



# ANNUAL REPORT 2015

MINISTRY OF FINANCE  
SRI LANKA

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THE FISCAL MANAGEMENT (RESPONSIBILITY) ACT, NO. 03 OF 2003**

# MINISTRY OF FINANCE

(AS AT 31<sup>st</sup> MARCH 2016)

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Hon. Ravi Karunanayake, MP  
Minister of Finance

Hon. Laxman Yapa Abeywardena, MP  
State Minister of Finance

## PRINCIPAL OFFICIALS

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

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

# HEADS OF TREASURY DEPARTMENTS

(AS AT 31<sup>st</sup> MARCH 2016)

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

## Department of National Budget

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Director General

Ms. G.K. Wimalaweera  
Additional Director General

H. P. Jayananda  
Additional Director General

## Department of Public Enterprises

R. Semasinghe  
Director General

Ms. D.C.W. Hapugoda  
Additional Director General

P.H.A.S. Wijeratne  
Additional Director General

Hemal Kasthuriarachchi  
Additional Director General

## Department of Management Services

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Director General

## Department of Fiscal Policy

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Director General

## Department of Trade and Investment Policy

K.D.N. Ranjith Ashoka  
Director General

K.A.S.S.K. Perera  
Additional Director General

## Department of Development Finance

A.M.P.M.B. Atapattu  
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## Department of Public Finance

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Senior Legal Advisor

Ms. W.M.V.Wanasinghe  
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## Department of Treasury Operations

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C.J.K. Perera  
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R.M.A. Rathnayake  
Additional Director General

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Director General

Ms D.M.A.M.D.N.N.J.Andradi  
Additional Director General

## Department of Management Audit

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Director General

Ms. G.G. Pabasara  
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## Department of Information Technology

### Management

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Director General

### Auditor

K.K.V. Darmasiri  
Assistant Auditor General

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

(AS AT 31<sup>st</sup> MARCH 2016)

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**Department of Inland Revenue**  
Ms. Kalyani Dahanayake  
Commissioner General

**Department of Customs**  
W. A. Chulananda Perera  
Director General

**Department of Excise**  
L. K. G. Gunawardena  
Commissioner General

**Department of Valuation**  
E. Dayasena  
Chief Valuer

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

(AS AT 31<sup>st</sup> MARCH 2016)

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## **Insurance Board of Sri Lanka**

Ms. Indrani Sugathadasa  
Chairperson

Ms. Damayanthi Fernando  
Director General

## **Development Lotteries Board**

Romesh Jayawardane  
Chairman

Saman Jayasinghe  
General Manager

## **The Public Service Mutual Provident Association**

Ajantha Galhena  
President

## **Sri Lanka Export Credit Insurance Corporation**

A. S. M. Misbah  
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Dilruk Ranasinghe  
General Manager

## **Tax Appeal Commission**

Justice H. Yapa  
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## **National Lotteries Board**

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Chairperson

Sunil Gunawardane  
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## **Lady Lochore Loan Fund**

A.P. Kurumbalapitiya  
Chairman

Winston Pathiraja  
Managing Trustee

## **Academy of Financial Studies (Miloda)**

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Anura Lokuhetti  
Co-CEO

## **Sri Lanka Accounting & Auditing Standards Monitoring Board**

P.V.L. Nandasiri  
Chairman

Wasantha Geegange  
Director General

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## SRI LANKA AT A GLANCE 2010 - 2015

	2010	2015		2010	2015
<b>GDP</b>			<b>TOTAL GOVERNMENT DEBT (Rs. Bn)</b>	4,590	8,503
GDP at Market Prices (Rs. Bn.)	6,414	11,183	Total Government Debt (Percent of GDP)	71.6	76.0
GDP at Market Prices (US\$ Bn.)	56.7	82.3	Domestic (Percent of GDP)	40.0	44.3
Per Capita GDP at Market Prices (Rs.)	310,214	533,398	Foreign (Percent of GDP)	31.6	31.7
Per Capita GDP at Market Prices (US\$)	2,744	3,925	Total Debt Service (Percent of GDP)	14.6	11.8
GDP (Growth %)	8.0 (a)	4.8			
GNP (Growth %)	7.9 (a)	4.8	<b>PROVINCIAL BUDGET</b>		
Inflation - GDP Implicit Price Deflator (%) 2010=100	7.3 (a)	2.1	Revenue (Rs.Bn)	36.8	66.1
Inflation - CCPI (%) (Annual Average)	6.2	0.9	Tax Revenue (Rs.Bn)	31.0	59.5
Unemployment (%)	4.9	4.6	Expenditure (Rs.Bn)	145.5	267.7
Labour Force Participation Rate (%)	48.1	53.8	Central Government Transfers (Rs. Bn)	107.0	201.6
<b>STRUCTURE OF THE ECONOMY</b>			<b>MONETARY SECTOR DEVELOPMENTS</b>		
<b>Share of GDP (%)</b>			Narrow Money (Rs. Bn.)	407.2	715.0
Agriculture	8.5	7.9	Broad Money (Rs. Bn)	2,091	4,566
Industry	26.6	26.2	Money Growth (M <sub>2</sub> b) (%)	15.8	17.8
Services	54.6	56.6			
Taxes - Subsidiary	10.2	9.3			
<b>Sectoral Growth (%)</b>			<b>ACCESS TO BANKING &amp; FINANCE</b>		
Agriculture	7.0 (a)	5.5	Domestic Commercial Banks	11	13
Industry	8.4 (a)	3.0	Branches	1,417	2,694
Services	8.0 (a)	5.3	Foreign Commercial Banks	11	12
			Branches	46	220
<b>EXTERNAL TRADE</b>			Specialized Banks	9	7
Exports (US\$ Mn.)	8,626	10,505	Branches	500	624
Imports (US\$ Mn.)	13,451	18,935			
Trade Balance (US\$ Mn.)	-4,825	-8,430	<b>ATMs</b>		
Tourism (US\$ Mn.)	576	2,981	Domestic Commercial Banks	664	3,208
Worker's Remittances (US\$ Mn.)	4,116	6,980	Foreign Commercial Banks	47	49
Current Account Balance (US\$ Mn)	-1,075	-2,009	Specialized Banks	n.a.	295
Overall Balance of Payment (US\$ Mn)	921	-1,489			
			Insurance Companies	19	28
<b>GOVERNMENT FINANCE</b>			Registered Finance Companies	37	46
Revenue (Rs. Bn)	817	1,455	Specialized Leasing Companies	21	7
Tax Revenue (Rs. Bn)	725	1,356	Student Savings Units	2,963	3,045
Non-Tax Revenue (Rs. Bn)	92	99	Credit Cards Issued	90,489	198,843
Revenue (US\$ Mn.)	7,233	10,702	Credit Cards in Use	778,544	1,145,055
Tax Revenue (US\$ Mn)	6,414	9,973			
Non-Tax Revenue (US\$ Mn)	819	729	<b>EXCHANGE RATES</b>		
Total Expenditure and Net Lending (Rs. Bn)	1,280	2,290	Annual Average		
Current Expenditure (Rs. Bn.)	937	1,702	Rs/US\$	113.06	135.94
Public Investment (Rs. Bn.)	357	603	Rs/SDR	172.5	190.16
Current Account Deficit / (Percent of GDP)	-1.9	-2.2			
Primary Deficit/ (Percent of GDP)	-1.5	-3.7	Year End		
Budget Deficit / (Percent of GDP)	-7.0	-7.4	Rs/US\$	110.95	144.06
Total Expenditure and Net Lending (US\$. Mn)	11,323	16,848	Rs/SDR	170.84	199.63
Current Expenditure (US\$ Mn.)	8,293	12,518			
Public Investment (US\$ Mn.)	3,153	4,434			
Budget Deficit (US\$ Mn.)	-3,939	-6,102			

## SRI LANKA AT A GLANCE 2010 - 2015

2010		2015	
Duty free items	2,967	Duty free items - Raw Materials	3,922
5% Duty	415	15% Duty Intermediate Goods	1,324
15% Duty	1,516	30% Duty Luxury Goods & Motor Vehicles	1,457
30% Duty	1,327	75% Duty Tobacco	3
75% Duty	4	85% Duty Cigarettes	1
100% Duty	5	125% Duty Liquor	5
Specific	60	Specific Food Items (84) & Local Industries	67
Specific & Advelorum	193	Specific & Advelorum	186
<b>Total</b>	<b>6,487</b>	<b>Total</b>	<b>6,965</b>

	2010	2015		2010	2015
<b>SOCIAL DEVELOPMENT</b>			<b>ACCESS TO BASIC INFRASTRUCTURE</b>		
Mid year of Population growth (%)	1.0	0.9	Electricity to Households (%)	88.0	98.5
Life Expectancy at Birth	74.1	74.9	Access to Pipe-borne Water (% of Population)	40.0	45.9
Infant Mortality (per 1,000 Live Births)	9.4	8.2	Access to Safe Drinking Water (% of Population)	81.0	89.7
Maternal Mortality Rate (per 100,000 Live Births)	22	22			
Crude Birth Rate (per 1,000)	17.6	16.0	<b>Telecommunications</b>		
Crude Death Rate (per 1,000)	6.2	6.3	Fixed Access Services ('000)	3,534	2,601
Literacy Rate (%)			Cellular Phones (No. of Subscribers) ('000)	17,246	24,385
Average	91.4	93.3	Internet and email Subscribers (Including mobile internet services) ('000)	480	4,091
Male	92.8	94.2			
Female	90.0	92.6	<b>Postal</b>		
Computer Literacy Rate (Age 10 years and above) (%)	20.3	25.1	Public Post Offices	4,059	4,063
Dependency Ratio (%) (65 years and over)	9.35	11.5	Private Post Offices	606	629
<b>MOTOR VEHICLE IMPORTS</b>			<b>Roads</b>		
Motor Cars	26,745	108,866	Total Road Length (Km)	114,272	117,093
Motor Cycles	221,832	349,441	Road Density (Km <sup>2</sup> )	1.74	1.78
Three-Wheelers	92,207	132,865			
Tractors	18,617	14,233	<b>Ports</b>		
Motor Vehicles for Transport of Goods	20,655	44,218	Vessels Arrived	4,075	4,760
Passenger Van and Buses	2,766	4,687	Total Container Traffic ('000 TEUs)	4,137	5,185
Other	277	510	Total Cargo Handled ('000 MT)	61,240	77,611
<b>Total Vehicle Stock</b>			Transshipment Containers ('000 TEUs)	3,205	3,967
Motor Cars	410,282	672,502			
Three-Wheelers	529,543	1,059,042	<b>Production of Agriculture Sector</b>		
Motor Cycles	2,100,832	3,359,501	Tea (Mn Kg)	331	329
Buses	84,280	101,419	Rubber (Mn Kg)	153	89
Dual Purpose Vehicles	209,228	365,001	Coconut (Mn Nuts)	2,584	3,050
Motor Vehicles for Transport of Goods	296,692	341,911	Paddy ('000 MT)	4,301	4,819
Land Vehicles - Tractors	276,997	343,339	Fresh Milk (Mn Ltr.)	248	374
Land Vehicles - Tailors	46,457	59,426	Fish ('000 MT)	385	520

## SRI LANKA AT A GLANCE 2010 - 2015

	2010	2015		2010	2015
<b>ACCESS TO BASIC NEEDS</b>			<b>PRINT MEDIA</b>		
<b>HEALTH</b>			<b>Newspapers (No.)</b>		
Public Hospitals	568	610	Sinhala	66	131
Private Hospitals	172	217	Tamil	18	39
Central Dispensaries	476	475	English	28	43
Beds	69,501	76,781	Bilingual	n.a	10
<b>PROFESSIONALS</b>			<b>ELECTRONIC MEDIA</b>		
Doctors	16,492	21,837	<b>Television Services</b>		
Nurses	27,494	32,272	Government	20	19
Public Health Inspectors (PHI)	1,689	1,664	Sinhala	6	5
Attendants	8,189	8,689	Tamil	2	2
Midwives	8,276	9,021	English	2	1
<b>EDUCATION</b>			Private	14	14
Government			Sinhala	7	9
Schools	9,685	10,144	Tamil	2	2
Students ('000)	3,940	4,129	English	5	3
Teachers	214,562	236,999	<b>Radio Services</b>		
Private			Government	52	54
Schools	98	104	Sinhala	21	18
Students ('000)	117	136	Tamil	14	12
Teachers	5,994	7,075	English	5	5
Pirivenas			Private	31	36
Schools	719	749	Sinhala	n.a	22
Students ('000)	62	65	Tamil	n.a	4
Teachers	6,090	6,776	English	n.a	10
<b>WOMEN PARTICIPATION</b>			<b>INSTALLED CAPACITY (MW)</b>		
Women Population ('000)	8,088	8,989	<b>Total</b>	<b>3,267</b>	<b>3,850</b>
Employed Women ('000)	2,575	2,987	Public Sector	2,208	2,884
Women Participation in the Labour Force (%)	31.2	36.0	Hydro Power	1,357	1,377
Women in the Public Service ('000)	1,229	1,726	Thermal Power	848	1,504
Unemployed Women (%)	7.7	7.6	Fuel	548	604
<b>CAPITAL MARKET</b>			Coal	300	900
Market Capitalization (Rs. Bn)	2,210	2,938	Other	3	3
Average Daily Turnover (Rs. Mn)	2,396	1,060	Private Sector	1,059	966
All Share Price Index (ASPI) 1985=100	6,636	6,895	Hydro Power	175	307
S&P SL 20 Index (2004 Dec.=1,000)	7,062	3,626	Thermal Power - Fuel	842	511
Market Price Earnings Ratio- End of the Year (%)	25.2	18.0	Other	42	149
Turnover to Market Capitalization (%)	25.8	8.6	<b>POVERTY (2009/2010 &amp; 2012/2013)</b>		
			Poverty Head Count Index	8.9	6.7
			Poverty Gap Index	1.0	1.2
			Gini Coefficient of Per Capita Expenditure	0.36	0.39
			Average Daily Calorie Intake (2006/07 and 2013)	2,118	2,111

## SRI LANKA AT A GLANCE 2010 - 2015

### Government Tax Rate (%)

2010			2015		
Tax Free Allowances		Rs. 300,000	Tax Free Allowances		Rs. 500,000
Tax on Taxable income			Tax on Taxable income		
Next	Rs. 400,000	5	Next	Rs. 500,000	4
Next	Rs. 400,000	10	Next	Rs. 500,000	8
Next	Rs. 400,000	15	Next	Rs. 500,000	12
Next	Rs. 500,000	20	Next	Rs. 500,000	16
Next	Rs. 500,000	25	Next	Rs. 1,000,000	20
Next	Rs. 500,000	30	Balance		24
Balance		35			

	As at end	
	2010	2015
<b>Corporate Tax (%)</b>		
Standard Rate	28	28
Liquor & Tobacco	-	40
Taxable Income less than Rs. 5.0 Mn.	12	12
Export Income	12	12
<b>Economic Service Charge (ESC)</b>		
ESC Rate (%)	0.05-1	0.25
(Any ESC Paid is Deductible from any Income Tax/ Corporate Tax Payable)		
<b>Value Added Tax (VAT) (%)</b>		
Standard Rate	12	11
Exports	0	0
<b>Nation Building Tax (NBT) (%)</b>	2	2
<b>Ports and Airports Development Levy (%)</b>	5	5
<b>Telecommunications Levy (%) (other than Internet)</b>	-	25
<b>Share Transaction Levy (%)</b>	-	0.3
<b>CUSTOMS DUTY (%)</b>		
Inputs / Raw Material	0-5	0
Intermediate Goods	5 or 15	15
Finished and Luxury Goods	30	30

	As at end	
	2010	2015
<b>Excise Duty</b>		
<b>Cigarettes (Rs. Per 1,000)</b>		
Length below 60mm	3,465	6,975
Length 60-67mm	6,973	12,675
Length 67-72mm	9,811	14,660
Length 72-84mm	12,108	23,750
Length Exceeding 84mm	15,000	27,240
<b>Motor Vehicles (%)</b>		
Motor Vehicles	23-138	50-300
Three - Wheelers		
Petrol	4	105
Diesel	14	105
<b>Liquor Duty Structure (Rs. Per Proof Liter)</b>		
Coconut Processed/Molasses Arrack	863	1,595
Country Made Foreign Liquor	1,003	1,860
Malt Liquor (Beer) above 5% in Strength	96	245
Malt Liquor less than 5% in Strength	80	190
Wine (Foreign)	718	1,120
Aerated Water (Per Liter)	6	12

(a) 2002 base year

**Economic Perspectives**

**01**

## 1.1 Overview

The Sri Lankan economy grew by 4.8 percent in 2015, compared to 4.9 percent in 2014 amidst the challenging domestic and global economic environment. This was supported by the expansion of domestic demand emanating from increased consumption spending owing to enhanced disposable income from lower petroleum and essential food prices coupled with increased salaries and wages. All production sectors of the economy, Agriculture, Industry and Services, contributed positively to the overall growth in 2015. Meanwhile, the unemployment rate remained less than 5.0 percent level. The annual average inflation, as measured by the Colombo Consumer Price Index (CCPI-2006/07 base year), declined to 0.9 percent by end 2015 from 3.3 percent in 2014 and was maintained at single digit level for the seventh consecutive year benefiting from improved domestic supply conditions and reduction of commodity prices. The inflation, on year-on-year basis, fell into a negative territory during July to September 2015. However, inflation, on year on year basis, increased to 1.7 percent in October 2015 and reached 2.8 percent in December 2015. The core inflation, on year-on-year basis, increased to 4.5 percent by end 2015, compared to 3.2 percent by end 2014 due to the extended demand pressures in the economy.

Meanwhile, per capita Gross Domestic Product (GDP) at market prices increased to US\$ 3,925 in 2015 from US\$ 3,853 in 2014. Also, socio-economic conditions of the country improved further; the crude birth and death rates declined to 16.0 and 6.3 per 1,000 lives, respectively in 2015; the Human Development Index (2014) improved to 0.757 index level; electrification level increased to 98.5 percent; access to safe drinking water improved to 89.7 percent; telephone penetration increased to 128.7 percent; primary education net enrolment ratio increased to 98.5 percent; university admission eligibility increased to 60.5 percent; persons per doctor ratio improved to 1,079; and the ownership of new motor cars increased to 108,866.

Table 1.1 | Selected Socio-Economic Indicators

Item	Unit	2014	2015
Crude Birth Rate	Per 1,000 Persons	16.9	16.0
Crude Death Rate	Per 1,000 Persons	6.2	6.3
Infant Mortality	Per 1,000 Live Births	9.9	8.2
Access to Electricity	% of Population	98.0	98.5
Access to Pipe-borne Water	% of Population	44.3	45.9
Access to Safe Drinking Water	% of Population	89.7	89.7
<b>Telephone Density</b>			
Cellular Phones	Per 100 Persons	107.0	116.3
Total including Fixed Access Services	Per 100 Persons	120.0	128.7
Internet and Email Subscribers (Including Mobile Internet Services)	Per 100 Persons	16.4	19.5
Number of Motor Vehicles Registered	No. (During the Year)	429,556	668,907
<b>Vehicle Imports</b>			
Motor Cars	No. (End of the Year)	566,874	672,502
Three-Wheelers	No. (End of the Year)	929,495	1,059,042
Motor Cycles	No. (End of the Year)	2,988,612	3,359,501
<b>International Ranking</b>		<b>2014/2015</b>	<b>2015/2016</b>
Doing Business Index	Rank out of 189	113	107
Global Competitiveness Index	Rank out of 144	73	68
Economic Freedom Index	Rank out of 178	101	93
Corruption Perception Index	Rank out of 167	85	83
Happiness Index	Rank out of 157	133	117

Sources: Central Bank of Sri Lanka, Department of Census and Statistics and websites related to international rankings.

Low and declining revenue to GDP ratio has been a central to the fiscal consolidation process. Reflecting the government's commitment to reverse the declining trend of tax revenue to GDP ratio, several measures were taken to introduce tax policy reforms and strengthen the tax administration. Accordingly, tax revenue as a percentage of GDP increased to 12.1 percent in 2015 from 10.1 percent in 2014 benefiting partly from Rs. 50 billion collected from the Super Gain

Tax (SGT) and the increase in excise tax revenue on motor vehicle imports. However, the rigidity of recurrent expenditure exerted pressure on the government's fiscal operations, resulting in an expanded budget deficit to 7.4 percent of GDP in 2015, compared to the expected target of 5.6 percent as per the Medium Term Macro Fiscal Framework 2015-2018. Nonetheless, capital expenditure increased to 5.4 percent of GDP in 2015, compared to 4.7 percent of GDP in 2014. The government debt to GDP ratio increased to 76.0 percent by end 2015 from 70.7 percent by end 2014.

In 2015, international environment was subdued with three main developments. First, international commodity prices dropped sharply affecting the economic prospects of countries while raising deflationary concerns in some other countries. Second, the global economy continued to under perform in 2015 emanating from persistent effects of financial crisis which weighed down modest growth in advanced economies while increasing the underlying constraints, such as high indebtedness and low commodity prices in some large emerging economies. Third, volatility in the financial market was heightened with

Table 1.2 | Selected Macroeconomic Indicators

Item	Unit	2009	2010	2011	2012	2013	2014	2015
GDP (real) Growth Rate	(% Change)	3.5	8.0	8.4	9.1	3.4	4.9	4.8
GDP Deflator	(% Change)	5.8	7.3	3.8	10.8	6.2	3.9	2.1
Per Capita GDP at Market Prices	Rs.	236,445	310,214	345,925	427,559	466,112	503,032	533,398
Per Capita GDP at Market Prices	US \$	2,057	2,744	3,129	3,351	3,610	3,853	3,925
Colombo Consumers Price Index (CCPI, 2006/2007=100)	(% Change)	3.4	6.2	6.7	7.6	6.9	3.3	0.9
Labour Force Participation Rate	%	48.7	48.1	53.0	52.6	53.8	53.3	53.8
Unemployment Rate	(% of Labour Force)	5.8	4.9	4.2	4.0	4.4	4.3	4.6
Investment	(% GDP)	24.4	30.4	33.4	39.1	33.2	32.0	30.1
National Savings	(% GDP)	23.7	28.5	26.3	33.3	29.9	29.5	27.8
Total Revenue and Grants	(% GDP)	15.0	13.0	13.6	12.2	12.0	11.5	13.1
o/w Total Revenue	(% GDP)	14.5	12.7	13.4	12.0	11.9	11.4	13.0
Expenditure and net Lending	(% GDP)	24.9	20.0	19.9	17.8	17.4	17.2	20.5
Recurrent Expenditure	(% GDP)	18.2	14.6	14.2	13.0	12.6	12.7	15.2
Capital and net Lending	(% GDP)	6.7	5.3	5.7	4.9	4.8	4.5	5.3
Current Account Surplus(+)/ Deficit (-)	(% GDP)	-3.7	-1.9	-0.8	-0.9	-0.7	-1.2	-2.2
Budget Deficit Surplus(+)/ Deficit (-)	(% GDP)	-9.9	-7.0	-6.2	-5.6	-5.4	-5.7	-7.4
Government Debt	(% GDP)	86.1	71.6	71.1	68.7	70.8	70.7	76.0
Exports	US \$ Mn	7,085	8,626	10,559	9,774	10,394	11,130	10,505
Imports	US \$ Mn	10,207	13,451	20,269	19,190	18,003	19,417	18,935
Trade Balance	US \$ Mn	-3122.1	-4825.1	-9710.0	-9416.7	-7608.5	-8286.8	-8430.0
Exports	(% GDP)	16.8	15.2	16.2	14.3	14.0	13.9	12.8
Imports	(% GDP)	24.3	23.7	31.0	28.0	24.2	24.3	23.0
Trade Balance	(% GDP)	-7.4	-8.5	-14.9	-13.8	-10.2	-10.4	-10.2
Current Account Balance (in BOP)	(% GDP)	-0.5	-1.9	-7.1	-5.8	-3.4	-2.5	-2.4
Foreign Remittances	US \$ Mn	3,330	4,116	5,145	5,985	6,407	7,018	6,980
Earnings from Tourism	US \$ Mn	350	576	830	1,039	1,715	2,431	2,981
Gross Official Reserves	US \$ Mn	5,357	7,197	6,749	7,106	7,495	8,208	7,304
Exchange Rate (One US Dollar = Rupees)	(% Change)	-6.1	1.6	2.2	-15.4	-1.2	-1.1	-4.1
Money Supply (M2b)	(% Change)	18.6	15.8	19.1	17.6	16.7	13.4	17.8
Gross Credit to Private Sector	Rs. Bn	1,195	1,491	2,006	2,358	2,534	2,758	3,450
Gross Credit to Private Sector	(% Change)	-5.7	24.9	34.5	17.6	7.5	8.8	25.1

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

Note: Rebased GDP estimates (base year 2010) of the Department of Census and Statistics have been used from 2010 onwards.

the policy shifts in major economies, increased risk aversion and unprecedented fall in oil and other commodity prices. Hence, policy outlook became more challenging during 2015 with the uncertainties arisen over growth, inflation and external balance.

In this backdrop, the Balance of Payments (BOP) recorded a deficit of US\$ 1,489 million in 2015, compared to a surplus of US\$ 1,369 million recorded in the previous year affected mainly by moderation of export growth, decline of workers' remittances and increased capital outflows despite the significant increase of tourism earnings and plunge in oil prices. The current account deficit as a percentage of GDP improved to 2.4 percent in 2015 from 2.5 percent of GDP in 2014. However, the gross official reserves declined to US\$ 7.3 billion by end 2015, which was sufficient for 4.6 months of imports. Meanwhile, earnings from exports declined by 5.6 percent to US\$ 10,505 million, compared to US\$ 11,130 million in 2014 while the expenditure on imports declined marginally by 2.5 percent to US\$ 18,935 million in 2015, compared to US\$ 19,417 million in 2014 amidst the sharp drop in import expenditure on fuel. Conversely, the trade deficit expanded by 1.7 percent to US\$ 8,430 million from US\$ 8,287 million in 2014. The Central Bank of Sri Lanka (CBSL) initiated several measures to address external imbalances by allowing greater flexibility in determining the exchange rate, imposition of Loan to Value Ratio (LTV) of 70 percent to address macro-prudential concerns on lending activities on motor vehicles coupled with tightening monetary policy in the latter part of 2015. However, the CBSL adopted an accommodative monetary policy stance during a major part of 2015.

## 1.2 Key Issues and Challenges

### Fiscal Policy

Despite the government's firm commitment towards fiscal consolidation, the year 2015 was challenging due to unfavourable domestic and international economic conditions. A sluggish performance of the government revenue than expected and rigidity of recurrent expenditure

amidst increased welfare expenditure and high resource demand for education and health sectors exerted pressure on the fiscal consolidation process. This limited the fiscal space for development and also resources requirements for priority infrastructure development activities. Thus, it is imperative to augment tax revenue by simplifying tax structure, improving tax administration to broaden the tax base, rationalizing tax exemptions and concessions and increasing tax compliance while minimising tax evasion. In the meantime, government expenditure is also required to be rationalized and allocated among more productive sectors while reassessing various subsidy schemes implemented by the government. Therefore, long-term revenue enhancement measures are imperative for narrowing fiscal deficit and curtailing public debt.

### Government Revenue

Low and declining tax revenue to GDP ratio has been a major concern in the fiscal sector over the years. The interim Budget 2015 and Budget 2016 highlighted the need for reversing this trend and the government showed a firm commitment to take necessary reforms to augment the revenue collection. Reflecting these developments in 2015, tax to GDP ratio increased to 12.1 percent, compared to 10.1 percent in 2014 mainly due to the imposition of one-off Super Gain Tax (SGT) and increased excise duty revenue collected on motor vehicle imports. The low tax revenue to GDP ratio indicates that the tax collection needs to be more replicative of the pace of economic expansion. Therefore, a series of tax reforms is needed to generate a revenue-elastic tax system and reforms in tax administration to improve tax collection in par with comparable countries.

Chart 1.1 | Government Revenue to GDP Ratio



## Tax Policy

The direct tax to indirect tax revenue ratio remains at about 20:80 over the years. The government expects to improve this ratio to 40:60 over the medium term with major reforms, such as strengthening the tax management, increasing tax base and the removal of tax holidays etc. The reliance on indirect taxes, such as Value Added Tax (VAT), excise duty and import duty limits the capacity to further expand the tax base. However, there is a potential to increase tax collection from direct taxes by broadening the tax base in line with economic growth and increased per capita income. Despite the various measures taken previously to address the issues identified in the tax system, such as tax policy reforms introduced since 2011 by streamlining import taxes, unified VAT rates and abolition of several other taxes granting of numerous exemptions and concessions to some sectors led to weaken the tax base. Such concessions encouraged further exemptions exerting pressures on tax administration and tax compliance. In addition, majority of tax laws in the country is viewed to be outdated hence in need of redrafting in order to create a modern tax system as announced in 2016 Budget.

## Tax Administration

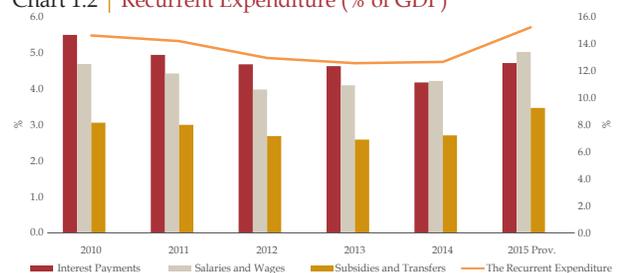
The weaknesses in the tax administration have led to low tax compliance despite the tax policy reforms introduced in the recent years. Sri Lanka ranked 107<sup>th</sup> in the World Bank’s “Doing Business 2016” index out of 189 economies, compared to 113<sup>th</sup> place in 2014/15. This was a scale-up by 6 places due to the overall improvements in business environment in 2015. However, the report clearly identifies the shortcomings in Sri Lanka’s tax administration. The country ranked 157<sup>th</sup> position in paying taxes which was mainly due to the time taken for paying taxes, numerous tax rates and the number of payments per year. Hence, introducing more application of information technology solutions deemed to be required for improving tax administration. In this context, Revenue Administration Management Information System (RAMIS) of the Inland Revenue Department (IRD) in place of existing self-reporting for direct taxes and the

“Single Window” system for the automation of import and export documentation process of the Sri Lanka Customs (SLC) can be viewed as major developments took place in 2015 aimed at enhancing tax compliance. Meanwhile, the tax administration in the Excise Department was strengthened to address shortcomings related to import of certain items such as ethanol and to control illegal liquor industry by introducing a foolproof stickers on liquor bottles. Further, the Treasury is in the process of operationalizing the Integrated Treasury Management Information System (ITMIS) to ensure efficient management of government resources.

## Recurrent Expenditure

Rigidity in recurrent expenditure combined with low tax revenue put pressure on the government finances. Hence, the government intends to allocate resources in more productive manner with the introduction of zero based budgeting (ZBB) in 2015. The ZBB approach provides a credible rationale for allocation of scarce resources in a systematic manner thereby strengthening fiscal consolidation process. The recurrent expenditure increased to 15.2 percent of GDP in 2015 from 12.7 percent in 2014 mainly due to the increased expenditure on salaries and wages, interest payments, and subsidies and transfers to households. Of the total expenditure in 2015, 64 percent was on salaries and wages, interest payments and transfer payments such as pensions, fertilizer subsidy and social protection payments and other transfers there by leaving little fiscal space for the government for development activities of capital nature. In this context, better targeting of the existing subsidy programmes is important to provide support for the most vulnerable and needy segments of the society.

Chart 1.2 | Recurrent Expenditure (% of GDP)



## Public Investment

The public investment plays a vital role in attracting private sector investment for the infrastructure drive of the country. The public investment to GDP ratio increased to 5.4 percent in 2015 from 4.7 percent in 2014 mainly in the areas of roads and bridges, railways, water supply, irrigation, health, education, regional and rural infrastructure development. However, the expansion of the recurrent expenditure and the shortfall in the government revenue limited the resource envelope for the public investment. To fill this investment gap, the private sector is being encouraged to invest in infrastructure development activities and other related projects through Public Private Partnerships (PPPs) programmes which aim mainly at establishing pharmaceutical zones, airports and Megapolis development etc over the short to medium term. Sri Lanka is in need of a greater infrastructure development drive considering the factors, such as rapid urbanisation, increasing use of personal vehicles, enhancing demand for power and energy and widened regional infrastructure imbalances. Hence, the government is committed to create a conducive environment to provide impetus to the PPPs.

## Public Financial Management

The government is keen on reforming public financial management while enforcing strict regulations with user-friendly systems and procedures in order to ensure transparency and accountability. A “National Asset Register” is being prepared aiming at better management of public assets and utilizing public resources economically and productively. Meanwhile, budget formulation will be aligned with policy priorities of the government within the resource envelope. Further, revision of the existing Procurement Guidelines and Associated Manuals and Standard Bidding Documents will help address the issues of substandard procurement planning, information asymmetries and ambiguities in bid documents and delays in administrative and approval process. It is also noteworthy that Sri Lanka is yet to introduce electronic government procurement that will encourage competition and ensure transparency.

## Social Protection

The need for protecting the most vulnerable and needy people of the society has been well recognized by the government. Hence, measures were taken to provide various benefits such as fertilizer subsidy for farmers, Samurdhi allowances for the poor families, uniforms for the school children, allowance for elders, Poshana Malla for expectant mothers and other safety nets programmes for the vulnerable groups. Priority has been given to empower the vulnerable groups and disadvantaged persons while improving facilities and care for the disabled and senior citizens.

## Enterprise Reforms

The sub-optimal performance of the State Owned Business Enterprises (SOBEs) exerted pressure on the government finance, which requires comprehensive long term strategy to reorient them as commercially viable entities. As such, the government established the “Ministry of Public Enterprise Development” to oversee the functions of SOBEs with special emphasis on the areas such as management and business model, pricing mechanisms, recruitment procedures, productivity of the existing workforce and overall efficiency of the SOBEs. The SOBEs will be brought under a government owned holding company which is to be operated based on sound financial and market principles in future as announced in the Budget 2016.

## Government Debt

The government debt to GDP ratio increased to 76.0 percent of GDP by end 2015 from 70.7 percent by end 2014. The significant surge in the debt reflects the increased public expenditure and expanded budget deficit amidst the low revenue collection than anticipated. Further, the significant depreciation of the rupee against major foreign currencies also resulted in a nominal increase of the outstanding stocks of debt. Meanwhile, total debt service payments (interest and capital payments) as a percentage of GDP increased to 11.8 percent of GDP in 2015 in comparison to 10.3 percent in 2014. The burden of debt servicing is expected to lessen in the medium-term with the

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.

### Financial Sector

The financial development fosters economic growth by increasing access to finance for entrepreneurs and the self-employed and the development of new financial products to savers such as pensioners. The banking sector plays a key role in providing finance for both corporate and Micro, Small and Medium Enterprises (MSMEs) sectors. As such, Budget 2016 highlighted the need for establishing a “Regulatory Authority” to streamline the procedure to improve access to finance, a credit guarantee scheme and investment parks to support MSMEs. Further, the proposed “Colombo International Financial Centre” will be established as a regional financial centre to attract both domestic and international banks to operate in Sri Lanka. These developments would help develop private equity and venture capital industry in the country.

### External Sector

The external sector saw a setback in 2015 reflecting the adverse impact of challenging global and domestic economic environment. The global developments such as slower pace of economic growth in advanced and emerging economies, the plunge in commodity prices, intensified geo-political tensions and tightening of financial markets exerted pressure on the external sector in 2015. As a result, Sri Lanka’s trade deficit expanded, short-term capital flows recorded a net outflow and Foreign Direct Investments (FDIs) also declined. However, Sri Lanka’s external current account deficit recorded a marginal improvement as the deficit lowered to 2.4 percent of GDP in 2015 from 2.5 percent in 2014 mainly due to the surpluses recorded in the services and secondary income accounts amidst the widening of trade deficit. Nonetheless, it is important that the financing of the current account deficit needs to attract non-debt creating FDIs and long-term financial flows which form a shield to external shocks. Meanwhile, the BOP recorded a deficit of US\$ 1,489 million in 2015 as

against a surplus of US\$ 1,369 million recorded in 2014.

Sri Lanka is endowed with a high trade deficit due to the sluggish growth in exports, compared to the growth in imports. Exports as a percentage of GDP declined to 12.8 percent in 2015 from 13.9 percent in 2014 while imports as a percentage of GDP dropped to 23.0 percent in 2015 from 24.3 percent in 2014. Hence, the total trade declined to 35.8 percent in 2015 from 38.2 percent in 2014. These developments suggest that the importance of implementing export-oriented strategies focusing on diversification of products, penetration of new and niche markets, promotion of export-oriented foreign investment, entering into bilateral and regional trade agreements, creation of competitive infrastructure services and facilitation of goods across borders effectively. This requires a better coordination among all stakeholders in export promotion, development and facilitation by removing the duplication of work among institutions. In this backdrop, lifting of ban on fish exports to the European Union (EU) and concerted efforts made with regard to regaining the Generalized System of Preferences plus (GSP+) Scheme are useful major steps.

### Foreign Direct Investment (FDI)

Attracting FDI is vital to spur economic growth where there is sluggish domestic private investment. The FDI inflow including loans to Board of Investment (BOI) registered companies in 2015 amounted to US\$ 1.2 billion which is far-below the regional average. The government is committed to improve investment climate in the country by capitalizing on the comparative advantage of strategic location, better educated work force, improved physical infrastructure, low tax structure, good governance and political stability. Accordingly, Sri Lanka scaled up the “Ease of Doing Business” ranking by 6 positions to 107<sup>th</sup> in 2016 from 113<sup>th</sup> rank in 2015. The government is keen on connecting local and global investors in the global value chain, in addition to a series of reforms which has been introduced in the Budget 2016 to stimulate FDI inflows to Sri Lanka, thereby making the country preferred destination in the region.

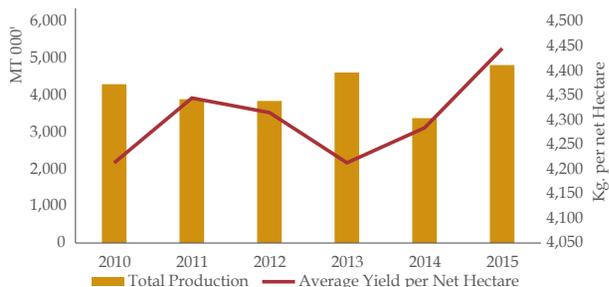
## Public Transport

Inefficiency in public transport system has resulted in increasing private vehicles on the roads transporting a fewer number of passengers per vehicle causing traffic congestion, increasing fuel consumption, heightening environment and health hazards and the loss of productive labour hours. This situation was further worsened with the increased imports of vehicles emanating from the rise of income levels of the people. The traffic congestion remained a key issue due to the inadequate mass transportation system despite the substantial investment in infrastructure developments on roads, bridges and fleet of buses. In particular, it is important to take measures to improve the existing roads and railway transportation system in urban areas while developing alternative modes of transportation, such as canal and bicycle routes.

## Agriculture sector

Despite substantial investment in fertilizer subsidy, the agriculture sector is confronted with numerous issues of low quality seeds and planting material, lack of technological innovation and extension services, high pre and post harvest losses, low producer prices, lack of application of agricultural research and lack of marketing facilities etc. Hence, the government has placed high priority on modernization of agricultural practices and improvement of productivity and competitiveness while achieving food security of the country.

Chart 1.3 | Paddy Production and Average Yield



## Human Capital

Sri Lanka has achieved significant gains in the area of human development as reflected in its ranking of 73<sup>rd</sup> in Human Development Index (HDI) in 2014. Such improvement can be mainly

attributed to increased expenditure on health and education related welfare improving measures over the years. In 2015, the government incurred a cost of Rs. 402.8 billion for improvement of education and health sectors. However, public investment in education sector needs to increase further in the areas, such as modern class rooms, sanitation facilities, laboratories and play grounds particularly at peripheral levels. Further, the government has identified the importance of promoting quality of teaching, school curriculum development and the improvement of infrastructure facilities while improving facilities at universities and vocational training institutions.

Meanwhile, investment in health sector has been significant. However, the spread of non-communicable diseases, such as diabetics and Chronic Kidney Disease of Unknown aetiology (CKDu) became a major issue recently. The government has taken several measures including granting monthly allowance for underprivileged patients, providing clean water facility and improving water testing facilities. Further, demand for health facilities increased significantly with the changing demographic profile of the country, which requires increased health care facilities for the ageing population.

## 1.3 Complementary Policies and Measures

The new economic policy thrust is to uphold policies of good governance and transparency, which would lead to a high growth path through an improved investor-friendly environment. The government earmarks the medium term targets to generate one million employment opportunities, enhance income, develop rural economies, ensure land ownership to rural and state sectors, the middle class and government employees and also create a wide and a strong middle class in the country. In order to achieve these goals, a series of focused legislative, administrative, institutional, social development and capacity improvement measures are being initiated by government. These initiatives covered reforms in the areas of taxation, expenditure management,

public enterprises, procurement, social capacity development and legal regulatory and policy improvements.

The government has identified the importance of implementing reforms on a priority basis in which the key areas are highlighted below:

- Improving institutional development through ensuring property rights and effective law enforcement to stimulate businesses and investment.
- Removing barriers and bottlenecks to foster private sector economic activities and improving competitiveness, international trade and investment and skills and productivity of the people.
- Improving and reforming the investment climate in the country through connecting global and local investors in Sri Lanka in a global value chain and enabling legislations to stimulate investment.
- Inclusion of the poor segments of the society in the development process through provision of micro financing facilities.
- Uplifting the agriculture economy through the production of high quality seeds and planting material, encouraging the use of high technology such as drip irrigation and greenhouse technology, encouraging commercial scale dairy farming etc., while achieving food security of the country. In addition, continuous support needs to be extended to uplift the fisheries sector, poultry and plantation sectors.
- Encouraging Micro, Small and Medium Enterprises (MSMEs) through establishing a Regulatory authority to increase the access to finance, implementing a MSMEs Credit Guarantee scheme to reduce risks associated with lending and establishing mini-industrial parks as incubators for the MSMEs.
- Developing capital market to provide low cost long-term financing for businesses and strengthening financial viability of the SOBEs.
- Diversifying exports and reaping new and niche markets for export products and establishing an Export Import Bank (EXIM) to reach new markets.
- Establishing the necessary infrastructure to encourage “Meetings Incentives Conferencing and Exhibitions” (MICE) and providing training for youths in hospitality industry to develop tourism sector.
- Developing the skills levels of employees who seek foreign employment opportunities.
- Strengthening ports and airports related activities, tourism, IT and telecommunication.
- Developing human resources in the areas such as education, vocational training and health sector through extending facilities of relevant institutions such as schools, universities, vocational training centres and hospitals, enhancing access, quality as well as relevance of education, improving employability of the youth, improving facilities to manage non-communicable diseases such as diabetics and kidney failures and eradicating acute malnutrition among the children and mothers to develop a healthy nation etc.
- Establishing a “land Bank” to maintain an e-database of state-owned lands and extending the database to the privately owned lands.
- Improving the efficiency of public service delivery focusing on learning to meet the future demands in innovative ways, strengthening the public sector institutions to improve the quality of the public administration and reduction of administrative overlaps.
- Streamlining government procurement process to improve efficiency and prevent delays in order to improve

- transparency and accountability in procurement practices.
- Strengthening the Commission to Investigate Allegations of Bribery or Corruptions to eliminate the corruption and wastage through strong regulations and monitoring processes.
- Increasing overall productivity of the entire economy through encouraging innovative new products, developing Research and Development (R&D) activities and increasing skill levels of the workforce.
- Enduring structural reforms in the areas, such as labour market, land, financial sector, capital market, international trade and SOBEs to increase the production capacity and productivity in all sectors of the economy.

- Protecting the environment through conserving forest reserves, controlling environment pollution, sustainable land management and bio conservation etc.

## 1.4 The 100 Day Programme

The government implemented 100 Day Programme as an initial step among others to address a number of urgent issues in 2015 with an inclusion of constitutional reforms and fundamental and structural changes to improve good-governance in the country while building national reconciliation among all communities. The 2015 Interim Budget also implemented specific measures to provide a relief to the people by reducing the cost of living. In addition, a number of measures was introduced to increase the tax revenue while making adjustments to the public investment programme to ensure better prioritization of the projects.

### Box 1.1 | Welfare Improving Measures Implemented in 2015

The year 2015 witnessed a generous package of welfare improving measures being implemented across various sectors of the economy, encompassing a wider range of socio-economic strata. Most of such measures were fashioned in the newly formed Government's '100 Day Programme' which was intended to provide immediate relief for people, among other objectives. While this package of relief measures warranted some adjustments to the initial estimates of recurrent expenditure for 2015, such welfare improving measures are expected to impact positively on the socio-economic conditions of people, hence, help improve overall productivity of the economy over the medium-term. Intended groups of such reliefs range from public sector workers, pensioners, Samurdhi recipients, pregnant mothers, farmers, youth, women and children, armed forces etc. Major economic sectors covered by such measures included agriculture, fishery, small and medium scale enterprises, plantation, and dairy farming, while other socio-economic sectors included areas such as education, health, religion, culture, wildlife and environment.

#### Public Sector Workers and Pensioners

The most noteworthy relief measure amongst all is that the increase of allowance paid for public sector employees, which was implemented by paying an immediate relief of a payment of Rs.5,000 in February 2015, in addition to the monthly interim allowance of Rs.3,000 which was already in place. With the payment of further Rs.2,000 effective from June 2015, the increase of total allowance stood at Rs.10,000. Simultaneously, pensioners were also provided with an additional Rs.1,000 effective from April 2015 to the monthly interim allowance of Rs.2,500 which was being paid. Meanwhile, the higher interest rates scheme for senior citizens' deposit accounts also continued with funds being released from the General Treasury.

### Samurdhi Recipients and Pregnant Mothers

The Samurdhi allowance was increased by 200 percent of the existing rate to a maximum of Rs.2,000, while the payments are being made to relevant recipients through the Samurdhi Bank. Meanwhile, pregnant mothers were given an allowance equivalent to Rs.20,000 to supplement nourishment in the form of a packet of nutritious food supplements worth of Rs.2,000, which is being given for ten months from the third month of pregnancy for all pregnant mothers who are registered at the Ministry of Health.

### Price Reduction on Essential Foods and Other Goods

Excessive taxes levied on ten essential food items including sugar, milk powder, wheat flour, chillies, canned fish, dried sprats etc. were lowered immediately, thereby reducing the market prices substantially. Special provisions were introduced to protect local producers of essential goods. Further, excessive taxes on fuel were removed, thereby passing the benefits to consumers. The price of a cylinder of domestic gas was reduced by Rs.300 and Rs.100 in two occasions.

### Guaranteed Prices on Several Produce

During 2015, a guaranteed purchase price scheme was maintained for paddy, while also taking measures to ensure a better price for domestic farmers of potatoes, chillies, red onions etc. Further, the guaranteed purchase price scheme was extended to plantation sector covering tea leaves and rubber. Particularly, a mechanism was introduced enabling the small holders of the plantation sector to collect the value directly from the dealer, while releasing funds to the Sri Lanka Tea Board and Rubber Development Department for subsidy payments. Further, the guaranteed purchase price paid to dairy farmers for a liter of milk was raised, along with the application of a pricing formula on dairy produce.

### Loan Relief for Farmers and Concessions for SME Sector

Measures were taken to provide a relief of 50 percent on loans taken by farmers, and the remainder to be compounded to allow for payment on easy terms. Meanwhile, arrangements were made to provide a relief on the interest and penalties payable on pawned gold items up to a value of Rs.200,000. Government undertook an array of measures to reorient the business sector towards ensuring prosperity of the country. Several schemes of credit lines were established on easy terms for Small and Medium Enterprises, while several loan facilities were being granted to low income families to implement projects identified under the Revolving Fund of the Poverty Alleviation Micro Finance Project and Saubhagya scheme operated by the Central Bank of Sri Lanka.

### Fishery Sector

Measures were taken to remove excessive taxes levied on import of fishing boats, nets, engines and other equipment, and to waive off Customs import duty on fishing nets, fishing net fabrics and monoclones. Meanwhile, measures were taken to strengthen the boat patrol to eliminate incursions of foreign boats into Sri Lanka's national waters. A Meteorological Inquiry Service was established to provide accurate information immediately to fishermen with regard to storms and other dangers.

### Women, Children, and the Youth

Government's firm commitment to safeguard rights of every citizen of the country enabled new laws being passed to prevent issues such as abuse of women and children and sexual harassment of women. Such law enforcement measures were being implemented effectively.

Government fostered an environment where freedom of expression is ensured. First draft of the Youth Charter has been prepared. The Youth Parliament is to be given financial powers to implement projects relating to youth proposed by the Youth Council and other youth organizations, with allocations from the National Budget 2016. As of end 2015, the number of Youth Clubs reestablished amounted to about 13,000, with about 434,000 registered members. Meanwhile, Wi-Fi facility was made available free of charge in many townships to facilitate internet access, while Information and Communication Technology Agency (ICTA) is expected to complete more locations island wide.

### Socio-Economic Services

**Health** – Measures were introduced to provide extended services for out-patients by Government hospitals. Meanwhile, measures were underway to restrict importation of fertilizer and chemical substances suspected of contributing to kidney disease and importation of suspected pesticides (such as Carbofuran, Chlorpyrifos, Propanyl). The establishment of National Medicines Regulatory Authority in July 2015 would ensure an effective regulation on cosmetics, drugs and other essential items. Actions were also being taken to strengthen the Food Control Administrative Unit at the Ministry of Health. Steps were being taken to strengthen Ayurvedic health services, while pictorial warning with regard to the dangers of smoking was increased to 80 percent.

**Education** - The payment of Mahapola scholarships for university students was raised to Rs. 5,000. Meanwhile, a new scheme for admission to Grade 1 was instituted and implemented transparently. Delays in admitting students to schools were eliminated and all students were guaranteed entry to Grade 1 at the beginning of the school year.

In the meantime, there was a host of other measures being implemented in 2015 as a part of broader reform strategy including social integration and environment protection which would yield far-reaching benefits to the society at large.

**Reconciliation and Religious Harmony** - A democratic civil administration was put in place, particularly in the Northern and other war affected regions. A committee of 20 members of National and Local Councils of religious leaders was set up to promote reconciliation between those of different religions, and work effectively against the spread of religious animosities. Provincial and District committees were also being formed. Meanwhile, a 3-year plan was commenced to develop pirivena education and train teachers in religious institutions.

**Protection of Environment and Wildlife** - Measures were taken to protect areas designated by law as environmentally protected lands. Steps were taken to restore areas of environmental importance that have been harmed or suffering from threats. The Wildlife Protection Ordinance was being implemented effectively. It was made compulsory to have an Environmental Assessment Study before starting any development projects.

## 1.5 Prospects

Sri Lanka's economic growth is poised to achieve 6.0 percent in 2016 with a medium term target of about 6-7 percent. Some significant measures have already been taken to realign the structural weaknesses in the economy putting the country on high and sustainable growth trajectory. Also, appropriate long-term fiscal policy reforms including the containment of budget deficit while augmenting revenue, expenditure rationalization and strengthening of financial viability of SOBEs will help stimulate investment and improve business environment. The reforms introduced in the Budget 2016 would harness the country's strengths and potential for development given the high quality human capital and active private sector participation. The new economic policy of the government will lead to a high growth path through an improved investor friendly environment while upholding policies of good governance and transparency in the country.

However, weak global demand for exports and uncertainty over policy emanating from

global economic slowdown and volatility in global capital markets may continue to exert pressure on the external sector which may hinder economic prospects in 2016. Meanwhile, a robust legal and policy framework to address issues, such as low labour flexibility, mismatch between the available skills and skills required, undue delays in government procurement process, barriers to market operations, outdated and complex tax laws and lack of transparency and accountability and sub-optimal management of government resources, would further strengthen the growth prospects in the medium-term. Steps have been taken to resume the Generalized System of Preferences plus (GSP+) scheme for exporters. Further, government's efforts on fiscal consolidation will continue with the measures taken to increase tax revenue and the rationalization of expenditure. With these developments, more private sector participation is expected to stimulate economic activity thereby helping towards achieving broad-based growth prospects and improving living standards of the people.



**World Economic  
Outlook** | **02**

## 2.1 Overview

The global economic activities weakened in 2015 and remain challenging in 2016. Advanced economies recovered modestly while emerging market and developing economies continued with the slowdown, but both economies faced enormous challenges toned up by the continuation of subdued economic activities, plummeting commodity prices, slowdown in international trade flows, tightening of financial conditions and reducing capital inflows while increasing capital outflows from emerging market and developing economies.<sup>1</sup>

Oil prices plunged to historical low values due

to excess supply and softened demand from sluggish developing economies. The Chinese economy slowed down as the country has initiated internal rebalancing strategies that facilitate a transition to consumption based economy from an investment based economy and this had contagion effects immediately on other East Asian and Pacific emerging market and developing economies that have close trade links with China. Escalated geopolitical tensions in the Middle East and North Africa created an adverse impact on investor confidence while having spillover effects in the neighboring regions. Declining export related revenues compelled fiscal authorities of commodity exporters to have spending cuts.

Table 2.1 | A Snapshot of the World - 2015

	2015				
	GDP Growth (Annual percent change)	Inflation (Percent)	Unemployment (Percent)	Fiscal Deficit (Percent of GDP)	Gross Debt (Percent of GDP)
Argentina	1.2	-	6.5	-7.4	56.5
Australia	2.5	1.5	6.1	-2.8	36.8
Brazil	-3.8	9.0	6.8	-10.3	73.7
Canada	1.2	1.1	6.9	-1.7	91.5
Chile	2.1	4.3	6.2	-2.3	17.1
China	6.9	1.4	4.1	-2.7	43.9
France	1.1	0.1	10.4	-3.6	96.8
Germany	1.5	0.1	4.6	0.6	71.0
Greece	-0.2	-1.1	25.0	-4.2	178.4
India	7.3	4.9	....	-7.2	67.2
Indonesia	4.8	6.4	6.2	-2.5	27.2
Italy	0.8	0.1	11.9	-2.6	132.6
Japan	0.5	0.8	3.4	-5.2	248.1
Korea	2.6	0.7	3.6	-0.2	35.9
Malaysia	5.0	2.1	3.2	-3.0	57.4
Mexico	2.5	2.7	4.3	-4.1	54.0
Russia	-3.7	15.5	5.6	-3.5	17.7
Singapore	2.0	-0.5	1.9	1.1	98.2
South Africa	1.3	4.6	25.4	-4.0	50.1
Spain	3.2	-0.5	22.1	-4.5	99.0
Sri Lanka	4.8	0.9	4.6	-7.4	76.0
Thailand	2.8	-0.9	0.9	0.3	43.1
United Kingdom	2.2	0.1	5.4	-4.4	89.3
United States	2.4	0.1	5.3	-3.7	105.8
Vietnam	6.7	0.6	2.4	-6.5	59.3
Venezuela	-5.7	121.7	7.4	-18.7	48.8

Source: World Economic Outlook, IMF, April 2016

Fiscal monitor, IMF, April 2016

Annual Report 2015, Central Bank of Sri Lanka

<sup>1</sup> This chapter is mainly based on World Economic Outlook Update in January 2016 of the IMF World Economic Outlook in April 2016 of the IMF, Fiscal Monitor in April 2016 of the IMF, Global Economic Prospects in January 2016 of the World Bank, World Economic Situation and Prospects 2016 of United Nations, Commodity Markets Outlook in January and April 2016 of the World Bank and Global Monthly in 2015 and 2016 of the World Bank.

The United States Federal Reserve Bank increased federal fund rate in December 2015 for the first time since the credit crunch, creating whirlwinds among riskier financial markets of emerging market and developing economies as the investor sentiment changed to shift their investments to less risky advanced economies and this had a massive impact over the creditworthiness and economic growth of developing economies. Monetary authorities were compelled to raise interest rates or draw down reserves to mitigate the pressures over exchange rate. Some emerging market and developing currencies depreciated in some instances in large numbers to absorb the shock.

European Union continued with the recovery from the recession successfully for the fourth year in 2015. European Central Bank (ECB) initiated a quantitative easing programme with purchase of government bonds in March 2015 leading to improved credit conditions within the region. The United Kingdom is due to hold a referendum in June 2016 to decide on the country's membership in the European Union. Greece is the only European Union member with a solvency problem and agreed with the International Monetary Fund for new austerity measures.

Brazilian economy entered its worst recession in the history led by multiple issues that are both external and domestic. The country lost investor confidence in the Government largely because of the corruption scandal at the state run oil company Petrobras. US led economic sanctions coupled with low oil prices also resulted in Russia being in a recession, but has shown signs of recovery with prudent monetary policy measures.

However, risks for the growth including sluggish international trade, low commodity prices, financial uncertainties and low productivity still exist.

## 2.2 World Output

The world economy grew at 3.1 percent in 2015, at a pace marginally lower than 3.4 percent in 2014. The global growth was set back by several factors including commodity price plunge, sharp shrink in oil price, deteriorating world trade, widespread growth disappointments among emerging market and developing economies and the volatility in financial markets. Advanced economy growth was stable at 1.9 percent with 0.1 percent increase over the preceding year, compared to slow-moving emerging market and developing economies that recorded the lowest ever growth since the economic crisis at 4.0 percent. The growth projections for advanced economies are strong in 2016 at 1.9 percent, while the latter group is expected to grow at slightly higher rate of 4.1 percent with diminished economic headwinds.

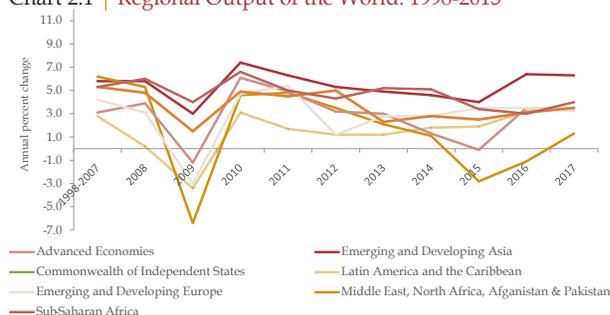
The US economy's recovery of 2.4 percent in 2015, the highest in the post crisis growth period. This is a result of robust employment growth, improvements in the housing market and low oil prices. The US dollar strengthened and the Fed Reserve increased the target range of the US federal funds rate by 25 basis points in December 2015, the first rate hike since June, 2006. The outlook for 2016 is stable, but somewhat dampened by the decline in exports in consequence with strong dollar and subdued export demand.

European economy grew remarkably at 1.6 percent in 2015 compared to 0.9 percent growth in 2014 due to strong domestic demand and growth in exports. The ECB has indicated the continuation of the accommodative monetary policy with quantitative easing, whereby a possible policy rate increase could only be expected in 2017. Deflation in the Euro area is somewhat subdued as Greece, Spain, Portugal and Italy are suffering from very high unemployment. However, smaller economies in the EU showed vibrancy during the year as Ireland grew at 7.8 percent. The projections for 2016 are slightly weak at 1.5 percent because of the skill erosion due to persisting long-term unemployment, high government debt levels and low investment.

Japanese economy grew at 0.5 percent in 2015 and is expected to keep the same pace in 2016 owing to low energy prices and prudent fiscal policy measures.

Emerging market and developing economies slowed in 2015 due to the poor performance of commodity exporters who are adversely affected by declining commodity prices and weakening capital flows. Emerging and Developing Asia grew at an average of 6.6 percent which is marginally lower than the growth recorded in 2014 of 6.8 percent.

Chart 2.1 | Regional Output of the World: 1998-2015



Chinese economy's growth slowed to 6.9 percent which is the lowest growth in 25 years due to the internal process of sectoral rebalancing of the economy from investment to consumption and from industry to service. The growth forecast for China in 2016 is further lowered to 6.5 percent due to the expected weakening in the industrial and manufacturing sectors. Chinese deteriorating growth prospects are sending shockwaves through the global economy, especially evident by the disappointing growth of the economies in East Asia and Pacific which have strong regional trade and remittance links with China. Despite the slowdown in China, some of the South Asian and East Asian economies grew fast benefitting from low energy, metal and agricultural prices. India and Vietnam were stable during the year.

Activity in Latin America and the Caribbean region contracted at a rate of -0.1 percent, but Brazil contracted by 3.8 percent due to deeper than expected recession. Brazil is facing multiple headwinds such as a widening of the fiscal deficit, political turmoil, rising inflation and corruption scandal along with the declining commodity prices, especially in its key commodity exports; oil, sugar and coffee.

Table 2.2 | World and Regional Output

	Annual percent change			
	Actual		Forecast	
	2014	2015	2016	2017
<b>World Output</b>	<b>3.4</b>	<b>3.1</b>	<b>3.2</b>	<b>3.5</b>
<b>Advanced Economies</b>	<b>1.8</b>	<b>1.9</b>	<b>1.9</b>	<b>2.0</b>
United States	2.4	2.4	2.4	2.5
Euro Area	0.9	1.6	1.5	1.6
Germany	1.6	1.5	1.5	1.6
France	0.2	1.1	1.1	1.3
Italy	-0.3	0.8	1.0	1.1
Spain	1.4	3.2	2.6	2.3
Japan	0.0	0.5	0.5	-0.1
United Kingdom	2.9	2.2	1.9	2.2
Canada	2.5	1.2	1.5	1.9
<b>Emerging Market and Developing Economies</b>	<b>4.6</b>	<b>4.0</b>	<b>4.1</b>	<b>4.6</b>
Emerging and Developing Asia	6.8	6.6	6.4	6.3
China	7.3	6.9	6.5	6.2
India	7.2	7.3	7.5	7.5
Indonesia	5.0	4.8	4.9	5.3
Malaysia	6.0	5.0	4.4	4.8
Vietnam	6.0	6.7	6.3	6.2
Thailand	0.8	2.8	3.0	3.2
Commonwealth of Independent States	1.1	-2.8	-1.1	1.3
Russia	0.7	-3.7	-1.8	0.8
Latin America and the Caribbean	1.3	-0.1	-0.5	1.5
Brazil	0.1	-3.8	-3.8	0.0
Emerging & Developing Europe	2.8	3.5	3.5	3.3
Middle East, North Africa, Afghanistan & Pakistan	2.8	2.5	3.1	3.5
Pakistan	4.0	4.2	4.5	4.7
Sub-Saharan Africa	5.1	3.4	3.0	4.0
South Africa	1.5	1.3	0.6	1.2
Sri Lanka	4.9	4.8	5.8	6.3

Source: World Economic Outlook, IMF, April 2016  
Annual Report 2015, Central Bank of Sri Lanka

Economic growth in Commonwealth of Independent States dipped to a negative growth of 2.8 percent due to the adverse impact of oil price decline. Output contraction in Ukraine and negative spillovers from Russia also contributed to the decline in the average growth. The Russian growth was hampered by the sharp depreciation of Ruble against the US dollar, declining oil prices, accelerated inflation and economic

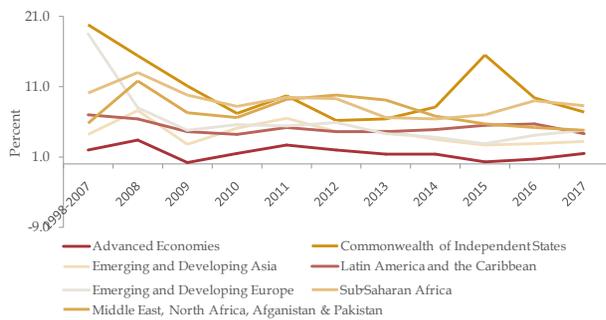
sanctions imposed by the West. Russia’s economy recorded a negative growth of 3.7 percent in 2015 from 1.3 percent in 2014, showing a further deceleration of 5 percent.

Middle East, North Africa, Afghanistan & Pakistan regional growth slowed to 2.5 percent in 2015 from 2.8 percent and Sub-Saharan Africa significantly slowed at 3.4 percent comparing to the growth of 5.1 percent in 2014 as a result of the decline in oil prices and other commodity prices and geopolitical turmoil in the region.

### 2.3 Inflation

Global inflation reduced in 2015 amid the decline in commodity and oil prices, slowing economic activities and moderate wage growth. Advanced economies recorded the lowest ever inflation since the economic recession at 0.3 percent in 2015 with a significant decline from 1.4 percent in 2014 mainly due to falling oil prices at the end-2015 and the beginning of 2016. Inflation in emerging market and developing economies remained unchanged in both years at 4.7 percent.

Chart 2.2 | Regional Inflation of the World: 1998-2017



The inflation in Euro area and the United States dropped significantly in 2015 due to low oil prices and the appreciation of euro and dollar. The Fed Reserve expects the inflation to increase to 2 percent in the second half of 2016 in line with the rate hike with the current rate of improvements in the labour market, but the market expectations are below the line because of low prices of energy and non-energy imports. It is anticipated that quantitative easing by the ECB is expected to increase the inflation to around 0.4 percent in 2016 from zero-inflation in 2015. Japanese inflation dropped remarkably owing to

the slide in commodity prices and appreciation of the Japanese yen. IMF projects it to be negative in 2016. However, deflationary concerns still remain a risk in both the Euro area and Japan.

Table 2.3 | Inflation

	Annual percent change			
	Actual 2014	Actual 2015	Forecast 2016	Forecast 2017
<b>Advanced Economies</b>	<b>1.4</b>	<b>0.3</b>	<b>0.7</b>	<b>1.5</b>
United States	1.6	0.1	0.8	1.5
Euro Area	0.4	0.0	0.4	1.1
Germany	0.8	0.1	0.5	1.4
France	0.6	0.1	0.4	1.1
Italy	0.2	0.1	0.2	0.7
Spain	-0.1	-0.5	-0.4	1.0
Japan	2.7	0.8	-0.2	1.2
United Kingdom	1.5	0.1	0.8	1.9
Canada	1.9	1.1	1.3	1.9
<b>Emerging Market and Developing Economies</b>	<b>4.7</b>	<b>4.7</b>	<b>4.5</b>	<b>4.2</b>
Emerging and Developing Asia	3.5	2.7	2.9	3.2
China	2.0	1.4	1.8	2.0
India	5.9	4.9	5.3	5.3
Commonwealth of Independent States	8.1	15.5	9.4	7.4
Russia	7.8	15.5	8.4	6.5
Latin America and the Caribbean	4.9	5.5	5.7	4.3
Brazil	6.3	9.0	8.7	6.1
Emerging & Developing Europe	3.8	2.9	4.1	4.8
Middle East, North Africa, Afghanistan & Pakistan	6.8	5.7	5.2	4.8
Pakistan	8.6	4.5	3.3	5.0
Sub-Saharan Africa	6.4	7.0	9.0	8.3
South Africa	6.1	4.6	6.5	6.3
Sri Lanka	3.3	0.9	4.0	4.0

Source: World Economic Outlook, IMF, April 2016  
Annual Report 2015, Central Bank of Sri Lanka

Chinese inflation fell by 0.6 percent in 2015, reflecting the commodity price drop. India was able to contain inflation to the target in 2015 at 4.9 percent, and in contrast, some emerging market and developing economies experienced above target inflation in 2015. Commonwealth of Independent States’ inflation reached 15.5 percent in 2015 from 8.1 percent in the previous year mainly due to the impact of reducing oil export revenue and currency depreciation. Venezuela recorded a hyperinflation of 121.7 percent and the forecast for 2016 is almost 481 percent as the

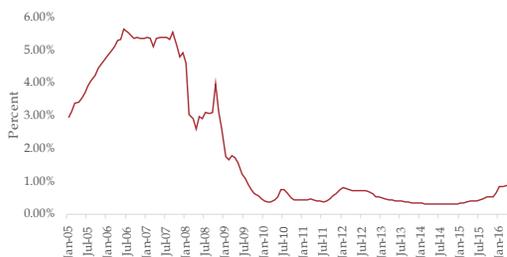
country is faced with a recession associated with both external and internal factors such as a fall in oil export revenue and political uncertainties.

However, for 2016 IMF projects inflation of advanced economies at a slightly higher level of 0.7 percent, whereas the projections for emerging market and developing economies are slightly lowered to 4.5 percent supported by low commodity prices and currency depreciations. Global inflation is expected to rise in 2016 if commodity and oil prices are leveled off as anticipated, but will remain at low levels.

### 2.4 Interest Rates

The interest rates in advanced economies remained historically low in 2015. The Fed Reserve raised policy rates of the United States by 25 basis points in December 2015. While expectations were rife for a further increase in 2016, the Fed has opted to let the rates remain at 0.25 percent, indicating gradual increases in the future. The short term interest rates in the Euro area were exceptionally low at negative rates with the ECB continuing the monetary policy easing. A rate increase is not expected until end 2017. Bank of Japan is expected to continue quantitative easing policies until 2017 and policy rates will be maintained at current low levels of 0-10 basis points until 2018. During 2015, Peoples Bank of China maintained low policy rates while the Reserve Bank of India reduced the main policy rates by 125 basis points within four times during the year.

Chart 2.3 | Monthly Movement of Six Months LIBOR on US Dollar deposits



The London inter-bank offered rate (LIBOR) on six-month US dollar deposits averaged at 0.5 percent in 2015 which is an increase from 0.3 percent in 2014. The LIBOR on six-month US dollar deposits continued to decrease since

January 2012 and the sudden upward movement has been attributed mainly to the US Federal rate hike. LIBOR is projected to increase and IMF expects (LIBOR) on six-month US dollar deposits to average at around 0.9 percent in 2016 and 1.5 percent in 2017. LIBOR on three-month Euro deposits was 0.0 percent in 2015 and expected to be averaged at -0.3 and -0.4 percent in 2016 and 2017, respectively. LIBOR on six-month Japanese yen deposits averaged at 0.1 percent in 2015 and projected to be averaged at -0.1 and -0.3 percent in 2016 and 2017, respectively.

### 2.5 Unemployment

High unemployment levels remain a challenge after the global economic crisis as weak investment growth thereafter was not sufficient to create employment to cover the gap of unemployment created during the crisis. Unemployment rates in Euro area are still at high levels, especially amongst the young people and even after some improvements in past couple of years, it still remains above pre-crisis period. The unemployment rate in Greece tops the European chart at 25.0 percent, followed by Spain with 22.1 percent, Portugal with 12.4 percent and Italy with 11.9 percent. Germany and France also have recorded double digit unemployment rates of 10.9 and 10.4 percent respectively.

In the United States, the job creation has improved and unemployment declined to 5.3 percent in 2015 from 6.2 percent in the previous year. South African unemployment is at stubbornly high level of 25.4 percent. However, unemployment rates in Asia are relatively lower than European Union. Chinese unemployment is recorded at 4.1 percent while Thailand’s unemployment is at 0.9 percent. On the other hand, labour market patterns are changing across the world, where advanced economies are shifting to part-time or temporary jobs while emerging market and developing economies like Latin America and Caribbean region are shifting from salaried jobs to self-employment, which is an increase in job-insecurity .

However, decline in unemployment will be moderate as global growth and investment

prospects are expected to be modest in the medium term. Proper labour market reform policies must be implemented to prevent skill depreciation caused by long-term unemployment and to increase productivity.

## 2.6 Fiscal Situation

Global fiscal situation was not good in 2015; especially commodity exporters of emerging and developing economies were hard hit by the low commodity prices, highlighting the need of prudent policies to adapt for such unanticipated market and exchange rate shocks. In response, economies continued to undertake with fiscal consolidation, relaxation of fiscal stance or postponing fiscal consolidation depending on their initial fiscal conditions. The fiscal situation in emerging market and developing economies for 2016 is highly sensitive to commodity market developments.

### 2.6.1 Fiscal Deficits

World fiscal balance widened in 2015 to 3.6 percent compared to 2.9 percent in 2014 and this was driven by the decline in commodity related revenue, financial market stress and political turmoil. Fiscal balance in the advanced economies marginally improved to 3.0 percent from 3.3 percent in 2014 benefitting from the lower oil prices, near zero inflation rates and interest rates.

However, fiscal position was not satisfactory in emerging market and developing economies that were battered from deteriorated growth prospects, declining commodity export revenue, slowing trade, tightening financial conditions amid rising capital outflows and declining inflows and also due to several other uncertainties related specially to geo-political issues. This is evidenced by a significantly widened fiscal balance of 4.5 percent in 2015 from 2.4 percent in the previous year. The main contributor for the widening is the deficit of 2.7 percent recorded in China in 2015 in relation to the deficit of 0.9 percent in 2014.

Table 2.4 | Overall Fiscal Balance

	Actual		Forecast	
	2014	2015	2016	2017
<b>World</b>	-2.9	-3.6	-3.6	-3.1
<b>Advanced Economies</b>	-3.3	-3.0	-2.9	-2.5
United States	-4.1	-3.7	-3.8	-3.7
Euro Area	-2.6	-2.0	-1.9	-1.5
Germany	0.3	0.6	0.1	0.1
France	-3.9	-3.6	-3.4	-2.9
Italy	-3.0	-2.6	-2.7	-1.6
Spain	-5.9	-4.5	-3.4	-2.5
Japan	-6.2	-5.2	-4.9	-3.9
United Kingdom	-5.6	-4.4	-3.2	-2.2
<b>Emerging Market and Middle Income Economies</b>	-2.4	-4.5	-4.7	-4.1
Asia	-1.9	-3.2	-3.5	-3.2
China	-0.9	-2.7	-3.1	-2.7
India	-7.0	-7.2	-7.0	-6.7
Indonesia	-2.1	-2.5	-2.7	-2.8
Malaysia	-2.7	-3.0	-3.3	-2.9
Vietnam	-6.1	-6.5	-6.4	-5.8
Thailand	-0.8	0.3	-0.4	-0.5
Europe	-1.4	-2.7	-3.4	-2.7
Russia	-1.1	-3.5	-4.4	-3.0
Latin America	-5.1	-7.3	-6.5	-5.9
Brazil	-6.0	-10.3	-8.7	-8.5
Middle East and North Africa and Pakistan	-0.6	-8.6	-10.0	-8.7
South Africa	-3.8	-4.0	-3.8	-3.6
<b>Low-Income Developing Countries</b>	-3.2	-4.1	-4.5	-4.0
<b>Oil Producers</b>	-1.0	-4.7	-5.6	-4.6
Sri Lanka	-5.7	-7.4	-5.4	-5.0

Source: Fiscal Monitor, IMF, April 2016  
Annual Report 2015, Central Bank of Sri Lanka

Fiscal deterioration was highly significant among oil producing countries with much expanded deficit of 4.7 percent in 2015 from 1.0 percent in the preceding year. Within the region of Middle East and North Africa and Pakistan, the overall balance declined significantly to 8.6 percent from 0.6 percent whereas Russia saw a declining of fiscal deficit to 3.5 percent from 1.1 percent. Brazil also saw a significant widening of the deficit to 10.3 percent from 6.0 percent with the country entering a sharp recession with high interest payments, weakened public revenue and political turmoil. At the same time Argentina

and Mexico came out with hopeful consolidation efforts to achieve their fiscal targets.

Overall fiscal deficits in advanced economies are expected to be around 2.9 percent while emerging market and developing economies are expected to record an average deficit of 4.7 percent. However, this could be improved by the changes in the oil price which has entered into an increasing trend since February 2016.

## 2.6.2 Government Debt

General Government gross debt of the world as a percentage of GDP increased to 81.3 percent in 2015 from 79.6 percent in 2014 and the debt growth in emerging market and developing economies account for most of this global growth in debt. However, the total debt stock is mostly attributed to advanced economies which has slightly increased to 105.8 percent of debt as a percentage of GDP from 105.6 percent in the preceding year. Japan tops the list with a 248.1 percent of debt to GDP ratio with a 1.0 percent decrease over the previous year. This will create long run sustainability issues, but the default risk is smaller as most of the Japanese debt is domestic or yen denominated where as other advanced economies consist of a significantly high external debt.

The average debt in emerging market and developing economies increased to 45.4 percent in 2015 from 41.5 percent in the previous year. Since foreign component of the debt stock is at elevated levels, there is a high default risk associated with worsened fiscal positions driven by declining commodity prices and exchange and interest rate fluctuations as these economies are highly vulnerable to changes in investor expectations. The unfavourable financial conditions in 2015 along with high fiscal deficits have made sovereign debt ratings of some of the economies to be downgraded in recent past i.e. Armenia, Nigeria, Azerbaijan, Brazil, Russia, Saudi Arabia, South Africa and Venezuela. Some developing economies like India, Mexico, and South Africa were proactively reducing the external debt stock denominated in foreign currencies.

Table 2.5 | General Government Gross Debt

	Percent of GDP			
	Actual		Forecast	
	2014	2015	2016	2017
<b>World</b>	<b>79.6</b>	<b>81.3</b>	<b>83.6</b>	<b>83.4</b>
<b>Advanced Economies</b>	<b>105.6</b>	<b>105.8</b>	<b>107.6</b>	<b>107.0</b>
United States	105.0	105.8	107.5	107.5
Euro Area	94.5	93.2	92.5	91.3
Germany	74.9	71.0	68.2	65.9
France	95.6	96.8	98.2	98.8
Italy	132.5	132.6	133.0	131.7
Spain	99.3	99.0	99.0	98.5
Greece	178.4	178.4	--	--
Ireland	107.5	95.2	88.6	84.6
Japan	249.1	248.1	249.3	250.9
United Kingdom	88.2	89.3	89.1	87.9
Canada	86.2	91.5	92.3	90.6
<b>Emerging Market and Developing Economies</b>	<b>41.5</b>	<b>45.4</b>	<b>47.5</b>	<b>49.0</b>
Asia	44.2	46.5	48.5	50.3
China	41.1	43.9	46.8	49.3
India	66.4	67.2	66.5	65.6
Russia	16.3	17.7	18.4	19.4
Latin America	51.6	57.4	58.4	59.7
Brazil	63.3	73.7	76.3	80.5
Mexico	49.5	54.0	54.9	54.9
Middle East and North Africa (MENA)	25.2	31.2	37.9	41.3
South Africa	47.1	50.1	51.4	52.1
<b>Low-income Developing Countries</b>	<b>31.5</b>	<b>35.6</b>	<b>36.8</b>	<b>36.6</b>
Sri Lanka	70.7	76.0	74.0	70.0

Source: Fiscal Monitor, IMF, April 2016  
Annual Report 2015, Central Bank of Sri Lanka

## 2.7 Capital Flows

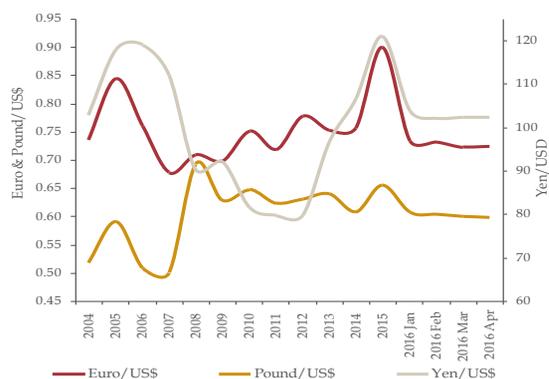
The Fed's increase in policy rates in December 2015, also with the expectation of such an increase was a main contributor to the net outflow of capital from emerging market and developing economies to the United States. Fiscal vulnerabilities in emerging markets also exacerbated this position. However, this decline in inflows was prominent since 2010 as emerging market and developing economies are experiencing a significant slowdown and credit ratings being downgraded in most of these economies. The 2015 Fed decision eventually resulted in currency depreciations, interest rate hikes and reserve depletions and according to the

World Bank, the capital inflows to developing countries declined to US\$ 763 billion in 2015 in comparison to US\$ 1.3 trillion in 2014. The outflow from emerging market bond and equity funds also stood at US\$ 76 billion. The pull out of foreign investment from the emerging market bond and equity funds during the first six weeks of 2016 amounted to US\$ 12.5 billion. This is expected to be recovered when growth patterns normalize in 2017. However, in March 2016 itself, there were signs of improvements as net inflows to emerging bond and equity markets were recorded for the first time since December, 2015.

## 2.8 Currency Movements

Exchange rate movements varied among advanced economies and emerging market and developing economies during 2015. Most advanced economy currencies appreciated and strengthened, while most developing economy currencies remained highly volatile and depreciated significantly with plunging capital inflows, rising capital outflow and declining export revenue as a result of low commodity prices. World Economic Outlook, April 2016 by IMF reports the behavior of major currencies between August 2015 and February 2016 as follows; Japanese Yen appreciated by 10 percent, the US dollar by 3 percent and Euro by 2 percent. The British pound depreciated by 7 percent amidst the speculations of a possible “Brexit” from the European Union and planned monetary policy normalization. The US dollar is projected to strengthen further in 2016 supported by the policy interest rate gap between the United States with the European Union and Japan.

Chart 2.4 | Exchange Rates Against US\$: 2004 -Apr 2016



Sharp currency depreciations were observed in emerging market and developing economies as a measure to prevent high capital outflows. Chinese renminbi depreciated about 2 percent while Brazilian Real lost 33 percent and Russian ruble by 20 percent against the US dollar in 2015. Argentinian peso, Columbian peso, South African rand, Turkish lira, Malaysian ringgit and Mexican peso fell significantly in 2015 as well. The Indian rupee was stable throughout the year. Malaysia and Indonesia was able to prevent further depreciation through allocations in reserves. The pressure on Thailand and Philippine currencies was comparatively lower than the others.

## 2.9 World Trade

World trade volume contracted by 0.7 percent in 2015 mainly due to the significant drop in import demand from emerging market and developing economies and it was 0.5 percent compared to 3.7 percent in 2014. According to Global Economic Prospects, January 2016 of the World Bank, this drop is associated with four reasons i.e. GDP contractions in Brazil and the Russian Federation due to the persisting recession, rebalancing in China with a shift from trade-intensive investment and exports to less trade-intensive consumption and services led growth, currency depreciations and stabilization of value chains. The subdued performance is largely due to the reduced import demand from China who is a key player in international trade which is responsible for about 12 percent of world merchandise exports and about 10 percent of world merchandise imports. The low economic activities in China has adverse spillover effects over trading partners including most of the commodity exporters.

In contrast, imports by advanced economies increased by 0.8 percent to 4.3 percent in 2015. This is due to accelerated import demand from the United States with a strong dollar and a strong demand from the European Union. Exports by advanced economies contracted slightly to 3.4 percent from 3.5 percent in 2014 and exports by emerging market and developing economies declined considerably to 1.7 percent from the 3.1 percent in 2014. During the year 2015, international trade was driven by advanced

Table 2.6 | World Trade Volumes

	Actual							Annual percent change Forecast	
	2009	2010	2011	2012	2013	2014	2015	2016	2017
<b>World Trade Volume (Goods and Services)</b>									
<b>Volume</b>	-10.5	12.4	7.1	2.8	3.4	3.5	2.8	3.1	3.8
<b>Imports</b>									
Advanced Economies	-11.7	11.4	5.0	1.1	2.2	3.5	4.3	3.4	4.1
Emerging Market and Developing Economies	-8.5	14.0	11.4	5.6	5.2	3.7	0.5	3.0	3.7
<b>Exports</b>									
Advanced Economies	-11.2	12.0	5.9	2.3	3.0	3.5	3.4	2.5	3.5
Emerging Market and Developing Economies	-8.2	13.3	9.0	4.0	4.4	3.1	1.7	3.8	3.9

Source: World Economic Outlook, IMF, April 2016

economies especially by the advanced European economies as in 2014.

Countries enter into regional trade agreements (RTA) in order to revive international trade flows, which may have both good and bad impacts over international trade i.e. while members benefit, it may have adverse effects over non-member economies. Trans Pacific Partnership (TPP) is a mega-regional trade agreement which is technically agreed by Australia, Brunei, Canada, Chile, Japan, Malaysia, Mexico, New Zealand, Peru, Singapore, the United States, and Vietnam in 2015. However, spillover effects on non-member countries is still uncertain.

## 2.10 Financial Market Behaviour

Financial markets in the emerging market and developing economies experienced significant volatilities due to accelerated capital outflows as a result of the changes in investor sentiment triggered by the much awaited and speculated US policy rate increase and declines in their export revenue as a result of low commodity prices. A combination of these factors created tighter financial conditions as the countries took various measures including sharp exchange rate adjustments, reserve adjustments and realignment in policy interest rates to prevent capital outflows. With the acceleration of capital outflows, the sovereign and corporate spreads rose and credit default swaps widened. International bond issuance by corporates of emerging market and developing economies slowed in 2015. The currencies of oil exporting

economies experienced huge depreciations. Sovereign credit downgrading by rating agencies also adversely affected in accelerating outflows from the countries such as Brazil.

One of the issues of the US interest rate hike is that most of the government, corporate and bank debt of emerging market and developing economies is US dollar denominated. The sharp depreciation of their respective local currencies against the USD will escalate future debt servicing costs.

Global financial markets are grappling with the policy measures of the Central Banks where uniformity or a coordinated approach is always not apparent. In this context, although the US has now stopped the quantitative easing, the Euro zone and Japan have an ongoing quantitative easing which will continue at least till 2018. ECB started quantitative easing programme in March, 2015 and expects to continue until end of March, 2017 with the objective of increasing the Euro area inflation to 2 percent target. The ECB is purchasing Euro 60 billion worth private and government securities per month. Bank of Japan's quantitative and qualitative monetary easing programme started in April 2013 and expanded to buy assets amounting to 80 trillion yen per year in October 2014 until a stable inflation rate of 2 percent is reached. However, the positive rates in the United States and negative rates in Euro area and Japan due to monetary policy easing is expected to have a mixed impact over the financial markets of developing economies.

Despite the losses in capital flows, foreign direct investment (FDI) remained buoyant in

large East Asia Pacific economies including China, Indonesia, Thailand and Vietnam except in Philippines which lagged behind mostly to government regulations.

### 2.11 World Commodity Prices

Commodity prices fell significantly in 2015. Low demand from China, low energy cost, abundant supplies and the appreciation of the US dollar played a major role in the downward trend of the commodity prices, specially in oil prices. The decline in oil prices is mainly due to the ample supply from members of the Organization of the Petroleum Exporting Countries (OPEC). The drop in metal prices is triggered by low demand from China while food price decline is due to higher than expected harvest. Projections for 2016 are lowered further, but geopolitical turmoil and adverse weather conditions may create upward pressure on prices. Agricultural prices are expected to fall by 4 percent in 2016 while energy and non-energy prices to be lowered by 19 and 5 percent respectively. Metal prices are projected to drop by 8 percent.

Table 2.7 | Price Indexes (2010=100)

	2012	2013	2014	2015	2016	2017
Energy	128	127	118	65	52	63
Non-Energy	110	102	97	82	78	80
Agriculture	114	106	103	89	86	88
Beverages	93	83	102	94	89	89
Food	124	116	107	91	88	90
Oils and Meals	126	116	109	85	82	85
Grains	141	128	104	89	84	86
Other Food	107	104	108	100	98	99
Raw Materials	101	95	92	83	81	83
Fertilizers	138	114	100	95	83	84
Metals and minerals	96	91	85	67	61	64
Precious Metals	138	115	101	91	89	88

Source: Commodity Market Outlook, April 2016, World Bank

#### 2.11.1 Energy Prices

The dramatic decline in oil prices during 2015 and at the beginning of 2016 led to significant headwinds in fiscal and financial sectors globally. Average oil price dropped in 2015 to US\$ 50.79 per barrel from the average of 2014, US\$ 96.25 per barrel recording a historic decline of 47.2 percent.

The price of an oil barrel plummeted to US\$ 29.78 in January 2016. The decline was mainly driven by the excess supply by the member economies of the OPEC. This 3 year high production is further exacerbated by excessive supply from non-OPEC members such as Russia. At the same time, the lifting of the sanctions on Iran has resulted in Iran’s supply increased by 0.4 million barrels a day at the end of 2015.

However, OPEC production is above the target and some members increase the supply in order to mitigate their fiscal related issues while Iran will increase the production to acquire the share of the market they entertained prior to the imposing of sanctions in 2011. With the slowdown in the Chinese economy demand for oil also has reduced, having an impact on overall demand. The low oil prices have resulted in shale production in the United States being comparatively more expensive. This led to a drop in shale production and investment in shale drilling in 2015.

Chart 2.5 | Crude Oil Prices: 2010- Mar 2016



The average oil price is expected to be around US\$ 34.75 per barrel in 2016, a 32 percent decline from 2015 and is US\$ 40.99 a barrel in 2017.

Coal prices fell by nearly 60 percent since 2011 due to the oversupply and the reduced demand from China and India. The price of 1 metric tonne of coal dropped from US\$ 70.1 in 2014 to US\$ 57.5 in 2015. It is projected to go down further due to clean energy policies and competition from much cheaper natural gas. The natural gas price index dropped to 73.3 in 2015 from 111.7 in 2014 owing to ample supply and lower demand.

### 2.11.2 Agricultural Prices

Agricultural commodity prices declined in 2015 even amid adverse weather conditions like El Niño that prevailed in eastern equatorial Pacific Ocean. This was due to strong supply, appreciation of US dollar, substantial drop in energy prices, elevated stock levels and reduced bio fuel production. Beverage prices remained unchanged as the price increase in cocoa from US\$ 3.06 per kg to US\$ 3.14 per kg off set the price decrease in both coffee varieties. Almost all grain prices dropped in 2015. The price of rice (Thailand 5%) dropped to US\$ 386 per metric tonne from US\$ 422.8 a metric tonne in 2014 and the annual average price of wheat (US HRW) fell to US\$ 204.5 a metric tonne in 2015 from US\$ 284.9 a metric tonne in the previous year. The movement of the annual average of sugar price in 2015 was to US\$ 0.30 per kilogram from US\$ 0.44 per kilogram.

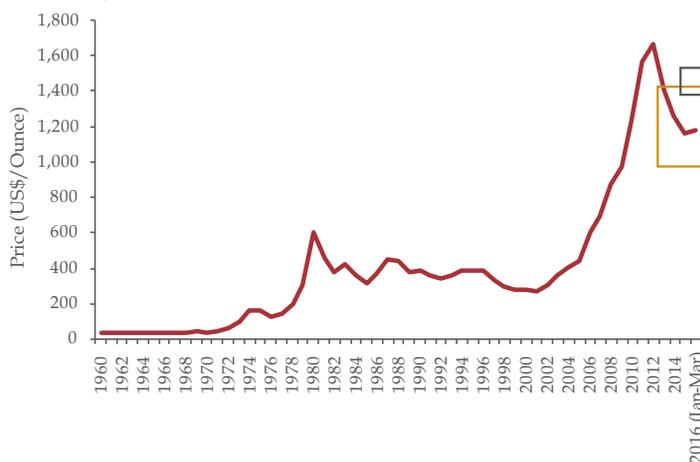
### 2.11.3 Metal Prices

Metal prices are always highly sensitive to global supply and economic performance of both advanced and emerging economies and plummeted sharply in 2015 as a result of low demand from China who is the biggest consumer of minerals and metals that accounts for about half of the global consumption. Most of the metals were oversupplied due to high investments on mining during the commodity boom period and sudden changes in Chinese economic policies, deteriorating growth prospects of China had an adverse impact over these markets. The drop of

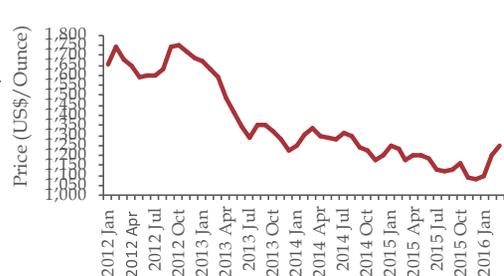
iron ore which is the key raw material in steel making was significant at 42.4 percent in 2015 to US\$ 55.8 per metric tonne as Chinese steel consumption reduced. This is the lowest ever price recorded since 2004. The price of a metric tonne of Aluminum declined by 10.9 percent to US\$ 1,665 and a metric tonne of copper by 19.7 percent to US\$ 5,510.46. Prices of lead, tin, nickel and zinc dropped by 14.7, 16.6, 29.8 and 10.6 percent respectively.

Price of an ounce of gold slid for the third consecutive year by 8.3 percent to US\$ 1,160.66 from US\$ 1,265.58 in 2014. This price weakening is largely a result of changing investor expectations from “safe haven” gold exchange traded funds to other risk free investments as the US dollar got strengthened with speculations over long-awaited US policy rate increase. The lowest value of gold since 2010 was recorded in December 2015 at US\$ 1,075.74 per ounce as a direct impact of the increase in interest rates by the Fed Reserve in December 2015. However, the precious metal has shown signs of recovering since February 2016 and at the end of April 2016 hit the highest since January 2016. The forecast for 2016 will mainly depend on the proposed US Fed rate increases and the global macroeconomic situation. Similarly, the price of silver declined by 17.6 percent in 2015.

Chart 2.6 | Gold Price Behaviour: 1960 - 2016



Gold Price Behaviour: Jan 2012-Mar 2016



## 2.12 Sum Up

The recent world economic developments like low oil and commodity prices, capital outflows, exchange rate fluctuations and other financial market behaviour have varied implications over the Sri Lankan economy. The prevailing low commodity prices supported the economy to maintain inflation at low mid-single digit levels. At the same time, it adversely affected the export revenue from major agricultural exports; tea, rubber and coconut products. The annual average price of Tea (Colombo auctions) dropped to US\$ 2.96 a kilogram in 2015 from the 2014 price of US\$ 3.54 a kilogram. The price of a kilogram of rubber (RSS3) decreased from US\$ 1.96 to US\$ 1.56. The prices of coconut oil and copra also experienced a significant price decline. The prevalence of low prices may create more pressure on the country's balance of payments within an economic

environment of capital outflows, reducing or stabilizing remittances and weakening domestic currency. However, the shrink in energy prices has had a positive effect on the BOP with the imports of fuel declined to US\$ 2.7 billion in 2015 from US\$ 4.6 billion in 2014. This has reduced the share of fuel imports as a percentage of total imports to 14.3 percent in 2015 from 23.7 percent in 2014.

The changes in capital outflows have created the yield rates of Government securities to push upward, while pressuring rupee to depreciate against the US dollar. With the country consolidating itself as a middle income country concessional financing will taper off in the next 2-3 years. Given the fiscal consolidation path envisaged future financing. Specially beyond 2020 will have to be differently oriented.



**Macroeconomic  
Review**

**03**

### 3.1 Overview

The Sri Lankan economy grew by 4.8 percent in real terms in 2015 from 4.9 percent in 2014, amidst a challenging domestic and external economic environment. Low interest rate regime and single digit inflation, expanded domestic demand emanating from the reduction of essential food and petroleum products and increased public sector salary and wages helped support the economy. However, world economic slowdown impacted the performance of the economy in 2015. Agriculture and Services sectors grew by 5.5 percent and 5.3 percent, respectively while the Industry sector grew moderately by 3.0 percent. Growth in Agriculture sector was supported by the favorable weather conditions prevailed in agricultural crop growing areas particularly paddy. The Services sector, which represents 56.6 percent of GDP, maintained its momentum, with impressive performance of wholesale and retail trade, transportation, real estate and financial services. Further, the Industry sector reflected a moderate growth mainly due to a contraction in the contraction activities. Meanwhile, per capita GDP at market prices increased to US\$ 3,925 in 2015, compared to US\$ 3,853 in 2014.

The economic growth exceeded the inflation which was maintained at single digit level for the seventh consecutive year. The annual average inflation, as measured by the Colombo Consumer Price Index (CCPI - 2006/07 base year) was 0.9 percent by end 2015 in comparison to 3.3 percent in the previous year. In addition, year-on-year inflation continued to remain at lower level improved domestic supply conditions, reduction of prices of essential commodities in international market, downward revision of electricity tariff and petroleum prices coupled with moderation in prices of both food and non-food imported items.

The government's fiscal consolidation process was difficult in 2015 with the challenges prompted from domestic and international factors. As such, the new government endeavored to contain budget deficit at manageable level by introducing various policy measures aiming at enhancing government revenue while providing relief for

government employees and the general public. However, a notable deviation of fiscal targets was observed in 2015 amidst the rising of government revenue to 13.0 percent of GDP, reversing the declining trend experienced since 2011, benefiting from capital gain tax which is a one off tax introduced in 2015 on profits and increased excise duty revenue on motor vehicles. Despite the enhanced revenue, increased expenditure was prompted to expand the budget deficit to 7.4 percent of GDP from 5.7 percent of GDP in 2014. Also, the tax revenue as a percentage of GDP increased to 12.1 percent in 2015 from 10.1 percent in the previous year. Meanwhile, recurrent expenditure as a percentage of GDP increased to 15.2 percent in 2015 from 12.7 percent, in 2014 mainly due to an increase expenditure on salaries and wages, interest payments, and subsidies and transfers.

The capital expenditure and net lending increased by 24.5 percent to Rs. 588.7 billion in nominal terms, to 5.3 percent of GDP in 2015 from 4.5 percent in 2014. Public investment to GDP ratio also increased moderately to 5.4 percent in 2015 from 4.7 percent in 2014. Furthermore, the debt to GDP ratio increased to 76.0 percent in 2015 from 70.7 percent in the previous year. Increasing borrowing requirements stemming from lower than envisaged revenue collection, enhanced public expenditure and significant depreciation of the rupee against major currencies largely contributed to the increase of debt to GDP ratio during the year. Meanwhile, the financial position of major State Owned Business Enterprises (SOBEs) improved during 2015 reflecting the impact of policy measures taken to improve financial viability of the SOBEs. Out of the 55 main SOBEs, 37 of them recorded operational profits of Rs. 123 billion whereas 18 SOBEs incurred losses amounting to Rs. 46 billion.

The external sector reflected a moderate performance in 2015 with enhanced tourism earnings and weaker inflows of workers' remittances. Sharp drop in export income and the increased demand for non-fuel import goods led to widen trade deficit during the year. Reflecting the subdued global demand and lower commodity prices, the exports earnings decreased

by 5.6 percent to US\$ 10,505 million in 2015 while expenditure on imports declined by 2.5 percent to US\$ 18,935 million. Consequently, the trade deficit during 2015 expanded marginally by 1.7 percent to US\$ 8,430 million over 2014. However, moderated workers' remittances to US\$ 6,980.3 million and increased earnings from tourism to US\$ 2,980.3 million helped cover a substantial part of the trade deficit. Improving the country's savings-investment gap, the current account deficit as a percentage of GDP also declined to 2.4 percent of GDP in 2015 from 2.5 percent of GDP in 2014. Moreover, the gross official reserves decreased to US\$ 7.3 billion in 2015, which was equivalent to 4.6 months of imports.

