

FISCAL REVIEW REPORT

January - November 2023

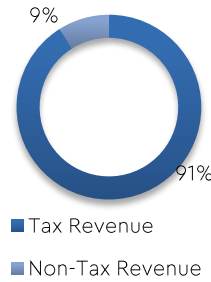


Department of Fiscal Policy
Ministry of Finance, Economic Stabilization and National
Policies

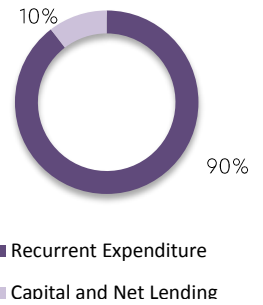
Highlights...

Government Revenue & Grants	<ul style="list-style-type: none"> Jan- Nov 2023 : Rs. 2,771 Bn Jan- Nov 2022 : Rs. 1,810 Bn 	↑
Government Expenditure	<ul style="list-style-type: none"> Jan-Nov 2023 : Rs. 4,792 Bn Jan- Nov 2022 : Rs. 3,411 Bn 	↑
Budget Deficit	<ul style="list-style-type: none"> Jan-Nov 2023 : Rs. 2,020 Bn Jan-Nov 2022 : Rs. 1,601 Bn 	↑

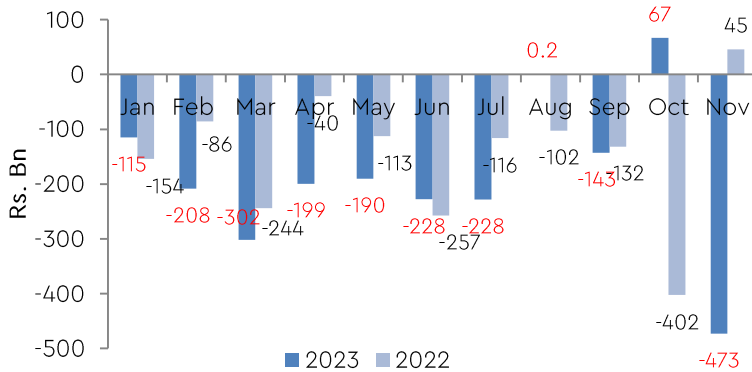
Government Revenue Jan-Nov 2023



Government Expenditure Jan-Nov 2023



Budget Deficit (Rs. Bn)



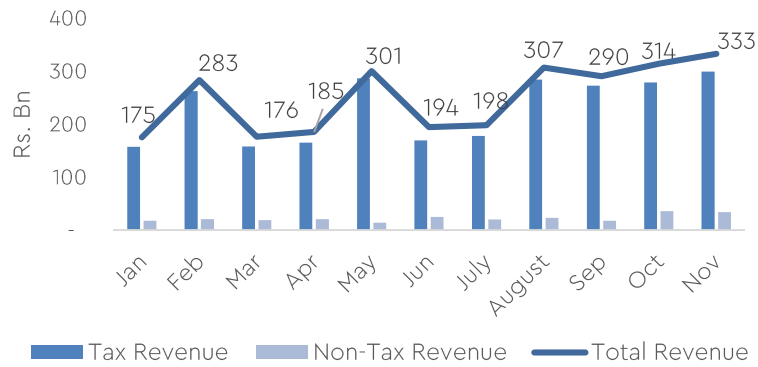
Fiscal deficit, in nominal terms, increased to Rs. 2,020.2 billion during January to November 2023 from Rs. 1,601.3 billion in the same period of 2022 mainly due to increase of government revenue including grants by 53.1 percent to Rs. 2,771.4 billion in the first eleven months of 2023 from Rs. 1,809.8 billion in the same period of 2023.

Jan – Nov 2022 ➔ Jan - Nov 2023

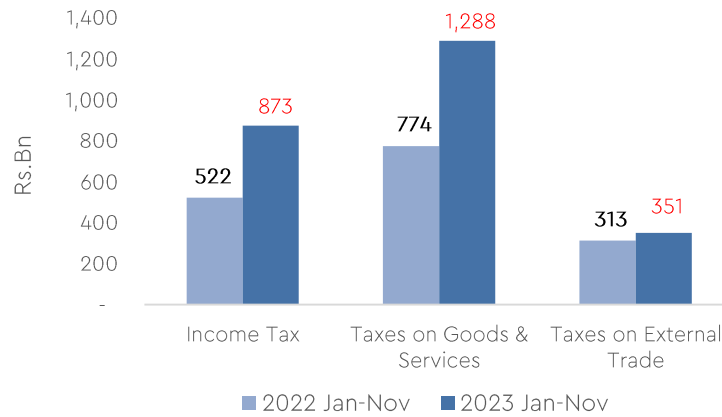
- Total Revenue excluding grants increased by 52.7%
- Tax Revenue increased by 56.1 %
- Non Tax Revenue increased by 24.3%
- Recurrent Expenditure increased by 45.8%
- Capital and net lending declined by 7.1%
- GDP at constant prices was Rs. 2,946 billion in the third quarter of 2023, compared to Rs. 2,901 bn in the same period of 2022.
- Economy grew by 1.6% in the third quarter of 2023 compared to 11.5% contraction recorded in the same period of 2022.

