,000	1,700	1,800	1,800	1,700	1,600	1,400	1,500	1,700	1,790	1,600	1,840	1,800
Pork	Mt	2,570	2,339	5,500	5,500	9,500	9,500	10,000	11,000	11,500	11,700	11,100	10,120	10,435	9,800	7,030	7,040	7,050
<b>Domestic Demand</b>																		
<b>Domestic Demand - Milk</b>																		
Milk Requirement	Mn. Ltrs per Year	631.5	664.3	674.2	683.6	693.5	702.6	710.3	717.6	725.6	730.4	738.0	746.4	753.7	767.0	742.0	740.0	750.0
Domestic Production	Mn Ltrs.	291.8	333.3	181.5	183.0	183.2	186.8	190.3	192.7	196.6	202.0	208.0	233.3	247.5	258.3	299.3	329.2	332.9
Domestic Production / Total Req. Ratio	%	46.2	50.2	26.9	26.8	26.4	26.6	26.8	26.9	27.1	27.7	28.2	31.3	32.8	33.7	40.0	44.5	44.4
Production Gap	Mn Ltrs.	339.7	331.0	492.7	500.6	510.3	515.8	520.0	524.9	529.0	528.4	530.0	513.1	506.2	508.7	442.7	410.8	417.1
<b>Domestic Demand - Chicken</b>																		
Chicken Requirement	Mt '000 per year	221.0	232.5	236.0	239.3	242.7	245.9	248.6	251.2	253.8	256.5	261.1	261.2	263.8	266.6	259.7	261.7	268.5
Domestic Production	Mt '000	31.4	38.9	66.5	71.3	74.7	80.3	77.8	86.3	85.3	100.1	102.5	99.3	104.2	116.8	137.4	144.5	151.0
Production Gap	Mt '000	189.6	193.6	169.5	168.0	168.0	165.6	170.8	164.9	168.6	156.5	158.6	162.0	159.6	149.8	122.3	117.2	117.5
<b>Domestic Demand - Egg</b>																		
Egg Requirement	Mn. per Year	3,157	3,321.5	3,370.8	3,418.2	3,467.5	3,513.1	3,551.5	3,588.0	3,626.3	3,664.6	3,730.3	3,732.1	3,768.6	3,809.0	3,710.0	3,738.0	2,215.0
Domestic Production	Mn.	817	861.7	1,032.1	1,172.4	1,289.5	1,356.6	1,594.8	1,449.0	1,243.0	1,252.0	1,380.0	1,099.0	941.0	1,185.3	2,278.7	1,636.8	1,741.4
Production Gap	Mn.	2,340	2,459.8	2,338.7	2,245.9	2,178.0	2,156.5	1,956.7	2,139.0	2,383.3	2,412.6	2,350.3	2,633.1	2,827.6	2,623.7	1,431.3	2,101.2	473.6

## Livestock Sector contd...

Item	Unit	1990	1995	2000	2001	2002	2003	2004	2005	2006	2007	2008	2009	2010	2011	2012	2013	2014 (a)
<b>Per Capita Availability</b>																		
Milk	lt per Year	16.9	18.3	9.8	9.8	9.8	9.6	9.7	9.8	9.8	9.9	10.1	10.2	11.4	12.0	12.1	12.0	11.9
Chicken Meat	kg per Year	1.8	2.2	3.6	3.8	3.9	3.9	4.2	4.0	4.4	4.3	5.0	5.0	4.9	5.7	6.8	7.1	7.3
Eggs	No. per Year	29.6	46.9	55.9	62.6	67.8	70.3	82.0	73.7	62.6	62.4	67.5	53.7	45.6	82.0	112.7	102.6	108.1
Mutton	kg per Year	0.2	0.2	0.1	0.1	0.1	0.1	0.1	0.1	0.1	0.1	0.1	0.1	0.1	0.1	...	0.1	0.1
Pork	kg per Year	0.2	0.1	0.1	0.1	0.1	0.1	0.1	0.1	0.1	0.1	0.1	0.1	0.1	0.3	0.4	0.3	0.3
Beef	kg per Year	2.0	1.5	1.6	1.5	1.5	1.5	1.5	1.5	1.4	1.3	1.1	1.1	1.1	1.7	1.7	1.8	1.7
<b>Imports</b>																		
Milk and Milk Products	Mt	66,507	50,185	52,526	49,069	60,769	58,461	52,702	52,788	65,840	61,242	65,376	63,874	75,483	88,129	83,818	69,452	71,027
	Rs. Mn	2,322	5,532	7,780	9,080	9,587	10,106	11,289	12,591	16,254	19,306	30,849	18,609	29,029	38,192	39,023	37,572	44,308
Poultry and Poultry Products	Mt	161.3	635.6	1,488.7	1,522.7	1,491.0	2,427.7	2,042.1	2,098.5	479.3	1,199.9	2,617.1	989.9	1,235.7	1,952.1	845.0	352.5	354.0
	Rs. Mn	11.8	40.8	90.6	98.8	97.3	149.6	131.2	151.6	32.7	88.7	228.9	85.2	149.7	300.1	148.0	112.0	99.2
Mutton and Mutton Products	Mt	148.3	699.5	805.9	596.3	537.5	450.8	536.7	405.7	450.0	415.9	293.1	269.7	284.9	169.2	338.0	385.5	350.3
	Rs. Mn	12.6	60.1	87.7	88.7	106.1	100.6	120.1	109.0	116.6	116.4	93.0	58.3	82.2	72.9	200.3	172.8	165.7
Pork and Pork Products	Mt	26.9	3.7	19.8	8.9	6.7	8.9	12.8	4.2	48.8	60.3	37.7	0.5	0.2	0.3	0.9	0.1	2.6
	Rs. Mn	2.3	0.9	8.4	4.3	3.4	5.8	4.3	4.6	6.2	27.6	21.1	0.4	0.5	0.4	0.8	0.1	0.5
Beef and Beef Products	Mt	63.8	64.3	68.7	53.8	65.9	50.2	53.4	33.6	67.5	23.7	30.1	22.0	28.9	61.1	27.5	36.0	36.1
	Rs. Mn	15.2	20.9	26.5	14.6	19.8	21.4	32.2	24.1	29.0	23.1	25.6	16.9	12.7	52.3	24.2	28.5	28.3