The CBSL continued to adopt an accommodative monetary policy stance during 2015 supporting economic activity in the backdrop of persistently low inflation level. However, the monetary policy was tightened in the later part of 2015 due to an excessive demand stemming from high credit and money expansion. The yields on government securities and market interest rates on savings and lending also continued to remain low during the year. The private sector credit growth increased substantially recording a growth rate of 25.1 percent over the previous year benefiting from low interest rate environment, increased real wages and enhanced import demand. Meanwhile, the broad money recorded a year-on-year growth of 17.8 percent in 2015, compared to 13.4 percent recorded in 2014, while the reserve money growth during the 2015 was 17.8 percent, compared to 18.3 percent in 2014.

The Sri Lankan economy is expected to continue its growth momentum in the medium term with the expansion of private sector investments, improved macroeconomic stability and possible improvement of the global economic conditions. The economy is expected to grow by around 6.0 percent in 2016 with positive contribution from all major sectors of the economy. Moreover, the economic policy of new government is based on multi-disciplined economic strength through improving local competitiveness, international trade and investments. Maintaining consistent policies, creating a conducive business environment, improving total factor productivity

and enhancing the human capital base with emphasis on emerging sectors, would be vital to achieving the envisaged medium term growth targets.

### 3.2 Real Economy

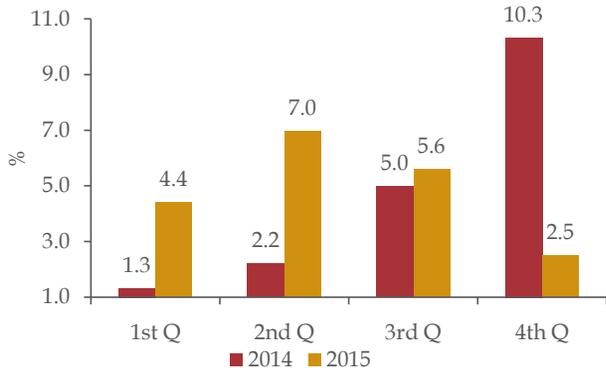
Despite the challenging economic environment, the Sri Lankan economy grew by 4.8 percent in 2015, compared to 4.9 percent in 2014. This was mainly driven by the expansion of domestic demand emanating from increased consumption spending, continued income growth, enhanced disposable income from the lower petroleum and essential food prices followed by increased expenditure on salaries and wages. The overall economic growth was particularly supported by the broad-based growth of Agriculture, by 5.5 percent and Services, by 5.3 percent and a moderate growth of Industry sector by 3.0 percent in 2015. The Services sector remained the highest contributor to GDP with 56.6 percent share to growth in 2015 supported by the performance of the wholesale and retail trade, transportation, real estate and financial services sub-sectors. Meanwhile, the Industry and the Agriculture sectors contributed to GDP with shares of 26.2 percent and 7.9 percent, respectively.

Table 3.1 | Sectoral GDP Growth Rates in 2015 (%)

Sector	Q1	Q2	Q3	Q4	Annual
<b>GDP (Nominal)</b>	7.7	8.0	9.0	3.7	8.7
Agriculture	12.7	9.9	10.0	1.7	13.5
Industry	6.8	6.1	7.4	6.8	10.7
Services	5.5	6.8	5.5	7.3	6.5
<b>GDP (Real)</b>	4.4	7.0	5.6	2.5	4.8
Agriculture	5.9	10.4	7.3	-0.5	5.5
Industry	1.4	3.9	4.9	1.9	3.0
Services	5.4	6.9	6.5	2.7	5.3

Source: Department of Census and Statistics

Chart 3.1 | Quarterly Growth Rates of GDP



## Agriculture

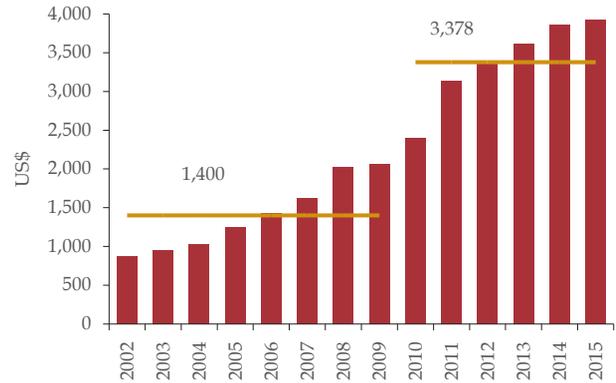
Agriculture, forestry and fishing sector expanded by 5.5 percent in 2015, compared to 4.9 percent growth recorded in 2014 supported by the significant expansion of rice and vegetables sub-sectors with 23.3 percent and 24.9 percent, respectively. The growth in animal production, fruits and coconut sub-sectors were also attributable to this positive growth mainly due to the conducive weather conditions prevailed in such crops growing areas.

However, both tea and rubber sub-sectors contracted drastically in 2015, which has resulted to slowdown the performance of the agriculture sector. The declining demand for tea and natural rubber from the export destinations coupled with adverse impact of global meltdown in major buyers of such crops had a negative impact on the performance of the sector. Meanwhile, animal production sub-sector showed a moderate growth whereas both marine and inland fishing sub-sectors significantly contracted in 2015.

## Rice

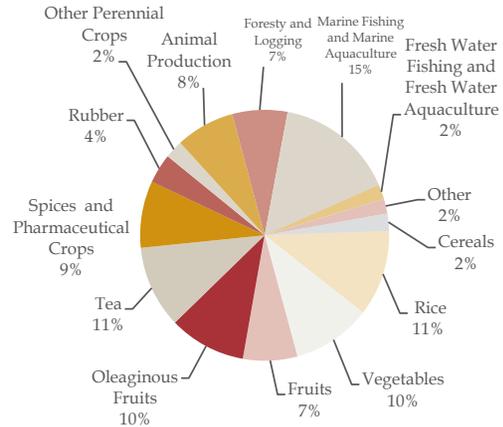
Sri Lanka is now self-sufficient in rice with excess production over consumption requirements. The total paddy production in 2015 marked a record high of 4.8 million MT due to the highest ever paddy production of 1.9 million MT recorded in Yala season and increased 2014/2015 Maha production of 2.9 million MT. This was due to the increase extent cultivated, increase in paddy yield in 2015 to 4,429 kg per hectare from 4,264 kg per hectare in 2014 and improved paddy harvest resulting from favourable weather conditions

Chart 3.2 | Per Capita GDP (US\$)



prevailed in 2015. In addition, the government continued several programmes, such as fertilizer subsidy, guaranteed price for paddy, cultivation loans at concessionary interest rates and extension services to enhance the paddy production and yield in 2015. The government introduced guaranteed price for paddy in order to stabilize the rice prices while increasing Special commodity levy (SCL) on rice imports. The guaranteed prices of Keeri Samba including other varieties of Samba and Nadu were Rs. 50 per Kg and Rs. 45 per Kg, respectively.

Chart 3.3 | Agriculture Sector Composition - 2015



## Tea

The tea sub-sector contracted by 2.6 percent in value added terms in 2015, compared to a negative growth of 1.1 percent in 2014. The tea production declined marginally by 2.7 percent to 329 kg million in 2015, compared to 338 kg million in 2014. The decline in global demand particularly from main tea buyers, such as Russia, Syria, Libya and the Middle East emanating from continued geo-political uncertainty, economic sanction on Iran and sharp depreciation of their

currencies coupled with the decline in overall global commodity prices contributed to this contraction. The tea prices continued to decline at Colombo Tea Auction (CTA) in response to declining tea prices in global market. The average CTA prices declined by 12.5 percent to Rs. 401.46 per kg in 2015, compared to Rs. 459.01 per kg in 2014. In line with the decline in tea prices,

the government committed to safeguard tea smallholders introducing a guaranteed price of green tea leaf at Rs. 80 per kg in 2015. Moreover, Rs. 1 billion has been released to the Sri Lanka Tea Board to purchase tea at the CTA. The earnings from tea exports also decreased by 17.7 percent to US\$ 1,341 million in 2015, compared to US\$ 1,628 million in 2014.

Table 3.2 | Gross Domestic Product (GDP) at constant (2010) market prices, 2010 to 2015

Economic Activity	Rs. Mn						2014/ 2013 Change (%)	2015/ 2014 Change (%)
	2010	2011	2012	2013	2014(b)	2015(a)		
<b>Agriculture, Forestry and Fishing</b>	<b>544,914</b>	<b>569,954</b>	<b>592,443</b>	<b>611,676</b>	<b>641,493</b>	<b>676,899</b>	<b>4.9</b>	<b>5.5</b>
1 Growing of Cereals (except rice)	10,548	10,593	12,521	14,307	14,927	15,077	4.3	1.0
2 Growing of Rice	60,086	70,205	62,289	65,607	61,022	75,219	-7.0	23.3
3 Growing of Vegetables	47,704	52,349	51,244	54,153	55,307	69,060	2.1	24.9
4 Growing of Sugar cane, tobacco and other non-perennial crops	2,442	2,142	2,254	2,441	2,286	1,954	-6.3	-14.5
5 Growing of Fruits	36,610	37,791	38,248	37,385	40,889	47,629	9.4	16.5
6 Growing of Oleaginous Fruits (Coconut, King Coconut, Oil palm)	60,231	57,110	62,201	53,424	64,159	67,439	20.1	5.1
7 Growing of Tea (Green Leaves)	72,208	71,769	72,100	74,734	73,946	72,027	-1.1	-2.6
8 Growing of other beverage crops (Coffee, Cocoa, etc)	1,295	1,287	1,319	1,321	1,538	1,259	16.4	-18.1
9 Growing of spices,aromatic, drug and pharmaceutical crops	28,468	28,147	44,426	50,833	57,509	58,278	13.1	1.3
10 Growing of rubber	44,411	45,956	44,249	37,987	28,689	25,777	-24.5	-10.2
11 Growing of other perennial crops	14,496	14,666	15,167	14,344	15,392	15,829	7.3	2.8
12 Animal Production	27,230	26,359	29,511	36,599	47,954	51,782	31.0	8.0
13 Plant propagation and agricultural supporting activities	8,533	8,436	9,105	9,183	9,767	9,781	6.4	0.1
14 Forestry & Logging	43,339	42,505	38,188	43,044	47,451	48,333	10.2	1.9
15 Marine Fishing and Marine Aquaculture	77,579	89,575	97,063	103,879	106,585	104,952	2.6	-1.5
16 Fresh water fishing Fresh water Aquaculture	9,737	11,065	12,560	12,435	14,072	12,501	13.2	-11.2
<b>Industries</b>	<b>1,708,867</b>	<b>1,866,947</b>	<b>2,035,601</b>	<b>2,119,080</b>	<b>2,194,167</b>	<b>2,259,223</b>	<b>3.5</b>	<b>3.0</b>
17 Mining and quarrying	124,926	148,100	184,468	198,447	202,905	201,036	2.2	-0.9
18 Manufacture of food, beverages and Tobacco products	433,769	487,943	507,121	507,127	513,895	542,573	1.3	5.6
19 Manufacture of textiles, wearing apparel and leather related products	264,905	238,254	244,496	264,527	276,653	276,710	4.6	0.0
20 Manufacture of wood and of products of wood and cork, except furniture	26,318	31,521	23,472	25,258	23,141	24,780	-8.4	7.1
21 Manufacture of paper products, printing and reproduction of media products	26,094	27,605	24,738	24,925	24,970	27,326	0.2	9.4
22 Manufacture of coke and refined petroleum products	22,281	35,457	28,858	27,514	28,723	29,075	4.4	1.2
23 Manufacture of chemical products and basic pharmaceutical products	69,450	67,644	75,582	81,982	82,244	85,101	0.3	3.5
24 Manufacture of rubber and plastic products	63,257	75,656	83,307	82,187	71,914	75,296	-12.5	4.7
25 Manufacture of other non - metallic mineral products	79,267	86,204	87,090	81,037	78,678	76,503	-2.9	-2.8
26 Manufacture of basic metals and fabricated metal products	31,665	26,295	24,591	26,589	24,883	29,112	-6.4	17.0

Table 3.2 | Gross Domestic Product (GDP) at constant (2010) market prices, 2010 to 2015 contd...

Economic Activity	Rs. Mn						2014/ 2013 Change (%)	2015/ 2014 Change (%)
	2010	2011	2012	2013	2014(b)	2015(a)		
27 Manufacture of machinery and equipments i.e	35,909	33,650	30,849	30,845	32,064	37,574	4.0	17.2
28 Manufacture of furniture	56,402	53,352	63,922	67,488	82,752	88,269	22.6	6.7
29 Other manufacturing and repair and instalation of machinery and equipment	48,660	34,555	41,962	44,443	53,077	61,763	19.4	16.4
30 Electricity,gas, steam and air conditioning supply	68,491	73,927	75,262	76,789	79,296	85,446	3.3	7.8
31 Water collection, treatment and supply	9,381	9,846	10,554	10,975	11,505	12,000	4.8	4.3
32 Sewerage, Waste, treatment, and disposal activities	11,712	12,141	14,572	15,511	17,355	21,659	11.9	24.8
33 Construction	336,381	424,798	514,757	553,438	590,111	584,999	6.6	-0.9
<b>Services</b>	<b>3,504,323</b>	<b>3,817,155</b>	<b>4,245,461</b>	<b>4,405,644</b>	<b>4,634,805</b>	<b>4,881,273</b>	<b>5.2</b>	<b>5.3</b>
34 Wholesale and retail trade	705,778	788,048	848,686	859,977	898,864	940,814	4.5	4.7
35 Transportation of goods and passengers including warehousing	662,153	745,891	805,391	849,539	879,833	928,279	3.6	5.5
36 Postal and courier activities	4,066	4,068	4,441	4,364	4,056	3,830	-7.1	-5.6
37 Accomadation, Food and beverage service activities	87,693	105,372	134,160	126,392	131,484	129,732	4.0	-1.3
38 Programming and broadcasting activities and audio vedio productions	2,526	2,178	2,252	2,422	2,513	2,651	3.8	5.5
39 Telecommunication	22,931	24,420	26,450	27,395	30,989	34,128	13.1	10.1
40 IT programming consultancy and related activities	6,194	7,216	7,972	9,693	10,599	12,834	9.3	21.1
41 Financial Service Activities Auxiliary financial service	274,933	314,678	364,688	386,009	425,965	493,124	10.4	15.8
42 Insurance, reinsurance and pension funding	67,830	67,596	69,026	70,854	74,983	81,948	5.8	9.3
43 Real estate activities, including ownership of dwelling	307,112	328,076	369,719	417,024	444,142	486,686	6.5	9.6
44 Professional services	112,062	127,358	155,741	161,963	166,489	154,698	2.8	-7.1
45 Public Administration and defense, compulsory social security	383,823	367,093	385,615	382,470	402,206	430,098	5.2	6.9
46 Education	138,553	136,172	167,107	157,477	173,762	160,702	10.3	-7.5
47 Human Health Activities,Residential care and social work activities	136,574	155,994	173,898	146,551	147,975	156,052	1.0	5.5
48 Other personal service activities	592,095	642,995	730,316	803,514	840,946	865,698	4.7	2.9
<b>Gross Value Added (GVA), at basic prices</b>	<b>5,758,104</b>	<b>6,254,056</b>	<b>6,873,506</b>	<b>7,136,399</b>	<b>7,470,465</b>	<b>7,817,394</b>	<b>4.7</b>	<b>4.6</b>
<b>(+) Taxes less Subsidies on Products</b>	<b>655,564</b>	<b>698,664</b>	<b>715,011</b>	<b>709,802</b>	<b>758,522</b>	<b>805,432</b>	<b>6.9</b>	<b>6.2</b>
<b>Gross Domestic Products (GDP), at Constant Market Price</b>	<b>6,413,668</b>	<b>6,952,720</b>	<b>7,588,517</b>	<b>7,846,202</b>	<b>8,228,986</b>	<b>8,622,825</b>	<b>4.9</b>	<b>4.8</b>

Source: Department of Census and Statistics  
(a) Provisional (b) Revised

## Rubber

The rubber sub-sector continued its contraction in 2015, registering a negative growth of 10.1 percent, compared to a negative 24.5 percent growth in 2014. The total rubber production decreased by 10.1 percent to 88.6 million kg in 2015, compared to 98.6 million kg in 2014 mainly due to the abandoned tapping and reduction of number of tapping days emanating from a decline

in natural rubber prices in the international market and unfavourable weather conditions. The earnings from rubber exports decreased by 42.3 percent to US\$ 26 million in 2015, compared to US\$ 45 million in 2014. Meanwhile, the average Colombo Rubber Auction (CRA) prices of Ribbed Smoked Sheet No.1 (RSS 1) declined by 13.2 percent to Rs. 248.17 per kg in 2015. The government introduced a guaranteed purchase

price of Rs. 300 per kg since November 2014 and it further increased to Rs. 350 per kg through the Interim Budget to help rubber smallholders.

### Coconut and related products

The coconut and related products sub-sector grew by 5.1 percent in value added terms in 2015, compared to a higher growth of 20.1 percent recorded in 2014. The total coconut production increased by 6.5 percent to 3,056 million nuts in 2015, compared to 2,870 million nuts in 2014 due to a favourable weather conditions prevailed. The Colombo Coconut Auction (CCA) prices increased by 11.0 percent to Rs. 43.5 per nut from Rs. 39.2 per nut driven by emerging demand for raw coconut nuts. Meanwhile, restrictions imposed on fresh coconut exports have been lifted with effect from 01 June 2015 with the increased domestic coconut supply. To provide impetus to the sector, the SCL on palm oil imports was increased to Rs. 105 per kg from Rs. 90 per kilogram with effect from 18 June 2015. However, the SCL rate was reduced to Rs. 90 per kg with effect from 21 July 2015. Meanwhile, total coconut exports decreased by 1.3 percent to US\$ 352 million in 2015 reflecting the decline of coconut prices at international market. Desiccated coconut decreased by 8.5 percent to US\$ 130 million in 2015, in comparison to US\$ 142 million in 2014. However, the exports of coconut kernel products increased by 3.5 percent to US\$ 221.7 million.

### Beverage Crops and Spices

The value added beverage crops sub-sector which consists of coffee and cocoa contracted by 18.1 percent in 2015, compared to 16.4 percent

growth in 2014 due to the decline in international prices. In contrast, spices, aromatic, drugs and pharmaceutical crops sub-sector grew by 1.3 percent in value added terms in 2015. Meanwhile, the export earnings from spices increased by 42.7 percent to US\$ 377.4 million during the year due to the increase demand for such products in the international market.

### Cereals, Fruits and Vegetables

The cereals, fruits and vegetables sub-sector recorded a growth of 18.6 percent in value added term in 2015, compared to 4.9 percent growth registered in 2014. This sector showed a higher growth benefitting from the expansion of vegetables by 24.9 percent and fruits by 16.5 percent due to favourable weather condition prevailed despite the setback experienced during the latter part of 2015.

### Animal Production

The value-added animal production, such as milk, egg and value of slaughtered animals, grew by 8.0 percent in 2015, compared to a growth of 31.0 percent recorded in 2014. The domestic milk production increased by 12.1 percent to 374.4 million liters in 2015, compared to the previous year. This was mainly due to the successful control of Foot and Mouth Disease spread in 2014, better producer prices coupled with enhanced demand for fresh milk. Improvement was further pronounced due to the progress of the modernisation of MILCO factories, such as Polonnaruwa, Digana and Ambewela. The imports of dairy products including milk powder declined by 26.1 percent to US\$ 250.7 million, compared to US\$ 339.4 million in 2014. Milk

Table 3.3 | Minor Export Agricultural Crops: Production and Exports (MT)

Crop	Production					Export				
	2005	2012	2013	2014	2015(a)	2005	2012	2013	2014	2015(a)
Cinnamon	15,898	17,165	17,500	17,600	17,707	12,549	14,435	13,799	13,686	13,549
Pepper	14,303	18,604	28,000	19,000	31,013	8,131	10,487	21,310	7,930	16,657
Cocoa	902	513	515	500	457	164	3,427	1,213	2,099	911
Cardamom	79	80	50	87	91	12	11	4	8	120
Clove	6,082	4,009	6,190	3,225	5,253	5,517	2,914	5,467	1,102	4,783
Nutmeg & Mace	2,054	2,002	2,545	1,656	2,430	1,935	1,582	1,652	1,829	1,889

Sources: Department of Export Agriculture and Sri Lanka Customs  
(a) Provisional

powder imports increased by 21.7 percent to 81.8 thousand MT over 67.2 thousand MT in 2014. Meanwhile, the production of eggs increased by 10.3 percent to 1,899 million in 2015 while chicken production rose to 164.5 thousands MT, with an increase of 9.4 percent over the previous year.

The government implemented several measures to improve the animal production sector including better farm gate prices of milk and granting tax concessions towards lowering the cost of production. Guaranteed price of fresh milk increased by Rs. 10 per liter to Rs. 70 per liter in 2015 from Rs. 60 per liter in 2014.

### Marine and Fresh Water Fishing

Fishery sector contracted by 2.7 percent value added terms in 2015, compared to 3.7 percent growth recorded in 2014 mainly due to the negative growth of 1.4 percent and 11.2 percent recorded in the marine fishing sector and fresh water fishing sector. Inland fish production declined by 11.2 percent to 67.3 thousand MT from 75.7 thousand MT in 2014 mainly driven by the adverse weather conditions experienced in the early part of 2015 and the reduction of the release of fingerlings to the tanks in 2014. Meanwhile, marine fish production also declined

by 1.4 percent to 452.9 thousand MT. The decline was largely attributable to the contraction of coastal fish catch in 2015. The exports of sea food, including fresh and frozen fish also decreased by 35.5 percent to US\$ 163 million in 2015 mainly due to the ban imposed on fish exports to the European Union (EU). However, the government provided impetus to the sector by providing boats and fish gears to fishermen during the year. Further, the increase of fingerlings to tanks, proper management of water bodies with community participation and the establishment of community based mini-hatcheries continued in 2015 to increase the production of inland fish.

### Industry

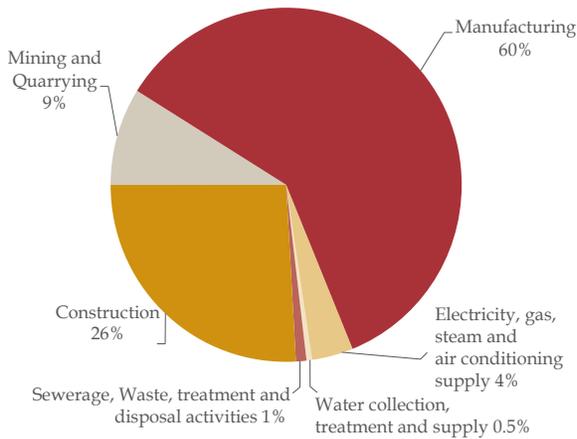
The Industry sector grew by 3.0 percent in value added terms in 2015, compared to 3.5 percent growth in 2014 with a significant growth in manufacturing sub-sector by 4.5 percent. Manufacturing, electricity, water and sewerage sub-sectors (4.5 percent) positively contributed to the growth in the Industry sector whereas construction and mining and quarrying sub-sectors contracted (0.9 percent) in 2015.

Table 3.4 | 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)
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	257,540	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	53,988	8,536	62,524	278,850	180,450	75,750	535,050	157,982	18,860	78,712	34,797	26,320
2015 (a)	50,338	8,856	59,194	269,020	183,870	67,300	520,190	126,390	30,729	120,046	24,716	17,461

Source: Ministry of Fisheries and Aquatic Resources Development  
(a) Provisional

Chart 3.4 | Industry Sector Composition - 2015



## Manufacturing

Manufacturing sub-sector, which was the main contributor to the Industry sector grew by 4.7 percent in value added terms in 2015 recovering from the 2.3 percent contraction recorded in 2014. This growth was mainly driven by higher performance of food, beverages and tobacco products, machinery and equipment and wearing apparel. Meanwhile, export earnings from industrial goods recorded a negative growth of 3.5 percent to US\$ 7,975.6 million in 2015 with the highest earnings from the textiles and garments to US\$ 4,820 million, with a contraction of 2.2 percent in 2015, compared to 2014.

Table 3.5 | Performance of the Selected Industrial Exports

Item	2010	2011	2012	2013	2014	US\$ Mn
						2015 (a)
<b>Rubber Products</b>	558	885	859	888	890	761
Rubber Tyres	336	569	540	551	564	467
Surgical Gloves and Other Gloves	137	181	177	195	176	165
Other Rubber Products	85	135	143	141	150	130
<b>Gems, Diamonds and Jewellery</b>	409	532	559	446	394	332
Gems	70	95	118	130	173	164
Diamonds	322	414	417	295	198	148
Jewellery	17	22	24	21	22	19
<b>Machinery and Mechanical Appliances</b>	259	312	297	312	343	294
<b>Transport Equipment</b>	144	225	165	146	152	244
o/w Ships, Boats and Floating Structures	59	149	57	82	86	182
<b>Petroleum Products</b>	263	553	463	428	338	374
o/w Bunkers and Aviation Fuel	259	524	457	423	327	364
Chemical Products	93	118	117	120	134	126
Wood and Paper Products	85	111	112	116	123	112
Leather Travel Goods and Footwear	60	65	55	77	139	136
Plastics and Articles Thereof	47	55	53	55	67	62
Base Metals and Articles	63	56	56	59	62	56
Ceramic Products	40	38	36	40	41	35
Tiles	8	6	7	8	9	8
Tableware, Household Items and Sanitaryware	27	28	25	29	29	25
Other	5	5	4	3	3	3
<b>Total</b>	2,021	2,950	2,772	2,687	2,683	2,532

Source: Central Bank of Sri Lanka  
(a) Provisional

Table 3.6 | Manufacturing Sector Statistics

Category	Value Addition (Current Price) Rs. Mn.				Number of Projects Approved by BOI			
	2012	2013	2014(b)	2015(a)	2012	2013	2014(b)	2015(a)
Food, Beverages and Tobacco Products	798,849	801,748	969,402	1,099,149	17	8	11	6
Textiles, Apparel and Leather Products	346,377	365,685	379,633	384,746	11	7	14	12
Wood and Wood Products	23,397	27,365	30,313	32,544	3	1	3	-
Paper and Paper Products, Publishing and Printing	26,989	28,261	21,294	22,530	-	-	1	-
Chemical, Petroleum, Coal	94,593	128,804	95,724	121,698	8	11	5	2
Rubber & Plastic Products	85,188	74,995	69,071	73,639	14	7	10	2
Non-Metallic Mineral Products	143,788	124,831	116,002	123,040	6	4	5	6
Basic Metal Products & Fabricated Metal Products	32,086	34,300	35,014	39,162	16	9	10	12
Machinery and Equipment	33,735	34,584	21,694	22,973	16	9	10	12
Manufacture of Furniture	59,516	57,966	59,805	60,172	16	9	10	12
Other manufacturing and Repair and Installation of Machinery and Equipment	53,300	44,553	43,278	47,592	16	9	10	12

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

(a) Provisional

(b) Revised

Table 3.7 | Private Sector Industrial Volume Index (2010 = 100)

Description	2012	2013	2014(b)	2015(a)
Food Products	108.5	105.3	102.3	107.3
Beverages	107.4	102.4	111.8	123.1
Tobacco Products	99.9	96.7	87.6	95.4
Textile	113.9	128.5	132.9	131.0
Wearing Apparel	118.5	124.9	149.5	173.4
Leather and Related Products	93.1	98.3	97.0	86.4
Wood and Products of Wood except Furniture	98.4	114.6	108.9	121.7
Paper and Paper Products	98.8	123.4	126.6	126.6
Printing and Reproduction of Media	106.3	110.3	112.4	112.4
Refined Petroleum Products	81.3	83.4	86.0	82.6
Chemical and Chemical Products	77.6	74.1	82.2	88.3
Pharmaceuticals, Medicinal Chemical and Botanical Products	138.8	185.1	142.8	142.2
Rubber and Plastic Products	116.9	118.2	134.2	131.3
Other Non-metallic Mineral Products	117.5	103.2	102.9	118.5
Basic Metals	99.0	102.4	112.9	115.0
Fabricated Metal Products except Machinery and Equipment	111.7	136.5	97.1	109.8
Electrical Equipment	98.4	107.6	99.5	130.6
<b>Overall Industrial Production Index</b>	<b>108.8</b>	<b>108.3</b>	<b>114.9</b>	<b>125.4</b>

Source: Central Bank of Sri Lanka

(a) Provisional

(b) Revised

Food, beverages and tobacco sub-sector, the major contributor to the manufacturing sector, showed a growth of 5.3 percent in 2015 against the 1.3 percent contraction in 2014. This was mainly supported by the increase of production of bakery products, dairy products and prepared meals along with a robust growth in manufacturing of sugar by 34.4 percent. Also, increased demand arisen from the tourism sector supported to the expansion of food and beverages sub-sector. However, the processing and preserving activities of fish showed a negative growth due to the decline in inland fish production stemming from the adverse weather conditions and the drop in coastal fish catch. In line with 2015 Budget, the government took initial steps to introduce a 50 percent tax reduction for the entrepreneurs who commenced businesses in vegetable and food processing industry to fuel the expansion of the food industry in the period ahead.

The wearing apparel sub-sector recorded a 16 percent growth in value added terms in 2015 following the growth of 19.7 percent in 2014. However, the sector would rebound with the possible resumption of the Generalised System of Preferences Plus (GSP plus) scheme in the near future. The private sector enthusiasm through product and market diversification amidst the challenges emanated from the uncertainties in

major export destinations, increased seasonal demand and new orders placed by the US market helped rebound the growth. Sri Lanka's international reputation as a reliable and a quality apparel manufacturer under the principles of ethical working conditions, environmental friendly green manufacturing and the availability of competent and literate workforce continued to support the industry to remain competitive in the international market.

Beverages sub-sector grew significantly by 10.1 percent, compared to 9.2 percent in 2014 with the enhanced production of hard liquor coupled with manufacturing of soft drinks and water bottles and the positive impact from the increase tourist arrivals in 2015. Meanwhile, tobacco sub-sector recovered in 2015 with a growth of 8.9 percent in 2015, compared to the contraction observed since 2011.

The basic metals and fabricated metal products sub-sector recorded a robust growth of 17 percent against the negative growth of 6.4 percent in 2014 due to the expansion of ship building activities and increased demand for basic iron and steel products particularly during the latter part of 2015. The chemical products and basic pharmaceutical products sub-sector recorded a significant growth of 3.4 percent in 2015 (with the increased production of paints, varnishes, soap, detergents and fertilizer) following the marginal growth of 0.3 percent recorded in 2014. Meanwhile, rubber and plastic products contracted by 2.2 percent in 2015 over 2014 due to the decline in production of tyres and tubes emanating from slower demand from export markets coupled with the decline in synthetic rubber prices in international market. Meanwhile, leather and related products sub sector recorded a negative growth of 10.9 percent in 2015 from a contraction of 1.4 percent in 2014 due to a sluggish demand for footwear and leather products.

### **Electricity, Gas, Water and Sewerage**

The electricity, gas, steam and air-conditioning supply sub-sector continued to expand by 7.8 percent during 2015 following the growth of 3.3 percent in 2014. This improvement was mainly supported by the increase in hydropower

generation by 31.6 percent due to favorable weather conditions prevailed in water catchment areas. Meanwhile, coal power generation grew by 38.8 percent in 2015 whereas fuel-oil power generation reported a negative growth of 47.1 percent emanating from the increase hydro and coal power generation. Meanwhile, water collection, treatment and supply sub-sector grew by 4.3 percent in 2015, compared to a 4.8 percent growth in 2014. The sub-sector of sewerage, waste treatment and disposal activities grew by 24.8 percent in 2015 from 11.9 percent growth in year 2014.

### **Construction**

Construction sub-sector reported a negative growth of 0.9 percent in 2015 from 6.6 percent positive growth in 2014. Slowdown in the construction of mega infrastructure development projects was attributable for this negative growth. However, domestic cement production increased and imports of building material also expanded during the year. Meanwhile, credit provided to the private sector construction activities increased by 36.1 percent in 2015 reflecting the expansion of private sector construction activities.

### **Services**

The Services sector continued to expand by 5.3 percent, compared to 5.2 percent growth recorded in 2014 and it was accounted for 56.6 percent of the GDP in 2015. This growth was largely attributable to the significant expansion in financial services activities by 15.8 percent, wholesale and retail trade by 4.7 percent, telecommunication by 10.1 percent and transportation of goods and passengers including warehousing by 5.5 percent and real estate activities including ownership of dwellings by 9.6 percent. In addition, insurance, telecommunication and IT programming contributed to the growth. However, accommodation, food and beverages services activities, professional services and education sub-sectors recorded a negative growth in 2015.

Table 3.8 | Sectoral Distribution of GDP Growth (%) -Constant (2010) Prices

Economic Activity		2011	2012	2013	2014(b)	2015(a)
<b>Agriculture, Forestry and Fishing</b>		4.6	3.9	3.2	4.9	5.5
1	Growing of Cereals (except rice)	0.4	18.2	14.3	4.3	1.0
2	Growing of Rice	16.8	-11.3	5.3	-7.0	23.3
3	Growing of Vegetables	9.7	-2.1	5.7	2.1	24.9
4	Growing of Sugar Cane, Tobacco and Other non-perennial Crops	-12.3	5.2	8.3	-6.3	-14.5
5	Growing of Fruits	3.2	1.2	-2.3	9.4	16.5
6	Growing of Oleaginous Fruits (Coconut, King Coconut, Oil Palm)	-5.2	8.9	-14.1	20.1	5.1
7	Growing of Tea (Green Leaves)	-0.6	0.5	3.7	-1.1	-2.6
8	Growing of Other Beverage Crops (Coffee, Cocoa, etc)	-0.6	2.5	0.1	16.4	-18.1
9	Growing of Spices, Aromatic, Drug and Pharmaceutical Crops	-1.1	57.8	14.4	13.1	1.3
10	Growing of Rubber	3.5	-3.7	-14.2	-24.5	-10.1
11	Growing of Other Perennial Crops	1.2	3.4	-5.4	7.3	2.8
12	Animal Production	-3.2	12.0	24.0	31.0	8.0
13	Plant Propagation and Agricultural Supporting Activities	-1.1	7.9	0.9	6.4	0.1
14	Forestry and Logging	-1.9	-10.2	12.7	10.2	1.9
15	Marine Fishing and Marine Aquaculture	15.5	8.4	7.0	2.6	-1.5
16	Fresh Water Fishing and Fresh Water Aquaculture	13.6	13.5	-1.0	13.2	-11.2
<b>Industries</b>		9.3	9.0	4.1	3.5	3.0
17	Mining and Quarrying	18.6	24.6	7.6	2.2	-0.9
18	Manufacture of Food, Beverages and Tobacco Products	12.5	3.9	0.0	1.3	5.6
19	Manufacture of Textiles, Wearing Apparel and Leather related Products	-10.1	2.6	8.2	4.6	0.0
20	Manufacture of Wood and Products of Wood and Cork, except Furniture	19.8	-25.5	7.6	-8.4	7.1
21	Manufacture of Paper Products, Printing and Reproduction of Media Products	5.8	-10.4	0.8	0.2	9.4
22	Manufacture of Coke and Refined Petroleum Products	59.1	-18.6	-4.7	4.4	1.2
23	Manufacture of Chemical Products and Basic Pharmaceutical Products	-2.6	11.7	8.5	0.3	3.5
24	Manufacture of Rubber and Plastic Products	19.6	10.1	-1.3	-12.5	4.7
25	Manufacture of Other Non-metallic Mineral Products	8.8	1.0	-7.0	-2.9	-2.8
26	Manufacture of Basic Metals and Fabricated Metal Products	-17.0	-6.5	8.1	-6.4	17.0
27	Manufacture of Machinery and Equipment	-6.3	-8.3		4.0	17.2
28	Manufacture of Furniture	-5.4	19.8	5.6	22.6	6.7
29	Other Manufacturing and Repair and Installation of Machinery and Equipment	-29.0	-21.4	5.9	19.4	16.4
30	Electricity, Gas, Steam and Air Conditioning Supply	7.9	1.8	2.0	3.3	7.8
31	Water Collection, Treatment and Supply	5.0	7.2	4.0	4.8	4.3
32	Sewerage, Waste, Treatment and Disposal Activities	3.7	20.0	6.4	11.9	24.8
33	Construction	26.3	21.2	7.5	6.6	-0.9
<b>Services</b>		8.9	11.2	3.8	5.2	5.3
34	Wholesale and Retail Trade	11.7	7.7	1.3	4.5	4.7
35	Transport of Goods and Passenger including Warehousing	12.6	8.0	5.5	3.6	5.5
36	Postal Courier Activities	0.0	9.2	-1.7	-7.1	-5.6
37	Accommodation, Food and Beverage Service Activities	20.2	27.3	-5.8	4.0	-1.3
38	Programming and Broadcasting Activities and Audio Video Productions	-13.8	3.4	7.6	3.8	5.5
39	Telecommunication	6.5	8.3	3.6	13.1	10.1
40	IT Programming Consultancy and Related Activities	16.5	10.5	21.6	9.3	21.1
41	Financial Service Activities and Auxiliary Financial Services	14.5	15.9	5.8	10.4	15.8
42	Insurance, Reinsurance and Pension Funding	-0.3	2.1	2.6	5.8	9.3
43	Real Estate Activities, Including Ownership of Dwelling	6.8	12.7	12.8	6.5	9.6
44	Professional Services	13.7	22.3	4.0	2.8	-7.1

Table 3.8 | Sectoral Distribution of GDP Growth (%) -Constant (2010) Prices contd...

Economic Activity		2011	2012	2013	2014(b)	2015(a)
45	Public Administration and Defence; Compulsory Social Security	-4.4	5.0	-0.8	5.2	6.9
46	Education	-1.7	22.7	-5.8	10.3	-7.5
47	Human Health Activities, Residential Care and Social Work Activities	14.2	11.5	-15.7	1.0	5.5
48	Other Personal Service Activities	8.6	13.6	10.0	4.7	2.9
<b>Gross Value Added (GVA), at basic prices</b>		8.6	9.9	3.8	4.7	4.6
<b>(+) Taxes less Subsidies on Products</b>		6.6	2.3	-0.7	6.9	6.2
<b>Gross Domestic Products (GDP), at Constant Market Price</b>		8.4	9.1	3.4	4.9	4.8

Source : Department of Census and Statistics

(a) Provisional

(b) Revised

## Wholesale and Retail Trade

Wholesale and retail trade sub-sector, the largest share of the services activities recorded a moderate growth of 4.7 percent in 2015, compared to 4.5 percent growth recorded in the previous year with the increase in trade activities stemming from higher demand for consumer goods and investment goods despite the decline in intermediate goods imports. Meanwhile, increased industrial exports amidst the marginal negative growth in exports of textiles and garments help increase trade activities despite the decline in agricultural exports, such as tea and rubber.

## Transportation of Goods and Passengers including Warehousing

The transportation of goods and passenger sub-sector recorded a 5.5 percent growth in 2015, in comparison to 3.6 percent growth in 2014. This sub-sector was driven by the improvement of passenger kilometers run by buses, railways, airlines and the container traffic and freights. Accordingly, the number of passenger kilometers run by Sri Lanka Transport Board (SLTB) and private sector, Sri Lanka Railways (SLR) and Sri Lankan Airlines recorded a growth of 19.6 percent, 6.1 percent, 8.3 percent and 0.1 percent, respectively in 2015, compared to the previous year. The continuation and also completion of construction projects such as, Matara-Beliatta-Kataragama new rail line, Omathai-Pallai rail line, Madu-Thalaimannar rail line, Pallai-Kankasanthurai rail line as well as the road development projects also resulted to further improvement of the passenger kilometers of the

country. Meanwhile, the transport sector was also expanded by the increase of importation of motor vehicles by 36 percent to 654,820 in 2015, compared to 482,003 in 2014. The registration of new motor vehicles recorded a significant growth of 55.7 percent during 2015. In particular, new registration of cars, dual purpose vehicles, three-wheelers and motor bicycles rose by 172.4 percent, 89.7 percent, 63.9 percent and 35.9 percent, respectively.

Further, the total number of vessels arrived in the ports increased by 10.7 percent to 4,760 in 2015, benefiting from the expansion of international trade activities coupled with expansion of handling capacity with newly commissioned Colombo International Container Terminal (CICT) in Sri Lankan port services.

The transshipments container handled also increased by 4.9 percent to 4.0 million Foot Equivalent Container Units (TEUs) while the total container traffic and total cargo handling also increased by 5.7 percent to 5.2 million TEUs and 4.3 percent to 77.6 million MT, respectively in 2015. Meanwhile, freight ton kilometers transported by the SLR and flown by Sri Lankan Airlines and Mihin Lanka contracted during the year.

## Accommodation, Food and Beverages

The accommodation, food and beverages sub-sector recorded a contraction of 1.3 percent in 2015 in comparison to 4.0 percent growth recorded in 2014, despite the continued increase in the tourism industry. Further, room occupancy rate marginally increased by 74.5 percent in 2015, compared to 74.3 in 2014. The tourist arrivals

increased by 17.8 percent to 1,798,380 with the majority from Western Europe region, India and China resulted to increase in tourist earnings to US\$ 2,981 million. The growth of tourist activities resulted to increase in foreign and local visitors to tourist attractions, such as National Botanical Gardens and Zoological Garden in Dehiwala. The enhanced private sector investment in line with the government's policy towards Sri Lanka as an attractive tourist destination supported to this increase.

### Telecommunication, Postal and Courier Activities

The telecommunication sub-sector moderately increased 10.1 percent in value added term in 2015, compared to 13.1 percent growth recorded in 2014. This was mainly due to the increase cellular phone connections by 10.2 percent to 24.4 million in 2015, compared to 22.1 million in 2014. Meanwhile, the fixed line telephone connections marginally grew by 0.4 percent to 1.1 million and wireless connections by 7.2 percent to 1.5 million supported to achieve this growth. Moreover, the internet and e-mail subscribers also increased by a notable rate of 12.5 percent to 682 thousand in 2015, compared to 2014. Further, the internet use and connectivity including mobile broadband expanded mainly benefiting from tax concessions provided to the sector and the government policy towards improving computer literacy and the accessibility throughout the country. However, the postal and courier activities sub-sector

contracted further by 5.6 percent, compared to 7.1 percent negative growth recorded in 2014 due the expansion of the alternative modes of communication tools.

### Financial and Auxiliary Financial Services

Financial services activities and auxiliary financial services sub-sector increased by 15.8 percent in 2015, compared to 10.4 percent growth in 2014. This growth was mainly driven by the expansion in banking industry and non-banking financial institutions with the growth of gross loans and advances by 21.1 percent and 30.6 percent, respectively. Meanwhile, the bank branches and other outlets increased to 6,583 by end of 2015 and usage of credit cards increased by 10.9 percent to 1,145,055 by end of 2015. Further, the increase in insurance business activities resulted to growth of the premium earned with claims acquired by the insurance industry by 16.6 percent in 2015, compared to 8.8 percent growth in 2014.

### Real Estate, Professional Services and Public Administration

The ownership of dwelling and real estate sub-sector grew by 9.6 percent in 2015, compared to 6.5 percent growth recorded in 2014 benefiting from low interest rate regime coupled with increased development activities. Conversely, public administration and defence, compulsory social security sub-sector recorded a significant growth of 6.9 percent in 2015, compared to 5.2

Table 3.9 | Selected Indicators of Services Sector

Indicator	2012	2013	2014	2015(a)
<b>Port Services</b>				
Vessels Arrived *	4,178	4,024	4,298	4,760
Total Cargo Handled (MT '000)	65,030	66,292	74,431	77,611
Total Container Traffic (TEU '000)	4,187	4,306	4,908	5,185
Transshipment Container ** (TEU '000)	3,167	3,274	3,781	3,967
<b>Telecommunication Sector</b>				
Fixed Telephone Lines*** (No '000)	999	1,062	1,123	1,128
Cellular Phones (No '000)	20,324	20,315	22,123	24,384
Wireless Phone (No '000)	2,450	1,644	1,587	1,473
Internet and E mail Subscribers ('000)	423	508	606	682
<b>Health Sector</b>				
Private Hospitals	197	206	210	217
Public Hospitals	593	603	601	610
No of Beds (Government)	73,437	79,945(b)	82,604(b)	76,781

Table 3.9 | Selected Indicators of Services Sector contd...

Indicator	2012	2013	2014	2015(a)
No of Doctors (Government)	18,252	19,672	21,277	21,837
No of Nurses (Government)	30,217	30,928	31,527	32,272
<b>Financial Sector</b>				
Bank Branches and Other Outlets	6,374	6,487	6,591	6,583
Credit Cards in Use	891,170	951,625	1,032,833	1,145,055
Registered Finance Companies	47	48	48	46
Registered Leasing Companies	13	10	8	7
<b>Tourism Sector</b>				
Tourist Arrivals	1,005,605	1,274,593	1,527,153	1,798,380
Tourist Earnings (US\$ Mn)	1,039	1,715	2,431	2,981
Annual Room Occupancy Rate	71.2	71.7	74.3	74.5
<b>Transport Services (New Registrations)</b>				
Buses	3,095	1,805	3,851	4,140
Cars	31,546	28,380	38,780	105,628
Dual Purpose Vehicles	37,397	24,603	20,799	39,456
Goods Transport Vehicles - Lorries	12,266	5,872	5,121	7,142
Motor Cycles	192,284	169,280	272,855	370,889
Three Wheelers	98,815	83,673	79,038	129,547
Land Vehicles - Tractors	18,450	10,772	7,070	9,977
Land Vehicles - Trailers	3,442	2,266	2,012	2,128

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

(a) Provisional

(b) Public and Private

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

\*\*Including Re-Stowing

\*\*\* Wirelines only

percent growth recorded in 2014. Meanwhile, professional services sub-sector contracted by 7.1 percent in 2015, compared to 2.8 percent growth recorded in 2014 with the increase services, such as technical testing and analysis, legal and accounting activities, scientific research and development.

### Education, Health and Other Personal Services

The education sub-sector contracted by 7.5 percent in 2015, compared to 10.3 percent growth recorded in 2014 whereas health care and social work activities grew by 5.5 percent in 2015. Also, other personnel service activities, such as photography, creative art and entertainment, washing and cleaning activity etc., increased by 2.9 percent in 2015, compared to 4.7 percent in the previous year.

### 3.3 Domestic Demand and Supply

The total domestic demand which consists of the consumption, fixed capital formation and changes in inventories, grew by 6.5 percent in 2015, compared to 18.7 percent growth in 2014. This was mainly driven by the growth in government consumption by 13.4 percent followed by private consumption 8.4 percent despite the fact that marginal increase in the investment expenditure. The private and government consumption accounted 88.6 percent and 11.4 percent, respectively of the total consumption. Meanwhile, growth in consumption was expanded by the increase importation of consumer goods by 22.3 percent, low interest rates and the rise in disposable income stemming from increased salaries and wages.

The private and government investment marginally expanded by 0.6 percent to Rs. 3,362 billion in 2015, compared to Rs. 3,341 billion in 2014. However, foreign direct investments

Table 3.10 | Domestic Demand, Supply and Trade Balance (a)

Item	Current Market Prices			Change			As a Percent of GDP		
	(Rs. Bn.)			(%)			(%)		
	2013	2014(b)	2015(b)	2013	2014(b)	2015(b)	2013	2014(b)	2015(b)
Domestic Demand	10,418	11,285	12,014	6.7	8.3	6.5	108.6	108.0	107.4
Consumption	7,229	7,944	8,652	13.7	9.9	8.9	75.4	76.0	77.4
Private	6,484	7,075	7,666	13.9	9.1	8.4	67.6	67.7	68.6
Government	746	869	986	12.0	16.5	13.5	7.8	8.3	8.8
Investment	3,189	3,341	3,362	(6.5)	4.8	0.6	33.2	32.0	30.1
Net External Demand (Trade balance)	-827	-837	-831	-20.1	1.2	-0.7	-8.6	-8.0	-7.4
Export of Goods and Services	1,949	2,185	2,295	12.6	12.1	5.0	20.3	20.9	20.5
Import of Goods and Services	2,776	3,022	3,126	0.4	8.9	3.4	28.9	28.9	28.0
Domestic Supply = GDP	9,592	10,449	11,183	26.6	8.9	7.0	100.0	100.0	100.0

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

(a) The data is based on the base year 2010 GDP estimates of the Department of Census and Statistics

(b) Provisional

Table 3.11 | Aggregate Supply and Use of Goods and Services (a)

	Rs. Bn.			Growth (%)		As a % of GDP	
	2013	2014(b)	2015(b)	2014(b)	2015(b)	2014(b)	2015(b)
Aggregate Demand	12,367	13,470	14,309	8.9	6.2	128.9	128.0
Domestic Demand	10,418	11,285	12,014	8.3	6.5	108.0	107.4
External Demand = Export of Goods and Services	1,949	2,185	2,295	12.1	5.0	20.9	20.5
Aggregate Supply	12,368	13,471	14,309	8.9	6.2	128.9	128.0
Gross Domestic Product	9,592	10,449	11,183	8.9	7.0	100.0	100.0
Import of Goods and Services	2,776	3,022	3,126	8.9	3.4	28.9	28.0
Trade Gap of Goods and Services	-827	-837	-831	1.2	-0.7	-8.0	-7.4

Sources: Department of Census and Statistics and Central Bank of Sri Lanka, Imports in aggregate supply 22.4 22.4 21.8 (%)

(a) The data is based on the base year 2010 GDP estimates of the Department of Census and Statistics

(b) Provisional

(FDI) including loans, declined by 29.0 percent to US\$ 1,161 million in 2015, compared to US\$ 1,635 million in 2014 mainly due to the decline in inflows to the infrastructure projects and services.

As such, total investment as a percentage of GDP decreased to 30.1 percent in 2015, from 32.0 percent in 2014. In the meantime, the export goods and services increased by 5.1 percent to Rs. 2,295 billion while the import goods and services increased by 3.5 percent to Rs. 3,126 billion in 2015, compared to the previous year. However, the net external deficit decreased to Rs. 831 billion in 2015 reflecting enhanced performance in export of goods and services.

### 3.4 Investment and Savings

Total domestic investment declined to 30.1 percent of GDP in 2015, compared to 32.0 percent in 2014. Conversely, the domestic savings marginally increased by 1.1 percent to Rs. 2,531 billion in 2015, compared to the previous year. The savings decreased to 22.6 percent of GDP in 2015, compared to 24.0 percent in 2014. The private saving moderately increased by 5.5 percent while the government savings decreased by 93.3 percent in the review year. This was mainly due to a combined effect of relatively sluggish growth in government revenue and significant growth in recurrent expenditure as a result of increased salary and wages. With these developments the government recorded a domestic dis-savings of 2.2 percent of GDP while the private domestic savings were 24.8 percent of GDP.

Table 3.12 | Investment and Savings (a)

Item	Rs. Bn.		As a % of GDP	
	2014(b)	2015(b)	2014(b)	2015(b)
Domestic Investment	3,341	3,362	32.0	30.1
Domestic Savings	2,505	2,531	24.0	22.6
Private	2,632	2,778	25.2	24.8
Government	-128	-247	-1.2	-2.2
Investment - Domestic Savings Gap	836	831	8.0	7.4
Net Factor Income From Abroad	-237	-251	-2.3	-2.2
Net Foreign Private Transfers	813	833	7.8	7.4
National Savings	3,081	3,113	29.5	27.8

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

(a) The data is based on the base year 2010 GDP estimates of the Department of Census and Statistics

(b) Provisional

Meanwhile, net factor income from abroad increased by 6.2 percent to Rs. 251 billion, compared to previous years. Also, the net foreign private transfers were increased by 2.5 percent to Rs. 833 billion while national savings increased by 1.0 percent to Rs. 3,113 billion in 2015. These developments led to reduce the domestic saving - investment gap marginally by 0.7 percent to Rs. 831 billion, compared to Rs. 836 billion in 2014.

Chart 3.5 | Savings - Investment Gap

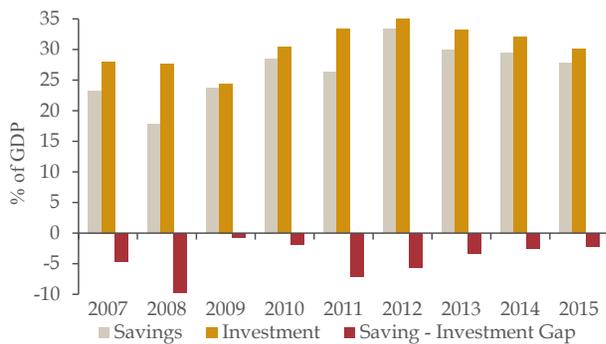


Table 3.13 | External Trade

Item	US\$ Mn.								
	2007	2008	2009	2010	2011	2012	2013	2014	2015(a)
<b>Exports</b>	7,640	8,111	7,085	8,626	10,559	9,774	10,394	11,130	10,505
Agricultural Exports	1,647	1,976	1,836	2,305	2,528	2,332	2,581	2,794	2,482
Industrial Exports	5,937	6,112	5,228	6,097	7,992	7,371	7,749	8,262	7,976
Mineral Exports	22	22	20	24	33	61	52	60	28
Unclassified	38	-	-	199	7	10	12	15	20
<b>Imports</b>	11,296	14,091	10,207	13,451	20,269	19,190	18,003	19,417	18,935
Consumer Goods	1,664	2,007	1,565	2,476	3,654	2,995	3,182	3,853	4,714
Intermediate Goods	6,983	9,019	6,159	8,054	12,274	11,578	10,554	11,398	9,638
Investment Goods	2,597	2,852	2,093	2,758	4,286	4,590	4,253	4,152	4,567
Unclassified	52	213	390	162	54	28	14	14	16
<b>Trade Deficit</b>	-3,657	-5,981	-3,122	-4,825	-9,710	-9,417	-7,609	-8,287	-8,430

Source: Central Bank of Sri Lanka

(a) Provisional

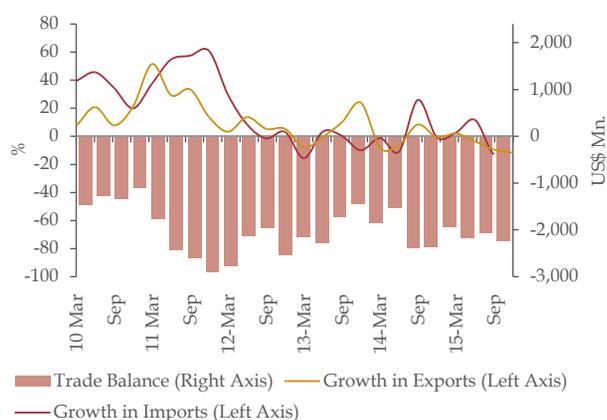
### 3.5 External Sector Developments

The external sector reflected a moderate growth in 2015 with the marginal improvement in current account deficit as a percentage of GDP to 2.4 percent in 2015 and a widening of a deficit in the Balance of Payments (BOP). However, in nominal terms, the current account deficit widened to US\$ 2,009 million in 2015 with an unexpected moderation of workers' remittances amidst a notable increase in tourism earnings. The BOP recorded a deficit of US\$ 1,489 million in 2015, compared to a surplus of US\$ 1,369 million recorded in 2014 reflecting increased current account deficit coupled with the reduction of inflows, such as FDI, foreign investment in equity market and government receipts etc to the financial account. As such, gross official reserves declined to US\$ 7.3 billion which is sufficient for 4.6 months of imports by end 2015. The trade deficit expanded by 1.7 percent to US\$ 8,430

million from US\$ 8,287 million in 2014 due to a sluggish demand for exports in the international market and significant domestic demand for vehicle imports.

Meanwhile, Sri Lanka rupee depreciated against the US dollar by 2.42 percent up until the CBSL accommodated a greater flexibility in exchange rate on 04<sup>th</sup> September 2015. With these developments, the rupee depreciated against US dollar by 6.64 percent during the period from 4<sup>th</sup> September to end December 2015. Overall, the rupee depreciated by 9.03 percent against the US dollar during the year.

Chart 3.6 | Growth in Exports & Imports and Trade Balance (Quarterly)

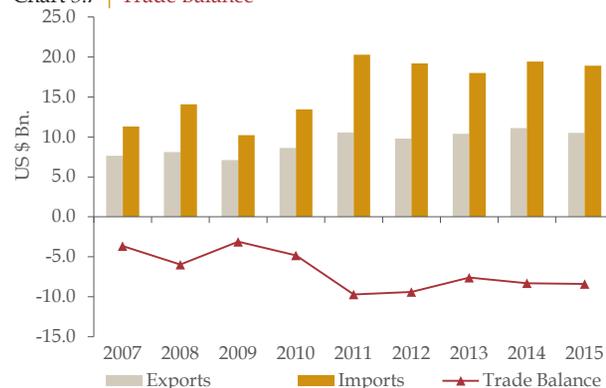


However, the external sector was confronted with several challenges exerted during the year particularly due to the global meltdown associated with sharp drop in commodity prices, geo-political uncertainties in some countries, such as the Middle East and Russia coupled with the adverse developments in the domestic economy, such as pressure on domestic foreign exchange and the expansion of domestic demand.

Earnings from exports declined by 5.6 percent to US\$ 10,505 million, compared to US\$ 11,130 million in 2014. While the expenditure on imports declined marginally by 2.5 percent to US\$ 18,935 million in 2015, compared to US\$ 19,417 million in 2014 amidst the sharp drop in import expenditure on petroleum products. Earnings from tourism increased by 22.6 percent to US\$ 2,981 million. In contrast, inflows from workers' remittances marginally decreased to US\$ 6,980 million however, helped finance current account deficit in 2015.

Total FDI related inflows decreased by 31.3 percent to US\$ 681 million in 2015 and the inflows to the government decreased by 1.9 percent to US\$ 4,705 million. Furthermore, the net inflows to the Colombo Stock Exchange (CSE) declined to US\$ 58 million during the year. With these developments, the gross official reserves decreased to US\$ 7.3 billion by end 2015 from US\$ 8.2 billion by end 2014.

Chart 3.7 | Trade Balance

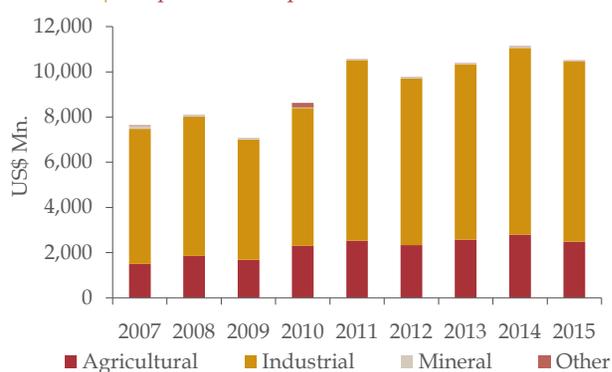


Moreover, total external reserves amounted to US\$ 9.3 billion by end 2015 from US\$ 9.8 billion in 2014. Both these reserves were sufficient to 4.6 months of imports and 5.9 months of imports, respectively by end 2015.

## Exports

The export sector moderated in 2015. Earnings from exports declined by 5.6 percent to US\$ 10,505 million in 2015 due to the significant drop in both agricultural exports and industrial exports. Agricultural exports, which accounted 23.6 percent of total exports dropped by 11.2 percent to US\$ 2,481.5 million in 2015. This was mainly due to the geo-political uncertainty in tea export destinations, such as the Middle East and the EU ban on the Sri Lankan fish exports coupled with sharp drop in commodity prices in the international market. The EU restriction resulted a significant decline in export earnings from sea foods by 35.5 percent to US\$ 163.1 million. Meanwhile, the export earnings from rubber nearly halved in 2015 with a slight deviation of coconut exports. However, export earnings from spices, such as pepper, cloves and nutmeg increased by 42.7 percent to US\$ 377.4 million.

Chart 3.8 | Composition of Exports



Meanwhile, earnings from industrial exports declined marginally by 3.5 percent to US\$ 7,975.6 million reflecting the decline in exports from textile and garments by 2.2 percent, rubber products by 14.5 percent, gems, diamonds and jewellery by 15.7 percent and machinery and mechanical appliances by 14.3 percent. Export earnings from textile and garments declined to

US\$ 4,820.2 million in 2015 due to a combine effect of the decrease in exports to the EU and the USA and slight increase in exports to non-traditional markets such as Canada, China and the UAE. However, the earnings from bunkers and aviation fuel, which account the major share in the petroleum products exports declined marginally to US\$ 374 million due to the drop in oil prices amidst increased volumes and increased competition from Singapore and India. Meanwhile, export earnings from rubber tyres, surgical gloves and footwear declined whereas earnings from vegetables and fruits preparations and ships and boats sectors increased.

Table 3.14 | Value of Agricultural Exports

Category	US\$ Mn									
	2007	2008	2009	2010	2011	2012	2013	2014	2015 (a)	
<b>Tea</b>	1,027	1,272	1,185	1,441	1,491	1,412	1,542	1,628	1,341	
Black Tea	890	1,111	1,072	1,383	1,430	1,354	1,471	1,555	1,280	
Bulk	535	643	616	567	534	512	561	563	504	
Packets	235	321	301	607	667	640	693	754	593	
Bags	121	147	156	209	229	203	217	238	183	
Instant	9	11	10	13	15	11	15	19	16	
Green Tea	22	29	29	44	46	47	56	55	45	
Other	106	118	74	-	-	-	-	-	-	
<b>Rubber</b>	109	125	99	173	206	125	71	45	26	
Sole Crepe	-	-	6	10	16	7	9	9	7	
Latex and Other Crepe	-	-	25	63	102	58	38	25	16	
Sheet Natural	59	69	46	67	63	38	14	5	2	
Latex Natural	10	17	11	15	8	8	2	2	...	
Block Rubber	25	23	2	1	2	1	1	...	...	
Other	15	16	10	18	15	14	9	4	2	
<b>Coconut</b>	141	171	166	166	266	209	205	356	352	
Kernal Product	60	82	58	56	136	80	86	214	222	
Other	81	89	108	110	130	129	119	142	130	
<b>Other Agricultural Exports</b>	208	243	215	335	379	388	529	511	600	
<b>Seafood</b>	163	165	171	192	185	198	234	253	163	
<b>Total</b>	1,647	1,976	1,836	2,306	2,528	2,332	2,581	2,794	2,482	

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

... Negligible

- Not Available

(a) Provisional

## Imports

Total expenditure on imports declined marginally by 2.5 percent to US\$ 18,935 million in 2015. Import expenditure on intermediate goods remained as the major contributor to the decline of total imports and it accounted for 51 percent of total imports. The decline was attributable to the 41.3 percent, in value terms, drop in expenditure on fuel imports stemming from significant decline in oil prices in international market. The average import price of crude oil nearly halved to US dollars 54.80 per barrel in 2015, compared to US dollars 104.53 per barrel recorded in 2014. However, vehicles imported for personal use and investment purpose increased by 51.6 percent and 31.6 percent, respectively and enhanced demand for durable goods were offset the potential gain from the fall in commodity prices. In addition, expenditure on wheat, maize, textiles and textiles articles, paper and paper boards, diamonds, precious stones and base metals also contributed to the decline reflecting the decline of prices in international market. However, import expenditure on fertilizer grew by 6.3 percent during the year mainly due to the increase domestic demand.

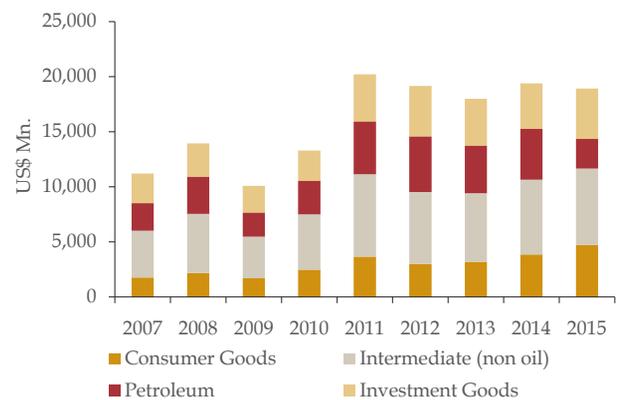
Expenditure on consumer goods imports increased by 22.3 percent to US\$ 4,713.5 million in 2015, mainly due to an increase in the non-food consumer goods by 39.1 percent. However, import expenditure on food and beverages marginally decreased to US\$ 1627.8 million, reflecting the decline expenditure on rice, sugar and dairy products amidst the increase in fish imports by 55 percent. Rice imports declined by 52 percent to US\$ 135.1 million due to the increase of the SCL rates as a result of increased domestic rice production. Meanwhile, import expenditure on vegetables increased by 39.6 percent with the increase of imports of onions and lentils.

Meanwhile, expenditure on import of non-consumer goods increased by 39.1 percent to US\$ 3,085 million, mainly due to the significant growth in the import of vehicles. Motor vehicles imported for personal use grew significantly by 51.6 to US\$ 1,359.6 million, due to the reduction of Excise duty in early 2015 for vehicles less than 1000 cc engine capacity, depreciation of Japanese

Yen and low interest rates regime prevailed during

the year. However, with the upward revision of taxes on vehicles in November 2015, import expenditure on motor vehicles dropped significantly in December 2015. Furthermore, all other sub categories including clothing and accessories (38 percent), medical and pharmaceutical products (20.8 percent), rubber products (27.3 percent) and home appliances (41.3 percent) increased on a year-on-year basis during this period.

Chart 3.9 | Composition of Imports



The importation of investment goods also increased by 10.0 percent to US\$ 4,567 million with the increase in all sub-categories. Machinery and equipment, such as engineering equipment, electronic equipment, telecommunication and office machinery, which represent nearly 50 percent of investment goods grew by 6.9 percent to US\$ 2,278 million while transport equipment such as road vehicles and agricultural tractors and building materials increased by 31.6 percent and 3.3 percent, respectively.

## Current Account

In 2015, current account deficit marginally widened to US\$ 2,009 million in comparison to US\$ 1,988 million recorded in 2014 despite the expansion of trade and income deficits. This was further benefitted from the surplus recorded in the Service and Secondary income accounts. However, the current account deficit to GDP ratio declined slightly to 2.4 percent of GDP from 2.5 percent of GDP in 2014 with the moderate growth in GDP. Slowdown in export income and increase demand for import goods caused to widen trade

deficit marginally by 1.7 percent to US\$ 8,430 million in 2015, compared to the deficit of US\$ 8,287 million recorded in the previous year with the low expenditure on fuel. The surplus in the service account helped cushion the deficits in

trade and income accounts amidst the marginal drop in workers' remittances by 0.5 percent and government transfers by 4.3 percent.

Table 3.15 | Value of Industrial Exports

Category	US\$ Mn									
	2007	2008	2009	2010	2011	2012	2013	2014	2015 (a)	
<b>Textile and Garments</b>	3,337	3,478	3,261	3,356	4,191	3,991	4,508	4,930	4,820	
Garments	3,144	3,284	3,120	3,178	3,986	3,784	4,265	4,682	4,556	
Woven Fabrics	61	66	55	70	85	92	124	90	102	
Yarn	45	44	42	50	57	58	58	68	63	
Other Made Up Textile Articles	86	84	44	57	64	56	61	90	100	
<b>Rubber Products</b>	483	542	385	558	885	860	888	890	761	
Rubber Tyres	309	337	213	336	569	540	551	564	467	
Surgical Gloves and Other Gloves	111	117	114	137	181	177	195	176	165	
Other Rubber Products	64	88	58	85	135	143	141	150	130	
<b>Petroleum and Chemical Products</b>	248	326	208	356	671	580	548	472	500	
<b>Gems, Diamonds and Jewellery</b>	474	514	402	409	532	559	446	394	332	
Gems	105	76	69	70	95	118	130	173	164	
Cut Diamonds	348	418	317	322	414	417	295	198	148	
Jewellery	22	20	17	17	22	24	21	22	19	
Machinery and Mechanical Appliances	371	322	187	259	312	297	312	343	294	
Food, Beverages and Tobacco	323	244	183	245	348	284	235	289	265	
Milling Industry Products	48	62	40	71	142	90	37	43	31	
Vegetable, Fruit and Nut Preparations	29	49	55	51	61	59	63	80	87	
Cereal Preparations	7	11	9	11	19	20	25	22	21	
Fish Preparations	1	1	1	1	...	...	...	1	...	
Manufactured Tobacco	23	28	24	26	41	47	49	56	58	
Other	215	93	54	85	85	67	61	88	68	
<b>Other Industrial Exports</b>	700	686	602	914	1,053	801	813	944	1,003	
<b>Total</b>	5,937	6,112	5,228	6,097	7,992	7,371	7,749	8,262	7,976	

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

... Negligible

(a) Provisional

Table 3.16 | Value of Imports

Category	US\$ Mn.							
	2009	2010	2011	2012	2013	2014	2015(a)	
<b>Consumer Goods</b>	1,565	2,476	3,654	2,995	3,182	3,853	4,714	
Food and Beverages	933	1,322	1,567	1,304	1,368	1,634	1,628	
Sugar	218	363	426	345	289	256	253	
Milk and Milk Products	165	259	345	307	291	339	251	
Rice	23	59	18	24	18	282	135	
Flour	1	1	14	5	2	2	2	
Fish	119	128	147	134	162	141	218	
Other Food and Beverages	407	512	617	489	607	614	769	
Potatoes	23.0	36.9	35.7	22.7	28.5	35.8	35.5	
Chilies	42.5	44.2	82.4	46.4	49.3	59.6	77.3	
Onions	60.0	96.0	86.0	51.9	100.1	65.3	122.0	
Lentils	113.0	129.0	116.8	68.9	104.1	121.2	148.0	
Green Gram	10.7	15.6	13.8	7.3	11.2	13.7	27.2	

Table 3.16 | Value of Imports contd...

Category	US\$ Mn.						
	2009	2010	2011	2012	2013	2014	2015(a)
Peas	12.9	14.9	18.5	19.0	19.9	21.8	31.8
Chick Peas	17.7	17.8	26.9	25.6	20.5	20.0	23.7
Kurakkan	0.6	0.6	0.6	0.4	...	0.2	0.1
Oil and Fat	14.0	19.0	25.9	20.0	59.2	20	34
Spices	65.0	72.0	111.0	68.0	79.9	98	113
Non-food Consumables	632	1,154	2,087	1,691	1,814	2,219	3,086
Vehicles	93	455	881	495	582	897	1,360
Home appliances-Radio and Television Sets	24	45	118	118	103	86	120
Rubber Products	46	72	83	80	88	90	114
Medical and Pharmaceutical Products	202	217	348	372	378	381	460
Household and Furniture Items	61	88	127	117	125	134	150
Other	206	277	530	509	538	632	882
Garments	98.9	94.4	112.0	131.9	157.6	227.0	321.4
Other Articals of Plastices	18.3	20.7	33.0	35.4	515.2	608.0	615.4
Printed Books	21.5	19.8	15.0	14.1	11.9	10.4	10.7
Fans	7.0	12.3	23.1	23.4	27.4	24.4	33.5
Washing Preparations	11.0	10.6	6.0	6.0	5.6	4.3	4.0
Powders, Makeup	4.8	5.6	10.7	6.8	8.1	6.7	9.0
Gas Cookers	3.7	5.0	9.4	6.4	6.8	5.7	9.2
<b>Intermediate Goods</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>	<b>9,638</b>
Fertilizer	182	240	407	311	239	272	290
Petroleum	2,184	3,041	4,795	5,045	4,308	4,597	2,700
Chemical Products	432	520	702	670	734	808	870
Paper and Paper Boards	264	350	427	363	380	490	477
Wheat and Maize	269	265	429	364	323	405	357
Textile	1,529	1,812	2,321	2,266	2,046	2,328	2,296
Diamond and Presious Metals	277	378	1,076	588	483	175	162
Base Metal	167	239	354	440	406	478	471
Vehicle and Machinery Parts	127	176	223	211	210	228	264
Other Intermediate Goods	728	1,033	1,540	1,320	1,425	1,616	1,752
Semi Finished Products of Iron	72	91	157	256	238	168	151
Polymer of Ethylene	76	103	109	99	106	142	84
Unmanufactured Tobacco	39	31	52	71	62	70	83
Palm Oil (Refined')	35	68	161	67	81	123	111
<b>Investment Goods</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>4,567</b>
Machinery and Equipment	1,077	1,339	2,141	2,356	2,222	2,131	2,278
Recorders and Primary Batteries	107	87	124	138	152	n.a.	n.a.
Medical Instrument and Appliance - Used	54	63	81	87	92	104	117
Wire Cables (Electrical)	11	38	33	32	34	33	37
Gas Cylinders (For Industries)	3	6	12	n.a.	n.a.	n.a.	n.a.
<b>Transport Equipment</b>	<b>357</b>	<b>593</b>	<b>1,065</b>	<b>992</b>	<b>668</b>	<b>707</b>	<b>931</b>
<b>Building Material</b>	<b>656</b>	<b>822</b>	<b>1,076</b>	<b>1,237</b>	<b>1,357</b>	<b>1,309</b>	<b>1,352</b>
Iron Pipe & Tube	88	108	85	84	70	56	57
<b>Other Investment Goods</b>	<b>3</b>	<b>4</b>	<b>4</b>	<b>5</b>	<b>6</b>	<b>5</b>	<b>6</b>
<b>Unclassified Imports</b>	<b>390</b>	<b>162</b>	<b>54</b>	<b>28</b>	<b>14</b>	<b>14</b>	<b>16</b>
<b>Total Imports</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>	<b>18,935</b>

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

... Negligible

--Not Available

(a) Provisional

Table 3.17 | Import of Services (Gross Expenditure)

Item	US\$ Mn								
	2007	2008	2009	2010	2011	2012	2013	2014(b)	2015(a)
Transportation Services	597	702	631	817	953	1,172	1,382	1,462	1,579
Computer and Information Services	-	-	-	-	-	-	281	398*	429*
Travel and Tourism	393	428	411	453	501	710	1,188	1,263	1,420
Communication Services	54	55	54	56	57	68	87	-	-
Construction Services	6	6	6	6	7	9	26	29	30
Insurance Services	40	47	46	50	55	64	85	90	92
Other Business Services	349	330	319	348	373	464	383	408	443
Government Expenditure n.i.e.	34	35	35	38	39	51	73	77	79
<b>Total</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>	<b>4,072</b>

Sources: Central Bank of Sri Lanka

--Not Available

\* with Communication service

(a) Provisional

(b) Revised

Table 3.18 | Export of Services (Gross Income)

Item	US\$ Mn								
	2007	2008	2009	2010	2011	2012	2013	2014(b)	2015(a)
Transportation Services	840	1,000	865	1,162	1,392	1,634	1,784	1,923	2,105
Computer and Information Services	110	230	245	265	355	448	604	748*	805*
Travel and Tourism	385	342	350	576	830	1,039	1,715	2,431	2,981
Communication Services	72	81	80	83	85	109	114	-	-
Construction Services	33	40	40	42	43	50	55	58	60
Insurance Services	55	68	75	80	91	107	109	115	119
Other Business Services	196	222	219	245	266	387	275	299	297
Government Expenditure n.i.e.	20	21	19	21	22	27	28	31	31
<b>Total</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>	<b>6,397</b>

Sources: Central Bank of Sri Lanka

--Not Available

\* with Communication service

(a) Provisional

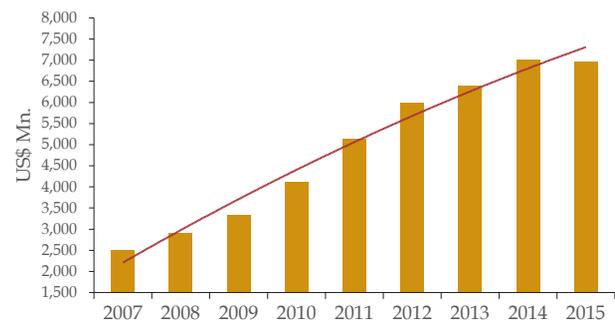
(b) Revised

## Workers' Remittances

In 2015, workers' remittances decreased marginally by 0.5 percent to US\$ 6,980.3 million compared to 9.5 percent growth recorded in 2014. The total number of workers that migrated for foreign employments declined by 14.2 percent to 263,307 in 2015 from 300,703 in 2014. The labor migration under skilled category including professionals increased by 12.5 percent whereas the migration under semi-skilled and unskilled categories has decreased by 23.2 percent. Decline in workers' migration in un-skilled category including housemaids due to the associate social issues, increased geo-political uncertainty in oil exporting countries in the Middle East followed by the drop in income of such countries as a result of the decline in oil prices contributed to the decline in remittances. It is expected to change the composition of the workers' remittances with

the government policy to discourage migration of unskilled labour while encouraging semi-skilled and skilled labour including professionals to high income economies.

Chart 3.10 | Workers' Remittances



## Earnings from Tourism

Earnings from tourism continued its growth momentum in 2015, with the peaceful environment in the country together with the ongoing strategic investments in the tourism sector. The continuous increase in tourist arrivals and average tourist spending helped increase tourist earnings by 22.6 percent to US\$ 2,981 million in 2015, compared to US\$ 2,431 million in 2014. The tourist arrivals in 2015 increased by 17.8 percent to 1,798,380, compared to 1,527,153 arrivals in 2014. Also, the average spending per tourist per day increased to US\$ 164.1 in 2015, compared to US\$ 160.8 in 2014 while the average duration of stay per tourist increased to 10.1 days in 2015 from 9.9 days in 2014 supported by the increase of high-end tourists and increased investments and facilities provided by the hoteliers. Meanwhile, India continued to be the largest tourist origin followed by China, UK, Germany, Maldives and France. These six countries accounted for 54.8 percent of tourist arrivals to Sri Lanka in 2015.

## Balance of Payments and External Reserves

The BOP recorded a deficit of US\$ 1,489 million in 2015 in comparison to the surplus of US\$ 1,369 million in 2014 reflecting a slowdown of inflows to the financial account during the year.

Meanwhile, the gross official reserves decreased to US\$ 7.3 billion by end 2015 from US\$ 8.2 billion by end 2014 mainly due to the scheduled foreign currency debt service payments, payments made under International Monetary Fund Stand By Arrangement (IMF- SBA), settlement of the matured International Sovereign Bonds (ISB) and supply of foreign exchange to the domestic market by the CBSL. Moreover, the total external reserves amounted to US\$ 9.3 billion by end 2015 decreased from US\$ 9.9 billion in 2014. The gross official reserves and total external reserves were sufficient to 4.6 months of imports and 5.9 months of imports, respectively by end 2015. Accordingly, gross official reserves was above the international benchmark of 3 months of imports and also total external reserves covered 60 percent of short term debt and liabilities of the country.

Chart 3.11 | Balance of Payments

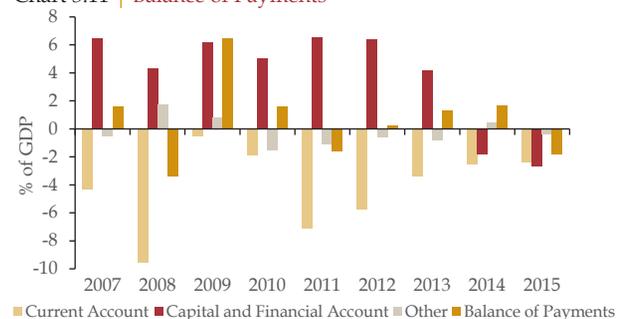


Table 3.19 | Balance of Payments: 2008 - 2015

Item	US\$. Mn								
	2008	2009	2010	2011	2012	2013	2014 (b)	2015 (a)	
<b>Trade Balance</b>	-5,981	-3,122	-4,825	-9,710	-9,417	-7,609	-8,287	-8,430	
Exports	8,111	7,085	9,626	10,559	9,774	10,394	11,130	10,505	
Imports	14,091	10,207	13,451	20,269	19,190	18,003	19,417	18,935	
<b>Service (net)</b>	401	391	707	1,099	1,262	1,180	1,880	2,325	
Receipts	2,004	1,892	2,474	3,084	3,800	4,685	5,605	6,397	
Payments	1,603	1,501	1,768	1,985	2,538	3,505	3,725	4,072	
<b>Income (net)</b>	-972	-488	-617	-647	-1,219	-1,751	-1,808	-2,097	
Receipts	-32	116	323	467	142	132	155	127	
Payments	940	603	940	1,114	1,361	1,883	1,963	2,224	
<b>Goods, Services and Income (net)</b>	-6,552	-3,219	-4,735	-9,258	-9,374	-8,180	-8,215	-8,202	
<b>Current Transfers (net)</b>	2,666	3,005	3,660	4,643	5,392	5,639	6,227	6,193	
Private Transfers(net)	2,565	2,927	3,608	4,583	5,339	5,619	6,199	6,167	
Receipts (Workers' Remittances)	2,918	3,330	4,116	5,145	5,985	6,407	7,018	6,980	
Payments	353	403	508	562	646	788	819	814	
Official Transfers (net)	101	77	52	60	53	21	28	27	

Table 3.19 | Balance of Payments: 2008 - 2015

Item	US\$. Mn							
	2008	2009	2010	2011	2012	2013	2014 (b)	2015 (a)
<b>Current Account</b>	-3,886	-214	-1,075	-4,615	-3,982	-2,541	-1,988	-2,009
<b>Capital Account</b>	291	233	164	164	130	71	58	46
<b>Current and Capital Account</b>	-3,595	19	-911	-4,451	-3,851	-2,470	-1,929	-1,962
<b>Financial Account(c)</b>	1,483	2,361	2,713	4,098	4,263	3,064	-1,536	-2,271
Long Term Capital (net)	1,016	1,303	2,380	3,308	2,587	2,314	1,968	1,135
Direct Investment (net)	691	384	435	896	871	868	894	681
Private Long Term (net)	74	79	149	175	724	605	429	-16
Govt. Long Term (net)	252	840	1,796	2,237	992	841	646	470
Short Term (net)	466	1,058	334	790	1,676	750	-432	1,136
<b>Overall Balance (Balance of Payments)</b>	-1,385	2,725	921	-1,059	151	985	1,369	-1,489
<b>As a percentage of GDP</b>								
Trade Deficit	-14.7	-7.4	-8.5	-14.9	-13.8	-10.2	-10.4	-10.2
Current Account Deficit	-9.5	-0.5	-1.9	-7.1	-5.8	-3.4	-2.5	-2.4

Source: Central Bank of Sri Lanka

(a) Provisional

(b) Revised

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

### 3.6 Monetary Sector Developments

The Central Bank of Sri Lanka (CBSL) adopted an accommodative monetary policy stance during 2015. Several policy adjustments were made during 2015 to boost economic activities. The 5 percent special Standing Deposit Facility (SDF) was removed to provide impetus for private sector credit growth on 02nd March 2015. As a result, overnight interest rates moved upwards and settled within the policy rate corridor, closer to the lower bound.

On 15th April 2015, the Standing Deposit Facility Rate (SDFR), and Standing Lending Facility Rate (SLFR) reduced by 50 basis points to 6.00 percent and 7.50 percent, respectively to accelerate economic growth. The SDFR and SLFR remained unchanged up until 19th February 2016. Since then, SDFR and SLFR increased by 50 basis points each, to 6.50 percent and 8.00 percent, respectively to stabilize macro-economic condition of the country. Meanwhile, the CBSL accommodated a greater flexibility in exchange rate on 03rd September 2015. Benefiting from the relaxed monetary policy stance adopted by the CBSL, market interest rates adjusted to downwards Accordingly, the Average Weighted Call Money Rate (AWCMR) increased by 19 basis points to 6.04 percent and monthly Average

Weighted Prime Lending Rate (AWPLR) increased by 105 basis points to 7.04 percent in 2015. Meanwhile, the Weighted Average Yield Rates on 91 days, 182 days and 364 days Treasury Bills were also increased by 71, 99 and 129 basis points, respectively from end December 2014 to end December 2015. Conversely, in line with the policy interest rates, Average Weighted Deposit Rate (AWDR) stood at 6.20 percent, having return to the same level that prevailed at end 2014. The Average Weighted Fixed Deposit Rate (AWFDR) increased by 24 basis points to 7.57 percent by end 2015. Also, the Average weighted Lending Rate (AWLR) declined to 11.0 percent in 2015 from 11.91 percent at end 2014.

Chart 3.12 | Reserve Money and Private Sector Credit Growth

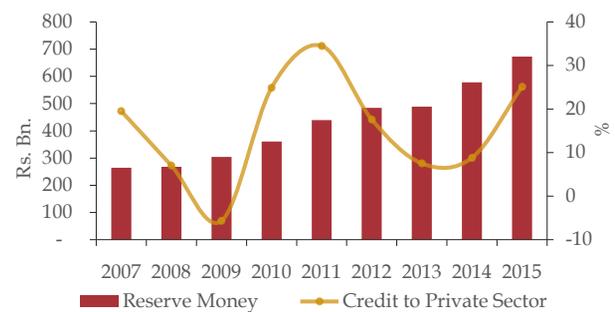
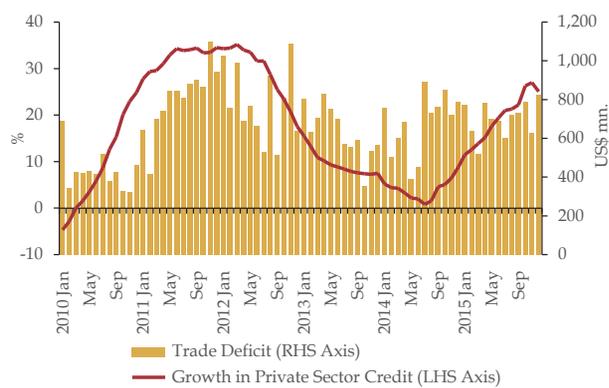


Chart 3.13 | Private Sector Credit Growth and Trade Deficit



The broad money (M2b) increased by 16.8 percent on a year-on-year basis mainly due to the expansion in credit flow to both public and private sectors. Growth in private sector credit expanded to 25.1 percent in 2015, compared to 8.8 percent recorded in 2014. Private sector credit in absolute terms was Rs. 691.4 billion in 2015, compared to an increase of Rs. 223.9 billion in 2014. The sector-wise classification of credit growth indicates that credit expansion was mainly due to the intake of credit to industry and service sectors.

 Table 3.20 | Outstanding Loans and Advances Granted by Commercial Banks <sup>(a)(b)</sup>

Item	Rs. Bn			2015/ 2014 % Change
	2013	2014	2015	
<b>Agriculture and Fishing</b>	304.9	287.3	309.0	7.5
o/w				
Tea	54.3	68.5	72.7	6.1
Rubber	18.9	20.8	18.5	-11.3
Coconut	7.0	7.8	12.2	56.4
Paddy	14.8	16.9	19.0	12.7
Vegetable, Fruits and Minor Food Crops	14.7	16.4	20.0	21.8
Fisheries	10.4	11.7	11.0	-5.9
<b>Industry</b>	899.6	1,118.0	1,397.5	25.0
o/w				
Construction	384.2	469.8	639.2	36.1
Food and Beverages	60.6	71.1	85.4	20.1
Textiles and Apparel	106.0	148.5	129.9	-12.6
Machinery and Transport Equipment	86.0	101.0	124.9	23.7

Item	Rs. Bn			2015/ 2014 % Change
	2013	2014	2015	
<b>Services</b>	616.6	709.3	950.9	34.1
o/w				
Wholesale and Retail Trade	233.8	230.8	273.0	18.3
Tourism	63.0	76.8	102.9	34.1
Financial and Business Services	117.7	147.5	217.6	47.5
<b>Personal Loans and Advances</b>	684.8	651.6	771.1	18.3
o/w				
Consumer Durables	74.9	92.0	143.5	56.0
Pawning	292.9	172.7	133.4	-22.7
<b>Total</b>	2,535.0	2,766.2	3,428.5	23.9

Source: Central Bank of Sri Lanka

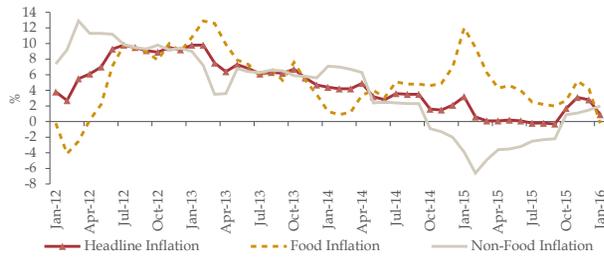
(a) Based on the Quarterly Survey of commercial banks' loans and advances to the private sector

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

### 3.7. Inflation

Inflation, as measured by the change in the Colombo Consumers' Price Index (CCPI) (base year 2006/07), both annual average and year-on-year basis continued to remain low at single digit levels for seventh consecutive year. The downward revisions of administered prices of key essential food items, electricity and petroleum products coupled with the higher base of the corresponding period in 2014 helped keep the inflation below mid-single digit level. This was further supported by the relaxed monetary policy adopted by the Central bank, and supply side improvements both in domestic and International markets. Meanwhile, the year-on-year headline inflation in selected non-food items such as, housing, water, electricity gas and other fuels, communication and transport declined from January to September. The average headline inflation decreased to 0.9 in December 2015 from 3.3 in 2014 which was the lowest percentage ever recorded since 1977. Also, core inflation, on year-on-year basis, declined gradually to 3.1 percent in December 2015 from 3.5 percent in December 2014. Inflation is envisaged to turn-up in 2016 with the pressure arising from demand in the economy.

Chart 3.14 | Headline Inflation, Food Inflation & Non-Food Inflation



### 3.8 Equity Market Developments

The Equity Market activities demonstrated a slower performance in 2015 due to a volatility of price movements in the indices. The price indices, such as All Share Price Index (ASPI), S&P SL 20 Index and average annual turnover levels, market capitalization declined while net foreign sales also dropped. This negative effect on the equity market was mainly driven by the increased uncertainty over policy and political arena,

exchange rate pressures shifting investors to high yielding equity markets in advanced economies emanated from adverse global slowdown despite the fact that there was a low interest rate regime in Sri Lanka. As such, the ASPI which is the major stock market index with the performance of all companies listed in the CSE declined by 5.5 percent in 2015 compared to 23.4 percent increase in 2014. Also, the S&P SL 20 Index declined by 11.3 percent in 2015, compared to 25.3 percent increase in 2014. Accordingly, the market capitalization dropped by 5.4 percent to Rs. 2,938 billion as at the end December 2015, compared to Rs. 3,105 billion as at the end December 2014. In terms of business volume in terms of value, the average turnover, declined significantly by 25.8 percent to Rs. 253 billion in 2015. The cumulative value of foreign sales increased by 7.5 percent to Rs. 89,790 million whereas foreign purchases declined by 19.4 percent to Rs. 84,418 million in 2015, compared to the previous year resulting a net outflow of Rs. 5,372 million in 2015.

Table 3.21 | Movements in the Capital Market

Indicators	2007	2008	2009	2010	2011	2012	2013	2014	2015
All Share Price Index (1985=100)	2,541	1,503	3,386	6,636	6,074	5,643	5,913	7,299	6,895
Milanka Price Index	3,292	1,631	3,849	7,061	5,229	-	-	-	-
S&P SL 20 Index*	-	-	-	-	-	3,085	3,264	4,089	3,626
Market Capitalization (Rs. Bn.)	821	489	1,092	2,210	2,214	2,168	2,460	3,105	2,938
No. of Listed Companies in Trading	231	235	232	242	272	287	289	294	294
Annual Average Turnover (Rs. Bn.)	105	110	142	570	546	214	200	341	253
Foreign Sales (Rs. Mn.)	35,543	52,682	43,899	118,761	68,854	33,972	60,873	83,554	89,790
Foreign Purchases (Rs. Mn.)	46,797	66,632	43,253	92,426	49,875	72,653	83,657	104,771	84,418

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



# Reforms | 04

## 4.1 Overview

The developmental framework of the new Government which aims to consolidate Sri Lanka as an upper middle income country in the medium term is driven by a reform agenda that is focused on addressing issues related to the maintenance of macroeconomic stability, lapses in the governance structure and impediments in the business environment for expansion and growth.

It is with this in mind the Government has identified legal and judicial reforms to update the laws and procedures to suit the modern requirements of the 21st Century. This is reflected in the Budget 2016 which includes several proposals for law reforms intended to create a more efficient, simple and predictable legal system for Sri Lanka. Such a system is an essential prerequisite to achieve the economic goals of the Government. To facilitate this process the Government has allocated a sum of Rupees Five Hundred Million to the Ministry of Justice for the purpose of law reform. The Government also has initiated administrative, tactical and operational reforms to facilitate a better delivery of public service, to ensure an equitable and fair allocation of resources thus paving the way for social equity and justice.

In this background the year 2015 was significant in so far that its reforms package was led by the passing of the 19th Amendment, which is a key reform not only in its impact on strengthening the independence of the public sector and its functions but also on the improvement of the accountability and transparency of this sector. While the improvement in governance is important in creating macroeconomic stability and a credible business environment, the year 2015 also saw the introduction of new tax laws, the establishment of institutions such as the Ministry of Public Enterprises and the Doing Business Unit of the Ministry of Finance aimed specifically at improving macroeconomic stability and the business environment of the country.

## 4.2 Reforms Towards a Better Governance Structures

With the advent of social media as a powerful tool for collecting, analyzing and dissemination of information, the awareness of every aspect of society specially Government functions is greater than what it may have been a decade or more ago. As such, armed with an increased level of information and knowledge, the demands for greater integrity and probity from the public institutions and the public officials for every rupee earned and spent has also been on the rise.

Thus it is in this context that reforms in the governance structure were considered a key aspect of the new Government's modus operandi. As such, the passage of the 19th Amendment to the Constitution with almost 2/3rds majority on 28th April 2015 was one of the key reforms undertaken in 2015. The Constitutional Council which is the key body in the 19th Amendment was set up in the year 2015. The Speaker is the Chairman of the Constitutional Council, which constitutes of the Prime Minister, the Opposition Leader and 7 other Members.

**Audit Service Commission:** Government having acknowledged that an independent, empowered and well-resourced national audit office is a key requirement in maintaining fiscal accountability through the verification of the effectiveness and strength of internal controls, ensuring compliance with laws and regulations, accurate and timely financial reporting and the maintenance of a culture of ethical behavior, with integrity and probity, established the Audit Service Commission(ASC) as sanctioned by the 19th Amendment to the Constitution. The ASC which will be chaired by the Auditor General will consist of 4 members and it is empowered with the appointment, dismissal and promotion of the members of the National Audit Service.

In order to give effect to better management of public finance, to ensure stronger Parliamentary control over public finance and better accountability in the use of public resources and to enhance the powers, functions and independence

of the Auditor General, the Government is in the process of introducing new legislation in the form of a National Audit Act which is expected to be implemented from early 2017. It is expected that this will enable better overall management of public resources.

**National procurement Commission:** Of the Government expenditure around 22% is incurred on procurement of goods, works, services and consultancy services. Given the range of goods and services procured and the quantum of public funds utilized, it is important that the methodologies adopted in procurement are modern and are up to date, which ensures efficacy, transparency and accountability of those engaged in this function. As such the Procurement Commission which is sanctioned by the 19th Amendment to the Constitution is entrusted with the formulation of fair, equitable, transparent, competitive and cost effective procedures and guidelines, for the procurement of goods, services, works, consultancy services and information systems by Government institutions. The Procurement Commission was appointed in the year 2015 and it is now engaged in formulating new procurement guidelines encompassing modern concepts such as e-procurements.

**Right to information Bill:** Given the Government's vision of empowering its citizens, the Government also was engaged in drafting of the Right to Information Bill (RTI) which has now been presented in Parliament. The RTI allows every citizen the right to be informed and to request for information on issues that has an impact on the lives of all citizens, thus empowering the people to be more aware of the functions and operations of the Government. However, it is noted that the RTI has also provisions to safeguard matters of national interest.

Apart from the National Audit Commission and the National Procurement Commission the 19th Amendment also sanctioned the appointment of the Election Commission, Public Service Commission, National Police Commission, Human Right Commission, together with the Commission to investigate allegations of

Bribery and Corruption, Finance Commission, Delimitation Commission and University Grants Commission which were already in existence previously. The appointment of these independent commissions that deals with key aspects of society especially those institutions and functions that help to uphold the basic principles of democracy ensuring justice and equitable sharing of resources will help to enhance the credibility and trust in the country's legal framework, and bureaucracy.

### 4.3 Reforms towards Macroeconomic Stability

The prolonged global economic crisis with low commodity prices, volatile financial markets that is exhibiting sharp increase in risk aversion leading to capital flight, coupled with domestic weather related issues may it be drought, floods, landslides and public health hazards such as Dengue, Zika, SARS have all resulted in exacerbating macroeconomic instabilities that is already prevalent in a middle income emerging economy such as Sri Lanka.

In Sri Lanka, these instabilities are reflected through the tightening of the fiscal space with increasing deficits led by weak revenue performance and an increase in expenditures specially non-discretionary expenditures, decrease in demand for exports especially given the low commodity price regime coupled with export destinations that are suffering from economic woes, low reserves and high inflation.

Given the impact of such heightened macroeconomic instabilities the Government initiated a series of reforms aimed at addressing these concerns.

**Tax Law and Tax Systems:** During 2015, the Government decided to review existing tax laws and the tax systems and make such reform as necessary to simplify the management and payment of taxes, to improve overall efficiency of the system to suit modern times, to reduce the number of taxes and to discourage illegal practices in the process and to deter manipulation

## BOX 4.1 | Public-Private Partnerships as a Catalyst for Development

During the post-conflict period of 2009-2015, the Government embarked on a rapid public investment programme to address the long neglected infrastructure needs of the country, that was hampered due to the conflict that prevailed. However, almost 06 years into the post-conflict period, with the country attaining middle income status, the demands placed on the Government has distinctively changed. As such, the Government's development strategy is converted around urban Megapolis development, water and sewerage, expressway development, health, education and skills development. However, for the government to engage in these development work on its own would require almost a tripling of its public investment per annum. This will however create significant imbalance, given the limited resources envelope of the Government, specially in the context of fiscal consolidate trajectory that the Government is committed to.

Nevertheless, resource constraints are not unique to Sri Lanka alone, but is a constraint common to many countries that is grappling with many demands on its limited resources. This lead to many countries looking for alternatives and 'Public Private Partnerships' or 'PPPs' as its commonly known have been identified as a potential solution that facilitates Governments to meet the demands placed on these without necessarily engaging in privatization. PPP's allow Governments to mobilize and allocate private sector capital, technology and entrepreneurship efficiently and effectively enabling Governments to meet the responsibilities and the demands placed upon it by its citizens.

It is in this background that the Government has decided, as announced in the Budget 2016, to utilize PPPs in its development strategy specially in urban development, expressways, power generation, etc. For PPP's to be successful, a consistent policy environment specially with regard to taxes and land ownership coupled with a legal framework, which inter alia ensures contract enforcement and dispute resolutions, are crucial. In addition, a well prepared investment framework will facilitate the private sector to better understand the investment priorities of the country. At the same time a clear PPP policy with a well defined legal, regulatory institutions and investment framework will facilitate to attract private players with the requisite capacities.