Government Revenue 2023

Government Revenue Jan - Nov 2023



Tax Revenue By Source (Rs.Bn)



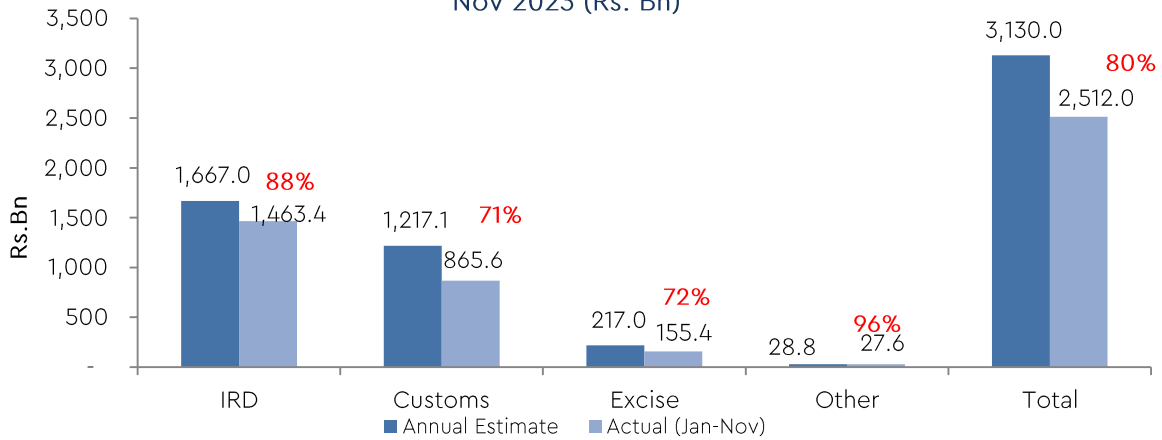
Tax revenue from income tax, taxes on goods and services, and external trade increased by 56.1 percent in the first eleven months of 2023 compared to same period of 2022.

Tax Revenue from 3 Key Revenue Collecting Agencies Jan – Nov 2023

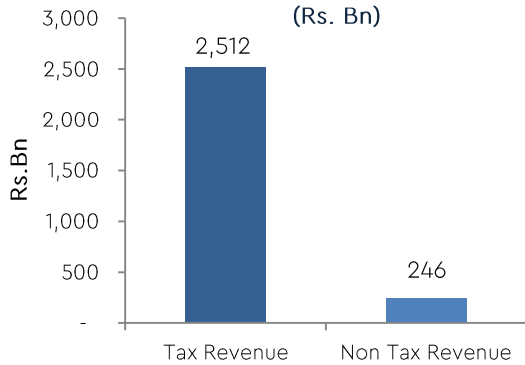
	Annual Estimate (Rs. Bn)	Actual (Jan-Nov) (Rs. Bn)	Achievement
IRD	1,667	1,463.4	88%
Customs	1,217	865.6	71%
Excise	217	155.4	72%
Other	29	27.6	96%
Total	3,130	2,512.0	80%

Government Revenue 2023

Tax Revenue (Estimate vs Actual) from Different Revenue Agencies Jan - Nov 2023 (Rs. Bn)

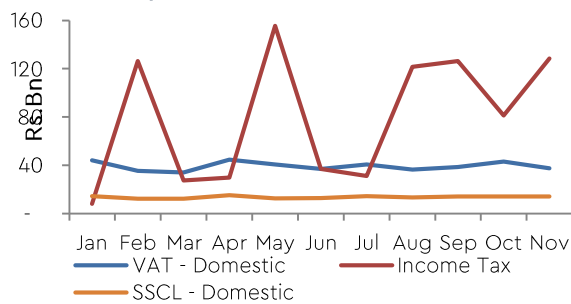


Government Revenue Jan-Nov 2023 (Rs. Bn)