Sources: Department of Census and Statistics, Department of Animal Production and Health and Central Bank of Sri Lanka  
(a) Provisional



Table 35

## Fisheries Sector

Item	Unit	1900	1995	2000	2001	2002	2003	2004	2005	2006	2007	2008	2009	2010	2011	2012	2013	2014(e)
<b>Fishing Fleet Capacity (Total Boats)</b>	<b>No.</b>	<b>27,675</b>	<b>27,269</b>	<b>28,148</b>	<b>27,717</b>	<b>28,703</b>	<b>30,295</b>	<b>31,164</b>	<b>30,504</b>	<b>38,819</b>	<b>38,383</b>	<b>39,049</b>	<b>40,245</b>	<b>48,134</b>	<b>53,476</b>	<b>54,310</b>	<b>52,301</b>	<b>53,987</b>
High Seas Boats	n.a.	n.a.	n.a.	6	6	8	10	9	10	11	10	13	19	26	29	130	-	-
Multi Day Boats	2,364	1,639	1,430	1,572	1,572	1,614	1,530	1,581	1,328	2,394	2,454	2,529	2,604	2,679	3,843	3,950	4,111*	4,447*
One Day Boats	**	1,357	1,170	993	993	1,112	1,486	1,493	1,164	907	1,085	1,110	1,135	1,160	1,120	890	802	876
Out Board 6-8 m FRP	9,758	8,564	8,690	8,744	8,744	9,033	11,020	11,559	11,010	16,885	15,016	15,016	15,016	15,016	22,890	23,160	23,134	23,982
Motorized Traditional Boats	973	1,060	1,205	640	640	776	618	674	1,660	1,842	2,188	2,213	2,238	2,263	2,960	2,340	2,514	2,719
Non-Motorized Traditional Boats	14,580	14,649	15,100	15,200	15,200	15,600	15,040	15,260	14,739	16,347	16,640	17,178	18,243	26,000	21,650	22,800	20,566	21,963
Beach Scene Boats	***	***	547	562	562	560	591	588	593	633	990	990	990	990	984	1,040	1,174	***
<b>Annual Fish Production</b>	<b>MT</b>	<b>183,980</b>	<b>235,750</b>	<b>300,380</b>	<b>284,760</b>	<b>302,890</b>	<b>284,960</b>	<b>286,370</b>	<b>162,680</b>	<b>251,270</b>	<b>291,050</b>	<b>319,120</b>	<b>339,730</b>	<b>384,670</b>	<b>444,830</b>	<b>484,810</b>	<b>512,840</b>	<b>535,050</b>
Marine Fish Catch	145,790	217,500	263,680	254,890	254,890	274,760	254,680	253,190	130,400	215,980	252,670	274,630	293,170	332,260	385,270	417,220	445,930	459,300
Coastal	134,120	157,500	175,280	167,530	167,530	176,250	163,850	154,470	63,690	121,360	150,110	165,320	180,410	202,420	222,350	257,540	267,980	278,850
Offshore and Deep Sea	11,670	60,000	88,400	87,360	87,360	98,510	90,830	98,720	66,710	94,620	102,560	109,310	112,760	129,840	162,920	159,680	177,950	180,450
Inland and Aquaculture	38,190	18,250	36,700	29,870	29,870	28,130	30,280	33,180	32,280	35,290	38,380	44,490	46,560	52,410	59,560	67,590	66,910	75,750
<b>Fish for Dry or Smoking</b>	<b>MT</b>	<b>22,000</b>	<b>36,000</b>	<b>60,900</b>	<b>43,650</b>	<b>61,720</b>	<b>54,340</b>	<b>63,470</b>	<b>18,900</b>	<b>71,740</b>	<b>77,830</b>	<b>93,240</b>	<b>97,690</b>	<b>100,120</b>	<b>112,295</b>	<b>61,320</b>	<b>146,630</b>	<b>151,230</b>

Source: Ministry of Fisheries and Aquatic Resources Development

(a) Provisional

\* Including High Sea Boats

\*\* Included in Multi Day Boats

\*\*\* Beach Scene Boats are included in Non- Motorized Traditional Boats