### PPP models

A wide spectrum of PPP models has emerged and they vary mainly by:

- Ownership of capital assets
- Responsibility for investment
- Assumption of risks ; and
- Duration of contract

Depending on the approach of sharing the responsibility between public and private sectors, many PPP models have been identified. Some of the major PPP models are;

	PPP Model	Description
1	Operations & Maintenance (O&M)	Contracts with a private partner to provide and/or maintain a public facility or system. The public partner retains ownership and overall management.
2	Operations, Maintenance & Management (OMM)	Contracts with a private partner to operate, maintain and manage a public facility or system providing a service. The public partner retains ownership of the public facility of system.
3	Design - Build (DB)	The private partner provides both design and construction of a project to the public agency. The public sector partner owns the assets and is responsible for the operation and maintenance.
4	Design-Build-Maintain (DBM)	Similar to a DB except the maintenance of the facility for some period of time becomes the responsibility of the private sector partner. The public sector partner owns and operates the assets.
5	Design-Build-Operate (DBO)	A single contract is awarded for the design, construction, and operation of a capital improvement. Title to the facility remains with the public sector.
6	Design-Build-Operate-Maintain (DBOM)	An integrated partnership that combines the design and construction responsibilities of design-build procurements with operations and maintenance. These project components are procured from the private sector as a single contract with financing secured by the public sector. The public agency maintains ownership and retains a significant level of oversight of the operations through terms defined in the contract.
7	Design-Build-Finance-Operate-Maintain (DBFOM) and Design-Build-Finance-Operate-Maintain-Transfer (DBFOMT)	The responsibilities for designing, building, financing, operating and maintaining are bundled together and transferred to private sector partners. DBFOMT is same as DBFOM except that the private sector owns the asset until the end of the contract when the ownership is transferred to the public sector.
8	Build-Operate-Transfer (BOT)	The private partner builds a facility to the specifications agreed to by the public agency, operates the facility for a specified time period under a contract or franchise agreement with the agency, and then transfers the facility to the agency at the end of the specified period of time.
9	Build-Own-Operate (BOO)	The contractor constructs and operates a facility without transferring ownership to the public sector. Legal title to the facility remains with the private sector, and there is no obligation for the public sector to purchase the facility or take title.
10	Turnkey	A public agency contracts with a private investor to design and build a complete facility in accordance with specified performance standards. In a turnkey transaction, financing and ownership of the facility can rest with either the public or private partner.

(Source : National Council for Public-Private Partnerships, U.S.A)

## PPPs in Sri Lanka

Sri Lanka's experiences in PPPs are as follows.

### a) South Asia Gateway Terminal Project (SAGT)

In August 1999, Sri Lanka Ports Authority (SLPA) entered into a concessional agreement with the South Asia Gateway Terminals (SAGT) (Private) Limited for construction, management and operation of a container terminal in the Port of Colombo under Build, Operate and Transfer (BOT). SAGT is a 940m long, 15m deep draft terminal with a capacity to handle 1.8 million TEU annually. Total investment of this project amounted to approximately US dollars 200 million. SLPA owns 15% shares of the SAGT while the balance is owned by local and international shareholders of the company. This BOT agreement has a tenure of 30 years.

### b) Colombo South Container Terminal Development Project (SCT)

Development of the first container terminal, namely the SCT of the Colombo Port Expansion Project was entrusted to the Colombo International Container Terminals Limited (CICT) under Build, Operate and Transfer (BOT) basis. SCT is a 18m deep draft terminal with 1200m straight quay wall to accommodate 3 to 4 berths with a container handling capacity of almost 2.4 million TEUs per annum. The construction work of the SCT commenced in December 2011 and completed in April 2014 and with a total investment of around US dollars 500 million by CICT. The shareholding of SLPA in CICT is 15% while 85% of the shares are owned by China Merchants Holdings (International) Co. Ltd. The term of the BOT Agreement is 35 years and at the end of the term, the terminal infrastructure facilities will be transferred to SLPA. While CICT's revenue is through the terminal operations, CICT is charged a throughput based royalty and land leased by the SLPA.

### c) Colombo East Container Terminal Development Project

The Government of Sri Lanka and the Asian Development Bank (ADB) signed a Transaction Advisory Services Agreement on 23 February 2016 to design, build, operate, maintain and transfer certain port facilities at the East Container Terminal of Colombo Port through a PPP. The ADB functions as the transaction advisor in relation to preparation, structuring and procurements of the project. ADB expects to provide the services in three phases to the client; phase zero - to update the feasibility study prepared initially by the client; phase one - to conduct a PPP option analysis to identify an optimal structure for the project and phase two - to support the tender procedure.

#### References:

1. *Public-Private Partnership Handbook*, Asian Development Bank
2. *Guidelines for successful Public-Private Partnerships*, European Commission, Directorate -General Regional Policy
3. *A Guidebook on Public-Private Partnership in Infrastructure*; United Nation's Economic & Social Commission for Asia and Pacific
4. *How to engage with the private sector in Public-Private Partnerships in emerging markets*, The World Bank

of the tax system and the engaging in fraudulent activities.

The aim is to simplify and improve the taxation process thereby encouraging and stimulating better tax management and tax payment and reducing inconvenience to the tax payers. A simple and efficient taxation system would result in better management and payment of taxes, improvement of business confidence and growth of business, trade and commerce and attract more local and foreign business participation in the country. In this regard the Government envisages the drafting of a modern Inland Revenue Act that is benchmarked with two best practices by end of 2016.

**Welfare Benefits Act:** There are almost 39 household transfer schemes in existence which are supported by the national budget accounting for almost 14% of the national budget in 2015 which is around 3.4% of GDP. The two key issues which ail social benefit schemes are the proper identification of prospective beneficiaries and the seamless transfer of benefits. Since the Government is keen on ensuring that the welfare schemes are rationalized, the Welfare Benefits Act of 2002 has been in operation since February 2016. The rationalization of welfare benefit will allow channelling of more benefits to the vulnerable groups within our society covering not only the traditional means or assistance for the differently abled, health care, support for education and elderly benefit but will allow expansion of the social safety network to cover the contingencies arising from issues such as loss of employment as well. It is proposed to effect all such payments through a banking network which has significant presence within the Country. This method which is fairly transparent will allow a seamless transfer of benefits without interference, leakage or corruption.

The Welfare Benefits Act 2002 could be brought into operation by Order of the Minister and subsequently amended to further align the Act with the proposals made. In order to properly implement the benefits schemes it would be necessary to establish an electronic data base and information management system.

Law reforms are being made for the Implementation of a welfare benefits system identifying those in need of benefits and disburse benefits commensurate with the requirements of those in need.

**State Owned Enterprises:** There are almost 55 States Owned Business Enterprises (SOBE) that play a key role in the economy, with total assets accounting for almost 71.5% of GDP in 2015 with total profits and losses amounting to Rs74.21 Billion. Commercial SOE's performance over the years have been erratic. This demands significant structural reforms. It is in this context that the Government has established a Ministry of Public Enterprises Development which is entrusted with the monitoring and supervision of the performance of Public enterprises.

**Amendments to the Finance Act:** The Finance Act No 38 of 1971 which is applicable in managing the Public Corporations and Statutory Bodies have not been revised since it first came in to effect in 1971.

The 1971 Finance Act is being reviewed in order to ascertain the legal reforms necessary in the context of the new reform package which includes the establishment of a holding company similar to "Temasek Holdings" of Singapore.

## 4.4 Reforms in the Business Environment

In the Ease of Doing Business Index (EDBI) for 2016 compiled by the World Bank, Sri Lanka ranked 107<sup>th</sup> among 189 Countries. This is an improvement of 6 places as compared to the 2015 Index in which Sri Lanka was ranked 113<sup>th</sup>. Even though Sri Lanka's ranking has improved in 2016 compared to 2015, and is better than the South Asian average, Sri Lanka lags behind its competitors especially in the South East Asian region, such as Vietnam, Philippines, and Malaysia etc.

The EDBI simply provides an indicator of the country's business environment, which is also

marked by significant red tape, lack of modern infrastructure, archaic labour laws and lack of skills in certain sectors. In this background, the Government expressed a keenness in its operations to ensure a more vibrant and dynamic business environment which has the capacity to attract good quality foreign investments. In this context the Government commenced several reform initiatives aimed at addressing these issues.

**The introduction of ICT systems:** The new Integrated Treasury Management Information System (ITMIS) of the General Treasury, Revenue Administration and Management Information System (RAMIS) of the Inland Revenue Department and Customs Management Systems of Department of Customs are envisaged to facilitate a broad basing of the tax base, while ensuring better coordination and interfacing with each other as well as other respective Government entities.

Both ITMIS and RAMIS systems are currently being deployed in a phased manner and Government-wide implementation of ITMIS is expected to be completed in 2017 while RAMIS is due to be implemented in year 2016.

The implementation of ITMIS and RAMIS would lead to better transparency in the State's tax and fiscal operations and will lead to national development in the long term.

**Securities and Exchange Commission (SEC):** The Government having recognized the importance of a developed capital market has commenced the work on several initiatives. In this regard one of the main reforms envisaged is the drafting of a new SEC Act which has been benchmarked on the IASCO principles and one key aspect that it addresses is the possible demutualization of the Colombo Stock Exchange and the establishment of the Central Counterparty Clearinghouse (CCP).

The present laws governing capital markets are outdated and lack regulatory mechanisms to deal with a number of issues that have arisen in present market operations. The penal and

investigatory provisions need to be reviewed and strengthened in order to deal effectively with the new forms of crime which have taken place in the recent past.

**Land Alienation Act:** This Act which required the payment of lease rentals upfront was recommended for suspension as it was considered a significant impediment to the sustainability of ongoing businesses while it also increased the cost of entry of foreign investments into the country. The required legislative amendments which have already been drafted will be submitted to Parliament.

**National Medicines Regulatory Authority Act:** The lack of a proper medicinal policy legislature has been an issue in the country. This led to the health sector standards being compromised with low quality medicinal drugs and equipment being imported. Thus to this end the National Medicines Regulatory Authority Act drafted for the purposed of addressing such shortcomings was passed in parliament in March 2015. This Act which deals with the regulation of medicinal drugs has established the National Medicines Regulatory Authority which comprises 13 members headed by a Chairman. The Authority will be responsible for the regulation and control of, registration, licensing, manufacturing, importation and all other aspects pertaining to medicines, medical devices and borderline products. The National Medicines Regulatory Authority will also be responsible for conducting of clinical trials in a manner compatible with the National Medicines Policy.

**Ease of Doing Business Unit:** Various surveys including the ease of doing Business index have indicated that Government red tape has contributed significantly in creating barriers in the environment for private entrepreneurs and businesses to operate smoothly and efficiently. To address such complaints the Ministry of Finance established the Ease of Doing Business Unit (EODBU) in May 2015 to be a conduit between the private sector and the Treasury in addressing the issues that the private sector faces in conducting their operations. This unit has organized a

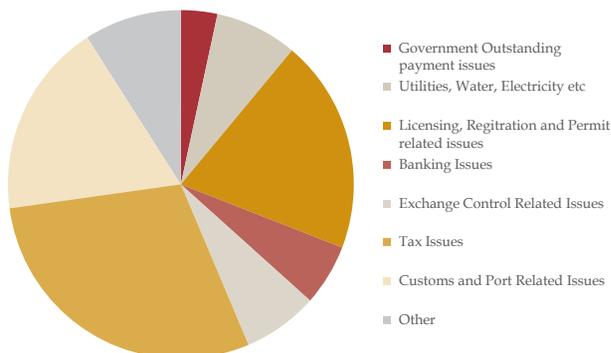
series of Ease of Doing Business Fora’s in 2015 from its inaugural meeting on 14th May 2015 and also launched a web portal dedicated to the EODBU. This web portal enables the submission of queries directly to the designated officers of the 75 Government institutions which have so far registered with the EODBU. From May 2015 to April 2016 seven forums have been held under this initiative.

The queries that are submitted through the web portal are administered and monitored by the EODB unit and necessary follow-ups are taken with the Government institutions to solve those queries. Most of the Government institutions that are registered with EODBU have also established “Public Relations Offices” within their institutions to provide a more efficient service to the private sector entities and the general public.

Since May 2015, EODB unit has received around 300 queries and out of which 80% of the queries were resolved. The balance queries which are related to policy matters are still in the process of being resolved, as they necessitate strategic level decisions, act amendments, obtaining cabinet approvals, issuing of gazette notifications, and other related matters.

The analysis of the queries based on the subject matter reveals that a majority has been on “tax related matters”, followed by on “licensing, registration, and permits related matters” (Chart 1). “Customs and Ports related issues” accounted for one fifth of the total queries received.

Chart 4.1 | Composition of EODB Queries



## 4.5 Key Legal Reforms Identified in the Budget 2016

- Payment Guarantee Security Act
- Public Wealth Trust
- Colombo International Financial Centre (CIFC)
- Public Private Partnership Act
- Inclusion of the National Water Supply and Drainage Board and the Ceylon Petroleum Corporation within the regulatory framework of the Public Utilities Commission of Sri Lanka.
- Expanding the scope of the National Transport Commission Act to include regulations of three wheelers, taxis, school vans and cargo transportation vehicles.

Table 4.1 | List of Acts presented to Parliament by the Ministry of Finance - 2015

No.	Description
01	Appropriation (Amendment) Act No. 01 of 2015
02	Inland Revenue (Amendment) Act No. 09 of 2015
03	Finance Act No. 10 of 2015
04	Value Added Tax (Amendment) Act No. 11 of 2015
05	Nation Building Tax (Amendment) Act No. 12 of 2015
06	Economic Service Charge (Amendment) Act No. 13 of 2015
07	Betting & Gaming Levy (Amendment) Act No. 14 of 2015
08	Appropriation (Amendment) Act No. 15 of 2015
09	Appropriation Act No. 16 of 2015

Table 4.2 | Lists of the Circular Instructions Issued by the Ministry of Finance – 2015

Ministry of Finance Circulars		
Date	Circular No	Subject
15-05-2015	MF 01/2015/01	Release of Foreign Exchange on Official Travels and related Expenses
Department of Budget		
Date	Circular No	Subject
29.12.2015	NBC-2015-07	Authorization of Expenditure of Budget 2016 and Public Expenditure Management
29.12.2015	NBC-2015-06	Monitoring of Financial and Physical Performance of Activities Financed by the National Budget
09.12.2015	NBC-2015-05	Revision and Accounting of 2015 budget
02.10.2015	NBC-2015-04	Public Expenditure Management- Printing of Calendars and Diaries
29.07.2015	NBC-2015-03	2016-Budget Call Guidelines and Directions for Preparation of Annual Budget Estimates-2016
24.07.2015	Letter-BD/GPS/130/9/14/MC-II	General instruction on issuing Moter bike to filed officers to implement budget proposal 2014/2015
31.03.2015	NBC-2015-02	Management of Public Expenditure-Financial
19.02.2015	NBC-2015-01	Budget revision 2015 - Authrization of expenditure allocation of resources as per the assignment of subject of ministries and records of Accounts.
Department of Public Enterprise		
Date	Circular No	Subject
17.06.2015	PED 03/2015	Payment of Allowances to Chairmen, Executive, Non-Executive Directors and Observers
25.05.2015	PED 02/2015	Provision of Communication Facilities for the Officers in Commercial Corporations, Statutory Boards and State Owned Companies
25.05.2015	PED 01/2015	Transport Facilities for the Officers in Commercial Corporations, Statutory Boards and State Owned Companies
Department of Management Services		
Date	Circular No	Subject
2015.12.09	MSD-02/2015	Payment of Bonus to Employees of Government Corporations and Fully Owned Government Companies for the Year 2015
2015.09.21	MSD-01/2015	Payment of Interim Allowances to the Officers serving on contract basis in Government Corporations, Statutory Boards and fully owned Government Companies as per the Budget proposals 2015
Department of Fiscal Policy		
Date	Circular No	Subject
2015.12.31	01/2010(i)	Implementation of Budget 2016 Transfer of Nation Building Tax (NBT) Revenue to the Provincial Councils
2015.07.20	01/2015	Guidelines on Estimation, Collection , Monitoring and Reporting of Government Revenue
Department of Trade and Investment Policy		
Date	Circular No	Subject
20.11.2015	01/2013(VI)	suspension of Issuing Motor Vehicle Permits on Concessionary Terms
11.02.2015	01/(2013(V)	Issuing Motor Vehicle Permits on Concessionary Terms
09.02.2015	01/(2013(IV)	Issuing Motor Vehicle Permits on Concessionary Terms
Department of Public Finance		
Date	Circular No	Subject
2015.07.14	04/2015	Provision of general insurance cover for the Government Institutions
2015.07.14	03/2015	Amendment of FR. 371 Under Financial Regulation 1992
2015.07.10	02/2015	Disposal of Condemned Vehicles in the Public Institutions
2015.06.29	01/2015	To provide general insurance policy for State Institution
This circular is replaced with the circular 04/2015		
2015.03.10	03/2014(I)	Provision of Communication Facilities for the Public Officers and Government Institutions and Settlement of Bills

<b>Department of Treasury Operations</b>		
<b>Date</b>	<b>Circular No</b>	<b>Subject</b>
14.12.2015	TOD-08-2015	Collection of information for the determination of annual imprest limit to each Department for the Payments under the budgetary provisions provided in the Appropriation Act 2016
09.12.2015	TOD-07-2015	Statement of Arrears of Revenue - 31. 12. 2015
23.11.2015	TOD-06-2015	Closing of Cash Books for 2015 and Settlement of Imprest Accounts
23.10.2015	TOD-05-2015	Treasury Approval for Opening of Official Bank Accounts
15.10.2015	TOD-04-2015	Payment of Salaries, Salary Advances and pensions for the year 2016
08.07.2015	TOD-03-2015	Payment of 2015 July Salary in advance on account of Ramazan Festival due on 18th July 2015
21.05.2015	TOD-02-2015	Statement of Arrears of Revenue-30.06.2015
21.05.2015	TOD-01-2015	Revenue Estimates for Year 2016
<b>Department of State Accounts</b>		
<b>Date</b>	<b>Circular No</b>	<b>Subject</b>
2015.12.29	SAD-247-2015	Revenue Account of the year 2015
2015.12.21	SAD-246-2015	Transmission of Accounting Data Through Monthly Summaries of Accounts to the Department of State Accounts during the year 2016
2015.12.10	SAD-245-2015	Appropriation Account - 2015
2015.10.29	SAD-244-2015	Closing of Accounts for the Financial Year-2015
2015.06.24	SAD-243-2015	Strengthening of Parliamentary Financial Control
2015.05.27	SAD-242-2015	New Cigas Training Program



**Fiscal Developments**

**05**

## 5.1 Overview

The overall fiscal policy strategy of the government has been formulated to support the broad based development objectives of improving living standards of the people while sustaining fiscal consolidation process. Although, the government has committed to consolidate fiscal stance of the country, this process became challenging in 2015 due to unfavorable and challenging domestic and international economic conditions. A sluggish performance of the government revenue than expected increasing rigidity of recurrent expenditure and high resource demand for education and health sectors created pressure on the fiscal consolidation process. Although, the government expected to reduce budget deficit to 5.6 percent of GDP in 2015 as envisaged in the Medium Term Macro Fiscal Framework (MTMFF) 2015-2018, there was a significant aberration from the fiscal targets in 2015 with the deficit increasing to 7.4 percent of GDP from 5.7 percent recorded in 2014. This aberration was due to the low tax revenue combined with increased recurrent expenditure emanating from the increase public sector salary and wages and pension payments followed by rising interest and transfer payments. The deficit was mainly financed by domestic sources (71.5 percent) due to the fall of foreign financing (28.5 percent) in 2015. With these developments, fiscal consolidation was made further difficult with the increase public debt to 76.0 percent of GDP in 2015 from 70.7 percent in 2014. Meanwhile, recognizing the importance of enhancing tax revenue to GDP ratio to keep pace with economic growth, the government has taken several policy measures to rationalize tax exemptions, simplify the tax system, broaden the tax base and strengthen the tax administration in 2015.

Upon the continuous efforts made on administration and policy fronts, total government revenue to GDP ratio increased in 2015, reversing the declining trend experienced mainly in last few years. The ratio increased to 13.0 percent in 2015 from 11.4 percent in 2014 while tax revenue as a percentage of GDP enhanced to 12.1 percent from 10.1 percent in the previous year benefiting from Rs. 50 billion

collected from the Super Gain Tax (SGT), which is a one-off tax levied on the certain earned profits and the increase revenue from excise duty on motor vehicle imports. The non-tax revenue as a percentage of GDP declined significantly to 0.9 percent from 1.4 percent in 2014. In nominal terms, government revenue increased by 21.7 percent to Rs. 1,454.9 billion in 2015 from Rs. 1,195.2 billion in 2014. The total tax revenue increased significantly by 29.1 percent to Rs. 1,355.8 billion in 2015 from Rs. 1,050.4 billion in 2014.

The domestic consumption-based taxes increased by 16.7 percent to Rs. 347.6 billion in 2015, in comparison to Rs. 298.0 billion in 2014 while the import based-taxes such as import duties, Special Commodity Levy (SCL) and Ports and Airports Development Levy (PAL) also increased by 36.7 percent due to the rise of imports of consumption goods, including motor vehicles and food items. Meanwhile, revenue generated from corporate and non-corporate tax increased in 2015 by 67.2 percent to Rs. 167.3 billion of which Rs. 50 billion was from the one off tax imposed on profits while the revenue from Pay-As-You-Earn (PAYE) tax increased by 17.5 percent to Rs. 26.2 billion in 2015 from Rs. 22.3 billion in 2014 due to the upward revision of salaries. However, tax on interest income declined by 9.6 percent to Rs. 62.9 billion during 2015 reflecting the reduction of issuance of the Treasury Bills during the year and the Economic Service Charge (ESC) declined to Rs. 6.1 billion in the same period. Also, the non-tax revenue decreased by 31.6 percent to Rs. 99.1 billion in 2015 due to the absence of the Central Bank profits and the decline of profits and dividends from State Owned Business Enterprises (SOBEs).

The total expenditure and net lending as a percentage of GDP increased to 20.5 percent in 2015 from 17.2 percent in 2014. This was mainly due to enhanced recurrent expenditure to 15.2 percent of GDP in 2015 from 12.7 percent in 2014 stemming from increased expenditure on salaries and wages emanating from increased public servants' salaries, interest payments, and subsidies and transfers. In nominal terms, the recurrent expenditure increased by 28.6 percent

Table 5.1 | Summary of Government Fiscal Operations

	Rs. Mn.			
Item	2012	2013	2014	2015 (Provisional)
<b>Total Revenue and Grants</b>	<b>1,067,533</b>	<b>1,153,306</b>	<b>1,204,621</b>	<b>1,460,892</b>
<b>Total Revenue</b>	<b>1,051,462</b>	<b>1,137,447</b>	<b>1,195,206</b>	<b>1,454,878</b>
Tax Revenue	908,915	1,005,895	1,050,362	1,355,779
Income Tax	172,594	205,666	198,115	262,583
Taxes on Goods and Services	519,648	572,323	615,832	803,798
Taxes on External Trade	216,673	227,906	236,415	289,398
Non Tax Revenue	142,547	131,552	144,844	99,099
<b>Grants</b>	<b>16,071</b>	<b>15,859</b>	<b>9,415</b>	<b>6,014</b>
<b>Total Expenditure &amp; Net Lending</b>	<b>1,556,497</b>	<b>1,669,396</b>	<b>1,795,865</b>	<b>2,290,394</b>
<b>Recurrent Expenditure</b>	<b>1,131,021</b>	<b>1,205,180</b>	<b>1,322,898</b>	<b>1,701,657</b>
Personnel Emoluments	347,747	393,228	440,982	561,730
Interest	408,498	444,007	436,395	527,227
Subsidies and Transfers	234,692	248,549	282,869	387,716
Other Goods and Services	140,086	119,396	162,652	224,984
<b>Capital and Net Lending</b>	<b>425,476</b>	<b>464,216</b>	<b>472,967</b>	<b>588,737</b>
Public Investment	443,973	481,204	486,610	602,768
Other	-18,497	-16,988	-13,643	-14,031
<b>Revenue Surplus(+)/Deficit(-)</b>	<b>-79,559</b>	<b>-67,733</b>	<b>-127,692</b>	<b>-246,779</b>
<b>Primary Surplus(+)/Deficit(-)</b>	<b>-80,466</b>	<b>-72,083</b>	<b>-154,849</b>	<b>-302,275</b>
<b>Budget Surplus(+)/Deficit(-)</b>	<b>-488,964</b>	<b>-516,090</b>	<b>-591,244</b>	<b>-829,502</b>
<b>Total Net Financing</b>	<b>488,964</b>	<b>516,090</b>	<b>591,244</b>	<b>829,502</b>
<b>Net Foreign Financing (Net)</b>	<b>180,760</b>	<b>67,904</b>	<b>211,743</b>	<b>236,803</b>
Gross Foreign Borrowing	364,593	179,287	329,326	521,096
Repayments	-183,833	-111,383	-117,583	-284,293
<b>Net Domestic Financing (Net)</b>	<b>308,204</b>	<b>448,186</b>	<b>379,501</b>	<b>592,699</b>
Non Bank Financing (Net)	70,984	82,414	265,155	300,858
Foreign Investment in T Bills and Bonds	105,693	55,795	781	222,967
Bank Borrowings (Net) (a)	131,527	309,977	113,566	68,875
Privatization Proceeds	-	-	-	-
	<b>As a % of GDP</b>			
<b>Revenue and Grants</b>	<b>12.2</b>	<b>12.0</b>	<b>11.5</b>	<b>13.1</b>
<b>Total Revenue</b>	<b>12.0</b>	<b>11.9</b>	<b>11.4</b>	<b>13.0</b>
Tax Revenue	10.4	10.5	10.1	12.1
Non Tax Revenue	1.6	1.4	1.4	0.9
<b>Grants</b>	<b>0.2</b>	<b>0.2</b>	<b>0.1</b>	<b>0.1</b>
<b>Total Expenditure &amp; Net Lending</b>	<b>17.8</b>	<b>17.4</b>	<b>17.2</b>	<b>20.5</b>
Recurrent Expenditure	13.0	12.6	12.7	15.2
Public Investment	5.1	5.0	4.7	5.4
<b>Revenue Surplus(+)/Deficit(-)</b>	<b>-0.9</b>	<b>-0.7</b>	<b>-1.2</b>	<b>-2.2</b>
<b>Primary Surplus(+)/Deficit(-)</b>	<b>-0.9</b>	<b>-0.8</b>	<b>-1.5</b>	<b>-2.7</b>
<b>Budget Surplus(+)/Deficit(-)</b>	<b>-5.6</b>	<b>-5.4</b>	<b>-5.7</b>	<b>-7.4</b>
<b>Total Net Financing</b>	<b>5.6</b>	<b>5.4</b>	<b>5.7</b>	<b>7.4</b>
<b>Net Foreign Financing</b>	<b>2.1</b>	<b>0.7</b>	<b>2.0</b>	<b>2.1</b>
<b>Net Domestic Financing</b>	<b>3.5</b>	<b>4.7</b>	<b>3.6</b>	<b>5.3</b>

Sources: Department of Treasury Operations, Department of State Accounts and Department of Fiscal Policy  
(a) Including other borrowings (net)

to Rs. 1,701.7 billion in 2015 from Rs. 1,322.9 billion in 2014. As a result, the revenue deficit also increased to 2.2 percent of GDP in 2015 from 1.2 percent in 2014. Meanwhile, the capital expenditure and net lending increased by 24.5 percent to Rs. 588.7 billion in nominal terms, to 5.3 percent of GDP in 2015 from 4.5 percent in 2014. In addition, public investment to GDP ratio also increased moderately to 5.4 percent in 2015 from 4.7 percent in 2014. The overall budget deficit in 2015 increased significantly to Rs. 829.5 billion in comparison to the envisaged target of Rs. 516 billion.

On net basis, 71.5 percent or Rs. 592.7 billion of the overall budget deficit was financed through domestic sources while the balance 28.5 percent or Rs. 236.8 billion was financed through foreign sources. The government borrowings from the banking sector declined by 45.7 percent whereas borrowing from non-banking sector increased by 13.5 percent in 2015 in comparison to 2014.

Table 5.2 | Estimated and Actual Revenue &amp; Expenditure - 2015

Item	Estimated	Actual	Rs. Mn. Deviation
<b>Total Revenue</b>	<b>1,428,200</b>	<b>1,454,878</b>	<b>26,678</b>
<b>Tax Revenue</b>	<b>1,292,700</b>	<b>1,355,779</b>	<b>63,079</b>
<b>Department of Inland Revenue</b>			
Tax on Income and Profit	252,600	262,583	9,983
VAT - Domestic (Net)	140,000	130,527	-9,473
Nation Building Tax (Domestic)	30,000	28,044	-1,956
<b>Sub Total</b>	<b>422,600</b>	<b>421,154</b>	<b>-1,446</b>
<b>Department of Customs</b>			
Import Duty	92,000	132,189	40,189
VAT - Imports (Net)	90,000	89,173	-827
Nation Building Tax (Import)	18,000	16,960	-1,040
PAL	55,000	58,644	3,644
Cess Levy	45,400	46,289	889
Special Commodity Levy & Other	56,000	52,276	-3,724
Excise Special Provisions	364,035	392,358	28,323
Cigarettes	80,035	79,984	-51
Petroleum	34,000	45,092	11,092
Motor Vehicles & other	250,000	267,282	17,282
<b>Sub Total</b>	<b>720,435</b>	<b>787,889</b>	<b>67,454</b>
<b>Department of Excise</b>			
Liquor/Tobacco	105,000	105,265	265
<b>Sub Total</b>	<b>105,000</b>	<b>105,265</b>	<b>265</b>
<b>Other</b>			
Telecommunication Levy	34,000	33,358	-642
License Tax & Other	10,665	8,113	-2,552
<b>Sub Total</b>	<b>44,665</b>	<b>41,471</b>	<b>-3,194</b>
<b>Non Tax Revenue</b>	<b>135,500</b>	<b>99,099</b>	<b>-36,401</b>
<b>Total Expenditure</b>	<b>2,095,000</b>	<b>2,290,394</b>	<b>195,394</b>
<b>Recurrent Expenditure</b>	<b>1,590,000</b>	<b>1,701,657</b>	<b>111,657</b>
Salaries and Wages	570,000	561,730	-8,270
Interest Payments	492,000	527,227	35,227
Pension Payments	158,000	156,577	-1,423
Transfers to Public Corporations & Institutions	60,200	73,935	13,735
Other	309,800	382,188	72,388
<b>Capital Expenditure and Net Lending</b>	<b>505,000</b>	<b>588,737</b>	<b>83,737</b>

Sources: Department of Treasury Operations and Department of Fiscal Policy

Table 5.3 | Government Revenue

Item	2010	2011	2012	2013	2014	Rs. Mn.
						2015 (Provisional)
<b>Tax Revenue</b>	<b>724,748</b>	<b>845,697</b>	<b>908,915</b>	<b>1,005,895</b>	<b>1,050,362</b>	<b>1,355,779</b>
Income Tax	135,624	157,310	172,594	205,666	198,115	262,583
VAT	219,990	225,858	229,604	250,523	275,350	219,700
Nation Building Tax	46,022	35,667	38,736	40,937	44,583	45,004
Excise Duty	129,864	204,821	223,960	250,700	256,691	497,623
Import Duties	64,165	79,811	80,155	83,123	81,108	132,189
Ports & Airports Development Levy	49,632	66,028	70,111	61,987	68,646	58,644
Special Commodity Levy	10,173	15,622	33,666	46,705	47,953	52,276
Other	69,278	60,580	60,089	66,255	77,916	87,760
<b>Non Tax Revenue</b>	<b>92,532</b>	<b>122,165</b>	<b>142,547</b>	<b>131,552</b>	<b>144,844</b>	<b>99,099</b>
Interest/ Rent	10,065	13,426	11,686	11,995	13,647	7,321
Profit and Dividends	31,301	34,351	46,761	35,169	46,814	29,798
Sales and Charge	22,925	37,292	26,019	40,720	35,499	44,632
Social Security Contribution	11,120	12,628	11,738	15,145	14,919	15,213
Central Bank Profit Transfers	15,000	22,000	43,000	26,350	11,500	-
Other	2,122	2,468	3,343	2,173	22,466	2,135
<b>Total Revenue</b>	<b>817,279</b>	<b>967,862</b>	<b>1,051,462</b>	<b>1,137,447</b>	<b>1,195,206</b>	<b>1,454,878</b>
as a % of GDP						
<b>Tax Revenue</b>	<b>11.3</b>	<b>11.7</b>	<b>10.4</b>	<b>10.5</b>	<b>10.1</b>	<b>12.1</b>
Income Tax	2.1	2.2	2.0	2.1	1.9	2.3
VAT	3.4	3.1	2.6	2.6	2.6	2.0
Nation Building Tax	0.7	0.5	0.4	0.4	0.4	0.4
Excise Duty	2.0	2.8	2.6	2.6	2.5	4.4
Import Duties	1.0	1.1	0.9	0.9	0.8	1.2
Ports & Airports Development Levy	0.8	0.9	0.8	0.6	0.7	0.5
Special Commodity Levy	0.2	0.2	0.4	0.5	0.5	0.5
Other	1.1	0.8	0.7	0.7	0.7	0.8
<b>Non Tax Revenue</b>	<b>1.4</b>	<b>1.7</b>	<b>1.6</b>	<b>1.4</b>	<b>1.4</b>	<b>0.9</b>
Interest/ Rent	0.2	0.2	0.1	0.1	0.1	0.1
Profit and Dividends	0.5	0.5	0.5	0.4	0.4	0.3
Sales and Charge	0.4	0.5	0.3	0.4	0.3	0.4
Social Security Contribution	0.2	0.2	0.1	0.2	0.1	0.1
Central Bank Profit Transfers	0.2	0.3	0.5	0.3	0.1	-
Other	...	...	...	...	0.2	...
<b>Total Revenue</b>	<b>12.7</b>	<b>13.4</b>	<b>12.0</b>	<b>11.9</b>	<b>11.4</b>	<b>13.0</b>

Sources: Department of Treasury Operations, Department of State Accounts and Department of Fiscal Policy  
 ... Negligible  
 - not available

Table 5.4 | Government Tax Revenue - By Source

Source	2014	2015 (Provisional)	Rs. Mn.
			2015/ 2014 Change (%)
<b>Income Tax</b>	<b>198,115</b>	<b>262,583</b>	<b>32.5</b>
Corporate & Non Corporate	100,046	167,325	67.2
PAYE	22,297	26,206	17.5
ESC	6,155	6,148	-0.1
Tax on Interest	69,617	62,904	-9.6
<b>Domestic Consumption Based Taxes</b>	<b>298,005</b>	<b>347,632</b>	<b>16.7</b>
VAT - Domestic	140,084	130,527	-6.8
NBT - Domestic	28,494	28,044	-1.6
Tax on Liquor	69,100	105,234	52.3
Tax on Cigarettes/Tobacco	57,240	80,015	39.8
Other (Excise)	3,087	3,812	23.5

Table 5.4 | Government Tax Revenue - By Source contd...

Source	2014	2015 (Provisional)	Rs. Mn
			2015/ 2014 Change (%)
<b>Import Based Taxes</b>	<b>515,032</b>	<b>704,093</b>	<b>36.7</b>
Import Duties	81,108	132,189	63.0
VAT - Import	135,266	89,173	-34.1
NBT - Import	16,089	16,960	5.4
PAL	68,646	58,644	-14.6
SCL	47,953	52,276	9.0
Cess Levy	38,707	46,289	19.6
Petroleum - Excise	28,732	45,092	56.9
Motor Vehicles - Excise	98,531	263,470	167.4
<b>Licence and Other</b>	<b>39,209</b>	<b>41,471</b>	<b>5.8</b>
Telecommunications Levy	31,351	33,358	6.4
Other	7,858	8,113	3.2
<b>Total Tax Revenue</b>	<b>1,050,362</b>	<b>1,355,779</b>	<b>29.1</b>

Source: Department of Fiscal Policy

Several measures were introduced to increase tax revenue from income tax, Value Added Tax (VAT), Nation Building Tax (NBT), SCL, Cess and import duties while addressing the issues in tax system in 2015. On the income taxes, tax free allowance for PAYE was increased from Rs. 600,000 to Rs. 750,000 to relief tax payers. On the indirect taxes, the quarterly turnover applicable for the imposition of VAT on wholesale and retail trade was reduced to Rs. 100 million from Rs. 250 million. VAT rate was reduced to 11 percent from 12 percent and VAT registration threshold was increased to Rs. 15 million from Rs. 12 million per annum. Several key measures have been continued in international trade-related taxes as well. The maintenance of four band tariff system (0, 7.5, 15 and 25), placement of intermediate goods which are necessary for the local value-added industries at a low tax regime and also rate revisions of Cess and SCL to support the domestic value addition while safeguarding the consumers continued. Meanwhile, periodic revisions were made to relevant excise duty rates to discourage the consumption of liquor and cigarettes while taking stringent measures to prevent illicit liquor, drugs and narcotics. In addition, Revenue Administration Management Information System (RAMIS) at the Inland Revenue Department (IRD) and a "Single Window" (SW) facility at the Sri Lanka Customs (SLC) were introduced in 2015 to strengthen their administration while the General Treasury is in

the process of finalization the Integrated Treasury Management Information System (ITMIS) to manage government resources efficiently.

Amidst these measures, several challenges are likely to occur in fiscal position of the government in 2016 as well. Fiscal consolidation is still challenging due to the declining fiscal revenue as anticipated stemming particularly from global economic meltdown which constraints required funding for human development and also capital expenditure to facilitate development. As such, simplification of the tax system and improving tax administration while improving adequacy and effectiveness of capital expenditure and rationalization of recurrent expenditure would help sustain fiscal space.

## 5.2 Government Revenue

A declining trend in total government revenue as a percentage of GDP that have been witnessed during the last two decades reversed in 2015 due to improved performance in tax collection amidst the poor performance in non-tax revenue. Accordingly, the total government revenue as a percentage of GDP increased to 13.0 percent in 2015 from 11.4 percent recorded in 2014 while tax revenue as a percentage of GDP enhanced to 12.1 percent from 10.1 percent in the previous year. However, non-tax revenue as a percentage

of GDP declined significantly to 0.9 percent from 1.4 percent in 2014. The total revenue collected in 2015 increased by 21.7 percent to Rs. 1,454.9 billion, in nominal terms, from Rs. 1,195.2 billion in 2014.

Chart 5.1 | Government Revenue

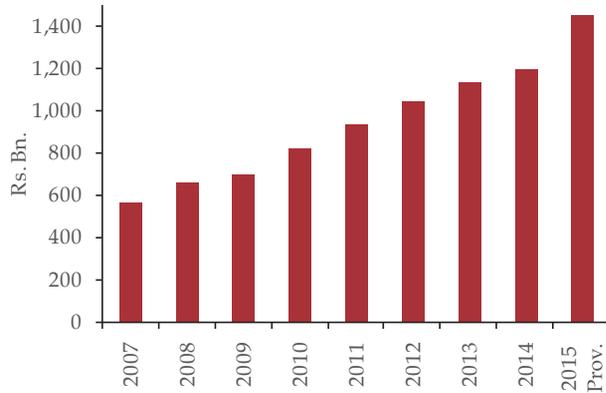
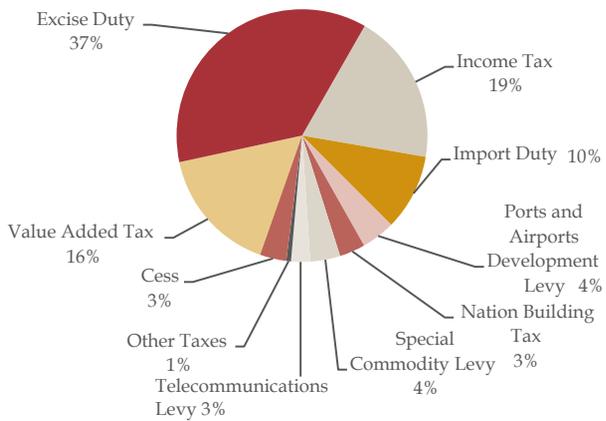


Chart 5.2 | Composition of Tax Revenue - 2015



### 5.2.1 Tax Revenue

#### Income Tax

The total revenue generated from income tax increased by 32.5 percent to Rs. 262.6 billion in 2015, in comparison to Rs. 198.1 billion in 2014. The revenue from the corporate and non-corporate income tax increased by 67.2 percent to Rs. 167.3 billion in 2015 mainly due to revenue generated from Super Gain Tax on profit as one off tax introduced in 2015. The amount collected from this revenue measure along was Rs. 50 billion. Further, revenue generated from the corporate sector increased by Rs. 14 billion to Rs. 106 billion in 2015 from Rs. 92 billion in 2014. The revenue from PAYE tax significantly increased by 17.5 percent to Rs. 26.2 billion in 2015, compared

to Rs. 22.3 billion in 2014, reflecting the increase in salaries both in public and private sectors and the rise in employments in high earning categories such as tourism, information technology and professional services.

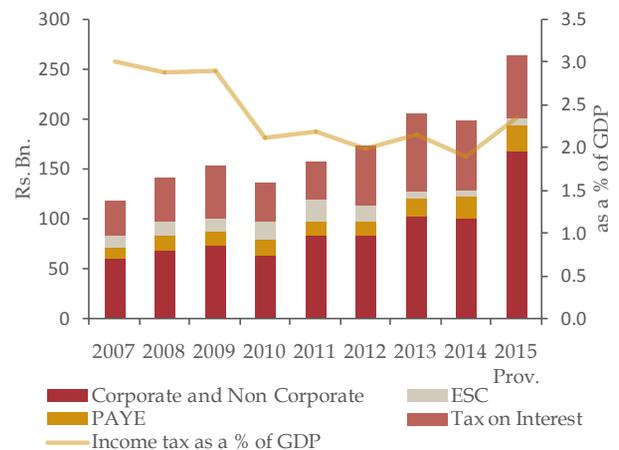
However, the revenue from tax on interest income declined by 9.6 percent to Rs. 62.9 billion in 2015, compared to Rs. 69.6 billion in 2014. This was mainly due to the relatively lower issuance of the government securities coupled with low interest rates. Further, introduction of single withholding tax rate of 2.5 percent and exemption of interest income of senior citizens had a impact on the decline. Also, the revenue collected from ESC marginally declined to Rs. 6.1 billion in 2015 reflecting the reduction of claims by companies which made losses or claimed exemptions as the ESC.

Table 5.5 | Performance of Income Tax

Item	2014	2015 (Provisional)	Growth %
Income Tax	198,115	262,583	32.5
Corporate & Non Corporate	100,046	167,325	67.2
PAYE	22,297	26,206	17.5
ESC	6,155	6,148	-0.1
Tax on Interest	69,617	62,904	-9.6

Source: Department of Fiscal Policy

Chart 5.3 | Performance of Income Tax



## Value Added Tax

The revenue collected from VAT declined by 20.2 percent to Rs. 219.7 billion in 2015 from Rs. 275.4 billion in 2014, declining its share to tax revenue to 16.2 percent from 26.2 percent in 2014. This decline was due to 6.8 percent drop in domestic VAT revenue to Rs. 13.5 billion coupled with 34.1 percent drop in VAT revenue on imports to Rs. 89.1 billion during this period. Reduction of VAT rate from 12 percent to 11 percent with effect from January 2015 along with the policy decision taken to increase the VAT registration threshold to Rs. 15 million per annum from Rs. 12 million per annum, which ultimately shrink the VAT base had a negative impact on both domestic and import VAT revenue in 2015.

Consequence to the low performance of construction, manufacturing sector, food, beverages and tobacco products and insurance and financial services activities contributed to the decline in domestic VAT revenue. Meanwhile, the decline in import VAT revenue was mainly due to the policy measures taken to abolish VAT and several other taxes applicable for the importation of motor vehicles, liquor, and tobacco as a measure of consolidation of the tax structure since October 2014.

## Excise Duty

The revenue collected from excise duty as a share of tax revenue increased to 36.7 percent in 2015 and was the highest single contributor to the tax revenue in 2015. The total revenue collected from excise duties in 2015 increased significantly by 93.9 percent to Rs. 497.6 billion from Rs. 256.7 billion in 2014. This was due to the increase excise taxes on liquor and tobacco, the rise of vehicle imports stemming from duty reduction of

motor cars less than 1000 cc engine capacity and imposition of an excise duty in place of several other taxes as a composite tax since October 2014.

The revenue generated from excise duty on motor vehicles significantly increased by 167.4 percent to Rs. 263.5 billion in 2015, compared to Rs. 98.5 billion in 2014, benefiting from increased duty rates coupled with higher importation of motor vehicles by 35.9 percent to 654,820 in 2015, from 482,003 in 2014. Further, relatively low interest rates, depreciation of Japanese Yen during the year were also benefited the increase of vehicle imports. In particular, the importation of motor cars was increased significantly by 165.3 percent to 108,866 in 2015, compared to 41,030 in the previous year, reflecting relatively lower vehicle tax structure for less than 1000 cc cars, hybrid and electric cars. Meanwhile, the number of new registrations of motor vehicles increased by 55.7 percent to 668,907 in 2015, compared to 429,556 in 2014. The revenue forgone from excise duty under the concessionary vehicle permit structure was Rs. 40.0 billion in 2015, compared to Rs. 28 billion in 2014. Meanwhile, the government introduced a unit rate of excise duty for the vehicles on the basis of cubic centimeters along with keeping ad-valorem rate applying the higher tax value to calculate the excise duty to strengthen the excise tax system by mitigating revenue loopholes due to undervaluation.

The revenue generated from excise duty on cigarettes and tobacco increased by 39.8 percent to Rs. 80.0 billion in 2015, compared to Rs. 57.2 billion in 2014 due to the increase of excise duty rates, absorbing VAT and NBT into the excise duty and enhanced production by 9.0 percent to 4,116 million sticks in 2015. However, the government has committed to reduce the consumption of cigarettes and liquor by imposing higher taxes

Table 5.6 | Value Added Tax Revenue

Item	Rs. Mn					
	2010	2011	2012	2013	2014	2015 (Provisional)
Domestic	129,046	111,245	112,214	124,658	140,413	131,662
Imports	99,669	120,961	120,539	126,538	136,221	89,174
<b>Gross Revenue</b>	<b>228,715</b>	<b>232,206</b>	<b>232,753</b>	<b>251,196</b>	<b>276,634</b>	<b>220,836</b>
Refunds	8,724	6,348	3,149	439	1,284	1,136
<b>Net Revenue</b>	<b>219,991</b>	<b>225,858</b>	<b>229,604</b>	<b>250,757</b>	<b>275,350</b>	<b>219,700</b>
<b>Net Revenue as a % of GDP</b>	<b>3.4</b>	<b>3.1</b>	<b>2.6</b>	<b>2.6</b>	<b>2.6</b>	<b>2.0</b>

Source: Department of Fiscal Policy

and other measures, such as pictorial warnings and awareness campaigns which will contribute to decline such revenue in future.

Moreover, revenue collected from excise duty on liquor increased by 52.3 percent to Rs. 105.0 billion in 2015, compared to Rs. 69.1 billion in 2014 owing to increased hard liquor production

by 17.9 percent, upward duty revisions of both hard liquor and malt liquor and absorption of NBT and VAT into the excise duty. Also, revenue collected from excise duty on petroleum products enhanced by 56.9 percent to Rs. 45.1 billion in 2015, compared to the previous year.

Table 5.4 | Cigarette Production and Excise Tax Revenue

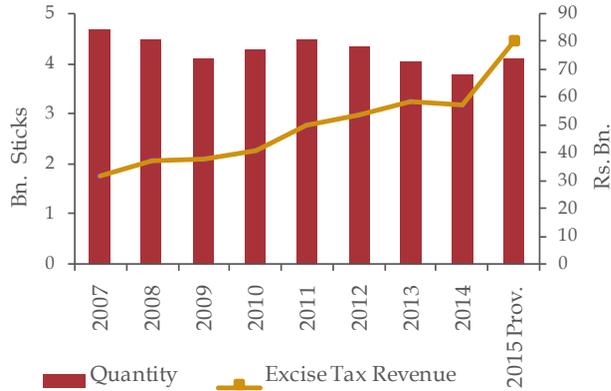


Table 5.5 | Liquor Production and Excise Tax Revenue

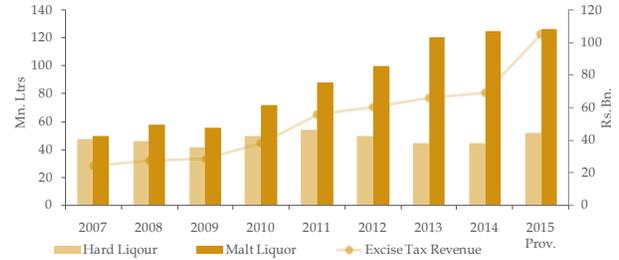


Table 5.7 | Production and Excise Tax Collection from Liquor and Cigarettes

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
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	3,777	-6.4	69.1	4.6	57.2	-2.3
2015	51.8	17.9	125.8	1.0	4,116	9.0	105.2	52.3	80.0	39.9

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

Table 5.8 | Excise Duty Revenue

Item	2010	2011	2012	2013	2014	Rs. Mn 2015 (Provisional)
Liquor	36,654	55,286	60,086	66,008	69,100	105,234
Cigarettes/Tobacco	40,675	49,623	53,563	58,567	57,240	80,015
Motor Vehicles	21,199	71,646	78,509	96,478	98,531	263,470
Petroleum Products	28,038	22,470	28,466	27,130	28,732	45,092
Other	3,298	5,798	3,336	2,516	3,087	3,812
<b>Total</b>	<b>129,864</b>	<b>204,821</b>	<b>223,960</b>	<b>250,700</b>	<b>256,690</b>	<b>497,623</b>

Source: Department of Fiscal Policy

## Import Duty

Revenue collected from import duty significantly increased by 63.0 percent to Rs. 132.2 billion in 2015 from Rs. 81.1 billion in 2014. This improvement was mainly due to a combined effect of increased duty rates of imported items and increased consumer goods imports during the year. Increased importation of vegetables, seafood and non-food consumer goods by 39.6 percent, 53.4 percent and 39.1 percent, respectively supported this surge.

Meanwhile, the importation of many products which are granted duty free or normal duty status under the Free Trade Agreements (FTA) to strengthen the bilateral and regional trade relationships also continued and import value of the goods imported such agreements amounted to Rs. 40 billion in 2015.

## Special Commodity Levy (SCL)

SCL is a composite tax introduced in 2007 on a number of essential commodities under the Special Commodity Levy Act, No. 48 of 2007 to overcome complexness associated with the application and administration of multiple taxes on essential commodities, encourage the local production and also to protect consumers due to escalation of prices in off-seasons with a cover of 39 commodities by end 2015.

The revenue from SCL increased by 9.0 percent to Rs. 52.3 billion in 2015, compared to Rs. 47.9 billion recorded in 2014. This improved performance was mainly due to the increase 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, Maldives fish, turmeric and chilies with effect from 30 January 2015 to reduce the cost of living of the people.

Table 5.9 | Motor Vehicle Imports

Item	No. of Motor Vehicles				% Change			
	2012	2013	2014	2015	2012	2013	2014	2015
Motor Bicycles	186,372	159,791	322,257	349,441	-26.1	-14.3	101.7	8.4
Three-Wheelers	93,284	80,586	83,233	132,865	-32.1	-13.6	3.3	59.6
Tractors	18,967	13,247	5,511	14,233	-29.4	-30.2	-58.4	158.3
Transport Vehicles	45,560	25,655	25,664	44,218	-18.3	-43.7	0.0	72.3
Passenger Van and Buses	3,245	1,627	3,906	4,687	-15.4	-49.9	140.1	20.0
Motor Cars	26,312	27,084	41,030	108,866	-53.3	2.9	51.5	165.3
Other	435	408	402	510	-43.4	-6.2	-1.5	26.9
<b>Total</b>	<b>374,175</b>	<b>308,398</b>	<b>482,003</b>	<b>654,820</b>	<b>-29.8</b>	<b>-17.6</b>	<b>56.3</b>	<b>35.9</b>

Source: Department of Customs

Table 5.10 | Special Commodity Levy Rates

Item	Rate (Rs. Per kg)	
	End 2014	End 2015
Sprats	26	11
Potatoes	10	15
Red Onions	5	5
B Onions	10	5
Garlic	40	40
Green Gram	40	10
Lentils - Whole	2	0.25
Split	5	0.25
Chilies - Not Crushed	25	25
Crushed	150	125
Canned fish	102	50
Sugar	28	30
Watana - Whole	15	15
Split	18	18
Chick Peas - Whole	7	7
Split	10	10
Black Gram	110	60
Cowpea	70	70
Maldive Fish	302	102
Dried Fish	102	102
Orange-Fresh	65	65
Grapes - Fresh	130	130
Apples - Fresh	45	45
Seeds of Coriander - Neither Crushed nor Ground	46	26
Seeds of Coriander - Crushed or Ground	202	52
Seeds of Cumin	162	162
Seeds of Fennel	52	52
Turmeric - Neither Crushed nor Ground	202	102
Turmeric - Other	510	360
Mathe - Seed	50	50
Kurakkan	70	70
Millet	70	70
Kurakkan Flour	150	150
Black Gram Flour	300	200
Ground Nut - Shelled	112	112
Mustard Seeds	62	62
Palm oil Crude	90	110
Palm oil Refine	110	130
Palm kernal Crude	110	130
Palm kernal Refine	125	145
Fish	10% of the CIF value or Rs. 10 per kg, whichever is higher	10% of the CIF value or Rs. 50 per kg, whichever is higher
Mackerel	10	6
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	10% per kg
Dates	-	60

Source :Department of Trade and Investment Policy

## Nation Building Tax (NBT)

The total revenue from NBT amounted to Rs. 45.0 billion in 2015, a marginal increase over Rs. 44.6 billion recorded in 2014. The revenue collected from NBT on domestic activities declined by 1.6 percent to Rs. 28.0 billion in 2015, compared to the previous year due to policy measures taken to abolish NBT and several other taxes applicable for the manufacturing of liquor and tobacco as a measure of consolidation of the tax structure since October 2014. Meanwhile, the revenue from NBT on imports increased by 5.4 percent to Rs. 16.9 billion, compared to the previous year owing to the increase of importation of consumer goods.

Table 5.11 | Transfer of NBT Revenue to Provincial Councils - 2015

Provincial Council	Revenue (Rs. Mn)	% of the Total
Western Province	10,801	48
Central Province	2,025	9
Southern Province	2,025	9
North Western Province	2,025	9
Sabaragamuwa Province	1,125	5
North Central Province	1,125	5
Uva Province	1,125	5
Eastern Province	1,125	5
Northern Province	1,125	5
<b>Total</b>	<b>22,502</b>	<b>100</b>

Source: Department of Fiscal Policy

However, NBT on services increased by 20.7 percent to Rs. 21.2 billion in 2015 due to the inclusion of financial services into the NBT base. The performance of retail trade and distribution, services and rent, manufacturing products, basic metal products, iron works, construction and concrete work, food and hotels and restaurants sector had a positive impact on the revenue from NBT. However, the performance of sectors, such as petroleum products, alcoholic beverages, tobacco, real estate agents, wholesale trade had a negative impact on the revenue from NBT. In 2015, Rs. 22.5 billion of NBT revenue was transferred to PCs under the revenue sharing mechanism introduced in 2011.

## Ports and Airports Development Levy (PAL)

Revenue generated from PAL declined by 14.6 percent to Rs. 58.6 billion in 2015, compared to Rs. 68.6 billion in 2014. This was mainly due to the deceleration of total imports by 2.5 percent including intermediate goods by 15.4 percent and cereals and milling industry products by 49.0 percent coupled with policy measures taken to abolish PAL and several other taxes applicable for the importation and manufacturing of liquor, tobacco and motor vehicles. Although, the standard rate of 5 percent applied to general goods, the certain items such as machinery, raw material used for pharmaceuticals and machineries were granted concessionary rates of either 2.5 percent or 2 percent.

## Telecommunications Levy

The revenue from Telecommunications Levy increased by 6.4 percent to Rs. 33.4 billion in 2015, compared to Rs. 31.4 billion in 2014 with increased new telephone connections and use. The policy of VAT exemption given for importation of high tech equipments for telecommunications continued in 2015.

## Cess Levy

The total cess revenue increased by 19.6 percent to Rs. 46.3 billion and accounted 3.4 percent of total tax revenue in 2015, in comparison to Rs. 38.7 billion in 2014. The revenue from cess on imports increased by 22.3 percent to Rs. 43.6 billion in 2015. Imports of cement, tiles, printed or coloured woven fabrics, undenatured ethyl alcohol, new pneumatic tyres and lubricants were the main sources for import cess revenue in 2015. However, the cess revenue from exports declined by 12.1 percent to Rs. 2.7 billion in 2015, mainly reflecting the reduced world market demand for tea, rubber and mineral sectors. Meanwhile, in 2016 Budget, the applicable cess rates on imported garments and footwear were revised in order to protect the local industries and a 10 percent cess on imported jewellery was imposed in order to protect the world class local jewellery craftsman. Furthermore, the applicable cess rates for exports of spices, such as pepper,

Table 5.12 | Cess Revenue from International Trade and Government Subsidy for Agriculture Sector Development : 2013-2015

Description	Cess Revenue			Description	Subsidy Cost		
	2013	2014	2015(a)		2013	2014	2015(a)
<b>Cess on Exports</b>	<b>3,087</b>	<b>3,085</b>	<b>2,713</b>	<b>Commercial Crop Development</b>			
Tea-under Tea (Tax and Control of Export) Act, Sri Lanka Tea Board Law	747	700	640	Tea	272	331	7,292
Rubber-under Rubber Replanting Subsidy Act	50	33	12	Rubber	587	763	2,871
Coconut-under Coconut Development Act	100	121	127	Coconut	403	485	471
EDB Cess- under Sri Lanka Export Development Act	2,175	2,230	1,934	Cashew	49	40	35
<b>Cess on Imports</b>				Minor Export Crops (Cinnamon, Cocoa, Coffee, Pepper)	207	254	360
Imports-under Sri Lanka Export Development Act	33,004	35,622	43,576	Fertilizer Subsidy for Total Agriculture Sector Development	19,706	31,858	49,571
<b>Total</b>	<b>36,091</b>	<b>38,707</b>	<b>46,289</b>	<b>Total</b>	<b>21,306</b>	<b>33,731</b>	<b>60,600</b>

Source: Department of Customs and Department of National Budget  
(a) Provisional

vanilla, cinnamon, cloves, nutmeg, mace and cardamom were removed in order to encourage exporters of such products.

## 5.2.2 Non-Tax Revenue

The total non-tax revenue which accounted for 6.8 percent of the total revenue in 2015 decreased by 31.6 percent to Rs. 99.1 billion, compared to Rs. 144.8 billion in 2014. Non-tax revenue to GDP ratio declined to 0.9 percent in 2015 from 1.4 percent in the previous year. This revenue decline was mainly due to the absence of Central Bank's profit transfers, the fall of profits and dividends from the SOBEs by 36.3 percent to Rs.

29.8 billion and interest income by 43.6 percent to Rs. 4.5 billion in 2015. However, the revenue from sales and charges significantly increased by 25.7 percent to Rs. 44.6 billion in 2015, compared to the previous year. The non-tax revenue from social security contributions also increased by 2.0 percent to Rs. 15.2 billion in 2015, compared to Rs. 14.9 billion in the previous year.

Table 5.13 | Non Tax Revenue

Item	2010	2011	2012	2013	2014	2015 (Provisional)	2014/2015 (% change)	Rs. Mn.
								2015 (% of Total Non Tax Revenue)
Interest/Rent	10,065	13,426	11,686	11,995	13,647	7,321	-46.4	7.4
Profits and Dividends	31,301	34,351	46,761	35,169	46,814	29,798	-36.3	30.1
Sales and Charges	22,925	37,292	26,019	40,721	35,499	44,632	25.7	45.0
Social Security Contribution	11,120	12,628	11,738	15,145	14,919	15,213	2.0	15.4
Central Bank Profit Transfers	15,000	22,000	43,000	26,350	11,500	-	-	0.0
Other	2,122	2,468	3,343	2,173	22,466	2,135	-90.5	2.2
<b>Total</b>	<b>92,532</b>	<b>122,165</b>	<b>142,547</b>	<b>131,552</b>	<b>144,844</b>	<b>99,099</b>	<b>-31.6</b>	<b>100.0</b>

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

Table 5.14 | Variance Analysis of Government Revenue - 2015

Item	2014 (Rs. Mn)	2015 Estimate (Rs. Mn)	2015 Prov. (Rs. Mn)	Reasons
Income Tax	198,115	252,600	262,583	The income tax revenue exceeded its estimate in 2015 mainly due to revenue collected from Super Gain Tax. The revenue from PAYE tax significantly increased with the increase of salaries both in the public sector and private sector and the rise in employments in high earning categories such as tourism, IT and professional services. However, the revenue from tax on interest income declined mainly due to the relatively lower issuance of the government securities and relatively low interest rates.
VAT	275,350	230,000	219,700	VAT revenue declined due to a drop in both domestic and import VAT revenue. Reduction of VAT rate from 12 percent to 11 percent with effect from January 2015 coupled policy measures taken to abolish VAT and several other taxes applicable for the importation of motor vehicles, cigarettes, liquor and imposition of excise duty on these items also contributed for the decline. The increase of VAT registration threshold to Rs. 15 million per annum from Rs. 12 million per annum had a negative impact on the revenue
Excise Tax	256,690	469,035	497,623	The revenue collected from excise duties increased significantly due to the increased imports, improved domestic production, increased tax rates and imposition of an excise duty in place of several other taxes. The revenue from excise duty on motor vehicles significantly increased due to the rates revisions of motor vehicles less than 1,000 cc and hybrid and electric motor vehicles benefiting from relatively low interest rates and depreciation of Japanese Yen. Conversely, increased malt and hard liquor production, upward duty revisions and the absorption of NBT and VAT into the excise duty contributed to increase excise duty revenue on liquor.
Import Duty	81,108	92,000	132,189	Revenue from import duty increased significantly by 143.7 percent of the estimate due to the increased duty rates, increase consumer goods imports and the absorption of VAT and NBT to import duty.
Ports and Airports Development Levy (PAL)	68,646	55,000	58,644	The increase of consumer goods imports helped exceed PAL revenue estimate. However, the abolition of PAL and several other taxes applicable for the importation and manufacturing of liquor, tobacco and motor vehicles contributed to slowdown PAL revenue.
Nation Building Tax (NBT)	44,583	48,000	45,004	NBT on domestic activities declined due to the abolition of NBT and several other taxes applicable for the manufacturing of liquor and tobacco. However, the revenue from NBT on imports increased owing to the increase of importation of consumer goods, the inclusion of financial services into the NBT base and improved performance of retail trade and distribution, services and rent and manufacturing products
Other Taxes	125,870	146,065	140,037	The revenue generated from import cess increased due to the increase imports of cement, tiles, printed or coloured woven fabrics etc. while export cess declined due to the drop in demand for products, such as tea and rubber. The improved performance of SCL was mainly due to the increase of number of products coming under the SCL and upward revisions of the SCL rates on certain items. The revenue from Telecommunication Levy increased with increased new connections and usage. However, the revenue from other taxes achieved 96 percent of the estimate mainly due to the lower performance in the share market and slower growth in the construction industry.
Non Tax Revenue	144,844	135,500	99,099	Non-Tax revenue significantly declined due to the absence of Central Bank profit transfers, the decrease revenue from profit and dividends from State Own Business Enterprises (SOBES) and interest income. However, the revenue from sales and charges and social security contribution recorded a positive growth.
<b>Total</b>	<b>1,137,447</b>	<b>1,428,200</b>	<b>1,454,879</b>	

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

**Box 5.1 | Major Fiscal Measures: January 2015- April 2016\***

Effective Date	Measures
<b>Excise (Special Provisions) Duty</b>	
30.01.2015	Excise (Special Provisions) duty rates on motor vehicles with engine capacity less than 1,000 cc and also electric cars were reduced. Duty rates on hybrid motor vehicles were increased.
27.02.2015	Excise (Special Provisions) duty on buses was imposed.
03.10.2015	Excise (Special Provisions) duty on cigarettes was increased.
21.11.2015	Excise (Special Provisions) duty rates on motor vehicles were revised and a simple unit rate of excise duty for vehicles on the basis of cubic centimeters (cc) was introduced.
21.11.2015	Tax exemption was removed for vehicles which are produced through financial leasing or direct purchasing utilizing funds from the Consolidated Fund by the government agencies.
12.01.2016	The concession on duty rate specified in the Extraordinary Gazette No. 1903/39 dated 26.02.2015 was granted for the vehicles imported for personal use and LC opened on or before 20.11.2015.
<b>Excise (Ordinance) Duty</b>	
01.01.2015	Annual liquor license fees on wholesale and retail outlets, hotels, hotel bars, rest houses etc. were increased.
03.10.2015	Excise duties on hard liquor and beer were increased.
21.11.2015	Excise duties on hard liquor and beer were increased.
05.12.2015	Excise duty on beer was revised.
15.12.2015	Annual License fees of distilling and manufacturing of liquor as well as license fees on wholesale and retail outlets, hotels, hotel bars, rest houses etc. were revised.
16.12.2015	Allowable alcohol strength of arrack, beer, wine and milk punch was demarcated.
01.01.2016	Excise duty rate on bottled toddy was increased.
01.01.2016	Restrictions on retail sale and transportation of foreign liquor were imposed.
01.04.2016	Excise duty on ethyl alcohol was revised and removed.
<b>Stamp Duty</b>	
01.01.2016	Stamp Duty on foreign purchases using credit cards was increased to 2.5 percent and stamp duty on local purchasing using credit cards was removed. Stamp duty on any share certificate issued consequent to the issue, transfer or assignment of any number of shares of any company was removed.
<b>Betting and Gaming Levy</b>	
01.01.2015	Betting and Gaming Levy was increased to 10 percent from 5 percent on the gross collection of business on betting and gaming. Casino entry fee of US\$ 100 was introduced.
01.01.2016	The casino entry fee was removed. Annual levy imposed on the business of gaming other than rudjino was increased to Rs. 400 mn. from Rs. 200 mn. The present annual levy of Rs. 200 mn. for carrying on the business of playing rudjino was reduced to Rs. 5 mn. per year.

\* This comprises of major fiscal policy measures implemented during the period of January 2015 – April 2016.

Effective Date	Measures
	<b>Cess Levy</b>
25.11.2015	Cess rates on import of footwear and garments were revised and imposed 10 percent cess on imported jewellery.
10.12.2015	Cess rates on export of spices were removed.
14.12.2015	Cess rates on import of beedi leaves, lubricants and cabinets for refrigerators were revised.
	<b>VAT/NBT</b>
01.01.2015	VAT rate was reduced to 11 percent from 12 percent.  The importation of machinery, equipment and spare parts by Sri Lanka Ports Authority (SLPA) to be used exclusively within specified ports was exempted from the VAT and the NBT.  The limit of the sample value for the exemption from the VAT and NBT of Rs. 25,000 was increased to Rs. 50,000.  The turnover applicable for the imposition of VAT on wholesale or retail trade was reduced to Rs. 100 mn. from Rs. 250 mn. for a consecutive period of 3 months of any calendar year.  The VAT registration threshold was increased to Rs. 15 mn. per annum from Rs. 12 mn. per annum.  The NBT threshold was increased to Rs. 3.75 mn. per quarter from Rs. 3 mn. per quarter.
	<b>Pay-As-You-Earn (PAYE)</b>
01.04.2015	The threshold for PAYE tax was increased to Rs. 750,000 from Rs. 600,000 and maximum rate of the PAYE tax was reduced to 16 percent from 24 percent.
	<b>Income Tax</b>
01.04.2015	Concessionary rate of 12 percent applicable for agricultural sector was extended to the local sugar industry.  Annual turnover limit of small and medium undertakings qualifying for the concessionary rate of 12 percent was increased from Rs. 500 mn. to Rs. 750 mn.  Withholding tax on interest income of individuals was imposed as a final tax at the rate of 2.5 percent.  Interest income of senior citizens was exempted from the withholding tax.
	<b>Economic Service Charge (ESC)</b>
01.04.2016	The ESC rate was increased to 0.5 percent from 0.25 percent.  The existing maximum liability of Rs. 120 mn. per year was removed.  The existing exclusion of profit making business was removed.
	<b>Ports and Airports Development Levy (PAL)</b>
01.01.2016	The rate of PAL was increased to 7.5 percent from 5 percent.  Concessionary rate of 2.5 percent was extended to electronic and electrical items.  Machinery and equipments use for agriculture, dairy and construction industry were exempted from the PAL.
	<b>Customs Import Duty</b>
30.01.2015	Customs import duty on wheat grain of Rs. 10 per Kg was removed.  Importation of cement and semi- finished products of iron or non-alloy steel was exempted from customs duty.
27.02.2015	Age limit on the importation of motor vehicles was increased to three years from two years.
06.05 .2015	Customs duty on rice was re- introduced by Rs. 35 per Kg.

Effective Date	Measures
21.11.2015	<p>A three bands tariff structure of zero, 15 percent and 30 percent for customs duty was introduced.</p> <p>Customs duty on alcoholic beverages, tyres (rim size over 20 inches) and chocolate blocks was increased.</p> <p>Customs duty on garments, footwear, tiles, steel, musical instruments and maize corn was reduced.</p> <p>New H.S codes was created for perfumes, paddy planting tray, safety helmets, quadricycle, electric cars and special purpose vehicles.</p>
01.02.2016	Customs duty on rice was increased to Rs. 50 per Kg.
<b>Special Commodity Levy (SCL)</b>	
01.01.2015	SCL on B' onion was reduced to Rs.10 per kg from Rs. 50 per kg for a period of four months.
22.01.2015	SCL on rice was increased to Rs. 20 per kg from Rs. 1 per kg for a period of four months.
30.01.2015	<p>SCL rates on following food items were reduced under the 100 Day Programme:</p> <ul style="list-style-type: none"> <li>- Maldives fish by Rs. 200 per kg to Rs. 102 per kg</li> <li>- Sprats by Rs. 15 per kg to Rs. 11 per kg</li> <li>- Green gram by Rs. 30 per kg to Rs. 10 per kg</li> <li>- Black grams by Rs. 50 per kg to Rs. 60 per kg</li> <li>- Black grams flour by Rs. 100 per kg to Rs. 200 per kg</li> <li>- Chilies (crushed or ground) by Rs. 25 per kg to Rs. 125 per kg</li> <li>- Sugar by Rs. 10 per kg to Rs. 18 per kg</li> <li>- Coriander(seeds) by Rs. 20 per kg to Rs. 26 per kg</li> <li>- Coriander(crushed or ground) by Rs. 150 per kg to Rs. 52 per kg</li> <li>- Turmeric by Rs. 100 per kg to Rs. 102 per kg</li> <li>- Turmeric (crushed or ground) by Rs. 150 per kg to Rs. 360 per kg</li> <li>- Canned Fish by Rs. 52 per kg to Rs. 50 per kg</li> </ul>
15.02.2015	SCL on potatoes was increased by Rs. 30 per kg to Rs. 40 per kg and SCL on mackerel fish was extended for another four months.
25.02. 2015	The validity period of SCL on peas, chickpeas, cowpea, lentils, kurakkan and margarine was extended for a period of six months.
18.03.2015	SCL on mackerel fish was reduced by Rs. 4 per kg to Rs. 6 per kg for a period of six months.
26.03.2015	SCL on rice was increased by Rs. 20 per kg to Rs. 40 per kg for a period of four months.
02.04.2015	The validity period of SCL on another 17 items including fish, dried fish, garlic, red onion, grapes, apple, orange, vegetable oil etc. was extended.
24.04.2015	<p>SCL on following food items was increased for a period of four months:</p> <ul style="list-style-type: none"> <li>- Potatoes from Rs. 40 per kg to Rs. 55 per kg</li> <li>- B'onion from Rs.10 per kg to Rs. 30 per kg</li> </ul>
06.05.2015	SCL on rice was removed.
06.06.2015	<p>SCL on following food items was reduced for a period of three months:</p> <ul style="list-style-type: none"> <li>- Potatoes from Rs. 55 per kg to Rs. 30 per kg</li> <li>- B' Onion from Rs. 30 per kg to Rs. 10 per kg</li> </ul>
17.06.2015	<p>SCL on following food items was revised:</p> <ul style="list-style-type: none"> <li>- Spilt lentils from Rs. 5 per kg to Rs. 0.25 per kg</li> <li>- Palm oil from Rs. 90 per kg to Rs. 105 per kg</li> </ul>
29.06.2015	SCL on maize was introduced at the rate of 10 percent for a period of four months.

Effective Date	Measures
21.07.2015	SCL on vegetable oil was reduced by Rs. 15 per kg to Rs. 90 per kg and the validity period for ten commodity items including maldives fish, sprats, green gram, black gram, chillies, coriander, turmeric etc. was extended for a period of six months.
08.09.2015	SCL on the following food items was increased : <ul style="list-style-type: none"> <li>- Potatoes from Rs. 30 per kg to Rs. 40 per kg</li> <li>- Sugar from Rs. 18 per kg to Rs. 30 per kg</li> </ul> The validity period on B'onions, peas, chick peas, cowpeas, lentils, Kurakkan and magarine was extended for a period of six months.
18.09.2015	The validity period of SCL on mackerel fish was extended for a period of six months.
22.09.2015	Surcharge of Rs. 20 per kg for B'onion was introduced for a period of sixteen days.
23.09.2015	SCL on the following food items was increased : <ul style="list-style-type: none"> <li>- Crude palm oil from Rs. 90 per kg to Rs. 110 per kg</li> <li>- Refine oil from Rs. 110 per kg to Rs. 130 per kg</li> </ul>
02.10.2015	The validity period of SCL on 16 items including fish, dried fish, red onion, garlic, apple, orange, grapes, etc. was extended for a period of six months.
09.10.2015	SCL of Rs. 10 per kg and surcharge of Rs. 20 on B'Onion was amalgamated into Rs. 30 per Kg.
29.10.2015	SCL on vegetable fats was introduced at a rate of Rs. 175 per Kg. Validity period of SCL on maize was extended for a period of three months.
21.11.2015	SCL on following items was changed: <ul style="list-style-type: none"> <li>- Fish from Rs. 10 per Kg to Rs. 50 per Kg</li> <li>- Potatoes from Rs. 40 per Kg to Rs. 15 per Kg</li> <li>- B'onions from Rs. 30 per Kg to Rs. 5 per Kg</li> <li>- Lentils from Rs. 2 per Kg to 25 Cents per Kg</li> </ul> SCL on dates was introduced at a rate of Rs. 60 per Kg
21.01.2016	The validity period of SCL on 8 items including Maldives fish, sprats, green gram, black gram, chillies, turmeric etc. was extended for a period of six months.
29.01.2016	The validity period of SCL on maize and vegetable fats was extended for a period of one month and three months respectively.
01.03.2016	SCL on following items was changed: <ul style="list-style-type: none"> <li>- Potatoes from Rs. 15 per Kg to Rs. 35 per Kg</li> <li>- B'onions from Rs. 5 per Kg to Rs. 25 per Kg</li> </ul>
08.03.2016	The validity period of SCL on 8 items including mackerel, peas, chickpeas, cowpeas, Kurakkan etc. was extended for a period of six months.
02.04.2016	The validity period of SCL on 15 items including dried fish, yogurt, butter, red onions, oranges, graps, apple etc. was extended for a period of six months.
<b>Taxes introduced under the Finance Act</b>	
	Bars and Taverns Levy (BTL) was imposed as a one-off tax of Rs. 250,000 on holders of a license issued under Excise Ordinance.
	Supper Gain Tax (SGT) was imposed on individuals or companies whose profit before tax for the year of assessment exceeds Rs. 2,000 mn. commencing on 01.04.2013. Tax is charged at the rate of 25 percent of the taxable income.
	Mobile Telephone Operator Levy (MTOL) was imposed on licensed mobile telephone operators as one-off tax of Rs. 250 mn.
	Satellite Location Levy (SLL) on persons who own satellite locations was imposed as one-off tax of Rs. 1,000 mn.

Effective Date	Measures												
	Dedicated Sports Channel Levy (DSCL) on sports channels operated under the Rupavahini Corporation Act, No. 6 of 1982 was imposed as one-off tax of Rs. 1,000 mn.												
	Mansion Tax (MT) on owners of mansions within the meaning of Finance Act, was imposed amounting Rs. 1 mn. per annum.												
	Casino Industry Levy on persons who are engaged in casino business was imposed as one-off tax of Rs. 1,000 mn.												
01.11.2015	Migrating Tax on Sri Lankan citizens migrating permanently was imposed at a rate of 20 percent on foreign exchange brought out of the country.												
01.01.2016	Motor vehicle importers license fee was imposed amounting Rs. 1.5 mn. per annum.												
01.01.2016	The rates on International Telecommunications Operators Levy (ITOL) were increased from USD 09 Cents to USD 12 Cents.												
01.01.2016	Embarkation Levy rate was increased to USD 30 for both ship and air passengers.												
<b>Other Levies and Charges</b>													
04.12.2015	Fees for Passport, Electronic Travel Authorizations (ETAs) and dual citizenship were revised.												
01.01.2016	Vehicle Entitlement Levy was introduced in lieu of Motor Vehicle Importers License Fee.												
01.01.2016	Tax imposed on the leasing of land to foreigners was removed.												
01.01.2016	Construction Industry Guarantee Fund Levy was removed.												
01.01.2016	Necessary guideline were issued to open child saving accounts for children attending school by depositing a minimum of Rs. 250 per child.												
01.01.2016	Share Transaction Levy was removed.												
01.04.2016	Share Transaction Levy was re-imposed.												
<b>Administrative Changes</b>													
22.01.2015	The retail prices of major petroleum products were reduced: <ul style="list-style-type: none"> <li>- Petrol (92 Octane) by Rs. 33 to Rs. 117 per liter</li> <li>- Petrol (95 Octane) by Rs. 30 to Rs. 128 per liter</li> <li>- Auto Diesel by Rs. 16 to Rs. 95 per liter</li> <li>- Supper Diesel by Rs. 23 to Rs. 110 per liter</li> <li>- Kerosene by Rs. 16 to Rs. 65 per liter</li> </ul>												
30.01.2015	The retail price of Kerosene was reduced by Rs. 6 to Rs. 59 per liter. Domestic gas prices were reduced by Rs. 300 to Rs. 1,596 for a 12.5 kg cylinder.												
20.02.2015	Maximum retail price of 400 gram of full cream milk powder was reduced by Rs. 61 to Rs. 325 and price of the one kg pack was reduced to Rs. 810.												
15.07.2015	Domestic gas prices were further reduced by Rs. 100 to Rs. 1,496 for a 12.5 kg cylinder.												
15.09.2015	A new electricity tariff based on Time-Of-Use (TOU) for domestic consumers who are connected with 3-phase 30A or above was introduced. The new tariff structure is as follows:												
	<table border="1" style="width: 100%; border-collapse: collapse;"> <thead> <tr> <th style="text-align: left;">TOU</th> <th style="text-align: center;">Unit Charge (Rs./KWh)</th> <th style="text-align: center;">Fixed Charge (Rs./Month)</th> </tr> </thead> <tbody> <tr> <td>Off Peak (22:30 - 5:30 hrs)</td> <td style="text-align: center;">13.00</td> <td style="text-align: center;">540</td> </tr> <tr> <td>Day (5:30 - 18:30 hrs)</td> <td style="text-align: center;">25.00</td> <td style="text-align: center;">540</td> </tr> <tr> <td>Peak (18:30 - 22:30 hrs)</td> <td style="text-align: center;">54.00</td> <td style="text-align: center;">540</td> </tr> </tbody> </table>	TOU	Unit Charge (Rs./KWh)	Fixed Charge (Rs./Month)	Off Peak (22:30 - 5:30 hrs)	13.00	540	Day (5:30 - 18:30 hrs)	25.00	540	Peak (18:30 - 22:30 hrs)	54.00	540
TOU	Unit Charge (Rs./KWh)	Fixed Charge (Rs./Month)											
Off Peak (22:30 - 5:30 hrs)	13.00	540											
Day (5:30 - 18:30 hrs)	25.00	540											
Peak (18:30 - 22:30 hrs)	54.00	540											
24.11.2015	Maximum retail price of 400 gram of domestically manufactured full cream milk powder was reduced by Rs. 30 to Rs. 295. Domestic gas prices were further reduced by Rs. 150 to Rs. 1,346 for a 12.5 kg cylinder.												
28.11.2015	The retail price of Kerosene was reduced by Rs. 10 to Rs. 49 per liter.												

## 5.3 Government Expenditure

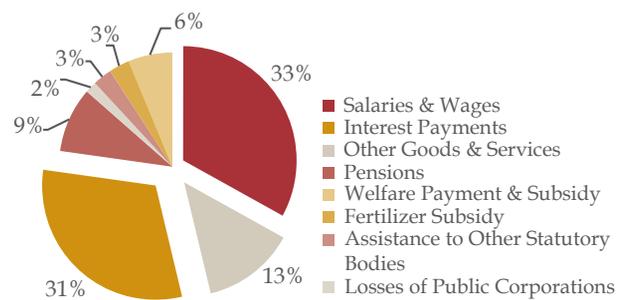
The total government expenditure as a percentage of GDP increased by 3.3 percentage points to 20.5 percent in 2015, compared to 17.2 percent in 2014 mainly driven by the increase of recurrent expenditure to 15.2 percent of GDP in 2015 from 12.7 percent in 2014 due to the increase of public servants' salary and allowances coupled with increased interest payments, subsidy and transfers. In addition, capital expenditure and net lending as a percentage of GDP increased to 5.3 percent in 2015 from 4.5 percent in 2014. Accordingly, in nominal terms the total government expenditure expanded by 27.5 percent to Rs. 2,290.4 billion in 2015 from Rs. 1,795.9 billion in 2014. This comprised of Rs. 1,701.7 billion of recurrent expenditure and Rs. 588.7 billion of capital expenditure and net lending.

### Recurrent Expenditure

In 2015, the total recurrent expenditure of the government was Rs. 1,701.7 billion, a 28.6 percent increase, compared to Rs. 1,322.9 billion in 2014 reflecting the overall increase of both interest and non-interest expenditure. As a percentage of GDP, the recurrent expenditure increased

to 15.2 percent in 2015 from 12.7 percent in 2014. Expenditure on salaries and wages as a percentage of GDP increased by 0.8 percentage points to 5.0 percent of GDP from 4.2 percent in 2014. Also, interest payments increased to 4.7 percent of GDP in 2015 from 4.2 percent in 2014 while subsidies and transfers enhanced to 3.5 percent of GDP in 2015, compared to 2.5 percent in 2014. Expenditure on goods and services increased by 2.0 percent of GDP in 2015 from 1.6 percent in 2014.

Chart 5.6 | Composition of Recurrent Expenditure 2015



### Personal Emoluments and Pension

The expenditure on salaries and allowances for the government sector employees including those who are in the Provincial Councils (PCs) and national security was Rs. 561.7 billion in 2015, an increase of 27.4 percent from Rs. 441.0

Table 5.15 | Recurrent Expenditure of the Government

Item	Rs. Mn.					
	2010	2011	2012	2013	2014	2015 (a)
<b>Total Recurrent Expenditure</b>	<b>937,094</b>	<b>1,024,906</b>	<b>1,131,021</b>	<b>1,205,181</b>	<b>1,324,854</b>	<b>1,701,657</b>
Salaries & Wages	300,558	319,601	347,747	393,229	440,982	561,730
Other Goods & Service	87,728	132,004	140,086	119,396	162,652	224,984
Interest Payments	352,592	356,699	408,498	444,007	436,395	527,227
Foreign	55,464	68,565	90,839	100,985	69,930	77,174
Domestic	297,127	288,134	317,659	343,022	366,465	450,053
Pensions	90,995	99,961	111,682	123,293	127,049	156,577
Operational Losses of Public Corporations	12,361	12,999	11,817	13,854	21,387	27,929
Operational Support to Statutory Bodies	27,661	32,164	34,979	39,407	46,577	46,008
Fertilizer Subsidy	26,028	29,802	36,456	19,706	31,858	49,571
Welfare Payments and Subsidies	39,172	41,676	39,756	52,289	57,954	107,631
<b>As a % of GDP</b>						
<b>Total Recurrent Expenditure</b>	<b>14.6</b>	<b>14.2</b>	<b>13.0</b>	<b>12.6</b>	<b>12.7</b>	<b>15.2</b>
o/w Salaries & Wages	4.7	4.4	4.0	4.1	4.2	5.0
Other Goods & Service	1.4	1.8	1.6	1.2	1.6	2.0
Interest Payments	5.5	4.9	4.7	4.6	4.2	4.7
Pensions	1.4	1.4	1.3	1.3	1.2	1.4
Losses of Enterprises	0.2	0.2	0.1	0.1	0.2	0.2
Assistance to Other Statutory Bodies	0.4	0.4	0.4	0.4	0.4	0.4

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

billion in 2014. It was a 33.0 percent of total recurrent expenditure and was the largest item in the recurrent expenditure of the government in 2015. This was mainly due to the providing an interim allowance of Rs. 3,000 per month for public servants with effect from November 2014 and increasing it further by Rs. 5,000 per month with effect from February 2015 and also Rs. 2,000 per month with effect from June 2015 and the increase of recruitments by absorbing employees who had been working on temporary, casual, substitute and contract basis in the public sector with a service of more than 180 days to the permanent cadre.

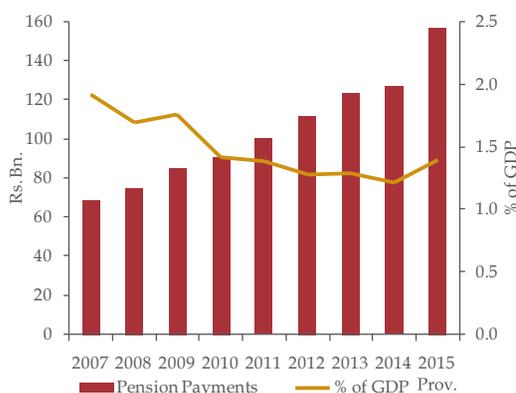
The total pension payments accounted to Rs.156.6 billion in 2015 from Rs. 127.0 billion in 2014 due to the payment of Rs. 3,500 monthly interim allowance for pensioners. In addition, the adjustment of pensions which was made with effect from 01.07.2015 on the basis of the public sector salary structure implemented on 01.01.2006 was attributed to this surge.

Table 5.16 | Salaries and Allowances of the Government

Sector	2010	2011	2012	2013	2014	2015(a)
Central Government	75,817	83,072	95,965	113,223	133,584	172,491
Provincial Councils	81,887	90,818	88,217	105,035	121,789	150,796
Defence	110,335	112,703	126,950	134,295	141,138	176,810
Police and Public Security	32,519	33,008	36,615	40,677	44,471	61,633
<b>Total</b>	<b>300,558</b>	<b>319,601</b>	<b>347,747</b>	<b>393,230</b>	<b>440,982</b>	<b>561,730</b>

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

Chart 5.7 | Pension Payments



### Interest payments

Interest payments on domestic and foreign debt amounted to Rs. 527.2 billion in 2015, an increase of 20.8 percent from Rs. 436.4 billion in 2014. It was a 31.0 percent of total recurrent expenditure. Domestic interest payments increased by 22.8 percent to Rs. 450.0 billion in 2015 while foreign interest payments increased by 10.4 percent to Rs. 77.2 billion. Domestic interest payments increased due to the outstanding domestic debt by 15.9 percent to Rs. 4,959.2 billion as at end 2015. Foreign interest payments also increased due to the depreciation of rupee against the foreign currencies.

### Welfare Expenditure

Expenditure on welfare programmes continued with the aims of targeting the needy segment of the society. The welfare expenditure increased significantly to Rs. 144.1 billion from Rs. 87.8 billion in 2014. The expenditure on fertilizer subsidy increased by 55.6 percent to Rs. 49.6 billion in 2015 from Rs. 31.8 billion in 2014 while increasing Samurdhi relief by 200 percent, elders' allowance by 100 percent and the expansion of Poshana Malla programme contributed to expand the welfare expenditure in 2015. Also, Rs. 7.4 billion incurred for the paddy purchasing programme in 2015.

Meanwhile, the expenditure on school uniforms and school text books incurred a cost of Rs. 6.1 billion in 2015. In addition, the government increased expenditure on bursaries, Free Dhamma text books and school season tickets as well as health related expenditure.

Table 5.18 | Expenditure on Key Welfare Programmes 2015

Item	Amount	Rs. Mn.
<b>Health</b>		
Free Medicine	31,703	
Infant Milk Food Subsidy & Fresh Milk	189	
Poshana Malla	2,422	
Thripasha Programme	1,956	
<b>Education</b>		
School Text Books	3,896	
School Uniforms	2,261	
Mahapola & Bursaries etc.	1,390	
School Season Tickets	1,800	
School Nutritional Food Programme	3,938	
<b>Divinaguma Back Yard Economy</b>		
Livelihood Support Programme	988	
<b>Welfare Support</b>		
Samurdhi Cash Income Support	39,994	
Assistance to Differently Abled Soldiers	23,433	
Food Assistance (with WFP assistance)	790	
Flood and Drought Relief	271	
<b>Livelihood and Production</b>		
Fertilizer Subsidy	49,571	

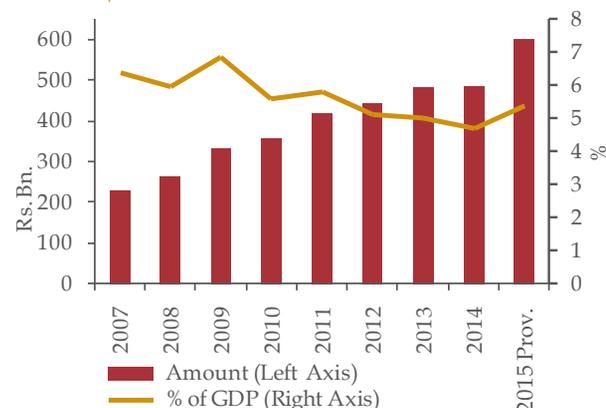
Source: Department of State Accounts and Department of National Budget

## Public Investment

The public investment programmes continued in 2015 with much rationalization in the areas of education, health, roads and bridges, irrigation and water management and water supply and sanitation etc. Accordingly, the public investment increased by 23.9 percent to Rs. 602.8 billion in

2015, in comparison to Rs. 486.6 billion in 2014. As a percentage of GDP, public investment increased to 5.4 percent in 2015, compared to 4.7 percent in 2014.

Chart 5.8 | Public Investment



## 5.4 Financing Provincial Councils

As a part of the simplification of the tax system following the amalgamation of Provincial Council (PCs) turnover tax and NBT in 2011, Rs. 67.5 billion of the total NBT revenue collected in 2015, one third or Rs. 22.5 billion was transferred to PCs under the revenue sharing arrangement with the Central Government. In line with the tax sharing mechanism of 100 percent stamp duty collection and 70 percent of motor vehicle registration fees transfer to PCs, Rs. 13,013 million and Rs. 2,984 million were transferred to PCs, respectively in 2015 to support their devolved activities.

Table 5.17 | Behaviour of Yield Rates

Period	Treasury Bills (%)			Treasury Bonds (%)			
	91 days	182 days	364 days	2 year	3 year	4 year	5 year
2013 Sep	8.60	9.63	10.57	-	-	-	-
2013 Dec	7.54	7.85	8.29	-	-	-	10.64
Change (Basis Point)	-246.00	-347.00	-340.00	-	-	-	-
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	-	-	-	-
Change (Basis Point)	-180.00	-201.00	-229.00	-	-	-	-
2015 Mar	6.60	6.70	6.80	-	8.70	-	9.13
2015 Jun	6.08	6.18	6.28	6.70	7.18	-	-
2015 Sep	6.61	6.99	7.06	-	-	9.50	-
2015 Dec	6.38	6.69	7.11	-	-	-	9.79
Change (Basis Point)	64.00	85.00	111.00	-	-	-	-
2016 Mar	8.30	9.29	9.90	10.00	-	11.87	11.42

Sources: Department of Treasury Operations and Department of Public Debt

The PCs own revenue generating from liquor license fees, Stamp duty and motor vehicle license fees increased by 25 percent to Rs. 28 billion in 2015 from Rs. 23 billion in the previous year. The increase of License fees on liquor in the 2015 Budget contributed to this growth. Together with non-tax revenue collected by the PCs in terms of interest, profits, dividends and sales and charges amounted to Rs. 6.6 billion and the total revenue of PCs including transfers by the Central Government amounted to Rs. 66.1 billion in 2015.

Table 5.19 | Public Investment

Item	2010	2011	2012	2013	2014	Rs. Mn.
						2015 (Provisional)
Education	19,053	22,326	28,930	31,982	50,363	55,447
Health	13,329	14,794	17,155	19,920	22,252	37,230
Police and Public Security	1,298	3,816	945	1,173	3,338	3,813
Civil Administration	20,212	28,668	26,565	31,631	40,282	44,886
Housing and Common Amenities	5,489	7,105	7,823	8,014	7,769	7,811
Community Service	18,334	19,141	17,267	17,727	31,954	23,882
Agriculture and Irrigation	24,865	28,617	30,351	36,721	57,099	54,447
Energy and Water Supply	66,569	83,186	85,598	87,517	51,314	55,499
Transport and Communication	165,505	190,026	204,539	210,398	177,471	239,279
Other	21,865	24,621	24,800	36,120	44,768	80,473
<b>Total</b>	<b>356,519</b>	<b>422,300</b>	<b>443,973</b>	<b>481,204</b>	<b>486,610</b>	<b>602,768</b>

Sources: Department of National Budget and Department of State Accounts

This was a 11.8 percent increase when compared to Rs. 59.1 billion total revenue in 2014.

The government continued to make transfers to PCs by way of block grants to meet expenditure on salaries (Rs. 168.8 billion), criteria based grant (Rs. 33.7 billion), province specific development grants (Rs. 13.3 billion), and foreign grants for special projects (Rs. 17.0 billion). The transfers to PCs amounted to Rs. 201.6 billion. The recurrent expenditure of the PCs increased by 12.2 percent to Rs. 60.5 billion in 2015 due to the increase expenditure on salaries and wages.

Table 5.20 | Performance of NBT, Stamp Duty and Motor Vehicle Registration Fees

Item	Rs. Mn.								
	2014			2015			% Change 2015/2014		
	CG	PCs	Total	CG	PCs	Total	CG	PCs	Total
<b>NBT *</b>	<b>44,583</b>	<b>22,292</b>	<b>66,875</b>	<b>45,004</b>	<b>22,502</b>	<b>67,506</b>	<b>0.9</b>	<b>0.9</b>	<b>0.9</b>
Domestic	28,494	14,247	42,741	28,044	14,022	42,066	-1.6	-1.6	-1.6
Import	16,089	8,045	24,134	16,960	8,480	25,440	5.4	5.4	5.4
Stamp Duty**	-	7,891	7,891	-	13,013	13,013	-	64.9	64.9
Motor Vehicle Registration Fees***	760	1,773	2,533	1279	2,984	4,263	68.3	68.3	68.3
<b>Total</b>	<b>45,343</b>	<b>31,956</b>	<b>77,299</b>	<b>46,283</b>	<b>38,499</b>	<b>84,782</b>	<b>2.1</b>	<b>20.5</b>	<b>9.7</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 Councils.

\*\*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

## 5.5 Deficit Financing

In 2015, the overall budget deficit was Rs. 829.5 billion of which 71.4 percent of the overall budget deficit was financed by domestic borrowings including foreign investments in rupee denominated Treasury Bills and Treasury Bonds. The balance 28.5 percent was financed through foreign borrowings. Domestic financing increased by 56.2 percent to Rs. 592.7 billion in 2015 from Rs. 379.5 billion in 2014 while foreign

financing increased marginally by 11.8 percent to Rs. 236.8 billion in 2015 with respect to Rs. 211.7 billion in 2014.

The major source of domestic financing was non-bank sources such as Employees' Provident Fund (EPF) and Employees' Trust Fund (ETF). Financing from non-bank sources accounted to Rs. 300.9 billion in 2015. In addition, the government borrowed Rs. 68.9 billion from domestic banks.

Table 5.21 | Consolidated Budget

Item	Rs.Bn						% of GDP					
	2010	2011	2012	2013	2014	2015 (d)	2010	2011	2012	2013	2014	2015 (d)
<b>Total Revenue</b>	<b>871.0</b>	<b>1,024.0</b>	<b>1,116.7</b>	<b>1,203.0</b>	<b>1,263.7</b>	<b>1,527.0</b>	<b>13.6</b>	<b>14.2</b>	<b>12.8</b>	<b>12.5</b>	<b>12.1</b>	<b>13.7</b>
Government	834.2	983.0	1,067.5	1,153.3	1,204.6	1,460.9	13.0	13.6	12.2	12.0	11.5	13.1
Tax	724.7	845.7	908.9	1,005.9	1,050.4	1,355.8	11.3	11.7	10.4	10.5	10.1	12.1
Non Tax	92.5	122.2	142.5	131.6	144.8	99.1	1.4	1.7	1.6	1.4	1.4	0.9
Grants	16.9	15.1	16.1	15.9	9.4	6.0	0.3	0.2	0.2	0.2	0.1	0.1
Provincial Councils (a)	36.8	41.0	49.2	49.6	59.1	66.1	0.6	0.6	0.6	0.5	0.6	0.6
Tax	31.0	34.7	41.7	42.6	52.6	59.5	0.5	0.5	0.5	0.4	0.5	0.5
Non Tax	5.8	6.3	7.6	7.1	6.6	6.6	0.1	0.1	0.1	0.1	0.1	0.1
<b>Total Expenditure</b>	<b>1,317.0</b>	<b>1,474.2</b>	<b>1,605.7</b>	<b>1,719.0</b>	<b>1,855.0</b>	<b>2,356.5</b>	<b>20.5</b>	<b>20.4</b>	<b>18.4</b>	<b>17.9</b>	<b>17.8</b>	<b>21.1</b>
Government (b)	1,280.2	1,433.2	1,556.5	1,669.4	1,795.9	2,290.4	20.0	19.9	17.8	17.4	17.2	20.5
Recurrent	937.1	1,024.9	1,131.0	1,205.2	1,322.9	1,701.7	14.6	14.2	13.0	12.6	12.7	15.2
Capital and Net Lending	343.1	408.3	425.5	464.2	473.0	588.7	5.3	5.7	4.9	4.8	4.5	5.3
Provincial Councils (c)	36.8	41.0	49.2	49.6	59.1	66.1	0.6	0.6	0.6	0.5	0.6	0.6
Recurrent	33.4	34.2	45.9	46.1	53.9	60.5	0.5	0.5	0.5	0.5	0.5	0.5
Capital	3.4	6.8	3.3	3.5	5.0	5.6	0.1	0.1	0.0	0.0	0.0	0.0
<b>Budget Deficit</b>	<b>-446.0</b>	<b>-450.2</b>	<b>-488.8</b>	<b>-516.0</b>	<b>-591.1</b>	<b>-829.5</b>	<b>-8.0</b>	<b>-6.9</b>	<b>-6.4</b>	<b>-5.9</b>	<b>-5.7</b>	<b>-7.4</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

Meanwhile, the net foreign investment in Treasury Bills and Treasury Bonds amounted to Rs. 223.0 billion in 2015. In 2015, gross foreign borrowings to finance the budget deficit was Rs. 521.1 billion. Repayment for the foreign borrowings amounted to Rs. 284.3 billion in 2015, compared to Rs. 117.6 billion in 2014.