Around 91 percent of the Government's revenue was generated through the tax revenue in the first eleven months of 2023

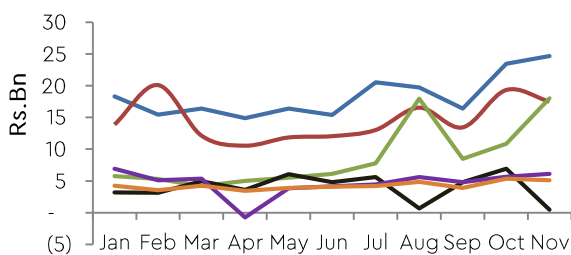
Monthly Revenue Collection from IRD through Major Revenue Components (Rs. Bn)



Revenue collected from VAT and SSCL on Domestic Activities has not significantly increased or decreased in the first eleven months of 2023.

Revenue from income tax has significantly increased in February, May, August, September and November as the payment of CIT and PIT fell in these months.

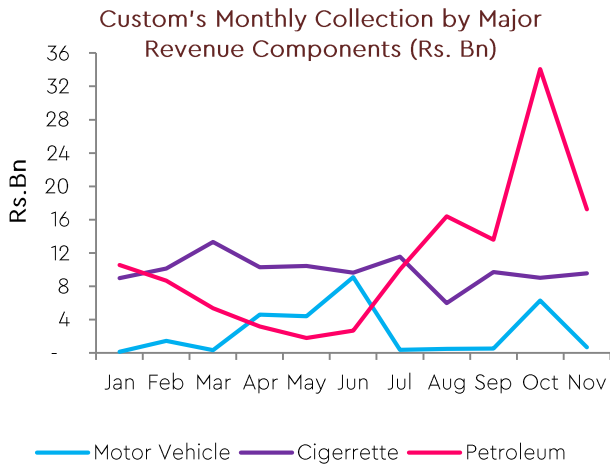
Custom's Monthly Revenue Collection by Major Tax Components (Rs. Bn)



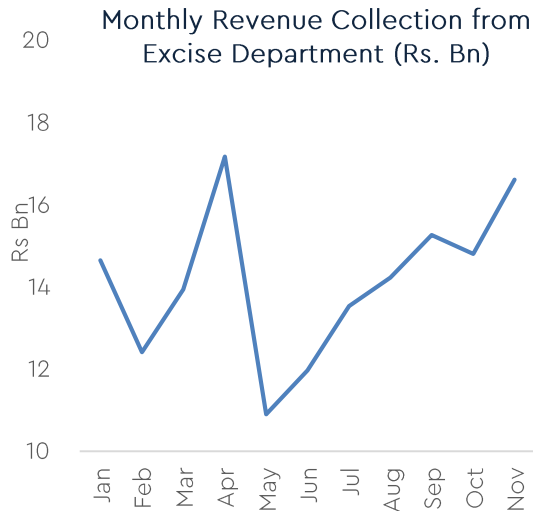
Revenue collected by Sri Lanka Customs through its major tax components increased by 28.7 percent to Rs. 599.3 billion in the first eleven months of 2023 from Rs. 465.6 billion in the same period of 2022.