## 5.6 Government Debt

The total government debt increased by Rs. 1,112.3 billion to Rs. 8,503.2 billion in 2015 from Rs. 7,390.9 billion in 2014 comprising of domestic debt of Rs. 4,959.2 billion and foreign debt of Rs. 3,544.0 billion. The debt to GDP ratio increased to 76.0 percent in 2015 from 70.7 percent in the previous year. Increasing borrowing requirements stemming from lower than envisaged revenue, significant depreciation of the rupee against major currencies and relatively low economic growth have mainly contributed to increase the ratio during the year. The impact of the depreciation of the rupee against foreign currencies was Rs. 285.1 billion. The domestic and foreign debt to GDP ratio was 44.3 percent and 31.7 percent, respectively in 2015 in comparison to 40.9 percent and 29.8 percent in the previous year.

Chart 5.9 | Government Debt

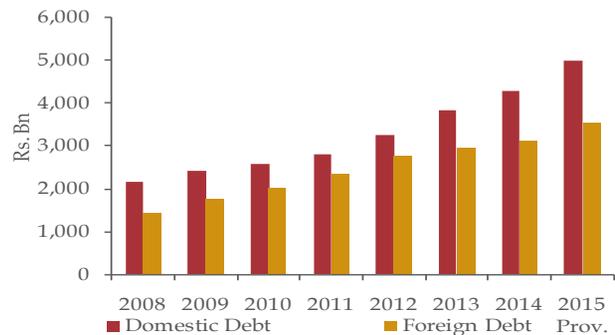


Chart 5.10 | Domestic Debt

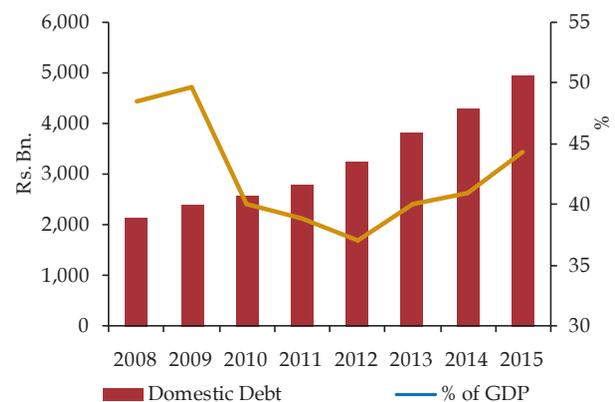
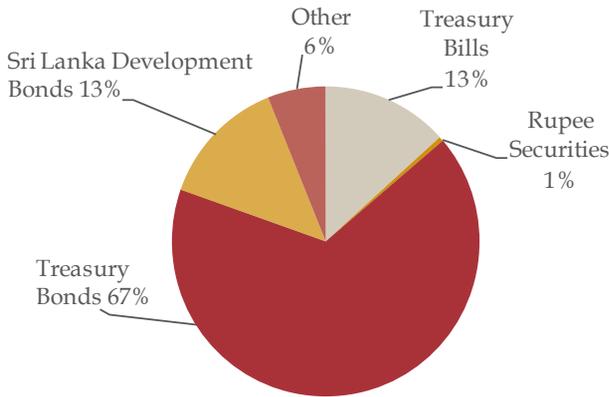


Table 5.22 | Domestic Financing of Budget Deficit

Item	2010	2011	2012	2013	2014	2015(a)
<b>Total Domestic Financing (Net)</b>	251,104	256,291	308,204	448,186	379,502	592,699
Non-Bank Financing (Net)	193,891	44,171	70,984	82,414	265,155	300,858
Gross Borrowings	583,563	484,065	486,425	671,066	714,709	824,681
Repayments	-389,672	-439,894	-415,441	-588,652	-449,554	-523,824
Foreign Investment in Treasury Bills and Bonds (Net)	48,875	25,068	105,693	55,795	781	222,967
Bank Financing (Net)	-1,892	191,850	131,527	296,977	126,929	68,875
Other Borrowings (Net)	10,230	-4,798	-	13,000	-13,363	-

Source: Department of Fiscal Policy  
(a)Provisional

Chart 5.11 | Composition of Domestic Debt 2015



In the bilateral category, the outstanding debt to Japan, China and India amounted to Rs. 457.5 billion, Rs. 117.3 billion and Rs. 137.4 billion, respectively. In the multilateral category, the debt to Asian Development Bank (ADB) amounted to Rs. 533.8 billion while that to International Development Association (IDA) was Rs. 391.1 billion.

Chart 5.12 | Foreign Debt

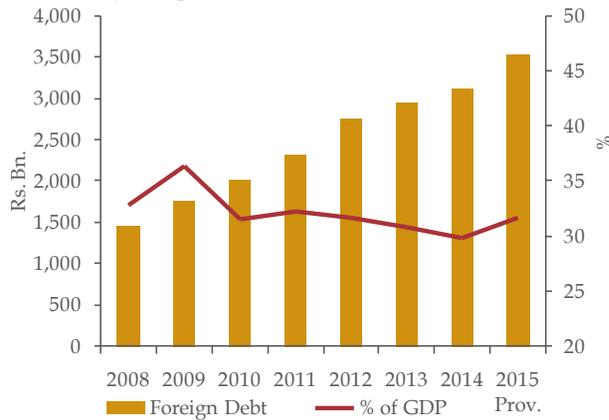


Table 5.23 | Government Debt

Item	End 2013	End 2014	End 2015
<b>Total Domestic Debt</b>	3,832.8	4,277.8	4,959.2
Short Term	909.2	941.2	913.3
Treasury Bills	700.1	694.8	658.2
Provisional Advances from the Central Bank	109.2	143.9	151.1
Other	99.9	102.5	104.0
Medium & Long Term	2,923.7	3,336.6	4,045.9
Rupee Securities	55.5	55.5	24.1
Treasury Bonds	2,452.4	2,844.1	3,305.2
Sri Lanka Development Bonds	369.2	391.1	668.5
Other	46.6	46.0	48.1
<b>Total Foreign Debt</b>	2,960.4	3,113.1	3,544.0
Concessional Loans	1,492.8	1,491.0	1,729.9
Multilateral	716.8	704.0	794.5
Bilateral	776.1	786.9	935.4
Non-concessional Loans	1,467.6	1,622.1	1,814.1
Multilateral	186.7	183.9	199.9
Bilateral	273.7	273.8	307.1
Market Borrowings	1,007.1	1,164.5	1,307.1
<b>Total Government Debt</b>	6,793.3	7,390.9	8,503.2

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

Chart 5.13 | Foreign Debt by Source - 2015

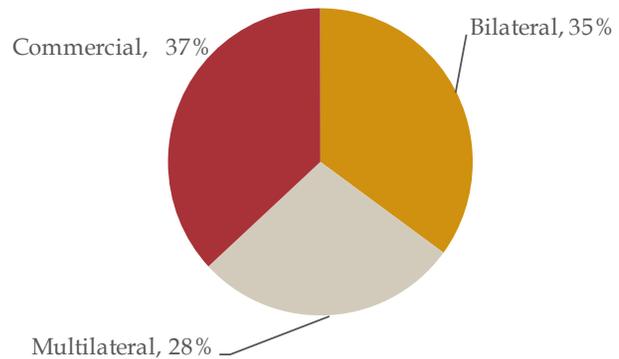


Table 5.24 | Foreign Debt by Source 2015

Source	Number of Loans	Amount (Rs.mn)
<b>Bilateral</b>		
Japan	106	457,485
China	10	117,284
Germany	43	40,726
France	32	25,406
India	12	137,413
Saudi Arab	9	10,724
Other	133	99,934
<b>Multilateral</b>		
ADB	166	533,806
IDA	120	391,149
Other	46	69,475
Export Credit *	114	398,837
International Sovereign Bonds	7	958,014
Non Resident Investments in Treasury Bills		5,045
Non Resident Investments in Treasury Bonds		298,734
<b>Total</b>		<b>3,544,031</b>

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

\* Includes outstanding defence loans and outstanding loans from China Exim Bank

Table 5.25 | Currency Composition of the Government Foreign Debt

Currency	2010	2011	2012	2013	2014	2015
SDR	28.3	25.8	24.6	24.0	21.8	20.7
US Dollars	23.5	29.1	30.9	34.1	41.5	48.9
Japanese Yen	25.1	24.1	20.8	16.4	13.8	13.3
Euro	7.0	6.3	6.3	6.3	5.2	5.1
Other	16.0	14.7	17.4	19.2	17.6	12.0
<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>
Memo: Total Foreign Debt (Rs. Billion)	2,024.6	2,329.3	2,767.3	2,960.4	3,113.1	3,544.0

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

Note: Loans received by State owned Enterprises also included

Table 5.26 | Government Debt Service Payments

Item	2010	2011	2012	2013	2014	2015 Provisional
<b>Interest(b)</b>	<b>352.6</b>	<b>356.8</b>	<b>408.5</b>	<b>462.9</b>	<b>443.6</b>	<b>527.2</b>
Domestic	297.1	288.1	317.7	354.7	366.5	450.1
Foreign	55.5	68.7	90.8	108.2	77.1	77.2
<b>Repayments</b>	<b>467.9</b>	<b>538.7</b>	<b>609.0</b>	<b>700.0</b>	<b>632.7</b>	<b>808.1</b>
Domestic	389.7	439.9	415.4	496.0	449.6	523.8
Foreign	78.2	98.8	193.5	204.0	183.1	284.3
<b>Total</b>	<b>820.4</b>	<b>895.5</b>	<b>1,017.5</b>	<b>1,162.9</b>	<b>1,076.3</b>	<b>1,335.3</b>
Domestic	686.8	728.0	733.1	850.7	777.5	973.9
Foreign	133.6	167.5	284.4	312.2	298.8	361.5

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

(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.

## 5.7 Debt Service Payments

In 2015, the total debt service payments amounted to Rs.1,317.8 billion of which Rs. 808.1 billion or 60.5 percent was for repayments while the balance 39.5 percent or Rs. 527.2 billion was on interest payments. The total debt service payments as a percentage of GDP increased to 11.8 percent in 2015 in comparison to 10.3 percent in 2014. The debt service payments as a percentage of the government revenue increased to 91.8 percent from 90.0 percent in the previous year due to the increase in the total debt service payments by 24.1 percent in 2015 even though the government revenue recorded a positive growth of 21.7 percent. The interest payments to revenue ratio also declined marginally to 36.2 percent from 37.1 percent in 2014. The debt service ratio is expected to improve in the medium term with the 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 5.27 | Government Debt and Debt Service Indicators (Percentage)

Indicator	2010	2011	2012	2013	2014	2015 Provisional
Total Debt/GDP	71.6	71.1	68.7	70.8	70.7	76.0
Domestic Debt/GDP	40.0	38.8	37.0	40.0	40.9	44.3
Foreign Debt/GDP	31.6	32.3	31.7	30.9	29.8	31.7
Debt Service/GDP	12.8	12.4	11.7	12.1	10.3	11.8
Debt Service/Revenue	100.4	92.5	96.8	102.2	90.0	91.8
Foreign Debt Service/ Export Earnings and Remittances	9.4	9.6	14.2	14.4	11.0	15.2
Domestic Interest/ Recurrent Expenditure	31.7	28.2	28.1	29.4	27.7	26.4
Total Interest/ Government Revenue	43.1	36.9	38.9	40.7	37.1	36.2

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



**Expenditure  
Review** | **06**

## 6.1 Overview

Year 2015 was a challenging year, in managing the expenditure. The country is faced with two national elections in 2015 and certain measures implemented during the year to support the population extended the overall expenditure forecasted for the year. Although the overall expenditure was envisaged to be 18 percent of GDP, the actuals slipped to 20.6 percent of GDP in 2015. Full year impact of the salary and allowance of Rs. 3,000 per month granted in November 2014, coupled with further enhancement of the allowance by Rs. 5,000 per month and Rs. 2,000 per month in February and June 2015 respectively, had a significant implications on the overruns in the recurrent and other due expenditure. The pension revisions entailed with the salary increase, the augmentation of allowances, and threefold increase in Samurdhi payments created extra burden in the fiscal front.

The year 2015 was significant for national budgeting, the Appropriation Act for 2015 was amended two times during the year, and advance from the Contingencies Fund was utilized to facilitate uninterrupted functioning of Government activities while fulfilling the requirements of Ministries and Other Spending Units amidst various administrative changes in the structure of spending agencies. Due to these changes, the number of spending agencies varied during the year and a new structure had among other, a number of state ministries.

## 6.2 Appropriation Act for 2015

The Appropriation Bill for the year 2015 was presented to Parliament on 26 September 2014 and it was passed on 24 November 2014 as Appropriation Act No 41 of 2014.

The first schedule of this Appropriation Act included the estimated expenditure of Rs. 2,169 billion for general services of the government for the year 2015, of which Rs. 1,114 bn for recurrent

expenditure and Rs. 1,055 billion for capital expenditure. The second schedule indicated the estimated expenses of the government, which is authorized by law to be charged to the Consolidated Fund. The estimated expenditure in respect of Special Laws of the Government was Rs. 1,213 billion. The third schedule represented the estimated maximum limit of expenditure on Advanced Account Activities and the contribution from the government budget was Rs.4.0 billion. The total estimated expenditure of the government, specified in three schedules, was Rs. 3,385 billion for 2015.

The estimated budget deficit, as per the economic classification, was Rs. 521 billion or 4.6 percent of the Gross Domestic Product for 2015, where the estimated total government revenue was Rs. 1,689 billion and total government expenditure was Rs. 2,210 billion.

## 6.3 Amendments to the Appropriation Act No.41 of 2014

In early January 2015, soon after the Presidential Election, the number of Ministers of the Cabinet was reduced from 60 to 30 by the Extraordinary Gazette No. 1897/15, issued on 18.01.2015 as amended. Meanwhile, 10 State Ministries were created under the extraordinary Gazette No 1897/16 issued on 18.01.2015. Facilitating these structural changes of the Cabinet, as well as minimizing the administrative and accounting issues, the Appropriation Act No 41 of 2014 was amended with necessary revisions. The draft bill was presented to Parliament on 29th January 2015 in line with the policy announced in "100 Days Programme" of the new Government and it was approved by Parliament on 07th February 2015 as Appropriation (Amendment) Act No 01 of 2015. Accordingly, the budgetary provisions were rearranged in line with new Expenditure Heads.

As per the Appropriation (Amendment) Act No 01 of 2015, the estimated total government

revenue and expenditure was Rs. 1,622 billion and Rs. 2,121 billion, respectively. Accordingly, the estimated budget deficit was Rs. 499 billion or 4.4 percent of the Gross Domestic Product. With the intention of reducing the budget deficit, the expenditure specified in the first schedule of the Appropriation Act was adjusted from Rs. 2,121 billion to Rs. 2,101 billion while the other schedules of the Act remained unchanged.

After the General Election held in August 2015, the new Cabinet was appointed by the extra ordinary gazette Nos. 1933/13 issued on 21st September 2015 and 1936/51 issued on 15th October 2015. Accordingly, the Appropriation Act No 41 of 2014 as amended by the Appropriation (Amendment) Act No 1 of 2015 was re-amended, reviewing the allocation of Expenditure Heads and reallocating the Budgetary Provisions already approved by Parliament on 07.02.2015, in order to minimize accounting issues while facilitating smooth functioning of government functions. Under this amendment, the total estimated revenue, expenditure and budget deficit of the (Appropriation Amendment) Act No. 01 of 2015 remained unchanged.

## 6.4 Utilization of Contingencies Fund

In terms of the extra ordinary gazette Nos. 1909/20 issued on 06th April 2015 and 1909/54 issued on 10th April 2015, the total number of ministries was increased from 30 to 41. Due to non-availability of Expenditure Heads for those 11 ministries, being an interim measure, Rs. 5 million for each ministry was allocated as an advance from the Contingencies Fund under the Article 151(2) of the Constitution.

## 6.5. Gross Borrowing Limit

The maximum borrowing limit of the government for financing the estimated expenditure of the Government is stipulated under Section 2 of the Appropriation Act. The total amount of loan proceeds authorized to be raised during the financial year 2015 was Rs. 1,780 billion under

the Appropriation Act No 41 of 2014. This limit remained unchanged despite revisions to the Appropriation Act.

The gross borrowing limit is applicable on borrowing from either domestic or from foreign sources, using any debt instrument such as, Sri Lanka Development Bonds, Treasury Bonds, Treasury Bills and Administrative Borrowings. In 2015, the priority was given to market based debt instruments rather than Administrative Borrowings from Government Institutions and Statutory Funds. Accordingly, the authorized limit for the issuance of Treasury Bills was revised from Rs.850 billion to Rs. 1,250 billion through passing a resolution by Parliament on 29.10. 2015. Similar revisions to the upper limit of the Treasury bills were also made in 2007, 2008, 2009, and 2011, as well.

## 6.6. Performance in 2015

The total expenditure for the year 2015 was recorded at Rs. 3,204, billion excluding the advance account activities. Out of the total expenditure, Rs. 1,374 billion was spent on public debt amortization (Rs. 527 billion for interest payment and Rs. 846 billion for capital repayment) while Rs. 429.7 billion was spent on Personnel Emoluments. Utilization of budgetary provisions in 2015 stood at 96.68 percent which was an increase by 2.6 percent over 2014. Table 4.1 depicts the summary of utilization of budgetary provisions in 2015 and 2014.

The actual expenditure against the General Services of the Government stipulated under the Schedule I of the Appropriation (Amendment) Act No.15 of 2015 was Rs. 1,849 billion, which was 88 percent of the budgeted amount and an increase of Rs. 320 billion (21 percent) compared to the expenditure in 2014.

The actual expenditure under Special Law Services was Rs. 1,354 billion against the estimate of Rs. 1,237 billion. Revision of pension and increase in interest payments contributed mainly to this significant hike in expenditure of special laws. The total utilization of provisions

Table 6.1 | Utilization of Budgetary Provisions 2014-2015

Expenditure Category	Rs. Bn			
	2014		2015	
	Budget	Expenditure	Budget	Expenditure
Appropriation Act	1,693	1,529	2,101	1,849
Programme - 1	921	843	1,085	1,102
Programme - 2	772	686	1,016	747
Special Law Services	1,058	1,073	1,237	1,354
Total	2,751	2,602	3,338	3,203

Source : Department of State Accounts/ Department of National Budget

for special law services related expenditure increased by Rs. 117.5 billion (11 percent) in 2015 compared to Rs. 1, 073 billion in 2014. However, there was a significant decrease in foreign grants by 38 percent (Rs. 3.4 billion) compared to Rs. 8.9 billion in 2014.

The sources of financing of the government expenditure for the year 2015 is shown in Table 6.2

Table 6.2 | Financing Source of Government Expenditure

Financing Code	Financing Source	Rs. Bn
11	Domestic Funds	1,545.2
12	Foreign Loans	252.5
13	Foreign Grants	5.5
14	Reimbursable Foreign Loans	1.7
15	Reimbursable Foreign Grants	0.1
16	Counterpart Funds	0.5
17	Foreign Finance Associated Local costs	43.0
21	Special Laws	1,354.5
	Total	3,203.00

Source : Department of State Accounts/ Department of National Budget

## 6.7. Advance Account Activities

Actual expenditure of the Advance Account activities was Rs. 20.1 billion against the maximum expenditure limit of Rs. 20.7 billion while the total receipt was Rs. 20.9 billion against the minimum receipt of Rs. 16.7 billion. Accordingly, the Advance Account activities were within the approved limits of Appropriation (Amended) Act No. 01 of 2015. Activities under Advance Accounts included activities of commercial nature as well as advances to public servants excluding the property loan interest representing

them. The total advances given to the public servants was Rs. 12 billion with a 33.3 percent increase compared to that of 2014.

## 6.8. Public Expenditure Management

### 6.8.1 Transfer of Funds

As per Section 5 of the Appropriation Act. No 41 of 2014 as amended, the General Treasury granted approval to reallocate or transfer of unutilized provisions within the total expenditure limit approved by Parliament following the procedures and limitations specified in the Financial Regulations 65 and 66. In this process, budgetary provisions allocated for recurrent expenditure, which was unutilized or unlikely to be utilized were allowed to transfer, to recurrent or capital expenditure within the same programme; or to recurrent expenditure or capital expenditure in any other programme within the same expenditure head. Similarly, capital expenditure, which was unutilized or unlikely to be utilized were allowed to transfer to capital expenditure within the same programme.

### 6.8.2 Supplementary Support Services and Contingent Liabilities

The General Treasury implemented the Supplementary Support Services and Contingent Liabilities Project in 2015 as well as provided necessary funds for the unforeseen urgent requirements.

Initially, Rs. 446 billion was allocated through Appropriation Act. No 41 of 2014 for this project. However, due to the change in ministerial

portfolio after the Presidential Election, the provision for this project was increased to Rs. 457.64 billion.

When the Appropriation Act was finally amended on 03rd December 2015, facilitating the accounting issues, the total provision of this project was revised to Rs. 209.65 billion, including the provisions already made from this project to other relevant expenditure heads. Out of this revised provision, Rs. 201.29 billion was reallocated to relevant spending agencies as supplementary allocations on the basis of need assessments undertaken by the Department of National Budget. All supplementary allocations were provided in line with the specified guidelines specified in the Budgetary Estimates for 2015.

A summary of the supplementary allocations granted under the specific purposes stated in the printed estimates are given in Table 6.3. Details of head-wise additional allocations to be reported to Parliament, as per the section 6 (1) of the Appropriation Act and Fiscal Management (Responsibility) Act No. 3 of 2003 are in Table 6.16. Actual utilization of funds is reported under the relevant expenditure head and relevant object code in printed Estimates illustrated for the following year.

**Table 6.3 | Summary of Provisions allocated Under Clause 6 of Appropriation Act**

Purpose as per the Printed Estimates	Amount Rs. Mn
1 Provisions for payment of salary increases proposed in the budget speech, ratification of salary anomalies, new recruitments and other related payments and Increase in Public Sector Pensions	33,969
2 Provisions to meet additional expenditure and liabilities arising from changes underlying assumptions based in the preparation of budget estimates	42,454
4 Provisions for implementation of budget proposals	5,976
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	63,397
7 Provisions for Issue of Bonds for Balance Sheet Restructuring of SOEs	55,500
Total	201,296

Source: Department of National Budget

### 6.8.3. Circulars Issued for Managing Expenditure

The Appropriation Act and the budget estimates provided legal and accounting framework for the budget implementation. Apart from this broader framework, the Department of National Budget issued circular guidelines on implementation of the Government Budget in prudent and effective manner. In this regards, the circulars numbers 1 to 7 of 2015 placed a greater emphasis on ensuring efficient budget management. All circulars properly guided the utilization of public funds prudently while giving proper instructions for minimizing the issues relating to structural changes in the ministerial allocations in 2015.

### 6.8.4. Procurement of Vehicles to the Public Sector

The Financial Leasing Scheme which started in 2011 as a part of cash flow management continued through 2015 for purchasing vehicles for the use of government agencies. Under this method, the cost of purchased vehicles is distributed over a 05-year period in equal monthly installments. Out of the total leasing cost of purchased vehicle under this scheme, Rs 2,512 million was incurred in 2015.

Further, with the aim of strengthening the public sector service delivery system at field level Government Field Officers were provided with transport facility. For this purpose, a proposal in the budget speech 2014 was implemented and motorcycles were given on five-year lease basis. Accordingly, 70,911 Scooters for female officers and 73,937 Motor cycles for male officers were procured and distributed under the financial leasing method up to 2015. Out of the total leasing cost of motorcycles, Rs. 2,035 million was paid in 2015. Details of the vehicles provided for the use of government agencies and the field officers under this Method from 2011 through 2016 are in Table 6.4.

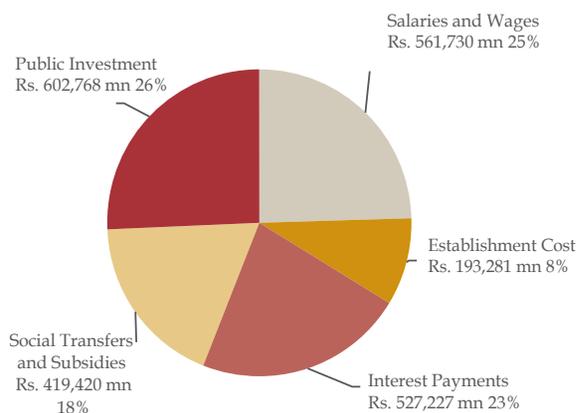
**Table 6.4 | Vehicles Procured and Distributed from 2011 to 2016 under the Financial Leasing Method**

Vehicle Type	2011 / 2012	2013 / 2014	2015 / 2016	Total
Motor Cars	627	148	450	1,225
Jeeps	25	-	15	40
Double Cabs	1148	-	1000	2,148
Vans	250	-	200	450
29 Seater Buses		30	-	30
Ambulances	206	44	-	250
Motor Cycles	-	62,620	11,317	73,937
Scooters	-	49,645	21,266	70,911

Source: Department of National Budget

## 6.9. Structure of Government Expenditure<sup>1</sup>

The provisions for annual expenditure were made under broad areas of development. In 2015 covering the major policy areas of 100 Day Programme, the main emphasis was placed on enhancing public expenditure in support of increasing welfare, pension, and salary of public servants with giving due attention on continuing the infrastructure development programmes such as, roads, railways, expressways, water supply and irrigation. Strengthening the capital expenditure for the programmes in developing capacity of physical infrastructure in health and education sectors and recurrent expenditure was incurred for welfare projects in all areas such as children, elderly, disabled and low income families in 2015. The composition of these expenditure is in figure 6.1.

**Chart 6.1 | Economic Structure of Government Expenditure 2015**


<sup>1</sup> In this analysis, figures are given on the basis of economic classification

## Salaries and Wages

The Government expenditure on salaries and wages for public servants in 2015 was Rs. 561.7 billion and it was an increase of Rs. 120.7 billion (27.37 percent) compared to Rs. 441 billion in 2014. Expenditure on salaries and wages accounted for 33 percent of the total recurrent expenditure in 2015, and the increase was due to the monthly interim allowance of Rs. 10,000, full amount of this allowance was paid from June 2015.

**Table 6.5 | Salaries and allowances of the government**

Sector	2011	2012	2013	2014	2015
Central Government	83,072	95,965	113,223	133,584	172,491
Provincial Councils	90,818	88,217	105,034	121,789	150,796
Defence	112,703	126,950	134,295	141,138	176,810
Police and Public Security	33,008	36,615	40,677	44,471	61,633
<b>Total</b>	<b>319,601</b>	<b>347,747</b>	<b>393,229</b>	<b>440,982</b>	<b>561,730</b>

Rs. Mn

Source: Department of National Budget

## Establishment Cost

The Establishment Cost of the Government in 2015 was Rs. 193.3 billion and accounted for 8 percent of the total expenditure. This included 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 33.8 percent over the 2014 spending of Rs. 127.8 billion.

## Transfers and Subsidies

The total expenditure on welfare and subsidy programmes of the government in 2015 was Rs. 419.4 billion, an increase of 32 percent compared to 317.7 billion in 2014. This accounted for 18 percent of the total expenditure and included the subsidies provided by the Government for the sectors such as, education, health, agriculture, transport and social protection schemes which are especially planned targeting selected groups of the society, i.e. infants, lactating mothers, elders, disabled people, farmers and members of low income households of highly vulnerable segments of the population.

By continuing the fertilizer subsidy, Government spent Rs. 49,571 million in 2015, compared to Rs 31,858 million in 2014. In addition, Rs. 39,994 million was spent on Samurdhi cash grants, addressing the needs of the poorest families of the society. The government spending for the Nutrition Programme, free medical supplies for government hospitals and school text-books and uniforms were Rs. 8,318 million, Rs. 31,703 million and Rs. 6,157 million respectively.

### Social Security

The total cost on pensions was Rs. 156.6 billion in 2015 and it was an increase of 23.3 percent over Rs. 127 billion in 2014. The expenditure for the disabled soldiers was Rs. 23,433 million, an increase of 28.4 percent from Rs. 18,244 million in the previous year.

### Devolved Administration

As per 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, transfer funds to the 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.

In 2015, the sum of Rs. 167,484 million was transferred to the Provincial Councils for the recurrent expenditure and Rs. 30,703 million was for the capital expenditure from the National Budget.

### Interest Payment

Government expenditure on interest payments in domestic and foreign debts was Rs. 527.2 billion. This was an increase of Rs. 90.8 billion over the previous year spending of Rs. 436.4 billion reflected 20.8 percent rise of interest payments compared to 2014. However, the cost of interest payments on domestic debt was Rs. 450.1 billion which was a increase by 22.8 percent over Rs. 366.5 billion recorded in 2014. This increase of

domestic interest payments could mainly be attributed to the increase of outstanding domestic debt stock by 15.9 percent in 2015 compared to previous year. Interest payment on foreign debt accounted for 77.2 billion in 2015, an increase of Rs. 7.3 billion compared to Rs. 69.9 billion in 2014.

## 6.10 Public Investment

The government expenditure on public investments was Rs. 602.8 billion in 2015, an increase of 23.9 percent compared to 2014, and accounted for 26 percent of the government expenditure in 2015. Government was able to maintain public investments at 5.4 percent of GDP in 2015, making a noticeable increase from 4.7 percent in the preceding year. The major sectors which attracted public investments in 2015 are shown in below.

### 6.10.1 Human Resource Development

Government continuously placed priority on human resource development by providing enhanced investment in Health, Education, Skills Development, Sports and Science, Technology & Research. The public investment of Human Resource Development was increased by 30.6 percent in 2015 compared to Rs. 378 billion in 2014, reflecting Government's commitment towards enhancing the quality of human capital in the country.

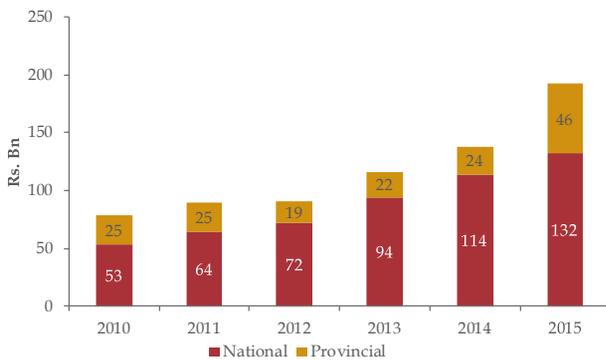
Sri Lanka's social indicators, particularly in health and education sectors, continued to remain the best among developing countries and comparable to some of the developed countries. A wide access to primary healthcare and primary education in most areas was a prominent contributory factor for inspiring achievements in both health and education sectors.

### Investments in Health

Sri Lanka made noteworthy achievements in health outcomes compared to other developing countries and is characterized with increased life expectancy, reduced maternal and child mortality and decreasing level of communicable diseases.

During 2015, the government including Provincial Councils invested Rs. 178,099 million to maintain free health care services to citizens of the country, which is an increase of 29 percent compared to 2014. The changing demographics and epidemiological transitions as well as higher demand for better treatment procedures bring the need to improve the financing in health sector. As a result, Sri Lanka achieved higher healthcare indicators in health related MDGs when compared to that of Asian neighbors. Further, these higher investments among others helped Sri Lanka to rank 73<sup>rd</sup> among 188 countries in the Human Development Index (HDI) in 2014.

Chart 6.2 | Expenditure by National and Provincial Government



The total recurrent expenditure of health sector in 2015 was Rs. 142 billion, an increase of 25.79

percent over 2014, which was mainly due to payment of interim allowance of Rs. 10,000 in 2015. Recurrent expenditure of health sector accounted for 79.6 percent of the total expenditure of the sector, of which 64.82 percent was incurred on personal emoluments i.e. salaries and wages, overtime and allowances of health care staff.

The government undertook several initiatives for the improvements of hospital infrastructure in order to reduce the disparities in delivering healthcare facilities at regional and rural levels and to reduce the overcrowding of hospitals. Accordingly, constructions in General Hospitals such as, theatre complexes at district hospital in Kegalle, medical ward complex for teaching hospital in Kandy, OPD and clinical complex for women hospitals at Castle Street in Colombo was completed during the year 2015.

### Curative Healthcare

The citizens of the country are increasingly confronted with new challenges by rapid increase of non-communicable disease such as heart attacks, cancer, stroke, kidney diseases etc. Therefore, the government strengthened public investment in 2015 by spending Rs. 27,150 million on communicable and non-communicable disease prevention programmes.

Table 6.6 | Major Ongoing Projects (2008-2015)

Project	Out put	Duration	Total Estimated Cost (Rs.Mn)	Expenditure 2015 (Rs. Mn)
Helmut Kohl Maternity Hospital, Karapitiya	850-Beded Maternity hospital with modern facilities	2011-2015	4,503	218.57
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	1,080.85
Construction of State of the Art Cancer ward complex at National Institute of Cancer, Maharagama	07 Storied wards complex for Cancer treatment	2012-2016	1,500	133.25
Construction & Upgrading of Peripheral Blood Banks coming under the National Blood Transfusion Services 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	2,086.60
Epilepsy Unit at National Hospital - Colombo	6 storied ward complex for epilepsy treatment	2008-2015	4,418	692.19
Development of DGH Hambantota and DGH Nuwara Eliya	9 storied building for Hambantota GH & 4 storied building for Nuwara-Eliya GH	2011-2015	15,484	5,639.38
Provision of High Quality Radiotherapy for Cancer Patients In Sri Lanka with High Energy Radiation	Development of Oncology units in 5 hospitals	2014-2018	7,960	1,000.72

Source : Department of National Budget

Priority was given to ensure the supply of essential medicine, including bio-medical equipment, while investments continued on hospital development projects for easing the congestion at National and Teaching Hospitals.

Expenditure on Medical supplies marginally decreased from Rs.34.9 billion in 2014 to Rs. 31.7 billion in 2015. However, such decrease did not affect the overall supply of drugs and consumable surgical items in the country. The recurrent expenditure on essential requirements such as, diets, laundry, electricity and water increased during 2015.

The developments in health sector during 2015 are depicted in Table 4.5 (excluding provisions of Ambulances).

Table 6.7 | Investment in Health Sector

Investment Area	Rs. Mn					
	2010	2011	2012	2013	2014	2015
Hospital Development Projects	3,920	3,194	7,775	8,117	11,431	15,429
Hospital Rehabilitation & Construction	1,633	2,051	1,828	2,754	3,403	4,206
Medical Equipment & Machinery	1,338	2,306	1,969	3,880	3,208	5,068
Beds & Furniture	88	119	114	127	200	224
<b>Total</b>	<b>6,979</b>	<b>7,670</b>	<b>11,686</b>	<b>14,878</b>	<b>18,242</b>	<b>24,927</b>

Source : Department of National Budget  
 Note: This includes only the expenditure of central government.

### Preventive Health care

Preventive health care directly targeted the emerging communicable diseases (Dengue, Rabies, Tuberculosis) and Non-Communicable Diseases (diabetes, kidney disease, Hypertension Cardiovascular ailments). Public investment for this area increased from Rs. 2,158 million in 2014 to Rs. 2,647 million in 2015.

The National Thripasha Programme continued all over the country at a cost of Rs. 1,956 million in 2015, focusing on improving nutrition conditions

of mothers and children with 1,008,446 registered beneficiaries.

### Promotion of Indigenous Medicine

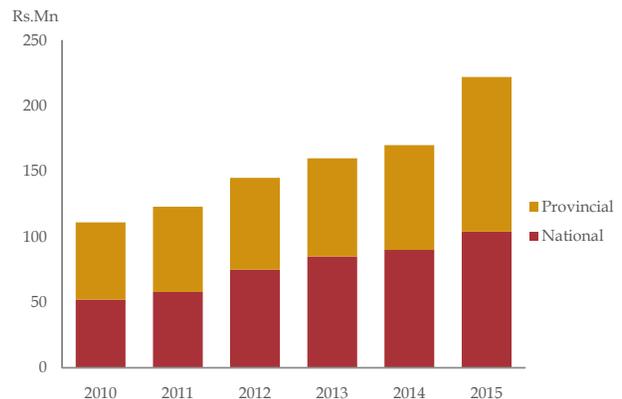
The total investment on Indigenous Medicine increased from Rs. 1,179 million in 2014 to Rs. 1,522 million in 2015, considering the importance of traditional medicinal and healing systems. Efforts were made to promote research initiatives and medical plants conservation programs with the aim of developing the indigenous medicine system to a globally recognized level.

### Education

Ensuring access to free education, the government provides public funds to cover general education, higher education and vocational education as well under both central and provincial levels. Free education is provided from primary to university level education. Hence, a remarkable progress of human development is expected in terms of the indicators of education compared to many other developing countries in the world.

Government’s investment on free education increased by Rs. 58 billion, to Rs 222 billion in 2015, from Rs. 164 billion in 2014. Of this increase a significant share can be attributed to the payment of increased salaries by Rs 10,000 for employees of education sector during the year 2015.

Chart 6.3 | Expenditure on Education by Central Government and Provincial Councils



## Box 6.1 | Zero Based Budgeting (ZBB)

### Introduction

Countries prepare annual government budget estimates using different methodologies and techniques to distribute scarce public resources efficiently and effectively for enhancing the living standards of their citizens. Sri Lanka has followed different methods for preparing its budget estimates and currently it follows the 'modified program budgeting method' within a medium term framework for allocating resources to specific programs and projects of the national budget.

In 2015, Sri Lanka introduced Zero Based Budgeting (ZBB) approach within the modified programme budgeting framework for preparing the budget estimates for 2016. Introduction of ZBB is expected to ensure that the scarce public resources are allocated appropriately by addressing certain drawbacks observed in the existing system. Some of such major drawbacks include duplication of expenditure activities, commencing activities of the projects without approvals and budgetary provisions, implementation of unproductive activities etc. For instance, despite every ministry/ department/ institution bears the responsibility to carry out the subjects and functions statutorily assigned to them, it was noticed that some spending agencies attempt to implement functions which are not directly coming under their mandate. This would create duplications and overlappings among the spending agencies, resulting in inadequate allocations of funds for core functions and activities.

Another major drawback observed in the previous system was that the spending agencies tend to initiate activities committing more than the provisions in the budget estimates for a particular year. Such practice exerts pressure on the annual budget as the accumulated amount gets carried forward to the next year. It was noticed in several instances that changes to the scope of the project are made without approvals after the projects are implemented, resulting in cost overruns of original estimates. Moreover, it was noticed that some spending agencies tend to start activities without provisions in the annual budget estimates. Taken together, all these factors made the management of public expenditure more challenging, which warranted some reforms to manage limited public resources more effectively and efficiently.

A major part of such reforms included rationalization of government expenditure by carrying out a comprehensive review of all public expenditure programs. In this context, the introduction of ZBB is a major development, which is ultimately expected to help rationalization of public expenditure, thereby further strengthening fiscal consolidation efforts of the government.

### What is Zero Based Budgeting

Zero Based Budgeting is a technique which links planning and budgeting while carrying out a comprehensive expenditure review processes, and identifying alternative and efficient methods of utilizing limited resources. ZBB is a flexible management approach that provides a credible rationale for reallocation of resources by focusing on a systematic review and justification for funding and performance levels of expenditure programs.

ZBB starts with a base of “zero” where every activity is analyzed for its needs and costs, regardless of whether the required amount is higher or lower than the amounts provided in the previous year. As the budget is prepared with a starting point of “zero”, the expenditure items are limited to the approved provisions for a particular year. Therefore, any need of carrying forward commitments to the next year would not arise as the required provision for the particular year is made in the annual budget estimates.

Under ZBB, each ministry/ department/ institution is expected to follow the following guidelines in preparation of expenditure estimates:

1. Review Vision, Mission, Objectives and Functions of Ministries/ Departments/ Institutions to assess their relevance in the current context.
2. Review all programs/projects/sub projects in relation to objectives and functions of each organization to identify irrelevant activities, duplications, wastes and low priority activities that can be eliminated or rationalized.
3. Prioritize all programs/ projects /sub projects in accordance with the national priorities/ goals.
4. Link all activities to the sectoral targets in line with desired results.
5. Estimate the costs of projects/sub projects based on the cost units.
  - i. Recognize minimum resource (financial and human etc.) requirement, based on each activity
  - ii. Justify the expenditure for a cost unit using acceptable criteria/reasons
6. Identify Key Performance Indicators (KPIs) relating to the cost units to evaluate the achievements of targets.

A major characteristic in the ZBB approach is that it identifies the performance indicators for each individual project for measuring performance in order to assess whether or not the set targets have been achieved during the specified time frame. The General Treasury has taken measures to regularly review the progress of projects implemented by the ministries/ departments/ intuitions to identify whether the said projects are implemented in accordance with the expected outputs/outcomes.

Hence, through the introduction of ZBB, the General Treasury expects to institute more discipline in to the public finance management and ensure that each spending agency achieves the assigned responsibilities in a cost effective manner utilizing resources efficiently, and discontinuing the practice of carrying forward commitments to the next year. Moreover, ZBB would bring about a significant change to the budget making process, whereby resources allocation would be based on clearly identified benefits and deliverables.

## General Education

Investment on general education is mainly aligned under the theme of promoting equitable access to quality education to minimize the regional disparities. The total expenditure increased by 28 percent from Rs 139 billion in 2014 to Rs. 178 billion in 2015, of which Rs 157 billion for recurrent expenditure, 87 percent of this expenditure has been provided to cover the salaries of teachers and staff in the field of education.

With a view of minimizing the regional disparities in education, the government continued its welfare programmes, such as, mid-day meal, nutrition program and providing shoes for deprived schools. The school feeding programmes i.e. nutritional food program and glass of milk for school children continued to provide nutritional food for children in schools that were categorized having children with malnutrition. Starting from 2015, a voucher system was introduced to provide school uniforms, which costs Rs 2,260 million compared to Rs 3,574 million in 2014, with a significant saving of Rs. 1,134 million in 2015.

Development of 1000 secondary schools program was initiated in the year 2012 to minimize the disparities in resources availability and to ensure equal opportunities in education. Accordingly, construction of 46 Technical Laboratories was completed during 2015 and 12 Technical Laboratories were completed up to 75 percent totaling 982 laboratories.

A revolutionary milestone was achieved as the students, who studied under the “Technology Stream” for G.C.E. Advanced Level from 2013, sat for the examination for the first time in August 2015. Meanwhile, the number of students who sat for the advanced level examination in Engineering Technology and Bio Systems Technology streams totaled 7,882 and 4,815, respectively, out of 50 percent of the candidates of Engineering Technology and 60 percent of the candidates of Bio Systems Technology were eligible for entry in to universities. In overall, 61 percent of the students out of 255,191 students who sat for the advanced level examination were eligible for entry into universities in 2016.

In 2015, the government started restructuring of the education systems by establishing a committee

Figure 6.8 | Expenditure on Personal Emoluments and Welfare Programmes

Programme	Rs. Mn.							
	2008	2009	2010	2011	2012	2013	2014	2015
Personal Emoluments	58,164	63,221	62,902	70,098	73,528	79,500	82,207	112,549
School Nutrition Programme	1,649	2,251	2,474	2,631	2,850	3,076	3,725	3,938
Text Books	3,387	2,196	1,941	2,294	2,400	2,329	2,700	3,896
Uniforms	582	1,260	949	1,364	1,600	1,739	3,574	2,261
Scholarships - Year 5	193	184	225	283	240	268	300	365
Season Tickets (a)	600	1,384	1,369	1,359	1,233	1,430	1,695	1,800

(a) Provided to the Ministry of Transport

Source: Ministry of Education, Finance Commission and Ministry of Transport

Table 6.9 | Students Benefited by Welfare Programmes

Programme	No. of Beneficiaries						
	2009	2010	2011	2012	2013	2014	2015
School Nutrition Programme	654,206	778,435	834,306	839,643	1,048,892	890,404	937,178
Text Books	3,695,432	3,724,303	3,750,000	3,762,000	4,194,363	4,076,813	4,272,668
Uniforms	4,038,000	4,119,000	4,153,000	4,186,808	3,998,890	4,423,202	4,415,099
Scholarships - Year 5	85,000	85,000	85,000	85,000	97,309	122,309	129,614
Season Tickets	300,000	300,000	300,000	300,000	310,000	327,099	329,000

Source: Ministry of Education and Ministry of Transport

consisting of three Ministers i.e. Minister of Highways and Higher Education, Minister of Education and Minister of Skills Development and Vocational Training to review and make recommendations for improvements in the education sector. A report is due to be submitted with their recommendations by 2016.

### Higher Education

Government enhanced the investment on infrastructure development, human capital development of university academics, research activities etc., reflecting the increased focus on the importance of higher education sector and also the provision of better learning environment with improved facilities for the university students. The total expenditure in this sector in 2015 was Rs 44.08 billion which is an increase of 14 percent over 2014. Out of Rs. 26.9 billion of total recurrent allocation, Rs. 21.1 billion was utilized to pay personnel emoluments of 17 universities and 19 higher educational institutions. Allocation for capital investment was Rs 17.1 billion and mainly utilized for infrastructure development in Universities such as, construction and improvement of lecture rooms, laboratories hostel buildings, sanitary facilities, play grounds and library etc. The University of Jaffna commenced operations of the new building complexes for faculties of Engineering and Arts, while the Vavuniya Campus commenced construction of the building for the faculty of Business Studies in 2015.

Recognizing the limited number of hostel facilities in each university to accommodate additional students, an expeditious plan was implemented to construct 60 buildings with modern facilities during the period 2013-2016. Accordingly, 30 hostels were completed in 2014 and 70 percent of the construction of the remainder 30 hostels were completed by investing Rs 4,945 million in 2015.

With a view to admit more students to the universities, actions were taken to establish new faculties namely Faculty of Engineering and Faculty of Technology in University of Sri Jayawardenapura and Faculty of Computing & Technology in University of Kelaniya. The

University Grant Commission took measures to introduce Technological Science Courses in the Universities starting from 2016 onwards to accommodate admission of students who sat for G.C.E (A/L) examination in the Technology Stream in 2015.

A total of 25,395 students were qualified to enter into 17 Universities for the academic year 2014/2015 and this was an increase of 18 percent compared to 21,547 students of the academic year 2010/2011. Monthly payment of Mahapola Scholarship and Bursary for the university students increased significantly from May 2015 from Rs 2,500 to Rs 5,000 and Rs 2,000 to Rs. 4,000 respectively. This demand an increased contribution from the General Treasury by Rs. 1,042 million, which was an increase of 99 percent over 2014, as the contribution of the Mahapola Trust Fund was inadequate to cover the increased cost.

Recognizing the contribution made by the university academics, the academic allowance of the University staff was increased by 85 percent to 135 percent in 2015 from the basic salary.

Table 6.10 | Progress of Higher Education Sector 2010-2015

	2010	2011	2013	2015
No.of Universities	17	17	17	17
No.of Students Admitted on university education	21,547	22,016	24,198	25,395
Financial Assistance to University Students (Rs.Mn)				
Mahapola	93	127	94	561
Bursary	328	357	386	481
Per Capita Cost on University Student (Rs.)	181,064	203,216	288,175	390,254
No. of Employees	20,654	20,292	21,656	22,037

Source: University Grant Commission

### Technical and Vocational Education

Government increased the capital investment on Technical and vocational education by Rs. 1,116 Million, which is 40 percent increase in 2015 over 2014, recognizing the importance of the

secondary and tertiary education and the need for providing the younger generation with new skills, knowledge and expertise in order to meet the future labour market requirements.

In 2015, Rs 8,367 million was provided to the Skills Development and Vocational Training Sector, which was an increase of 31 percent over 2014. The following were the major achievements during the year 2015, which contributed to generate skilled labour force, fulfilling the demand of the country while bringing down the level of unemployment.

- Completed the construction of Batangala University College at a cost of Rs. 238.4 million.
- Developed the Registration and Accreditation Manuals with a view to make the quality assurance system, transparent and effective to ensure the mobility of Technical Vocational Education and Training (TVET) certificate holders in national and international skills market.
- Implemented the Employment Linked Training Program for providing training to 600 trainees in the field of construction.
- Established Construction Sector Skills Councils to interface the private sector requirements in vocational training. Measures were taken to establish 3 more Industry Sector Councils for ICT, Tourism and Light Engineering sectors in 2016

The Skills Sector Development Programme continued with an aim to establish an efficient skills education system for meeting the demand of local and foreign labor markets by 2020. The programme expected to reconfigure the skills, abilities and competencies of the youth for this purpose of the global economy and support the country's transition to knowledge-based economy. Expenditure of this special programme in 2015 was Rs. 2,703 million i.e. 57 percent of the total provision.

## Science, Technology and Research

The investment in the area of Science, Technology and Research was significantly high in 2015, which reached at Rs. 3,148 million. Of which, Rs. 1,958 million was for strengthening the institutions such as, National Science Foundation, Arthur C. Clark Center for Advanced Technologies, National Institute for Fundamental Studies, National Engineering Research & Development Centre and Industrial Technology Institute. In addition, the Vidatha Programme was implemented with a cost of Rs. 481 million in 2015 as one of the major programmes that aims at transferring technology making awareness at rural and regional levels.

The major trust areas of sectoral development, with some noticeable achievements being recorded in 2015 includes technology commercialization, standard development, laboratory accreditation, inventions and innovation, technology transfer, scientific publications and obtaining patents.

### 6.10.2. Agriculture

Agriculture Sector comprises several sub sectors such as, crop agriculture, plantation, fisheries, livestock, land and land development, irrigation and water resources management. total investment for this sector in 2015 amounted to Rs. 112.2 billion.

#### Crop Agriculture

Rice is the staple food crop and rice farming is the most important economic activity for the majority of the people who live in rural areas. During the recent past, the rice sector grew rapidly due to the increase in the extent under cultivation, and improved productivity due to the modernization of agriculture. The modernization of farming methods, such as the use of high-yielding seeds, new machineries and equipment, and chemical fertilizers have led to the increased productivity in the rice sector. However, semi-commercialized small farmers whose individual extent of land does not exceed a hectare have grown fruits and vegetables. Private sector involvement in

commercial cultivation has been encouraged by the government with support from “contract growing” farmers, and steps have already been taken by the leading entities to enhance cultivation.

The investment in crop agriculture sub sector including land and land improvement in 2015 was Rs. 56.94 billion mainly in agricultural development programmes, research and development and other crop development projects. For carrying out the Fertilizer Subsidy Programme, Government has spent Rs. 49.57 billion in the year 2015. The major investment areas in the agricultural sector are in Table 6.11.

Table 6.11 | Investment in Agriculture

Area/ Programme	Investment in 2015 (Rs. Mn)
Special Programmes for Ensuring Food Security	305
Development of new hybrids & open pollinated chilli, maize, onion & vegetables varieties & production of seeds	124
National Seed Production and Purchasing Programme	229
Accelerated Seed Farms Development Programme	110
Strengthening of Seed Certification Activities (Office, Quarters, Laboratories & Equipment)	110
Promotion of Local seed potato production	59
Development of Minor Irrigation Systems and Abandoned Paddy Lands	1,350

Source : Department of National Budget

### Plantation Industry

Plantation industry plays a vital role in the real economy sector and it generates income avenues for the rural people as well as a major contribution to the country’s export income. Realizing the importance of the sector, subsidies to this industry have been increased through implementing several programs and projects to ensure the stabilizing tea, rubber, coconut and sugarcane industries. Investment in the development of needy infrastructure for improving this sector increased to Rs. 15,015 million during the year, an increase of 121 percent, compared to 2014. Subsidy for guaranteed price programme for tea

and rubber costed Rs. 8,787 million and industry development subsidy costed Rs. 2,154 million. The main challenge of the industry in 2015 was the decline of commodity prices, specially, the price of tea and rubber in the world market. Therefore, the General Treasury took measures to stabilize the industry by providing guaranteed price scheme for tea and rubber.

### Livestock

The public investment in the livestock sector continued in 2015 for achieving the set targets of self-reliance in domestic milk production and supplying livestock produce to the consumers at competitive prices.

The total investment in 2015 amounted to Rs. 4,887 mn of which Rs. 4,315 million for capital expenditure and Rs.572 million for recurrent expenditure; recording an increase of 16 percent against Rs. 4,200 million in 2014. Out of the total capital investment, Rs. 2,360 million was for importation of dairy animals for improving breeding stocks and Rs. 1,323 million for modernization of processing factories of Milco (Pvt) Ltd. The remainder Rs.632 million was invested on development of poultry and swine industry, promotion of liquid milk consumption, improvement of extension services on health and livestock development. etc. In addition, Rs.35 million was provided to Milco (Pvt) Ltd as a government contribution for buying raw milk from farmers and supplying milk products at law prices.

The major achievement of this investment was the importation of 2,500 pregnant heifers from Australia with the aim of improving the breeding stocks. Those animals have been kept in the Ridiyagama dairy farms under the controlled environment which is operated under the National Livestock Development Board. Modernization of Polonnaruwa Processing Factory was completed and transferred to the Milco (pvt) Ltd while 80-85 percent of modernization of Digana and Ambewela factories has been completed.

## Fisheries

Investments in the fisheries sector mainly focused on improvements of infrastructure facilities of marine fisheries, with a certain contribution to the inland fishery sector. Upgrading and improving of fishery harbours and anchorage facilities, introducing modern technology for small and medium scale fishing industry, extension and support services for inland fisheries and fisheries community empowerment were the major investment areas. Investment for the sector amounted to Rs. 3,352 million in 2015. Major projects implemented in 2015 include Introduction of Modern Technology for Small and Medium Fishing Industry at a cost of Rs. 1,347 million, Establishment of Inland Fresh Water Fish Breeding Centers at a cost of Rs. 200 million, Development & Rehabilitation of Fishery Harbors, Anchorages and Landing Sites at a cost of Rs. 1,010 million and Construction of Dikowita Fishery Harbor at a cost of Rs. 66.3 million. These projects are expected to improve the nutritional status and food security of the people and increase foreign exchange earnings from fish product exports by increasing the national fish production.

## Irrigation and Water Resource Management

Investment in water resources development specially, for irrigation has been a major development strategy of successive governments of Sri Lanka since independence. During 2015, Government invested Rs. 19.23 billion in three major areas of development of irrigation schemes i.e. Inter Provincial Irrigation, Major Irrigation and Minor Irrigation development projects. A major portion of funds i.e. Rs. 8.45 billion was invested in major irrigation development projects such as, Yaan Oya, Deduru Oya, Morana Reservoir, Kalugal Oya Reservoir, Gal Oya Nawodaya and other major irrigation schemes.

Considering the crucial need of irrigation facilities, research and development was given high priority, focusing on sustainable irrigation development and better management of water

resources including the reservoirs under the Mahaweli Development Scheme. Out of total investment, Rs.34.4 billion was provided through domestic funds, while Rs. 10.4 billion was provided as foreign financing in 2015.

### 6.10.3. Infrastructure Development

#### Power and Energy

In 2014, Government took measures to strengthen the financial position of the Ceylon Electricity Board (CEB.) in support of this policy, CEB was expected to enhance investments on power generation. During 2015, such investment by CEB amounted to Rs. 113 billion. If this trends continues, it is expected that public investment in power generation projects may gradually decline over the years.

However, focusing on other several requirements of the power and energy sector, the government invested Rs. 7.8 billion to fill the gaps in the areas such as, power generation, transmission and distribution, of which Rs. 1.6 billion for enhancing the capacity of power generation, Rs. 6 billion for improvement of transmission and Rs. 0.16 billion for development of distribution systems. It has been recorded that the country achieved the target of power generation capacity increasing from 3,847 MW in 2014 to 4,052 MW in 2015. Similarly, the extent of gross electricity generation increased from 12,358 GWh in 2014 to 13,172 GWh in 2015. As a result, the average electricity coverage, which was 98 percent in 2014, increased to 98.5 percent at the end of 2015.

The rural electrification programme which was implemented in 2015, provided 224,094 new electricity connections and 6,361 extensions to the beneficiaries, recording a growth of 5.2 percent compared to 2014.

#### Non-Conventional Renewable Energy (NCRE)

In order to meet the growing electricity demand of the country through increasing generation capacity and using appropriate technologies

in economical manner, several measures were considered during 2015. Therefore, the government aims to focus more on non-conventional renewable energy sources such as, wind, dendro and solar power over the medium term. Compared to 2014, the contribution of these sources of energy to the national grid increased from 9 percent to 11 percent in 2015.

### Public Passenger Transport

Public transport sector mainly focuses on the comfortable, efficient, safe, reliable and environmental friendly systems, that are more suitable to the general public. This sector attracted a sum of Rs. 68,783 million in 2015 of which one third was for recurrent expenses in which, Rs. 8,685 million for personal emoluments. Within the total investment, Rs. 7,075 million was spent on financing the transport related subsidies such as, seasons for students of school and higher education, bus passes for Armed Forces and for the expenses of unremunerated routes.

A significant amount of capital investment i.e. Rs. 40,045 million was made on rehabilitation and improvement and capacity building of transport sector.

Further, measures were taken to extend the existing lines, construct a new rail line from Matara to Beliatta, and feasibility studies for Kurunegala - Habarana via Dambulla, Kottawa

- Horana, Kurunegala, Colombo - Hambantota - Kelani valley, Madawachchiya - Trincomalee, Wellawaya- Bibila- Badulla and Trincomalee-Maho-Puttalam new roads. Ensuring the reliable and safe rail transport services in the country, the replacement of the existing rail lines commenced at Omanthai - Pallai line, Medawachchiya - Madu line, Madu - Talaimannar, Palali - Kankasanthurai. Railway maintenance systems have been strengthened by installing railway signals, telecommunication systems and bridges.

Building domestic air ports is a priority in aviation sector development. Achievement is remarkable in the construction of airport in Batticaloa and 95 percent was completed at the end of 2015 by incurring a cost of Rs. 279 million.

### Water Supply and Sanitation

In 2014, the Government planned to issue Rs. 60,000 million worth of Treasury Bonds converting the debt of the National Water Supply and Drainage Board (NWSDB) in order to strengthen their balance sheet and ensure the smooth functioning of NWSDB through its own funds. In this context, the total investment in water supply will not be mainly through the annual budgetary provisions in future.

Table 6.12 | Investment in Transport

	(Rs. Mn)							
Major Thrust Areas	2007	2008	2010	2011	2012	2013	2014	2015
Service Delivery	11,902	14,826	12,222	14,498	16,079	19,177	26,506	28,737
Development of Road Transport								
Improvement of Bus Services	90	159	79	175	227	412	150	161
Bus Fleet Augmentation	2,612	1,884	849	1,900	579	898	1,877	2,633
Development of Rail Transport								
Reconstruction of Rail Tracks	1,201	2,093	3,606	3,528	2,662	3,042	3,117	2,686
Construction of Rail Lines	83	543	2,599	18,381	15,045	14,586	32,144	24,600
Rail Fleet Improvement	4,408	7,255	5,828	4,016	8,758	3,944	5,405	419
Installation of Signaling & Telecommunication Systems	1	51	115	206	3,588	1,767	3,478	4,210
Improvement of Workshops	245	838	207	342	263	193	243	221
Development of Aviation								
Domestic Airport Development Project	-	-	-	-	-	82	333	279
Other capital expenditure	217	321	1,203	1,838	954	1,228	4,158	4,836
Total	20,759	27,970	26,708	44,884	48,155	45,329	77,411	68,782

Source : Department of National Budget

Table 6.13 | Investment in Water Supply and Sanitation Sector  
(Rs. Mn)

Project	Total Expenditure
Water Sector Community Facilitation	1738.00
Small & Medium WSP	1,796.82
Large Scale Foreign Funded WSP	24,748.78
Local Bank Funded WSP	9,383.16
Provincial Council WSP	3,083.27
Total	40,750.03

Source : National Water Supply & Drainage Board

Accordingly, Rs 13.9 billion worth Treasury Bonds were issued in 2015, excluding the budgetary provisions of Rs. 30 billion, which was spent on number of ongoing projects. Out of the Treasury bonds proceeds, a sum of Rs. 4.6 billion was utilized to initiate projects such as foreign funded water supply projects and large sewerage projects. Including the bond value, the total annual investment in this sector in 2015 stood at Rs. 41 billion, which was distributed among following thrust areas.

### National Road Development

Upgrading of national and local road networks is the government priority to ensure the connectivity among all regions, being past of the strategies of infrastructure development of the country.

Construction of Expressways, Bridges and Flyovers continued while maintaining and developing the Highways and Rural Roads. National Roads Development through these high investment was expected to ensure the high mobility in all over the country.

In 2015, Kaduwela-Kadawatha Outer Circular road was opened and, Government started construction work of Central Expressway, giving priority to overcome the traffic congestion in urban areas. As a result of opening Kaduwela – Kadawatha Outer Circular Road, the travel time from Kadawatha-Matara has come down from 6 hours to 1.45 hours, which is recognized as a great achievement in making public transport system more efficient. Further, an agreement between the Spanish and Sri Lanka Governments was signed to construct a Flyover at Rajagiriya. Construction of Polgahawela and Ganemulla Flyovers was initiated with a view to finding

long term solutions for overcoming the traffic congestions in urban areas.

In 2015, Rs 178 billion was invested in the area of national roads development of which, Rs 103 billion was financed through foreign loans and grants, while Rs. 75 billion was mobilized through domestic funds. The total investment in roads sector marked a growth of 34.5 percent compared 2014.

Table 6.14 | Comparison of Major Investment Programmes Undertaken in 2014 & 2015

	2014		2015	
	Domestic	Foreign	Domestic	Foreign
Expressways Development	2,296	21,419	11,419	33,817
Highways Development	9,757	56,923	13,087	63,388
Widening and Improvement of Roads	14,425	0	17,270	0
Construction of Bridges and Flyovers	1,102	7,652	2,858	5,811
Natural Disaster Affected Road Rehabilitation	214	1,114	48	350
Maganeguma	5,153	0	4,395	0
Institutional Support	11,876	219	25,265	59
TOTAL	44,823	87,327	74,342	103,425

Source: Department of National Budget

### Urban Development

Government's strategy of the Megapolis Development Programme is expected to play a vital role in improving the urban environment. Initially, the Western Province has been earmarked as a priority area, with over 8 million people, more business establishments, and as a communication and logistic hub. Through this mega plan it is expected to develop all major cities in the country, including Galle, Kandy, Jaffna, Anuradhapura and Trincomalee. Investments in 2015 amounted to Rs. 51 million, and the draft plan Western region master plan was prepared in consultation with the experts of Singapore.

Under the scope of this mega plan, the government will focus on developing and improving all infrastructure facilities such as, water, sewerage,

electricity, housing, and premises for economic, social and religious activities, educational institutions, health services, transport and other essential activities in the province. At formulation of budget for 2016, the provisions for the activities of this plan amounted Rs 10 billion which have been ensured in the annual estimate of 2016.

Further, the ongoing activities implemented by the Urban Development Authority, Sri Lanka Land Reclamation and Development Corporation and Local Authorities continued to upgrade the quality of urban lives. In this regards, the government extended the investment by Rs 2,350 million in 2015, which was an increase of 21 percent compared to 2014.

### Housing Development

Under the Theme of “shelter for all”, housing development programmes were strengthened and expedited in 2015. A sum of Rs 6,220 million was invested through several line Ministries. A major portion of investment i.e. Rs. 5,658 million was made by the Ministries of Housing and Construction. These investments were utilized in several modes of assistance in housing development such as, concessionary loans, financial grants and material grants which have been implemented through community participatory approach. In these circumstances, housing loans have been provided for 41,211 Scattered Houses and 951 houses under model village programme while Rs. 10,000 worth material grant, i.e. cement per each houses was provided to 31,108 beneficiaries. In addition to these housing loan programmes, construction

of condominiums, specially covering the housing requirement of lower/middle income in the urban areas was given high priority in government housing development strategies. In this context, Rs. 406 million was spent on the ongoing construction of Angulana and Lunawa housing schemes. Renovation of 6,349 housing units in 34 housing schemes was undertaken at a cost of Rs. 365 mn during the same period.

Further, a sum of Rs. 350 million was utilized for the development of housing facility in the estate sector in 2015, which was an increase of Rs. 202 million compared to 2014. With this investment, 349 houses were constructed, of which 288 houses were constructed on fully grant basis for the victims of landslide and 61 houses for estate workers living in line rooms, under the new life housing programmes with 47 percent grants component and 53 percent loan component at 7.5 percent interest rate.

Table 6.15 | Expenditure on Major Development Projects in 2015

Item	Rs. Mn.		
	Total Expenditure in 2015		
	Foreign	GOSL	Total
Western Region Megapolis Mater Plan Project	-	51	51
Strategic Cities Development Project (SCDP)	442	91	533
Metro Colombo Urban Development Project (MCUDP)	2,344	466	2,810
Townships Development Component of Greater Colombo Urban Transport Development Project (3K Project)	918	97	1,015

Source: Ministry of Megapolis and Western Development

Table 6.16 | Allocations Provided from the Supplementary Support Services and Contingent Liability Project, 2015

Head No.	Ministry / Department	Purpose	Recurrent	Capital
1	His Excellency the President	Personal emoluments of Presidential Commissions, expenditure for Unveiling the National Policy on Drug Prevention and Action Plan and for new Ministry of Special Assignments, Seed paddy distribution to 2015/2016 maha season, Commencing Let's Awaken Polonnaruwa Programme 2016-2020, plant, machinery and equipment, accounting the grants given by UNDP for the Office for National Unity & Reconciliation.	35,312,087	227,886,671
2	Office of the Prime Minister	Personal emoluments, travelling Services and capital expenditure.	45,000,000	25,000,000
6	Public Service Commission	Personal emoluments.	400,000	
7	Judicial Service Commission	Personal emoluments.	1,370,000	
10	Commission to Investigate Allegations of Bribery or Corruption	Awareness programmes against bribery and corruption.		400,000
16	Parliament	Personal emoluments, plant, machinery, equipment and retirements benefits.	115,000,000	5,000,000
19	Office of the Leader of the Opposition of Parliament	Building and structures		6,850,000
21	Auditor General	Personal emoluments, Furniture and office equipment, plant, machinery and equipment, and incentive allowance for the Audit staff.	120,000,000	6,115,000
101	Minister of Buddha Sasana	Renovation of damaged religious places in Nepal, due to the earthquake Commemoration of 60 years Diplomatic Relations between Thai - Sri Lanka and importation of items to be needed to rehabilitate the under-developed Buddhist Temples.	15,400,000	181,928,063
201	Department of Buddhist Affairs	Personal emoluments, Dehami Diriya Sunday School and Teacher's allowance as per the Budget Proposals -2015.	174,900,000	
102	Minister of Finance	Personal emoluments, expenditure for Sri Lanka Accounting & Auditing Standards Monitoring Board, travelling, maintenance, services and other recurrent expenses.	96,617,971	
240	Department of National Budget	Allowance for July Strikers and Capital payments for leased vehicles.	64,550,000	187,000,000
241	Department of Public Enterprises	Personal emoluments, strengthening the Capital structure of Bank of Ceylon, as per the budget proposals 2015 and Issuance of Bonds for Ceylon Petroleum Corporation.	2,705,000	55,500,000,000
242	Department of Management Services	Personal emoluments.	2,600,000	
243	Department of Development Finance	Interest subsidy for supporting Senior Citizen's deposits and subsidy for local fish canning manufactures.	467,306,160	
244	Department of Trade and Investment Policy	Personal emoluments, and Contribution to the SAARC Development Fund.	43,640,000	
246	Department of Inland Revenue	Personal emoluments.	20,000,000	
247	Sri Lanka Customs	Services and maintenance of building and structures	6,500,000	63,746,000
248	Department of Excise	Personal emoluments, staff training and property loan interest to public savants.	1,202,066	1,816,000
250	Department of State Accounts	Personal emoluments.	4,000,000	
324	Department of Management Audit	Foreign travelling.	370,300	
329	Department of Information Technology Management	Personal emoluments and cost of advertisements and media.	19,851,762	

Head No.	Ministry / Department	Purpose	Rs.	Recurrent	Capital
103	Minister of Defence	Ranviru Mapiya Rakawarana Allowance Programme, personal emoluments for Ranaviru Seva Authority and Defence Service Command and Staff College.		407,980,000	
222	Sri Lanka Army	Personal emoluments and Supplies.		1,166,320,000	
223	Sri Lanka Navy	Capital expenditure for renovation of Circuit Bungalow in Benthotta.			10,000,000
224	Sri Lanka Air Force	Accounting the payment of procurement of helicopters under the Russian Credit Line, 2013.			12,258,000,000
320	Department of Civil Security	Personal emoluments, supplies, maintenance, services, rehabilitation and improvement of capital assets and acquisition of capital assets.		56,700,000	68,000,000
104	Minister of National Policies and Economic Affairs	Personal emoluments, repayment of deposits for the customers of Golden Key Credit Card Company Ltd, Expenditure incurred by Conflict Affected Region Emergency Project from January - February 2015 under the former Ministry of Economic Development.		49,526,734	7,966,600,000
252	Department of Census and Statistics	Personal emoluments, accounting the financial grant by ADB, property loan interest to public savants.		8,500,000	685,338
280	Department of Project Management and Monitoring	Personal emoluments and Services.		4,871,000	
106	Minister of Disaster Management	Supplies, maintenance, plant, machinery and equipment, settling the customs duties for relief items released under provisional entry basis		4,650,000	35,355,546
202	Department of Muslim Religious and Cultural Affairs	Personal emoluments.		8,440,000	
229	Department of Attorney General	Services		23,370,000	
233	Department of Government Analyst	Personal emoluments.		18,300,000	
111	Minister of Health, Nutrition and Indigenous Medicine	Personal emoluments for the Ministry and Wijeya Kumaratunga Memorial Hospital		1,722,000,000	
112	Minister of Foreign Affairs	Purchase 2 flag cars for the use of Sri Lanka missions in Brussels and Kuwait and 2 staff cars for Geneva and Chennai and Settling the bills of emergency medical treatment for ven. Maduluwawe Sobitha Nayaka Thero and mandatory contribution to the United Nations.		295,302,000	28,034,100
114	Minister of Transport & Civil Aviation	Personal emoluments of Sri Lanka Central Transport Board, leasing installment for 2200 buses and 68 buses imported during CHOGM and Services.		2,114,430,000	508,000,000
306	Department of Sri Lanka Railways	Personal emoluments, fuel and construction of railway line projects.		1,942,786,000	5,565,600,000
307	Department of Motor Traffic	Number plates for registration of new vehicles,		220,000,000	

Head No.	Ministry / Department	Purpose	Rs.	Recurrent	Capital
117	Minister of Higher Education and Highways	Rural Road Networking Development Programme, Southern Transport Development Project, Rehabilitation of Peradeniya Badulla Road and National Highway Sector Project, Hambanthota International Hub Development, Land Acquisition for Completed and ongoing projects, widening & improvements of Roads in Colombo and settling outstanding bills of Outer Circular Highway Project, Priority Roads Projects, Widening & Improvement of Roads, Maganeguma Rural Road Development Project and iRoad Project.	11,540,000,000		
118	Minister of Agriculture	Personal emoluments of National Food Promotion Board, Institute of Post-Harvest Technology and Sri Lanka Hariitha Danaw Bim Sanwardena Adikariya, Vehicle maintenance, capital expenditure of Sri Lanka Council for Agricultural Research Policy, development subsidies and Water, Sanitation & Hygiene project.	6,475,386	15,326,243,255	
281	Department of Agrarian Development	Personal emoluments.		1,535,541,415	
285	Department of Agriculture	Personal emoluments.		344,057,375	
119	Minister of Power and Renewable Energy	Foreign loan disbursements of CEB, Habarana - Veyangoda 220kv Transmission Line Project and Clean Energy Access Improvement Project.	7,816,342,491		
120	Minister of Women and Child Affairs	Empowering widows and women headed households, Nutritional Food Package for Expectant Mothers Programme.	25,000,000	500,000,000	
121	Minister of Home Affairs	Personal emoluments, Conducting the funeral of the most ven. Maduluwawe Sobhitha Thero with state honours.		710,000,000	
256	District Secretariat, Gampaha	Personal emoluments.		18,100,000	
257	District Secretariat, Kalutara	Personal emoluments and property loan interest of public servants.		184,450,000	
258	District Secretariat, Kandy	Personal emoluments and services		24,350,000	
259	District Secretariat, Matale	Personal emoluments.		114,500,000	
260	District Secretariat, Nuwara-Eliya.	Personal emoluments.		35,000,000	
261	District Secretariat, Galle	Personal emoluments.		34,700,000	
262	District Secretariat, Matara	Personal emoluments.		196,700,000	
263	District Secretariat, Hambantota	Personal emoluments and services.		20,300,000	
265	District Secretariat/ Kachcheri - Mannar	Personal emoluments.		8,909,000	
266	District Secretariat/ Kachcheri - Vavuniya	Personal emoluments.		19,250,000	
267	District Secretariat/ Kachcheri - Mullaitivu	Personal emoluments.		5,000,000	
268	District Secretariat/ Kachcheri - Killinochchi	Personal emoluments.		20,200,000	
270	District Secretariat, Ampara	Personal emoluments.		106,751,000	
271	District Secretariat/ Kachcheri - Trincomalee	Personal emoluments.		5,500,000	

Head No.	Ministry / Department	Purpose	Recurrent	Capital
272	District Secretariat, Kurunegala	Personal emoluments.	60,450,000	
273	District Secretariat, Puttalam	Personal emoluments and renovation of government quarters	122,350,000	1,500,000
274	District Secretariat, Anuradhapura	Personal emoluments, supplies, maintenance and services.	134,550,000	
275	District Secretariat - Polonnaruwa	Let's Awaken Polonnaruwa Programme 2016-2020.		200,000,000
276	District Secretariat - Badulla	Personal emoluments.	14,500,000	
277	District Secretariat, Monaragala	Personal emoluments and construction of the office building for District Secretariat.	87,300,000	6,267,000
278	District Secretariat, Ratnapura	Personal emoluments.	139,600,000	
279	District Secretariat, Kegalle	Personal emoluments.	83,000,000	
122	Minister of Parliamentary Reforms and Mass Media	Personal emoluments and settling the outstanding bills.	41,700,000	
210	Department of Information	Personal emoluments.	18,000,000	
123	Minister of Housing and Construction	Personal emoluments of Urban Settlement Development Authority and Accelerated 50,000 houses development project under 100 Day Programme.	5,230,000	1,330,000,000
124	Minister of Social Empowerment and Welfare	Personal emoluments of National Secretariat for Elders, National Institute of Social Development and Sri Lanka Social Security Board, Financial Support for Elderly Over 70 Year Programme. vehicles maintenance, rehabilitation and improvement of capital assets and acquisition of capital assets.	426,350,000	52,100,000
331	Department of Divineguma Development	Personal emoluments and increased monthly allowance of Samurdhi Relief Programme.	5,748,000,000	
126	Minister of Education	Free text books, expenditure for National Library and Documentation Services Board.	901,850,000	
209	Department of National Archives	Personal emoluments.	10,512,000	
130	Minister of Public Administration and Management	Personal emoluments.	37,620,000	
253	Department of Pensions	Service compensation for death & injured soldiers and revised pension, as per the Public Administrative Circular No: 06/2006.	16,614,000,000	
135	Minister of Plantation Industries	Personal emoluments of Coconut Cultivation Board, Thurusaviya Fund, Sugarcane Research Institute, festival advances to plantation workers of Sri Lanka State Plantation Corporation and Janatha Estate Development Board and Sri Lanka State Plantation Corporation.	143,118,000	71,000,000
293	Department of Rubber Development	Personal emoluments, services, building rent and local taxes and electricity and water.	35,600,000	
136	Minister of Sports	Personal emoluments of Sugsthadasa National Sports Complex Authority.	11,750,000	

Head No.	Ministry / Department	Purpose	Rs.	Capital
204	Department of Hindu Religious and Cultural Affairs	Teacher's allowance of Dehami Diriya Sunday Schools, as per the Budget Proposals -2015.	4,496,800	
232	Department of Prisons	Personal emoluments.	50,000,000	
326	Department of Community Based Corrections	Personal emoluments.	4,800,000	
149	Minister of Industry and Commerce	Personal Emoluments of institutions under restructuring , namely, Sri Lanka Cement Corporation, Lanka Cement Ltd, National Paper Company Ltd, Lanka Salusala Ltd, Higurana Sugar Industries Ltd and Industrial Development Board and Consumer Affairs Authority.	48,750,000	131,800,000
298	Department of Measurement Units, Standards and Services	Property loan interest to public servants.	200,000	
300	Department of Food Commissioner	Personal emoluments.	2,600,000	
301	Department of Co-operative Development (Registrar of Co-operative Societies)	Personal emoluments.	1,903,000	
302	Co-operative Employees Commission	Personal emoluments and services.	1,586,000	
303	Department of Textile Industries	Personal emoluments.	3,400,000	
150	Minister of Petroleum Resources Development	Vehicles maintenance, services, Buildings and structures, settling outstanding bills of Polipto Lanka (pvt) and set-off the Kerosene subsidy against excise duties of CPC.	4,465,776,145	18,000,000
151	Minister of Fisheries and Aquatic Resources Development	Personal emoluments of National Aquaculture Development Authority of Sri Lanka, National Aquatic Resources Research & Development Agency and Ceylon Fisheries Corporation.	122,163,000	
153	Minister of Lands	Personal emoluments.	35,910,000	
286	Department of Land Commissioner General	Personal emoluments and Services	7,295,000	
287	Department of Land Title Settlement	Property loan interest to public servants.	700,000	
288	Department of Surveyor General	Services.	4,275,231	
154	Minister of Rural Economic Affairs	Personal emoluments, travelling, supplies, maintenance, services, rehabilitation and improvement of capital assets, furniture and office equipment, and recurrent expenditure for Paddy Marketing Board.	88,541,896	375,125
292	Department of Animal Production and Health	Personal emoluments and subsidy for supply of low price milk products and increase of buying price of raw milk by MILCO (pvt) Ltd.	45,000,000	
155	Minister of Provincial Councils and Local Government	Personal emoluments of 8 provincial councils excluding North-Western Province, development of Provincial Road Project -Central and Sabaragamuwa , construction of a Shopping Complex for Thambakaduwa Pradeshiya Saba, accounting grants given for Rural bridges and Provincial Road Projects, Economic Infrastructure - Northern Road Connectivity Project, and Greater Colombo Waste Water Management Project	3,699,747,807	8,877,383,877

Head No.	Ministry / Department	Purpose	Rs.	Recurrent	Capital
157	Minister of National Dialogue	Personal emoluments.		4,000,000	
158	Minister of Public Enterprise Development	Salaries advances and Statutory dues of employees of Janatha Estate Development Board, Sri Lanka Slate Plantation Corporation and Elkaduwa Plantation Ltd, and compensation for retired employees of Ceylon Ceramics Corporation.			108,344,339
203	Department of Christian Religious Affairs	Teacher's allowance of Dehami Diriya Sunday Schools as per the Budget Proposals -2015.		25,250,000	
160	Minister of Mahaweli Development and Environment	Personal emoluments, travelling, supplies, services, property loan interest to public servants, maintenances, personal emoluments of Marine Environment Protection Authority and Central Environmental Authority.		364,792,000	
284	Department of Wildlife Conservation	Personal emoluments, compensation related to the case losses and Write off of District court Hambantota		330,317,639	
294	Department of National Zoological Gardens	Personal emoluments.		17,707,336	
162	Minister of Megapolis and Western Development	Welfare Center at Matitakkuliya, Building and Structures, furniture and office equipment.			176,000,000
166	Minister of City Planning and Water Supply	Personal emoluments, Second Phase of Pipe Laying Project in Hambantota, Greater Colombo Water and Wastewater Management improvement Programme, accounting the loan disbursements of Secondary Towns Rural Community Based Water Supply Project		9,500,000	24,413,744,126
332	Department of National Community Water Supply	Personal emoluments and vehicles maintenance.		4,929,429	
192	Minister of Law and Order and Southern Development	Personal emoluments.		540,000,000	
193	Minister of Labour and Trade Union Relations	Personal emoluments.		8,500,000	
221	Department of Labour	Expenditure of construction of the office building, Mehewara Piyasa			423,775,000
328	Department of Man Power & Employment	Services and Property Loan Interest to Public Servants.		6,500,000	
296	Department of Import and Export Control	Rent & local taxes.		672,860	
196	Minister of Science, Technology & Research	Personal emoluments of Vidatha Programme.		33,000,000	

Head No.	Ministry / Department	Purpose	Rs.	
			Recurrent	Capital
197	Minister of Skills Development and Vocational Training	personal emoluments of Vocational Training Authority of Sri Lanka.	31,000,000	
215	Department of Technical Education and Training	Personal emoluments.	40,000,000	
198	Minister of Irrigation and Water Resources Management	Personal emoluments, travelling expenses, supplies, maintenance expenses, property loan interest to public servants, rehabilitation and improvement capital assets, acquisition of capital assets, capacity building, Services, personal emoluments of Water Resources Board.	66,505,403	3,868,184
282	Department of Irrigation	Personal emoluments.	200,600,000	
199	Minister of Primary Industries	Building and Structures and rent of new office building,	4,275,300	2,900,000
289	Department of Export Agriculture	Personal emoluments and expenditure requirement of Ministry of Primary industries.	40,600,000	5,000,000
			63,440,227,971	137,855,892,246

**Public Investment  
Programme 2017-2019**

**07**

## 7.1 Overview

The Public Investment Programme (PIP) is prepared to present an account of how the Government of Sri Lanka (GOSL) proposes to allocate funds for capital expenditure during the next three years. It also describes the development goals and objectives and explains how the development process will be carried forward over the medium-term. The PIP is closely linked to the annual Budget of the Government, and focuses on broader trends over the medium-term moving beyond the detailed estimates of the Budget.

Preparation of the PIP is carried out as an annual exercise by adopting a “Rolling Plan” approach. Under this approach, at the end of each year, the performance during the past period is reviewed and the plan period is further extended by a year keeping intact the medium-term perspective. This enables making necessary adjustments to the plan while preserving the original goals and objectives. This approach reduces inherent rigidities associated with planning and enables modifications that take note of emerging circumstances in the economy.

The current policy environment is shaped primarily by the new Government’s intention of establishing a clean administration, restoration of democracy and taking the country towards the Upper Middle Income status. The thrust of the economic strategy of the Government is based on a “Competitive Social Market Economic Model” where policies aim at promoting competition and economic efficiency while promoting social equity.

The five goals of development enunciated by the Hon. Prime Minister in the Policy Statement on November 5, 2015, are:

1. Generating one million employment opportunities;
2. Enhancing income levels;
3. Development of rural economies;

4. Ensuring land ownership to rural and estate sectors, the middle class and Government employees and
5. Creating a wide and a strong middle class .

Realizing these goals requires the introduction of much needed policy reforms and investment promotion aimed at enhancing productivity in all sectors. The goals relating to the rural economy, land ownership and the creation of a wide and strong middle class collectively reflect the broader objective of ‘Inclusive Development’ under which benefits of development are shared among all segments of the society. It may be noted that all five goals have a great deal in common with the Sustainable Development Goals (SDGs) to which Sri Lanka has shown a firm commitment.

## 7.2 Medium-Term Perspectives

The Medium-Term development strategy comprises of number of reforms and innovations in institutional arrangements in order to enhance economic performance and promote equity. Among these, more significant areas include the establishment of a number of ‘Mega Zones’ for concentrating and promoting economic activity and technology development. The main components of the economic strategy are briefly outlined below.

It is expected to arrest the present decline in export performance by improving productivity and competitiveness of industries as a way of facing the challenges posed by the ongoing world economic recession. Further, there is an urgent need to carry out reforms in the relevant institutions and policies, including fiscal, exchange rate and trade policies, promoting the inflow of foreign investment by making the country investor-friendly. Meanwhile, emphasis is also placed on diverting a higher share of Government resources for upgrading the quality of human resources, promoting equity in the economic and social spheres and minimizing

the remaining regional disparities and poverty pockets.

As efforts to accelerate economic growth continue, special emphasis will also be placed on environmental protection, and natural resource conservation. Policy action has already been taken exemplify the country’s commitment to sustainable development.

The total public investment plan for the period 2017-2019 is about Rs. 2,445 billion in current price terms as shown in table 1. Of this, the highest share, (nearly 70 percent), is likely to be used for economic infrastructure development, which includes construction of roads, railways, bridges, irrigation, ports and airports and the real economic sector. About 30 percent, would be used for human resource development projects which include education, research and development, vocational training, health and social overhead development.

Table 7.1 | Public Investment Programme 2017 - 2019

Investment	2017		2018		2019	
	Rs. Bn	% of GDP	Rs. Bn	% of GDP	Rs. Bn	% of GDP
Human Resource Development	198	1.46	235	1.58	300	1.82
Infrastructure Development	373	2.76	411	2.76	462	2.80
Agriculture and Industries	37	0.27	43	0.29	47	0.28
Environment	9	0.06	10	0.07	13	0.08
Regional Development	67	0.48	73	0.49	76	0.46
Governance	15	0.11	16	0.11	18	0.11
Social Protection	10	0.07	12	0.08	13	0.08
Total	710	5.27	804	5.40	931	5.62

### 7.3 Human Resources Development

The investment in school education will be aimed at reducing disparities, enhancing quality of education, making 13 years of education mandatory and strengthening the education governance structure. Equipping all schools with basic facilities, proper teacher deployment and recruitment mechanism, teacher training, regular revision and diversification of curriculum and

integration of Information and Communication Technology (ICT) into education are the key strategic interventions to be taken in this regard. Investment in the higher education sector will focus on infrastructure development to accommodate increased numbers of students, encouragement of research activities and fostering links between industry and the universities. The quality and affordability of vocational training will be further improved with increased investment and it is also expected to create strong links between school system and vocational education system to attract youth for vocational training.

The Government intends to create a healthy nation by making necessary institutional and policy reforms and increasing investment. The importance of the co-existence of different forms of medicine and the benefits of private sector participation in curative health services will be recognized.

The Government has identified following five priority areas of investment in the health sector,

- Address high Prevalence of Non Communicable Diseases (NCDs)
- Reduce regional disparities in Maternal Mortality Ratio and Infant Mortality Ratio
- Reduce prevalence of emerging and re-emerging communicable diseases
- Improve quality of health care delivery system
- Improve estate sector health care delivery system

Considering the burning issue of rising NCDs, a significant amount of public investment has been allocated to take preventive measures as well as to provide quality curative health care services to NCD patients. Under the implementation of National Multi Sectoral Action Plan for Prevention and Control of NCDs, necessary actions and reforms will be taken to reduce

out of pocket expenditure, address health care needs of increasing elderly population, introduce referral and back referral system, enhance facilities to rural health care, reduce risk factors that contributes to NCDs, etc. In the meantime, Government expects to invest more in control of Chronic Kidney Disease / Chronic Kidney Disease due to unknown etiology (CKD/CKDu) under this NCD programme and through several other projects.

The national policy on labour aims at fostering the rights of workers and achieving healthy industrial relations to achieve economic progress. Enforcement of existing laws and regulations and introduction of reforms on par with international best practices will be given priority with a view to create a good investment climate. The Government will not intervene directly in determining wage rates in the private sector but will encourage collective agreements in resolving such issues.

Prompting work initiatives to create sustainable job opportunities through the adoption of employment oriented national policy and employment-led development will lead to a reduction of youth unemployment rate to about 14.1 percent. The other targets set include, one million productive job opportunities by 2020, female labor force participation rate of 40 percent and EPF beneficiary coverage of 30 percent.

## 7.4 Infrastructure Development

The country's transport infrastructure should develop to meet the evolving needs of a rapidly growing economy. The Government has planned to invest around Rs. 776.4 billion in transport infrastructure development in the medium term (2016-2019). On average, the annual investment on transport infrastructure equals to about 1.4 percent of GDP. The priority areas in road development include the extension of expressway network to connect economic centers and development of provincial and rural road network connecting rural hubs with town centers.

Despite the presence of an impressive road network, the transport sector still lacks the required capacity to meet the multifarious needs and demands of the community. The key priority areas include the public transport improvement, especially the railway and bus sector modernization in urban and suburban areas. The Light Rail Transit and electric trains are to be introduced. The rail way network is to be extended to new areas while improving signaling system and rolling stock. The priority lanes will be allocated to public transport in Colombo and suburbs and new traffic management plan will be introduced to urban areas.

The port and aviation sector that plays an important role in connecting Sri Lanka with the rest of the world will be enhanced to cater to the demand resulting from increased international trade, investment and tourism. The development of international airports will be continued and services will be expanded to new destinations. Several domestic airports have been planned with a view to meeting the demand from tourism. With the objective of making Sri Lanka the most competitive and preferred centre for port services in the region, international port development activities will be continued. In addition, the Dry Port/Cargo Village concept will be introduced to encourage transshipments and value addition. A significant share of investment in port and aviation will be expected from the private sector or as FDI.

The policy direction in the power sector consists of meeting the basic energy needs to upgrade the living standards and for engaging in gainful economic activities, promoting energy efficiency and conservation, promoting the use of indigenous resources, enhancing energy sector management capacity, consumer protection, enhancing the quality of energy services, protection from adverse environmental impacts of energy facilities, etc.

Having identified the goal of providing equitable access to safe drinking water and sanitation for the entire population, the sectoral public investment during the medium term will be

mainly focused on bridging the gaps of regional disparities in water and sanitation. Moreover, the investment priorities for the next three years take into consideration the prevailing issues, paying attention to targets identified under the Goal 6 of Sustainable Development Goals (SDGs), which concerns equitable access to safe and affordable drinking water and sanitation for all by 2030. Provision of safe drinking water to the entire population of the country with 60 percent having access to pipe borne water and 7 percent coverage for piped sewerage facility are among the important targets set for the year 2020.

The Urban Development policy of the country aims at establishing large urban centres to facilitate the improvement of investment climate to attract businesses and industries including Foreign Direct Investment by assuring sustainable city development and converting the Western Region, the main economic hub of Sri Lanka into a Megapolis. Other urban centers (strategic cities, smart cities, satellite cities) will be linked to the core commercial hub which is Colombo.

For this purpose, the Government has launched the Western Region Megapolis Plan (WRMPP). Public Private Partnerships would be the main implementation mechanism of commercially viable projects. The Government will facilitate and encourage the private sector to invest in this sector.

The Government housing policy is to ensure affordable access to decent housing facilities for every family, by addressing mainly the housing needs of targeted vulnerable groups such as rural poor, plantation community, underserved settlers and conflict affected people through providing cash, in kind grant assistance, concessionary loan and technical assistance. In addition, Government plays a vital role in creating a conducive environment for private sector to invest in housing, targeting groups who can afford to spend on housing. They include public servants, private sector employees and middle and high income households. In this context, the Government acts as a financier, promoter, facilitator and a regulator to ensure

achieving the target of housing for all.

Existing Rural Housing Loan Programme, Urban Regeneration Housing Programme, Estate Housing Programme and Resettlement Programme are mainly focused on vulnerable groups in the country. The Government has taken initiatives to construct 500,000 housing facilities for the middle class population in urban and sub-urban areas, 65,000 houses for urban underserved population, 65,000 houses for internally displaced people in conflict affected areas, and intends to fulfill 65 percent of estate housing requirement by 2020. The Government will encourage Public-Private Partnership to finance commercially viable housing projects.

## 7.5 Agriculture and Industries

The present agriculture policy focuses on introducing innovative technologies to achieve inclusive and sustainable economic growth with an assured food security and food sovereignty of the nation. The policy thus aims at harnessing the full potential of competitive and comparative advantage of agricultural products through increased commercialization of activities.

The public investment in agriculture will further be complemented with private sector and arrangements of Public Private Partnerships. The new Government investments are largely focused on increasing the competitiveness in the sector with increased land and labour productivity, research and development towards markets and new market trends in particular, infrastructure development and innovation of technological advancements. Under the new policy directives, investment strategies will also be focussed on import substitution and promotion of exports considering the comparative advantage of the country.

National food production programme, liquid milk promotion through dairy sector development, fishery sector modernization and development of agricultural mega zones with value chain development, irrigation sector modernization are

some of the specific major initiatives which have been identified in the sector to be implemented over the medium term.

Investments in industrial sector will focus on supporting private sector development in export oriented industries with emphasis on the diversification of products and geographical location. The Government has already intervened to develop industry sector of the country by establishing industrial infrastructure, developing investment climate and introducing appropriate policy reforms. In addition, plans are underway to establish 11 other industry and technology mega zones. These zones will be provided with infrastructure facilities and services on par with the international standards. Small and Medium Scale Enterprises (SMEs) have been identified as the driver of economic growth, regional development, employment generation and poverty reduction. Therefore, the Government places high priority on developing this sector. The policy in SME sector will address issues and problems such as inadequate access to finance and technology, low quality of products, packing and branding of products, market information and accessibility.

Being a small island nation, Sri Lanka needs to integrate with world economy through efficient trade and investment policy to obtain required investment flows to the country. As such, the national trade and investment policy aims at integration of Sri Lankan economy with the world economy, engagement in effective multilateral and bilateral trade-agreements, increasing investment to productive sectors, improving business regulatory environment and creating investment friendly environment in the country.

In Sri Lanka, one sector that featured prominently in the post-war rapid growth is the tourism sector. In line with the Government's target, it is expected to increase the number of total hotel rooms to a level above 80,000, tourist arrivals up to 4.5 million and the total number of employees working in the tourism sector at up to 800,000 by 2020.

Since tourism is a private sector driven industry, the Government plays the role of a facilitator by creating a conducive environment. The public investment in next three years will be focused towards the establishment of Tourism Development Mega Zones to provide necessary infrastructure facilities to cater for cultural, religious and nature interested tourists. In addition, special emphasis will be given to attract high spending tourists by improving high quality facilities, safety and security standards, and ample shopping opportunities.

## 7.6 Environment

The overall policy of the Environment sector is to ensure adequate protection of the quality of human life and environment in the context of rapid economic growth. Environment is an important development goal set out in the post 2015 Development Agenda and the Sustainable Development initiative. Sri Lanka intends to make all efforts to achieve SDGs and at least reach the 25th place of Environment Performance Index (EPI) from its current position of 69 (2014). To achieve this, "Punarudaya" the 3-year accelerated National Environmental Conservation Programme and 5-year National Environmental Action Plan "Haritha Lanka" have been developed.

Though there is a reasonable reduction of the casualties of the disasters, the disaster related damages and losses still show significant levels and are in fact increasing. The disaster management policy of Sri Lanka is "to ensure the safety of Sri Lanka by reducing potential disaster risks and impacts on people, property and the economy".

## 7.7 Social Protection

Sri Lanka is to witness significant changes in the demographics and social conditions, with the expected increase of ageing population. This may result in increased demand for providing protection to certain segments of the population such as elders and the disabled as well as children

and women. In Sri Lankan society most of these groups are usually protected and cared for within the family, however, this situation seems to be changing over time. Therefore, the Government intends to ensure the well-being of the family through a group specific intervention to uplift the living standards of these groups and mainstream them into the society. Accordingly, major subsidy and welfare programs and livelihood assistances have been implemented aiming the needy segments of the society, whereby each and every individual of the country would be able to enjoy the economic and social benefits.

Further there are several other concerned areas such as violence against women and children, low female labour force participation, errors of targeting of subsidy programmes as well as overlapping of national level and provincial programmes, which the Government intends to take further measures in the future.

## 7.8 Regional Development

Regional development highlights the importance of maximum utilization of resources available at regional level for the development of the country. In order to achieve the balanced socio-economic development across the regions, number of regional specific development interventions has been proposed to implement covering all provinces. For Instance; establishing 45 Economic Development Mega Zones (23 Agriculture Development Mega Zones, 10 Fisheries Mega Zones, 11 Industry and Technology Mega Zones, Tourism Development Mega Zone). In addition , 2500 Cluster Villages under Grama Rajjya project is being planned covering all Grama Niladhari divisions, there by sustaining the community development process by empowering local communities. Major projects such as expressways and transport network are also being implemented to enhance inter and intra regional connectivity. Local Government Sector Enhancement Project (Pura Neguma) and North East Local Services Improvement Project (NELSIP) are currently being implemented under Province based interventions.



# Financing of the Budget

08

## 8.1 Overview

National Budget allocates funds based on the expenditure forecasts of each Spending Agencies such as; Presidential Secretariat, Prime Minister's Office, Ministries, Departments, Statutory Boards and Institutions, Commissions and etc in order to implement the anticipated economic development policies of the government. At the same time, revenue proposals are also made for providing a cushion to the expenditure forecast and enhancing the revenue composition of the budget while stimulating the current and potential investors. The development policies of the government are highly prioritized and therefore, expenditure of the budget surpasses the revenue. As a result, deficit budget is formulated and such deficit is financed through different sources. Broadly these sources are;

- Domestic Financing
- Foreign Financing

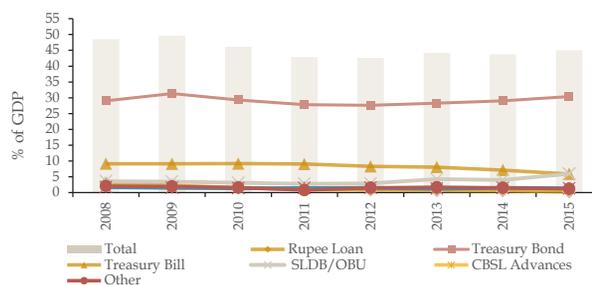
Combination of above two financing sources operationalized during the year raising funds within the gross borrowing limit of the government. This limit is an integral part of the budget and once it is approved by Parliament, it becomes an integral part of the Appropriation Act. Within this gross borrowing limit, there is a flexibility to increase or decrease the amounts forecasted to finance either by domestic or foreign financing sources.