- VAT - Import
- Import Duties
- CESS
- PAL
- SCL
- SSCL - Import

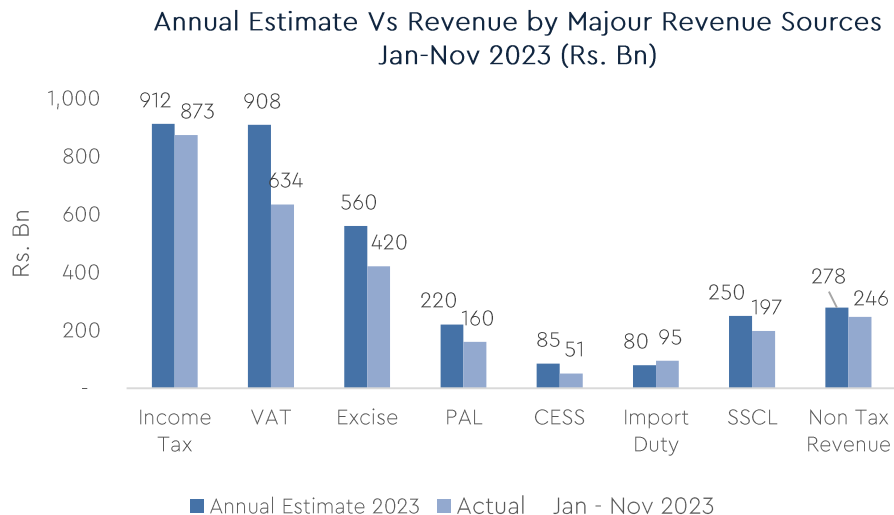
Government Revenue 2023



Revenue collected from excise duty on motor vehicles increased by 100 percent to Rs. 28.5 billion in the first eleven months of 2023 from Rs. 14.1 billion in the same period of 2022. Revenue collected from excise duty on cigarettes reached its peak in March 2023 and that revenue increased by 14.5 percent to Rs. 108.6 billion in the first eleven months of 2023 from Rs. 94.9 billion in the same period of 2022. Further, revenue collected from petroleum has significantly increased by 176.3 percent to Rs. 123.6 billion in the first eleven months of 2023 from Rs. 44.7 billion in the same period of 2023 owing to the increase of excise duty on the importation of all types of petrol & diesel by Rs. 25 per litre with effect from January 01, 2023 and June 01, 2023, respectively.

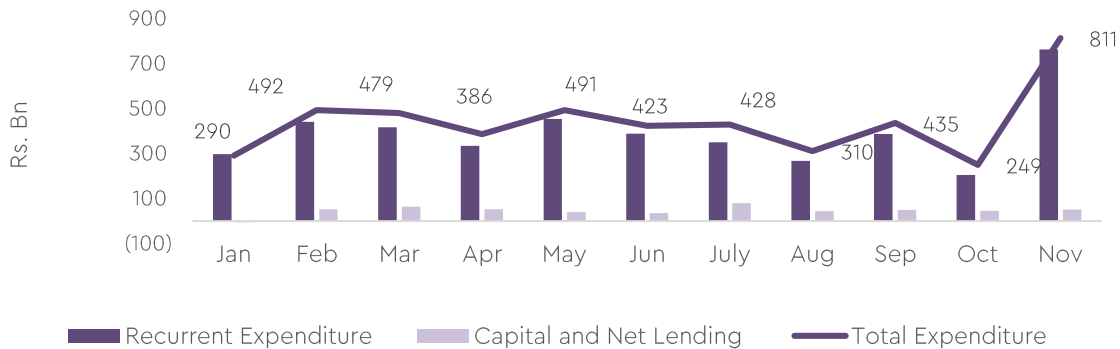


Revenue collected from Department of Excise subjected to significant fluctuations mainly due to drop in liquor production particularly emanating from poor enforcement of the tax stamp system by EDSL due to the fact that availability of counterfeit or copy tax stamps in the market. However, from May to November the revenue gradually picked up.

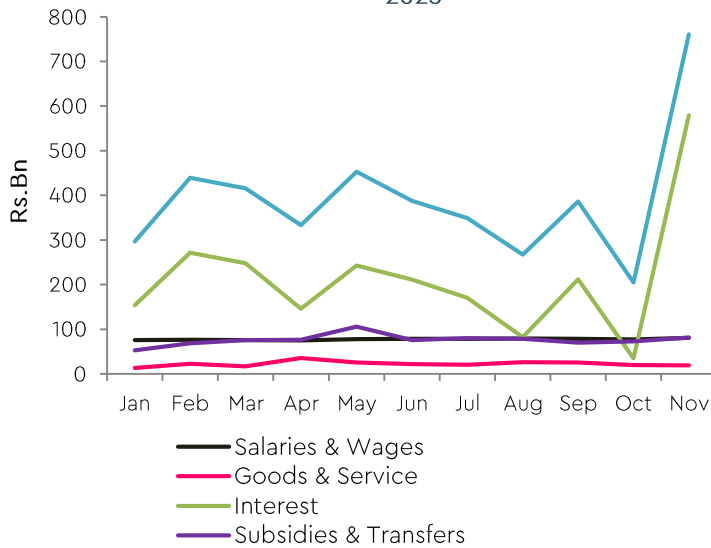


Government Expenditure 2023

Government Expenditure Jan - Nov 2023 (Rs. Bn)