The reliance on both domestic and foreign financing sources has been increased over the years to finance the resource gap of the government budget. Domestic debt has moved towards more marketable instruments easing restrictions by allowing foreigners to invest in such instruments with a cap.

Chart 8.1 | Composition of Government Debt



Chart 8.2 | Domestic Debt to GDP Ratio: 2008 - 2015



## 8.2 Government Borrowing Programme - 2015

The draft Appropriation bill submitted to the Parliament for the year 2015 budget, which included the gross borrowing limit at Rs.1,780 billion. Approval of the Parliament of Sri Lanka was granted for this limit under the Appropriation Act No. 41 of 2014. Subsequently, this 2015 budget was revised under amended Act No.01 of 2015 and however, no change was effected to the gross borrowing limit of Rs. 1,780 billion.

The actual total gross borrowing was Rs.1,745 billion which constituted Rs. 1,188 billion from domestic sources while foreign sources amounted to Rs. 556 billion. Gross borrowings from foreign sources includes proceeds from the sovereign bond of Rs. 298 billion issued at the international markets and project and program loans of Rs.258 billion. The total gross borrowing of Rs.1,745 billion in 2015 is a 23 percent increase over that of Rs 1,425 billion in 2014.

The total gross domestic borrowing of Rs. 1,188 billion in 2015 is a 19 percent increase over that of Rs. 1,002 billion in 2014. This increase mainly attributes issuance of Treasury Bonds and Sri Lanka Development Bonds (SLDBs) in 2015.

Table 8.1 | Government Borrowing Limits and Usage

Item	2014		2015	
	Approved Limit	Usage	Approved Limit	Usage
Gross Borrowing	1,478,000	1,424,506	1,780,000	1,744,524
Domestic	1,146,500	1,001,968	1,222,000	1,188,154
Foreign	331,500	422,538	558,000	556,370
Total Financing	1,478,000	1,424,506	1,780,000	1,744,524

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

Table 8.2 | Net Domestic Financing of the Government Budget: 2014 and 2015

Item	Amount (Rs. Bn)		As a % of Total	
	2014	2015	2014	2015
<b>By Type</b>	378.7	592.7	100.0	100.0
Borrowing from Instruments	416.2	607.7	109.9	102.5
Treasury Bonds*	369.1	442.6	97.5	74.7
Treasury Bills*	26.1	-26.4	6.9	-4.4
Rupee Loans	0.0	-31.4	0.0	-5.3
Sri Lanka Development Bonds	21.0	223.0	5.5	37.6
Non Instrument Borrowings	-37.5	-15.0	-9.9	-2.5
Provisional Advances from the Central Bank	34.7	7.2	9.2	1.2
Other	-72.2	-22.3	-19.1	-3.8
<b>By Maturity</b>	378.7	592.7	100.0	100.0
Medium to Long Term	390.1	634.1	103.0	107.0
Treasury Bonds*	369.1	442.6	97.5	74.7
Rupee Loans	0.0	-31.4	0.0	-5.3
Sri Lanka Development Bonds	21.0	223.0	5.5	37.6
Short term	-11.4	-41.4	-3.0	-7.0
Treasury Bills*	26.1	-26.4	6.9	-4.4
Provisional Advances from the Central Bank	34.7	7.2	9.2	1.2
Other	-72.2	-22.3	-19.1	-3.8
<b>By Marketability</b>	378.7	592.7	100.0	100.0
Marketable	416.2	639.2	109.9	107.8
Treasury Bills*	26.1	-26.4	6.9	-4.4
Treasury Bonds*	369.1	442.6	97.5	74.7
Sri Lanka Development Bonds	21.0	223.0	5.5	37.6
Non - Marketable	-37.5	-46.5	-9.9	-7.8
<b>By Ownership</b>	378.7	592.7	100.0	100.0
Banks	126.9	291.8	33.5	49.2
Central Bank	35.7	80.3	9.4	13.5
Commercial Banks	91.3	211.6	24.1	35.7
Non Bank Sector	251.8	300.9	66.5	50.8

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

\*Excluding investment by non residents

## 8.3 Domestic Financing

### Net Domestic Financing (NDF)

The total net borrowings from domestic sources to finance the budget deficit increased by 57 percent in 2015 to Rs. 593 billion. This accounted for 72 percent of budget deficit. The total net borrowing to finance the deficit in 2015 through marketable debt instruments amounted Rs. 608 billion while there was a repayment of non-marketable debt of Rs 15 billion.

The marketable debt instruments, issuance of Sri Lanka Development Bonds (SLDBs) amounted to

Rs.223 billion in 2015 compared to Rs.21 billion in 2014.

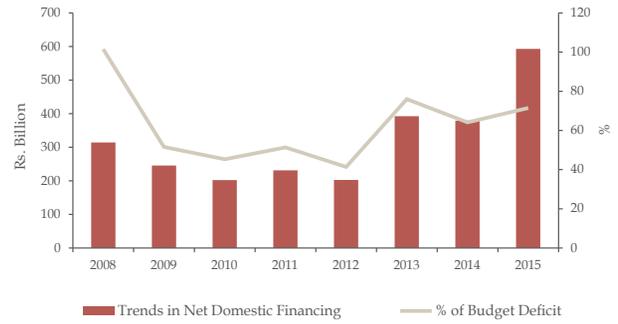
During the year, borrowings from Treasury Bills reflected a net outflow of Rs. 26.4 billion as the repayments exceeded the issuances. Compared to the net receipts of Rs.26.1 billion in 2014 resulting a reduction in NDF by 4.4 percent. There was a repayment of Rs. 46.5 billion of non-marketable borrowings in 2015 which mainly consisted repayment of Rupee Loans amounting to Rs.31.4 billion.

The share of the medium to long term borrowings of Rs. 634.1 billion reflected an increase of 107 percent in the NDF, while short term borrowings declined by 7 percent due to repayment of Rs. 41.4 billion in 2015.

Due to attractive trend in the interest rates of the government securities, the borrowings from the banking sector increased significantly to Rs. 292 billion in 2015 compared to Rs. 127 billion in 2014 an increase by 130 percent. Meanwhile borrowing from non-banking sector increased from Rs.252 billion to Rs.301 billion in 2015 which is a 20 percent increase over 2014. The higher amount of net borrowing from banking and non-banking sectors reflects increased holdings of Treasury bonds and SLDBs.

In this background, the share of non-bank sector borrowings in the total NDF decreased to 51 percent in 2015 from 67 percent in 2014, while the banking sector contribution to the NDF increased to 49 percent in 2015 compared to 34 percent in 2014

Chart 8.3 | Trends in Net Domestic Financing



### 8.3.1 Domestic Debt

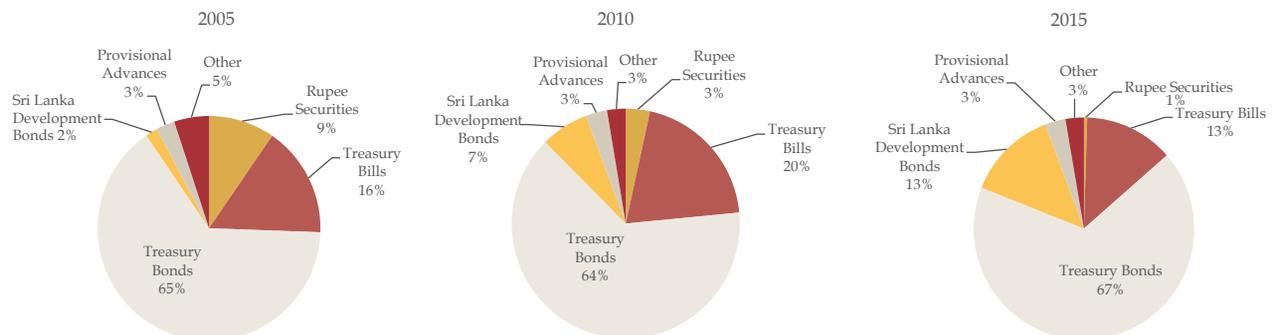
Government domestic debt, excluding the rupee denominated Treasury bills and bonds issued to non-residents, stood at Rs. 4,959 billion as at end 2015, an increase of 15.9 percent in comparison to Rs. 4,278 billion as at end 2014.

#### 8.3.1.1 Composition of Domestic Debt

##### Composition by Type

Of the total domestic debt of the government by end 2015, the share of Treasury bonds and SLDBs accounted for 67 percent and 13 percent, respectively while the share of Treasury bills reduced from 16 percent as of end 2014 to 13 percent as at end 2015. The balance accounted for provisional advances from the Central Bank of Sri Lanka (3 percent), Rupee Loans (0.5 percent) and other borrowings (3 percent). The share of Rupee Loan reduced from 1.3 percent in 2014 to 0.5 percent in 2015 as there was no issuance in 2015, indicating the emphasis on more marketable instruments.

Chart 8.4 | Composition of Domestic Debt



The stock of Treasury bonds increased by 16 percent to Rs.3,305 billion in 2015 while stock of Treasury bills decreased by 5.3 percent to Rs.658 billion in comparison to 2014. The stock of SLDBs increased significantly by 71 percent to Rs. 668 as at 2015.

## Composition by Maturity

Out of the total government domestic debt as at end of 2015, the medium and long term debt accounted to 82 percent while short term debt accounted to 18 percent.

Table 8.3 | Central Government Domestic Debt(a)

Item	2008	2009	2010	2011	2012	2013	2014	2015	Rs. Mn
<b>Total Domestic Debt</b>	2,140,228	2,400,955	2,565,662	2,804,085	3,232,813	3,832,825	4,277,783	4,959,196	
<b>By Type</b>									
Rupee Loans	130,009	112,292	87,709	61,961	58,386	55,518	55,518	24,088	
Treasury Bills	402,600	441,032	514,442	590,885	629,070	700,137	694,767	658,240	
Treasury Bonds	1,281,978	1,513,512	1,643,887	1,819,251	2,095,054	2,452,360	2,844,054	3,305,248	
Sri Lanka Development Bonds	158,805	168,079	173,877	183,845	222,994	369,215	391,083	668,458	
Provisional Advances	76,308	73,881	77,879	94,743	111,292	109,167	143,898	151,132	
Other	90,528	92,160	67,869	53,400	116,017	146,428	148,463	152,031	
<b>By Maturity</b>									
Short term	516,364	560,646	619,549	698,190	813,273	909,156	941,162	913,291	
Treasury Bills	402,600	441,032	514,442	590,885	629,070	700,137	694,767	658,240	
Provisional Advances	76,308	73,881	77,879	94,743	111,292	109,167	143,898	151,132	
Other	37,456	45,733	27,228	12,562	72,911	99,852	102,498	103,920	
Medium and Long - Term	1,623,863	1,840,309	1,946,113	2,105,895	2,419,541	2,923,670	3,336,620	4,045,905	
Treasury Bonds	1,281,978	1,513,512	1,643,887	1,819,251	2,095,054	2,452,360	2,844,054	3,305,248	
Rupee Loans	130,009	112,292	87,709	61,961	58,386	55,518	55,518	24,088	
Sri Lanka Development Bonds	158,805	168,079	173,877	183,845	222,994	369,215	391,083	668,458	
Other	53,071	46,426	40,640	40,838	43,107	46,577	45,966	48,111	
<b>By Marketability</b>									
Marketable	1,843,383	2,122,623	2,332,206	2,593,981	2,947,118	3,521,712	3,929,904	4,631,946	
Treasury Bills	402,600	441,032	514,442	590,885	629,070	700,137	694,767	658,240	
Treasury Bonds	1,281,978	1,513,512	1,643,887	1,819,251	2,095,054	2,452,360	2,844,054	3,305,248	
Sri Lanka Development Bonds	158,805	168,079	173,877	183,845	222,994	369,215	391,083	668,458	
Non - Marketable	296,845	278,332	233,456	210,104	285,695	311,113	347,879	327,251	
<b>By Ownership</b>									
Banks	657,424	705,766	691,716	886,221	1,060,317	1,433,773	1,669,882	1,924,036	
Central Bank	239,248	109,593	78,376	263,330	265,198	112,396	267,677	256,050	
Treasury Bills	163,584	37,451	2,993	169,797	154,005	3,053	123,496	104,754	
Provisional Advances	76,308	73,881	77,879	94,743	111,292	109,167	143,898	151,132	
Other	-644	-1,739	-2,496	-1,210	-99	176	282	164	
Commercial Banks	418,175	596,173	613,341	622,893	795,119	1,321,377	1,402,205	1,667,986	
Rupee Loans	15,870	17,251	17,615	16,234	15,870	15,870	15,870	15,870	
Treasury Bills	87,869	160,081	220,358	185,756	219,748	443,951	278,296	340,664	

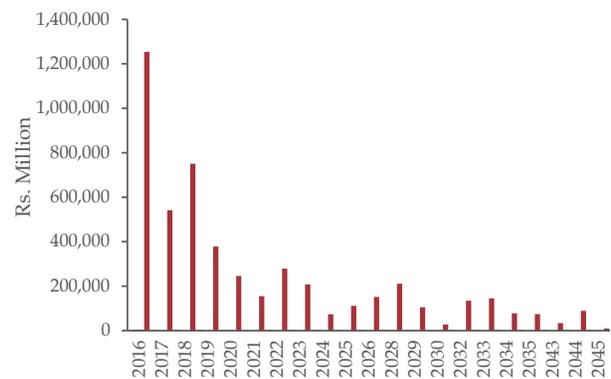
Table 8.3 | Central Government Domestic Debt(a) contd...

Item	2008	2009	2010	2011	2012	2013	2014	2015	Rs. Mn
Treasury Bonds	90,081	188,576	162,215	206,547	244,770	386,398	595,067	517,613	
Sri Lanka Development Bonds	158,805	168,079	173,877	183,845	222,994	369,215	391,083	668,458	
Other	65,550	62,186	39,276	30,511	91,737	105,943	121,890	125,382	
By Institution	418,177	596,172	613,340	622,892	795,119	1,321,377	1,402,205	1,667,986	
State Banks	144,641	167,860	138,708	193,698	283,426	435,111	527,641	507,164	
Other	273,536	428,313	474,632	429,194	511,693	886,267	874,564	1,160,822	
Non Bank Sector	1,482,804	1,695,189	1,873,945	1,917,864	2,172,496	2,399,053	2,607,901	3,035,160	
By Type	1,482,804	1,696,189	1,873,945	1,917,864	2,172,496	2,399,053	2,607,901	3,035,160	
Rupee Loans	114,139	95,040	70,094	45,727	42,516	39,648	39,648	8,218	
Treasury Bills	151,146	243,499	291,091	235,333	255,317	253,133	292,975	212,822	
Treasury Bonds	1,191,897	1,324,936	1,481,672	1,612,704	1,850,284	2,065,962	2,248,987	2,787,635	
Other	25,622	31,713	31,089	24,100	24,379	40,310	26,291	26,485	
By Institution	1,482,804	1,695,189	1,873,945	1,917,864	2,172,495	2,399,053	2,607,901	3,035,160	
National Savings Bank	204,067	257,084	286,514	314,319	330,150	358,243	379,877	428,236	
Savings Institutions & Individuals	431,562	410,540	482,305	436,221	408,827	350,562	441,106	592,220	
Employees' Provident Fund	676,310	806,192	861,341	950,474	1,173,870	1,393,458	1,474,244	1,612,461	
Insurance Institutions	25,976	34,490	31,089	34,356	33,768	30,849	30,536	50,597	
Finance Companies	11,422	10,756	12,856	11,064	17,040	27,839	59,667	55,587	
Other	133,467	176,127	198,090	171,431	208,841	238,102	222,470	296,060	

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.

The total medium to long term debt included Treasury bonds worth of Rs. 3,305 billion or 82 percent while remaining 18 percent constituted the SLDBs (16.52 percent), Rupee Loans (0.6 percent) and other (1.19 percent). When analysing the maturity pattern of the domestic debt, as per the above chart 8.5, it is observed that the 50 percent of the domestic debt are maturing within next 3 years. Therefore, the government has initiated in redeeming short term maturity loans by issuing long term marketable instruments.

Chart 8.5 | Domestic Debt Maturity Profile

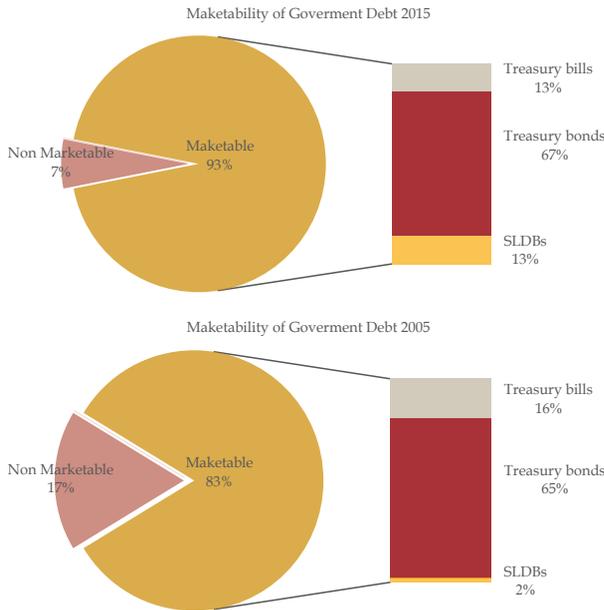


### Composition by Marketability of Domestic Debt

Reflecting the increased utilisation of marketable debt instruments over the years where the trend continued in 2015, increasing the stock of marketable debt by 18 percent to Rs. 4,632 billion over 2014. The total domestic debt, marketable debt instruments accounted for 93 percent while

non- marketable debt stood at 7 percent (Rs. 327 billion) as at end 2015. Out of the total value of marketable debt instruments portfolio of Rs.4,632 billion (93 percent of domestic debt), Treasury Bonds represented 67 percent while share of Treasury Bills and Sri Lanka Development Bonds were 13 percent each.

Chart 8.6 | Marketability of Government Domestic Debt



### Ownership of Domestic Debt

The ownership of government domestic debt increased in both banking sector and non-banking sector by 15 percent and 16 percent, respectively, as at end of 2015 over the previous year. However, of the total outstanding domestic debt as at end 2015, the non banking sector share increased to 61.2 percent which was 61.0 percent as at end 2014, while the share of banking sector decreased to 38.8 percent which was 39 percent as at end 2014.

### 8.3.2. Domestic Debt Service Payments

Total government domestic debt service payments in 2015 increased by 68 percent to Rs. 1,303 billion in comparison to Rs. 777 billion recorded in 2014. Out of the total debt service payment, amortization amounted to Rs. 794 billion (60.9 percent) while the balance Rs.510 billion (39.1 percent) was on interest payment. Both the amortization payments and the interest

payments on domestic debt increased by Rs. 344 billion and Rs. 182 billion, respectively in 2015 over the previous year.

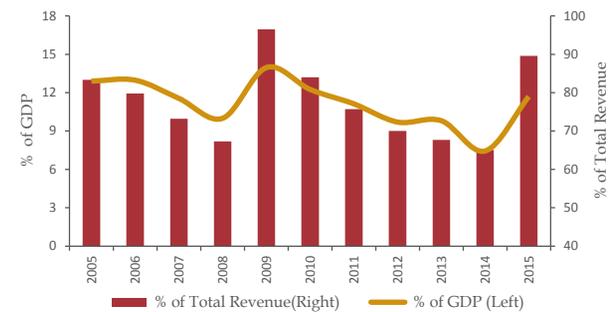
Total domestic debt service payments as a percentage of GDP increased to 11.7 percent in 2015 from 7.9 percent in 2014. Domestic interest payments as a percentage of GDP also increased to 4.6 percent from 3.4 percent in 2014 while domestic amortization payments increased to 7.1 percent from 4.6 percent in the previous year. Domestic debt service payments to the total government revenue increased to 89.6 percent in 2015 from 65.1 percent in the previous year.

Table 8.4 | Domestic Debt Service Payments

Year	Principal payments	Interest payments	Rs. Mn
			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
2015	793,547	509,674	1,303,221

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

Chart 8.7 | Domestic Debt Service Payments as a % of GDP and Total Government Revenue: 2005- 2015



## 8.4 Foreign Financing

Foreign financing plays an important role in public investment as domestic resources are grossly inadequate to bridge the revenue and expenditure gap. Therefore, mobilization of required foreign financing at least possible costs while maintaining debt sustainability of the country is one of the important objectives of the borrowing strategy of Government. The new government has taken steps to rationalize the borrowing procedure relating to export credit arrangements improving the competition among contracting parties.

With the reduction of grant financing generally available to low income countries, government has taken initiatives to fully utilize the concessional financing available from multilateral and bilateral lending agencies. When exploring various foreign financing sources, a diverse range of terms and conditions needs to be considered by Government. Meantime, unpredictable global economic conditions such as financial crises, slowdown of the growth of world's major economies and fluctuation of exchange rates and floating interest rates such as LIBOR and EURIBOR have posed new challenges to recipient counties including increasing cost of borrowing, outstanding debt stock and debt service payments.

Considerable decline in commitments and disbursements in foreign loans and grants was recorded in 2015 compared to 2014. Almost a 7 percent decrease in foreign financing commitments through development project loans and grants was observed in 2015 against the commitments in 2014 while about 18 percent decrease was recorded in disbursements. The newly elected government took some time to study the existing loan agreements and paid attention to review the loan agreements under negotiation. Moreover, on-going projects were closely monitored and executed adopting more transparent procedures. All unsolicited proposals went under a review process with the policy decision that government will encourage competitive process in future. Since LIBOR

rates had an increasing trend coupled with unfavourable global conditions during 2015, loan agreements with floating interest rates being negotiated were required to be considered more cautiously. Those hurdles were intensified due to the depreciation of Rupee by almost 10 percent since January 2015 resulting increase of interest cost.

Slow down of economic growth of China, which has become one of the major lenders to the country, has also caused the decrease in their financing commitments and disbursements during 2015 in contrast to the favourable conditions enjoyed in 2014. This situation will have an adverse impact towards the growth of the global economy as well. However, since Sri Lanka has almost US\$ 8 billion of undisbursed foreign financing to be disbursed from the loans already signed with development partners, the country can look forward to un-interrupted implementation of development projects and programmes in next 3-5 years.

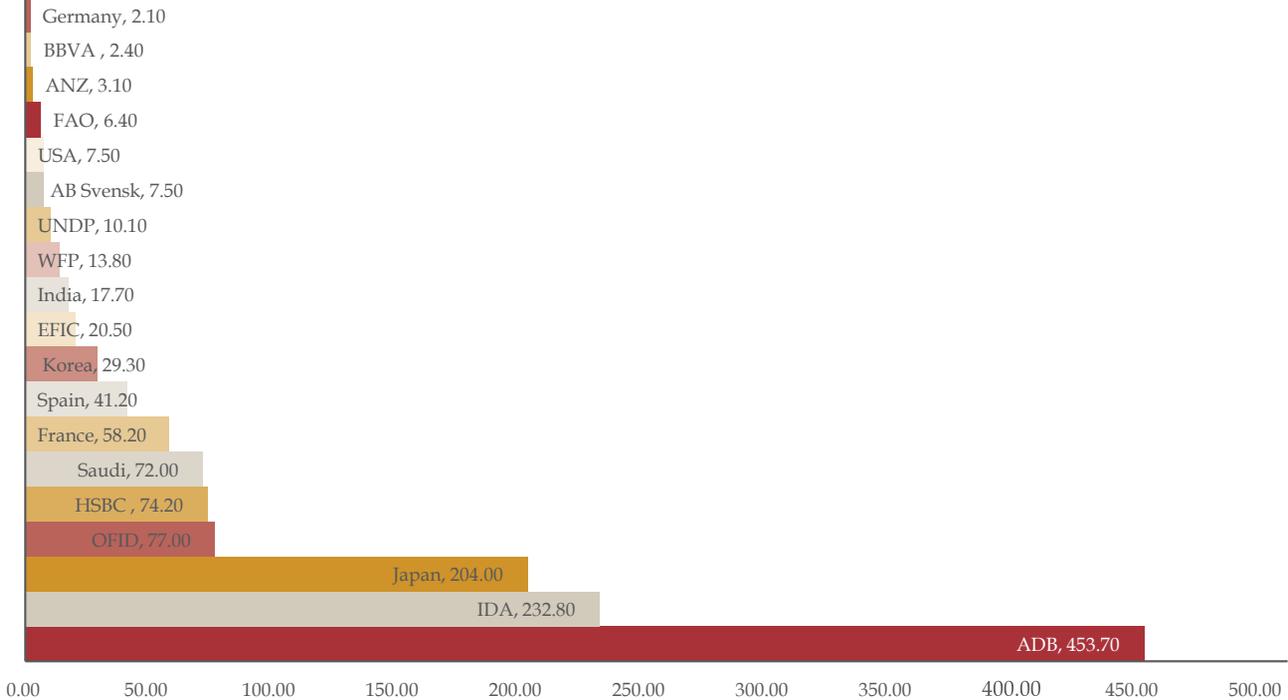
### 8.4.1 Foreign Financing Commitments

The total financing commitments made by the foreign development partners and lending agencies during last decade was about US\$ 27.1 billion<sup>1</sup>. Average foreign financing commitments received annually for the implementation of development projects and programmes through loans and grants during the last decade amounted to US\$ 2,140 million. Of this amount, the annual average commitment through loans amounted to US\$ 1,950 million while about US\$ 190 million was reported as annual grant commitments. As the project implementation process is taken place over next 3-5 years, the annual disbursement ratio is around 20 to 25 percent.

During 2015, the total financing commitments received from foreign development partners and lending agencies for the implementation of development projects and programmes amounted to US\$ 1,333 million. Of which, US\$ 1,268 million was recorded as loans through

<sup>1</sup> This Includes International Sovereign Bond Issuances worth of US\$ 7,650 million. Non-resident holdings of Treasury Bills/Bonds are not included. Financing commitments made by development partners and lending agencies to State Owned Enterprises (SOEs) are also not included.

Chart 8.8 | Lender-wise Commitments during 2015 (in US\$ million)

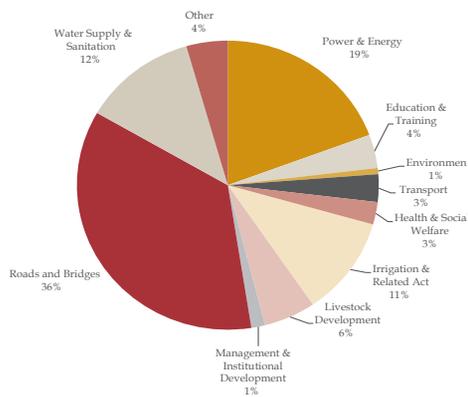


23 agreements and the balance US\$ 65 million through 10 grant agreements signed during 2015. In contrast, the loan and grant commitments in 2014 amounted to US\$ 4,277 million and US\$ 80 million respectively totaling to US\$ 4,357 million.

### Sector-wise Commitments

During 2015, the highest foreign financing commitment amounting to US\$ 477.8 million was received for Roads and Bridges sector followed by US\$ 258 million for Power and Energy, US\$ 163 million for Water Supply and Sanitation and US\$ 148 million for Irrigation sector related activities respectively.

Chart 8.9 | Sector-wise Financing Commitments for Development Projects and Programmes in 2015



In 2015, loan commitments were received to implement a number of flagship projects including National Transmission and Distribution Network Development and Efficiency Improvement Project (US\$ 200 million) funded by the Government of Japan, Improvement of Peradeniya - Badulla - Chenkaladi Road (US\$ 120 million) jointly funded by Saudi Fund and OPEC Fund, Establishment of Dairy Processing Plant at Badalgama (US\$ 74 million) funded by HSBC, Integrated Road Investment Program - Tranche 2 (US\$ 98 million), Integrated Road Investment Program - Tranche 3 (US\$ 175 million) and Mahaweli Water Security Investment Programme - Tranche 1 (US\$ 148 million) funded by ADB and Water Supply and Sanitation Improvement Project (US\$ 163.2 million) and Early Childhood Development Project (US\$ 50 million) funded by the International Development Association of the World Bank. A full list of loan agreements signed during 2015 with their financial terms is given in Annex 1.

Outright grants offered by foreign development partners and lending agencies have made a significant contribution towards the economic and social development of the country. It is important to highlight the generous grants

received from development partners and lending agencies towards the rehabilitation and reconstruction activities during Tsunami destruction in 2004 and internal conflict in the country during last few decades. Since Sri Lanka has graduated to middle income status, the outright grants have also been declining over the last few years. However, still Sri Lanka received a considerable grant commitments annually. Accordingly, foreign grant commitments worth of US\$ 65 million has received in 2015 against US\$ 77 million in 2014 as project and programme grants.

### International Sovereign Bond Issuances

Apart from the financing commitments for the implementation of development projects and programmes, two International Sovereign Bonds (ISBs) worth of US\$ 2,150 million were issued in 2015. Sri Lanka has so far undertaken 9 international sovereign bond issuances from 2007 including two bonds worth of US\$ 500 each matured in 2012 and 2015.

Table 8.6 | International Sovereign Bond Issuances with their Terms.

Date of Issuance	Amount (USD Mn)	Interest Rate (%)	Tenure (Years)	Maturity Date
17/10/2007	500	8.250	5	Matured in 2012
22/01/2009	500	7.400	6	Matured in 2015
30/10/2010	1,000	6.250	10	30/10/2020
27/07/2011	1,000	6.250	10	27/07/2021
25/07/2012	1,000	5.875	10	25/07/2022
06/01/2014	1,000	6.000	5	06/01/2019
07/04/2014	500	5.125	5	07/04/2019
03/06/2015	650	6.125	10	03/06/2025
03/11/2015	1,500	6.850	10	03/11/2025

Source: Central Bank of Sri Lanka

### Foreign Financing Disbursements

The disbursements made through the development projects and programmes funded by foreign development partners and lending agencies in 2015 amounted to US\$ 1,515 million including US\$ 1,441 million of loans and US\$ 74.5 million as outright grants.

Table 8.5 | Foreign Grants Received During (January-December) 2015

Development Partner/ Lending Agency	Agreement Date	Project	Amount Committed			
			Signed Currency	Amount Mn	SL Rs. Mn	USD Mn
<b>Bilateral</b>						
India	11/27/2015	Comprehensive Emergency Response Services - Phase I	USD	7.6	1,087.3	7.6
Japan	8/14/2015	Japan's Non Project Grant AID for Provision of Japanese Local Product 2014	JPY	500.0	542.2	4.1
Korea	6/22/2015	Capacity building project for Sri Lanka's Forensic Science Agencies and Officials	USD	3.2	458.2	3.2
Germany	11/26/2015	Education for Social Cohesion [ESC]	EUR	4.0	606.7	4.2
	4/24/2015	National Park and Buffer Zone Management in Wilpattu	EUR	2.0	287.3	2.2
United States of America	8/20/2015	Strengthened Partnership for Social Integration	USD	2.1	283.4	2.1
<b>Multilateral</b>						
Food and Agriculture Organization (FAO)	2/25/2015	Agro Economic Development Project	CAD	3.0	320.0	2.4
UNDP	9/23/2015	Enhancing Biodiversity Conservation and Sustainance of Ecosystem Services in Environmentally Sensitive Areas	USD	9.1	1286.4	9.1
	11/4/2015	Ensuring Global Env't Concerns and best practices mainstreamed in the post-conflict rapid dev't process of SL through improved infrastructure	USD	1.0	135.6	1.0
World Food Programme	4/10/2015	Protracted relief & Recovery Operation (PRRO)	USD	29.3	3,899.6	29.3
<b>Total</b>					<b>8,906.6</b>	<b>65.2</b>

Source: Department of External Resources

Note: Conversion rates used for the report were the exchange rates prevailed for different currencies at the date where the grant agreements were signed

Table 8.7 | The foreign financing disbursements in 2015

Development Partner/ Lending Agency	Loan US\$ Mn	Grant US\$ Mn	Total US\$ Mn
<b>Bilateral</b>	917.4	43.8	961.2
China	407.8	0.0	407.8
Japan	167.9	7.2	175.1
India	73.1	31.9	104.9
United kingdom	56.7	0.0	56.7
Netherlands	72.6	0.0	72.6
South Korea	20.9	2.2	23.1
Hungary	7.7	0.0	7.7
Sweden	4.3	0.0	4.3
Spain	9.8	0.0	9.8
France	6.9	0.0	6.9
Austria	6.8	0.0	6.8
Belgium	9.8	0.0	9.8
Germany	7.4	2.6	9.9
Denmark	24.7	0.0	24.7
Kuwait	9.2	0.0	9.2
Australia	9.8	0.0	9.8
USA	7.1	0.0	7.1
Saudi Fund	15.0	0.0	15.0
<b>Multilateral</b>	523.3	30.7	553.9
Asian Development Bank	288.0	1.6	289.6
World Bank - International Development Association	114.2	21.5	135.7
World Bank - International Bank for Reconstruction and Development	18.7	0.5	19.3
International Fund for Agricultural Development	5.0	1.0	6.0
UNDP	0.0	0.2	0.2
UNFPA	0.0	1.0	1.0
UNICEF	0.0	4.6	4.6
OPEC Fund for International Development (OFID)	16.5	0.0	16.5
Food & Agriculture Organization	0.0	0.3	0.3
European Investment Bank	80.8	0.0	80.8
<b>Total</b>	<b>1,440.7</b>	<b>74.5</b>	<b>1,515.2</b>

Source: Department of External Resources

A complete list of disbursements made during January to December, 2015 from each project with terms of the respective loan agreement is shown in Annex 2.

In comparison to the disbursements of foreign funded projects and programmes recorded in 2014, a substantial decrease during 2015 is observed. In 2014, the total disbursements in project loans and grants amounted to US\$ 1,849 million. Of this amount, US\$ 1,694 recorded as project loans and the balance US\$ 155 million as outright grants.

Roads and Bridges sector accounted for about 34 percent of the total foreign disbursements of 2015 and also during last few years, considerable investments were directed towards the development Roads and Bridges sector to ensure an improved road network is in place in the country. Since the supply of safe drinking water to the people in the country is also very important aspect, more than 10 percent of the total foreign financing disbursements were directed towards Water Supply and Sewerage sector. In the context of developing transport system in the country, the Transport sector also reflected about 10 percent of the total project disbursements in 2015. In addition to the above, substantial foreign financing disbursements were received in the sectors including Education and Vocational Training, Health & Social Welfare, Power & Energy, Housing & Urban Development and Land & Irrigation.

Table 8.8 | Sector-wise Disbursements 2015

Sector	Loan US\$ Mn	Grant US\$ Mn	Total US\$ Mn	%
Agriculture	0.1	1.1	1.2	0.1
Livestock Development	42.9	0.0	42.9	2.8
Land & Irrigation	45.9	0.5	46.4	3.1
Transport	146.0	2.3	148.3	9.8
Power & Energy	76.0	0.3	76.4	5.0
Water Supply and Sewerage	152.8	1.4	154.2	10.2
Roads and Bridges	515.3	0.9	516.2	34.1
Education & Vocational Training	86.6	12.8	99.4	6.6
Health & Social Welfare	90.7	4.9	95.6	6.3
Housing & Urban Development	21.7	31.9	53.6	3.5
Rehabilitation & Disaster Management	6.5	1.8	8.3	0.5
Finance & Banking	1.0	0.0	1.0	0.1
Institutional & Industrial Development	0.3	11.3	11.6	0.8
Environment	16.2	0.1	16.3	1.1
Other	238.5	5.2	243.7	16.1
<b>Total</b>	<b>1,440.7</b>	<b>74.5</b>	<b>1,515.2</b>	<b>100.0</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 where the Disbursement was made.
2. Disbursements made from foreign loans obtained by SOEs and non-resident holdings of Treasury Bills/Bonds are not Included.

Table 8.9 | Disbursements of Foreign Funded Projects during 2006-2015 (in US\$ million)

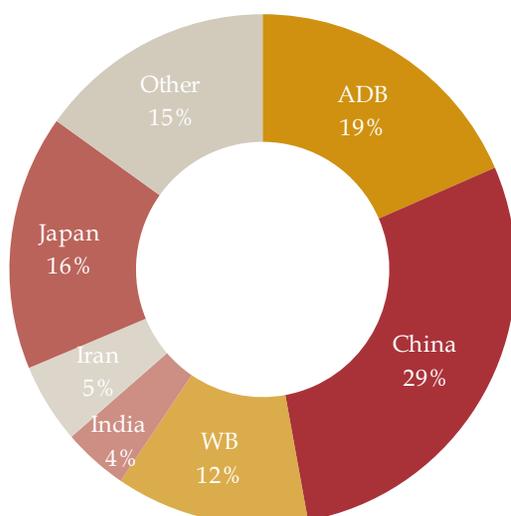
Lender	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015
ADB	202.7	173.7	291.3	286.0	343.2	291.0	302.2	280.8	346.1	289.6
WB	166.9	122.4	145.2	201.9	154.3	217.2	172.6	215.8	218.5	155
China	11.9	43.1	32.5	14.2	125.7	300.4	475.6	584.2	408.7	407.8
Japan	302.7	232.2	295.9	310.9	336.5	373.5	399.2	277.1	299.5	175.1
India	21.5	14.7	0.5	47.4	27.9	208.3	295.1	297.1	193.1	104.9
Western Countries	174.4	306.7	278.8	242.5	250.0	198.8	242.3	351.1	213.3	259.4
UN Agencies	90.8	36.3	103.9	110.8	53.8	110.9	77.8	34.9	16.7	12.1
HSBC	2.6	0.0	58.7	96.8	77.4	6.7	0.5	60.8	60.7	56.7
Commercial Loans through ISBs	0.0	500.0	0.0	500.0	1,000.0	1,000.0	1,000.0	0.0	1,500.0	2,150
Other	281.2	63.9	185.3	43.0	45.8	70.2	109.7	85.5	92.6	54.6
Total	1,254.7	1,492.9	1,392.2	1,853.5	2,414.6	2,777.0	3,075.0	2,187.2	3,349.3	3,665.2

Source: Department of External Resources

## Cumulative Undisbursed Balance

Once a loan agreement is signed to proceed with the implementation of a development project, the disbursements are mostly taken place over a period of 3-5 years. Since about US\$ 12.2 billion<sup>2</sup> worth of loans and grants were signed during last 5 years for the implementation of development projects and programmes, a considerable amount of funds for the development projects is to be disbursed during next few years from the development partners and lending agencies.

Chart 8.10 | Major foreign lenders with their Share for Committed Financing to be utilized as at the end of December, 2015



<sup>2</sup> Excluding funds raised through International Sovereign Bond Issuances and loans obtained from foreign lenders by State Owned Enterprises

Table 8.10 | Lender-wise Committed Financing to be Utilized as at the end of December 2015

Lender	Rs. Mn	US\$ Mn	%
<b>Bilateral</b>	758,040.6	5,262.0	66.9
China	324,813.6	2,254.6	28.7
Japan	183,440.5	1,273.3	16.2
India	47,063.8	326.7	4.2
United Kingdom	14,422.8	100.1	1.3
Netherlands	10,481.0	72.8	0.9
South Korea	12,242.8	85.0	1.1
Hungary	2,549.8	17.7	0.2
Sweden	742.8	5.2	0.1
Spain	8,452.5	58.7	0.7
France	23,661.3	164.2	2.1
Austria	1,006.5	7.0	0.1
Belgium	990.9	6.9	0.1
Germany	4,945.9	34.3	0.4
Denmark	7,156.2	49.7	0.6
Kuwait	8,915.5	61.9	0.8
Australia	2,020.7	14.1	0.2
USA	6,460.2	44.8	0.6
Saudi Fund	19,585.4	136.0	1.7
Iran	57,535.7	399.4	5.1
Pakistan	2,143.9	14.9	0.2
Russia	19,408.9	134.7	1.7
<b>Multilateral</b>	375,370.8	2,605.5	33.1
Asian Development Bank	209,382.7	1,453.3	18.5
World Bank - International Development Association	104,864.9	727.9	9.3
World Bank - International Bank for Reconstruction and Development	34,998.0	242.9	3.1
International Fund for Agricultural Development	4,914.5	34.1	0.4
OPEC Fund for International Development (OFID)	20,942.4	145.4	1.8
Nordic Development Fund	268.4	1.9	0.0
Total	1,133,411.4	7,867.5	100.0

Source: Department of External Resources

China is accounted for the majority amount (almost 30 percent) of the committed foreign financing yet to be disbursed in next few years as China had a substantial commitment on project financing specially infrastructure projects in the country during last few years. Similarly, ADB, Japan and the World Bank also have a considerable amounts of funding from commitments already made and to be disbursed during next 3-5 years.

### 8.4.2 Outstanding Foreign Debt

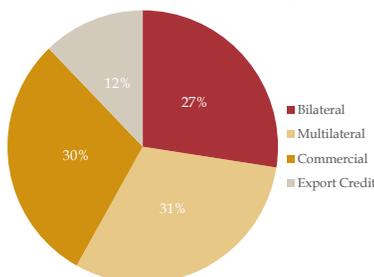
At the end of 2015, the total accumulated foreign debt stock of the country amounted to US\$ 22.5 billion<sup>3</sup> which is an increase of US\$ 2.1 billion (or about 10 percent) when compared with the amount of US\$ 20.6 billion as at the end of 2014. The commercial loans through the frequent issuances of international sovereign bonds during last few years has caused the commercial loans to represent about 30 percent of the total government foreign debt stock. In this circumstance, commercial loans obtained through international sovereign bond issuances are almost equivalent to the accumulated foreign debt obtained for a long period of time from multilateral donors as well as loans obtained from bilateral creditors.

Table 8.11 | Composition of the Existing Government Debt Stock during 2010-2015 by Lender Category (in US\$ billion)

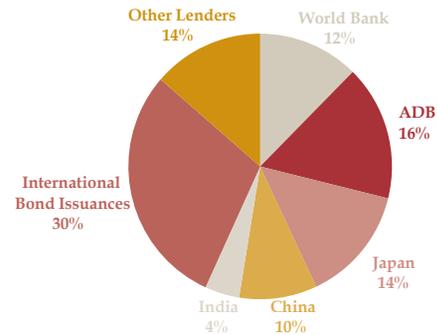
	2010	2011	2012	2013	2014	2015
Bilateral	5.94	6.49	6.66	6.31	6.14	6.18
Multilateral	6.08	6.34	6.64	6.91	6.88	6.91
Export Credit	1.13	1.45	1.78	2.46	2.59	2.75
Commercial	2.00	3.00	3.50	3.50	5.00	6.65
Total	15.15	17.28	18.58	19.18	20.61	22.49

Source: Department of External Resources

Chart 8.11 | Composition of the Existing Government Debt Stock as at the end of 2015 by Lender Category and Lender

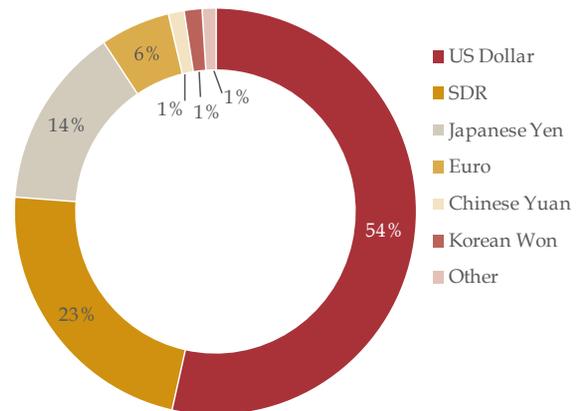


<sup>3</sup> This Includes International Sovereign Bond Issuances worth of US\$ 6,650 million. Non-resident holdings of Treasury Bills/Bonds are not included. Financing commitments made by development partners and lending agencies to SOEs are also not included



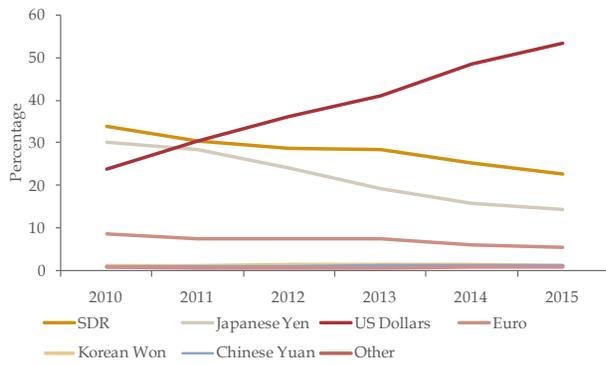
The Asian Development Bank, World Bank and the Government of Japan have been the major lenders in terms of project and programme loans to Sri Lanka for a long period of time. During last 10 years, a significant financing on economic infrastructure development was received from China as export credits representing about 10 percent of the total government foreign debt by the end of 2015.

Chart 8.12 | Composition of the Existing Government Debt Stock as at the end of 2015 by Lender Category and Lender



The currency composition of the outstanding foreign debt remained almost the same as previous years at the end of 2015 demonstrating the dominance of US Dollar over other currencies in foreign debt stock of the country. In this backdrop, while other currencies including Euro, Japanese Yen, SDR and Chinese Yuan indicated a decreasing trend in their share to the foreign debt stock, US Dollar denominated loans have indicated an increase over the years.

Chart 8.13 | Change of Currency Composition of Foreign Debt during 2010-2015



Sri Lanka always concerns about lower interest rates and longer maturity in its foreign borrowing plan. The maturity structure of the outstanding foreign debt of the Government at the end of 2015 shows a well-spread distribution over the next 30 years while about 41 percent would mature in next 10 years and the remaining during next 10-30 years.

Chart 8.14 | Composition of the Existing Government Debt Stock as at the end of 2015 by Lender Category and Lender

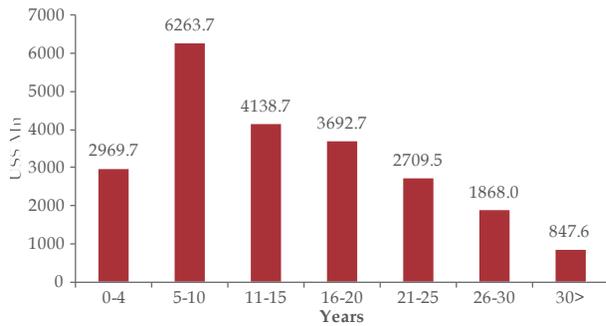
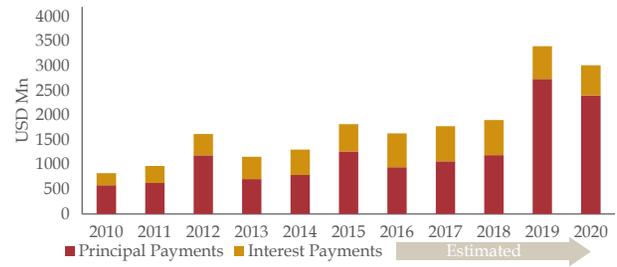


Chart 8.15 | Foreign Debt Service Payments from 2010 to 2015 and Forecasts up to 2020



During last 5 years, the annual average foreign debt service payment amounted to US\$ 1,375 million, of which, the principal payments accounted for US\$ 917 million and the balance US\$ 458 million for interest payments. Significant increase of debt service payments is predicted from 2019 to 2022 as US\$ 4,500 million worth of International Sovereign Bonds (ISBs) issued during 2010-2014 are to be matured during the above period.

Annex 1 | List of Foreign Financing Loan Agreements and Terms (Jan - Dec 2015)

Development Partner/ Lending Agency	Agreement Date	Project	Loan Amount		Interest Rate per Annum		Commitment Fee (from the undischursed balance)	Other Payments	Grace Period (Years)	Maturity (Including Grace Period) (Years)			
			Currency	Original Amount Million	Rs. Million	US\$ Million					Interest Type	Rate	Margin (100 basis points)
<b>Bilateral</b>													
Japan	11/8/2015	National Transmission and Distribution Network Development and Efficiency Improvement Project	JPY	23,900	26,729.90	199.9	Fixed	Tranche 1 - 0.3%	N/A	-	Front-End Fee - JPY 49,860,000	10	40
France	2/10/2015	Construction of Four Grid Substations Maliboda, Nawalapitiya, Wewelwatta and Ragala	EUR	30	4,742.90	33.6	Variable	EURIBOR 6 Months	1.31%	0.50%	Appraisal Fee - EUR 150,000	5	20
	2/10/2015	Green Power Development & Energy Efficiency Improvement Investment Program	EUR	22	3,478.10	24.6	Variable	EURIBOR 6 Months	1.31%	0.50%	Appraisal Fee - EUR 110,000	5	20
Korea	22/6/2015	Hatton-Nuwara Eliya Improvement Project	KRW	19,166.00	2,317.20	17.3	Fixed	0.15%	N/A	-	-	10	40
Spain	14/12/2015	Supply of three Flyovers in Ganemulla, Polgahawela & Rajagiriya (Bilateral Portion)	EUR	37.60	5,908.40	41.2	Fixed	0.15%	N/A	0.10%	Management Fee - EUR 18,798.32	5	40
Saudi Found for Development	30/10/2015	Improvement of Peradeniya - Badulla - Chenkaladi Road Project	SAR	225.00	8,450.00	60	Fixed	2.00%	N/A	-	-	5	25
Export Credit	30/10/2015	Epilepsy Hospital and Health Centers Project (Additional Finance)	SAR	45	1,690.00	12	Fixed	2.00%	N/A	-	-	5	20
AB Svensk Export Credit	25/5/2015	Ratmalana & Ja-Ela Wastewater Treatment Facilities Project (Sweden) - Enhancement	USD	3.1	420.00	3.1	Fixed	0.92%	N/A	0.15%	Administrative Fee - 0.03% Loan amount Management Fee USD 91,918.97 Arrangement Fee - USD 3,141.69 Commitment Fee - USD 5260.93	10	25
Australia and New Zealand Bank in Australia	29/05/2015	Integrated Water Supply Scheme for the Un-served Areas of Ampara District - Enhancement	USD	7.5	1,007.20	7.5	Variable	LIBOR 6 Months for USD	1%	-	Guarantee Fee USD 14,495,000	3	14

Annex 1 | List of Foreign Financing Loan Agreements and Terms (Jan - Dec 2015) contd...

Development Partner/ Lending Agency	Agreement Date	Project	Loan Amount			Interest Rate per Annum		Commitment Fee (from the undischursed balance)	Other Payments	Grace Period (Years)	Maturity (Including Grace Period) (Years)		
			Currency	Original Amount Million	Rs. Million	US\$ Million	Interest Type					Rate	Margin (100 basis points)
Banco Bilbao Vizcaya Argentaria S.A.	14/12/2015	Supply of three flyovers in Ganemulla, Polgahawela and Rajagiriya (Export Credit)	EUR	16.10	2,532.20	17.7	Variable	EURIBOR 6 Months	1.95%	Management Fee EUR 80,564.24	3	13	
Export Finance & Insurance Corporation	17/12/2015	Supply and purchase of clinical waste disposal systems and related equipment	USD	13.80	1,976.10	13.8	Variable	LIBOR 6 Months for USD	1%	Other -USD 243,106 & USD 100,000	2	11	
HSBC (With a Guarantee of EKF Denmark)	14/8/2015	Establishment of Dairy Processing Plant at Badalgama-	EUR	66.60	9,932.70	74.20	Variable	LIBOR 6 Months for USD	Tranche 1-5 %	Structuring Fee - EUR 9,975,863	3	13	
<b>Multilateral</b>													
Asian Development Bank	28/5/2015	Integrated Road Investment Program - tranche 2	XDR	6.1	1,148.20	8.6	Fixed	2%	N/A	-	-	5	25
	28/5/2015	Integrated Road Investment Program - tranche 2	USD	98	13,122.20	98	Variable	LIBOR 6 Months for USD	0.50%	Maturity premium 0.1%	5	25	
	17/9/2015	Mahaweli Water Security Investment Programme -Tranche 1	XDR	53.6	10,103.00	71.8	Fixed	2%	N/A	-	-	5	25
	17/9/2015	Mahaweli Water Security Investment Programme -(Tranche 1)	USD	76	10,688.30	76	Variable	LIBOR 6 Months for USD	0.50%	Maturity premium 0.1%	5	25	
	11/12/2015	Integrated Road Investment Program - tranche 3	USD	175	25,063.40	175	Variable	LIBOR 6 Months for USD	0.50%	-	-	5	25
	11/12/2015	Integrated Road Investment Program - tranche 3	XDR	17.7	3,480.10	24.3	Fixed	2.00%	N/A	-	-	5	25
International Development Association (IDA) of the World Bank	06/11/2015	Water Supply and Sanitation Improvement Project	XDR	117.4	23,099.20	163.2	Fixed	1.26%	N/A	Service Fees (0.75%)	5	25	

Annex 1 | List of Foreign Financing Loan Agreements and Terms (Jan - Dec 2015) contd...

Development Partner/ Lending Agency	Agreement Date	Project	Loan Amount			Interest Rate per Annum			Commitment Fee (from the undisbursed balance)	Other Payments	Grace Period (Years)	Maturity (Including Grace Period) (Years)	
			Currency	Original Amount Million	Rs. Million	US\$ Million	Interest Type	Rate					Margin (100 basis points)
	23/10/2015	Early Childhood Development Project	XDR	35.6	7,057.9	50	Fixed	1.25%	N/A	0.50%	Service Fees (0.75%)	5	25
	09/12/2015	Additional Financing for North East Local Services Improvement Project [NELSIP]	XDR	14.3	2,810.0	19.6	Fixed	1.25%	N/A	0.50%	Service Fees (0.75%)	5	25
OPEC fund for International Development	26/6/2015	Western Province Road Development Project	USD	17	2,273.1	17	Fixed	2.60%	N/A	-	Service Fees (1%)	5	20
	26/6/2015	Badulla - Chenkaladi Road Development Project	USD	60	8,022.70	60	Fixed	2.50%	N/A	-	Service Fees (1%)	5	20
<b>Total</b>					<b>176,052.8</b>	<b>1,268.4</b>							

Source: Department of External Resources

Note:

1. LIBOR = London Interbank Offer Rate
2. EURIBOR = Euro Interbank Offer Rate
3. The conversion rates used for the report were the exchange rates prevailed for different currencies at the date where the loan agreements were signed
4. Foreign loans commitments received by SOEs are not included
5. N/A = Not Applicable

Annex 2 | Disbursement with Financial Terms: January - December 2015 contd...

Development Partners/ Lending Agency	Instrument Type	Project	Amount Disbursed (Millions)		Annual Interest Rate			Maturity (Including Grace Period) (years)				
			Currency	Amount in Loan Currency	US\$	Interest Type	Rate		Margin (100 basis points)	Commitment Fee	Other Payments	Grace Period (Years)
China Development Bank Corporation	Loan	Improvement and Rehabilitation of Priority Road Project Phase 1	USD	7.6	7.6	Variable	LIBOR -6 Month for USD	2.90%	-	Mgt. Fee 0.5% Risk Premium 5.0%	3	15
	Loan	Improvement and Rehabilitation of Priority Roads Phase 2	USD	51.4	51.4	Variable	LIBOR -6 Month for USD	2.90%	-	Mgt. Fee 0.5% Risk Premium 5.0%	4	15
	Loan	Moragahakanda Development Project	USD	24.2	24.2	Variable	LIBOR -6 Month for USD	2.90%	-	Mgt. Fee 0.5% Risk Premium 5.9%	4	15
France	Loan	Improvement and Rehabilitation of Priority Road Project 3 (Phase 1)	USD	109.6	109.6	Fixed	LIBOR -6 Month for USD	2.95%	-	Mgt. Fee 0.5% Risk Premium 5.0%	3	15
	Loan	Greater Trincomalee Water Supply Project	EUR	0.7	0.8	Fixed	1%	N/A	-	-	10	30
	Loan	Widening and Reconstruction of 46 Bridges on National Road network	EUR	0.9	1.5	Fixed	0.73%	N/A	-	-	6	22
India	Loan	Implementation of Ambatale Water Supply System Improvement and Energy Saving Project	USD	5.0	5.0	Variable	LIBOR -6 Month for USD	1.76%	0.50%	Appraisal Fee 0.5%	8	25
	Loan	India Dollar Credit Line Agreement	USD	8.0	8.0	Variable	LIBOR -6 Month for USD	0.50%	0.50%	Management Fee 0.5%	5	18
	Loan	Railway Line Omanthai-Pallai, Madhu-Tallaimannar & Medawachchiya	USD	7.3	7.3	Variable	LIBOR -6 Month for USD	0.50%	0.50%	Management Fee 0.5%	5	23
	Loan	Greater Dambulla Water Supply Project 1	USD	2.8	2.8	Variable	LIBOR -6 Month for USD	2.00%	0.50%	Management Fee 0.5%, Insurance 6.5%	3	14
	Loan	Restoration of Northern Railway Services	USD	28.4	28.4	Variable	LIBOR -6 Month for USD	0.50%	0.50%	Management Fee 0.5%	6	21
	Loan	Procurement of two Advanced Offshore Patrol Vessels	USD	26.6	26.6	Variable	LIBOR -6 Month for USD	3.50%	0.50%	Management Fee 0.5%, insurance Premium 5% Guarantee Fee USD 19,086	4	11
Grant	Grant for 49,000 Housing Units in Northern, Eastern, Central & Uva Province	INR	2,016.2	31.9					N/A			

Annex 2 | Disbursement with Financial Terms: January - December 2015 contd...

Development Partners/ Lending Agency	Instrument Type	Project	Amount Disbursed (Millions)		Annual Interest Rate			Margin (100 basis points)	Commitment Fee	Other Payments	Grace Period (Years)	Maturity (Including Grace Period) (years)
			Currency	Amount in Loan Currency	US\$	Interest Type	Rate					
Japan	Loan	Greater Colombo Transport Development Project.	JPY	2,390.8	19.9	Fixed	1.5%.	N/A	-	-	10	30
	Loan	Water Sector Development Project	JPY	1,467.6	12.1	Fixed	1.50%	N/A	-	-	10	30
	Loan	Water Sector Development Project (II)	JPY	2,343.9	19.3	Fixed	Tranche 1-1.4% Tranche 2- 0.01%	N/A	0.10%	-	10	30
	Loan	Poverty Alleviation Micro Finance Project - II	JPY	127.0	1.0	Fixed	Tranche 1 - 0.65%, Tranch 2 -0.01%	N/A	-	-	10	40
	Loan	Provincial/Rural Road Development Project (Central Province and Sabaragamuwa Province	JPY	1,727.2	14.2	Fixed	Tranche 1-1.4% Tranche 2- 0.01%	N/A	0.10%	-	10	30
	Loan	Eastern Province Water Supply Development Project	JPY	639.6	5.3	Fixed	Tranche 1-0.65% Tranche 2- 0.01%	N/A	0.10%	-	10	40
	Loan	Kandy City Wastewater Management Project	JPY	410.6	3.4	Fixed	Tranche 1-10.65% Tranche 2- 0.01%	N/A	0.10%	-	10	40
	Loan	Greater Colombo Urban Transport Development Project Phase 2	JPY	6,844.4	56.8	Fixed	Tranche 1-0.2% Tranche 2- 0.01%	N/A	0.10%	-	10	40
	Loan	Vavuniya- Kilinochchi Transmission Line Project (II)	JPY	284.9	2.3	Fixed	0.65%	N/A	0.10%	-	10	40
	Loan	Habarana-Veyangoda Transmission Line Project	JPY	22.3	0.2	Fixed	Tranche 1-0.3% Tranche 2- 0.01%	N/A	0.10%	-	10	40
	Loan	Improvement of Basic Social Services Targeting Emerging Regions	JPY	745.7	6.2	Fixed	Tranche 1-0.2% Tranche 2- 0.01%	N/A	0.10%	-	10	40
	Loan	Greater Colombo Transmission and Distribution Loss Reduction Project	JPY	185.2	1.5	Fixed	Tranche 1-0.3% Tranche 2- 0.01%	N/A	-	-	10	30

Annex 2 | Disbursement with Financial Terms: January - December 2015 contd...

Development Partners/ Lending Agency	Instrument Type	Project	Amount Disbursed(Millions)		Annual Interest Rate			Commitment Fee	Other Payments	Grace Period (Years)	Maturity (Including Grace Period) (years)
			Currency	Amount in Loan Currency	US\$	Interest Type	Rate					Margin (100 basis points)
	Loan	Major Bridges Construction project of the National Road Network	JPY	1,834.3	15.2	Fixed	Tranche 1-0.2% Tranche 2-0.01%	0.10%	-	10	40
	Loan	Landslide Disaster Protection Project of the national Road Network	JPY	269.6	1.6	Fixed	Tranche 1-1.4% Tranche 2-0.01%	0.10%	-	8	25
	Loan	Anuradhapura North water Supply Project (Phase 1)	JPY	91.2	0.8	Fixed	Tranche 1-1.4% Tranche 2-0.01%	0.10%	-	8	25
	Loan	New Bridge Construction Project Over the Kelani River	JPY	899.6	7.4	Fixed	Tranche 1-0.1% Tranche 2-0.01%	0.10%	-	10	40
	Grant	Human Resource Development Scholarship	JPY	4.9	0.4			N/A			
	Grant	The Project of the Development of Intelligent Transport System for Expressway in Sri Lanka	JPY	286.0	2.3			N/A			
	Grant	Human Resource Development Scholarship(IDS)	JPY	48.2	0.4			N/A			
	Grant	Medical Equipment and Welfare Apparatus Package 2014	JPY	481.3	4.0			N/A			
	Grant	The Project for Human Resource Development Scholarship 2014	JPY	51.5	0.4			N/A			
Kuwait	Loan	Bridges Reconstruction & Rehabilitation Ij	KWD	0.1	0.2	Fixed	2.00%	-	Service Fee 0.5%	5	30
	Loan	Kalu ganga Development Project	KWD	2.0	6.2	Fixed	1.50%		Service Fee 0.5%	8	27
	Loan	South Eastern University of Sri Lanka Development Project Phase 1 "B"	KWD	0.7	2.3	Fixed	1.00%	-	Service Fee 0.5%	5	25
	Loan	Reconstruction of 25 Bridges Project	KWD	0.1	0.4	Fixed	0.50%	N/A	Service Fee 0.5%	5	25

Annex 2 | Disbursement with Financial Terms: January - December 2015 contd...

Development Partners/ Lending Agency	Instrument Type	Project	Amount Disbursed(Millions)		Annual Interest Rate			Commitment Fee	Other Payments	Grace Period (Years)	Maturity (Including Grace Period) (years)
			Currency	Amount in Loan Currency	US\$	Interest Type	Rate					Margin (100 basis points)
Korea	Loan	Ruhunupura Water Supply Development Project	KRW	7,503.7	6.8	Fixed	1.50%	-	-	11	30
	Loan	Hatton-Nuwara Eliya Road Improvement Project	KRW	110.0	0.1	Fixed	0.10%	-	-	11	40
	Loan	Establishment of Colombo Central Vocational Training Center and Gampaha College of Technology Project Sri Lanka	KRW	458.3	0.4	Fixed	0.15%	-	-	11	40
	Loan	Hatton-Nuwara Eliya Road Improvement Project(supplementary Loan)	KRW	15,983.4	13.6	Fixed	0.15%	-	-	11	40
	Grant	Modernization and Upgrading of Automobile Centers in the Colleges of Technical Colleges in Sri Lanka	USD	0.4	0.4			N/A			
	Grant	Feasibility Study and Detailed Design for Digili Oya Multipurpose Reservoir in Nilwala Ganga Basin Sri Lanka	USD	0.5	0.5			N/A			
	Grant	Technical Assistance of Colombo Central Vocational Training Center and Gampaha College of Technology Project Sri Lanka	USD	0.9	0.9			N/A			
	Grant	Capacity building project for Sri Lanka Forensic Sciences and Officials	USD	0.4	0.4			N/A			
	Loan	Grid Substation Kelaniya & Ratmalana	EUR	0.2	0.3	Fixed	0.75%	0.25%	N/A	10	40
	Loan	Construction of the Mahamodara maternity Hospital, Galle	EUR	5.9	6.6	Fixed	2.20%	0.25%	N/A	3	13
	Loan	Rehabilitation Electricity Supply Jaffna Region [Transmission Line]	EUR	0.6	0.7	Fixed	0.75%	0.25%	N/A	11	41

Annex 2 | Disbursement with Financial Terms: January - December 2015 contd...

Development Partners/Lending Agency	Instrument Type	Project	Amount Disbursed(Millions)		Annual Interest Rate		Margin (100 basis points)	Commitment Fee	Other Payments	Grace Period (Years)	Maturity (Including Grace Period) (years)
			Currency	Amount in Loan Currency	US\$	Interest Type						Rate
	Grant	Study and Expert Fund II	EUR	0.3	0.3			N/A			
	Grant	Vocational Training Institute of in the North of Sri Lanka	EUR	0.2	0.2			N/A			
	Grant	Establishment of 8 Satellite Centers to the Vocational Training Centre in the Northern Province	EUR	1.8	2.0	N/A					
Saudi Fund For Arab Economic Development	Loan	Epilepsy Hospital & Health Centers Project	SAR	9.5	2.5	Fixed	2%	N/A		5	25
	Loan	Kalu Ganga Development Project	SAR	19.2	7.7	Fixed	2%	N/A		5	20
	Loan	Road Network Development Project	SAR	28.1	5.1	Fixed	2%	N/A		5	20
Export Credit											
AB Svensk Export Credit (Sweden)	Loan	Ratmalana & Ja-Ela Wastewater Treatment Facilities Project)	USD	4.3	4.3	Fixed	0.92%	N/A	Administration Fee 0.03%, Management Fee 0.1%	6	13
Agence De Francaise De Development	Loan	Implementation of Jafna Killimochchi Water Supply and Sanitation Project	EUR	0.1	0.2	Variable	EURIBOR 6 Month	1.10%	0.25%	7	22
Australian & New Zealand Investment Bank	Loan	Integrated Water Supply Scheme for the Unreserved Areas of Ampara District - Phase III	USD	9.8	9.8	Variable	LIBOR -6 Month for USD	1.00%	Guarantee Fee USD 14,495,000	3	15
Banco Bilbao Vizcaya Argentaria S.A. (Spain)	Loan	Implementation of the Grater Rathnapura Water Supply Scheme)	EUR	8.6	9.8	Variable	EURIBOR 6 Month	2.10%	Management Fee 0.5%	3	13
BNP Paribas	Loan	Reconstruction of (7) Railway Steel Bridges Project	EUR	3.2	3.5	Fixed	1.00%	N/A	0.25%	3	16
Co-op Centrale Raiffeisen- Boerenbank (Netherlands)	Loan	Development of Nuwaraliya District General Hospital (Netherlands)	EUR	15.9	17.6	Fixed	4.94%	N/A		3	13
	Loan	Development of Hambantota District General Hospital ( Netherlands)	EUR	12.9	14.4	Fixed	4.94%	N/A		3	13

Annex 2 | Disbursement with Financial Terms: January - December 2015 contd...

Development Partnership/ Lending Agency	Instrument Type	Project	Amount Disbursed(Millions)		Annual Interest Rate			Commitment Fee	Other Payments	Grace Period (Years)	Maturity (Including Grace Period) (years)
			Currency	Amount in Loan Currency	US\$	Interest Type	Rate					Margin (100 basis points)
	Loan	Upgrading of the National Blood Transfusion Services of Sri Lanka	USD	0.2	0.2	Fixed	4.94%	0.25%	Management Fee 0.25%	3	13
	Loan	Upgrading of Peripheral Blood Bank coming under the National Blood Transfusion Services	EUR	4.0	4.4	Fixed	5%	0.25%	Management Fee 0.25%	3	13
	Loan	Sri Lanka Dairy Development Project - Phase II	USD	15.6	15.6	Fixed	1%	0.25%	Upfront fee 0.5%	3	16
	Loan	Construction of 463 Rural bridges	EUR	18.4	20.4	Variable	EURIBOR 6 Month	0.25%	Management Fee 0.5%	3	13
	Loan	Construction of 537 Steel Beam bridges	USD	36.8	36.8	Variable	EURIBOR 6 Month	0.25%	Management Fee 0.5%	3	13
Deutsche Bank AG	Loan	Construction of 537 Steel Beam bridges	USD	36.8	36.8	Variable	LIBOR -6 Month for USD	0.25%	Management Fee USD 167,500	3	13
	Loan	Implementation of Water Supply Projects (Belgium)	EUR	1.7	1.9	Variable	LIBOR -6 Month for USD	0.25%	Management Fee USD 643,000	3	12
Export Import Bank of United States	Loan	Badulla, Haliela and Ella Integrated Water Supply Project	USD	7.2	7.2	Variable	Commercial Interest Reference Rate	0.50%	Commit Fee USD 355,576.57 Exposure Fee 4.6%	5	16
Fortis Bank NV/ Fortis Banque SA (Belgium)	Loan	Implementation of Kolonna and Balangoda Water Supply Projects (Belgium)	EUR	1.7	1.9	Fixed	0.80%	0.25%	Upfront 0.5%	3	12
HSBC Bank Plc(EKF Denmark)	Loan	Establishment of Dairy Processing Plant of Badalagama	EUR	21.8	24.7	Variable	LIBOR -6 Month for USD	T1-1.9%, T2-0.5%	Insurance 0.12% T1 -Structuring Fee USD 99,759 T2- Structuring Fee USD 285,759 Upfront Fee USD 2,234,919	3	13
HSBC Bank Plc(UK)	Loan	Construction of 210 permanent Rural Steel Bridges	USD	4.2	4.2	Variable	LIBOR -6 Month for USD	0.20%		5	15
	Loan	Moderation of Processing Factories of MILCO (Pvt) Ltd	USD	2.7	2.7	Variable	Tranche 1 -LIBOR -6 Month for USD	2%	Structuring Fee USD 653,62.8	1	9

Annex 2 | Disbursement with Financial Terms: January - December 2015 contd...

Development Partners/ Lending Agency	Instrument Type	Project	Amount Disbursed (Millions)		Annual Interest Rate		Margin (100 basis points)	Commitment Fee	Other Payments	Grace Period (Years)	Maturity (Including Grace Period) (years)
			Currency	Amount in Loan Currency	US\$	Interest Type						Rate
Export Import Bank of Hungary	Loan	Regional Bridges project - Phase 11 - Buyer's credit facility	USD	13.1	13.1	Variable	2%	0.25%	Structuring Fee USD 185,192.5, EKN Premium USD 2,950,089.29	4	15
	Loan	Rehabilitation of kalatuwawa Water treatment Plant	EUR	3.8	4.2	Fixed	N/A			8	20
	Loan	Rehabilitation of Labugama Water Treatment Plant project	EUR	3.2	3.5	Fixed	N/A			8	20
KBC Bank Belgium	Loan	Implementation of Monaragala - Buttala Water Supply Project	EUR	4.0	4.5	Variable		0.50%	Service Fee 1.2%, Facility fee EUR 80,000 Arrangement Fee EUR 40,000 Insurance Premium EUR 1,046,578.95		
	Loan	Highway Section from Pinnaduwa to Kodagoda	USD	18.2	18.2	Variable	2.40%	0.70%	Management Fee 0.5% Exposura fee 6%	5	16
The Export- Import Bank of China	Loan	Highway Section from Kodagoda to Godagama	USD	4.9	4.9	Variable	2.40%	0.70%	Management Fee 0.5% Exposura fee 6%	5	16
	Loan	Rehabilitation & Improvement of 67km Length of Navatkuli - Karaitivu - Mannar Road	USD	1.6	1.6	Variable	2.40%	0.70%	Management Fee 0.5%, Exposure Fee 6%	5	16
	Loan	Rehabilitation & Improvement of 113km Length of Puttalam- Marichchikade-Mannar Road	USD	17.8	17.8	Variable	2.40%	0.70%	Management Fee 0.5%, Exposure Fee 6%	5	16
Loan	Finance Material Required for Lighting Sri Lanka Eastern Province Project	USD	1.9	1.9	Variable	3.00%	0.25%	Management Fee 0.25% Exposura fee 5.50%		3	15
Loan	Matarata Beliatta Section of Matarata - Kataragama Railway Extension Project	USD	30.6	30.6	Fixed	N/A	0.50%	Management Fee 0.5%		6	20
Loan	Matarata Beliatta Section of Matarata - Kataragama Railway Extension Project	CNY	83.1	13.2	Fixed	N/A	0.50%	Management Fee 0.5%		6	20

Annex 2 | Disbursement with Financial Terms: January - December 2015 contd...

Development Partners/Lending Agency	Instrument Type	Project	Amount Disbursed(Millions)		Annual Interest Rate			Margin (100 basis points)	Commitment Fee	Other Payments	Grace Period (Years)	Maturity (Including Grace Period) (years)
			Currency	Amount in Loan Currency	US\$	Interest Type	Rate					
UniCredit Bank Austria AG (Austria)	Loan	Greater Kurunagala Water Supply and Sewerage Project	CNY	71.3	11.1	Fixed	2.00%	N/A	0.25%	Management Fee 0.25%	5	20
	Loan	Construction of Outer Circular Highway Project Phase 3 from Kerawalapitiya to Kadawatha	USD	12.8	12.8	Fixed	2%	N/A	0.25%	Management Fee 0.25%	5	20
	Loan	Construction of Extension of Southern Expressway, Section 4 from Mattala to Hambantota Via Andarawewa Project	CNY	233.0	36.0	Fixed	2%	N/A	0.25%	Management Fee 0.25%	5	20
	Loan	Construction of Extension of Southern Expressway Section 1 from Matara to Beliattha	USD	67.1	67.1	Fixed	2%	N/A	0.25%	Management Fee 0.25%	5	20
	Loan	Augmentation of Mahiyangana Water Supply Project	EUR	3.0	3.2	Amount Based Interest					6	16
Multilateral Asian Development Bank	Loan	Upgrading of Sewerage Infrastructure at Kataragama Sacred City Area	EUR	3.2	3.6	Amount Based Interest					8	18
	Loan	TA Loan-Road Project Preparatory Facility	XDR	0.2	0.3	Fixed	1% During Disbursing Period, 1.5% During Repaying Period		N/A		8	32
	Loan	Local Government Infrastructure Improvement Project	XDR	(0.0)	(0.0)	Fixed	1% During Disbursing Period, 1.5% During Repaying Period		N/A		8	32
Loan	Education for Knowledge Society Project	XDR	(0.3)	(0.4)	Fixed	1% During Disbursing Period, 1.5% During Repaying Period		N/A		8	32	

Annex 2 | Disbursement with Financial Terms: January - December 2015 contd...

Development Partners/ Lending Agency	Instrument Type	Project	Amount Disbursed (Millions)		Annual Interest Rate			Maturity (Including Grace Period) (years)				
			Currency	Amount in Loan Currency	US\$	Interest Type	Rate		Margin (100 basis points)	Commitment Fee	Other Payments	Grace Period (Years)
	Loan	Clean Energy and Access Improvement Project	USD	18.6	18.6	Fixed	LIBOR -6 Month for USD	0.40%	0.15%		5	25
	Loan	Clean Energy and Access Improvement Project	XDR	1.7	3.0	Fixed	1% During Disbursing Period, 1.5% During Repaying Period		N/A		8	32
	Loan	Dry Zone Urban Water and Sanitation Project	XDR	5.5	7.7	Fixed	1% During Disbursing Period, 1.5% During Repaying Period		N/A		8	32
	Loan	Eastern & North Central Provincial Road Project	XDR	0.2	0.2	Fixed	1% During Disbursing Period, 1.5% During Repaying Period		N/A		8	32
	Loan	Greater Colombo Wastewater Management Project (OCR)	USD	14.8	14.8	Variable	LIBOR -6 Month for USD	0.20%	0.15%		5	25
	Loan	Greater Colombo Wastewater Management Project (ADF)	XDR	1.0	1.5	Fixed	1% During Disbursing Period, 1.5% During Repaying Period		N/A	-	8	32
	Loan	ADB Funded Fiscal Management Efficiency Project	USD	0.3	0.3	Variable	LIBOR -6 Month for USD	0.20%	0.15%		5	25
	Loan	Conflict-Affected Region Emergency Project	USD	2.3	2.3	Variable	LIBOR -6 Month for USD	0.20%	0.15%		8	32
	Loan	Northern Road Connectivity Project (OCR)	USD	7.6	7.6	Variable	LIBOR -6 Month for USD	0.20%	0.15%		5	25
	Loan	Northern Road Connectivity Project (ADF)	XDR	1.7	2.3	Fixed	1% During Disbursing Period, 1.5% During Repaying Period		N/A		8	32

Annex 2 | Disbursement with Financial Terms: January - December 2015 contd...

Development Partners/Lending Agency	Instrument Type	Project	Amount Disbursed (Millions)		Annual Interest Rate			Margin (100 basis points)	Commitment Fee	Other Payments	Grace Period (Years)	Maturity (Including Grace Period) (years)
			Currency	Amount in Loan Currency	US\$	Interest Type	Rate					
	Loan	Jafna & Kilinochchi Water Supply & Sanitation Project (OCR)	USD	0.5	0.5	Fixed	LIBOR -6 Month for USD	0.60%	0.15%		5	25
	Loan	Jafna & Kilinochchi Water Supply & Sanitation Project (ADF)	XDR	2.7	3.8	Fixed	1% During Disbursing Period, 1.5% During Repaying Period		N/A		8	32
	Loan	Sustainable Power Sector Support Project (OCR)	USD	11.6	11.6	Variable	LIBOR -6 Month for USD	0.30%	0.15%		5	25
	Loan	Sustainable Power Sector Support Project (ADF)	XDR	0.4	0.6	Fixed	1% During Disbursing Period, 1.5% During Repaying Period		N/A		8	32
	Loan	Secondary Towns & Rural Com-Based Water Supply ADD.	USD	(0.0)	0.0	Variable	LIBOR -6 Month for USD	0.30%	0.15%		5	25
	Loan	Secondary Towns & Rural Com-Based Water Supply (Additional Financing)	XDR	0.1	0.2	Fixed	1% During Disbursing Period, 1.5% During Repaying Period		N/A		8	32
	Loan	Local Government Enhancement Project	XDR	13.8	19.3	Fixed	1% During Disbursing Period, 1.5% During Repaying Period		N/A		8	32
	Loan	National Highways Sector Project Additional Finance OCR	USD	17.2	17.2	Variable	LIBOR -6 Month for USD	0.60%	0.15%		5	25
	Loan	Northern Road Connectivity, Project - Additional Finance	USD	7.5	7.5	Variable	LIBOR -6 Month for USD	0.40%	0.15%		5	26
	Loan	Northern Road Connectivity, Project - Additional Finance	XDR	11.7	16.1	Fixed	1% During Disbursing Period, 1.5% During Repaying Period		N/A		8	32

Annex 2 | Disbursement with Financial Terms: January - December 2015 contd...

Development Partners/ Lending Agency	Instrument Type	Project	Amount Disbursed(Millions)		Annual Interest Rate			Commitment Fee	Other Payments	Grace Period (Years)	Maturity (Including Grace Period) (years)
			Currency	Amount in Loan Currency	US\$	Interest Type	Rate					Margin (100 basis points)
	Loan	Clean Energy and Network Efficiency Improvement Project	USD	8.6	8.6	Variable	LIBOR -6 Month for USD	0.15%		5	25
	Loan	Clean Energy and Network Efficiency Improvement Project	XDR	2.0	2.8	Fixed	1% During Disbursing Period, 1.5% During Repaying Period	N/A		8	32
	Loan	Dry Zone Urban Water and Sanitation Project- Additional Finance	XDR	8.6	11.9	Fixed	1% During Disbursing Period, 1.5% During Repaying Period	N/A		8	32
	Loan	Education Sector Development Program -OCR	USD	16.0	16.0	Variable	LIBOR -6 Month for USD	0.15%		5	25
	Loan	Education Sector Development Program -ADF	XDR	10.7	14.9	Fixed	2%			5	26
	Loan	Greater Colombo Wastewater Management Investment Project 1	USD	9.2	9.2	Variable	LIBOR -6 Month for USD	0.15%		5	25
	Loan	Greater Colombo Wastewater Management Investment Project 1	USD	0.8	0.8	Fixed	1% During Disbursing Period, 1.5% During Repaying Period	N/A		8	32
	Loan	Skills Sector Enhancement Program -Result based Lending	USD	11.0	11.0	Variable	LIBOR -6 Month for USD	0.15%		5	25
	Loan	Skills Sector Enhancement Program - Result based Lending	XDR	7.2	10.0	Fixed	2%	N/A		5	25
	Loan	Southern Road Connectivity Project	USD	3.1	3.1	Variable	LIBOR -6 Month for USD	0.15%		5	25
	Loan	Southern Road Connectivity Project	XDR	1.0	1.4	Fixed	2%	N/A		5	25
	Loan	Greater Colombo Water & Wastewater Management Project 2	USD	0.2	0.2	Variable	LIBOR -6 Month for USD	0.15%		5	25

Annex 2 | Disbursement with Financial Terms: January - December 2015 contd...

Development Partners/Lending Agency	Instrument Type	Project	Amount Disbursed(Millions)		Annual Interest Rate			Commitment Fee	Other Payments	Grace Period (Years)	Maturity (Including Grace Period) (years)
			Currency	Amount in Loan Currency	US\$	Interest Type	Rate					Margin (100 basis points)
	Loan	Greater Colombo Water & Wastewater Management Project 2	XDR	0.2	0.3	1.25%	Fixed	N/A	Service Fee 0.75%	5	25
	Loan	Green Power Development & Energy Efficiency Improvement Project	XDR	0.6	0.9	2%	Fixed	N/A		5	25
	Loan	Integrated Road Investment Programme	XDR	22.3	30.9	2%	Fixed	N/A		5	25
	Loan	Integrated Road Investment Programme - Tranche 2	XDR	5.7	9.0	2%	Fixed	N/A		5	25
	Loan	Integrated Road Investment Programme - Tranche 2	USD	9.1	9.1	2%	Fixed	N/A		5	25
	Loan	Mahaweli Water Security Investment Program -Tranche 1	XDR	6.7	9.1	2%	Fixed	N/A		5	25
	Loan	Mahaweli Water Security Investment Program -Tranche 1	USD	6.7	6.70	0.50%	Variable	N/A	Service Fee 0.1%	5	25
	Grant	Education for Knowledge Society Project	USD	0.1	0.9			N/A			
	Grant	Clean Energy & Network Efficiency Improvement Project	USD	0.3	0.3			N/A			
	Grant	Dry Zone Urban Water and Sanitation Project	USD	0.4	0.4			N/A			
	Grant	Dry Zone Urban Water and Sanitation Project	USD	0.2	0.2			N/A			
	Grant	Rural Water Supply and Sanitation in Jaffna & Killinochchi	USD	0.7	0.7			N/A			
	Grant	Clean Energy and Access Improvement Project	USD	0.0	0.0			N/A			
	Grant	Clean Energy and Access Improvement Project	USD	0.3	0.3			N/A			
European Investment Bank	Loan	Sri Lanka SME and Green Energy Global loan(2013047	EUR	73.6	80.8	1.75%	Tranche 2 Fixed	0.15%		7	46

Annex 2 | Disbursement with Financial Terms: January - December 2015 contd...

Development Partnership/ Lending Agency	Instrument Type	Project	Amount Disbursed (Millions)		Annual Interest Rate		Margin (100 basis points)	Commitment Fee	Other Payments	Grace Period (Years)	Maturity (Including Grace Period) (years)
			Currency	Amount in Loan Currency	US\$	Interest Type						Rate
World Bank -International Bank for Reconstruction & Development	Loan	Metro Colombo Urban Development Project [MCUDP]	USD	18.8	18.8	LIBOR -6 Month for USD	0.15%			5	24
	Grant	PHIRD Grant for Metro Colombo Towards a Flood Resilient Urban Environment	USD	0.5	0.5		N/A				
International Fund for Agricultural Development	Loan	Smallholder Plantations Entrepreneurship Development Programme	XDR	1.5	2.1	Fixed	N/A	-	Service Fee 0.75%	10	40
	Loan	Post Tsunami Coastal Rehabilitation & Recourses Management 11	XDR	(0.0)	(0.0)	Fixed	N/A			9	38
	Loan	National Agribusiness Development Programme	XDR	0.1	0.2	Fixed	0.75%			10	30
	Loan	Iranamadu Irrigation Development Project	XDR	2.0	2.8	Fixed		-	Service Fee 0.75%	11	25
World Bank -International Development Association	Grant	Post Tsunami Coastal Rehabilitation & Recourses Project	USD	1.0	1.0	N/A					
	Loan	Second North - East Irrigated Agriculture Project	XDR	(1.6)	(2.2)	Fixed	N/A	0.50%	Service Fee 0.75%	10	40
	Loan	Dam Safety and Water Resources Planning	XDR	1.7	2.4	Fixed	N/A	0.50%	Service Fee 0.75%	10	20
	Loan	Additional Financing for Road Sector Assistance Project	XDR	(0.0)	(0.0)	Fixed	N/A	0.50%	Service Fee 0.75%	10	20
	Loan	Second Community Development and Livelihood Improvement Project	XDR	(0.2)	(0.2)	Fixed	N/A	0.50%	Service Fee 0.75%	10	20
	Loan	Provincial Roads Project	XDR	0.5	0.8	Fixed	N/A	0.50%	Service Fee 0.75%	10	20
	Loan	Higher Education for the Twenty First Century Project	XDR	5.4	7.4	Fixed	N/A	0.50%	Service Fee 0.75%	10	20

Annex 2 | Disbursement with Financial Terms: January - December 2015 contd...

Development Partners/ Lending Agency	Instrument Type	Project	Amount Disbursed(Millions)		Annual Interest Rate		Margin (100 basis points)	Commitment Fee	Other Payments	Grace Period (Years)	Maturity (Including Grace Period) (years)
			Currency	Amount in Loan Currency	US\$	Interest Type						Rate
	Loan	North East Local Services Improvement Project (NELSIP)	XDR	0.0	0.0	Fixed	N/A	0.50%	Service Fee 0.75%	10	20
	Loan	Small and Medium Enterprise Development Facility Project	XDR	9.9	13.8	Fixed	N/A	0.50%	Service Fee 0.75%	10	20
	Loan	Second Additional Financing for Road Sector Assistance Project	XDR	7.6	10.5	Fixed	N/A	0.50%	Service Fee 0.75%	10	20
	Loan	2nd & 3rd Additional Financing for Community Livelihood in Conflict Affected Areas	XDR	(0.0)	(0.0)	Fixed	N/A	-	Service Fee 0.75%	10	20
	Loan	Transforming the School Education System as the Foundation of a Knowledge Hub Project	XDR	13.2	14.5	Fixed	N/A	0.50%	Service Fee 0.75%	5	25
	Loan	Second Health Sector Development Project	XDR	28.1	38.8	Fixed	N/A	0.50%	Service Fee 0.75%	5	25
	Loan	Climate Resilience Improvement Management - CRIP	XDR	2.6	3.5	Fixed	N/A	0.50%	Service Fee 0.75%	5	25
	Loan	Strategic Cities Development Project	XDR	2.1	3.0	Fixed	N/A	0.50%	Service Fee 0.75%	5	25
	Loan	Additional Financing for Dam Safety & Water Resources Planning Project	XDR	8.1	10.9	Fixed	N/A	0.50%	Service Fee 0.75%	5	25
	Loan	Skills Development Project (Portion A)	XDR	4.7	6.5	Fixed	N/A	0.50%	Service Fee 0.75%	5	25
	Grant	Local Level Nutrition Interventions for the Northern Province(SDF) Project	USD	(0.0)	(0.0)			N/A			
	Grant	GPOBA Increasing Household Access to Domestic Sanitation in Greater Colombo Project	USD	0.2	0.2			N/A			
	Grant	Global Food Crisis Response Program	USD	0.9	0.9			N/A			

Annex 2 | Disbursement with Financial Terms: January - December 2015 contd...

Development Partners/ Lending Agency	Instrument Type	Project	Amount Disbursed(Millions)		Annual Interest Rate		Margin (100 basis points)	Commitment Fee	Other Payments	Grace Period (Years)	Maturity (Including Grace Period) (years)
			Currency	Amount in Loan Currency	US\$	Interest Type						Rate
OPEC Fund for International Development	Grant	'Diri Sawiya' Assisting People with Disabilities through Cash Transfers and Training Project	USD	0.3	0.3			N/A			
	Grant	AusAid/DFAT + IDA Additional Financing for North East Local Services Improvement Project	USD	8.6	8.6			N/A			
	Grant	AusAid/DFAT + IDA Grant Transforming the School Education System as the Foundation of Knowledge Hub Project	USD	11.3	11.3			N/A			
UNDP	Grant	Disaster Reduction & Recovery Support to Mainstreaming Disaster Risk Management Project	USD	0.2	0.2	N/A					
	Loan	Kalu Ganga Development Project	USD	2.2	2.2	Fixed	3.20%	N/A	Service Fee 1%	5	20
	Loan	Road Network Development Project	USD	9.2	9.2	Fixed	3.10%	N/A	Service Fee 1%	5	20
UNDP	Loan	Colombo National Highways Project	USD	5.2	5.2	Fixed	4.60%	N/A		5	20
	Grant	Control of Alien Invasive Species	USD	0.0	0.0				N/A		
	Grant	UN-REDD National Programme - Sri Lanka	USD	0.0	0.0				N/A		
UNDP	Grant	Promoting Sustainable Biomass energy Production	USD	0.0	0.0				N/A		
	Grant	Support to Human Rights Commission phase 2	USD	0.0	0.0				N/A		
	Grant	Strategic Positioning of the Department of Project management and Monitoring	USD	0.0	0.0				N/A		
UNDP	Grant	Governance for Local Economic Development (G-LED)	USD	0.0	0.0				N/A		
	Grant	National Bio - diversity Strategic Action plan	USD	0.0	0.0				N/A		

Annex 2 | Disbursement with Financial Terms: January - December 2015 contd...

Development Partners/ Lending Agency	Instrument Type	Project	Amount Disbursed (Millions)		Annual Interest Rate		Commitment Fee	Other Payments	Grace Period (Years)	Maturity (Including Grace Period) (years)
			Currency	Amount in Loan Currency	US\$	Interest Type					Rate	Margin (100 basis points)
	Grant	Comprehensive Disaster Management Program 2014-18	USD	0.0	0.0		N/A			
Food & Agriculture Organization	Grant	Management of Risks Associated with Pesticide in Agriculture in Sri Lanka	USD	0.1	0.1		N/A			
	Grant	Promotion of Appropriate Feeding Techniques to Dairying	USD	0.0	0.0		N/A			
	Grant	Improving Seabass Aquaculture in Sri Lanka	USD	0.1	0.1		N/A			
	Grant	Agro-Economic Development Project (ADP)	CAD	0.1	0.1					
UNFPA	Grant	UNFPA Country Programme 2013	USD	1.0	1.0		N/A			
UNICEF	Grant	UNICEF Country Programme 2013-2017	USD	4.6	4.6		N/A			
Grand Total					1,515.2					

Source: Department of External Resources

Note:

1. LIBOR = London Interbank Offer Rate
2. EURIBOR = Euro Interbank Offer Rate
3. The conversion rates used for the report were the exchange rates prevailed for different currencies at the date where the loan agreements were signed
4. Foreign loans commitments received by SOEs are not included
5. N/A = Not Applicable



**Performance of State  
Owned Business  
Enterprises**

**09**

## 9.1 Overview

The 55 State Owned Business Enterprises<sup>1</sup> (SOBEs) in Sri Lanka, out of the 245 State Owned Enterprises<sup>2</sup> has a significant presence in the key sectors of the economy ranging from banking, insurance, water supply, energy, ports and aviation. As has been the case, the performance of these SOBEs continues to be of concern, given the size of the operations of the SOBEs and their impact on the sustainability of the entire economy. This has resulted in, the SOBEs being central in the government's economic strategy, with the SOBEs reforms taking centre stages.

Table 9.1 | Sector wise Performance of Asset Bases of SOBEs

Sector	Number of SOBEs	Total Assets as at		Growth (%)
		2014.12.31	2015.12.31	
Energy	02	954.69	981.51	2.81
Water	01	282.82	332.11	17.43
Ports	01	335.79	337.27	0.44
Commuter transportation	01	24.52	26.99	6.03
Aviation	03	134.07	126.03	(5.99)
Construction	03	42.08	40.91	(2.78)
Banking and Finance	09	3501.91	3,968.95	13.34
Insurance	04	175.66	185.83	5.88
Lotteries	02	6.66	5.17	(24.92)
Livestock	02	8.40	10.99	30.95
Plantations	06	8.42	13.03	54.39
Non-Renewable Resources	03	3.99	4.01	0.75
Health	04	11.45	14.98	30.83
Media	03	9.67	8.78	(9.18)
Marketing and Distribution	11	103.42	108.87	5.27
<b>Total</b>	<b>55</b>	<b>5,603.55</b>	<b>6,165.43</b>	<b>10.02</b>

Sources: SOBEs and Department of Public Enterprises

During 2015, out of the 55 SOBEs, 39 SOBEs recorded a net profit totalling to Rs. 121 billion while 16 SOBEs incurred net losses totalling to Rs. 57 billion. A significant expansion in their asset base was observed among the SOBEs in 2015, which has increased by 10.02 percent in 2015 over 2014 and accounted for almost 71.5 percent of GDP. The asset base of the top 10 SOBEs which stood at Rs. 5,525 billion is almost 1.66 times of the asset base of the S&P Sri Lanka 20<sup>3</sup>.

<sup>1</sup> State Owned Business Enterprises are those entities incorporated as commercial entities under an Act of Parliament or the Companies Act.

<sup>2</sup> State Owned Enterprises are those incorporated under an Act of Parliament or the Companies Act. They could be classified as commercial, regulatory or promotional entities.

<sup>3</sup> The Standard's & Poor's Sri Lanka 20 covers the largest and most liquid stocks from the Sri Lankan equity market and is designed to be the basis for tradable products.

Table 9.2 | Sectoral Contribution of SOBEs to GDP in 2015

Sector	Number of SOBEs	Profit/ (Loss) Before Tax	Total Revenue	Contribution to GDP* (%)
Energy	02	2.34	575.09	5.14
Water	01	1.03	19.58	0.18
Ports	01	(9.58)	41.44	0.37
Commuter transportation	01	(4.04)	34.45	0.31
Aviation	03	(15.19)	161.35	1.44
Construction	03	0.014	17.16	0.15
Banking and Finance	09	80.16	358.34	3.20
Insurance	04	7.43	41.90	0.37
Lotteries	02	3.26	26.49	0.24
Livestock	02	(0.20)	9.59	0.09
Plantations	06	(0.3)	2.82	0.03
Non-Renewable Resources	03	0.58	2.33	0.02
Health	04	1.44	29.52	0.26
Media	03	(0.16)	5.69	0.05
Marketing and Distribution	11	(2.78)	53.32	0.48
<b>Total</b>	<b>55</b>	<b>64.26</b>	<b>1,379.08</b>	<b>12.34</b>

Sources: SOBEs and Department of Public Enterprises

\*Gross Domestic Product at Market Price

## Towards a new culture for SOBEs

Minister of Finance, in his Budget speech 2016, indicated that the losses incurred by the SOBEs have created an immense pressure on the entire financial system of the country. The government has acknowledged that the continuity of the present administrative and management practices in most SOBEs would lead to instabilities being created in the economy. This has given rise to a widespread recognition of the need for a comprehensive long term strategy and reforms addressing the SOBEs specific outcomes.

In this context, that as an initial step, the Ministry of Public Enterprises Development has been established so as to facilitate the introduction of appropriate reforms which will result in commercially viable SOBEs. In this regard, the Ministry is expected to focus on restructuring the management model of SOBEs, introducing market based pricing mechanisms in public utilities on a selective basis, rationalizing recruitments while adopting measures to improve productivity of the existing workforce and exploring avenues to improve efficiency of SOEs through various mechanisms including PPP.

As indicated by the Budget 2016, all SOEs will be brought under a government owned holding company formed similar to that of the Temasek Holdings of Singapore which is to be operated based on sound financial principles and market economics. The shares of these enterprises will be passed onto a Public Wealth Trust (PWT), where the Secretary to the Treasury and the Governor of the Central Bank will be the custodians. The Trust is answerable to Parliament and it is to be managed by a Board comprising of members from civil societies, trade chambers, and trade unions, who will be nominated by the Constitutional Council.

A new Public Enterprise Act is to be enacted to provide the necessary legal framework to this effect. The government strategy also entails to the Boards of Management of SOBEs where the SOBEs will be allowed greater autonomy with performance being evaluated based on Key Performance Indicators (KPIs). They will also be encouraged to adopt a rating mechanism which will also facilitate the entities to access the domestic and foreign capital markets through various instruments to meet their capital requirements.

In line with the 19th amendment to the Constitution, the government will introduce a National Audit Act. It is envisaged that the proposed Act will strengthen the role of Auditor General which will ensure better accountability, transparency and good governance.

### Investment and Return on Investment

In terms of the government policy on revenue collection from SOBEs, all SOBEs are required to contribute at least 30 percent of their profit or 15 percent of their equity to the Treasury annually. During 2015, only 45 SOEs out of 245 SOEs contributed to the non-tax revenue by way of dividend and levies, which accounted to only Rs. 29.7 billion. This is a decline of 36 percent over 2014. In spite of the decline in the dividend and levies, State Banks, Telecommunication Regulatory Commission (TRC) and Sri Lanka Insurance Corporation (SLIC) remain the largest contributors, while the Ceylon Petroleum Corporation (CPC), Ceylon Electricity Board

(CEB) and Sri Lanka Ports Authority (SLPA) the three largest SOBEs remain conspicuous by their absence.

Transfers from the budget to SOEs remain by way of investment amounted to Rs. 94 billion. Moreover, Treasury has granted Rs. 19 billion as transfers to 8 SOBEs for the purposes of restructuring, expanding business activities, payments for salaries and wages acquiring technical know-how and material in 2015.

**Table 9.3 | Total Levies / Dividends received from SOBEs and Total Investment made by Treasury to SOBEs**

	No. of Institutions	Rs. Mn	
		Investment 2015	Levy/Dividend 2015
Commercial Corporations	31	355,196	255
State Owned Banks	6	25,838	11,568
Companies 100% owned by the government	24	31,079	346
<b>Sub Total</b>	<b>61</b>	<b>412,113</b>	<b>12,169</b>
Companies less than 100% but more than 50% owned by the government	10	68,204	1,502
Companies less than 50% owned by the government	28	10,136	1,006
Plantation Companies 100% owned by the government	3	580	50
Plantation Companies less than 50% owned by the government	21	1,097	12
<b>Sub Total</b>	<b>62</b>	<b>80,017</b>	<b>2,570</b>
<b>Total</b>	<b>123</b>	<b>492,129</b>	<b>14,739</b>

Source: Department of Public Enterprises

## 9.2 Energy

Energy sector comprises of main energy sources such as electricity, biomass and petroleum. Access to reliable and sustainable energy sources is a vital factor in achieving the economic growth as well as enhancement of quality of life. The two main players in the energy sector CEB and CPC are virtual monopolies with market shares ranging from 80-90 percent.

Table 9.4 | Levy/ Dividend Income from SOEs

	2010	2011	2012	2013	2014	2015
						Rs. Mn
<b>Levy</b>	<b>24,434</b>	<b>20,189</b>	<b>32,774</b>	<b>20,960</b>	<b>29,697</b>	<b>18,178</b>
National Savings Bank	2,312	4,560	8,260	5,060	4,060	2,860
Telecommunication Regulatory Commission	13,800	9,050	7,200	10,100	10,000	10,000
Ceylon Petroleum Corporation	-	-	-	-	10,000	-
State Mortgage & Investments Bank	-	-	25	40	10	10
Regional Development Bank	55	-	500	500	-	87
State Timber Corporation	10	75	50	50	25	50
State Pharmaceuticals Manufacturing Corporation	85	59	20	20	25	30
National Insurance Trust Fund	2,000	3,495	4,200	3,200	4,000	3,000
Geological Survey and Mines Bureau	-	740	750	700	650	850
National Gem and Jewelry Authority	-	-	-	100	-	75
Ceylon Electricity Board	-	2,000	-	-	-	-
Board of Investment	-	210	200	-	100	141
National Lotteries Board	-	-	502	500	-	50
Sri Lanka Tourism Promotion Bureau	-	-	-	-	500	500
Securities and Exchange Commission	-	-	-	94	-	-
Insurance Board of Sri Lanka	-	-	-	300	-	-
State Institutions Temporary Surplus Trust Fund	6,110	-	10,700	-	-	-
Civil Aviation Authority	-	-	350	200	250	400
State Pharmaceutical Corporation	-	-	-	50	75	100
Other*	62	-	17	46	2	25
<b>Dividends</b>	<b>6,867</b>	<b>14,162</b>	<b>13,987</b>	<b>14,208</b>	<b>17,116</b>	<b>11,618</b>
Bank of Ceylon	2,923	4,020	5,346	5,346	6,846	5,346
People's Bank	3,253	4,500	4,658	4,816	6,316	3,316
Sri Lanka Telecom PLC	223	536	759	760	759	795
De La Rue Lanka Ltd	-	68	42	43	49	61
Lanka Mineral Sands Ltd	35	500	1,700	-	43	14
Lanka Industrial Estates Ltd	31	31	47	54	55	55
Airport and Aviation Services Ltd	-	2,406	-	500	500	497
Lanka Electricity Company Ltd	300	-	75	75	25	87
Plantation Companies**	-	219	179	139	92	62
Sri Lanka Insurance Corporation Ltd	-	1,750	1,001	2,199	2,001	1,003
Lankaputhra Development Bank	-	6	18	36	36	36
Lanka Phosphate Ltd	10	20	40	25	35	30
Independence Television Network Ltd	-	49	88	50	125	84
Rakna Arakshaka Lanka Ltd	-	-	10	17	68	93
Ceylon Fertilizer Ltd	-	12	4	9	38	54
Lanka Leyland Ltd	-	35	5	97	11	-
Other *	92	10	15	42	117	85
<b>Total</b>	<b>31,301</b>	<b>34,351</b>	<b>46,761</b>	<b>35,168</b>	<b>46,813</b>	<b>29,796</b>

Sources: Department of Treasury Operations and Department of Public Enterprises

\* includes Skills Development Fund, Ceylon Agro Industries, Asian Reinsurance Corporation, Hunnas falls Ltd, Carsons Management Ltd, Lanka Canneries Ltd, United Motors Lanka Ltd, Bogala Graphite Lanka Ltd, Autogrill Lanka Ltd, Sri Lanka Export Credit Insurance Board, National Livestock and Development Board, Sri Lanka Rupavahini Corporation, Sri Lanka Convention Bureau, National Development Bank, Colombo Commercial Fertilizer Ltd, Paranthan Chemicals Company Ltd, Ceylon Shipping Corporation Ltd, Kahatagaha Graphite Lanka Ltd, Sri Lanka Standards Institution, Central Engineering Consultancy Bureau, Lanka Sugar Company Ltd, Mantai Salt Ltd.

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

The energy sector is central in the country's economic strategy and requires an investment of at least US\$ 3 billion in the next 3-5 years so as to upgrade and modernize the operation of both CEB and CPC through the adoption of new technologies and management practices. Given the quantum of investment needed, and since CEB and CPC do not possess adequate surplus and revenue to reinvest back into their

operations, they will have to actively look into different financing modalities.

### Ceylon Electricity Board (CEB)

Having a vision of "enrich life through power", CEB has been able to expand the domestic electrification level of the country to about 98 percent by 2015. CEB has turnaround its financial

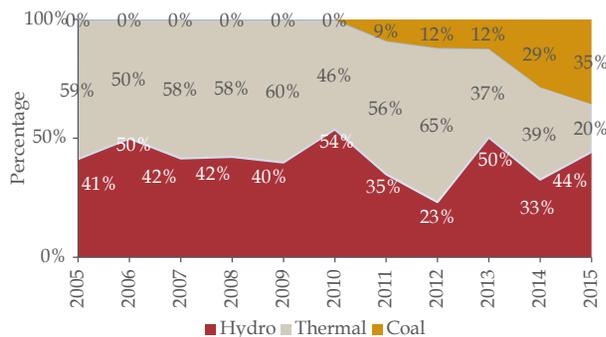
performance recording an operating profit of Rs. 20 billion for the year 2015 in comparison to the loss of Rs. 15 billion incurred in 2014. This turnaround in performance is mainly due to the wet weather condition or heavy rains which prevailed in 2015, where the power generation composition changed from Hydro: Thermal (fuel): Thermal (coal) 39:35:26 in 2014 to 44:20:36 in 2015, resulting in a decrease in cost per unit to Rs. 14.85 from Rs. 20.15 in 2014. This average savings of almost Rs. 6.70 per unit (Rs. 43.9 billion) in generation due to the use of Hydro and coal power plants as substitution to fuel based power plants resulted in CEB being able to record a significant operating profit in 2015.

CEB’s performance was further boosted as it has been able to reduce the system losses up to 10 percent in 2015 from 17 percent in 2007.

CEB’s generation mix with Hydro amounting for almost 44 percent has made CEB’s financial and operational sustainability vulnerable to changes in weather condition. Thus, given that electricity is a main source of energy in the country and is of a strategic importance, CEB needs to look into modalities through which it can mitigate such risks.

It is noted that during last 5 years the government investment in CEB has been heavily generation biased. The lack of investment in transmission during the time period, has also created vulnerabilities in CEB’s ability to provide an uninterrupted supply of power to consumers.

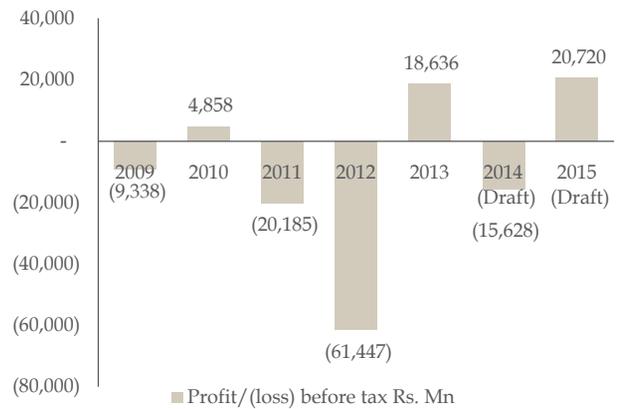
Chart 9.1 | Generation Mix 2005-2015



Given that CEB’s capital base remains only around Rs. 302 billion, this too is due to the conversion of debt to equity of almost Rs. 173 billion in 2014-2015, CEB’s capacity to reinvest

in expansion and upgrading of its operations which require almost Rs. 15 billion per annum during 2016-2020 is severely compromised. In this context, going forward, CEB will have to actively engage with the capital market to source the required financial needs for the maintenance, expansion and upgrading of its asset base.

Chart 9.2 | Profitability of CEB 2009-2015



Their involvements are needed more, so given that the demand for electricity and use of electricity have expanded with the advent of electric cars, increase in per capita income which gives rise to use of more electric appliances. At the same time, country’s energy policy requires that by 2020 at least 20 percent of the country’s electricity generation capacities must be from non-conventional sources. As such, CEB to meet their targets will have to look into innovative financial and structural models.

### Ceylon Petroleum Corporation (CPC)

CPC being the major market player in the petroleum sector, currently holds nearly 85 percent of the market and it is the third largest market player in the lubricant industry. The imports of CPC in 2015 amounted to US\$ 1,867 million, representing nearly 10 percent of the total imports of the country which amounted to US\$ 18,935 million while contributing to around 10 percent of the government tax revenue.

In line with the downward movements in international oil prices, average import price of crude oil dropped to US\$ 41.21 per barrel in December 2015, compared to US\$ 75.98 per barrel recorded in December 2014. The average international market prices of the petroleum

Table 9.5 | Installed Capacity and Power Generation of CEB - 2013-2015

	2013 Generation			2014 Provisional Generation			2015 Draft Generation		
	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 - CEB	1,361	50	6,011	1,377	29	3,632	1,377	37	4,925
Mini Hydro - IPP	267	8	916	288	7	902	299	8	1,087
Thermal - CEB oil	564	11	1,326	544	14	1,696	544	8	1,085
Thermal IPP oil	771	16	1,978	671	21	2,610	511	9	1,226
Thermal - Coal	300	14	1,639	900	26	3,202	900	34	4,457
NCRE & Wind	99	2	262	152	3	315	152	3	381
<b>Total</b>	<b>3,362</b>	<b>100</b>	<b>12,132</b>	<b>3,932</b>	<b>100</b>	<b>12,357</b>	<b>3,783</b>	<b>100</b>	<b>13,161</b>

Source: Ceylon Electricity Board

Table 9.6 | Financial Outturn of Ceylon Electricity Board

	Provisional		Forecast		
	2014	2015	2016	2017	2018
Rs. Mn					
<b>Operational Statement</b>					
<b>Revenue</b>	206,345	198,363	196,425	278,376	293,542
Sale of Electricity	202,645	188,684	190,455	268,894	284,060
Other Income	3,701	9,679	5,970	9,482	9,482
<b>Expenditure</b>	<b>221,974</b>	<b>177,643</b>	<b>206,055</b>	<b>323,443</b>	<b>269,845</b>
<b>Direct Generation Cost</b>	<b>164,762</b>	<b>107,837</b>	<b>108,661</b>	<b>224,599</b>	<b>169,708</b>
IPP (With NCRE)	101,149	63,732	57,507	112,143	74,938
CEB - Fuel Cost (Oil & Coal)	63,613	44,105	51,154	112,456	94,770
Generation, Transmission & Distribution O&M Cost	25,236	33,405	60,278	38,268	40,185
Corporate Expenses	3,636	4,008	3,500	4,847	5,089
Interest on Borrowings and Delayed Payments	6,979	5,133	5,398	24,285	22,105
Depreciation	21,361	27,260	28,218	31,444	32,758
<b>Operating profit/(loss)</b>	<b>(15,628)</b>	<b>20,720</b>	<b>(9,630)</b>	<b>(45,067)</b>	<b>23,697</b>
<b>Liquidity Position</b>					
Borrowings from Banks	27,000	318	33,640	20,350	31,260
Payments to Banks	(16,612)	(13,495)	(12,431)	(28,675)	(27,490)
Outstanding Debt to Banks	54,791	41,614	62,823	54,498	57,268
Purchases From CPC and IPP	132,939	62,427	81,754	85,842	94,426
Payments to CPC and IPP	(140,750)	(72,177)	(79,236)	(87,160)	(93,697)
Outstanding to CPC and IPP	16,140	6,390	8,908	7,590	8,319
<b>Operational Statistics</b>					
Units Sold (GWh)	11,066	11,792	12,054	14,457	15,272
Unit Generated (GWh)	12,357	13,161	13,450	15,903	16,799
Cost Per Unit (Rs./kWh)	20.15	15.06	17.09	20.34	16.06
Sales Per Unit (Rs./kWh)	18.31	16.00	15.80	18.60	18.60
<b>Generation Composition (GWh)</b>					
Thermal(Fuel)CEB	1,696	1,085	1,068	1,276	1,340
Thermal(Fuel)IPP	2,610	1,226	426	1,060	1,294
Hydro	3,632	4,925	4,980	5,903	6,196
Mini Hydro, Wind & NCRE	1,217	1,468	1,635	1,820	2,044
Coal	3,202	4,457	5,340	5,844	5,925
<b>Total</b>	<b>12,357</b>	<b>13,161</b>	<b>13,450</b>	<b>15,903</b>	<b>16,799</b>

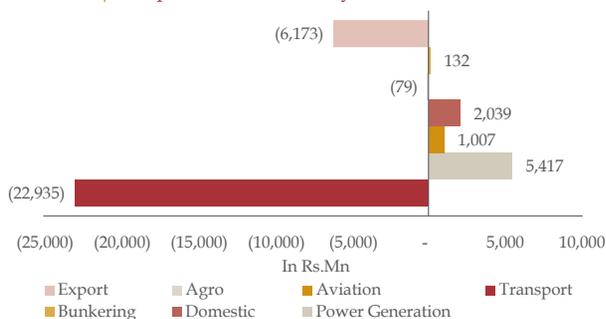
Sources: Ceylon Electricity Board and Department of Public Enterprises

products for year 2015 were around US\$ 65 per barrel. Accordingly, the government drastically reduced the domestic prices of petroleum products on 22.01.2015 in order to pass through the benefits of the decline in international market prices of petroleum products to the consumers.

The operational profit of CPC for the year 2015, amounting to Rs. 27.6 billion is an increase of 122 percent compared to the operational profit of Rs. 12.4 billion in year 2014. However, CPC closes the year 2015 with a net loss of Rs. 18.4 billion in comparison to the net profit of Rs. 1.6 billion during the year 2014. The depreciation of the Rupee against the US Dollar by 9.3 percent during the year and the finance cost that could not be avoidable due to huge bank borrowings, impacted mainly on overall losses of CPC. The transport sector accounts for 69 percent of the total losses while almost 20 percent can be attributed to the export of locally refined bottom products. The losses incurred by the domestic sector due to selling of Kerosene below the cost, takes the third place by adding the remaining 11 percent to the total losses.

However, the power generation sector which has traditionally being a drain on CPC reserves has turned around to a profitable venture in 2015 as the fuel utilized for electricity generation was sold at a margin.

Chart 9.3 | Composition of Losses by Different Sectors



During 2015, CPC's revenue has decreased by 20 percent compared to the year 2014 due to the reduction in domestic market selling prices while the quantity of petrol has increased by 20 percent in comparison to 2014. The import cost of petroleum products has also declined during the year by nearly 42 percent to US\$ 1,867 million compared to US\$ 3,187 million in year 2014 due to the reduction in international market oil prices.

Table 9.7 | Domestic Market Prices of Petroleum Products in 2015

Date of Effective	Rs. Mn							
	LP 95	LP 92	LAD	LSD	LK	LIK	FUR. 800	FUR. 1500
05.12.2014	158	150	111	133	81	110	92.2	90
01.01.2015	158	150	111	133	81	110	82.2	80
22.01.2015	128	117	95	110	65	94	82.2	80
29.01.2015	128	117	95	110	59	88	82.2	80
28.11.2015	128	117	95	110	49	88	82.2	80

Source: Ceylon Petroleum Corporation

Table 9.8 | Financial Outturn of Ceylon Petroleum Corporation

	Rs. Mn				
	2014	2015	2016	2017	2018
<b>Total Revenue</b>	<b>525,182</b>	<b>376,734</b>	<b>704,497</b>	<b>739,717</b>	<b>776,703</b>
Octane90	106,302	86,747	133,215	139,875	146,869
Octane 95	9,954	10,469	11,310	11,875	12,469
Diesel	237,497	168,156	300,682	315,716	331,502
Super Diesel	4,944	5,774	6,071	6,374	6,693
HF 800cc	5,109	14,911	7,546	7,923	8,319
HF 1500cc	39,159	5,073	67,108	70,463	73,986
HF 3500cc	16,196	5,073	26,043	27,345	28,712
LSHF	13,628	7,749	21,131	22,187	23,296
Naptha	13,478	12,003	16,611	17,441	18,313
Kerosene	15,230	9,824	21,552	22,629	23,760
JET- A-1	54,622	34,641	64,601	67,831	71,223
Other Products	9,061	16,317	23,347	24,514	25,740
Other Income	7,944	5,073	5,280	5,544	5,821
<b>Total Expenditure</b>	<b>531,490</b>	<b>401,278</b>	<b>688,424</b>	<b>722,845</b>	<b>758,987</b>
Cost of Sales	500,734	336,848	660,573	693,601	728,281
Imports - Refine oil	201,590	223,377	409,912	430,407	451,927
Refinery - crude oil	299,144	113,471	250,661	263,194	276,354
Sales and Distribution	10,937	13,109	12,285	12,899	13,544
Administration	5,244	2,555	4,991	5,240	5,502
Finance Cost	13,962	15,049	10,000	10,500	11,025
Depreciation	378	759	575	603	633
Other Cost	232	-	-	-	-
<b>Profit/ (Loss)</b>	<b>1,633</b>	<b>(18,384)</b>	<b>16,073</b>	<b>16,872</b>	<b>17,716</b>
Outstanding dues to state banks	373,000	359,283	338,000	300,000	240,000

Sources: Ceylon Petroleum Corporation and Department of Public Enterprises

In spite of the reduction of retail prices of the petroleum products, the reduction in the import cost in line with the decrease in global oil prices has resulted in improvements in the CPC's cash flow during 2015, with the outstanding liabilities

of CPC to two state commercial banks which was stood at Rs. 373 billion in 2014, declining to Rs. 359.3 billion. The cash flow position was further strengthened, with CPC recovering almost Rs. 25 billion or 48 percent of the total outstandings at the end of 2014 which stood at Rs. 52 billion.

The General Treasury has invested Rs. 25 billion as equity capital with a view to strengthening the balance sheet position of CPC. Moreover, government also released Rs. 3.6 billion as the Kerosene subsidy. At the same time, government supported CPC operations by issuing the Treasury Guaranties amounting to US\$ 1,550 million as collateral to secure the credit facilities from the two state banks, Bank of Ceylon and People's Bank.

However, CPC's previous losses which occurred due to non-passing the high cost of fuel to consumers have had a substantial negative impact on its balance sheet. The lack of a fully cost reflective pricing structure from 2005 to 2013 resulted in CPC carrying a negative net worth of Rs. 225 billion and these losses have been financed by interest bearing loans outstanding of Rs. 359.3 billion from two state banks. CPC's cost of financing has therefore been on average around Rs. 10 to 15 billion per annum during the period 2009 to 2015. Therefore, it is inevitable that such losses when finance with interest bearing loans will have a negative impact on the overall profitability of the entity. As such, CPC's balance sheet needs to be strengthened either by injecting more equity or via sustained earnings (profits). In this context, the government has proposed to introduce a pricing formula with a view to stabilise the local prices of petroleum products for future years. It is envisaged that this will facilitate CPC to be profitable without undue pressures being placed on the domestic financial sector as CPC depends for majority of their funding needs on the domestic financial markets.

With the Iranian sanctions CPC was forced to substitute the light crude used with other varieties of crude that was compatible with the refinery and gave high yields in the better refined products, as opposed to yielding significant portions of bottom products such as HF1500, HF 3000 or HF 800. In this context, CPC introduced

Murban into its crude blend since Murban provides high yields of middle and light distiller as opposed to the bottom products.

However, the unavoidable bottom products output of the refinery which does not have a sufficient local market, specially given that the demand from the electricity generation was significantly low, CPC exported those products below the cost price accelerating the loss making position. The losses during the year due to the export of bottom products amounted to Rs. 6.2 billion. During the period under review, the refinery was operated only for 280 days due to shutdowns for regular maintenance work. The refinery operated at a same capacity of 85 percent level as in the previous year. During the year 2015, the total refinery output was 1,967 million litres at a cost of Rs. 113.4 billion which is equal to a 1/3 of total cost of sales and the balance 2/3 of the cost of sales represents the import cost of refined petroleum products.

Non-existence of government to government (G to G) term contracts for crude oil purchases would create problems in supply security and unplanned refinery shutdowns. Therefore, the government has taken steps to explore the possibility of purchasing of Murban crude oil on G to G basis. The limited capacity available for storage at the Ceylon Petroleum Storage Terminals Limited (CPSTL) at Kollonawa and Muthurajawela terminals for storage of refined petroleum products compromises the CPSTL's capacity to hold stocks specially during a dip in oil prices. In this context, it is important that CPC should have a procurement plan with well-defined indicators. To address the issue of storage, government has proposed by 2016 budget to investigate the possibility of using the Trincomalee upper tanks farm back to oil storage. The dilapidated condition of the cross country pipe lines which are being used to discharge the products from port to terminals causes heavy congestions at berth due to low pressure being maintained at pumps. Hence, the average time taken to discharge cargo is well above the standards and this has caused CPC to incur huge demurrages. Considering these cost escalations, the government decided to invest on a new cross country pipeline with latest technologies.

## 9.3 Water

Safe drinking water supply is one of the most prioritized requirements in the world since 30 percent of world population still has no proper access, even to drinking water. In Sri Lankan context safe drinking water coverage at the end of 2015 has been reached to 86 percent along with the increase in pipe borne water coverage. Government of Sri Lanka has also identified water sector as a crucial sector to ensure proper living standards of people and as such National Water Supply and Drainage Board (NWS&DB) has been endowed with new equity infusion and sizable financing support to achieve 60 percent of pipe borne water coverage by 2020.

### National Water Supply and Drainage Board (NWS&DB)

National Water Supply & Drainage Board (NWS&DB), which is presently functioning under the Ministry of City Planning and Water Supply is the principal authority which provides safe drinking water and facilitates the provision of sanitation in Sri Lanka. At present, access to pipe borne water has a coverage of 44 percent and it is envisaged to increase to 60 percent by 2020. As per the government directives, the on-lent loans to NWS&DB by the Treasury as at end 2014, amounting to Rs. 39.8 billion was converted into government equity contribution so as to strengthen the balance sheet of NWS&DB.

Currently, 329 water supply schemes are operated under NWS&DB which cover 44 percent of the total pipe borne water supply in the country. The NWS&DB is in charge of the sewerage systems in Colombo & suburbs, Hantane, Koggala, Hikkaduwa, Kataragama and in few housing schemes.

Operational profitability and the cash flow generation of the NWS&DB have declined in the last couple of years due to the absence of cost reflective tariff mechanism, lower coverage of water supply and higher salary expenses and operational inefficiencies etc. However, as per the budget proposal 2016, a cost reflective tariff methodology will be adopted under the purview of Public Utilities Commission of Sri

Lanka (PUCSL). The non-revenue water supplies have been reduced over the years but still, in the Greater Colombo area, it remains at a significant 46 percent which is also a considerable burden on the operational performance of NWS&DB.

Government aim is to ensure that 100 percent of the population has access to safe drinking water in the country specially to mitigate chronic kidney disease that is adversely prevalent in the country. Further, new project financing mechanisms has already been approved by the government. Accordingly, 50 percent of debt servicing of the urban water supply projects and 75 percent of debt servicing of the rural water supply projects will be borne by the Treasury. Considering the need for promoting sewerage and waste water related services, 100 percent of the debt servicing related to these projects also will be borne by the Treasury. Most of the projects implemented by the NWS&DB have undue delays and huge cost escalations. Accordingly, NWS&DB needs to improve its project monitoring mechanism in order to smoothen the implementation of the proposed projects.

It is noted that the erratic weather and climate changes, specially dry weather prevalent for long period and the pollution of water sources, compromises the NWS&DB's capacity to provide safe drinking water throughout the day at the relevant standards. In this context, the Board, given its monopoly status should invest into technological system and mechanisms to face the potential threats from weather and other calamities.

## 9.4 Ports

Due to close proximity to the East - West trading routes and the easy access to the regional markets in Asia, Sri Lanka had been a strategic naval link between West Asia and South East Asia since ancient times. These factors have attracted foreign investors to invest in Sri Lanka.

The Chinese government has announced their fullest support for China's vital sea and land silk route initiative. China is promoting its 21st century maritime silk route and has succeeded in

Table 9.9 | Financial Outturn of NWS&amp;DB

	Provisional			Forecast		Rs. Mn
	2014	2015	2016	2017	2018	
<b>Revenue</b>	18,710	19,584	21,167	22,296	<b>23,400</b>	
Water	17,447	18,374	19,936	21,042	22,000	
Water Related Income	1,263	1,210	1,231	1,254	1,400	
Cost of Sales	(11,326)	(12,315)	(13,335)	(14,047)	(15,000)	
<b>Gross Profit</b>	7,384	7,269	7,832	8,250	<b>8,400</b>	
Other Income	1,444	1,666	1,515	1,157	1,300	
Administration Expenses	(5,985)	(8,751)	(9,245)	(9,738)	(10,000)	
Other Operating Expenses	(334)	(464)	(500)	(600)	(650)	
<b>Operating Profit/(Loss)</b>	2,509	(100)	(398)	(932)	<b>(950)</b>	
Finance Income	213	1,186	1,000	500	250	
Other Expenses	(1,296)	(56)	(100)	(200)	(300)	
<b>Net Profit/(Loss)</b>	1,426	1,030	502	(632)	<b>(1,000)</b>	
Outstanding dues to the government	39,804	-	-	-	-	
<b>Key Performance Indicators</b>						
Connections (Nos.)	1,831,998	1,947,861	2,091,265	2,202,842	2,300,000	
Water Production (m <sup>3</sup> Mn)	585	612	657	692	730	
Water Sales (m <sup>3</sup> Mn)	416	442	480	512	547	
Non-Revenue Water (%)	29	28	27	26	25	
Community Based Water Supply Projects (Nos)	4,500	4,500	4,500	4,510	4,510	
Safe Drinking Water Supply Coverage(%)	84	86	89	89.3	89.5	
Sewerage Connections for institutions (Nos)	997	1,143	1,345	1,625	1,650	
Sewerage Connections for households (Nos)	12,192	13,040	18,876	20,880	21,000	

Sources: National Water Supply & Drainage Board and Department of Public Enterprises

persuading Sri Lanka to extend its support for the initiative. It has been identified that 90 percent of merchandise commodity trade in the world is transported by naval channels. Sri Lanka is ranked 33 out of top 50 container operating ports in the world, handling 4.31 million TEUs in 2014. All these facts indicate that more investment opportunities are still available in the port sector development of the country.

In the recent past, several development projects have been implemented and completed in the port sector including Hambantota port development project phase I and phase II, and bunkering facilities and tank farm project at Hambantota etc. Further, projects such as Galle development project, Trincomalee port development project, widening of internal port road in port of Colombo and widening of port access road have already been initiated.

### Sri Lanka Ports Authority (SLPA)

Sri Lanka Ports Authority (SLPA) was set up by an Act of Parliament in 1979 and administers and operates all specified commercial ports in Sri Lanka, mainly the Colombo, Galle, Trincomalee and Hambantota ports. Ports of Colombo and Hambantota have the ability to handle larger, more economical ships. Colombo port has traditionally been one of the oldest and busiest ports in the region. It serves as an important terminal in Asia due to its strategic location in the Indian Ocean. During 1980s, the port underwent rapid modernization with the installation of Cranes, Gantries and other modern-day terminal requirements. The Colombo port being the premier port in the country could maintain monthly average of 350 ships arrivals and monthly average of more than 180,000 TEUs in 2015. Total ship arrivals to Colombo port by the end of September 2015 was 3,142 while handling 1,697,329 container throughput (TEUs).

SLPA has recorded a turnover of Rs. 41.4 billion in 2015 which is an increase of Rs. 4.6 billion compared to the previous year. However, in spite of the revenue increase, given the increase in administrative cost to Rs. 25,178 million (Including foreign exchange loss) in 2015 from Rs. 5,123 million in 2014. SLPA has incurred a loss of Rs. 9,575 million in 2015 compared to the profit of Rs. 8,897 million in 2014. Given the depreciation of Rupee against the US Dollar and Yen, the interest cost has increased approximately by 22 percent in 2015 over 2014. Hence, a considerable amount of funds has to be utilized for loan repayments including loan interest which is a major issue currently faced by SLPA. In addition to that, approximately, more than 40 percent of total revenue of SLPA is used for the salary payments, overtime payments and other welfare activities, resulting poor financial performance in 2015.

The Colombo port recorded the ever highest daily container handling volume of 22,186 TEUs on 28th April 2015. There was an increasing trend of ship arrivals to port of Colombo during year 2015. Total Ship arrivals has increased by 8.3 percent compared to year 2014.

Ship arrivals, except Magam Ruhunupura Mahinda Rajapakshe Port (MRMRP) show an increasing trend during 2015. There is a decline in ship arrivals at MRMRP approximately by 13 percent during the year. Total TEU's handling during 2015 by SLPA was 5.1 million, which is a marginal increase of 4 percent compared to previous year. Outstanding foreign debt balance of SLPA has increased to Rs. 218 billion at the end of 2015 compared to Rs. 206 billion at the end of 2014. Further, local borrowings has also increased approximately by 25 percent from 11.9 billion in 2014 to 14.9 billion in 2015.

SLPA was able to complete the phase II of the Hambantota port development project during the year and further, land acquisition process is being

Table 9.10 | Financial Outturn of Sri Lanka Ports Authority

	Rs. Mn				
	2014	Provisional 2015	2016	Forecast 2017	2018
<b>Total Revenue</b>	<b>36,776</b>	<b>41,437</b>	<b>46,379</b>	<b>53,300</b>	<b>59,750</b>
Navigation	5,303	6,752	6,513	6,500	6,750
Stevedoring	19,078	19,250	23,221	28,500	33,000
Wharf Handling	3,920	4,548	4,851	5,100	5,500
Port Facilities	3,278	4,101	5,285	6,300	7,500
Other	5,197	6,785	6,509	6,900	7,000
<b>Total Expenditure</b>	<b>27,879</b>	<b>51,012</b>	<b>49,852</b>	<b>52,100</b>	<b>55,900</b>
Operational Expenses	15851	17,813	17,239	17,700	17,500
Repair, Maintenance and Expenses	3,956	4,826	5,348	5,500	6,000
Administrative Expenses	5,123	25,178	20,498	22,000	25,000
Net Finance Cost	2,949	3,195	6,767	6,900	7,400
<b>Profit/(Loss) Before Tax</b>	<b>8,897</b>	<b>(9,575)</b>	<b>(3,473)</b>	<b>1,200</b>	<b>3,850</b>
Outstanding debts to Banks (Domestic)	11,968	14,889	12,644	13,500	14,000
Foreign Loans	206,271	218,300	236,877	285,000	315,000
Interest on Foreign Loans	3,639	3,802	7,533	8,000	8,000
<b>Key Performance Indicators</b>					
<b>TEU's Handling (Nos Mn)</b>	<b>4.908</b>	<b>5.185</b>	<b>6.024</b>	<b>6.100</b>	<b>6.350</b>
<b>Ship Arrivals (Nos)</b>	<b>5,072</b>	<b>5,450</b>	<b>5,240</b>	<b>5,820</b>	<b>6,420</b>
Colombo	4,407	4,772	4,510	5,000	5,500
Galle	157	162	172	200	250
Trincomalee	160	209	195	225	250
MRMRP	348	307	363	395	420

Sources: Sri Lanka Ports Authority and Department of Public Enterprises

implemented for the stage III of the project. The construction activities of East Container Terminal (ECT) have also been completed in the first half of the year 2015. Actions are now being taken by SLPA for the port sector development business model for a strategic Public Private Partnership to ECT operations with the assistance of ADB.

SLPA has identified the port of Galle as a priority project for the development of tourism activities in the southern coastal belt and it is expected by SLPA to invest on this area and actions will be taken to start a project in the first quarter of the year 2016. In the near future, a system of issuing Certificates of Competencies (COC) and Seafarer Continuous Discharge Certificate (CDC) with bio-matric to comply with seafarer identity document is to be introduced by SLPA.

## 9.5 Commuter Transportation

### Sri Lanka Transport Board (SLTB)

Sri Lanka Transport Board (SLTB) is the major player in the area of public transportation, covering the island wide road network with around 5,720 buses covering about 440 million kilometres per annum. This includes 95 million kilometres of uneconomical routes which comprised of the 'Gami Seriya', providing transport facilities to rural areas and 'Nisi Seriya' providing the service to night time passengers. In addition, SLTB covers the transportation services for school children and university students at subsidized prices.

During 2015, the quality of the running fleet of the SLTB was strengthened by procuring of 2,200 new buses on lease basis with the Treasury bearing half the total cost. The existing bus fleet has been augmented by adding spare parts of 442 Engines and 151 new gear boxes. The number of 846 old buses which were in dilapidated condition had been disposed in 2015.

Several projects have been undertaken by the SLTB to improve the quality of public transportation services in 2015. 719 number of buses were deployed under the 'Sisu Seriya' project to provide school children with a safe

mode of transportation 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 in the Southern and Katunayake express ways is being continued by utilizing 68 new buses.

The Enterprise Resource Planning (ERP) system introduced in 2014 is to be extended to the operational level of buses enabling the SLTB to manage its operations more efficiently and effectively. This system needs to be consolidated with finance and accounts to run as a comprehensive ERP system which will add more benefits to the SLTB.

In 2015, total revenue of SLTB increased by Rs. 3,030 million which is an increase of 10 percent compared to year 2014. The main reason for this significant growth was the increase of operated kilometres from 371 million kilometres to 440 million kilometres due to enhanced bus fleet during the year.

The savings generated by downward revision of the fuel prices of Rs. 748 million in 2015 with fuel cost per kilometre declining from Rs. 36.10 in 2014 to Rs. 28.70 in 2015 was wiped out by increase in staff cost by Rs. 5,740 million to Rs. 20,949 million in 2015. This increase represents the cost of Rs. 10,000 salary allowance and the cost of new recruitments that can be analysed as Rs. 4,320 million for salary allowance and Rs. 1,420 million for new recruitments. Therefore, the total expenditure increased nearly by 16 percent to Rs. 5,206 million in 2015 in contrast to previous year. Accordingly, SLTB reported an accounting loss of Rs. 4,038 million in 2015 which is an increase in the loss of Rs. 2,176 million in contrast to year 2014.

Presently, SLTB has failed to meet their financial requirement for operations independently, without expecting financial assistance from General Treasury. The unpaid statutory payments including EPF and Gratuity amounting to Rs. 13.2 billion and the availability of excess staff are the main issues for this situation which requires a rapid and permanent solution. The financial position is significantly effected due to some structural weaknesses that cause

operational inefficiencies. The General Treasury, Transport Ministry and SLTB are in the process of formulating a business plan for SLTB to address the unresolved issues of SLTB in order to convert it into a profitable entity. It is proposed to pay unpaid statutory payments by selling off the uneconomical additional lands to the government development projects. Further, an attractive VRS is proposed to remove the excess staff in order to enhance the profitability and the efficiency of asset utilization.

The other main target of the business plan is to remove the inefficiencies in the bus operations

and the management of the SLTB. The plan is formulated based on the profit centre concept which is supplemented by concept of family ownership of busses that is expected to trim down the operational inefficiencies. Accordingly, it is expected to convert the SLTB into a profitable entity from 2017 onwards breaking even in 2016.

## 9.6 Aviation

Aviation Industry has a strong linkage with the tourism sector in almost every country. Tourist arrivals to the country in 2015 was around 1.8

Table 9.11 | Financial Outturn of Sri Lanka Transport Board

	Provisional		Forecast		
	2014	2015	2016	2017	2018
					Rs. Mn
<b>Revenue</b>	<b>31,417</b>	<b>34,447</b>	<b>37,151</b>	<b>40,095</b>	<b>43,266</b>
Operational Income	30,280	32,917	35,551	38,395	41,466
Other income	1,137	1,530	1,600	1,700	1,800
<b>Expenditure</b>	<b>32,678</b>	<b>37,884</b>	<b>36,545</b>	<b>38,885</b>	<b>41,383</b>
Salary	15,209	20,949	18,245	19,157	20,115
Fuel	13,387	12,639	13,650	14,742	15,921
Other Running Cost	3,222	3,283	3,450	3,726	4,024
Overhead	859	1,013	1,200	1,260	1,323
<b>Cash Profit/(Loss) Before Gov. financial Assistance</b>	<b>(1,260)</b>	<b>(3,438)</b>	<b>606</b>	<b>1,210</b>	<b>1,883</b>
Gov. financial Assistance	1,377	1,378	1,300	800	200
Cash Profit (Loss)	117	(2,060)	1,906	2,010	2,083
Depreciation	1,978	1,978	1,978	1,978	1,978
Accounting Profit (Loss)	(1,862)	(4,038)	(72)	32	105
<b>Other Financial Information</b>					
Treasury Subsidy	8,562	14,234	16,747	12,543	12,543
Recurrent	6,965	11,937	14,937	10,743	10,743
Capital	1,597	2,297	1,800	1,800	1,800
Outstanding Dues to Banks	12,206	11,700	9,167	6,709	4,499
Outstanding Statutory Dues	7,369	11,975	-	-	-
<b>Key Performance Indicators</b>					
Fuel Cost per km	35	28	27	27	27
No. of Employees per bus	8	7	6	6	6
Running Fleet	5,987	6,441	7,050	7,050	7,050
Break - down buses	1,682	1,338	-	-	-
Operated km Mn	371	440	483	536	562
Avg. buses operated per day	4,596	5,270	6,000	6,300	6,300
<b>Bus Fleet Age Analysis</b>					
Less than 5 yrs	2,189	3,140	3,159	2,987	1,709
Less than 10 Yrs	2,133	2,098	2,034	1,440	1,498
10 > 15	1,611	667	602	1,368	1,588
Over 15 Yrs	1,736	1,874	1,255	1,255	1,255
Total	7,669	7,779	7,050	7,050	7,050

Sources: Sri Lanka Transport Board and Department of Public Enterprises

million and expected to increase to 2.5 million by 2016. Consequently infrastructure facilities of aviation industry including air services, ground handling capacity and airport facilities and other related infrastructures need to be enhanced.

Chart 9.4 | International Flights Movements in 2011-2015

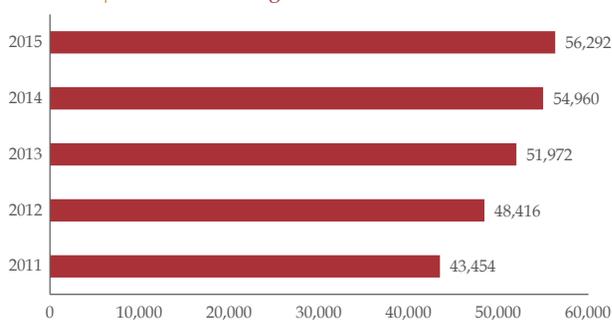


Chart 9.5 | Composition of Total Revenue 2014/15

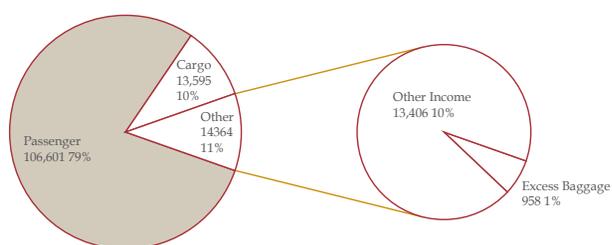


Chart 9.6 | Cost Comparison

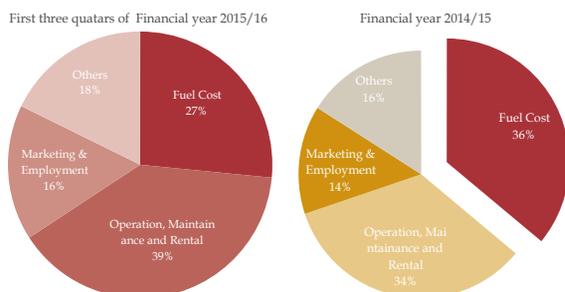
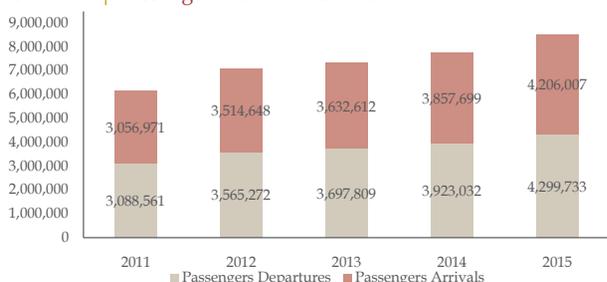


Chart 9.7 | Passenger Movements in 2011-2015



In 2015, Sri Lanka handled 8,505,740 number of passengers which is a 9.3 percent growth compared to 2014. Airport & Aviation Services (Sri Lanka) Ltd is engaged in phase II of the Bandaranaike International Airport (BIA) development project which will have the capacity to accommodate 15 million passenger movements per year.

## Sri Lankan Airlines (SLA)

The government of Sri Lanka (GOSL), in the past few years has made significant investment on Sri Lankan Airlines as a strategically important State Owned Business Entity to increase service sector contribution to the GDP through aviation and tourism sector. Further, GOSL reacquired shareholding of Emirates, Bank of Ceylon, People's Bank and National Savings Bank which resulted in increasing the GOSL ownership of SLA up to 99.11 percent.

Table 9.12 | Financial Outturn of Sri Lankan Airlines

	Rs. Mn		
	2012/13	2013/14	2014/15
<b>Total Revenue</b>	<b>123,750</b>	<b>124,228</b>	<b>134,560</b>
Passenger	98,582	99,670	106,601
Cargo	12,896	12,425	13,595
Excess Baggage	509	715	958
Other Income	11,763	11,418	13,406
<b>Total Expenditure</b>	<b>149,839</b>	<b>156,585</b>	<b>150,993</b>
Aircraft fuel cost	63,865	59,947	53,451
Employee cost	7,938	8,352	9,214
Airport, enroute and passenger expenses	22,556	21,960	22,214
Aircraft Maintenance and overhaul costs	14,330	17,356	11,605
Rentals on Leased Aircraft	14,514	14,555	16,316
Selling, Marketing and advertising expenses	9,653	10,250	11,829
Depreciation/Amortization	1,187	1,603	2,276
Crew Expenses	8,141	8,992	10,644
Other Operating Expenses	4,517	7,373	8,435
Financial Cost	3,138	6,197	5,009
<b>Profit / (Loss) Before Tax</b>	<b>(26,089)</b>	<b>(32,357)</b>	<b>(16,433)</b>
Capital Contribution	12,600	19,585	-
<b>Key performance Indicators</b>			
Passengers carried RPK (Mn)	12,968	12,810	12,963
Passenger capacity ASK (Mn)	15,944	15,780	16,180
Net Profit / (Loss) Margin (%)	(21.08)	(26.04)	(12.21)
Air craft in service at year end (Nos)	22	21	21
Fuel cost on Total Revenue (%)	51.6	48.25	39.72
Passenger Load Factor	81	81	80

Source: Sri Lankan Airlines and Department of Public Enterprises

In spite of the SLA incurring operational losses, it carries more than 45 percent of the total tourists to the country contributing to emerging tourism sector development.

Total cost to revenue ratio of SLA has reduced to 105 percent in the first three quarters of 2015/16 compared to 122 percent in 2014/15. This was mainly due to the substantial reduction of fuel cost from 35 percent to 27 percent in 2015/16. Ceylon Petroleum Corporation has channelled benefits coming from lower fuel price in the world market to the aviation sector. Further, SLA has managed its routes towards more profitable destination through reduction of uneconomical routes. Both favourable tendencies affected the bottom line results of SLA and accordingly, total loss of SLA for last three quarters in 2015/16 recorded Rs. 6,104 million as against the loss recorded of Rs. 16,433 million during the financial year 2014/15. However SLA has been continuously running at operational losses for last 7 years due to many reasons including poor management. This has resulted in the deterioration of the financial position of the company which is at Rs. 81 billion negative net worth as at 31.01.2016.

Given the continuous loss making environment, SLA and MLL faced with substantial liquidity constraints and therefore the Treasury intervened and issued two comfort letters in 2015 amounting to Rs. 15 billion each to mitigate short term financial burden of the entities. Moreover, government has already issued directives to both MLL and SLA to prepare business restructuring plan which will explore alternative avenues to be economically viable in the medium term.

### Mihin Lanka (Pvt) Ltd

Mihin Lanka (Pvt) Ltd (MLL) was established in 2007 as a fully government owned entity to operate as a budget airline. However, due to operational issues, MLL has recorded operational losses during the last couple of years with the accumulated losses increasing around Rs. 17 billion as at 31.01.2016. However, total loss for the year 2015/16 is expected to be Rs. 915 million which is a reduction of loss by 38 percent compared to 2014/15 outturn. Having considered the lower financial and operational capacity, government, by the budget speech 2016 has directed MLL to be positioned as a “No Frills” budget airline. Further, operations of MLL will have to concentrate mainly on domestic routes while international routes to be limited.

Table 9.13 | Financial Outturn of Mihin Lanka (Pvt) Ltd.

	Provisional		
	2012/13	2013/14	2014/15
<b>Revenue</b>	<b>7,489</b>	<b>10,123</b>	<b>10,568</b>
Passenger	6,963	9,585	9,937
Cargo	151	193	266
Other	375	345	365
<b>Expenditure</b>	<b>10,782</b>	<b>12,715</b>	<b>12,051</b>
Fuel Cost	4,521	5,463	4,453
Lease Rentals	1,303	1,492	1,359
Aircraft Maintenance	1,706	1,528	1,879
Staff Cost	519	726	690
Finance Cost	1,755	498	329
Others	978	3,008	3,341
<b>Operating profit (loss)</b>	<b>(3,293)</b>	<b>(2,592)</b>	<b>(1,483)</b>
Outstanding Debt to Banks	350	256	164
Capital Contribution	507	1,894	6,528
<b>Key Performance Indicators</b>			
Passengers carried	401,476	511,176	462,931
Aircraft Fleet (Nos)	3	3	4
Routes (Nos)	10	12	10

Source: Mihin Lanka Ltd and Department of Public Enterprises

### Airport And Aviation Services Limited (AASL)

The principal activities of the AASL include management of airports at internationally accepted standards, provision of air navigational services for inbound aircraft and aircraft flying through the Sri Lankan flight information region and providing other necessary facilities to the users of the airports. The total passenger movements has increased by 9.3 percent in 2015 compared to 2014. Although aircraft movements increased from 54,960 in 2014 to 56,292 in 2015, profitability of AASL has not increased in line with the aircraft movements. This was mainly due to the excessive operational cost incurred in 2015.

The aeronautical income in 2015 grew by 11 percent to Rs. 3.76 billion while non-aeronautical income recorded a growth of 12 percent to Rs. 11.5 billion. AASL was able to increase non-aeronautical revenue in to 71 percent as a percentage of the total revenue. Total expenditure has considerably increased by 20 percent to Rs. 13.5 billion in 2015.

As given in the budget speech in 2016, the government has decided to integrate courier companies to utilize Mattala airport for the hub operations and utilize Mattala airport as a cargo hub, air freight and encouraged to private sector to set up flying training school and maintenance, repairs, overhaul facilities in future. AASL has a significant role to play in this regard.

Sri Lanka has been categorized as one of the favourable tourist destinations. Total tourist arrival to the country in 2015 was around 1.8 million which is expected to be reached 2.5 million by 2016. Accordingly the demand for aviation services are expected to be enhanced significantly in line with the stimulation of tourism industry in future. In this backdrop aviation related infrastructure facilities need to be enhanced in the medium term. Accordingly, AASL needs to concentrate to enhance airport and related infrastructure facilities to cater to increasing demand. Further AASL needs to ensure efficient and effective service delivery which directly affect brand image of the country among tourists.

## 9.7 Construction

The construction sector accounts for 6.8 percent of the GDP in 2015 which depicts a 6 percent decrease compared to year 2014. The State Engineering Corporation (SEC), Central Engineering Consultancy Bureau (CECB), State Development and Construction Corporation (SD & CC) are the main three SOBEs engaged in the construction industry. Total turnover of all SOBEs in construction has indicated almost a 29 percent decrease in revenue over 2014. In order to compete in the construction market in a cost effective manner, SEC, CECB and SD&CC should adopt new construction practices and processes, while being competitive with the private sector.

### State Engineering Corporation (SEC)

SEC has successfully completed the government projects such as construction of cricket ground for Kegala Vidyalaya, three storied building for university colleges at Ratmalana, toll gate and toll facilities of Athurugiriya interchange, Dikkubura-Welangahawaththa-Horagolla road which was worth of Rs. 2,366 million during 2015 and has undertaken Rs. 1,575 million worth of new government contracts during the year.

Table 9.14 | Financial Outturn of the Airport & Aviation Services (SL) Ltd.

	Provisional			Forecast		Rs. Mn
	2014	2015	2016	2017	2018	
<b>Revenue</b>	<b>14,453</b>	<b>16,220</b>	<b>19,084</b>	<b>20,992</b>	<b>21,610</b>	
Aeronautical	3,390	3,761	4,461	4,907	5,049	
Non Aeronautical	10,214	11,469	13,483	14,831	15,261	
Other	849	990	1,140	1,254	1,300	
<b>Expenditure</b>	<b>11,287</b>	<b>13,495</b>	<b>16,557</b>	<b>17,384</b>	<b>17,872</b>	
Staff Cost	4,729	5,447	6,460	6,783	7,122	
Administration	4,693	4,141	5,763	6,051	6,000	
Finance Cost	700	717	745	782	750	
Others Expenditure	1,165	3,190	3,589	3,768	4,000	
<b>Operating profit/(loss)</b>	<b>3,166</b>	<b>2,725</b>	<b>2,527</b>	<b>3,608</b>	<b>3,738</b>	
Total Borrowings	35,919	37,730	36,783	35,705	35,000	
Borrowings during the year	531	161	750	1,500	1,750	
<b>Key Performance Indicators</b>						
Passengers Movements (Nos) (Mn.)	7.8	8.5	9.4	10.3	11.1	
Transits passengers (Nos) (Mn.)	1.3	1.2	1.4	1.5	1.6	
Aircraft Movements (Nos) (BIA & MRIA)	54,960	56,292	59,107	62,062	63,861	

Source: AASL and Department of Public Enterprises

Table 9.15 | Financial Outturn of State Engineering Corporation  
Rs. Mn

	Provisional			Forecast	
	2014	2015	2016	2017	2018
<b>Revenue</b>	<b>7,730</b>	<b>3,852</b>	<b>5,734</b>	<b>6,403</b>	<b>6,819</b>
Construction	7,096	3,138	5,338	5,994	6,394
Consultancy	307	189	235	247	259
Other Income	327	525	161	163	166
<b>Expenditure</b>	<b>7,656</b>	<b>4,438</b>	<b>5,491</b>	<b>6,139</b>	<b>6,484</b>
Operating Expenditure	5,173	2,237	3,185	3,708	3,932
Staff Cost	1,669	1,683	1,786	1,875	1,969
Financial Cost	73	65	82	82	63
Other Expenditure	742	453	438	475	520
<b>Profit/ (loss)</b>	<b>75</b>	<b>(586)</b>	<b>244</b>	<b>264</b>	<b>336</b>
<b>Outstanding Debts to Banks</b>	<b>100</b>	<b>100</b>	<b>100</b>	<b>-</b>	<b>-</b>
<b>Receivables</b>	<b>9,082</b>	<b>8,047</b>	<b>7,265</b>	<b>6,540</b>	<b>6,475</b>

Sources: State Engineering Corporation and Department of Public Enterprises

SEC's revenue has decreased by 50 percent to Rs. 3,852 million in 2015 from Rs. 7,730 million in 2014 resulting a loss amounting to Rs. 586 million over the profit of Rs. 75 million recorded in 2014. This loss making situation and long delays in receiving payments from government institutions due to various reasons has lead the institution to a liquidity crunch. At present, SEC has initiated a series of meetings with the relevant stakeholders to collect long outstanding debts.

General Treasury has provided Rs. 250 million for year 2015 to settle down the salary increase proposed by the Budget 2015 as per a Cabinet decision, due to liquidity issues faced by SEC.

### Central Engineering Consultancy Bureau (CECB)

CECB was awarded "Excellence in Engineering" by the Institution of Engineers, Sri Lanka for consultancy services in 2015. CECB has completed projects at a cost of Rs. 3,824 million during 2015. This included office building for Kalu Ganga water supply project, Accident and Emergency complex at General Hospital, Ratnapura, and Faculty of Graduate Studies for General Sir John Kothalawala Defence University and building complex for Faculty of Commerce and Management at Eastern University.

 Table 9.16 | Financial Outturn of Central Engineering Consultancy Bureau  
Rs. Mn

	Provisional			Forecast	
	2014	2015	2016	2017	2018
<b>Revenue</b>	<b>12,861</b>	<b>10,768</b>	<b>12,602</b>	<b>7,642</b>	<b>4,721</b>
Construction	10,415	7,932	9,570	4,621	1,467
Consultancy	2,132	2,438	2,500	2,800	3,000
Other Income	314	398	532	221	254
<b>Expenditure</b>	<b>12,359</b>	<b>10,248</b>	<b>12,021</b>	<b>7,340</b>	<b>4,379</b>
Operating Expenditure	11,117	8,904	10,558	5,856	2,862
Staff Cost	1,072	1,186	1,320	1,364	1,411
Financial Cost	18	10	15	7	8
Other Expenditure	152	148	128	113	98
<b>Profit/ (loss)</b>	<b>502</b>	<b>520</b>	<b>581</b>	<b>302</b>	<b>342</b>
<b>Outstanding Debts to Banks</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Receivables</b>	<b>9,581</b>	<b>6,820</b>	<b>4,850</b>	<b>3,850</b>	<b>3,000</b>

Sources: Central Engineering Consultancy Bureau and Department of Public Enterprises

Revenue has decreased by 16 percent amounting to Rs 10,768 million in 2015. However, due to the decrease in expenditure to Rs. 8,904 million by 17 percent, profit has increased to Rs. 520 million by 4 percent in 2015 compared to previous year. Total receivables of CECB remained at Rs. 6,820 million at the end of 2015.

### State Development & Construction Corporation (SD & CC)

During 2015, SD&CC has undertaken Rs. 1,508 million worth of government projects while Rs. 700 million worth of work in progress remains as at end 2015. SD&CC completed the projects worth of Rs. 175 million including projects such as construction of Hekitta minor flood protection structure within Colombo region, new building for Department of Motor Traffic in Jaffna, right bank canal of Daduru Oya project and remedial works of New Lakshapana power tunnel.

SD&CC's total revenue has decreased by 31 percent while net profit for 2015 has also decreased from Rs. 100 million to Rs. 80 million when compared to 2014. Total expenditure in 2015 has also been decreased from Rs. 3,537 million to Rs. 2,460 million by 30 percent.

Table 7.17 | Financial Outturn of State Development &amp; Construction Corporation

	Provisional		Forecast		
	2014	2015	2016	2017	2018
<b>Revenue</b>	<b>3,637</b>	<b>2,540</b>	<b>3,713</b>	<b>4,080</b>	<b>4,488</b>
Construction	2,449	1,877	2,840	3,124	3,436
Other Income	1,188	663	872	956	1,052
<b>Expenditure</b>	<b>3,537</b>	<b>2,460</b>	<b>3,572</b>	<b>3,885</b>	<b>4,225</b>
Operating Expenditure	2,740	1,693	2,645	2,910	3,200
Staff Cost	595	602	620	650	680
Financial Cost	93	87	85	80	75
Other Expenditure	109	78	223	245	270
<b>Profit/ (loss)</b>	<b>100</b>	<b>80</b>	<b>140</b>	<b>195</b>	<b>263</b>
<b>Outstanding Debts to Banks</b>	<b>56</b>	<b>23</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Receivables</b>	<b>2,132</b>	<b>2,157</b>	<b>2,373</b>	<b>2,100</b>	<b>2,000</b>

Rs. Mn

Sources: State Development &amp; Construction Corporation and Department of Public Enterprises

## 9.8 State Banks

Sri Lankan banking sector consists of eight state owned banks including Bank of Ceylon (BOC) and People's Bank (PB) being the two largest licensed commercial banks. National Savings Bank (NSB) is a licensed specialized bank with AAA credit rating and serves as the country's premier savings bank. The other five specialized licensed state banks are State Mortgage and Investment Bank (SMIB), Pradeshiya Sanwardena Bank (PSB), Lankaputra Development Bank (LDB), Sri Lanka Savings Bank (SLSB) and Housing Development Finance Corporation Bank (HDFC).

Leading the way towards achieving government's policy of improving financial accessibility and inclusiveness through the geographic penetration, state owned banks were further extended with opening a total of 20 new banking outlets, SME centres and service delivery points in 2015, increasing the total branch network to 1,986. BOC is the only Sri Lankan bank with an international presence with branches in Chennai, Male, Seychelles and a subsidiary in London.

The deposit base of the state banks increased by 13.4 percent to Rs. 2.7 trillion during 2015. Total lending portfolio of state banks stood at Rs. 2.1 trillion as at the end of 2015 which is an increment of 18.2 percent compared to the year 2014. Profit

before tax of these banks recorded at 62 billion in the year 2015 which is a 20 percent significant increase over the previous year.

Table 9.18 | Sector wise Credit Concentration of State Banks

	2014		2015	
	Rs. million	Percentage	Rs. million	Percentage
Agriculture & Fishing	105,595	6.04	123,163	5.87
Manufacturing	65,854	3.77	73,860	3.52
Tourism	26,260	1.50	30,008	1.43
Transport	33,452	1.91	48,679	2.32
Housing	293,143	16.78	433,269	20.68
Trading	254,216	14.55	274,772	13.11
Financial & Business Services	22,218	1.27	52,478	2.50
Infrastructure	259,214	14.83	308,210	14.71
Consumption	32,293	1.85	19,897	0.94
Construction	75,611	4.33	89,399	4.26
Credit Card	4,244	0.24	4,548	0.21
Pawning	224,933	12.87	183,842	8.77
Others	350,336	20.05	452,829	21.61
<b>Total</b>	<b>1,747,370</b>	<b>100</b>	<b>2,094,954</b>	<b>100</b>

Rs. Mn

Sources: State banks and Department of Public Enterprises

Credit facilities granted to transport, housing and financial & business service sectors have recorded an increment in 2015 compared with 2014 while credit facilities extended to sectors such as agriculture and fishing, tourism, trading, infrastructure, construction and consumption have slightly declined. The state banks play a significant role in providing necessary funding for the infrastructure development projects as well as other growth sectors such as exports, high value agriculture & SMEs, construction, tourism and leisure related activities, IT and enabling industries etc. supporting the overall growth of the economy.

In order to identify emerging growth sectors of the economy and to direct credit towards such sectors, the state banks need continuous improvement in their business planning. Developing technological capabilities is an essential factor to compete with the private sector banks as the usage of internet and mobile phones have significantly expanded into most remote areas of the country. The specialized banks should focus on specific segments of the economy

that requires increased financial accessibility and prioritize on micro finance, SME sector, women entrepreneurs and agriculture, etc.

### Bank Of Ceylon (BOC)

As its vision statement of being “Bankers to the Nation” Bank of Ceylon (BOC) has initiated several steps to enhance the delivery channels to customers and to enhance infrastructure facilities towards a better service to customers under the corporate slogan of “BEST beyond 75”. BOC has the largest total asset base in the banking industry and has managed to maintain assets base above one trillion over last three years and as at 31st December 2015 it stood at Rs. 1,561 billion which is a 18 percent growth over the last financial year. The lending portfolio of the bank has recorded a growth of 13 percent and deposit base has recorded a growth of 16 percent as at the end of year 2015, when compared to the previous year.

Despite the significant interest rate pressures and slowdown in credit growth, interest income of the bank increased by 5.4 percent in 2015 in comparison to the previous year. Bank has recorded a net profit before tax of Rs. 25.1 billion

in the year 2015, in comparison to Rs. 20.8 billion in 2014 mainly because of the improvement in net interest margin from 2.96 percent to 3.1 percent. As a result of increased profitability, return on assets ratio and return on equity ratio of the Bank has also been increased in the year 2015. BOC has paid Rs. 5,000 million as levy and Rs. 346 million as dividends to the government in 2015.

Although the Bank’s capital adequacy ratio (CAR) has declined from 13.55 percent in 2014 to 11.75 percent in 2015 it is above the minimum statutory requirement of 10 percent.

Non-performing loan ratio (NPL) of the bank has increased to 4.3 percent in 2015 in comparison to 3.78 percent in 2014 due to increase in non-performing pawing portfolio by 57 percent and other non – performing loans by 24 percent.

During the year 2015, BOC added 5 new branches including SME centres to its branch network as a key channel component of the Bank’s growth strategy.

Table 9.19 | Financial Outturn of Bank of Ceylon

	Provisional		Forecast		Rs. Mn
	2014	2015	2016	2017	2018
<b>Total Income</b>	<b>127,130</b>	<b>132,349</b>	<b>140,248</b>	<b>157,900</b>	<b>179,785</b>
Interest Income	106,384	112,119	121,768	139,402	158,081
Interest Expense	69,345	66,632	73,085	85,905	96,938
<b>Net Interest Income</b>	<b>37,039</b>	<b>45,487</b>	<b>48,682</b>	<b>53,497</b>	<b>61,143</b>
Other Income	20,746	20,230	18,480	18,498	21,704
<b>Total Operating Expenses</b>	<b>36,929</b>	<b>40,608</b>	<b>40,687</b>	<b>42,303</b>	<b>48,649</b>
Personnel Expenses	12,595	15,703	16,443	17,266	21,409
Other Expenses	24,334	24,905	24,244	25,038	27,239
<b>Profit Before Tax</b>	<b>20,856</b>	<b>25,109</b>	<b>26,475</b>	<b>29,691</b>	<b>34,198</b>
<b>Key Performance Indicators</b>					
Investments	446,171	571,317	528,005	552,434	543,467
Deposits	916,421	1,066,341	1,186,388	1,367,787	1,538,750
Loans and advances	760,871	859,369	1,032,118	1,188,011	1,383,590
Non Performing Advances	28,762	36,978	30,117	29,816	29,518
ROA (%)	1.65	1.74	1.70	1.70	1.70
ROE (%)	22.64	24.28	19.70	19.80	20.30
NPL Ratio (%)	3.78	4.30	2.90	2.50	2.10

Sources: Bank of Ceylon and Department of Public Enterprises

## People's Bank

People's Bank recorded the highest ever profit before tax of Rs. 19.5 billion in 2015 being the second largest commercial bank in Sri Lanka with an asset base over Rs. 1 trillion. The bank operates with the largest branch network covering almost all parts of the island, comprising of 348 branches, 392 service centres and 20 SME centres.

People's Bank has recorded an interest income of Rs. 92.7 billion in the year 2015, which is an increase of 10 percent over the previous year. The net interest margin of the People's Bank has improved to 4.0 percent from 3.1 percent in 2014 reflecting low cost deposit mobilization. People's Bank has paid Rs. 3,000 million as levy and Rs. 316 million as dividends to the government in 2015.

Loan portfolio of the bank has recorded a significant growth by 21 percent in 2015 and 25 percent of the total loan portfolio consist of loans extended to Infrastructure sector. Housing sector, Trading sector, Construction and Pawning accounts for 19 percent, 11 percent, 7 percent and 15 percent of total portfolio respectively. Non-performing loan ratio of the bank has improved by the end of 2015 to 2.5 percent over 3.2 percent

in 2014 and total non-performing advances accounts for Rs. 19.3 billion as at the end of 2015. The bank has recorded a deposit growth rate of 13 percent in 2015 compared to growth rate of 4 percent in 2014 and credit to deposit ratio has increased from 86.4 percent in 2014 to 92.3 percent in 2015.

## National Savings Bank (NSB)

National Savings Bank (NSB) is the premier Licensed Specialized Bank in Sri Lanka owned by the government of Sri Lanka and the only bank whose deposits are fully guaranteed by the government. NSB operates with 245 branches, including 12 postal banking units and 06 loan centres and banking network has been further strengthened by 4,063 post offices and sub post offices which function as mini-branches that provide the facility of depositing and withdrawal. ATM network of NSB is widely spreaded with more than 265 ATMs. Asset base of NSB grew by 9 percent to Rs. 848 billion at the end of 2015. Loan Portfolio of the bank recorded a growth of 22 percent to Rs. 271.7 billion at the end of 2015 of which 26 percent and 21 percent accounts for loans granted to infrastructure and housing sector respectively.

Table 9.20 | Financial Outturn of People's Bank

	Provisional		Forecast		
	2014	2015	2016	2017	2018
<b>Total Income</b>	96,377	104,011	118,894	130,783	<b>143,862</b>
Interest Income	84,480	92,726	106,481	117,129	128,842
Interest Expense	54,362	49,120	59,290	65,219	71,741
<b>Net Interest Income</b>	30,118	43,606	47,191	51,910	<b>57,101</b>
Other Income	11,776	11,110	12,233	13,456	14,802
Total Operating Expenses	26,093	30,536	33,361	36,697	40,367
Personnel Expenses	13,083	17,020	17,723	19,495	21,445
Other Expenses	13,010	13,516	15,638	17,202	18,922
<b>Profit Before Tax</b>	17,231	19,497	22,723	24,995	<b>27,495</b>
<b>Key Performance Indicators</b>					
<b>Investments</b>	290,486	307,682	338,450	372,295	409,524
Deposits	793,342	899,238	989,162	1,088,078	1,196,886
Loans and advances	685,310	829,618	912,580	1,003,838	1,104,221
Non Performing Advances	20,942	19,337	21,000	20,500	20,000
ROA (%)	1.8	1.8	1.9	1.9	2.0
ROE (%)	35.5	30.6	31.0	31.5	32.0
NPL Ratio (%)	3.2	2.5	3.0	3.0	3.0

Sources: People's Bank and Department of Public Enterprises

Table 9.21 | Financial Outturn of National Savings Bank

	Provisional		Forecast		
	2014	2015	2016	2017	2018
<b>Total Income</b>	<b>77,890</b>	<b>79,282</b>	<b>84,969</b>	<b>99,235</b>	<b>111,405</b>
Interest Income	74,023	78,128	83,265	97,473	109,260
Interest Expense	52,642	51,146	56,636	66,688	74,424
<b>Net Interest Income</b>	<b>21,380</b>	<b>26,983</b>	<b>26,629</b>	<b>30,784</b>	<b>34,837</b>
Other Income	3,798	1,043	1,594	1,912	2,295
<b>Total Operating Expenses</b>	<b>14,706</b>	<b>14,992</b>	<b>15,867</b>	<b>17,269</b>	<b>19,727</b>
Personnel Expenses	4,797	5,911	6,643	7,307	8,769
Other Expenses	9,908	9,081	9,224	9,962	10,958
<b>Profit Before Tax</b>	<b>10,472</b>	<b>13,034</b>	<b>12,355</b>	<b>15,427</b>	<b>17,405</b>
<b>Key Performance Indicators</b>					
Investments	534,485	549,743	624,393	603,205	630,350
Deposits	554,060	595,776	713,883	733,461	814,142
Loans and advances	222,696	271,751	316,219	391,321	465,672
Non Performing Advances	16,275	9,077	5,266	5,750	4,750
ROA (%)	1.5	1.6	1.4	1.6	1.6
ROE (%)	30.2	31.1	26.9	25.8	25.9
NPL Ratio (%)	7.6	3.5	1.7	1.5	1.0

Source: National Savings Bank and Department of Public Enterprises

Bank has achieved a net profit before tax of Rs.13 billion in the year 2015 which is an increment of 25 percent over the previous year. Increase in interest income together with improvement in net interest margin to 3.3 percent in 2015 over 2.9 percent in 2014 have resulted in this significant increment.

NSB's deposit base grew by 7.5 percent to Rs. 595.8 billion at the end of 2015 as against the growth of 10.4 percent recorded in 2014. The bank's non-performing loan ratio has significantly improved to 3.5 percent in 2015 in comparison to 7.6 percent in 2014 mainly due to decrease in pawning non-performing loans by 59 percent to Rs. 5.4 billion at the end of 2015. NSB retained the AAA (Ika), national long term rating by Fitch Ratings Lanka for the thirteenth consecutive year in 2015.

## Housing Development Finance Corporation Bank (HDFC)

HDFC Bank was incorporated by the government with the primary objective of providing housing finance and ancillary services to the people and it is the only state bank listed on the Colombo Stock Exchange. The bank's lending portfolio grew by 14 percent to Rs. 27 billion of which 89 percent has been granted to construct small and medium housing units. Deposit base of the bank has increased by 16.8 percent to Rs. 28.5 billion by the end of 2015. NPL ratio of the bank has improved from 22.6 percent in 2014 to 20.8 percent in 2015.

Table 9.22 | Financial Outturn of HDFC Bank

	Provisional		Forecast	
	2014	2015	2016	2017
<b>Total Income</b>	<b>4,566</b>	<b>4,915</b>	<b>6,382</b>	<b>7,930</b>
Interest Income	4,378	4,659	6,060	7,641
Interest Expense	2,535	2,539	3,288	4,090
<b>Net Interest Income</b>	<b>1,843</b>	<b>2,120</b>	<b>2,772</b>	<b>3,551</b>
Other Income	188	256	322	289
<b>Total Operating Expenses</b>	<b>1,254</b>	<b>1,403</b>	<b>1,550</b>	<b>1,685</b>
Personnel Expenses	671	828	871	913
Other Expenses	583	576	678	772
<b>Profit Before Tax</b>	<b>777</b>	<b>972</b>	<b>1,544</b>	<b>2,155</b>
<b>Key Performance Indicators</b>				
Investments	9,559	13,191	18,106	22,906
Deposits	24,479	28,593	37,385	49,146
Loans and advances	23,899	27,320	33,250	46,540
Non Performing Advances	5,198	5,486	-	-
ROA (%)	1.21	1.35	1.61	1.99
ROE (%)	13.72	16.45	16.65	20.74
NPL Ratio (%)	22.57	20.77	-	-

Sources: HDFC Bank and Department of Public Enterprises

Net interest margin of HDFC has come down to 5.6 percent in the year 2015 compared to 5.9 percent in 2014. The bank's profit before tax recorded an increase of 25 percent to Rs. 972 million for the year 2015 resulting a return on equity of 16.4 percent as against 13.7 percent in 2014. The branch network of HDFC has expanded to 38 with the opening of 2 new branches during 2015.

HDFC Bank has an inherent assets liabilities maturity mismatch as over 90 percent of the total loan portfolio comprises of housing credits

which is traditionally a long term facility in which the span is 10 years or longer, while the deposits are skewed towards short term. Bank do not have adequate access to long term funding and as such tend to borrow short term funding at higher rates. Therefore HDFC uses the strategy of diversification of product portfolio for addressing the funding and lending mismatch and spread the operational risks.

### State Mortgage and Investment Bank (SMIB)

The State Mortgage and Investment Bank (SMIB) is a Licensed Specialized Bank engaged in mortgage loan business for housing and housing related purposes since 1931.

Table 9.23 | Financial Outturn of State Mortgage and Investment Bank

	Rs. Mn				
	Provisional			Forecast	
	2014	2015	2016	2017	2018
<b>Total Income</b>	<b>3,746</b>	<b>4,014</b>	<b>4,600</b>	<b>4,961</b>	<b>5,705</b>
Interest Income	3,633	3,896	4,456	4,791	5,518
Interest Expense	2,214	2,043	2,512	2,564	3,028
Net Interest Income	1,419	1,853	1,945	2,227	2,490
Other Income	113	118	144	170	187
<b>Total Operating Expenses</b>	<b>996</b>	<b>1,063</b>	<b>1,156</b>	<b>1,226</b>	<b>1,375</b>
Personnel Expenses	575	693	694	729	838
Other Expenses	421	370	462	497	537
<b>Profit Before Tax</b>	<b>413</b>	<b>731</b>	<b>718</b>	<b>879</b>	<b>976</b>
<b>Key Performance Indicators</b>					
Investments	5,574	7,055	6,791	7,822	9,286
Deposits	24,146	27,828	31,110	36,497	43,076
Loans and advances	24,263	26,862	31,225	35,816	41,225
Non Performing Advances	8,830	8,538	8,256	7,983	7,719
ROA (%)	1.44	2.27	1.91	2.01	1.94
ROE (%)	6.87	11.35	9.49	10.85	11.08
NPL Ratio (%) Including EPF	33.42	29.40	26.00	23.00	20.00
NPL Ratio (%) Excluding EPF	12.99	7.82	6	5	4

Sources: State Mortgage and Investment Bank, Department of Public Enterprises

Out of the total loan portfolio of SMIB, 89.5 percent accounts for the housing sector while 10 percent accounts for agricultural & fishing

sector. The net interest margin increased to 5.74 percent in 2015 from 4.97 percent in 2014 and accordingly, the profit increased by 77 percent. Loan and advances has increased by 11 percent. Further, it is notable that the SMIB has reduced its cost of funds ratio to 7.76 percent in 2015 from 9.41 percent in 2014 and the cost to income ratio decreased to 11 percent. The NPL ratio decreased to 29.4 percent in 2015 from 33.42 percent in 2014, which includes EPF related loans which can be recovered from the Central Bank within short time period.

### Pradheshiya Sanwardana Bank (PSB)

The Pradheshiya Sanwardana Bank (PSB) was established by merging six Regional Development Banks to improve the living standards of the rural masses by providing them with accessible and affordable credit facilities that would in turn contribute to strengthen the rural economy.

The PSB is implementing strategies to empower its customers in the micro, small and medium scale enterprises and channel credit mainly for rural community which engages in self-employment and medium and small sized enterprises. However, 36 percent of its loan portfolio consists of housing loans. This growth in housing loans has been increasing year on year by at an average around 4 percent. However, SME loan growth remains around 1 percent with the total SME loan amounting to Rs. 20,457 million which is 23 percent of the total loan portfolio. This remains a cause of concern as the PSB has been established to assist the SME sector.

The net profit increased sharply by 51 percent in 2015 due to expansion of business activities and increase of the net interest margin. NPL ratio decreased to 4.0 percent in 2015 from 7.6 percent in 2014 mainly due to recovery of the losses in pawning NPL when compared to last year. The deposit base of PSB increased by 19 percent and loan and advances increased by 43 percent. Further, the bank has improved its cost to income ratio. However, it is noted the core capital ratio recorded is less than 10 percent, which is lower than the Central Bank recommended rate.

Table 9.24 | Financial Outturn of Pradheshiya Sanwardana Bank

	Rs. Mn				
	Provisional		Forecast		
	2014	2015	2016	2017	2018
<b>Total Income</b>	<b>11,186</b>	<b>12,510</b>	<b>15,842</b>	<b>19,761</b>	<b>21,738</b>
Interest Income	10,593	11,759	15,034	18,645	20,509
Interest Expense	5,311	5,169	6,993	9,144	10,058
<b>Net Interest Income</b>	<b>5,282</b>	<b>6,591</b>	<b>8,041</b>	<b>9,501</b>	<b>10,451</b>
Other Income	593	751	808	1,117	1,228
<b>Total Operating Expenses</b>	<b>4,476</b>	<b>5,230</b>	<b>6,224</b>	<b>7,389</b>	<b>8,128</b>
Personnel Expenses	3,004	4,082	4,085	4,632	5,095
Other Expenses	1,472	1,148	2,139	2,757	3,033
<b>Profit Before Tax</b>	<b>1,400</b>	<b>2,112</b>	<b>2,625</b>	<b>3,228</b>	<b>3,713</b>
<b>Key Performance Indicators</b>					
Investments	27,505	16,385	22,595	29,388	31,739
Deposits	72,525	86,324	110,220	139,944	160,936
Loans and advances	62,006	88,396	116,759	149,658	172,106
Non Performing Advances	4,734	3,537	3,200	3,150	3,000
ROA (%)	1.05	2.11	2.10	1.95	2.20
ROE (%)	9.11	16.48	14.90	19.58	20.00
NPL Ratio (%)	7.64	4.00	3.11	2.72	2.00

Sources: Pradheshiya Sanwardana Bank and Department of Public Enterprises

## Employees Trust Fund Board

Employees Trust Fund Board is one of the largest retirement benefit scheme funds established under the regulations of the Act No. 46 of 1980. Employees working in the private sector should contribute 3 percent of their gross earnings to the ETF which is mandatory as per the Act.

ETF contribution accounts for 1.6 percent in the financial sector of the country recording Rs. 222 billion assets for the year 2015, which is a 12 percent growth over Rs. 199 billion assets in 2014.

During the year 2015, Rs. 18,087 million was contributed to the Fund by 76,674 employers, for 2.4 million active members among the 12.4 million total member accounts. Claims, totalling to 162,983 was made during the year with total refund amounting to Rs. 11,493 million. Total investment portfolio grew by 17 percent to Rs. 210 billion in 2015. The investment in government securities is amounting to Rs. 192 billion which accounts for 91 percent of the total investment portfolio.

Table 9.25 | Financial outturn of Employees Trust Fund Board

	Rs. Mn				
	Provisional		Forecast		
	2014	2015	2016	2017	2018
<b>Total Income</b>	<b>18,833</b>	<b>19,877</b>	<b>20,389</b>	<b>21,459</b>	<b>22,187</b>
Investment Income	17,621	18,679	20,147	20,939	21,547
Other Income	317	320	241	520	640
Income Net of Tax	18,631	19,772	20,256	21,339	22,018
<b>Total Expenditure</b>	<b>1,559</b>	<b>1,725</b>	<b>1,968</b>	<b>2,158</b>	<b>2,381</b>
Operating Expenses	951	1,130	1,191	1,304	1,441
Member Expenses	430	380	776	854	940
<b>Net Income</b>	<b>17,072</b>	<b>18,047</b>	<b>18,288</b>	<b>19,125</b>	<b>19,657</b>
<b>Profit for Distribution</b>	<b>17,680</b>	<b>18,095</b>	<b>18,329</b>	<b>18,847</b>	<b>19,856</b>
<b>Key Performance Indicators</b>					
Interest on Members Fund 3%	5,287	6,014	7,112	8,047	8,479
Dividend	12,337	12,028	12,385	12,859	13,080
Total Rate-Interest & Dividend (%)	10	9	9	9	9

Sources: Employees Trust Fund Board and Department of Public Enterprises

## 9.9 Insurance

Among the 28 insurance companies in operation, 3 companies are composite insurance companies while 13 companies engage in general insurance businesses and 12 companies engaged only in long term insurance businesses. The Insurance Board of Sri Lanka (IBSL) as the regulator in the insurance industry monitors the behaviour of the companies and make necessary legal arrangements to ensure the growth of the insurance industry in Sri Lanka. The Sri Lanka Insurance Corporation, Agricultural and Agrarian Insurance Board, National Insurance Trust Fund and Sri Lanka Export Credit Insurance Corporation are significant players in the insurance market that is otherwise dominated by the private sector. Insurance sector accounts for 3.3 percent of assets in financial sector valuing Rs. 454 billion in 2015. The total Gross Written Premium in the industry is Rs. 120.9 billion and it is a slight growth compared to the previous year. The insurance density is Rs. 5,768 and US\$ 38 in 2015 while the insurance penetration records 1.00 percent.

Key issues that the industry faces is the lack of adequate long term instruments with longer maturity to invest their funds and lack of awareness of the people about insurance and their benefits.

Table 9.26 | Performance of Insurance Industry

	2014	2015
<b>Gross Written Premium (Rs. Mn)</b>		
Life	44,610	53,642
General	55,262	67,348
<b>Total Assets (Rs. Mn)</b>		
Life	249,850	305,400
General	163,834	148,237
<b>Insurance Penetration</b>	1.02	1.00
<b>Insurance Density</b>		
Rs	4,831	5,768
USD	36.22	38.00

Source: Insurance Board of Sri Lanka

### Sri Lanka Insurance Corporation (SLIC)

Although the composite insurance companies needed to be segregated into two companies for Life and General insurance in terms of the Regulation of Insurance Industry (Amendment) Act No 03 of 2011, splitting process was suspended in respect of the SLIC.

The company is the market leader for general insurance with 20.84 percent market share while holding 23.2 percent market share for Life insurance business.

Total revenue amounting of Rs. 29,818 million was a slight 1.7 percent increase over Rs. 29,301 million in the year 2014. The Gross Written Premium (GWP) for the year was Rs. 24,411 million which is a 18 percent increase compared to Rs 20,665 million in previous year.

The contribution of Life insurance business to total GWP has increased by 16 percent up to Rs. 10,470 million. SLIC manages the largest life insurance fund in the country which has grown by 4 percent up to Rs 78,779 million in the year.

The GWP for the General insurance significantly increased by 20 percent reaching to Rs 14.1 billion compared to Rs 11.7 billion in 2014.

Table 9.27 | Financial Outturn of Sri Lanka Insurance Corporation

	Provisional		Forecast		
	2014	2015	2016	2017	2018
<b>Revenue</b>	<b>29,301</b>	<b>29,818</b>	<b>35,054</b>	<b>41,213</b>	<b>46,774</b>
Gross written premium	20,665	24,411	28,440	34,299	39,467
Net earned premium	17,804	20,311	24,449	28,738	33,184
Benefit, Losses & Expenses	(18,928)	(21,758)	(24,401)	(25,684)	(30,160)
Investment income	11,216	9,507	10,605	12,475	23,590
Operating & Administrative Expenses	(6,000)	(4,626)	(6,508)	(7,913)	(8,492)
<b>Profit from operations</b>	<b>4,373</b>	<b>4,740</b>	<b>5,256</b>	<b>8,432</b>	<b>9,249</b>
<b>Net Profit for the year</b>	<b>3,257</b>	<b>3,017</b>	<b>3,089</b>	<b>4,179</b>	<b>4,552</b>
<b>Key Performance Indicators</b>					
Claims ratio - General	63	65.6	60	56	53
Solvency ratio- Life	13.22	10.32	10.32	10.32	10.32
Solvency ratio - General	3.8	3.82	3.8	3.8	3.8
<b>Life Fund</b>	<b>74,706</b>	<b>78,779</b>	<b>79,259</b>	<b>79,848</b>	<b>80,389</b>

Sources: Sri Lanka Insurance Corporation and Department of Public Enterprises

### National Insurance Trust Fund (NITF)

National Insurance Trust Fund as the state reinsurer, underwrites 30 percent of the compulsory reinsurance with domestic insurance industry. In addition to that NITF operates and manages the Agrahara insurance scheme for public sector officers and the Strike, Riots, Civil Commotion and Terrorism Fund.

During the year 2015, GWP decreased by 12.9 percent up to Rs. 5.08 billion compared to Rs. 5.84 billion in 2014. Total claims slightly increased by one percent up to 3.24 billion compared to Rs. 3.2 billion in 2014. Total investments for the year 2015 is Rs. 10.4 billion and all the investments have been made in government securities by the NITF has increased by 30 percent compared to Rs. 8 billion in last year. The NITF has contributed Rs. 3 billion to the Consolidated Fund as Levy during 2015.

Table 9.28 | Financial outturn of National Insurance Trust Fund

	Provisional			Forecast	
	2014	2015	2016	2017	2018
<b>Total Revenue</b>	<b>8,016</b>	<b>8,190</b>	<b>10,876</b>	<b>11,419</b>	<b>11,990</b>
Gross Written Premium	5,842	5,088	8,234	8,646	9,078
Contribution received for Agrahara	1,495	1,637	1,895	1,990	2,089
Crop insurance levy collected	1,185	1,247	1,250	1,313	1,378
Net earned premium income	8,016	8,190	10,876	11,419	11,990
Other income	640	670	683	717	753
Reinsurance ceded	0	0	(250)	(263)	(276)
Insurance Claims & Benefits	(3,205)	(3,241)	(4,259)	(4,472)	(4,696)
Underwriting & acquisition cost	(695)	(949)	(1,050)	(1,103)	(1,158)
<b>Total Expenditure</b>	<b>173</b>	<b>220</b>	<b>249</b>	<b>261</b>	<b>275</b>
Staff Related Costs	85	132	129	135	142
Administration Expenses	87	88	120	126	132
Other Expenses	1	0	0	0	-
<b>Income over Expenditure</b>	<b>4,583</b>	<b>4,449</b>	<b>6,000</b>	<b>6,300</b>	<b>6,615</b>
Agrahara Claims received(Rs)	118,232	137,967	141,000	143,000	145,000
Agrahara Claims paid(Nos)	103,176	122,563	129,000	134,000	137,500
Agrahara premium collected(Nos)	1,494	1,637	1,895	1,952	2,030
Agrahara Claims paid (Rs)	1,229	1,686	1,753	1,900	2,100

Source: National Insurance Trust Fund and Department of Public Enterprises

## 9.10 Lotteries

Sri Lankan lotteries market is categorized as a duopoly market that has split the market share between the National Lotteries Board (NLB) and Development Lotteries Board (DLB) with the key players holding 56 percent and 44 percent of market shares respectively. NLB's product portfolio consists of 10 brands of lotteries while DLB's product portfolio consists of 13. Pursuant to the Establishment Acts of the two entities, NLB contributes its profit directly to the Consolidated Fund, while DLB contributes its profit to the President Fund and to Mahapola Higher Education Trust Fund through the President Fund.

Total lottery sales income of the industry during the year 2015 amounted to Rs. 27,513 million.

Prizes declared by the two entities during the year is amounted to Rs. 14,520 million. Although the revenue of the boards have significantly increased throughout the past years, contribution to the President Fund and the Consolidated Fund has not grown accordingly. This is mainly due to the continuous increase of expenditure which has resulted in constant margins available to be distributed amongst the consolidated fund and the president fund. Boards will have to take measures, go in line with the objectives of the boards to increase contribution to government funds by increasing sales and decreasing avoidable expenditure incurred.

Chart 9.8 | Comparison of NLB's Revenue, Expenditure and Contribution to Consolidated fund

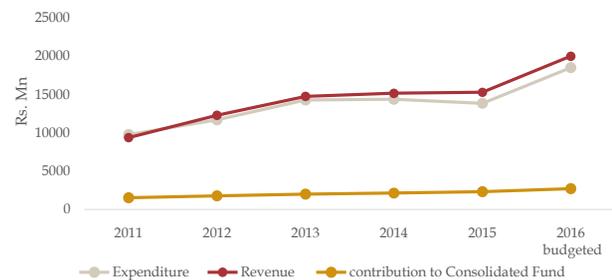
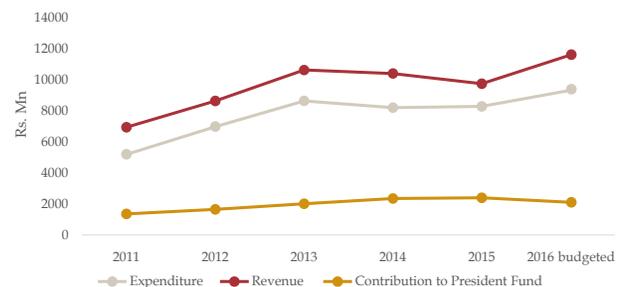


Chart 9.9 | Comparison of NLB's Revenue, Expenditure and contribution to President Fund



NLB and DLB will have to take innovative measures to overcome challenges in lotteries industry such as reaching approximate operational saturate level as a result of introducing lotteries year on year, and reduced core interest of customers as a result of prices offered by various other organizations such as banks, telecommunication agencies, television channels etc.

### National Lotteries Board (NLB)

During the year 2015 National Lotteries Board (NLB) has achieved a turnover amounting to Rs. 16,661 million which is an increase of 15 percent

compared to 2014. Declared prices in 2015 has increased by 14.4 percent up to Rs. 8,369 million, compared with Rs. 7,311 million in 2014. NLB recorded a profit amounting to Rs. 871 million in 2015, compared to Rs. 109 million in 2014. NLB has been able to earn additional revenue amounting to Rs. 550 million by increasing the number of draws per week under the concept of product mix change. NLB has contributed Rs. 2,183 million to the Consolidated Fund during the year.

NLB has introduced a new lottery, "Neeroga" in June 2015 to meet the funding needs of National Kidney Fund. 10 percent out of the sales revenue of the lottery will be contributed to the fund. NLB's goal is to achieve Rs. 20 billion turnover in year 2016 by developing the results oriented positive culture under the concept 'Board to brand journey'.

Table 9.29 | Financial Outturn of National Lotteries Board

	Rs. Mn				
	Provisional			Forecast	
	2014	2015	2016	2017	2018
<b>Revenue</b>	<b>14,490</b>	<b>16,661</b>	<b>18,733</b>	<b>19,952</b>	<b>21,248</b>
Lottery Sale Income	15,153	17,394	20,000	21,300	22,684
Less Indirect Taxes - VAT	540	573	748	796	848
- NBT	211	253	604	643	685
Other Income	88	93	86	92	98
<b>Expenditure</b>	<b>14,381</b>	<b>15,789</b>	<b>25,571</b>	<b>19,688</b>	<b>20,933</b>
Agency Commission	2,818	3,244	3,732	3,985	4,244
Prizes Declared	7,311	8,369	9,582	10,199	10,861
Tickets Printing Cost	475	494	592	630	671
Distribution, Sales & Marketing	1,284	842	1,318	1,384	1,453
Admin Expenses	573	620	788	827	868
Finance Cost	30	37	35	37	39
<b>Contribution to Consolidated Fund</b>	<b>1,888</b>	<b>2,183</b>	<b>2,465</b>	<b>2,626</b>	<b>2,796</b>
<b>Net Profit Before Tax</b>	<b>109</b>	<b>871</b>	<b>222</b>	<b>264</b>	<b>315</b>
<b>Income Tax</b>	<b>118</b>	<b>685</b>	<b>149</b>	<b>164</b>	<b>175</b>
<b>Net Profit After Tax</b>	<b>(8.66)</b>	<b>186</b>	<b>73</b>	<b>100</b>	<b>141</b>
<b>Key performance indicators</b>					
Agency network	2,500	2,600	3,000	3,500	4,000
Contribution to consolidated fund as a % of revenue	12.46	12.55	12.33	12.33	12.33

Sources: National Lotteries Board and Department of Public Enterprises

## Development Lotteries Board (DLB)

Development Lotteries Board (DLB) recorded a revenue of Rs. 9,833 million during 2015

which is a decrease of 3 percent over 2014. DLB contributed Rs. 1,727 million to the President Fund which is a decline of 16 percent compared to the contribution made in 2014.

DLB has planned to implement strategies such as introducing new lotteries for the niche markets, modification of lotteries, capturing untapped markets, reducing the inactive dealer ratios and diversification of lotteries based on high tech lotteries in order to increase the market share.

Table 9.30 | Financial Outturn of Development Lotteries Board

	Rs. Mn				
	Provisional			Forecast	
	2014	2015	2016	2017	2018
<b>Revenue</b>	<b>10,157</b>	<b>9,833</b>	<b>11,145</b>	<b>11,369</b>	<b>11,596</b>
Lottery sale income	10,388	10,119	11,585	11,817	12,054
Less Indirect Taxes					
- VAT	461	406	457	466	475
- NBT	199	194	223	227	232
Other Income	151	58	30	31	31
Prize Write back	278	256	210	214	218
<b>Expenditure</b>	<b>7,735</b>	<b>7,443</b>	<b>8,642</b>	<b>8,813</b>	<b>8,990</b>
Agency Commission	154	149	171	174	178
Prizes Declared	6,211	6,151	7,018	7,158	7,301
Draw Cost	273	261	299	305	311
Tickets Printing Cost	378	325	339	345	352
Distribution, Sales & Marketing	371	224	356	363	370
Admin Expenses	347	333	459	468	478
Finance Cost	1	0.3	1	1.05	1.10
<b>Net Profit Before Tax</b>	<b>2,422</b>	<b>2,390</b>	<b>2,503</b>	<b>2,556</b>	<b>2,606</b>
Income Tax	69	56	69	70	72
<b>Net Profit After Tax</b>	<b>2,353</b>	<b>2,334</b>	<b>2,434</b>	<b>2,486</b>	<b>2,534</b>
<b>Contribution to President Fund</b>	<b>2,068</b>	<b>1,727</b>	<b>2,101</b>	<b>2,143</b>	<b>2,186</b>
Prior year income tax	285	607	333	343	348
<b>Key performance indicators</b>					
Dealers	2,196	2,275	2,325	2,375	2,425
Contribution to President fund as a % of revenue	19.91	17.07	18.13	18.1	18.1

Sources: Development Lotteries Board and Department of Public Enterprises.

## 9.11 Livestock

The government utilizes the National Livestock Development Board to achieve its policy objectives of self-sufficiency in milk products, together with Milco that is engaged in marketing dairy products. Livestock sector alone has

contributed 1.2 percent to the national GDP in 2015. The domestic milk production of the country increased by 12 percent from 334 million liters in 2014 to 374 million liters in 2015. Out of the total milk production in 2015, NLDB produced a total of 12 million liters (i.e. 3.2 percent of the total domestic milk production) while private sector production accounted to 362 million liters in 2015 (96.8 percent of the total milk production).

Development programs such as programme for small scale farmers at veterinary range level to improve the quality of milk production, whole island competition series to the school students for facilitation and promotion of liquid milk consumption, distribution of milk cans among milk framers to collect quality milk, foreign training courses to develop milk production field, importation of high yielding heifers, livestock mid-term programme 'Uthuru Wasanthaya' and refurbishment of Milco factories have been implemented to upgrade and increase the milk production. Towards achieving self-sufficiency in milk production during 2015, the government imported 4,500 cows at a cost of Rs. 4,309 million and located them in three farms in the upcountry and Ridiyagama farm in Southern Province. Another 20,000 cows are expected to be imported and distributed among small scale dairy farm owners. This is expected to increase the milk production and promote the dairy industry among the SMEs and small scale farmers.

### Milco (Pvt) Ltd

Milco, which was initially established under the name 'National Milk Board' in 1956 has been the pioneer in milk industry for over 55 years. It 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 in distribution of milk in the country. Milco's product portfolio consists of yoghurt, pasteurized milk, sterilized milk, curd, butter, ice cream, ghee, processed cheese and milk powder.

Table 9.31 | Financial Outturn of MILCO (Pvt) Limited

	Provisional			Forecast	
	2014	2015	2016	2017	2018
<b>Revenue</b>	<b>7,653</b>	<b>7,715</b>	<b>11,610</b>	<b>12,958</b>	<b>14,745</b>
Sale of Milk Production	7,382	7,584	11,076	12,420	14,642
Other Income	271	131	534	538	103
<b>Expenditure</b>	<b>7,365</b>	<b>7,965</b>	<b>11,496</b>	<b>12,434</b>	<b>14,148</b>
Direct Expenses	6,359	7,150	10,347	11,256	12,911
Selling & Distribution	242	194	300	322	338
Administration	621	520	524	551	579
Finance cost	134	94	318	299	314
Other Expenditure	9	7	7	6	6
<b>Profit/(Loss) Before Tax</b>	<b>288</b>	<b>(250)</b>	<b>114</b>	<b>524</b>	<b>597</b>
<b>Outstanding Debt to Banks</b>	<b>727</b>	<b>861</b>	<b>376</b>	<b>287</b>	<b>281</b>
<b>Key Performance Indicators</b>					
Milk Collection (lt, Mn)	64.5	68	88	97	105
Earnings per share Rs.	8.67	(5.6)	2.8	12.3	14.2

Source: MILCO (Pvt) Limited and Department of Public Enterprises

During the past decade, Milco established its brand name "MILCO" and retained a 20 percent share of milk powder market while achieving the market leadership position in yoghurt, butter and sterilized milk despite the stiff competition from many other dairy producers in the market.

During the financial year 2015, MILCO has been able to increase its sales of milk production marginally that is almost by 3 percent, supported by the upward revision of milk product prices. However, in comparison to 2014, the growth of sales during year 2015 is 8.6 percent less than the growth of sales in 2014. This was mainly due to the limited capacity of the Milco factory. With the completion of ongoing capacity expansion project (DESMI), capacity of the Ambewela milk powder factory will be doubled and production will increase accordingly. However, the total operational cost of the company including overheads has increased by 8 percent which resulted in the company incurring a loss of Rs. 250 million and as opposed to the profit recorded in 2014 of Rs. 288 million. This has also given rise to serious liquidity constraints as well.

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 funded by Denmark commenced to refurbish Milco's three factories in Ambewela, Digana and Polonnaruwa at a cost of Euro 33.8 million. With the implementation of this project, the production capacity will increase from 200,000 liters to 400,000 liters per day, which will facilitate the increase of the company's market share of all dairy based products from local fresh milk to 50 percent.

Though sufficient fresh milk is being collected at present, with the increasing capacity due to the implementation of this project, Milco's challenge would be to ensure sufficient collection of fresh milk to operate the plant at its full capacity. As Digana and Polonnaruwa refurbishments have already been completed and Ambewela refurbishment is to be completed by middle of the year 2016, required milk will have to be supplied by NLDB and from the 20,000 cows who have been proposed to be imported and distributed among small scale farm owners during 2016.

### National Livestock Development Board (NLDB)

NLDB engages in breeding of livestock, issuing quality breeding materials to farmers at reasonable prices, establishing and maintaining 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 having 22 dairy farms, 5 goat farms, 3 poultry farms, 2 swine farms, 9 buffalo farms, and 55 milk stalls.

NLDB's revenue increased by 4.8 percent during 2015. However, the profit for the year 2015 has decreased from Rs. 60 million to Rs. 39 million, by 35 percent as expenditure, in comparison to revenue, has increased in higher rate by 6 percent.

Supported by concerted efforts of the government to promote the dairy sector, the increasing trend in domestic milk production was continued in 2015 as well. The contribution of NLDB to national milk requirement remains around 3- 4 percent, with plans to increase the contribution

to 6 - 7 percent by 2020.

Table 9.32 | Financial Outturn of National Livestock Development Board

	Provisional			Forecast	
	2014	2015	2016	2017	2018
Revenue	1,791	1,877	1,971	2,070	2,173
Expenditure	1,731	1,838	1,905	2,001	2,101
Profit/(Loss) Before Tax	60	39	66	69	72
Outstanding Debt to Banks	1,738	4,431	4,065	3,550	3,045
<b>Key Performance Indicators</b>					
Neat Cattle Milk (lt,'000)	10,000	10,238	24,919	26,231	27,680
Buffaloes Milk (lt,'000)	771	803	1,316	1,943	2,234
Goat Milk (lt,'000)	7.7	11.4	15.9	51.7	53.65
Curd Production (lt,'000)	429	442	480	528	581
Yoghurt (80ml Cups) (Nos,'000)	509	516	608	670	737

Sources: National Livestock Development Board and Department of Public Enterprises

4,500 high yielding heifers have been imported from Australia and they have been located at Menik Palama, Bopaththalawa, Dayagama and Ridiyagama farms. Total daily milk production of the board will increase from 28,000 to 68,000 liters per day, with the importation of another 2,500 heifers under the phase II of the project. With this project NLDB has introduced new milking machines, grass mixing-wagons and varieties of grasses like Fodder Seagram, Bacteria, Dicumbus, Alfa Ulfa, Rizye and Clover to obtain maximum yield.