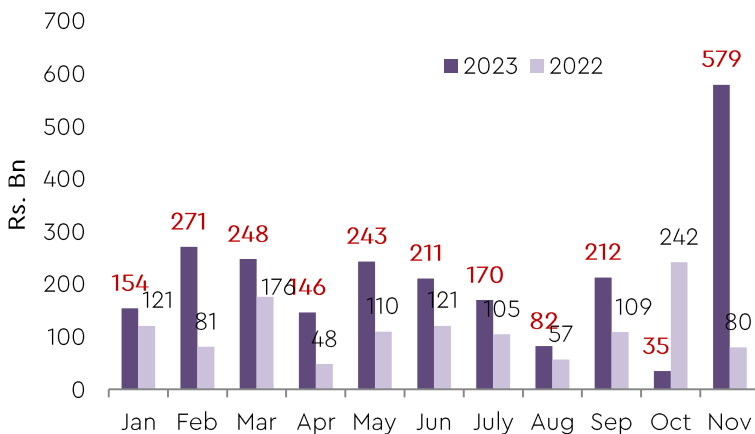


Recurrent Expenditure by Components Jan - Nov 2023



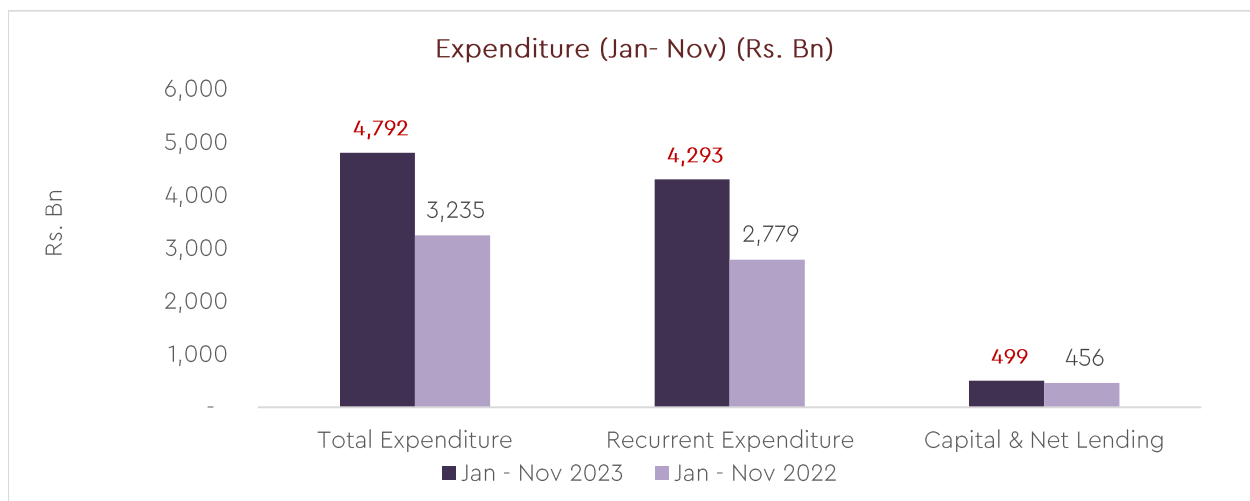
The total recurrent expenditure in the first eleven months of 2023 reached Rs. 4,293 billion of which the biggest share holds by interest amounting to Rs. 2,352 billion. This represents 54.8 percent of the total recurrent expenditure. The second largest contributor of the total recurrent expenditure during the first eleven months of 2023 is salaries and wages which holds 21.9 percent of the total recurrent expenditure. During the first eleven months of 2023, the interest and total recurrent expenditure exhibit an identical trend, indicating that interest holds the highest sway within the total recurrent expenditure.

Interest Payments Jan - Nov 2023



Total Interest payments from January to November 2023 increased by 88.3 percent to 2,352 billion compared to Rs. 1,249 billion in the same period of 2022 due to high-interest rates on domestic borrowings.

Government Expenditure 2023



Government expenditure increased by 40.5 percent to Rs. 4,792 billion in the first eleven months of 2023, compared to Rs. 3,411 billion in the same period of 2022. Recurrent expenditure was Rs. 4,293 billion and the capital and net lending was Rs. 499 billion.

Budget Outturn Jan - Nov 2023 (Rs. Bn)

	Annual Estimate 2023 (Rs. Bn)	Jan-Nov 2022 (Rs. Bn)	Jan -Nov 2023 (Rs. Bn)	Growth 22/23 %	Achievement %
Total Revenue & Grants	3,415	1,810	2,771	53.1	81.2
Tax Revenue	3,130	1,609	2,758	56.1	80.3
Non-Tax Revenue	278	198	246	24.3	88.5
Grants	7	3	13	337.9	191.2
Total Expenditure	5,819	3,411	4,792	40.5	82.3
Recurrent Expenditure	4,609	2,945	4,293	45.8	93.1
Capital and Net Lending	1,210	466	499	7.1	41.2
Primary Balance (+)/(-)	-211	-352	331		
Budget Balance (+)/(-)	-2,404	-1,601	-2,020		