NLDB should pay more attention towards coconut and dairy farming along with introduction of some measures for expenditure control in order to gain more profits, since revenue from coconut, which is one of the main revenue sources has also decreased.

## 9.12 Marketing and Distribution

### Lanka Sathosa Limited (LSL)

Lanka Sathosa Limited (LSL) is a government owned retail store network operating with 309 outlets providing essential items to consumers at affordable prices. Although, LSL accounts for almost 25 percent of the market share, expedite

expansion in private sector super market networks has been a challenge to the rapid expansion of LSL's market share further.

Table 9.33 | Financial Outturn of Lanka Sathosa Limited  
Rs. Mn

	Provisional			Forecast	
	2014	2015	2016	2017	2018
<b>Revenue</b>	<b>30,424</b>	<b>28,921</b>	<b>31,778</b>	<b>33,360</b>	<b>35,025</b>
Sales	30,078	28,571	31,428	33,000	34,650
Indirect Income	346	350	350	360	375
<b>Expenditure</b>	<b>30,060</b>	<b>32,567</b>	<b>32,800</b>	<b>32,810</b>	<b>34,000</b>
Cost of Sales	26,864	28,422	27,342	28,710	29,800
Other Expenditure	3,196	4,145	4,000	4,100	4,200
<b>Profit/ (Loss) Before Tax</b>	<b>364</b>	<b>(3,647)</b>	<b>436</b>	<b>550</b>	<b>1,025</b>
<b>Key Performance Indicators</b>					
No. of Outlets	303	309	320	350	380

Source: Lanka Sathosa Limited and Department of public Enterprises

Even though, LSL was able to open 6 new outlets, sales revenue of LSL has decreased by 5 percent due to shortages in working capital of LSL. The total expenditure has increased by 8 percent during 2015 and as a result, LSL has incurred a loss of Rs. 3,647 million in the year 2015.

Further, LSL has obtained bank loans of Rs. 14 billion for importing rice to avoid rice shortages in the local market in 2014 and about Rs. 8.1 billion has remained unsettled by the end 2015. This liability and the increase of cost of sales due to weaknesses in procurement process have caused a finance cost of Rs. 418 million in 2015 which is the main reason for the loss of LSL in the year concerned. As such, it is necessary to address the issues of LSL by taking corrective measures to regain the position of a profitable entity.

## 9.13 Plantation

Subsequent to the privatization of the plantation companies in 2004, 6 state owned plantation companies namely Janatha Estate Development Board (JEDB), Sri Lanka State Plantation Corporation (SLSPC), Chilaw (CPL), Kurunegala (KPL), Elkaduwa (EPL) Plantation Companies and Kalubowitiyana Tea Factory Ltd. (KTFL) currently operate in the country's plantation sector while the government also owns a golden share each in 18 Regional Plantation Companies. The JEDB, SLSPC and EPL own 11,695 ha, 11,757 ha and 4,083 ha acreages of land respectively.

JEDB, SLSPC, EPL and KTFL engage in both tea and rubber plantation. CPL and KPL along with the Coconut Development Authority and the Coconut Research Institute manage a total of 9,303 ha of coconut plantations and other minor crops.

During 2015, tea production of JEDB, SLSPC and KTFL totaled to 4.9 kg million which is a 2.7 percent increase over 2014 and accounted for 1.5 percent of the total tea production in the country. Land held by these companies accounts for almost 4 percent of the total land used for tea production in the country. In 2014 the average yield from plantations of JEDB and SLSPC was 505 kg/ha which is almost 56 percent below the average yield of 1,166 kg/ha in compared to the country average.

In 2015 the green leaf production which is the sole production of EPL was 4,007,437 kg over 3,254,254 kg in 2014. In 2015, JEDB, SLSPC and KPL together produced 385,379 kg of rubber which is a 4 percent decrease over 2014 and accounted for 0.4 percent of the total rubber production in the country. This is despite the total land held by these companies accounting for almost 0.6 percent of the total land used for rubber production in the country. In 2014 the average yield of 647 kg/ha at the JEDB, SLSPC and KPL is almost 22 percent lower than the average yield of 825 kg/ha in the country.

CPL, KPL, Coconut Cultivation Board and the Coconut Research Institute which manages 9,303 ha of land, produced 41 million coconuts (Nuts) which is a 9 percent decrease over 2014 due to the unfavorable environmental conditions in coconut cultivated areas. Their production accounts for 1.3 percent of the total coconut production in the country.

Due to inappropriate measures taken to apply fertilizer and replant both tea and rubber in 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 excessive labour force and the fixed day's wage structure instead of a productivity based wage structure resulting high administrative cost that is not proportionate with the productivity has resulted in significant negative impact on profitability.

Table 9.34 | Financial Outturn of State Owned Plantation Enterprises

	Provisional		Forecast			
	2014	2015	2016	2017	2018	
Kurumegala Plantations Ltd	<b>Operational Performance</b>					
	Coconut Production (Nuts Mn)	17	14	19	19	19
	Rubber Production (kg)	157,434	140,678	184,600	150,000	150,000
	Yield per Ha. - Coconut(Nuts )	5,117	4,414	5,999	5,969	6,089
	- Rubber(kg)	818	767	1,034	817	817
	<b>Financial Performance (Rs. Mn)</b>					
	Total Revenue	577	492	646	652	685
	Coconut Sales	514	442	571	590	621
	Rubber Sales	40	31	44	36	36
	Total Cost Sale	326	316	405	409	430
	Net Profit/ (Loss) Before Tax	217	147	186	190	203
Dividends	50	27	40	50	50	
Chilaw Plantations Ltd	<b>Operational Performance</b>					
	Coconut Production(Nuts Mn)	12	13	15	15.3	15.9
	Yield per Ha (Nuts)	2,935	2,833	5,405	5,489	5,613
	<b>Financial Performance (Rs. Mn)</b>					
	Total Revenue	412	477	494	535	589
	Coconut Sales	375	399	393	444	495
	Cost of Sales	222	250	237	249	261
	Net Profit/ (Loss) Before Tax	(61)	86	133	157	194
Dividends	20	50	30	35	40	
Sri Lanka Cashew Corporation	<b>Operational Performance</b>					
	Yield per Ha	216	192	220	220	220
	Average Price Rs/kg	2,297	2,574	2,600	2,650	2,700
	<b>Financial Performance (Rs. Mn)</b>					
	Total Revenue	115	75	100	110	120
Net cashew sale	64	67	75	80	90	
Net Profit/ (Loss) Before Tax	22	17	10	12	15	
Janatha Estate Development Board	<b>Operational Performance</b>					
	Tea Production (MT)	1,914	1,809	1,840	2,024	2,226
	Rubber Production (MT)	241	262	267	294	323
	Yield per Ha. -Tea	517	490	483	531	584
	-Rubber	567	641	616	950	950
	<b>Financial Performance (Rs. Mn)</b>					
	Total Revenue	632.60	553.30	561.41	825.10	962.62
	Cost of Production	915.15	954.17	966.28	1,212.70	1,333.90
Net Profit/ (Loss) Before Tax	(282.55)	(400.87)	(404.87)	(387.60)	(371.28)	

Table 9.34 | Financial Outturn of State Owned Plantation Enterprises contd...

		2014	Provisional 2015	2016	Forecast 2017	2018
Sri Lanka State Plantation Corporation	<b>Operational Performance</b>					
	Tea Production (MT)	1,552.46	1,520.00	2,565.30	2,693.56	2,780
	Rubber Production (MT)	40.14	55.66	50.00	52.5	55.13
	Yield per Ha. -Tea (kg)	494	488	667	695	702
	-Rubber (kg)	618	496	763	801	821
	<b>Financial Performance (Rs. Mn)</b>					
	Total Revenue	488.35	471.70	801.02	841.07	883.12
	Cost of Production	645.78	640.17	862.18	905.29	950.55
Net Profit/ (Loss) Before Tax	(157.43)	(168.47)	(61.16)	(64.22)	(67.43)	
Kalubowitiyana Tea Factory Ltd (KTFL)	<b>Operational Performance</b>					
	Made Tea Production (MT)	1,423.5	1,431.3	1,857.5	2,200	2,310
	Sales Quantity (MT)	1,261.5	1,288.6	1,560.9	2,200	2,310
	<b>Financial Performance</b>					
	Total Revenue	779.49	751.04	1,153	1,042	1,094
	Cost of Production	747	737	1,050	966	1,014
Net Profit/ (Loss) Before Tax	27.54	16.98	84.51	53.6	56.28	
Lanka Sugar Company Ltd	<b>Operational Performance</b>					
	Sugar Production (MT)	32,364	41,989	55,102	59,774	62,306
	Sprit Production (000 Liters)	10,326	6,275	10,223	11,553	10,589
	<b>Financial Performance (Rs. Mn)</b>					
	Total Revenue	5,539	4,926	7,441	8,550	8,682
	Sugar Sale	3,168	3,315	4,325	4,765	5,051
	Sprit Sales	2,371	1,611	3,195	3,423	3,134
	Cost of Sales	4,904	5,354	6,509	6,899	7,026
Net Profit/ (Loss) Before Tax	(211)	(981)	267	1,063	1,054	

Sources: Plantation companies and Department of public Enterprises

Table 9.35 | Performance of Other State Owned Enterprises

	Core Activities	Performance	Concerns
<b>Banking &amp; Finance</b>			
<b>Lankaputhra Development Bank</b>	Cater to the development of agricultural, construction and industrial sectors of the rural economy by channeling finances especially to SMEs.	<p>Total Revenue for the year is Rs. 657.3 million in which interest income from loans &amp; advances accounts only for 44 percent.</p> <p>Profit before tax recorded at Rs. 203.6 million which is an increase of 9.7 percent as against 2014.</p> <p>A dividend of Rs. 36 million was paid to the Treasury in the year 2015.</p> <p>Total assets of the bank has increased by 6.6 percent in 2015 to Rs. 8,440.3 million while total loans and advances have recorded an increase of 7.8 percent.</p> <p>There is a strong growth of 31.7 percent in deposit base of the bank as at the end of 2015 due to growth in both savings deposits and time deposits.</p> <p>NPL ratio as at the end of year stood at 35.2 percent which is much higher than the industry average.</p>	<p>Underutilization of capital for core banking activities and poor asset management which has resulted in lower profitability.</p> <p>The loan books of the bank are highly concentrated with its top 20 loans accounting for around half of its entire loan base resulting in a high credit risk.</p> <p>Gross NPL ratio remained significantly high and above the market average.</p> <p>Non availability of proper credit and recovery procedure.</p> <p>The Bank has not been following proper internal recruitment and promotion procedures</p>

Table 9.35 | Performance of Other State Owned Enterprises contd...

	Core Activities	Performance	Concerns
<b>Sri Lanka Savings Bank</b>	<p>Provide relief to the depositors of Pramuka Savings and Development Bank (PSDB).</p> <p>Involves mainly in granting micro finance loans, leasing and hire purchase facilities for small sectors in the economy.</p>	<p>SLSB has recorded Rs. 331 million profit for the year.</p> <p>Further, the NPL ratio of SLSB which was significantly high at 49 percent in 2014 has reduced to 41 percent in 2015.</p>	<p>The bank is highly dependent on investment income rather than earning from core banking business. 80 percent of the income comes from investments activities of which about 92 percent represents interest earned from fixed deposits in state banks.</p> <p>Further, it has been proposed by the Budget speech 2016 to merge state banks to improve balance sheets, to get better ratings and access to wider markets both domestically and overseas.</p> <p>Accordingly, the Ministry of Public Enterprise Development has initiated the merging process.</p>
<b>Insurance</b>			
<b>Sri Lanka Export Credit Insurance Corporation</b>	Provides support services to the export sector through the provision of export credit insurance and credit guarantee services to the exporters.	Total operating income in 2015 is Rs. 245 million which is a 16 percent increase compared to Rs. 211 million in previous year.	SLEIC covers less than one percent of the total exports of the country indicating that the company must engage in expansionary activities. SLEIC should introduce new products and strategies to increase its insurance cover and market share.
<b>Agricultural &amp; Agrarian Insurance Board</b>	Operates Agricultural Insurance Scheme, Farmers Pension Scheme and Fishermen Pension Scheme	Total income for 2015 of Rs. 1,361 million is a large increase compared to Rs. 339 million in 2014. The main reason is acquisition of "Kethata Aruna" insurance scheme which was carried out by the National Insurance Trust Fund.	Introduce new strategies to strengthen the Farmers and Fishermen pension schemes.
<b>NRR</b>			
<b>Lanka Mineral Sands Ltd</b>	<p>Mine, process and market heavy mineral sands.</p> <p>Sell any by product which may be produced as a result of refining and processing mineral sands.</p>	LMSL was able to increase its revenue to Rs. 1,823 million in 2015 from Rs. 1,277 million in 2014 by 43 percent. LMSL continued to be a profitable entity recording a profit of Rs. 509 million in 2015, an increase of 55 percent from Rs. 328 million in 2014.	Investment in capital equipment such as dredges and production plants requires in order to improve the viability of LMSL. Strong emphasis should be paid to value addition to its products.
<b>Lanka Phosphate Ltd</b>	Excavate, process and sell rock phosphate which is used as a fertilizer for perennial agricultural crops such as Tea, Rubber and Coconut.	LPL has produced 40,042 MT in 2015/16, which is less than the production of 62,150 MT in 2014/15. LPL recorded a decrease in revenue of 25 percent to Rs. 427 million in 2015/16 over Rs. 571 million in 2014/15. Consequently, profit of Rs. 117 million in 2014/15 has been decreased to Rs. 59 million in 2015/16.	LPL requires advanced technologies to quantify phosphate deposits which were identified for excavation.

Table 9.35 | Performance of Other State Owned Enterprises contd...

	Core Activities	Performance	Concerns
<b>Kahatagaha Graphite Ltd</b>	Excavate, process and sell Graphite as industrial raw material	KGGL's revenue decreased significantly by 35 percent during 2015/16.  Due to 50 percent decrease in expenditure, profit has been increased to Rs. 12 million in 2015/16 from Rs. 10 million loss recorded in 2014/15.	KGGL should be vigilant on poor stock management, weak sales and marketing programs, liquidity issues, weak utilization of resources.  Measures should be initiated to increase value added products to attract new buyers.
<b>State Pharmaceuticals Manufacturing Corporation</b>	Manufacturing quality, effective and safe essential medicinal drugs for the health care of the Sri Lankan population at affordable prices.	Revenue has increased by 20 percent to Rs. 2,111 million during 2015 compared to the revenue of Rs. 1,762 million in 2014.  Expenditure has increased by 13 percent to Rs. 1,697 million in 2015.  Profit for 2015 has increased by 55 percent to Rs. 414 million from Rs. 266 million in 2014.	Lack of capacity has compromised the smooth flow of products to meet the domestic demand, particularly that of Department of Health Services at affordable prices.  Focus on improving its productivity through the use of technological advances and introduce more products.
<b>Health</b>			
<b>Sri Lanka Ayurvedic Drugs Corporation</b>	Engaged in manufacturing and marketing of quality Ayurvedic Drugs to the government hospitals, Ayurvedic physicians and the private sector	During 2015, total revenue has increased to Rs. 527 million by 14 percent over 2014.  Profit has increased to Rs. 15 million over 2014 by 7 percent.	Expand its herbal cultivations to ensure smooth flow of raw material while using modern processing methods to improve productivity.
<b>State Pharmaceuticals Corporation</b>	Sole supplier of pharmaceuticals, surgical consumable items, laboratory chemicals and equipment to all institutions administered by the health ministry.	Revenue has increased by 11 percent to Rs. 24,467 million in 2015 in comparison to the revenue of Rs. 22,134 million recorded in 2014.  Total expenditure of the corporation also has increased by 9 percent from Rs. 21,392 million in 2014 to Rs. 23,237 million in 2015 while profit has been increased by 66 percent in 2015 over 2014.	Improve the quality of the SPC brand.  Expedite the implementation process of Enterprise Resource Planning system.  Adopt procedures with regard to the expired drugs and expansion of the storage facilities.
<b>Sri Jayawardenapura General Hospital</b>	Provision of quality healthcare and serving as a center for training of Medical undergraduates, graduates postgraduates and other health personnel needed by healthcare services of the country.	Total revenue has decreased by 21 percent from Rs. 3,056 million in 2014 to Rs. 2,415 million in 2015. This has given rise to a loss of Rs. 250 million in 2015.	Take action to utilize the capital expenditure allocated yearly in an effective manner.  Formulate proper business plan by utilizing available human resources and properties to revive the hospital as a self-financing institution.  Take action to increase overall performance in order to attract the customers.

Table 9.35 | Performance of Other State Owned Enterprises contd...

	Core Activities	Performance	Concerns
<b>Media</b>			
<b>Independent Television Network</b>	Produce and broadcast a variety of different programmes in Sinhala, Tamil and English languages, including news, teledramas, documentaries, educational programmes, children's entertainment, reality TV, religious programmes etc. through ITN, Vasantham TV, Lakhanda and Vasantham FH.	ITN recorded a profit of Rs. 477 million in 2015, which is a 15.72 percent decrease in comparison with 2014. ITN has contributed Rs. 84 million to the Consolidated Fund as dividend during the year 2015.	Though ITN has been successfully doing their business activities, it can be observed a gradual deterioration in their profit margin over the past few years.  Implement strategies to improve the quality of their programs, while expanding coverage, in order to maintain their high viewership among competitors.
<b>Sri Lanka Rupavahini Corporation</b>	Produce and broadcast informative, educational and entertaining programs through three channels namely Rupavahini, Nethra TV (Tamil) and Channel Eye.	When comparing with Rs. 47.9 million profits earned in the year 2013, SLRC has recorded a loss of Rs. 182.5 million in the year 2014 and with the losses increasing further to Rs. 374.7 million in the year 2015.  SLRC experienced an expenditure growth in 2015 over 2014 that exceeded its revenue growth by almost 6 percent.	Adopt strategies to improve the quality of programs, while expanding coverage, with the aim of increasing its customer base to increase market share, to overcome the poor operational performance shown in the Income Statements of SLRC in the year 2014 and 2015.
<b>Sri Lanka Broadcasting Corporation</b>	Carrying out radio broadcasting relating to various fields such as economic, social, cultural, ethical, educational and entertainment through six regular programme channels.	The total revenue of SLBC has decreased by 11.72 percent in 2015 and total expenditure of the corporation has increased by 9.64 percent in 2015 compared to the previous year, resulting an operating loss of Rs. 287.7 million in 2015.	Operational losses have given rise to a liquidity crunch and as such should adhere to strict expenditure controlling mechanism to maintain optimum financial management.  Implement strategies to expand and diversify its customer base in order to generate sufficient income.
<b>Marketing &amp; Distribution</b>			
<b>Sri Lanka Handicraft Board</b>	Marketing of gift and souvenir items both locally and in export markets to improve the traditional Handicraft industry and broadening the network of the production of handicraft items.	SLHB's revenue decreased by 16 percent from Rs. 616 million in 2014 to Rs. 520 million in 2015.  SLHB recorded a profit before tax of Rs. 9 million in 2015 over Rs. 15 million in 2014 which is a decrease of 40 percent.	Implement strategies to set up outlets in areas popular for tourists to obtain maximum benefit from the expanding tourism industry.  Formulate proper strategic plan aligned to the institute being sustainable and increasing its market share.  Take necessary measures to reduce building rentals.
<b>State Timber Corporation</b>	Extracting and Purchasing of timber and converting them into Value added products.  Sale of logs, sawn timber and finished products.  Reforestation.	STC was able to increase its revenue by 10 percent to Rs. 3,836 million in 2015 compared to Rs. 3,473 million in 2014.  STC continued to be a profitable entity recording a profit of Rs. 390 million in 2015 which is a 90 percent increase compared to year 2014.  A levy amounting to Rs.50 million has been paid to the Treasury during 2015.	Take necessary measures to ensure the viability of the industry by focusing more on eco-friendly products to cater to niche market demands which in return offers higher profit margins.  Build strategic partnerships for furniture manufacturing.

Table 9.35 | Performance of Other State Owned Enterprises contd...

	Core Activities	Performance	Concerns
<b>STC General Trading</b>	Engaged in a diversified retail business, supplying chemicals and allied products, office supplies, construction materials, agricultural products, motor cycles, machinery and equipment and automotive tire products.	Total revenue of STC in 2015/16 has come down drastically by 25 percent in comparison with the previous year. The postponement of Information Technology projects and Interior designed projects of public sector is the main reason for the revenue reduction. Further, the operations of Household product has not been in success. Thus, The STC would not be able to manage its operational cash flow without support of short term financing facilities. In turn, The finance cost in 2015/16 has increased significantly. However, the company recorded a profit before tax of Rs. 6 million mainly due to non-operational income which is the interest income from short term deposits.	Adopt new strategies for general products to penetrate the private sector enabling them to reduce the business risk over the public sector market while identifying products which can be offered to niche markets.  Develop strategies to promote its brand name in these markets.
<b>State Printing Corporation</b>	SPC's income accounts for 59 percent of school text book printing, 18 percent of exercise book printing and 23 percent of lottery ticket printing indicating a considerable market share.	SPC's revenue from core business has decreased by 2.5 percent mainly due to the reduction in school text books printings and 4 percent increase in total expenditure resulted by government salary increase. Accordingly, the profit before tax has come down to Rs. 3 million in 2015 from Rs. 71 million in 2014. In 2015, SPC has maintained a material stocks which is taken to the production 4.5 months later (Stock Holding Period) and it requires about Rs. 200 million of investment and it takes nearly 6 months to collect money from sales (Debtors Collection Period) that requires about Rs. 673 million, totaling of Rs. 873 million has been invested in working capital. This has been mainly financed by short term bank facilities and by delaying payments to Department of Inland Revenue.	The corporation needs improvement in working capital management to reduce its finance cost and improve its profitability. Further, 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.  If the corporation could be able to reduce its stockholding period to 2 months and debtors holding period to 2 months, the total short term bank loans can be avoided which eliminate the total financial cost.
<b>Hotel Developers Lanka Ltd</b>	Engages in the business of hospitality trade, owning Hilton Colombo Hotel.	HDL's revenue decreased to Rs. 2543 million in 2014/15 from Rs. 2,858 million in 2013/14.  HDL recorded a profit before tax amounting to Rs. 275 million during 2014/2015 financial year.  HDL has obtained a US\$ 27 million loan facility to finance the refurbishment of the hotel from the Bank of Ceylon and the Sampath Bank Ltd.	Formulate flexible pricing packages in order to attract both local and foreign tourists of each spending layer.
<b>Fisheries</b>			
<b>Ceylon Fisheries Corporation</b>	Engages in procurement of fish from fishermen and supplying to the market in order to maintain a stable fish price in the market.	CFC recorded Rs. 187 million loss during the year.  In end of 2014, CFC recruited 543 staff exceeding the approved carder of 745. Therefore, CFC is unable to maintain this extra staff cost. The government has granted Rs. 69 million in 2015 to settle the waybill. 5 sale outlets were opened during the year. It is unable to make a significant influence on fish prices in the market as CFC accounts around 2 percent of the market share.	Initiatives are being taken to reduce the excess cadre. CFC has opportunity to expand its market share in the medium term and long term. Requested to prepare new strategic plan to improve sales revenues and also to be cost efficient.

Table 9.35 | Performance of Other State Owned Enterprises

	Core Activities	Performance	Concerns
<b>Ceylon Fishery Harbours Corporation</b>	Provide fishery harbour related services and supporting infrastructure facilities to the fishing communities through its harbours situated around the country.	Even though the Treasury granted Rs. 434 million, CFHC recorded a loss of Rs. 60 million during the year.	Recommended to prepare strategic plan to increase operational income. Further, it is expected to continue operation profit from 2016 adopting proactive strategies to improve profitability of all its harbours.
<b>Fertilizer</b>			
<b>Colombo Commercial Fertilizer Co. Ltd</b>	Engages in importing, mixing, packing and distribution of fertilizer and CCFL is the second largest state owned fertilizer importer of the country.	CCFL was able to increase revenue by 25.7 percent from Rs. 1,041 million in 2013/14 to Rs. 1,566 million in 2014/15.  Profit before tax of CCFL increased to 436.5 million in 2014/15 from Rs. 208.9 million in 2013/14.	Reengineer the marketing division appropriately to compete with the private sector.
<b>Ceylon Fertilizer Co. Ltd.</b>	Engages in importing, blending and distributing 65 percent of fertilizer to paddy farmers under the fertilizer subsidy scheme.	The total quantity of paddy fertilizer distributed by CFC is 199,359 MT in 2014/15.  The company reported revenue of Rs. 3.9 billion during the financial year 2014/15 from sales of fertilizer for paddy and other crops. This has been an increase of 50 percent when compared to the previous year.  Administrative expenses of the company for the year amounted to Rs. 502 million which was 34 percent increase compared to the previous year. This is due to the government decision to grant permanent status to the casual employees who have exceeded 180 days of service.  During the year, the company reported the highest ever profit of Rs. 386 million with an increase of 117 percent from the previous year.  Company was able to pay the sole shareholder treasury Rs. 53.5 million as dividends during the year 2015	Reengineer the marketing division appropriately to compete with the private sector.

Source: SOBEs and Department of public Enterprises

## Annex I | Profitability of State Owned Business Enterprises

Rs. Mn

State Owned Business Enterprises	Profit/(Loss)				Business Turnover 2015 *	Budgetary Support 2015	
	2005	2013	2014	2015		Recurrent	Capital
1 Bank of Ceylon	3,120	15,258	20,777	25,109	132,349	-	-
2 People's Bank	4,035	10,304	17,200	19,497	104,011	-	-
3 National Savings Bank (NSB)	3,457	2,279	10,472	13,034	79,282	-	-
4 State Mortgage & Investment Bank (SMIB)	415	343	411	731	4,014	-	-
5 HDFC Bank (HDFC)	162	309	818	972	4,915	-	-
6 Lankaputhra Development Bank Ltd	-	371	193	204	657	-	-
7 Pradeshiya Sanwardhana Bank (RDB)	658	689	1,268	2,112	12,510	-	-
8 Sri Lanka Savings Bank Ltd	-	616	236	331	725	-	-
9 Employee's Trust Fund Board	-	15,167	17,274	18,095	19,877	-	-
10 Sri Lanka Insurance Corporation	1,215	5,012	4,511	3,017	29,818	-	-
11 National Insurance Trust Fund	-	4,374	4,674	4,449	8,190	-	-
12 Sri Lanka Export Credit Insurance Corporation	86	207	190	224	245	-	-
13 Agriculture and Agrarian Insurance Board	(98)	(1,887)	(1,941)	(256)	3,650	2,276	4
14 Ceylon Electricity Board	(6,852)	22,945	(13,303)	20,720	198,363	-	11,527
15 Ceylon Petroleum Corporation	(7710)	(7,770)	1,633	(18,384)	376,734	-	24,987
16 Sri Lanka Ports Authority	13,239	1,625	7,950	(9,575)	41,437	-	-
17 National Water Supply and Drainage Board	(22)	1,193	1,432	1030	19,584	-	39,804
18 Airport and Aviation Services (SL) Ltd	670	3,554	4,038	2,725	16,220	-	-
19 Sri Lankan Airlines Ltd	480	(32,358)	(16,181)	(16,433)	134,560	-	-
20 Mihin Lanka (Pvt) Ltd	-	(2,566)	(1,187)	(1,483)	10,568	-	-
21 Sri Lanka Transport Board	(1,119)	(10,640)	(9,407)	(4,038)	34,447	11,419	2,301
22 State Engineering Corporation of Sri Lanka	(42)	128	81	(586)	3,852	250	-
23 Central Engineering Consultancy Bureau	45	570	426	520	10,768	-	-
24 State Development and Construction Corp.	21	90	90	80	2,540	-	-
25 Milco Ltd	85	160	185	(250)	7,715	-	-
26 National Livestock Development Board	(12)	2	87	39	1,877	-	-
27 Sri Lanka State Plantations Corporation	(84)	(228)	(69)	(168)	472	-	-
28 Janatha Estates Development Board	55	(248)	(237)	(401)	553	-	-
29 Kurunegala Plantations Ltd	20	208	227	147	492	-	-
30 Chilaw Plantations Ltd	25	82	85	86	477	-	-
31 Kalubovitiyana Tea Factory Ltd	(135)	28	24	17	751	-	-
32 Sri Lanka Cashew Corporation	(1)	1	2	17	75	66	35
33 Lanka Mineral Sands Ltd	420	221	61	509	1823	-	-
34 Lanka Phosphate Ltd	39	172	179	59	427	-	-
35 Kahatagaha Graphite Lanka Ltd	4	21	17	12	75	-	-
36 Development Lotteries Board	1,218	2,126	2,422	2,390	9,833	-	-
37 National Lotteries Board	269	477	109	871	16,661	-	-
38 State Pharmaceuticals and Manufacturing Corp.	15	328	270	414	2,111	-	-
39 SL Ayurvedic Drugs Corporation	6	42	47	49	527	-	-
40 State Pharmaceuticals Corporation	431	777	654	1,230	24,467	-	-
41 Sri Jayawardenapura General hospital	(185)	92	549	(250)	2,415	920	266
42 Independent Television Network Ltd	39	847	566	477	2,589	-	-
43 SL Rupavahini Corporation	228	48	(182)	(375)	2,147	-	-
44 Sri Lanka Broadcasting Corporation	(98)	(130)	(51)	62	958	350	230
45 Sri Lanka Handicraft Board	1	24	15	9	836	-	-
46 State Timber Corporation	408	382	427	795	3,836	-	-
47 STC General Trading Company	(112)	78	46	19	2,159	-	-
48 Lanka Sathosa Ltd	(4)	663	364	(3,647)	28,921	-	-
49 State Printing Corporation	21	78	71	3	1,329	-	-
50 Ceylon Fisheries Corporation	(34)	(80)	(56)	(187)	1,933	104	-
51 Ceylon Fishery Harbour Corporation	(66)	(42)	20	(60)	910	395	110
52 Ceylon Fertilizer Company Ltd	18	241	288	411	3,978	-	-
53 Colombo Commercial Fertilizer Company Ltd	10	209	366	436	1,566	-	-
54 Hotel Developers Lanka PLC	-	253	316	433	2,929	-	-
55 Lanka Sugar Company Ltd	-	1,346	(31)	(981)	4,926	-	-
<b>Total</b>	<b>14,341</b>	<b>37,991</b>	<b>58,426</b>	<b>64,262</b>	<b>1,379,084</b>	<b>15,780</b>	<b>79,264</b>

Source: SOBEs and Department of public Enterprises

## Annex II | Submission of Annual Reports - State Owned Business Enterprises

	2011	2012	2013	2014
1 Bank of Ceylon	√	√	√	√
2 People's Bank	√	√	√	√
3 National Savings Bank (NSB)	√	√	√	√
4 State Mortgage & Investment Bank (SMIB)	√	√	√	√
5 HDFC Bank (HDFC)	√	√	√	X
6 Lankaputhra Development Bank Ltd	√	√	X	X
7 Pradeshiya Sanwardhana Bank (RDB)	√	√	√	X
8 Sri Lanka Savings Bank Ltd	√	√	X	X
9 Employee's Trust Fund Board	√	√	√	X
10 Sri Lanka Insurance Corporation	√	√	√	√
11 National Insurance Trust Fund	√	√	√	X
12 Ceylon Electricity Board	√	√	√	X
13 Ceylon Petroleum Corporation	√	√	√	X
14 Sri Lanka Ports Authority	√	√	X	X
15 National Water Supply and Drainage Board	√	√	√	X
16 Airport and Aviation Services (SL) Ltd	√	√	√	X
17 Sri Lankan Airlines Ltd	√	√	√	X
18 Mihin Lanka (Pvt) Ltd	√	X	X	X
19 Sri Lanka Transport Board	X	X	X	X
20 State Engineering Corporation of Sri Lanka	√	X	X	X
21 Central Engineering Consultancy Bureau	√	X	X	X
22 State Development and Construction Corporation	√	X	X	X
23 Milco Ltd	√	√	√	X
24 National Livestock Development Board	√	√	√	X
25 Ceylon Fisheries Corporation	√	√	X	X
26 Ceylon Fishery Harbour Corporation	√	√	X	X
27 State Pharmaceuticals and Manufacturing Corporation	√	√	√	X
28 SL Ayurvedic Drugs Corporation	√	√	X	X
29 State Pharmaceuticals Corporation	√	√	√	X
30 Sri Jayawardenapura General hospital	√	√	√	X
31 Independent Television Network Ltd	√	√	√	X
32 SL Rupavahini Corporation	√	X	X	X
33 Sri Lanka Broadcasting Corporation	√	X	X	X
34 Ceylon Fertilizer Company Ltd	√	√	√	√
35 Colombo Commercial Fertilizer Company Ltd	√	√	√	√
36 State Timber Corporation	√	√	√	X
37 STC General Trading Company	√	√	X	X
38 Hotel Developers Lanka PLC	√	√	√	√
39 Lanka Sugar Company Ltd	-	-	√	X
40 Lanka Sathosa Ltd	X	X	X	X
41 Development Lotteries Board	√	√	√	X
42 National Lotteries Board	√	√	X	X
43 Lanka Mineral Sands Ltd	√	√	√	X
44 Lanka Phosphate Ltd	√	√	√	X
45 State Printing Corporation	√	√	X	X
46 Sri Lanka Export Credit Insurance Corporation	√	√	X	X
47 Agriculture and Agrarian Insurance Board	√	√	X	X
48 Sri Lanka State Plantations Corporation	X	X	X	X
49 Kurunegala Plantations Ltd	√	√	√	√
50 Janatha Estates Development Board	X	X	X	X
51 Chilaw Plantations Ltd	√	√	√	√
52 Kalubovitiyana Tea Factory Ltd	√	√	X	X
53 Sri Lanka Cashew Corporation	√	√	√	X
54 Sri Lanka Handicraft Board	√	√	X	X
55 Kahatagaha Graphite Lanka Ltd	√	√	√	X

Source: SOBEs and Department of public Enterprises

**Cadre Management in  
the Public Sector**

**10**

## 10.1 Overview

The pivotal role of achieving the country’s economic targets with a long term development vision has been entrusted to the public sector. In this context, public sector human resource management requires the support of a well structured cadre to deploy employees in a cost effective manner. The human resource in the public sector which accounts for 1.5 million, has become one of the major resources in the development of the country with special recognition in uplifting rural economy, developing human resource and improving public service delivery.

In keeping with the overall thrust the approved public sector cadre has been increased by thirty two percent (32%) during the period of 2006 - 2015. The total utilization of cadre positions approved for the year 2015 remains at the level eighty eight percent (88%) approximately as in the previous year. This growth was due to the well planned recruitment procedure further followed in filling vacancies in the public sector. However, the need for making recruitments to the public service based on a proper human resource and a succession plan should further be emphasized. This would ensure smooth functioning of the

public sector while paving the way for better management of the entire labour market.

Table 10.2 | Recruitment of Employees to the Public Service during 2005 - 2015

Profession	Number
Administrator	1,350
Education Administrator	2,277
Planner	861
Engineer	1,043
Accountant	659
Medical Officer	11,496
Nursing Officer	33,262
Midwife	3,579
Public Health Inspector	627
Teacher	127,108
Development Officer	88,838
Police Officer	39,417
Security Personnel	152,570
Public Management Assistant	27,102
Other	76,902
<b>Total</b>	<b>567,091</b>

Sources: Ministry of Finance, Ministry of Health, Nutrition and Indigenous Medicine, Ministry of Public Administration and Management, Ministry of Education, Chief Secretary’s Office - all the Provincial Councils

Table 10.2 depicts the recruitment of employees to the different professions in public service during the period of 2005 - 2015. In the backdrop of the conflict which warranted large recruitments in the period of 2005 - 2009, the highest number

Table 10.1. | Public Sector Cadre Composition 2006 - 2015

Administrative Level		Year									
		2006	2007	2008	2009	2010	2011	2012	2013	2014	2015
National	App	563,620	579,615	635,711	680,442	698,335	705,331	710,909	796,266	844,948	858,680
	Act	469,065	505,900	557,590	607,717	643,748	643,399	661,837	683,719	703,600	722,950
Provincial Councils and Local Authorities	App	348,870	358,604	362,755	364,396	367,207	367,730	385,562	391,647	392,698	394,812
	Act	281,219	283,885	290,162	296,714	332,107	363,248	378,933	375,752	377,445	374,330
Total Public Service	App	912,490	938,219	998,466	1,044,838	1,065,542	1,073,061	1,096,471	1,187,913	1,237,646	1,253,492
	Act	750,284	789,785	847,752	904,431	975,855	1,006,647	1,040,770	1,059,471	1,081,045	1,097,280
SOEs and State Banks	App	218,957	222,377	226,197	227,224	227,792	228,326	245,100	245,687	245,339	244,800
	Act	205,441	224,443	229,445	234,547	236,121	236,543	239,079	239,058	221,213	219,583
Total Public Sector	App	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	1,498,292
	Act	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	1,316,863
Cadre Utilization (%)		84	87	88	90	94	96	95	91	88	88
No. of Pensioners		430,153	438,190	445,120	456,113	473,762	493,549	510,343	521,699	546,379	564,472

App - Approved cadre Act - Actual number of employees  
Sources: Department of Management Services, Department of Pensions

of employees represent the Defence sector. The highest share of National and Provincial Level is denoted by the staff representing Health and Education sectors reflecting the emphasis placed on the human resource development by successive governments. Further, since 2013, measures were taken to make recruitments to the executive positions periodically.

## 10.2 Distribution of Public Sector Cadre by Service Level

Chart 10.1 | Classification of Cadre of Public Sector by Service Level - 2015

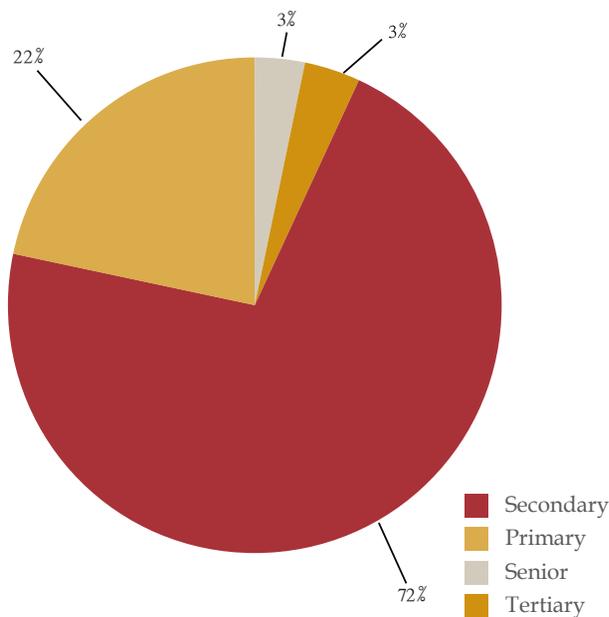


Chart 10.1 depicts the classification of employees (as a percentage) based on the nature of services provided in accordance with the Public Administration Circular No. 06/2006. Accordingly, the public service is categorized into four levels namely primary, secondary, tertiary and senior.

These service levels consist of professions related to technical and non technical, professional, managerial and administrative etc.

Table 10.3 | Public Sector Cadre Composition by Service Level - 2015

Administrative Level	Service Level				Total
	Senior	Tertiary	Secondary	Primary	
National	30,720	25,523	691,792	194,498	942,533
Provincial Councils	11,270	14,676	242,638	58,245	326,829
Local Authorities	908	814	12,868	32,911	47,501
<b>Total</b>	<b>42,898</b>	<b>41,013</b>	<b>947,298</b>	<b>285,654</b>	<b>1,316,863</b>
Percentage (%)	3	3	72	22	100

Source: Department of Management Services

## 10.3 Sectoral Distribution

The sectoral distribution of employment is based on the government policy, priorities and the extent of the service delivery. The largest share of thirty two percent (32%) of public sector employment has engaged in the Human Resource Development sector which includes education and health services. A large share in the Human Resource Development sector is engaged in facilitating the free education and free health services for all citizens enabling to create an educated and healthy society which will in turn strengthen the labour force, enhancing economic activities. The steps have to be taken to maximize the service delivery of employees in this sector.

A share of ten percent (10%) of the cadre represent the Law and Order sector. The share of the sector has expanded in the recent past merely due to increased population density, expansion in the dwelling areas and establishment of new police divisions etc. Ensuring the national security is a prior need of a country. Therefore, twenty three percent (23%) of the total cadre has been deployed in the Defence sector which is comprised of the three forces.

### **Box 10.1 | Importance of Applying Information Technology for Human Resource Management in the Public Sector**

With the vast improvements in Information Technology and modern communication, the world has become a global village where new trends in Information and Communication Technology are noticeable.

However, in Sri Lanka compared to the private sector, the trend of using Information Technology in the public sector at present seems rather lackadaisical. It is observed that many a public institutions cling on to the traditional methods instead of adopting new technology. As a consequence, inefficiency of the public sector is growing day by day. The efficiency and quality of some public services are not up to the expected standards. This may cause unhealthy attitudinal environment in the entire public sector and will have a negative impact on the economy, too.

In these circumstances, a centralized data base should be established and maintained in order to ensure the human resource productivity in the public sector. The following objectives are expected to be achieved through the system;

- Ability of ensuring the continuous delivery of services through systematic recruitments in line with a proper succession plan
- Convenience in issuing letters with regard to appointment, confirmation, promotion, granting salary increments which would lead to enhance employee motivation
- Convenience in recognizing the officers with expertise in the various fields in order to deploy them effectively
- Convenience of implementing the policy of transfers
- Easy access to the necessary information for decision making pertaining to cadre management; thereby ensuring the efficiency, accuracy and transparency of public service

Facilitation of the above central system will ensure a successful perpetuation of the public service which is led by the principles of good governance.

Table 10.4 | Classification of Employees by Sectors - 2015

Sector	National Level					Total	Percentage (%)
	Public Service	Non-Commercial Entities	Commercial Entities	Provincial Councils	Local Authorities		
Human Resource Development	89,561	30,250	2,466	284,576	15,093	421,946	32
Infrastructure	71,615	44,250	79,353	3,864	15,621	214,703	16
Economy	74,825	16,244	15,546	11,782	302	118,699	9
Banking and Finance	0	1,385	18,382	0	0	19,767	2
Civil Administration	58,252	3,258	6,556	26,607	16,485	111,158	8
Law and Order	127,621	0	0	0	0	127,621	10
Security	301,076	815	1,078	0	0	302,969	23
<b>Total</b>	<b>722,950</b>	<b>96,202</b>	<b>123,381</b>	<b>326,829</b>	<b>47,501</b>	<b>1,316,863</b>	<b>100</b>

Source: Department of Management Services

The share of employment in the Infrastructure Development sector has increased up to sixteen percent (16%) reflecting the improvement in the fields of electricity, roads, irrigation, water supply and urban development contributing to the development of the country. This will eventually contribute to accomplish the major economic targets through encouraging investments.

## 10.4 Cadre Distribution by Professions

There has been a gradual increase of professional categories in the public sector, catering to multifaceted requirements of the public. The gradual enhancement of these categories have created a support base for the development activities.

Sri Lanka has been able to improve its ranking in social development indicators continuously as a result of contribution made by the various professions in the public sector. Specially, indicators related to literacy, infant mortality, persons to doctor ratios are in a superior level compared to other countries in the region. However, planning a proper mechanism in a more logical manner for producing professionals and building the capacity of the public sector is a timely need. Further, determination of the salaries and benefits of the professionals based on their duties would create a better public service for everyone, making it an attractive place to work.

Table 10.5 | Classification of Employees of Public Sector by Professions - 2015

Profession	National	Provincial	Total
Administrator/Manager	6,614	510	7,124
Education Administrator	211	1,435	1,646
Medical Officer	9,932	6,880	16,812
Ayurvedic Medical Officer	533	1,460	1,993
Accountant	1,269	413	1,682
Planner	936	153	1,089
Engineer	2,436	435	2,871
Lecturer	6,799	-	6,799
Veterinary Surgeon	72	493	565
Nursing Officer	20,625	10,700	31,325
Public Health Inspector	156	1,648	1,804
Midwife	1,290	8,344	9,634
Teacher	37,768	190,773	228,541
Development Officer	39,577	14,125	53,702
Security Personnel	272,349	-	272,349
Police Officer	84,639	-	84,639
Technical Officer	1,808	2,125	3,933
Management Assistant	34,862	14,805	49,667
Grama Niladari	12,808	-	12,808
Postal Services Officer	3,968	-	3,968
Driver/Skilled Labourer	28,349	7,160	35,509
Semi-skilled Labourer	17,771	7,417	25,188
Office Aide/Unskilled Labourer	106,226	61,456	167,682
Other	251,535	43,998	295,533
<b>Total</b>	<b>942,533</b>	<b>374,330</b>	<b>1,316,863</b>

Source: Department of Management Services

## Box 10.2 | School Based Cadre Approval - A New Approach

Eight decades have passed since the introduction of the free education to the country. During the period, the education system has evolved with various transformations, achieving high educational targets. Although the opportunity had been made available for all groups in society to access education without any discrimination, the disparities in physical and human resource distribution in the education system still exists. A collective effort by all sectors to prepare and implement a proper education plan with a long term vision would result in upgrading the existing progress of the education with minimum disparities.

The Department of Management Services has been in the process of identifying and approving the optimum number of academic and non-academic cadre requirement for schools considering the existing number of students in a school, number of classes and subjects etc. The Ministry of Education has issued the circular No. 01/2016 providing guidance for this process. The following objectives are to be achieved through this process;

- Creation of optimum academic and non-academic cadre requirement for a school
- Approval of school based cadre and balancing excess teachers, if any, among schools
- Preparation of a proper plan for filling of vacancies for the posts of Teacher in line with the subjects offered
- Regularizing the teacher transfer system through a proper assessment of service requirement

Measures have already been taken to approve the school based posts for the schools in North-Western, Sabaragamuwa and Northern provinces. Cadre for the schools in other provinces and National Schools will be approved after identifying the posts following the same procedure. This will ensure the cost effectiveness of the funds incurred on free education bringing about a proper management of public expenditure.

## 10.5 Public Sector Cadre Distribution by Gender

### 10.5.1 Public Sector Cadre Distribution by Gender - 2015

The higher composition of women in the entire labour market is also reflected in the public sector too, particularly in the education and health sectors. In addition to the positions specially designated for women (eg:- Midwives), women’s representation has reached a critical juncture in the labour composition, mainly such as Education and Health sectors and at the Senior Level in the public service.

Table 10.6 | Public Sector Cadre Distribution by Gender - 2015

Institution	Male %	Female %
Ministries/Departments	54	46
Provincial Councils and Local Authorities	45	55
Government Corporations and Statutory Institutions	67	33

Source: Department of Management Services

### 10.6 Creation of New Posts - 2015

Considering the service delivery priorities of the public sector, almost 15,867 new posts were created in 2015. Out of the total number of posts created in 2015, seventy percent (70%) of posts were created for ministries. Under this, creation of 8,387 new posts to the Ministry of Education is noteworthy. Further, 1,500 posts of Teacher were approved for the National Schools to cater to the newly introduced stream of technology. A cadre review is being carried out in order to identify the human resource requirements of universities, with the intension of establishing new universities to expand the higher education opportunities and building the capacities of existing universities. Meanwhile, 172 essential posts were approved for the universities in 2015, enabling to continue the services without any disruption.

In 2015, approval was granted to create 559 posts of Watcher and 940 posts of Labourer for

the Ministry of Agriculture upon the service requirements. Further, 40 posts of Engineer and 60 posts of Draftsman were approved for the Department of Irrigation to meet the requirement of technical services of the Department.

The creation of 1,225 new positions in the health sector, for further strengthening the provision of quality and people friendly service is notable during the period concerned. This includes 1,097 posts approved for the provincial health sector. Moreover, 226 posts were approved for the Drug Control Authority which was established to regularize the drug control activities. Prevention of Chronic Kidney Diseases is another challenging issue to be addressed in the health sector. Accordingly, considering as a priority task, approval was granted for 52 positions for the Special Unit established for prevention of kidney diseases in the Ayurvedic Kidney Research Hospital, Medawachchiya, functioning under the Department of Ayurveda.

### 10.7 Challenges

Sri Lanka has continuously been able to maintain the employment rate at a higher level, compared to the other countries in the South Asian Region. The government contribution to the employment rate is fifteen percent (15%). However, it is important that effective use of the cadre requires a proper deployment of employees in these positions with assigned duties. Personnel recruitments in the public sector with the intention of providing welfare, without due assessment of needs may hinder the public financial management. Focusing merely on providing employment for graduates may adversely affect the competition among graduates in the labour market. Everyone’s commitment towards ascertaining the required optimum cadre is vital, and it is essential to make an attitudinal change, as well.

A large number of government institutions have been established mainly with a view to provide services to the people. However, it is essential that the work carried out by these establishments are not duplicated. Especially,

there are number of institutions that have been established for the development of the fields of Vocational Education, Industry as well as Research. However, the entire productivity of such institutions diminishes due to lack of proper coordination or integrity among the institutions and absence of following up procedures. Higher economic gains would be achieved provided those situations are realized.

Difficulty in appointing highly capable individuals to the managerial level posts and professionals in the senior executive category is one of the main issues faced by the government institutions. This situation has resulted in weakening the service standards and hindering the achievement of targets and objectives of the public sector. Therefore, a proper succession plan to appoint systematically well-versed professionals and managers is a timely need. Making recruitments and promotions promptly as per the succession plan would help to overcome the said challenges.

Notwithstanding the possibility to enhance the efficiency and productivity of public services through utilization of modern technology, the cadre of the public sector has gradually increased while simultaneously, the government is burdened with a higher cost for technical equipments too. If technology is utilized effectively, human resource can be reduced and shifted to other productive fields. However, due to high demand for the public sector employment in the absence of a proper analysis, it has been difficult to reduce human resource in line with the increased technology. Therefore, it is essential to address this problem for an effective public service delivery.

**Public Finance  
Review-2015**

**11**

## 11.1 Overview

The broader framework of the financial management system of the country is provided in the Constitution of the country and further elaborated through legislations and rules ensuring sound public finance regulatory framework which improves transparency, accountability and service delivery in the public sector. In this direction, the various dedicated Treasury departments work with other government institutions to enhance the management of public resources in pursuit of national growth, poverty reduction, equitable income distribution, reducing regional disparities, ensuring safe society while aiming to strengthen transparency and accountability.

In accordance with the powers vested to the President under paragraph (1) (a) of the Article 44 of the Constitution of Democratic Socialist Republic of Sri Lanka the President publishes in the gazette (as amended) the Cabinet of Ministers, Ministries and the subjects and functions of the Ministries. Accordingly, the Minister of Finance is charged with the raising of revenue and the collection of other Government monies as well as with the general oversight of all the financial operations of the Government. The President delegates this responsibility to the Secretary to the Treasury to discharge his responsibility on his behalf. The Secretary to the Treasury lays down the broader framework within which Spending Agencies' financial transactions of all kinds are undertaken. The President appoints Secretary to a ministry to be Chief Accounting Officer (CAO) and delegates the responsibility to collect and disburse funds on his behalf FR124 (2) (supervising departmental financial transactions) while the Treasury retains general control over governmental financial matters.

## 11.2 Financial Regulations

Financial Regulations-1992 approved by then Minister of Finance which has come in to force from 18.10.1993 as amended from time to time is a broader framework for government financial transactions currently in use. In carrying out

governmental affairs in an orderly manner, all the government institutions are required to apply these regulations. Action 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) are being prepared incorporating the comments and suggestions made by the wide range of stakeholders including Heads of Treasury Departments, Auditor General, Heads of key Ministries and retired experienced senior Government Officials in order to provide a clear guidance to the Ministries, Departments and other Government Agencies to help manage public funds effectively and efficiently. In achieving this task the service of an Adviser of the International Monetary Fund under IMF Technical Assistance was obtained. The Financial Regulation Bill has been drafted and the new Financial Regulations will be a law of the country when it is passed by the Parliament. This would be a remarkable reform in Public Financial Management for many years to come.

The New Financial Regulations consist of the following key areas of Public Financial Management.

Table 11.1 | Key areas of Public Financial Management in new Financial Regulations

Description	Financial Regulations Parts
Introduction	
Control, Supervision, Accountability and Management of Public Finance	Part III - Control, Supervision, Accountability and Management of Public Finance
Planning, Budget Preparation, Approval and Management	Part V - Planning, Budget Preparation, Approval and Management
Budget Classification of the Chart of Accounts	
Warrants and Imprest	
Banking Arrangements and Bank Reconciliation Procedures	
Revenue Accounting Procedures	Part VI - Cash, Revenue, Expenditure, Asset and Liabilities Management
Purchasing, Commitment and Payment Procedures	
Foreign Financing and Debt Management Procedures	
Advance Accounts	

Inventory Management	Part VIII – Inventory Management
Fixed Assets Management	Part IX – Fixed Assets Management
Payroll Accounting	Part X – Creation of Posts and Personal Emoluments
Journal Entries and Posting Procedures	Part XI – Preparation of Government Accounts
Preparation of Government Accounts	
Audit	Part XII – Audit
Losses	Part XIII – Losses
	Part XIV – Financial Misconduct
Miscellaneous	

### 11.3 Role of the Ministry of Finance in Controlling Public Finance

Ministry of Finance (MOF) is empowered by the Constitutional provisions considered as a focal point for Public Financial Management in the country. It plays a central role in public sector governance and has a responsibility to provide a sound public finance regulatory framework which helps to improve transparency, accountability and service delivery in the public sector. The MOF works with other government institutions

to improve the management of public resources in pursuit of growth, development and poverty reduction.

In carrying out these responsibilities, the Ministry of Finance provides a range of regulatory and advisory services including formulation, implementation, develop, review, and update the policies, systems and procedures in the public financial management supporting institutions for public accountability in order to achieve sustainable economic growth and development. These policies, systems and procedures include Financial Regulations, Public Procurement and Asset Management procedures, practices and guidelines and Treasury circular instructions on a wide range of aspects of public financial management.

Taking in to consideration of new demands in the area of asset management and financial regulations until such time the new regulations and procedures of those areas will come effective, following changes have been made during the year issuing respective circulars.

Table 11.2 | Highlights – 2015 (Circular instructions for streamlining of public financial management)

Theme	Policy Direction	Action
To avoid uneconomical expenditure incurred on vehicles beyond economical use	Disposal of unserviceable vehicles in the public institutes.	Public Finance Circular No 02/2015 dated 10.07.2015
To execute official duties without undue delays reasoning due to existing threshold of the sub imprest	Amendment of FR 371 under Financial Regulation 1992 to increase the imprest limit	Public Finance Circular No 03/2015 dated 14.07.2015
Ensuring the transparency of transactions, risk management and cost effectiveness when acquiring the insurance coverage for Government and semi Government institutions.	Provision of general insurance coverage for the Government institutions	Public Finance Circular No 04/2015 dated 14.07.2015
To obtain service of the external person or group in an urgent government assignments with an attractive payment	To obtain urgent services to government from and external person or group of persons	Public Finance Circular No 01/2016 dated 08.01.2016
To increase authority limits of the write-off of losses of CAO/AO	Amendment of FR 108 under Financial Regulation 1992	Public Finance Circular No 02/2016 dated 12.02.2016
To ensure the maximum opportunities for all qualified ticketing and travel agencies registered under Civil Aviation Authority to take part in the procurement process for providing air travel facilities for the Government Institutions	Liberalizing the travel industry creating a competition among private and public sector travel agencies.	Public Finance Circular No 431 (1) dated 16.02.2016
Management of expenditure on settlement of communication bills	Revising of the maximum allowances on communication facilities considering the volume of work responsibilities entrusted to the public officers.	Public Finance circular No. 03/2014 (1) dated 10.03.2015

### 11.4 Control Over the Public Finance by the Committee on Public Accounts

Under the Article 148 of the Constitution of Democratic Socialist Republic of Sri Lanka, Parliament shall have full control over public finance. In this context, the Committee on Public Accounts (COPA) established under Parliament Standing Order No.125 is a significant supervisory arm in controlling public funds. Respective Treasury Departments provide necessary guidance and assistance to the Committee on Public Accounts (COPA) at Parliament in its examination of government Ministries, Departments and implementation of directives of Committee on Public Accounts. The follow up actions have also been taken in relation to the reports received in accordance with the directions of the committee on the operating activities of Ministries and Departments.

On the receipt of the reports of the Committee on Public Accounts, actions have been taken to publish the Treasury Minutes on the First Report of 2013, Parliamentary Series No 240 and the Second Report of 2015, Parliamentary Series No 356 from the Committee on Public Accounts for the financial years 2005 to 2010 in tri-languages in 2016.

### 11.5 Public Financial Management Reform Initiatives -2015

The need to improve Sri Lanka public sector governance system to achieve long term economic and social development goals has now been more pressing than ever before especially with the change of government and end of thirty years long war, which crippled the economic progress of the country.

Ministry of Finance has already initiated reform on Public Financial Management. The World Bank led Reform Strategy called DPL (Development Policy Loan) has recognized the need for Public Financial Management Reforms as proposed by the Ministry of Finance. Adoption of a framework for transparency in government operations to

foster greater accountability and efficiency in management of resources and service delivery. Strengthening the Parliamentary oversight of public finance and public procurement regime are the areas of intervention and programme objectives under the proposed DPL reform strategy.

Among others, following key initiatives in focusing sound public financial management are significant under DPL reform strategy.

Table 11.3 | Proposed Public Financial Management Reforms

Areas of Intervention	Actions	Result
Expenditure Management and Public Procurement	1. Establish and implement requirements to publish at least quarterly budget execution reports and award of public Procurement contracts	1. Increase in citizens' access to budgetary, procurement, and service delivery information
	2. Establish and implement a system for monitoring and evaluation of Public Procurement Performance including award of public procurement contracts	2. 90 percent contracts to be awarded within the "National Procurement Performance Standards".
	3. Establish a comprehensive complaint handling mechanism for all public procurement contracts	
	4. Adopt National Procurement Strategy including the use of ICT in procurement	
	5. Development and adoption of new Procurement Regulations including the establishment of "National Procurement Performance Standards"	
	6. Adoption of new guidelines to harmonize public procurement practices	
	7. Establish independent body for handling complaints related to public procurement	
	8. Establishment of electronic portal for government procurements (e-GP) and use of e-GP for public sector procurements	
Strengthen Parliamentary oversight of public finance	1. Adopt Code of Ethics for Ministers of Parliament	Parliament exercises effective oversight over management of public resources
	2. On time publication of COPA and COPE reports, placement on Parliamentary website	
	3. Establish a Parliamentary Standing Committee for budget reviews	
Strengthening the policy and institutional framework for public Financial management	1. Enact performance-oriented financial regulations including the public procurement to overhaul existing regulations	Efficient use of public resources
	2. Strengthen the relevance of the budget as a policy document	

## 11.6 Procurement Management

Public Procurement is an integral and important part of public financial management. Since government is the largest buyer in the market, through its procurement policies, the public sector can affect the structure of the market and the incentives for firms that may cause ultimately an inclusive national growth by long term support to disadvantages sections, SMEs, environmental concerns etc.

The Government Procurement Guidelines-2006 as amended (Goods & Works) is a comprehensive procedural guidance applying to government procurement in Sri Lanka for the procurement of goods, works and non consultancy services. Other regulations such as manuals and Standard Bidding Documents (SBDs) are used to provide further guidance for the procurement process. The resulting framework embodies important principles such as value for money, open and effective competition, ethics and fair dealing, and accountability. Taking into consideration of new demands in public procurement and to reflect subsequent policy decisions of the Cabinet and circular instructions on procurement issued by the Department of Public Finance, Government Procurement Guideline-2015 (Goods & Works) and subsequent Procurement Manual have been drafted.

In the meantime under the Section 156c(1) of 19th Amendment to the Constitution, the National Procurement Commission has been established and the functions relating to formulate fair, equitable, transparent, competitive and cost effective procedures and guidelines for the procurement of goods, works, services, consultancy services and information Systems by Government institutions and cause such guidelines to be published in the Gazette is now vested with the National Procurement Commission. Therefore, above mentioned revised guidelines as drafted by the Department of Public Finance will be published in due course by the National Procurement Commission.

## 11.7 Public Procurement Review-2015

Public procurement is a substantial economic function as it is mirrored in public investments the country undertakes annually which is a key factor in facilitating economic growth in the country.

Table 11.4 | Procurement Expenditure in 2014 - 2015

	2014		2015		
	Value Rs.Bn	Share (%)	Value Rs.Bn	Share (%)	
	Total Exp.	GDP	Total Exp.	GDP	
Other goods and services	187.0	30	166.0	28.0	1.5
Supply of Consumables and other recurrent items					
<b>Public investment</b>	<b>429.0</b>	<b>70</b>	<b>431.0</b>	<b>72.0</b>	<b>3.8</b>
Acquisition and Rehabilitation & Improvement of Fixed Assets	235.0	39	203.0	47.0	
Infrastructure Development	194.0	31	228.0	53.0	
<b>Total</b>	<b>616.0</b>	<b>100</b>	<b>597.0</b>	<b>100</b>	<b>5.3</b>

Source: Department of State Accounts

Generally, a large share in procurement expenditure on consumable items are in respect of procurements of fertilizer, pharmaceuticals, diet & uniforms for the three Armed Forces, school uniforms and text books which amounted to almost Rs.125.5 Billion in 2015. This represents 21.0 percent of the total expenditure.

The year 2015 also shows the government issuing vouchers to provide school uniform material given annually to school children in the country instead of providing school uniform material. This method is expected to reduce the cost of purchasing school uniform material (cost of procurements include storage, transportation, logistics etc).

## 11.8 Procurement Expenditure by Ministries

Taking into consideration of the major ministries of the Government budget, the largest procurement value which is about Rs.167 billion representing 30.0 percent of total procurement

value was implemented through Ministry of Highways, Higher Education & Investment Promotion.

The second largest procurement value disbursed was by Ministry of Defence which is about Rs. 87 billion accounting for almost 15.0 percent of the total expenditure for the provision of logistics for armed forces, including various constructions that the forces have undertaken throughout the country. In comparison to 2014, the procurement value reported through this sector in 2015 records a Rs. 12 billion decrease. The major portion of this amount is incurred on other goods and services which is about Rs. 66 billion including Rs. 29 billion for diet and uniforms.

The third largest procurement value was represented by the Ministry of Health and Indigenous Medicine. Other than capital nature of medical equipment, approximately Rs. 32 billion has spent for providing free medicines. A sum of Rs. 66 Billion has disbursed through procurements by the Ministry of Health and Indigenous Medicine.

**Table 11.5 | Significance of Procurement transactions by ministries (Ministries which incurred more than Rs.10 billion on public procurement)**

Name of the Ministry	Total Procurement Value		
	Current	Capital	Total
Defence	50	37	87
Irrigation and Agriculture	50	6	56
Health & Indigenous Medicine	38	28	66
Internal Transport	7	15	22
Highways, Higher education and Investment Promotion	-	167	167
Education	3	15	18
Home affairs and Fisheries	1	18	19

Source: Department of State Accounts and Annual Budget Estimates-2015

## 11.9 Administration of Public Procurement

Under the provisions of the Government Procurement Guideline 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. Cabinet Appointed Procurement Committees (CAPCs) are the highest authority level in making procurement decisions. These guidelines also provide room for unsuccessful suppliers who are not satisfied with the recommendations of the CAPC to make representation to the Procurement Appeal Board (PAB) at the Presidential Secretariat. Awarding of high value procurements are approved by the Cabinet of Ministers in keeping with the respective Cabinet Memorandum submitted by the Minister who is assigned the subject on the basis of recommendations of the SCAPC/CAPC along with the observation of the Minister of Finance and PAB recommendations as well.

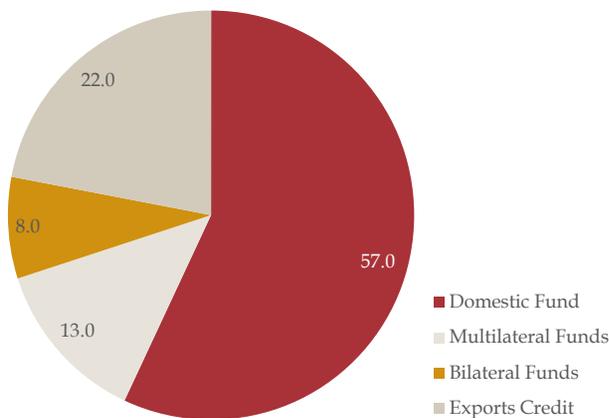
Public procurements are financed through internal sources and by borrowing arrangement with development partners. Irrespective of source of financing, most contracts/ supplies conducted through competitive bidding ensuring transparency and accountability. Other methods used under exceptional situations 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 require maximum publicity for Invitation to Bids (ITB) / Request for the Proposal (RFP) in calling for National and International Competitive Bids. For the procurement of works worth up to Rs.20 Million and with the value up to Rs.12 Million for goods and services, Price Quotations are called from registered suppliers or suppliers in Rainbows pages in SLT telephone directory.

## 11.10 Procurement Arrangements by sources of Finance

Expenditure on Public Procurement is financed either by domestic resources (GOSL) or

multilateral and bilateral development partner funds. In the case of multilateral and bilateral development agencies, procurement will have to be undertaken based on their own procedures. Similarly, when export credit agencies financing projects often require the borrower to follow procurement procedures of the lending institution. In such cases, lending governments have either designated suppliers or procurements of related items and contractual services from their own country or lender country companies elsewhere. In 2015, a significant portion of Public Procurement expenditure has been incurred from domestic resources having followed the Government Procurement Guidelines which is about 57 percent of total procurement spending.

Chart 11.1 | Procurement by Source of Finance 2015



### 11.11 Delays in Finalizing Procurements

Even though, the existing Procurement Guidelines clearly articulate every procurement action of the procurement cycle including need assessment and early project preparations, calling for bids, evaluation of bids and contract awards should be done in line with the procurement plan based on the Action Plan and annual budget estimates. It has been identified that lack of procurement planning leads to deviation from open bidding (short cut procedures). Information asymmetry and ambiguities in bid documents and other specifications leads to non-receipt of fair bids and such occasions would cause re-tendering. Delays in administrative processes and approval processes would also lead to time and cost overruns. Thus this requires, a

revision to the existing Procurement Guidelines and Associated Manuals and Standard Bidding Documents.

### 11.12 New Procurement Methodologies

In spite of the use of information technology in procurement globally, Sri Lanka has not yet adopted e-procurement methodologies. Given the high demand for accountability and transparency the government has recognized the benefits of e-procurement. This also has the benefit of creating more competition which will lead to better quality and pricing of the goods and services procured.



**Development Finance**

**12**

## 12.1 Overview

Small and Medium Enterprises (SMEs) are regarded as one of the main driving forces for country's economic development process since they generate employment, introduce new business methods and products, reduce poverty and inflation, cause equitable development and solve the balance of payment problem. The SMEs play an important role in promoting inclusive growth in Sri Lanka, contributing to development of all sectors including agriculture, manufacturing and service while accounting for 75 percent of the total number of enterprises, providing 45 percent of the employment and contributing to 52 percent of the Gross Domestic Product (GDP). Given the importance of this sector, Government formulated and published a National Policy Framework for the SME sector in Sri Lanka in 2015, to guide the sector towards achieving the intended goals.

With a long history of providing of microfinance services, the microfinance sector in Sri Lanka has gained a considerable level of maturity over the years. As a result, diverse types of institutions providing microfinance services exist, including state and private sector owned commercial banks, development banks, co-operative societies, Non-Government Organizations (NGOs) and International NGOs (INGOs). There are several microfinance programs run by the government agencies as well. The Microfinance Act has been formulated and the Bill was tabled at Parliament in 2015 with an objective to regulate and supervise the microfinance sector enabling micro finance institutions to provide their services to the recipients in a common framework.

Out of the various financial assistance schemes implemented by Government during 2015, the policy initiatives taken towards improving agricultural productivity is enormous. Starting from the fertilizer subsidy program to the paddy purchasing program, both input and output incentives have been granted by Government to enhance farmer's profitability and also to establish food security of the country.

This was evidenced by the paddy harvest of 2015 where Government was able to manage

the excess paddy production through the Government Paddy Purchasing Program by providing financial assistance through state banks and the Treasury. Hence, by introducing a more transparent mechanism for purchasing paddy, the Paddy Marketing Board was able to purchase a historical amount of paddy during this year.

Furthermore, as in many developing countries, fertilizer subsidy represents a major component of the agricultural policy in Sri Lanka. However, there are questions on the effectiveness and sustainability of the fertilizer subsidy due of concerns around the overuse of subsidized fertilizer. The excessive use of chemical fertilizer has also raised concerns over soil and water pollution, food safety and consequently leading to issues such as chronic kidney disease. Considering the above, Government has taken a policy decision to revisit the fertilizer subsidy policy by introducing a fertilizer cash grant through the budget 2016 in order to avoid such social and environmental hazards while allowing the greater flexibility for farmer in selecting the farming inputs for ensuring productivity.

## 12.2 SME Development

### National SME Policy Framework

Government recognizes SMEs as the backbone of the economy in terms of employment generation, contribution to GDP, and supporting equitable development in the country. Given the importance of this sector, the Government formulated and published a National Policy Framework in 2015 for SME sector in Sri Lanka to guide the sector to achieve the intended goals.

The vision of the National SME Policy Framework is to create a significant number of globally competitive, dynamic, innovative, technologically driven, eco-friendly and sustainable SMEs that contribute to the national economic development.

The mission of the National SME Policy Framework is to stimulate growth of SMEs to produce world class products and services that can compete locally and internationally

with supportive enabling environment and interventions of technology transfer, entrepreneur culture, skills development, access to finance, market facilitation and research and development.

Furthermore, a comprehensive unique definition for SME sector was introduced through this Policy Framework to define the local SMEs. Hereafter, this definition will be used by policy makers for any policy decisions taken on the Sri Lankan SME sector.

Moreover, the National SME Policy Framework identifies policy interventions and strategies under six core areas namely enabling environment, modern appropriate technology, entrepreneurial culture and skills development, access to finance, market facilitation and research and development. This policy framework also recognizes the importance of focusing on the regional balance and resource efficiency in developing SMEs in the country.

## SME Financing

The Government continued to encourage financial institutions to reach out to SMEs by moving beyond traditional banking in order to enhance the availability of financial facilities for SMEs to support them to reach the next level of the industry. In 2015, approximately Rs. 604,590 million was granted by both state and private sector commercial and development banks to fulfill the funding needs of SMEs compared to Rs. 521,385 million in 2014.

Table 12.1 | Definition for Sri Lankan SMEs

Sector	Size			
	Criteria	Medium	Small	Micro
Manufacturing Sector	Annual Turnover	Rs.Mn. 251-750	Rs.Mn. 16-250	Less than Rs.Mn.15
	No. of Employees	51-300	11-50	Less than 10
Services Sector	Annual Turnover	Rs.Mn. 251-750	Rs.Mn. 16-250	Less than Rs.Mn.15
	No. of Employees	51-200	11-50	Less than 10

Source: National Policy Framework for SME Development, Ministry of Industry and Commerce

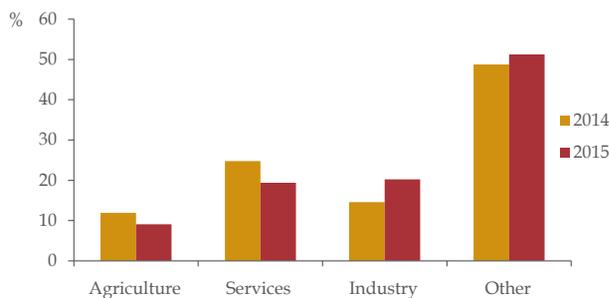
Table 12.2 | Funds Disbursed by Commercial and Development Banks to SMEs - 2015

Bank	Agriculture		Services		Industries		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	937	3,485.00	286	877.00	639	2,230.00	26,724	59,311.00	28,586	65,903.00
People's Bank	340	529.55	396	1,227.40	274	1,029.18	603	1,206.85	1,613	3,992.98
Regional Development Bank	1,176	754.00	89	57.00	1,321	831.00	25,655	18,809.00	28,241	20,451.00
Lankaputhra Development Bank	24	76.90	33	106.04	143	728.67	10	33.50	210	945.11
Sanasa Development Bank	358	234.35	17	10.85	11	16.54	1,029	736.82	1,415	998.55
National Development Bank PLC	1,898	3,446.52	449	2,117.35	12,983	18,444.77	1,186	1,931.56	16,516	25,940.20
DFCC Bank PLC	538	4,924.23	3,415	15,654.73	1,872	13,085.27	2,006	4,331.50	7,831	37,995.73
Commercial Bank of Ceylon PLC	3,412	14,247.89	10,891	54,938.92	11,677	81,987.62	19,742	109,233.20	45,722	260,407.63
Sampath Bank PLC	385	2,400.00	850	8,162.00	962	5,653.00	2,907	15,611.00	5,104	31,826.00
Seylan Bank	30	2,225.39	35	1,774.15	60	3,332.16	91	12,467.42	216	19,799.12
Hatton National Bank PLC	6,754	10,499	15,625	63,929	4,391	17,521	1,820	5,184	28,590	97,133
Nations Trust Bank PLC	240	1,880.09	1,984	7,497.56	316	1,207.15	7,079	10,938.93	9,619	21,523.73
Standard Chartered Bank	1	55.00	34	500.00	58	581.00	1	1.00	94	1,137.00
Union Bank of Colombo	186	1,166.67	616	2,441.18	1,539	3,139.73	2,976	9,789.40	5,317	16,536.98
Total	16,279	45,924.59	34,720	159,293.18	36,246	149,787.09	91,829	249,585.18	179,074	604,590.03

Source: Respective Banks

Out of the total SME sector loans granted by commercial and development banks in 2015, agriculture sector accounted for 9 percent, compared to 12 percent in 2014, while industry and services sectors attracted 20 percent and 20 percent respectively, compared to 14 percent and 25 percent in 2014. SME loans to other sectors accounted for 51 percent in 2015, compared to 49 percent in 2014.

Chart 12.1 | Sector wise SME Loan Disbursement



### 12.3. Micro Financing

The microfinance sector of Sri Lanka has shown an considerable growth over the last few years. The financial services offered by different types of micro finance institutions have expanded to support to the needy segments of the society, while new methods have also developed to deliver loans to small borrowers, with little or no collateral. The micro finance services which cover four key areas; savings, credit, micro-insurance and money transfers have supported to enhance income, value of assets and level of consumption of the households. Meanwhile, micro financing encourages savings habit among the poor thereby help increasing social status and improving economic conditions of low income groups.

The National Policy Framework for Small Medium Enterprises (SME) Development published in 2015 placed special emphasis on the micro finance sector. Accordingly, the category of Micro Enterprises includes all enterprises which employ less than 10 employees and which have annual turnover not exceeding Rs. 15 million for manufacturing and service sectors.

The Micro Finance Regulatory Act was tabled in the parliament in 2015. The Act covers four regulatory layers with powers for national regulatory policy and guidance by the Monetary Board in order to maintain consistency in line with national objectives. Under this Act, a Micro Finance Authority is to be set up to streamline the activities in this sector and a large number of institutions would be broadly classified under four categories based on size of operations and institutional structure.

The role of the Government as a key player has become stronger with the new achievements in this sector in 2015. Various Government-led micro financing programmes targeting the low income families continued in 2015. The progress of micro financing programmes carried out by government affiliated institutions in 2015 is in below table 12.3.

The government-led micro finance institutions granted a sizable amount of micro loans to needy recipients in the country fulfilling their financial requirements. By end of 2015, the outstanding loan portfolio of major microfinance institutions stood at Rs. 123 billion which is distributed among the agencies as follows: Department of Divineguma, 31 percent (Rs. 38 billion); Department of Cooperative Development, 32 percent (Rs.39 billion) and the Regional Development Bank, 33

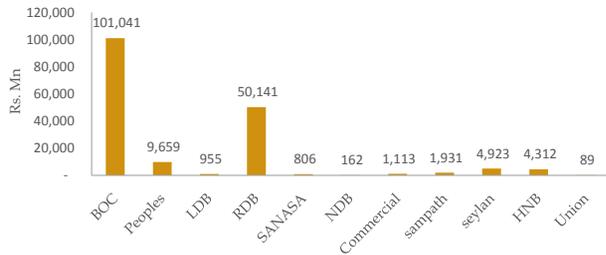
Table 12.3 | Progress of Major Microfinance Institutions -2015

Microfinance Institute	No. of Branches	No of Depositors	No. of Borrowers	Total Deposits (Rs.Mn.)	Total Investment (Rs. Mn.)	Total Loan Portfolio (Rs. Mn)
Department of Divineguma	1,074	4,234,029	1,599,058	65,034	63,522	38,320
Department of Co-operative Development	2,210	9,631,080	569,376	94,685	97,747	39,406
Department of Agrarian Development	534	253,370	62,009	350	6,748	976
Regional Development Bank	265	5,676,619	839,664	86,340	16,076	41,276
Lankaputhra Development Bank	8	56,145	8,555	500	5,506	3,371
Total	4,091	19,851,243	3,078,662	246,909	189,599	123,349

Sources : Department of Development Finance

percent (Rs. 41 billion). The compulsory savings of the poor people reached up to Rs. 217 billion by end 2015, out of which Rs. 156 billion was placed on long term and short term investment.

Chart 12.2 | Loan disbursements to Micro Finance Sector by Formal Banks -2015



In 2015, banking sector disbursed Rs. 175 billion in loans to the microfinance sector. Of this Rs. 101 billion was by the Bank of Ceylon providing small loans under New Comprehensive Rural Credit Scheme (NCRCS), Poverty Alleviation Micro Finance Project (PAMP) and “Saubhagya” Loan Scheme. Regional Development Bank and Peoples Bank disbursed Rs. 50 billion and 10 billion respectively in 2015. Compared with state banks Seylan Bank and Hatton National Bank (HNB) were the private banks with significant microfinance portfolio and have offered loans to the rural areas providing access to finance through various microfinance programs.

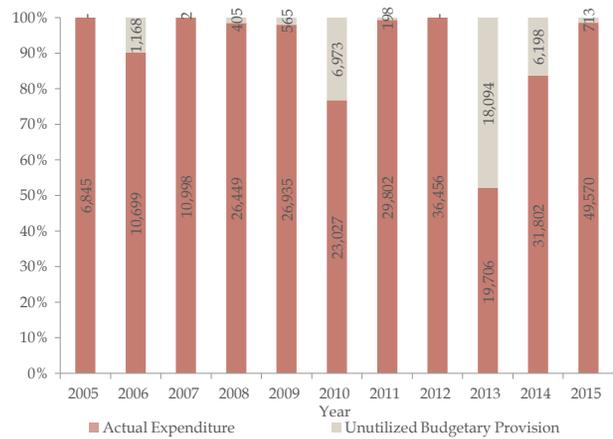
## 12.4 Enhancing Agriculture Sector

### 12.4.1 Fertilizer Subsidy to Improve Farmer Productivity

The fertilizer subsidy is a major welfare scheme implemented to enhance productivity in the agriculture sector. At present, the fertilizer subsidy is provided for paddy as well as other crops enabling the farmers to minimize their cost of production as it provides fertilizer at affordable rates.

Expenditure incurred on fertilizer subsidy during 2015 increased by 56 percent to Rs. 49,570 million compared to Rs. 31,802 million in 2014. As such, 2015 recorded the highest expenditure thus far on fertilizer subsidy. A major reason for such high expenditure in 2015 is due to the settlement of arrears accrued in previous years. Nearly 99 percent of the budgetary provision for fertilizer subsidy was utilized during 2015.

Chart 12.3 | Annual Fertilizer Expenditure as a Percentage of Budgetary Allocation (Rs.)

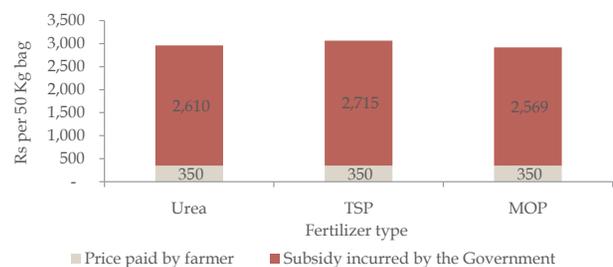


### Fertilizer Subsidy for Paddy

Under this programme, three major fertilizer types which are used for paddy in their straight form was made available at a subsidized price of Rs 350/- per 50 kg bag each since 2005. Accordingly, Urea, TSP (Triple Super Phosphate) and MOP (Muriate of Potash) were issued at Agrarian Service Centers through a wider distribution network. The entire paddy fertilizer distribution was carried out by the two state fertilizer companies.

The average subsidy granted by the Government on a 50 kg bag of paddy fertilizer is around 88 percent of the market price.

Chart 12.4 | Fertilizer Subsidy for Paddy - 2015



2015 marked the highest annual paddy production on record. Compared with the years of relatively higher paddy yields, the number of farmers who obtained fertilizer and the quantity of fertilizer issued has been reduced, while the nett extent harvested and the paddy production has increased. The average yield increased by 2.3 percent from 2013 to 2015, against the decrease in average yield by 4.4 percent during 2010 to

2013. Hence, many researchers have shown that there is no significant correlation between the use of chemical fertilizer and the productivity. Due to the ongoing fertilizer subsidy scheme,

an unbearable quantity of fertilizer has been imported to the country and over usage and misuse of fertilizer has caused a wide spread of health and environmental issues.

Table 12.4 | Comparison of Paddy Cultivation Data for High Yielded Years

Season	No of Farmers Who have Obtained Fertilizer	Fertilizer Quantity Issued (Mt)	Nett Extent Harvested (Ha)	Paddy Production (Mt)	Average Yield (Mt/Ha)
2009/10 Maha	1,100,543	263,512	573,788	2,629,566	4.6
2010 Yala	785,966	186,556	376,024	1,671,054	4.4
2010 Total	1,886,509	450,068	949,812	4,300,620	4.5
2012/13 Maha	1,044,343	247,078	664,804	2,846,276	4.3
2013 Yala	658,560	113,434	402,534	1,774,452	4.4
2013 Total	1,702,903	360,512	1,067,338	4,620,728	4.3
2014/15 Maha	998,710	197,305	659,283	2,876,987	4.4
2015 Yala	663,106	89,915	429,091	1,942,408	4.5
2015 Total	1,661,816	287,220	1,088,374	4,819,395	4.4

Source : Department of Agrarian Development and Department of Census and Statistics

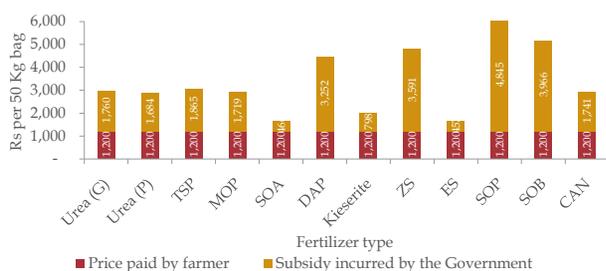
### Fertilizer Subsidy for Other Crops

The fertilizer subsidy for other crops as announced in 2011 continued at the following concessionary rates.

- A 50 kg bag of any type of straight fertilizer at a rate of Rs. 1,200/-
- A 50 kg bag of mixed fertilizer at a rate of Rs. 1,300/-

This subsidy has enabled the farmers to expand their cultivating capacity from one crop to multiple crops and to increase the productivity of crops other than paddy. The subsidy granted by Government as a percentage of the market price on a 50 kg bag of straight fertilizer remained between 28 - 80 percent.

Chart 12.5 | Fertilizer Subsidy for Other Crops - 2015



The state owned fertilizer companies have catered to about 40 percent demand of the fertilizer subsidy for other crops, while the private sector fertilizer suppliers have catered to the remaining 60 percent demand.

Subsidy commitment by the Government for other crops fertilizer during 2015 increased by 12 percent to Rs. 16,889 million compared to Rs. 15,020 million in 2014. As such, 2015 recorded the highest expenditure thus far on fertilizer subsidy for other crops.

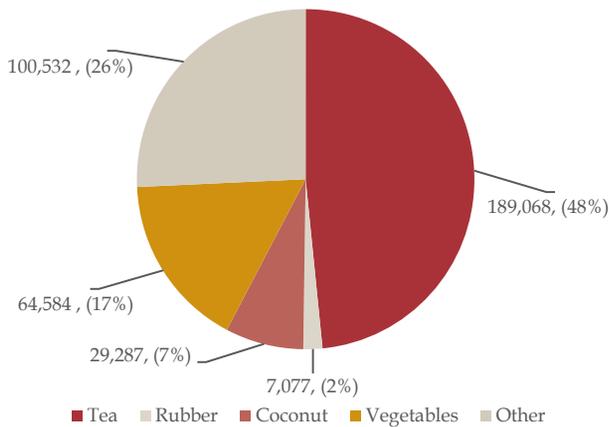
Table 12.5 | Progress of Fertilizer Distribution for Other Crops

Year	Quantity Distributed (Mt)	Subsidy Commitment by the Government (Rs. Mn)
2008	170,020	2,067
2009	232,668	3,817
2010	281,679	7,096
2011	335,323	9,706
2012	380,829	11,564
2013	379,866	13,800
2014	407,439	15,020
2015	463,672	16,889

Source: Department of Development Finance

During 2015, a total volume of 463,672 mt of fertilizer was issued under the fertilizer subsidy scheme for other crops out of which 390,549 mt of fertilizer was used.

Chart 12.6 | Fertilizer usage for other crops - 2015 (mt)



### The Fertilizer Cash Subsidy Scheme

Considering the various incentives granted for the agriculture sector and the contribution made by agriculture sector towards GDP, Government has identified that such incentives have yet been unable to achieve the growth targets envisaged over the medium-term. In this context, the fertilizer subsidy programme of providing fertilizer at highly subsidized rates was identified as a key area for rationalization amidst concerns of over usage and misuse of fertilizer. In addition, several health issues such as chronic kidney disease surfaced in key cultivation areas and environmental concerns raised due to water and soil contamination. Therefore, the Government decided to revisit the fertilizer subsidy policy to minimize such social and environmental hazards while allowing the farmer a greater flexibility in selecting the farming inputs for better productivity.

It has been proposed by the budget 2016 to implement a cash subsidy instead of fertilizer subsidy with a maximum of Rs. 25,000/- per hectare per annum for a paddy farmer up to a maximum of two hectares. Accordingly, the subsidy in cash per annum for a small scale paddy farmer who owns two hectares is Rs. 50,000/- . The farmer will be given the opportunity to decide on spending the cash grant to purchase chemical fertilizer or organic fertilizer from any fertilizer outlet at open market rates.

### 12.4.2 New Comprehensive Rural Credit Scheme (NCRCS)

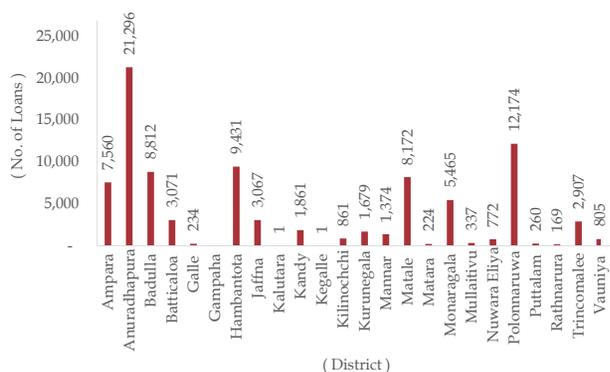
Government continued with the provision of interest subsidy to lending banks for loans advanced by them out of their own resources under the NCRCS. The continuation of this scheme reflects the willingness of the Participatory Financial Institutions (PFIs) as well as the enormous requests from farmers, collectors, and agro based industrialists. The loans given for cultivation purposes under the Scheme are mostly utilized by small farmers. NCRCS contributed significantly towards the reduction of poverty and uplifting the living standards of rural community while enhancing the rural sector production. The credit facility for cultivation is being implemented at a concessionary rate of 7 percent by the PFIs and the General Treasury provides 5 percent of interest subsidy to PFIs. The scheme covers about 33 major crops including Paddy, Chili, Maize, Onion, Potato, and Vegetables.

During 2015, HDFC Bank was included as a PFI under this scheme, thereby increasing the total PFIs to 10 in 2015. The Treasury provided Rs. 275.77 million being the interest subsidy to PFIs for the loans granted under this scheme

The Warehouse Receipt Financing Scheme which was designed to provide short term credit to small farmer producers was incorporated under this scheme with effect from 6<sup>th</sup> July 2015. Accordingly, credit facilities were granted to small farmer producers who store their harvest in warehouse and seek short term finance for the cultivation of the short term crops which are eligible under this scheme and the nurseries of those crops by pledging warehouse receipt to the bank as collateral. Farmers are eligible for a credit facility of 50 percent of the current market value of the stored commodities with a repayment period of maximum of 270 days under this scheme.

During 2015, the demand for loans under NCRCS increased due to economic situation and peaceful environment in the country. The number of farmers benefited under this scheme increased to 90,533 in 2015 from 86,143 in 2014 while the total loan disbursement increased from Rs. 6,749 million in 2014 to Rs. 7,138 million in 2015. In terms of loan distribution, the small loans below the maximum loan limit of Rs. 250,000 per acre have been provided mostly to the paddy sector, accounting for 69 percent of the total loan disbursement in 2015. In 2015, the extent of land totaling 265,719 acres have been utilized for crop cultivation of which 80 percent was for paddy.

Chart 12.7 | District Wise Distribution Of NCRCS Loans - 2015



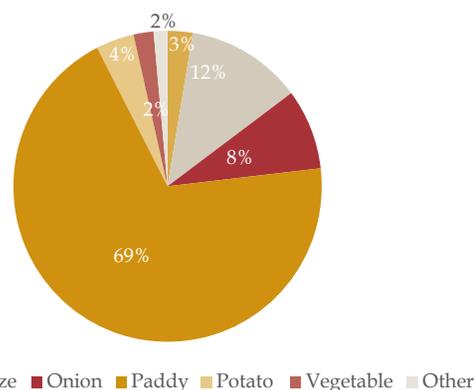
Considering the regional distribution of the beneficiaries and loan disbursements, the highest amount of Rs. 1,363 million loan disbursements was recorded in Anuradhapura District, which was 19 percent of the total loan disbursement of Rs. 7,138 million in 2015. The number of farmers who benefitted under this credit scheme were considerably high in Polonnaruwa, Hambantota, Badulla and Matale districts in comparison to other Districts.

Table 12.6 | Loan Disbursements under NCRCS-2015

Crop	Maximum Loan Limit (Rs.)	Maximum Land Units (Acres)	No. of Loans Granted	Amount Released (Rs. Mn)	Extend of Land (Acres)
Paddy-Irrigated	250,000	10	62,742	4,738	214,011
Rain fed	150,000	10			
Maize	250,000	10	10,995	632	27,946
Potato	350,000	2	3,634	524	3,938
Onion	190,000	2	7,582	881	11,339
Chilies	130,000	2	2,380	136	3,148
Vegetables	40,000 - 180,000	2	1,881	154	2,723
Other-Ginger	140,000	2	1,319	71	2,615
Total			90,533	7,138	265,720

Source: Regional Development Department, Central Bank of Sri Lanka

Chart 12.8 | Loans Granted Under NCRCS by Crop Wise 2015



In 2015, the paddy sector continued to dominate the total number of loans granted, accounting for 69 percent of the crop wise distribution followed by Maize and Onion.

### 12.4.3 Relief for Cultivation Loans

The contribution given by the farmers to foster the agriculture based economy is immense. However, 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 this situation, 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 Government 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.

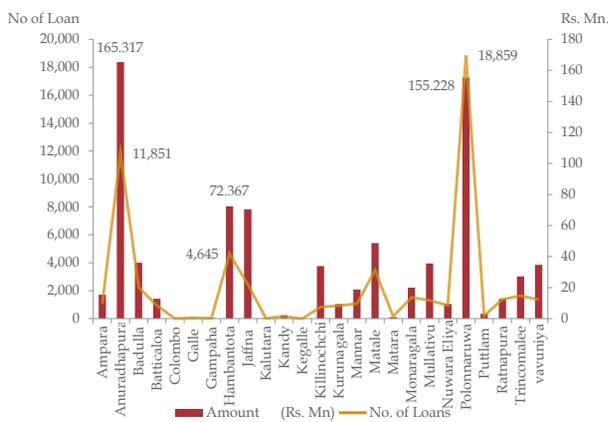
Table 12.7 | Relief for Cultivation Loans Obtained by Farmers From Government Banks

Name of the Bank	No. of Loans	Amount written off (Rs. Mn)
Peoples Bank	25,540	234.65
Bank of Ceylon	21,918	374.02
Regional Development Bank	9,506	176.06
Lankaputhra Development Bank	100	1.9
Total	57,064	786.63

Source: Department of Development Finance

Under this relief package, Government written off Rs 786 million of the cultivation loans obtained by the farmers from the state banks and 57,064 were benefitted. The highest amount was reimbursed by Government to the Bank of Ceylon which is 48 percent (Rs.374 mn.) of the total written off amount. In addition Rs 234 million and Rs. 176 million were released to the People’s Bank and Regional Development Bank respectively.

Chart 12.9 | Relief for Cultivation Loans Obtained by Farmers from Government Banks



In term of relief distribution, the highest beneficiaries were recorded in Polonnaruwa (18,859), Anuradhapura (11,851) and Hambantota (4,645) Districts. Out of the total disburse amount 50 percent were distributed among the beneficiaries in this paddy cultivation districts.

### 12.4.4 Crop Insurance for Farmers

The crop insurance scheme named “Kethata Aruna Pohora Diriya” was established to provide relief to farmers for the damages caused to their cultivations by drought, floods and wild elephants. This scheme was initially implemented through the National Insurance Trust Fund (NITF). Further more, the extension of this scheme from paddy farmers to all smallholder farmers engaged in all crops was executed in year 2014 and the Agricultural and Agrarian Insurance Board (AAIB) was appointed as the implementing authority of the scheme from December 2014 in order to avoid the unnecessary delays on payments. In 2015, approximately Rs. 1,006 million was collected as the premium and Rs. 1,038 million was paid among 138,062 farmers for crop damages during this year.

### 12.4.5 Social Security for Farmers

The Farmers Pension Scheme was able to provide higher benefits to elderly farmers who have spent their youth for country’s agricultural development. 136,421 elderly farmers benefitted under this scheme by the end of 2015 and the total of Rs. 2,481.5 million was distributed among them during the year 2015. Since the Farmers’ Pension Fund is not in at a level of self-sufficiency, the General 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.

### 12.4.6 Incentives to the Plantation Sector

A healthy performance of the plantation sector is very important for the country as it plays a vital role as a major foreign exchange earner. Government showed its firm commitment during 2015 to provide more incentives and subsidies to encourage the smallholder plantation sector.

The 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 led by the small holders who have 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.

Table 12.8 | Performance of Small Holder Plantation Sector, 2010 - 2015

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	203,020	328	130,780	152	394,836	2,411
2013	202,408	340	133,668	130	394,836	2,061
2014	202,800	338	134,137	99	394,836	2,890
2015	202,800	329	134,906	89	394,836	3,027

Source: Ministry of Plantation Industries, Department of Rubber Development, Sri Lanka Tea Board

In order to encourage the smallholder plantation sector, Government provides incentives for re-planting and new planting of tea and rubber. 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.

### 12.4.7 Guaranteed Price for Natural Rubber

In order to encourage the rubber smallholders, a guaranteed price of Rs. 300 per kg of natural rubber was provided through the Department of Rubber Development (RDD) with effect from 15<sup>th</sup> November 2014 in line with the 2015 Budget Proposals. At the initial stage, this guaranteed price 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 requests made by the small-scale latex rubber producers.

Furthermore, this guaranteed price was increased up to Rs. 350 per kg through proposals of the 2015 Interim Budget to further encourage the rubber smallholders and ensure the long term sustainability of the industry. Accordingly, the new scheme was implemented with effect from 1<sup>st</sup> April 2015 and provided a guaranteed price under four categories based on the price prevailed at the local market and the price

difference was provided through the RDD to the rubber smallholders who had claimed for this benefit in order to encourage the value added production. The Government spent Rs. 2,317.75 million to implement this scheme during 2015.

Table 12.9 | Categories Used to Provide Guaranteed Price for Natural Rubber

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

### 12.4.8 Guaranteed Price for Tea Leaves

Government decided to provide a guaranteed price for green leaves to support the tea smallholders who contribute to about 72 percent of tea industry amidst significant decline in price of green leaves in the market. Accordingly, it was proposed to provide a guaranteed price of Rs. 80 per kg of green leaves with effect from April 2015 for about 400,000 tea smallholders who supply green leaves to 712 active tea factories. This guaranteed price scheme which was implemented through the Sri Lanka Tea Board, paid the price difference 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 tea and annual export income were expected to increase by 30 million kg and Rs. 9 billion per annum, respectively. Government has spent Rs. 6,738 million to implement this scheme during the year 2015, despite the allocation of Rs. 5,000 million in the Interim Budget of 2015.

### 12.4.9 Working Capital Loan Scheme for Tea Factory Owners

Considering the financial difficulties faced by registered tea factories due to decline in tea prices, Government has decided to implement a loan scheme on a short term basis to assist them to meet their working capital requirements. Accordingly, this scheme is being implemented

by the Sri Lanka Tea Board through the state and private sector commercial banks under the supervision of the Ministry of Finance.

The applicable interest rate for this loan is 6 percent per annum and the Government of Sri Lanka will provide an interest subsidy of 2 percent to Participating Financial Institutions (PFIs) only for two years period. After the initial two years, the total interest would be recovered from the tea factory owners. Government has allocated Rs. 258 million per year to implement this scheme for a period of two years. Accordingly, a total of 551 of total applications were received by the Sri Lanka Tea Board and among those applications, 531 of applications were recommended to grant loan facilities valued approximately Rs. 10,137 million in 2015.

## 12.5 Food Security

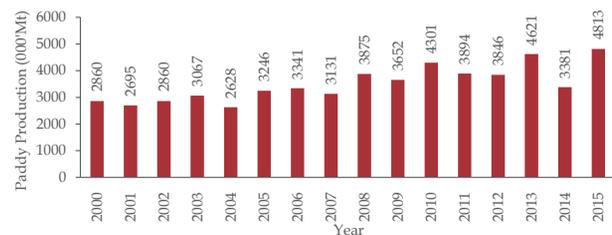
### 12.5.1 Paddy Purchase Programme

Paddy plays a major role in ensuring food security of the country. Government encouraged paddy farmers as well as paddy production over the years through providing a fertilizer subsidy, guaranteed prices for paddy, cultivation loans at concessionary interest rates and technical and extension services. Accordingly, paddy production increased gradually except for certain years which experienced supply side disturbances. The highest ever paddy production of 4.8 million mt was recorded in 2015. This is an increase of around 42 percent compared to the paddy production in 2014. Against this backdrop, maintaining price of paddy at a stable level was a challenge.

Government Paddy Purchase Program (GPPP) of 2015 was implemented by the Ministry of Rural Economic Affairs (Former Ministry of Food Security) through the Paddy Marketing Board (PMB). The PMB purchased 335,839 mt of paddy during 2015. In Maha 2014/15 season, 160,569 mt of paddy has been purchased. The general Treasury has provided Rs. 7,500 million for this purpose. An amount of Rs. 7,950 million provided by the two state banks: Bank of Ceylon and People's Bank was spent in Yala

2015 and the quantity purchased was 175,270 mt. Accordingly, year 2015 marked the highest Government expenditure for paddy purchase under the Government Paddy Purchase Program. In 2015, the Paddy Marketing Board introduced a new method to register farmers with the Paddy Marketing Board in order to improve transparency of the program, while minimizing chances of fraud.

Table 12.10 | Total Paddy Production 2000 - 2015



Source: Department of Census and statistics

Table 12.10 | Quantity of Paddy Purchased under Government Paddy Purchase Program

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
Total	147,669	34,829	182,498	5,179
2010/11 Maha	2,913	556	3,469	98
2011 Yala	58,967	16,205	75,172	2,137
Total	61,880	16,761	78,641	2,235
2011/12 Maha	107,319	8,467	115,786	3,259
2012 Yala	9,936	540	10,476	294
Total	117,255	9,007	126,262	3,553
2012/13 Maha	107,445	31,205	138,650	4,530
2013 Yala	81,834	12,542	94,376	3,058
Total	189,279	43,747	233,026	7,588
2013/14 Maha	3,971	592	4,563	148
2014 Yala	0	0	0	0
Total	3,971	592	4,563	148
2014/15 Maha	126,203	34,366	160,569	7,510
2015 Yala	162,775	12,495	175,270	7,950
Total	288,978	46,861	335,839	15,460
Grand Total	809,032	151,797	960,829	34,163

Source : Paddy Marketing Board

Further, being part of the Interim Budget Proposals 2015 guaranteed price of paddy was revised as Rs. 50/- per kilogram of Keeri Samba paddy and other varieties of Samba paddy and Rs. 45/- per kilogram of Nadu paddy and other varieties of paddy, which was an increase of

around 20 percent compared to the year 2014. The unit cost of production of paddy was Rs. 18.95 per kg in irrigated water regime and it was Rs. 25.57 per kg in rain-fed water regime, hence, the average production cost was Rs. 22 per kg. Accordingly, farmers received a profit of around Rs. 25 per kg of paddy. As the Paddy Marketing Board purchased a maximum of 2,000 kg of paddy from each, a farmer could have earned a maximum profit of Rs. 50,000. However, this higher purchase price of paddy resulted in some adverse impacts on disposal price of paddy under Government Paddy Purchase Program. Accordingly, Government's certified price of paddy was revised to comply with market mechanism and in comparison to the cost of production of paddy, ensuring an affordable price to the consumer, for rice.

In the review of the existing guaranteed price of paddy, attention was given to several factors including the cost of production, the expected price of rice to the consumer in the market, and the need to have a reasonable disposal price to prevent any loss in paddy disposal while discouraging chances of frauds in Government Paddy Purchase Program. Accordingly, it has been proposed to revise the prices as Rs. 50/- per kg of Keeri Samba, Rs. 41/- per kg of Samba and Rs. 38/- per kg of Nadu paddy respectively. Government expected to purchase 160,000 mt of paddy during 2015/16 Maha season at an estimated cost of Rs. 6,240 million, from mid-

February to mid-April 2016. By 10<sup>th</sup> May 2016, 132,021 mt. of paddy has been purchased by utilising Rs. 5,141 million.

The contribution made by the private sector to the purchase of paddy was considerable. The state banks and the private banks assisted the private sector by granting pledge loans to the value of Rs. 34,440 million in 2015. This is an increase of around 27 percent compared to the amount granted in 2014 which was Rs. 27,225 million. 71 percent of the total pledge loans granted to the private sector was provided by the state banks (Table 12.11).

### 12.5.2 Storage Facilities and Introduction of Warehouse Receipt

The Government, with the assistance of the World Bank introduced a state-of-the-art storage facility for farmers in selected agricultural districts. Accordingly, farmers can make use of this facility for produces such as Paddy, Maize, Soya bean, Sesame, Black gram, Pepper and Peanut during harvesting period. Such storage facility enables farmers to use the produce as collateral to access financial services by developing a warehouse receipt finance mechanism. Accordingly, the construction of three warehouses was initiated in the Districts of Anuradhapura, Monaragala and Mannar. Out of these, Anuradhapura and Monaragala warehouses were completed with a total storage capacity of 16,000 mt for the above

Table 12.11 | Loans Granted to Private Sector for Paddy Purchasing - 2015

	2014/15 Maha		2015 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	143	1,176.93	87	673.4	230	1,850.33
Bank of Ceylon	348	9,424.89	267	12,830.31	615	22,255.20
RDB	15	34.93	44	187.82	59	222.75
Total for State Banks	506	10,636.75	398	13,691.53	904	24,328.28
Commercial Bank	39	134.85	98	343.32	137	478.17
Sampath Bank	185	1,564.75	138	2,188.16	323	3,752.91
DFCC Bank	25	830.15	28	739.95	53	1,570.10
Seylan Bank	36	186.76	36	199.85	72	386.61
National Development Bank	16	711.2	30	715.2	46	1,426.40
Hatton National Bank	152	1,368.40	144	1,129.60	296	2,498
Total of Private Bank	453	4,796.11	474	5,316.08	927	10,112.19
Grand Total	959	15,432.86	872	19,007.61	1,831	34,440.47

Source : Respective Banks

crops. It was reported that out of 49 commodity depositors at the Upuldeniya warehouse which was located at Anuradhapura, 19 have obtained short term credit facilities by pledging the warehouse receipt and out of 08 commodity depositors at the Buttala warehouse which was located at Monaragala, 02 have obtained short term credit facilities by pledging the warehouse receipt as at end of 2015.

First time in Sri Lanka, a warehouse receipt which is acceptable to the financial institutions was introduced in practice with the commencement of operations at Upuldeniya and Buttala warehouses. It was observed that ensuring the quality of the warehouse receipt would be one of the major challenges when it is considered as alternative collateral for bank finance particularly with the small farmers in the rural sector.

Considering the success of the above project, the Government announced to construct three new warehouses in the Districts of Polonnaruwa, Killinochchi and Ratnapura by the budget for 2016.

Apart from the three main warehouse complexes constructed during 2015 under the Warehouse Recipient Financing Project (WHRFP), financial facilities were provided to construct household based warehouses for individual farmers to store Big onion in the districts of Matale, Anuradhapura, Polonnaruwa and Kurunegala. This additional activity was designed to address marketing problems encountered by the Big onion farmers in the above districts during the harvesting period. The total storage capacity of Big onion warehouses was 3,730 mt and it has been allocated to 1,535 mt, 1,425 mt, 470 mt and 300 mt in the Districts of Matale, Anuradhapura, Polonnaruwa and Kurunegala respectively as at end 2015.

### 12.5.3 Rice Donation to the World Food Program

In 2013, with the remarkable harvest which was recorded as the highest ever annual paddy production at that time in Sri Lanka a considerable paddy surplus was created in the country. Accordingly, the Government of

Sri Lanka agreed to donate 50,000 mt of rice to the World Food Program (WFP) to achieve the following two objectives along with managing the excess harvest.

1. To graduate Sri Lanka to the status of a donor country of rice to the WFP from the status of a recipient of aids from WFP.
2. To strengthen our bilateral co-operation with WFP by sharing our development benefits continuously with WFP as to recognize the WFP assistance to Sri Lanka in the past to feed displaced people affected by internal conflicts, Tsunami and other natural disasters.

As the first initiative of this programme, the Government of Sri Lanka has agreed to donate 10,000 mt. of rice through “Sri Lankan Humanitarian Solidarity” to the WFP local program in Sri Lanka and the balance 40,000 mt. will be distributed among selected WFP member countries in the world. The amount to be distributed during a particular year is decided based on the amount of excess paddy available after allocating for domestic consumption requirement and also depending on requests made by the WFP.

Accordingly, by the end of 2015, the Government has donated 3,341 mt of rice to the WFP under the agreed donation program including a quantity of 292 mt. of rice supplied during 2015. The Government incurred a cost of Rs. 232.02 million in total for supplying above mentioned quantity of 3,341 mt. of rice. By 10<sup>th</sup> May 2016, Sri Lanka has donated 6,341 mt. of rice to the WFP.

### 12.5.4 Development of Poultry Sector

Currently, Sri Lanka’s poultry sector is growing rapidly indicating its increasing share of the Gross Domestic Product (GDP) and export income. Therefore, the Government remained committed to provide timely support for this sector to resolve issues as they occur. In 2015, Sri Lankan poultry sector was able to produce 164,450 mt of chicken meat and 1,899 million of eggs indicating considerable growth of production from the previous year (2014) which was 150,320 mt and

1,721 million, respectively. Further, some of the major poultry producers were able to enter into world markets by starting poultry exports to many countries.

Maize is one of the major ingredients of the poultry feed as it contributes to over 55 percent of the poultry feed. Therefore, price of the maize highly affects the cost of production of poultry products. The expected local maize harvest of year 2015 has come down due to heavy rains in maize cultivating areas. Furthermore, the estimated maize harvest was 277,336 mt and total maize requirement for the animal feed production was around 350,000 mt - 400,000 mt for the year 2015. Non availability of sufficient maize stocks in the local market could negatively affect the animal feed production; which is a main input of the poultry industry.

Considering these facts, animal feed millers were allowed to import their two months' maize requirement. Accordingly, around 103,000 mt. of maize were imported by animal feed millers from April 2015.

## 12.6 Special Incentives for Targeted Groups

### 12.6.1 Special Interest Rate for Senior Citizens

Senior citizens, who spent their youth to support the country's development, were provided a special interest rate for their fixed deposits with the intension of providing financially stable and secure retirement life. Accordingly, it was proposed to provide 12 percent special interest rate for senior citizens fixed deposits in the Budget 2015 presented by the previous Government.

Furthermore, this special interest rate was increased up to 15 percent through the Interim Budget 2015 presented by the current Government. Accordingly, senior citizens who open fixed deposits up to rupee one million in total or less at a Licensed Commercial Bank (LCB) or Licensed Specialized Bank (LSB) in an individual basis 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, is reimbursed by the Treasury on quarterly basis.

In 2015, the Government reimbursed around Rs. 3,661 million among participatory LCBs and LSBs for the additional interest paid for the senior citizens.

Table 12.12 | Quarter-wise Progress of the Special Interest Scheme for Senior Citizens - 2015

Description	No. of Beneficiaries	Reimbursement (Rs.)
Quarter 1	91,240	181,864,667.33
Quarter 2	175,782	897,029,886.26
Quarter 3	196,106	1,185,585,616.89
Quarter 4	229,777	1,396,660,535.30
Total		3,661,140,705.78

Source: Department of Development Finance

Further, the Budget 2016 proposed to extend the existing Senior Citizens Fixed Deposit Scheme to Licensed Finance Companies registered under Central Bank of Sri Lanka (CBSL) in order to provide more benefits to the senior citizens. Accordingly, a special interest rate of 15 percent would be given to the one-year rupee fixed deposits up to Rs. 1.5 million in total or less opened in Licensed Finance Companies registered under CBSL on an individual basis by Sri Lankan senior citizens above 55 years of age. The Government has allocated Rs. 4,000 million to continue the existing scheme and Rs.1,500 million to implement this new scheme through Licensed Finance Companies during the year 2016.

### 12.6.2 Self-Employment Loan Scheme for Socially Re-Integrated Trainees

The self-employment loan scheme for socially re-integrated trainees was implemented from July 2012 through the Bank of Ceylon (BOC), Peoples' Bank (PB) and Sri Lanka Savings Bank (SLSB) to provide credit facilities to the trainees of ex-combatants who were engaged in LTTE activities and had been either surrendered to or arrested by the security forces after the humanitarian operation.

This loan scheme has given great opportunities to the socially re-integrated youth to commence their livelihood activities successfully. These youth are eligible to participate in Entrepreneurship Development Training Program and post-supervision programs to develop their social and economic activities and this also provide a strong base for its trainees to become good citizens and an economic environment to successfully carry out their livelihood pursuits. Accordingly, the loans are provided to eligible rehabilitees up to a maximum Rs.250, 000 with a maximum repayment period of 10 years inclusive of maximum one year grace period, if required 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.

At the first stage, the disbursement target was Rs. 300 million among the BOC, PB and SLSB with Rs. 125 million, Rs. 100 million and Rs. 75 million respectively. Under this scheme 8 percent interest subsidy is being given to the participatory institutions by the Treasury. The progress of stage I of this loan scheme as at 31.12.2015 was as follows.

Table 12.13 | Progress of Socially Re-integrated Trainees Loan Scheme as at 31.12.2015

District	No of Loans Granted	Amount Disbursed (Rs.)
Jaffna	288	48,336,000
Killinochchi	342	51,984,000
Mullaitivu	430	78,310,000
Vavuniya	307	47,075,000
Mannar	270	48,700,000
Batticaloa	74	11,075,000
Trincomalee	72	14,250,000
Ampara	11	1,750,000
Other Districts	5	1,150,000
Total	1799	302,630,000

Source: Rehabilitation Authority

In terms of disbursement, 1,799 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. 42 million to the PFIs as interest subsidy by December 2015. Cabinet approval was granted to allocate Rs 525 mn for implementation of the 2<sup>nd</sup> stage of this loan scheme and expect to provide same credit facility to the reintegrated persons into the society by the Department of Prisons within the allocation of the Phase II.

### 12.6.3 Special Vehicle Loan Scheme for Senior Artists and Writers and Journalists

This special loan scheme was introduced in 2012 to Senior Artists, Writers and Journalists who have made an uninterrupted contribution of over 25 years to purchase vehicles. This loan scheme was implemented through the Ministry of Mass Media and Information and the Ministry of Cultural and Arts. Under this scheme senior Artists, Writers and Journalists get an interest free loan with a maximum loan limit of Rs. 1.2 million with a repayment period of 7 years. This was implemented through the Bank of Ceylon (BOC), Peoples’ Bank (PB) and National Savings Bank (NSB) and the interest amount of the loans are totally born by the Government. The applicable interest rate varies in between 10 percent to 14 percent depend on the size of the loans. The progress of the loan scheme as at 31.12.2015 was as follows.

Table 12.14 | Progress of Senior Journalists, Artists and Writers Loan Scheme as 31.12.2015

Institute	No. of Loans Granted	Amount Disbursed (Rs. Mn)	Subsidy Paid (Rs. Mn)
Ministry of Media and Information	340	395	91
Department of Cultural Affairs	580	676	115
Total	920	1,071	206

Source: Government Banks

Ministry of Media and Information and Department of Cultural Affairs play a key role by recommending qualified applicants to obtain the loan under the above category. Accordingly, Rs. 1,071 million of loan facility has granted to purchase vehicles for 920 personals by the end of 2015. Treasury has paid Rs. 206 million as an

interest subsidy during the same period.

#### 12.6.4 Relief for Pawning Advances

Several special measures have been implemented by the Government to provide relief to the people by reducing the rising cost of living. As a result of the cost of living burden, people had pawned their jewelry which was 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 have utilized this money for their day to day consumption and finally they were not been able to settle those loans by the reason of non-reachable high interest rate charges in banks. Therefore, poor people who have obtained loans from unauthorized sources to settle these pawning advances finally face the loan-trap.

The Government understands this misery of the people who had pawned jewelry on high interest rate and announced to waive off the excess interest for a specific time period from 15<sup>th</sup> March

2015 to 30<sup>th</sup> June 2015 in order to recover pawned jewelry as a special relief.

Accordingly, people who have obtained a pawning advance up to a maximum amount of Rs. 200,000 from the state owned banks were eligible to enjoy the benefit under this scheme. This scheme was successfully completed and Rs. 94.07 million was distributed among 7 participatory government banks for providing interest write off facility for 36,011 beneficiaries.

Table 12.15 | Interest Subsidy Payments for Participatory Government Banks - 2015

Month	No. of Beneficiaries	Amount (Rs.)
March	5,621	11,553,130.45
April	9,367	21,375,805.49
May	12,971	33,302,688.74
June	8,052	27,833,272.88
Total	36,011	94,064,897.56

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## Financial Statements 2015

Financial Statements of the Democratic Socialist Republic of Sri Lanka for the year ended 31st December 2015 comprising the Statement of Financial Performance, Statement of Financial Position, Statement of Cash Flow, Statement of Changes in Net Assets / Equity, Accounting Policies and Notes to the Accounts are forwarded herewith.

By these Financial Statements, the utilization process of financial resources allocated by Appropriation Act No. 41 of 25th November 2014 for 2015 and amendments thereto, for recurrent and capital expenditure of nineteen (19) Special Spending Units, fifty (50) Government Ministries, ninety five (95) 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 illustrated. Further, the Financial Statements reveal the information relating to capital contribution or shareholdings in the, thirty five (35) Commercial Public Corporations, ninety one (91) 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 modified cash based accounting method is adopted for reporting. In addition, information on movable assets required for accrual based accounting has been included as a Note from the year 2004 onwards. The Department of Valuation has commenced assessing the value of government owned land and buildings in the year 2012 and the progress is reported as 87% by end of 2015. Further, actions have been initiated to record government 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 non financial assets in the Financial Statements starting from the year 2015.

Similarly, according to the Handbook on Government Finance Statistics (GFS) 2014, actions have been initiated 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 Period ended 31st December 2015

Budget Estimate 2015 Rs.		Note	Actual 2015 Rs.	Actual 2014 Rs.
	<b>REVENUE</b>			
1,292,700,000,000	<b>Tax Revenue</b>		1,282,120,577,706	987,925,335,438
252,600,000,000	Income Tax	1	262,583,388,229	198,114,559,416
790,740,000,000	Taxes on Domestic Goods & Services	2	756,108,962,960	556,002,742,646
249,360,000,000	Taxes on International Trade	3	263,428,226,517	233,808,033,376
147,950,000,000	<b>Non Tax Revenue &amp; Others</b>	4	112,124,825,023	139,706,103,179
<b>1,440,650,000,000</b>	<b>TOTAL REVENUE (a)</b>		<b>1,394,245,402,730</b>	<b>1,127,631,438,617</b>
	<b>LESS : EXPENDITURE</b>			
432,436,767,342	Salaries, Wages and Other Employment Benefits	5	429,742,326,857	333,860,136,142
177,254,464,204	Other Goods & Services	6	162,965,683,901	176,808,209,023
630,565,588,059	Subsidies, Grants and Transfers	7	552,848,681,528	412,601,387,795
529,572,900,000	Interest Payments	8	527,227,571,912	446,393,046,266
6,403,677,023	Other Recurrent Expenditure	9	137,187,257	383,214,091
<b>1,776,233,396,628</b>	<b>Total Recurrent Expenditure (b)</b>		<b>1,672,921,451,455</b>	<b>1,370,045,993,316</b>
<b>335,583,396,628</b>	<b>REVENUE DEFICIT (a) - (b)</b>		<b>278,676,048,725</b>	<b>242,414,554,700</b>
835,396,798,272	<b>Public Investments</b>	10	683,963,424,066	595,710,645,910
<b>1,170,980,194,900</b>	<b>BUDGET DEFICIT</b>		<b>962,639,472,791</b>	<b>838,125,200,610</b>
	<b>FINANCING THE BUDGET DEFICIT</b>			
321,637,292,742	Foreign Borrowings	11	556,370,365,051	422,542,966,357
(204,085,100,000)	Foreign Debt Repayments		(187,112,820,912)	(106,979,239,792)
<b>117,552,192,742</b>	<b>NET FOREIGN BORROWINGS</b>		<b>369,257,544,138</b>	<b>315,563,726,565</b>
17,950,503,762	Foreign Grants	12	6,013,856,669	9,415,027,292
<b>135,502,696,504</b>	<b>TOTAL FOREIGN FINANCING</b>		<b>375,271,400,807</b>	<b>324,978,753,857</b>
1,701,642,448,984	Domestic Borrowings	13	1,187,230,889,942	965,449,379,341
(659,696,000,000)	Domestic Debt Repayments	14	(659,282,286,890)	(528,987,326,574)
<b>1,041,946,448,984</b>	<b>NET DOMESTIC BORROWINGS</b>		<b>527,948,603,052</b>	<b>436,462,052,767</b>
14,000,000,000	Recoveries from On-Lending	15	12,960,805,528	14,892,388,719
350,000,000	Sale of Capital Assets		97,929,768	17,604,343,728
	- Net Change in Deposit Accounts and Liabilities		13,053,564,559	16,916,631,122
	- (Increase)/ Decrease in Cash & Cash Equivalents		33,307,169,077	27,271,030,416
<b>1,191,799,145,487</b>	<b>TOTAL FINANCING</b>		<b>962,639,472,791</b>	<b>838,125,200,610</b>

## Statement of Financial Position

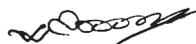
as at 31st December 2015

	Note	Actual	
		2015 Rs.	2014 Rs
<b>Non Financial Assets</b>	16	21,287,299,721	-
<b>Financial Assets</b>			
Advances to Public Officers	17	22,326,681,273	23,396,318,757
Advances to Government Departments	18	9,878,043,209	9,679,045,605
Membership Fees	19	3,517,179,876	3,517,179,875
On Lending	20	174,196,100,153	207,966,045,625
Capital Contributions to State Owned Enterprises	21	492,129,872,096	397,837,327,925
Investments on Borrowings	22	7,684,953,706,734	6,577,431,480,833
Stamps Stock Account		1,315,218,449	1,244,373,077
<b>Total Financial Assets</b>		<b>8,388,316,801,790</b>	<b>7,221,071,771,697</b>
<b>Total Assets</b>		<b>8,409,604,101,511</b>	<b>7,221,071,771,697</b>
<b>Statutory &amp; Other Funds</b>			
Consolidated Fund	23	(403,025,504,824)	(356,664,771,188)
Contingency Fund		100,000,000	140,000,000
Foreign Loan Revolving Funds	24	25,747,620,522	25,835,286,956
Investment Based Funds - SOES	25	666,325,972,249	605,803,373,550
Miscellaneous Funds	26	1,397,008,734	1,284,802,968
Non Current Assets Reserve Funds	27	21,287,299,722	-
<b>Total Funds</b>		<b>311,832,396,403</b>	<b>276,398,692,286</b>
<b>Liabilities</b>			
Bank Overdrafts	28	197,655,030,624	164,347,861,546
Advance from the Central Bank	29	151,131,671,400	143,897,971,400
Government Borrowings	30	7,684,953,706,734	6,577,431,480,833
Deposits & Other Liabilities	31	63,142,399,483	62,723,510,419
Accounts Operating with Government Departments	32	277,042,446	(4,315,027,763)
Sundry Accounts	33	611,854,421	587,282,976
<b>Total Liabilities</b>		<b>8,097,771,705,108</b>	<b>6,944,673,079,411</b>
<b>Total Funds and Liabilities</b>		<b>8,409,604,101,511</b>	<b>7,221,071,771,697</b>
Contingent Liabilities & Commitments	34	431,954,283,000	519,273,950,000

The accompanying "Statement of Accounting Policies" and "Notes to the 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  
23<sup>rd</sup> March, 2016

## Statement of Cash Flows

for the Period ended 31<sup>st</sup> December 2015

	Actual	
	2015 Rs.	2014 Rs.
<b>Cash Flow from Operating Activities</b>		
Tax Receipts	1,282,120,577,706	987,925,335,438
Fees, Fines, Penalties and Licenses	26,226,585,972	26,823,759,345
Profits	26,118,625,539	53,636,523,420
Other Receipts	51,602,111,948	46,590,662,933
<b>Total Cash Flow from Operating Activities (a)</b>	<b>1,386,067,901,165</b>	<b>1,114,976,281,135</b>
<b>Less - Cash Disbursed for:</b>		
Personal Emoluments & Operating Payments	592,708,010,758	510,668,345,165
Subsidies & Transfer Payments	552,848,681,528	412,601,387,795
Finance Costs	527,364,759,169	446,776,260,356
<b>Total Cash Disbursed for Operating Activities (b)</b>	<b>1,672,921,451,455</b>	<b>1,370,045,993,316</b>
<b>Net Cash Flows from Operating Activities (c)=(a)-(b)</b>	<b>(286,853,550,290)</b>	<b>(255,069,712,181)</b>
<b>Cash Flows from Investing Activities</b>		
Interest	4,498,365,750	7,978,067,995
Dividends	3,679,135,814	4,677,089,487
Divestiture Proceeds & Sale Of Physical Assets	97,929,768	17,604,343,728
Recoveries from On Lending	12,960,805,528	14,892,388,719
<b>Total Cash Flow from Investing Activities (d)</b>	<b>21,236,236,861</b>	<b>45,151,889,928</b>
<b>Less - Cash Disbursed for:</b>		
Purchase or Construction of Physical Assets & Acquisition of Other Investment	683,963,424,066	595,710,645,910
<b>Total Cash Disbursed for Investing Activities (e)</b>	<b>683,963,424,066</b>	<b>595,710,645,910</b>
<b>Net Cash Flow from Investing Activities (f)=(d) - (e)</b>	<b>(662,727,187,205)</b>	<b>(550,558,755,982)</b>
<b>Net Cash Flow from Operating &amp; Investment Activities (g)=(c) + (f)</b>	<b>(949,580,737,495)</b>	<b>(805,628,468,163)</b>
<b>Cash Flow from Financing Activities</b>		
Local Borrowings	1,187,230,889,942	965,449,379,341
Foreign Borrowings	556,370,365,051	422,542,966,357
Grants Received	6,013,856,669	9,415,027,292
<b>Total Cash Flow from Financing Activities (h)</b>	<b>1,749,615,111,661</b>	<b>1,397,407,372,990</b>
<b>Less - Cash Disbursed for:</b>		
Repayment of Local Borrowings	659,282,286,890	528,987,326,574
Repayment of Foreign Borrowings	187,112,820,912	106,979,239,792
Net Change in Deposit Accounts and Other Liabilities	(13,053,564,559)	(16,916,631,122)
<b>Total Cash Disbursed for Financing Activities (i)</b>	<b>833,341,543,243</b>	<b>619,049,935,244</b>
<b>Net Cash Flow from Financing Activities (j)=(h) - (i)</b>	<b>916,273,568,418</b>	<b>778,357,437,747</b>
<b>Net Movement in Cash (k)=(g) + (j)</b>	<b>(33,307,169,077)</b>	<b>(27,271,030,416)</b>
<b>Opening Cash Balance as at 01<sup>st</sup> January 2015</b>	<b>(164,347,861,546)</b>	<b>(137,076,831,129)</b>
<b>Closing Cash Balance as at 31<sup>st</sup> December 2015</b>	<b>(197,655,030,624)</b>	<b>(164,347,861,546)</b>

## Statement of Changes in Net Assets / Equity

for the Period ended 31<sup>st</sup> December 2015

Rs.

Description	Attributable to Government Entities				Total Net Assets / Equity
	Consolidated Fund	Contingency Fund	Foreign Loan Revolving Fund	Miscellaneous Funds	
<b>Balance at 31st December 2013</b>	(312,477,109,653)	140,000,000	22,586,734,379	1,386,490,241	(288,363,885,033)
	<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 Change in Consolidated Fund	(44,187,661,535)	-	-	-	(44,187,661,535)
Net Change in Contingency Fund	-	-	-	-	-
Net Change in Foreign Loan Revolving Fund	-	-	3,248,552,577	-	3,248,552,577
Net Change in Miscellaneous Funds				(101,687,273)	(101,687,273)
<b>Balance 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>
<b>Changes in Net Assets/Equity for 2015</b>					
Net Change in Consolidated Fund	(46,360,733,636)				(46,360,733,636)
Net Change in Contingency Fund		(40,000,000)			(40,000,000)
Net Change in Foreign Loan Revolving Fund			(87,666,434)		(87,666,434)
Net Change in Miscellaneous Funds				112,205,766	112,205,766
<b>Balance at 31st December 2015</b>	<b>(403,025,504,824)</b>	<b>100,000,000</b>	<b>25,747,620,522</b>	<b>1,397,008,734</b>	<b>(375,780,875,568)</b>

## Comparison of Budgets and Actuals

for the Period ended 31<sup>st</sup> December 2015

Rs. '000

Description	Original Budget	Adjustments	Revised Budget	Actual	Difference in Performance
<b>Tax &amp; Non Tax Revenue</b>					
Income Tax	317,800,000	(65,200,000)	252,600,000	262,583,388	9,983,388
Taxes on Domestic Goods and Services	756,375,000	34,365,000	790,740,000	756,108,963	(34,631,037)
Taxes on International Trade	325,825,000	(76,465,000)	249,360,000	263,428,227	14,068,227
Non Tax Revenue and Others	179,400,000	(31,450,000)	147,950,000	112,124,825	(35,825,175)
<b>Total Tax &amp; Non Tax Revenue</b>	<b>1,579,400,000</b>	<b>(138,750,000)</b>	<b>1,440,650,000</b>	<b>1,394,245,403</b>	<b>(46,404,597)</b>
<b>Other Revenue</b>					
Foreign Grants	18,577,148	(626,644)	17,950,504	6,013,857	(11,936,647)
Recoveries from On-lending	14,300,000	(300,000)	14,000,000	12,960,806	(1,039,194)
Sale of Capital Assets	300,000	50,000,000	350,000	97,930	(252,070)
<b>Total Other Revenue</b>	<b>33,177,148</b>	<b>(876,644)</b>	<b>32,300,504</b>	<b>19,072,592</b>	<b>(13,227,912)</b>
<b>Total Revenue</b>	<b>1,612,577,148</b>	<b>(139,626,644)</b>	<b>1,472,950,504</b>	<b>1,413,317,995</b>	<b>(59,632,509)</b>
<b>Expenditure</b>					
Salaries, Wages & Other Employment Benefits	418,584,634	13,852,133	432,436,767	429,742,327	(2,694,440)
Other Goods & Services	182,431,904	(5,177,440)	177,254,464	162,965,684	(14,288,780)
Subsidies, Grants and Transfers	567,869,201	62,696,387	630,565,588	552,848,682	(77,716,907)
Interest Payments	425,030,000	104,542,900	529,572,900	527,227,572	(2,345,328)
Other Recurrent Expenditure	72,869,261	(66,465,584)	6,403,677	137,187	(6,266,490)
<b>Total Recurrent Expenditure</b>	<b>1,666,785,000</b>	<b>109,448,397</b>	<b>1,776,233,397</b>	<b>1,672,921,451</b>	<b>(103,311,945)</b>
Capital Expenditure	831,215,000	4,181,798	835,396,798	683,963,424	(151,433,374)
<b>Total Recurrent &amp; Capital Expenditure</b>	<b>2,498,000,000</b>	<b>113,630,195</b>	<b>2,611,630,195</b>	<b>2,356,884,876</b>	<b>(254,745,319)</b>
<b>Public Debt Repayment</b>					
Domestic	635,914,900	23,781,100	659,696,000	659,282,287	(413,713)
Foreign	204,085,100	-	204,085,100	187,112,821	(16,972,279)
<b>Total Debt Repayment</b>	<b>840,000,000</b>	<b>23,781,100</b>	<b>863,781,100</b>	<b>846,395,108</b>	<b>(17,385,992)</b>
<b>Total Expenditure</b>	<b>3,338,000,000</b>	<b>137,411,295</b>	<b>3,475,411,295</b>	<b>3,203,279,983</b>	<b>(272,131,312)</b>

## Significant Accounting Policies

### Reporting Entity

These Financial Statements 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. However Public Enterprises, Commercial Public Corporations, State Owned Enterprises and Government Owned Companies or other Companies and Statutory Boards, are not covered in these Financial Statements. Cash outflows from Central Government to those entities taken place during the reporting period 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 have been prepared on the historical 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 2015 to 31st December 2015.

### 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 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 have been made.

### 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 - 30(I), Statement of Foreign Loan Balances.

### **Employee Entitlements**

Employee entitlements to salaries and wages, annual leave, pre-retirement leave and other similar benefits have been 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 comprises 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 the Financial Statements

Budget Estimate 2015 Rs.	Revenue Code	Revenue Title	Actual Revenue	
			2015 Rs.	2014 Rs.
	<b>NOTE - 1</b>	<b>INCOME TAX</b>		
130,000,000,000	1004.01.01	Income Tax	139,395,472,789	81,643,762,273
11,000,000,000	1004.01.02	Dividend Tax	12,339,851,440	10,365,556,301
2,000,000,000	1004.01.03	Remittance Tax	4,135,636,530	19,004,846
<b>143,000,000,000</b>	<b>1004.01.00</b>	<b>Total Corporate Tax (a)</b>	<b>155,870,960,759</b>	<b>92,028,323,419</b>
<b>24,000,000,000</b>	<b>1004.02.01</b>	<b>PAYE</b>	<b>26,205,527,535</b>	<b>22,296,672,242</b>
<b>14,800,000,000</b>	<b>1004.02.99</b>	<b>Other</b>	<b>11,454,386,864</b>	<b>8,018,445,617</b>
<b>64,300,000,000</b>	<b>1004.03.00</b>	<b>Withholding Tax</b>	<b>62,904,065,381</b>	<b>69,616,609,391</b>
64,000,000,000	1004.03.01	On Interest	62,411,593,160	69,402,270,951
300,000,000	1004.03.99	On Fees & Other	492,472,221	214,338,440
<b>6,500,000,000</b>	<b>1004.04.00</b>	<b>Economic Service Charge</b>	<b>6,148,447,689</b>	<b>6,154,508,746</b>
<b>109,600,000,000</b>	<b>1004.02.00</b>	<b>Total Non -Corporate Tax (b)</b>	<b>106,712,427,470</b>	<b>106,086,235,997</b>
<b>252,600,000,000</b>		<b>Total Income Tax (a+b)</b>	<b>262,583,388,229</b>	<b>198,114,559,416</b>
	<b>NOTE - 2</b>	<b>TAXES ON DOMESTIC GOODS &amp; SERVICES</b>		
<b>230,000,000,000</b>	<b>1002.01.00</b>	<b>Value Added Tax</b>	<b>214,236,985,483</b>	<b>237,915,432,907</b>
30,000,000,000	1002.01.01	Financial Services	27,896,349,397	24,436,886,511
55,000,000,000	1002.01.02	Other Services	73,719,682,143	65,756,162,292
35,000,000,000	1002.01.03	Manufacturing	28,894,521,159	45,441,698,904
90,000,000,000	1002.01.04	Imports	83,726,432,785	102,280,685,200
20,000,000,000	1002.01.05	Wholesale and Retail Trade	-	-
-	<b>1002.02.00</b>	<b>Goods and Services Tax</b>	<b>881,931</b>	<b>3,459,764</b>
-	1002.02.01	Services	616,445	2,305,617
-	1002.02.02	Manufacturing	264,236	1,154,147
-	1002.02.03	Imports	1,250	-
-	<b>1002.03.00</b>	<b>National Security Levy</b>	<b>11,633,297</b>	<b>13,772,420</b>
-	1002.03.01	Services	11,633,297	13,772,420
-	1002.03.02	Manufacturing	-	-
-	1002.03.03	Imports	-	-
<b>105,000,000,000</b>	<b>1002.04.00</b>	<b>Excise (Ordinance) Duty</b>	<b>105,263,548,521</b>	<b>69,087,998,770</b>
105,000,000,000	1002.04.01	Liquor	105,263,548,521	69,087,998,770
<b>364,000,000,000</b>	<b>1002.05.00</b>	<b>Excise (Special Provisions) Duty</b>	<b>352,298,412,798</b>	<b>165,470,988,376</b>
80,000,000,000	1002.05.01	Cigarettes	79,980,671,667	57,204,263,149
-	1002.05.02	Liquor	906	12,122,984
34,000,000,000	1002.05.03	Petroleum Products	45,091,920,582	28,732,328,531
240,000,000,000	1002.05.04	Motor Vehicles	223,413,689,349	76,435,131,470
10,000,000,000	1002.05.99	Other	3,812,130,293	3,087,142,241
<b>35,000,000</b>	<b>1002.06.00</b>	<b>Tobacco Tax</b>	<b>34,049,349</b>	<b>35,606,823</b>
-	<b>1002.07.00</b>	<b>Stamp Duty</b>	<b>-</b>	<b>-</b>
-	<b>1002.08.00</b>	<b>Debits Tax</b>	<b>-</b>	<b>-</b>
-	<b>1002.09.00</b>	<b>Turnover Tax</b>	<b>15,770,891</b>	<b>472,185,201</b>
-	<b>1002.10.00</b>	<b>Social Responsibility Levy</b>	<b>21,355,996</b>	<b>86,065,960</b>
<b>34,000,000,000</b>	<b>1002.11.00</b>	<b>Telecommunication Levy</b>	<b>33,358,098,253</b>	<b>31,351,492,028</b>

## Notes to the Financial Statements contd...

Budget Estimate 2015 Rs.	Revenue Code	Revenue Title	Actual Revenue	
			2015 Rs.	2014 Rs.
48,000,000,000	1002.12.00	<b>Nation Building Tax</b>	43,938,771,964	44,583,121,715
20,000,000,000	1002.12.01	Services	21,243,984,039	17,600,153,823
10,000,000,000	1002.12.02	Manufacturing	6,800,014,798	10,893,867,704
18,000,000,000	1002.12.03	Imports	15,894,773,127	16,089,100,189
7,000,000,000	1003	<b>Licence Taxes and other</b>	4,286,657,243	4,819,905,968
1,300,000,000	1003.01.00	Luxury Motor Vehicle Tax	1,306,502,923	1,114,853,639
-	1003.02.00	Transfer Tax	-	-
2,200,000,000	1003.03.00	Betting & Gaming Levy	831,922,843	815,175,141
2,300,000,000	1003.04.00	Share Transaction Levy	1,394,916,707	2,048,048,604
1,200,000,000	1003.05.00	Construction Industry Guarantee Fund Levy	753,314,770	841,828,584
1,936,000,000	1003.07.00	<b>Other Licences</b>	1,561,720,844	1,565,655,923
180,000,000	1003.07.01	Pharmaceuticals, Equipment, Perfumes and Pharmacies Registration Fee	93,508,804	168,722,653
1,420,000,000	1003.07.02	Registration fees relevent to the Department of Registrar General	1,129,026,863	1,106,416,384
80,000,000	1003.07.03	Private Timber Transport	87,651,559	50,101,112
60,000,000	1003.07.04	Tax on sale of Motor Vehicles	63,562,923	51,935,758
13,000,000	1003.07.05	Licence Taxes relevent to the Ministry of Defence	12,997,877	12,882,092
23,000,000	1003.07.06	Licence fees relevent to the Dept. of Fisheries & Aquatic Resources	22,781,450	15,083,000
-	1003.07.07	Levy on Rooms of Five Star Hotels	-	-
160,000,000	1003.07.99	Other	152,191,368	160,514,924
19,000,000	1003.08.00	<b>Fees under the Certificate to be granted yearly to Notary Registrar of the High Court</b>	14,438,827	17,585,171
750,000,000	1003.09.00	<b>Taxes on Lands leased out to Foreigners</b>	1,066,637,564	579,471,620
790,740,000,000		<b>Total Taxes on Domestic Goods &amp; Services</b>	756,108,962,960	556,002,742,646
	NOTE - 3	<b>TAXES ON INTERNATIONAL TRADE</b>		
92,000,000,000	1001.01.00	<b>Import Duties</b>	108,115,913,117	77,726,309,486
60,000,000	1001.02.00	<b>Export Duties</b>	33,379,919	24,080,385
900,000,000	1001.03.00	<b>Import &amp; Export Licences Fees</b>	1,089,115,878	751,446,317
55,000,000,000	1001.04.00	<b>Ports &amp; Airports Development Levy</b>	56,733,269,874	68,646,232,667
45,400,000,000	1001.05.00	<b>Cess Levy</b>	45,180,681,547	38,707,053,953
42,000,000,000	1001.05.01	Import Cess Levy	42,467,401,787	35,622,376,584
3,400,000,000	1001.05.02	Export Cess Levy	2,713,279,760	3,084,677,369
-	1001.06.00	Motor Vehicle Concessionary Levy	300	-
-	1001.07.00	Regional Infrastructure Development Levy	286,733	-
56,000,000,000	1001.08.00	<b>Special Commodity Levy</b>	52,275,579,150	47,952,910,569
-	1001.99.00	Other	-	-
249,360,000,000		<b>Total Revenue from Taxes on International Trade</b>	263,428,226,517	233,808,033,376
	NOTE - 4	<b>NON-TAX REVENUE AND OTHERS</b>		
6,000,000,000	2001.01.00	Railways	6,412,930,769	5,909,311,865
6,800,000,000	2001.02.00	Postal	6,710,879,008	6,557,508,362

## Notes to the Financial Statements contd...

Budget Estimate 2015 Rs.	Revenue Code	Revenue Title	Actual Revenue	
			2015 Rs.	2014 Rs.
140,000,000	2001.03.00	Stores Advance Accounts (Explosive Items )	49,996,648	158,330,446
50,000,000	2001.04.00	Prisons Industrial and Agricultural Advance Account	49,987,564	-
<b>12,990,000,000</b>		<b>Revenue From Other Sources (a)</b>	<b>13,223,793,990</b>	<b>12,625,150,673</b>
<b>3,050,000,000</b>	<b>2002.01.00</b>	<b>Rent</b>	<b>2,823,375,329</b>	<b>5,668,696,825</b>
700,000,000	2002.01.01	Rent on Government Building & Housing	727,333,851	641,730,114
1,100,000,000	2002.01.02	Rent on Crown Forests	1,318,518,534	739,444,271
50,000,000	2002.01.03	Rent from Land and Other	36,969,740	44,477,083
1,000,000,000	2002.01.04	Lease rental from Regional Plantation Companies	645,464,568	733,091,100
200,000,000	2002.01.99	Other Rental	95,088,636	3,509,954,257
<b>5,250,000,000</b>	<b>2002.02.00</b>	<b>Interest</b>	<b>4,498,365,750</b>	<b>7,978,067,995</b>
3,850,000,000	2002.02.01	On-lending	3,544,814,131	6,757,893,792
1,400,000,000	2002.02.99	Other	953,551,620	1,220,174,203
<b>38,500,000,000</b>	<b>2002.03.00</b>	<b>Profits</b>	<b>26,118,625,539</b>	<b>42,136,523,420</b>
<b>5,040,000,000</b>	<b>2002.04.00</b>	<b>Dividends</b>	<b>3,679,135,814</b>	<b>4,677,089,487</b>
-	<b>2002.05.00</b>	<b>Transferring Surplus Fund from Public Enterprises</b>	-	-
<b>110,000,000</b>	<b>2003.01.00</b>	<b>Departmental Sales</b>	<b>143,190,277</b>	<b>98,745,252</b>
<b>31,210,000,000</b>	<b>2003.02.00</b>	<b>Administrative Fees &amp; Charges</b>	<b>32,283,325,306</b>	<b>25,056,308,887</b>
110,000,000	2003.02.01	Audit Fees	109,335,620	100,469,961
-	2003.02.02	Air Navigation Fees	2,500	-
140,000,000	2003.02.03	Fees under Registration of Persons	172,101,133	102,459,908
140,000,000	2003.02.04	Fees of Department of Survey	308,091,450	156,469,407
520,000,000	2003.02.05	Service Charges of Government Pess	690,332,310	464,135,853
20,000,000	2003.02.06	Fees under the Fauna & Flora Protection Ordinance	22,449,208	17,029,398
9,200,000,000	2003.02.07	Fees of Passports, Visas & Dual Citizenship	10,107,772,153	8,150,850,432
3,900,000,000	2003.02.08	Embarkation Levy	3,963,229,542	3,605,497,640
100,000,000	2003.02.09	Fees of Department of Valuation	53,047,156	110,029,819
90,000,000	2003.02.10	Fees of Registrar of Companies	85,387,195	70,763,473
40,000,000	2003.02.11	Legal fees from Corporations & Statutory Bodies	32,594,615	36,074,324
20,000,000	2003.02.12	Fees recovered under the Public Contract Act	20,568,000	17,014,500
230,000,000	2003.02.13	Examinations & Other Fees	240,949,011	229,422,610
9,000,000,000	2003.02.14	Fees under the Motor Traffic Act & other receipts	9,345,570,004	8,123,798,261
1,000,000,000	2003.02.15	Registration Fees on Motor Vehicle transfers under the issuing Motor Vehicle permits on concessionary terms	1,218,952,372	-
300,000,000	2003.02.16	Air craft rentals	246,312,150	248,695,914
100,000,000	2003.02.17	Fee on Local Sale of Garments	121,637,031	89,275,709
230,000,000	2003.02.18	Fees relevant to the Department of Agriculture	268,070,106	195,492,238
550,000,000	2003.02.19	Botanical and Gardens Revenue	545,295,285	465,783,564

## Notes to the Financial Statements contd...

Budget Estimate 2015 Rs.	Revenue Code	Revenue Title	Actual Revenue	
			2015 Rs.	2014 Rs.
-	2003.02.20	Accounting & Auditing Standards Cess Levy	-	-
20,000,000	2003.02.21	Fees relevant to the Ministry of Petroleum Industries	21,147,223	21,384,958
5,500,000,000	2003.02.99	Sundries	4,710,481,242	2,851,660,917
<b>2,400,000,000</b>	<b>2003.03.00</b>	<b>Fines and Forfeits</b>	<b>2,091,234,799</b>	<b>2,735,725,806</b>
1,400,000,000	2003.03.01	Fines and Forfeits - Customs	1,129,217,161	-
1,000,000,000	2003.03.02	Fines and Forfeits - Other	962,017,638	-
<b>800,000,000</b>	<b>2003.04.00</b>	<b>Public Officer's Motor Cycle Premium</b>	<b>772,048,802</b>	<b>5,737,579,124</b>
<b>18,800,000,000</b>	<b>2003.99.00</b>	<b>Other Receipts</b>	<b>9,342,846,931</b>	<b>4,705,351,239</b>
<b>15,800,000,000</b>	<b>2004.01.00</b>	<b>Social Security Contributions</b>	<b>15,213,299,355</b>	<b>14,918,885,482</b>
9,800,000,000	2004.01.00	Central Government	10,049,801,371	9,361,637,260
6,000,000,000	2004.02.00	Provincial Councils	5,163,497,984	5,557,248,223
<b>14,000,000,000</b>	<b>2005</b>	<b>Current Transfers</b>	<b>1,935,583,130</b>	<b>13,367,978,990</b>
12,000,000,000	2005.01.00	Central Bank Profits	-	11,500,000,000
-	2005.01.99	Other Transfers	-	-
2,000,000,000	2005.99.00	National Lotteries Board and Other Transfers	1,935,583,130	1,867,978,990
-	2006.03.00	Domestic Capital Transfer	-	-
-	2006.20.00	Other	-	-
<b>134,960,000,000</b>		<b>Revenue From Other Sources (b)</b>	<b>98,901,031,033</b>	<b>127,080,952,505</b>
<b>147,950,000,000</b>		<b>Total Non - Tax Revenue &amp; Other Revenue (a) + (b)</b>	<b>112,124,825,023</b>	<b>139,706,103,179</b>
<b>1,440,650,000,000</b>		<b>Total Revenue (Note 1 - 4)</b>	<b>1,394,245,402,730</b>	<b>1,127,631,438,617</b>

Notes to the Financial Statements contd...

Budget Estimate 2015 Rs.	Object Code	Object Title	Actual	
			2015 Rs.	2014 Rs.
	NOTE-5	<b>OBJECT CODEWISE CLASSIFICATION OF SALARIES, WAGES &amp; OTHER EMPLOYMENT BENEFITS</b>		
		<b>Personal Emoluments</b>		
161,173,232,872	1001	Salaries and Wages	159,857,834,824	148,074,795,947
15,250,684,129	1002	Overtime and Holiday Payments	15,105,727,665	14,006,220,761
256,012,850,341	1003	Other Allowances	254,778,764,369	171,779,119,434
<b>432,436,767,342</b>		<b>Total</b>	<b>429,742,326,857</b>	<b>333,860,136,142</b>
	NOTE - 6	<b>OBJECT CODEWISE CLASSIFICATION OF OTHER GOODS AND SERVICES</b>		
		<b>Travelling Expenditure</b>		
12,236,484,583	1101	Domestic	11,979,117,201	11,486,241,091
1,686,825,946	1102	Foreign	1,514,140,933	1,981,639,276
<b>13,923,310,530</b>		<b>Total (a)</b>	<b>13,493,258,134</b>	<b>13,467,880,367</b>
		<b>Supplies</b>		
2,796,254,313	1201	Stationery and Office Requisites	2,625,788,201	2,519,493,650
17,334,226,870	1202	Fuel	16,228,047,126	37,355,001,451
35,150,352,044	1203	Diets and Uniforms	34,322,355,598	34,313,521,595
42,728,158,700	1204	Medical Supplies	34,386,922,305	36,495,477,293
6,239,524,595	1205	Other	5,921,540,411	5,439,458,890
<b>104,248,516,522</b>		<b>Total (b)</b>	<b>93,484,653,641</b>	<b>116,122,952,877</b>
		<b>Maintenance Expenditure</b>		
3,315,482,176	1301	Vehicles	3,164,916,365	3,177,042,189
2,323,365,075	1302	Plant and Machinery	2,023,967,408	1,919,684,388
1,026,092,108	1303	Buildings and Structures	924,358,778	785,794,382
<b>6,664,939,358</b>		<b>Total (c)</b>	<b>6,113,242,551</b>	<b>5,882,520,959</b>
		<b>Services</b>		
4,261,447,472	1401	Transport	4,110,535,361	4,437,333,967
2,823,848,875	1402	Postal and Communication	2,538,246,018	2,553,373,087
11,541,794,167	1403	Electricity and Water	10,643,201,421	12,008,916,526
4,639,678,784	1404	Rents and Local Taxes	4,372,832,162	4,482,045,491
26,901,479,997	1405	Other	25,965,422,733	16,961,908,147
2,249,448,500	1406	Interest Payment for Leased Vehicles	2,244,291,879	891,277,601
<b>52,417,697,794</b>		<b>Total (d)</b>	<b>49,874,529,574</b>	<b>41,334,854,819</b>
<b>177,254,464,204</b>		<b>TOTAL EXPENDITURE ON OTHER GOODS AND SERVICES (a+b+c+d)</b>	<b>162,965,683,901</b>	<b>176,808,209,023</b>
	NOTE - 7	<b>OBJECT CODEWISE CLASSIFICATION OF TRANSFERS, GRANTS &amp; SUBSIDIES</b>		
		<b>Transfers</b>		
96,371,132,529	1501	Welfare Programmes	92,744,323,028	54,203,328,258
163,826,491,035	1502	Retirement Benefits	156,577,095,355	127,347,534,226
62,046,025,661	1503	Public Institutions	61,256,421,115	57,976,357,449

## Notes to the Financial Statements contd...

Budget Estimate 2015 Rs.	Object Code	Object Title	Actual	
			2015 Rs.	2014 Rs.
68,196,460,676	1504	Development Subsidies	67,173,004,317	40,036,778,432
2,647,574,373	1505	Subscriptions and Contributions Fees	2,443,873,517	1,711,814,262
2,577,829,952	1506	Property Loan Interest to Public Servants	2,435,692,345	2,277,552,590
231,622,607,807	1507	Contribution to Provincial Councils	167,551,163,300	126,209,272,308
3,277,466,026	1508	Other	2,667,108,551	2,838,750,270
-	1509	Losses and write off	-	-
<b>630,565,588,059</b>		<b>Total</b>	<b>552,848,681,528</b>	<b>412,601,387,795</b>
	<b>NOTE - 8</b>	<b>OBJECT CODEWISE CLASSIFICATION OF INTEREST PAYMENTS</b>		
451,374,400,000	1601	Domestic Debt	450,053,200,358	376,462,907,413
78,198,500,000	1602	Foreign Debt	77,174,371,554	69,930,138,852
<b>529,572,900,000</b>		<b>Total</b>	<b>527,227,571,912</b>	<b>446,393,046,266</b>
	<b>NOTE - 9</b>	<b>OBJECT CODEWISE CLASSIFICATION OF OTHER RECURRENT EXPENDITURE</b>		
202,612,916	1701	Losses and Write off	137,187,257	383,214,091
6,201,064,107	1702	Contingency Services	-	-
<b>6,403,677,023</b>		<b>Total</b>	<b>137,187,257</b>	<b>383,214,091</b>
<b>1,776,233,396,628</b>		<b>Grand Total (Notes 5 to 9) Total Rcurrent Expenditure</b>	<b>1,672,921,451,455</b>	<b>1,370,045,993,316</b>
	<b>NOTE - 10</b>	<b>OBJECT CODEWISE CLASSIFICATION OF PUBLIC INVESTMENT</b>		
		<b>Rehabilitation and Improvements of Capital Assets</b>		
23,904,872,826	2001	Buildings and Structures	20,699,326,826	19,067,738,731
7,461,204,887	2002	Plant, Machinery and Equipment	5,492,379,786	6,184,939,848
4,282,552,857	2003	Vehicles	3,945,074,125	3,919,613,262
<b>35,648,630,569</b>		<b>Total (a)</b>	<b>30,136,780,737</b>	<b>29,172,291,840</b>
		<b>Acquisition of Capital Assets</b>		
1,894,309,014	2101	Vehicles	1,522,866,573	9,792,746,902
8,992,503,432	2102	Furniture and Office Equipment	8,462,079,501	6,598,057,911
17,948,984,449	2103	Plant, Machinery and Equipment	14,787,389,033	11,273,330,116
209,586,060,414	2104	Buildings and Structures	177,647,866,087	145,712,436,793
87,860,768,530	2105	Lands and Land Improvements	69,791,747,649	73,614,192,594
4,800,000,000	2108	Capital payment for Leased Vehicles	4,799,911,222	241,676,382
<b>331,082,625,840</b>		<b>Total (b)</b>	<b>277,011,860,065</b>	<b>247,232,440,698</b>
		<b>Capital Transfers</b>		
80,963,373,759	2201	Public Institutions	68,415,494,650	64,066,081,987
6,166,981,451	2202	Development Assistance	5,595,842,426	5,828,619,856
17,416,240,000	2203	Contribution to Provincial Councils	17,097,640,000	11,734,859,000
2,655,294,400	2204	Transfers Abroad	668,222,160	883,033,314
<b>107,201,889,610</b>		<b>Total (c)</b>	<b>91,777,199,236</b>	<b>82,512,594,156</b>

## Notes to the Financial Statements contd...

Budget Estimate 2015 Rs.	Object Code	Object Title	Actual	
			2015 Rs.	2014 Rs.
		<b>Acquisition of Financial Assets</b>		
94,400,000,000	2301	Equity Contribution	89,387,108,925	37,455,276,013
19,432,624,297	2302	On-lending	14,591,639,259	26,755,581,468
<b>113,832,624,297</b>		<b>Total (d)</b>	<b>103,978,748,184</b>	<b>64,210,857,480</b>
		<b>Human Resource Development</b>		
6,806,290,967	2401	Staff Training	6,252,151,228	5,524,886,420
<b>6,806,290,967</b>		<b>Total (e)</b>	<b>6,252,151,228</b>	<b>5,524,886,420</b>
		<b>Other Capital Expenditure</b>		
1,292,174,268	2501	Restructuring	1,270,129,439	1,648,836,424
216,543,448,567	2502	Investments	156,571,098,659	145,596,796,724
2,159,293,676	2503	Contingency Services		
20,829,820,478	2504	Investments in Provincial Councils	16,965,456,517	19,811,942,169
<b>240,824,736,989</b>		<b>Total (f)</b>	<b>174,806,684,616</b>	<b>167,057,575,317</b>
<b>835,396,798,272</b>		<b>TOTAL EXPENDITURE ON PUBLIC INVESTMENTS (a+b+c+d+e+f)</b>	<b>683,963,424,066</b>	<b>595,710,645,911</b>
<b>2,611,630,194,900</b>		<b>Total Expenditure (Notes 5 to 10)</b>	<b>2,356,884,875,521</b>	<b>1,965,756,639,228</b>

## Notes to the Financial Statements contd...

**NOTE - 11 - FOREIGN BORROWINGS - 2015**

Funding Agency	Project	Loan Key Number	Actual	
			2015 Rs.	2014 Rs.
	<b>AB SVENSK EXPORT CREDIT</b>		<b>439,287,229</b>	<b>148,749,283</b>
1	Ratmalana & Ja-Ela Wastewater Treatment Facilities Project	2007029	439,287,229	148,749,283
	<b>AGENCY FRANCAISE DE DEVELOPMENT</b>		<b>26,982,742</b>	<b>8,969,157</b>
2	Implementation of Jaffna & Killinochchi Water Supply & Sanitation Project	2011036	26,982,742	8,969,157
	<b>ASIAN DEVELOPMENT BANK (ADB)</b>		<b>48,198,446,504</b>	<b>32,334,258,068</b>
3	TA Loan - Road Project Preparatory Facility	2004006	34,746,062	241,259,171
4	Secondary Towns & Rural Community Water Sanitation (OCR)	2007012	-	88,052,076
5	Education for Knowledge Society Project	2007031	212,678,925	703,482,491
6	Dry Zone Urban Water and Sanitation Project	2009008	1,512,888,172	1,461,035,997
7	Clean Energy and Access Improvement Project	2009006	2,488,776,804	1,487,273,605
8	Clean Energy and Access Improvement Project	2009007	344,262,310	222,308,992
9	Eastern & North Central Provincial Road Project	2009018	171,199,478	272,708,888
10	Greater Colombo Wastewater Management Project (OCR)	2009028	2,614,567,449	668,544,317
11	Greater Colombo Wastewater Management Project (ADF)	2009029	514,898,822	58,590,058
12	ADB Funded Fiscal Management Efficiency Project	2010019	180,683,070	146,901,912
13	Conflict Affected Region Emergency Project	2010021	4,158,781,361	2,232,250,275
14	Northern Road Connectivity Project (OCR)	2010025	1,368,452,637	2,531,400,770
15	Northern Road Connectivity Project (ADF)	2010026	424,406,909	363,930,848
16	Jaffna & Killinochchi Water Supply & Sanitation Project (OCR)	2011001	121,511,078	20,572,189
17	Jaffna & Killinochchi Water Supply & Sanitation Project (ADF)	2011002	458,724,098	143,881,245
18	Sustainable Power Sector Support Project	2011012	1,616,021,953	3,196,533,395
19	Sustainable Power Sector Support Project	2011013	74,178,344	403,028,955
20	Secondary Towns & Rural Com/based Water Supply Add.	2011015	32,620,435	43,239,611
21	Secondary Towns & Rural Com/based Water Supply Add (XDR)	2011016	144,962,205	199,483,606
22	Local Government Enhancement Project	2011028	2,886,189,918	715,424,455
23	National Highways Sector Project (ADF)(OCR)	2011035	3,124,530,105	2,896,452,759
24	Northern Road Connectivity Project (ADF)	2012029	2,942,278,180	2,152,487,717
25	Northern Road Connectivity Project (ADF)	2012030	1,243,115,498	1,249,673,291
26	Clean Energy and Network Efficiency Improvement Project	2013015	1,390,421,110	23,298,414
27	Clean Energy and Network Efficiency Improvement Project	2013017	417,886,429	-
28	Dry Zone Urban Water and Sanitation Project (ADF)	2013021	1,801,744,308	746,689,611
29	Education Sector Development Programme (OCR)/(ADF)	2013034 /2013035	4,202,823,622	5,282,440,657
30	Greater Colombo Water Wastewater Management Improvement Project	2013042	2,068,259,910	6,860,028
31	Greater Colombo Water Wastewater Management Improvement Project	2013043	153,886,924	116,223,700
32	Southern Road Connectivity Project	2014017	522,335,445	-
33	Southern Road Connectivity Project	2014018	239,141,955	-
34	Skills Sector Enhancement Programme	2014005 /2014006	3,012,468,675	4,660,229,034
35	Integrated Road Investment Programme	2014041	4,284,613,901	-
36	Greater Colombo Water and Waste Water Management Programme-2	2014029	22,715,885	-
37	Greater Colombo Water and Waste Water Management Programme-3	2014030	45,022,961	-
38	Integrated Road Investment Programme	2015009	1,118,303,265	-
39	Integrated Road Investment Programme	2015010	1,288,157,382	-
40	Mahaweli Water Security Investment Programme	2015025	960,190,919	-
	<b>EXPORT IMPORT BANK OF UNITED STATES</b>		<b>1,170,996,524</b>	<b>1,463,315,730</b>
41	Badulla Haliela & Ella Water Supply Project	2013025	1,170,996,524	1,463,315,730
	<b>BOERENLEEN BANK</b>		<b>7,878,332,632</b>	<b>6,435,765,539</b>
42	Extension of a Disaster Management & Emergency Response System	2009031	-	318,803,647
43	Importation Dairy Animals (Netherlands & Australia)	2011026 /2011025	-	77,296,700
44	Development of Hambantota Hospital	2012010	2,436,895,911	1,358,123,930
45	Development of Nuwara-Eliya Hospital	2012009	2,323,518,231	1,351,848,320
46	Upgrading of the National Blood Transfusion Services SL	2013001	1,077,230,859	2,504,523,547

## Notes to the Financial Statements contd...

## NOTE - 11 - FOREIGN BORROWINGS - 2015

Funding Agency	Project	Loan Key Number	Actual	
			2015 Rs.	2014 Rs.
47	Upgrading of Peripheral Blood Bank coming under the National Blood Transfusion Services	2013024	2,040,687,632	825,169,393
	<b>EUROPEAN INVESTMENT BANK</b>		<b>3,946,099,243</b>	<b>2,753,693,405</b>
48	Sri Lanka SME & Green Energy Global Loan	2013047	3,946,099,243	2,753,693,405
	<b>FORTIS EXPORT NV/FORTIS BANQUE SA</b>		<b>353,310,118</b>	<b>288,042,021</b>
49	Kolonna Balangoda Water Supply Project	2011029	353,310,118	288,042,021
	<b>HSBC BANK PLC (UK)</b>		<b>5,808,456,974</b>	<b>10,385,273,450</b>
50	Construction of 210 Permanent Rural Steel Bridges	2012023	2,628,947,097	2,753,051,971
51	Modernization of Processing of MILCO (Pvt) Ltd	2013012	1,322,737,023	3,006,245,000
52	Regional Bridge Project - Phase ii	2013027	1,856,772,854	4,625,976,479
	<b>INTERNATIONAL DEVELOPMENT ASSOCIATION</b>		<b>17,827,019,074</b>	<b>18,350,156,132</b>
53	Dam Safety & Water Resources Planning Project	2008031	323,353,381	1,514,022,460
54	Provincial Roads Project	2010001	767,782,050	2,208,048,474
55	Higher Education for the Twenty First Century Project	2010024	1,333,943,408	800,292,265
56	North East Local Services Improvement Project	2010043	28,212	1,061,524,854
57	Small & Medium Enterprise Development Facility Project	2010044	2,244,053,345	130,385,698
58	2nd & 3rd Additional Financing for Community Livelihood in Conflict Affected Areas	2011037	27,481,598	1,067,803,268
59	Second Additional Financing for Road Sector Assistance Project	2011010	1,396,893,693	4,127,956,331
60	Transforming the School Education System as the Foundation of a Knowledge Hub Project	2012012	1,459,378,866	2,031,336,343
61	Second Health Sector Development Project	2013030	5,399,884,572	3,457,768,969
62	Climate Resilience Improvement Management Program	2014010	504,867,764	1,951,017,469
63	Strategic Cities Development Project	2014019	1,297,558,748	-
64	Skills Development Project	2014022	871,359,840	-
65	Additional Financing for Dam Safety & Water Resources Planning Project	2014020	2,200,433,597	-
	<b>INTERNATIONAL BANK FOR RECONSTRUCTION AND DEVELOPMENT</b>		<b>2,496,714,406</b>	<b>2,434,925,387</b>
66	Metro Colombo Urban Development Project	2012011	2,496,714,406	2,368,522,673
67	Disaster Risk Mgt. Development Policy Loan	2014013	-	66,402,714
	<b>INTERNATIONAL FUND FOR AGRICULTURE DEVELOPMENT</b>		<b>1,072,012,667</b>	<b>1,020,642,296</b>
68	Dry zone Livelihood Support & Partnership Programme	2004022	-	12,647,768
69	Post Tsunami Coastal Rehabilitation & Resource Mgt Programme	2005022	12,275,813	-
70	Smallholder Plantations Entrepreneurship Development Programme	2007011	373,164,869	494,357,344
71	Post Tsunami Coastal Rehabilitation & Resource Management Programme II	2008025	20,226,783	22,360,109
72	National Agri Business Development Programme	2010009	162,191,376	-
73	Iranamadu Irrigation Development Project	2012008	504,153,826	491,277,075
	<b>NORDEA BANK DENMARK A/S</b>		<b>-</b>	<b>1,013,740,406</b>
74	Kelani Right Bank Water Treatment Plant	2008028	-	16,362
75	Oluvil Port Development Project	2008029	-	695,250,377
76	Rural Electrification Project 4 Extension	2011011	-	318,473,668
	<b>ORGANISATION OF PETROLEUM EXPORTING COUNTRIES (OPEC)</b>		<b>2,460,801,592</b>	<b>2,154,017,333</b>
77	Kalu Ganga Development Project	2010038	335,779,169	365,569,291
78	Road Network Development Project	2012024	1,415,545,923	1,673,917,188
79	Colombo National Highways Project	2013023	709,476,500	114,530,854
	<b>GOVERNMENT OF THE RUSSIAN FEDERATION</b>		<b>12,257,775,512</b>	<b>8,675,269,135</b>
80	Russian Line of Credit	2010018	12,257,775,512	8,675,269,135
	<b>AUSTRALIAN &amp; NEWZELAND INVESTMENT BANK</b>		<b>683,079,227</b>	<b>1,630,223,171</b>
81	Integrated Water Supply Scheme for the Unserved Areas of Ampara District - Phase III	2010023	683,079,227	1,630,223,171
	<b>UNICREDIT BANK AUSTRIA AG</b>		<b>866,453,884</b>	<b>1,340,157,136</b>
82	Augmentation of Mahiyangana Water Supply Project	2013004	433,389,602	922,732,833

## Notes to the Financial Statements contd...

**NOTE - 11 - FOREIGN BORROWINGS - 2015**

Funding Agency	Project	Loan Key Number	Actual	
			2015 Rs.	2014 Rs.
83	Supply of 2 Nos Cardiac Catheterization System to Cardiology Department of the NHSL	2013006	-	43,177,633
84	Sewerage Infrastructure at Kataragama Sacred City Area <b>BNP PARIBAS</b>	2013045	433,064,282 <b>464,186,190</b>	374,246,670 <b>150,000,000</b>
85	Reconstruction of (7) Railway Steel Bridges <b>CALYON CREDIT AGRICOLE CIB</b>	2013032	464,186,190	150,000,000 <b>336,554,635</b>
86	Rehabilitation of Wimalasurendra and New Laxapana Power Stations <b>CO-OP CENTRALE RAIFFEISEN-BOERENLEEN BANK</b>	2008042	- <b>6,909,836,103</b>	336,554,635
87	Sri Lanka Dairy Development Project Phase-II	2014032	1,592,259,046	-
88	Sri Lanka Dairy Development Project Phase-II	2014033	407,740,954	-
89	Construction of 463 Rural Bridges <b>CHINA DEVELOPMENT BANK CORPORATION</b>	2014035	4,909,836,103 <b>35,673,770,598</b>	- <b>27,719,478,054</b>
90	Rehabilitation and Improvement of Priority Road Project	2010051	1,719,579,036	3,563,559,938
91	Improvement and Rehabilitation of Priority Roads	2011007	13,752,050,266	19,267,683,684
92	Moragahakanda Development Project	2012017	2,928,840,165	2,029,483,589
93	Improvement and Rehabilitation of Priority Roads Project iii <b>GOVERNMENT OF FRANCE</b>	2014001	17,273,301,131 <b>1,469,872,937</b>	2,858,750,843 <b>2,388,188,610</b>
94	Greater Trincomalee Water Supply Project	2005052	55,663,543	70,000,000
95	Implementation of Ambathale Water Supply System Improvement & Energy Savings Project	2014027	695,172,500	-
96	Widening and Reconstruction of 46 Bridges on National Road Network <b>GOVERNMENT OF GERMANY</b>	2012028	719,036,894 <b>211,163,874</b>	2,318,188,610 <b>190,616,050</b>
97	Rehabilitation Electricity Supply Jaffna Region (Transmission Line)	2005051	86,420,371	140,696,772
98	Construction of the Mahamodara Maternity Hospital - Galle <b>GOVERNMENT OF INDIA</b>	2012022	124,743,503 <b>23,520,993,882</b>	49,919,278 <b>24,799,190,770</b>
99	Upgrading of Railway Line Colombo Matara	2008011	30,509,365	819,522,815
100	Upgrading of Railway Line Colombo Matara phase II	2010010	322,329,803	-
101	Railway Line Omanthai -Pallai, Madhu- Tallaimannar & Medawachchiya	2010052	7,711,041,313	14,785,489,496
102	India Dollar Credit Line Agreement	2008006	1,071,885,619	-
103	Greater Dambulla Water Supply Project I	2012002	714,190,418	784,593,071
104	Restoration of Northern Railway Services	2012003	9,267,401,903	8,409,585,388
105	Procurement of Two Advanced Offshore Patrol Vessels <b>GOVERNMENT OF KUWAIT</b>	2013046	4,403,635,462 <b>1,422,224,758</b>	- <b>193,760,658</b>
106	Bridges Reconstruction & Rehabilitation Project	1995013	44,032,553	37,439,956
107	Strengthening of Tertiary Education & Administrative Infrastructure in Tsunami Affected Areas	2005048	37,000,000	62,890,496
108	Kalu Ganga Development Project	2009002	875,642,314	-
109	South Eastern University of Sri Lanka Development Project Phase I "B"	2011030	406,320,053	93,430,205
110	Reconstruction of 25 Bridges Project <b>GOVERNMENT OF SAUDI ARABIA</b>	2014002	59,229,838 <b>5,102,996,752</b>	- <b>1,860,063,985</b>
111	Epilepsy Hospital & Health Centers Project	2008001	360,400,396	253,621,591
112	Road Network Development Project	2012025	2,861,258,040	1,606,442,394
113	Kalu Ganga Development Project <b>JAPAN/ SRI LANKA</b>	2010028	1,881,338,317 <b>26,980,841,322</b>	- <b>35,320,181,036</b>
114	Vavuniya Killinochchi Transmission Line Project	2005040		87,809,241
115	Greater Colombo Transport Development Project	2007004	3,148,119,875	4,791,768,963
116	Water Sector Development Project	2007006	2,012,933,848	1,228,514,706
117	Water Sector Development Project (II)	2008014	3,167,687,117	1,710,248,460
118	Poverty Alleviation Micro Finance Project -II	2008015	156,091,345	353,357,511
119	Energy Diversification Enhancement Project	2008016	-	277,393,095
120	Provincial Rural Road Development Project	2010013	2,196,804,596	3,506,491,653
121	Provincial Rural Road Development Project	2010014	-	24,780,798
122	Eastern Province Water Supply Development Project	2010015	908,776,248	1,467,073,224

## Notes to the Financial Statements contd...

## NOTE - 11 - FOREIGN BORROWINGS - 2015

Funding Agency	Project	Loan Key Number	Actual	
			2015 Rs.	2014 Rs.
123	Kandy City Waste Water Management Project	2010016	494,592,179	746,069,186
124	Upper Kotmale Hydro Power Project II	2010017	-	3,922,178,367
125	Greater Colombo Urban Transport Development Project-Phase II	2011003	10,172,497,454	13,871,375,408
126	Vavuniya Killinochchi Transmission Line Project - Phase II	2011004	108,232,284	93,895,913
127	Emergency Natural Disaster Rehabilitation Project	2011027	-	1,289,455,050
128	Habarana Veyangoda Transmission Line	2012006	25,436,896	44,374,104
129	Improvement of Basic Social Services Targeting Emerging Region	2012007	692,330,989	1,004,538,614
130	Greater Colombo Transmission and Distribution Loss Reduction Project	2013016	243,269,122	325,485,139
131	Major Bridges Construction Project	2013018	2,098,708,195	227,148,072
132	Landslide Disaster Protection Project	2013019	349,856,024	177,933,603
133	Anuradhapura North Water Supply Project	2013020	172,400,555	170,289,930
134	New Bridges Construction Project Over the Kelani River	2014003	1,033,104,595	-
	<b>GOVERNMENT OF SPAIN</b>		<b>2,086,595,972</b>	<b>1,246,957,524</b>
135	Implementation of the Greater Rathnapura Water Supply Project	2013003	2,086,595,972	1,246,957,524
	<b>SRI LANKA / KOREA</b>		<b>5,114,806,900</b>	<b>3,220,649,045</b>
136	Ruhunupura Water Supply Development Project	2009004	2,570,982,485	1,138,686,079
137	Hatton - Nuwara Eliya Road Improvement Project	2010041	571,875,074	2,003,905,279
138	Establishment of Colombo Central Vocational Training Center and Gampaha College of Technology Project in Sri Lanka	2013033	108,720,418	-
139	Construction of Solid Waste Disposal Facilities	2013031	-	78,057,687
140	Hatton - Nuwara Eliya Road Improvement Project (Supplementary Loan)	2015011	1,863,228,924	-
	<b>THE EXPORT - IMPORT BANK OF CHINA</b>		<b>33,511,991,401</b>	<b>36,097,687,164</b>
141	Supply of 13 Nos. Diesel Multiple Units to Sri Lanka Railway Project	2010007	-	5,405,023,262
142	Bunkering Facility & Tank Farm Project at Hambantota	2009009	-	770,609,177
143	Northern Province Power Sector Development Project	2010030	-	1,170,009,027
144	Northern Road Rehabilitation Project	2010031	-	746,054,417
145	Northern Road Rehabilitation Project	2010032	-	1,370,408,895
146	Northern Road Rehabilitation Project	2010033	-	1,342,234,679
147	Northern Road Rehabilitation Project	2010034	-	2,805,628,933
148	Northern Road Rehabilitation Project	2010035	-	361,676,950
149	Highway Section Pinnaduwa to Kodagoda Project	2011005	3,090,948,659	847,396,829
150	Highway Section Kodagoda to Godagama Project	2011006	1,216,691,118	1,146,614,596
151	Rehabilitation & Improvement of 67 km Length of Navatkuli, Karaitivu, Mannar Road Project	2011008	758,022,023	2,996,716,473
152	Rehabilitation & Improvement of Puttalam Marichchikade, Mannar Road Project	2011009	3,753,154,705	3,278,813,431
153	Lighting Eastern Province Project	2012001	336,021,881	2,088,051,287
154	Matara Beliatta Section of Matara Kataragama Railway Line Extension	2013005	3,280,122,763	10,162,395,550
155	Kurunegala Water Supply & Sewerage Project	2013041	2,779,244,229	762,863,668
156	Matara Beliatta Section of Matara Kataragama Railway Line Extension	2013022	1,657,648,800	839,533,996
157	Lighting Uva Province Project	2011014	-	3,655,997
158	Construction of Outer Circular Highway Project Phase III from Kerawalapitiya to Kadawatha	2014024	1,836,152,890	-
159	Construction Extension of Southern Expressway Section 1 from Matthala to Beliattha	2014025	5,166,730,663	-
160	Construction Extension of Southern Expressway Section 1 from Matthala to Beliattha	2014040	9,637,253,671	-
	<b>EXPORT IMPORT BANK OF HUNGARY</b>		<b>724,210,488</b>	<b>659,181,173</b>
161	Rehabilitation of Kalatuwawa Water Treatment Plant Project	2013008	359,369,429	291,228,135
162	Rehabilitation of Labugama Water Treatment Plant Project	2013009	364,841,059	367,953,039
	<b>DEUTSCHE BANK AG</b>		<b>9,109,278,567</b>	-
163	Construction of 537 Steel Beam Bridges	2014028	9,109,278,567	-
	<b>KBC BANK OF BELGIUM</b>		<b>399,188,993</b>	-
164	Implementation of Monaragala -Butthala Water Supply Project	2014007	399,188,993	-

## Notes to the Financial Statements contd...

NOTE - 11 - FOREIGN BORROWINGS - 2015

Funding Agency	Project	Loan Key Number	Actual	
			2015 Rs.	2014 Rs.
	<b>OTHERS</b>		<b>298,500,650,000</b>	<b>195,200,345,963</b>
165	Sovereign Bond Issue 2014 - USD 1500 mn	2011017		195,200,345,963
166	Sovereign Bond Issue 2015 - USD 1500 mn	2015029	211,465,650,000	-
167	Sovereign Bond Issue 2015 - USD 650 mn	2015008	87,035,000,000	-
	<b>REFUNDS</b>		<b>(318,012,016)</b>	<b>2,722,914,041</b>
168	Local Government Infrastructure Improvement Project	2006001	(2,898,409)	-
169	Second North East Irrigated Agriculture Project	2004020	(287,338,557)	385,038,179
170	Road Sector Assistance Project	2006020	(147,595)	361,620,658
171	Additional Financing for Road Sector Assistance Project	2008036	(465,809)	138,351,545
172	Second Community Development Livelihood Improvement Project	2009020	(27,161,647)	1,838,321,843
173	Emergency Additional Financing for Community Livelihoods in Conflict Affected Areas Project	2010002	-	(418,183)
	<b>Total</b>		<b>556,370,365,051</b>	<b>422,542,966,357</b>

## Notes to the Financial Statements contd...

## NOTE - 12 - FOREIGN GRANTS

Donor	Actual	
	2015 Rs.	2014 Rs.
<b>Grants received in the form of Cash for Projects</b>		
Asian Development Bank (ADB)	-	1,623,435
Government of Japan	157,479,766	230,904,076
International Labour Organization (ILO)	1,636,555	-
Government of Netherlands	-	14,810,365
United Nations High Commission for Refugees (UNHCR)	-	2,590,000
United Kingdom (UK)	55,008,101	34,984,174
United Nations Development Programme (UNDP)	278,069,405	357,247,693
United Nations Educational, Scientific and Cultural Organization (UNESCO)	4,340,875	4,928,483
United Nations Fund for Population (UNFPA)	21,426,086	71,422,163
United Nations Children's Education Fund (UNICEF)	159,031,743	430,906,567
United State of America (USA)	2,413,757	209,352
World Health Organization (WHO)	40,925,914	43,780,836
World Food Programme (WFP)	37,026,250	52,472,105
World Bank (WB)	470,522,216	625,037,638
United Nations Environment Programme (UNEP)	19,687,396	27,002,896
Global Alliance Vaccination Immunization (GAVI)	20,648,653	107,906,613
South Asian Association for Regional Cooperation (SAARC)	24,334,200	26,236,304
Food and Agricultural Organization	200,000	-
FAIRMED Foundation	210,530	-
Gnanam Foundation	19,781,000	-
Government of Korea	10,270,899	3,577,918
Government of Italy	10,271,931	9,395,991
Government of Norway (NORAD)	23,921,834	8,897,789
Government of Germany	986,514	756,965
Government of Canada	22,715,404	-
Government of Bahrain	97,600,000	-
Others	-	85,556,291
Others (Pakistan & World Meteorology Organization)	99,400,000	12,016,825
<b>Total (a)</b>	<b>1,577,909,030</b>	<b>2,152,264,477</b>
<b>Grants received through Special Foreign Currency Accounts</b>		
International Development Association (IDA)	2,189,903,418	2,155,170,904
Asian Development Bank (ADB)	484,159,737	895,955,570
United Nations Development Programme (UNDP)	11,936,670	23,453,518
International Fund for Agricultural Development (IFAD)	181,384,676	174,164,346
World Bank (WB)	19,685,191	-
<b>Total (b)</b>	<b>2,887,069,693</b>	<b>3,248,744,338</b>
<b>Grants received and reported in the form of Materials &amp; Equipments</b>		
World Food Programme (WFP)	489,962,380	407,132,082
Korea International Cooperation Agency (KOICA)	37,720,050	1,302,304
The Government of India	81,658,935	6,000,000
Japan International Cooperation Agency (JICA)	360,304,209	1,192,533,083
<b>Total (c)</b>	<b>969,645,574</b>	<b>1,606,967,469</b>

## Notes to the Financial Statements contd...

### NOTE - 12 - FOREIGN GRANTS

Donor	Actual	
	2015 Rs.	2014 Rs.
<b>Direct Payments</b>		
The Government of Japan (JICA)	42,675,863	113,788,213
The Government of India	110,367,473	2,001,250,000
Government of Germany	335,859,215	269,134,601
United States Agency for International Development (USAID)	-	-
Asian Development Bank (ADB)	143,189,752	20,857,155
United Nations Fund for Population (UNFPA)	-	605,000
United Kingdom (UK)	-	-
South Asian Association for Regional Cooperation (SAARC)	-	1,416,039
<b>Total (d)</b>	<b>632,092,303</b>	<b>2,407,051,008</b>
<b>Total = (a)+(b)+(c)+(d)</b>	<b>6,066,716,599</b>	<b>9,415,027,292</b>
<b>Less: Adjustments for correction of errors</b>	<b>52,859,930</b>	<b>-</b>
<b>Grand Total</b>	<b>6,013,856,669</b>	<b>9,415,027,292</b>

## Notes to the Financial Statements contd...

	Actual	
	2015 Rs.	2014 Rs.
<b>NOTE - 13 - DOMESTIC NON BANK BORROWINGS</b>		
Net Borrowings through Treasury Bills - 8085	(73,658,159,335)	11,827,708,588
Treasury Bonds - 9093	926,357,237,277	857,605,228,252
Foreign Currency Banking Unit - 9107	-	562,399,651
Sri Lanka Development Bonds - 9105	334,531,812,000	95,454,042,850
	<b>1,187,230,889,942</b>	<b>965,449,379,341</b>
<b>Net Borrowings through Treasury Bills - 8085</b>		
Borrowings through Treasury Bills	1,532,545,103,903	1,066,610,283,811
Less: Total Repayments	1,606,203,263,238	1,054,782,575,223
Net of Borrowings/Repayment	<b>(73,658,159,335)</b>	<b>11,827,708,588</b>
<b>NOTE - 14 - DOMESTIC DEBT REPAYMENTS</b>		
Treasury Bonds - 9093	471,327,274,291	439,765,496,940
Rupee Loans - 8249	31,429,766,290	-
Sri Lanka Development Bonds - 9105	111,565,121,000	74,482,913,000
Local Loans in Foreign Currency - 9107	654,197,200	208,807,858
Deferred Loan Re-Payment	44,305,928,109	14,530,108,776
	<b>659,282,286,890</b>	<b>528,987,326,574</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	394,457,424	491,383,134
Sri Lanka Ports Authority	5,034,600,870	5,490,914,065
Development Finance Corporation of Ceylon	1,987,013,580	1,930,529,665
Hatton National Bank	632,107,909	781,622,436
Lanka Electricity Company Ltd.	-	56,025,602
National Water Supply & Drainage Board	-	1,030,000,000
Sampath Bank	535,300,098	355,242,609
Commercial Bank	569,456,030	290,484,872
Seylan Bank	44,011,632	44,011,632
Ceylon Petroleum Corporation	647,368,644	647,368,644
Lanka Orix Leasing Company	160,546,668	160,546,668
Local Loan Development Fund	-	94,610,052
Revolving Funds of Central Bank with Regional Development Banks	1,236,061,580	1,637,502,285
Lankaputhra Development Bank	8,878,643	8,878,642
Other Institutions	1,420,114,203	1,476,525,154
<b>Total (a)</b>	<b>12,669,917,281</b>	<b>14,495,645,460</b>
<b>Treasury Funded Lending</b>		
AHF Loan Scheme	229,091,770	290,526,262
Other Loans	61,796,477	106,216,998
<b>Total (b)</b>	<b>290,888,246</b>	<b>396,743,259</b>
<b>Grand Total (a+b)</b>	<b>12,960,805,528</b>	<b>14,892,388,719</b>

## Notes to the Financial Statements contd...

**NOTE - 16 - STATEMENT OF NON CURRENT ASSETS - 2015**

Assets Code No	Description	Ministry / Department	Balance as at 01st January 2015	Acquisition / Completion	Transfers	Disposals	Balance as at 31st December 2015
<b>9151</b>	<b>Building and Structures</b>	102 Ministry of Finance		58,298,320		-	58,298,320
		212 Department of Examinations		1,512,000,000		-	1,512,000,000
		245 Department of Finance		3,956,900		-	3,956,900
		256 District Secretariat - Gampaha		389,043,183		600,000	388,443,183
		261 District Secretariat - Galle		17,877,524		2,000,000	15,877,524
		264 District Secretariat - Jaffna		224,796,656		881,800	223,914,856
		266 District Secretariat - Vavuniya		836,348,094		-	836,348,094
		267 District Secretariat - Mullaitivu		222,915,000		-	222,915,000
		268 District Secretariat - Killinochchi		258,065,400		3,500,000	254,565,400
		269 District Secretariat - Batticaloa		464,502,914		464,502,914	-
		271 District Secretariat - Trincomalee		49,006,890		49,006,890	-
		272 District Secretariat - Kurunegala		141,668,002		46,391	141,621,610
		273 District Secretariat - Puttalam		174,673,359		174,673,359	-
		274 District Secretariat - Anuradhapura		6,230,000		5,060,000	1,170,000
		275 District Secretariat - Polonnaruwa		3,210,128		1,000	3,209,128
		276 District Secretariat - Badulla		17,410,795		14,366,018	3,044,777
		277 District Secretariat - Monaragala		132,640,000		-	132,640,000
		278 District Secretariat - Ratnapura		424,847,584		424,847,584	-
			<b>Sub Total</b>		<b>-</b>	<b>4,937,490,747</b>	<b>-</b>	1,139,485,956	3,798,004,792
<b>9152</b>	<b>Machinery and Equipment</b>	7 Judicial Service Commission		646,755		323,377	323,377
		12 National Education Commission		9,358,498		-	9,358,498
		102 Ministry of Finance		39,715,221		-	39,715,221
		162 Ministry of Megapolis and Western Development		14,978,940		3,832,010	11,146,930
		166 Ministry of City Planning and Water Supply		754,044		-	754,044
		212 Department of Examinations		64,414,811		-	64,414,811
		237 Department of National Planning		52,670,563		-	52,670,563
		238 Department of Fiscal Policy		35,989,355		567,000	35,422,355
		239 Department of External Resources		93,659,262		-	93,659,262
		240 Department of National Budget		90,853,151		7,314,268	83,538,883
		241 Department of Public Enterprises		263,038		-	263,038
		242 Department of Management Services		24,496,817		106,164	24,390,653
		243 Department of Development Finance		8,442,458		65,700	8,376,758
		244 Department of Trade and Investment Policy		35,115,840		-	35,115,840
		245 Department of Public Finance		12,915,214		-	12,915,214
		249 Department of Treasury Operations		25,080,845		-	25,080,845
		250 Department of State Accounts		52,182,651		12,999,961	39,182,689
		256 District Secretariat - Gampaha		176,570,795		117,330	176,453,465
		261 District Secretariat - Galle		9,919,398		4,000	9,915,398
264 District Secretariat - Jaffna		63,544,637		388,500	63,156,137		
265 District Secretariat - Mannar		3,853,746		177,500	3,676,246		

## Notes to the Financial Statements contd...

## NOTE - 16 - STATEMENT OF NON CURRENT ASSETS - 2015

Assets Code No	Description	Ministry / Department	Balance as at 01st January 2015	Acquisition / Completion	Transfers	Disposals	Balance as at 31st December 2015
		266 District Secretariat - Vavuniya		93,473,387		20,500	93,452,887
		267 District Secretariat - Mullaitivu		179,378,468		170,188	179,208,280
		268 District Secretariat - Killinochchi		59,807,516		254,259	59,553,257
		269 District Secretariat - Batticaloa		308,509,901		308,509,901	-
		271 District Secretariat - Trincomalee		11,749,735		11,749,735	-
		272 District Secretariat - Kurunegala		10,051,036		516,679	9,534,357
		273 District Secretariat - Puttalam		14,701,173		14,701,173	-
		274 District Secretariat - Anuradhapura		3,867,925		34,340	3,833,585
		275 District Secretariat - Polonnaruwa		166,273		-	166,273
		276 District Secretariat - Badulla		3,951,286		198,969	3,752,317
		277 District Secretariat - Monaragala		3,052,794		393,597	2,659,198
		278 District Secretariat - Ratnapura		31,769		31,769	-
		324 Department of Management Audit		11,107,664		-	11,107,664
		329 Department of Information Technology Management		36,221,426		22,960,185	13,261,241
	<b>Sub Total</b>		<b>-</b>	<b>1,551,496,392</b>	<b>-</b>	<b>385,437,105</b>	<b>1,166,059,286</b>
<b>9153</b>	<b>Land</b>	166 Ministry of City Planning and Water Supply		4,586,133		-	4,586,133
		212 Department of Examinations		630,000,000		-	630,000,000
		243 Department of Development Finance		40,120		40,120	-
		256 District Secretariat - Gampaha		806,833,951		301,785	806,532,166
		261 District Secretariat - Galle		560,785,849		297,708	560,488,141
		264 District Secretariat - Jaffna		89,474,047		53,462	89,420,585
		265 District Secretariat - Mannar		38,360,359		308,182	38,052,177
		266 District Secretariat - Vavuniya		79,658,959		237,000	79,421,959
		267 District Secretariat - Mullaitivu		134,602,824		874,320	133,728,504
		268 District Secretariat - Killinochchi		331,658,705		12,475	331,646,229
		269 District Secretariat - Batticaloa		498,176,290		498,176,290	-
		271 District Secretariat - Trincomalee		32,551,684		32,551,684	-
		272 District Secretariat - Kurunegala		633,629,618		326,616	633,303,002
		273 District Secretariat - Puttalam		278,725,688		278,725,688	-
		274 District Secretariat - Anuradhapura		300,410,985		4,776,960	295,634,025
		275 District Secretariat - Polonnaruwa		31,697,119		4,108	31,693,012
		276 District Secretariat - Badulla		159,071,155		814,552	158,256,602
		277 District Secretariat - Monaragala		51,194,197		291,410	50,902,786
		278 District Secretariat - Ratnapura		329,169,000		329,169,000	-
	<b>Sub Total</b>		<b>-</b>	<b>4,990,626,681</b>	<b>-</b>	<b>1,146,961,359</b>	<b>3,843,665,322</b>
<b>9160</b>	<b>Work in Progress of Building &amp; Structures</b>	212 Department of Examinations		883,025		-	883,025
		256 District Secretariat - Gampaha		65,129,480		1,280,000	63,849,480
		261 District Secretariat - Galle		21,140,626		942,000	20,198,626
		264 District Secretariat - Jaffna		60,599,451		2,230,000	58,369,451

## Notes to the Financial Statements contd...

**NOTE - 16 - STATEMENT OF NON CURRENT ASSETS - 2015**

Assets Code No	Description	Ministry / Department	Balance as at 01st January 2015	Acquisition / Completion	Transfers	Disposals	Balance as at 31st December 2015
		265 District Secretariat - Mannar		60,760,220		2,362,428	58,397,791
		266 District Secretariat - Vavuniya		38,078,807		-	38,078,807
		267 District Secretariat - Mullaitivu		39,198,961		3,700,000	35,498,961
		268 District Secretariat - Killinochchi		45,576,690		543,296	45,033,394
		269 District Secretariat - Batticaloa		80,535,273		80,535,273	-
		271 District Secretariat - Trincomalee		1,697,152		1,697,152	-
		272 District Secretariat - Kurunegala		180,221,087		98,702	180,122,385
		273 District Secretariat - Puttalam		22,008,937		22,008,937	-
		274 District Secretariat - Anuradhapura		66,601,191		24,194,575	42,406,616
		275 District Secretariat - Polonnaruwa		4,432,265		-	4,432,265
		276 District Secretariat - Badulla		31,517,548		1,291,649	30,225,899
		277 District Secretariat - Monaragala		3,145,946		2,318,500	827,446
	<b>Sub Total</b>		-	<b>721,526,656</b>	-	<b>143,202,511</b>	<b>578,324,146</b>
<b>9180</b>	<b>Lease Assets</b>	240 Department of National Budget		11,901,246,176		-	11,901,246,176
	<b>Sub Total</b>		-	<b>11,901,246,176</b>	-	-	<b>11,901,246,176</b>
	<b>Grand Total</b>		-	<b>24,102,386,652</b>	-	<b>2,815,086,931</b>	<b>21,287,299,721</b>

## Notes to the Financial Statements contd...

	2015 Rs.	Actual 2014 Rs.
<b>NOTE - 17 ADVANCES TO PUBLIC OFFICERS</b>		
Advances to Public Officers Transferred to Provincial Councils (7004)	196,869,508	196,869,508
Advances to Public Officers of the Central Government (8493)	22,129,811,765	23,199,449,249
	<b>22,326,681,273</b>	<b>23,396,318,757</b>
<b>NOTE - 18 ADVANCES TO GOVERNMENT DEPARTMENTS</b>		
Treasury Authorized Advance Account (7000 )	9,878,043,209	9,679,045,605
	<b>9,878,043,209</b>	<b>9,679,045,605</b>
<b>NOTE - 19 MEMBERSHIP FEES PAID</b>		
International Monetary Institutions Membership Fees (8234) and (8339)	1,885,484,943	1,885,484,942
Foreign Aid Counterpart Fund - Grants (8317)	1,631,694,933	1,631,694,933
	<b>3,517,179,876</b>	<b>3,517,179,875</b>

## Notes to the Financial Statements contd...

### NOTE - 20 - ON LENDING

	Institution	Balance as at 31.12.2014 Rs.	New Loan During 2015 Rs.	Amount Settled During 2015 Rs.	Balance as at 31.12.2015 Rs.
1	Sri Lanka Ports Authority Add / (Less) : Parity Variance <b>Balance</b>	66,757,994,299 (2,785,202,933) 63,972,791,367	- - -	5,034,600,870 - 5,034,600,870	58,938,190,496 5,535,108,355 64,473,298,851
2	Ceylon Electricity Board Less : Transfer of 19 Sub loan balances to Equity <b>Balance</b>	9,795,107,982 - 9,795,107,982	1,731,903,246 - 1,731,903,246	- - -	11,527,011,228 (11,527,011,228) -
3	Development Finance Corporation of Ceylon Add / (Less) : Parity Variance/ Adjustment Less: Revolving Recoveries/ Disbursement <b>Balance</b>	18,899,162,816 19,368,039 18,918,530,856	4,206,194,859 - 4,206,194,859	1,987,013,580 - 1,987,013,580	21,137,712,135 301,062,212 (319,943,753) 21,118,830,593
4	Lankaputhra Development Bank Add / (Less) : Parity Variance <b>Balance</b>	2,448,255,268 17,499,927 2,465,755,195	- - -	8,878,643 - 8,878,643	2,456,876,553 217,644,728 2,674,521,280
5	People's Bank Less: Revolving Recoveries/ Disbursement <b>Balance</b>	489,725,723 - 489,725,723	721,098,990 - 721,098,990	89,948,451 - 89,948,451	1,120,876,262 (16,391,770) 1,104,484,491
6	National Development Bank Add / (Less) : Parity Variance/ Adjustment Less: Revolving Recoveries/ Disbursement <b>Balance</b>	4,266,100,427 - 4,266,100,427	753,642,868 - 753,642,868	394,457,424 - 394,457,424	4,625,285,870 - (415,226,306) 4,210,059,564
7	National Livestock Development Board Add / (Less) : Parity Variance/ Adjustment <b>Balance</b>	- - -	4,772,414,522 - 4,772,414,522	- - -	4,772,414,522 - 4,772,414,522
8	Colombo Municipal Council Add / (Less) : Parity Variance/ Adjustment <b>Balance</b>	- - -	4,252,401,675 - 4,252,401,675	- - -	4,252,401,675 - 4,252,401,675
9	MILCO (Pvt) Ltd Add / (Less) : Parity Variance/ Adjustment <b>Balance</b>	- - -	5,735,026,751 - 5,735,026,751	- - -	5,735,026,751 - 5,735,026,751
10	Sampath Bank PLC Add / (Less) : Parity Variance/ Adjustment Less: Revolving Recoveries/ Disbursement <b>Balance</b>	3,175,012,588 - 3,175,012,588	814,116,855 - 814,116,855	535,300,098 - 535,300,098	3,453,829,345 - (182,223,299) 3,271,606,046
11	Hatton National Bank PLC Add / (Less) : Parity Variance/ Adjustment Less: Revolving Recoveries/ Disbursement <b>Balance</b>	3,680,868,565 - 3,680,868,565	238,368,795 - 238,368,795	632,107,909 - 632,107,909	3,287,129,450 - (93,748,530) 3,193,380,920
12	Commercial Bank of Ceylon PLC Add / (Less) : Parity Variance/ Adjustment Less: Revolving Recoveries/ Disbursement <b>Balance</b>	3,726,475,036 - 3,726,475,036	1,126,489,346 - 1,126,489,346	569,456,030 - 569,456,030	4,283,508,351 - (468,541,484) 3,814,966,867

## Notes to the Financial Statements contd...

## NOTE - 20 - ON LENDING

	Institution	Balance as at 31.12.2014 Rs.	New Loan During 2015 Rs.	Amount Settled During 2015 Rs.	Balance as at 31.12.2015 Rs.
13	Seylan Bank PLC	309,376,481	57,490,720	44,011,632	322,855,570
	Less: Revolving Recoveries/ Disbursement				(33,586,304)
	<b>Balance</b>	<b>309,376,481</b>	<b>57,490,720</b>	<b>44,011,632</b>	<b>289,269,266</b>
14	Ceylon Petroleum Corporation	1,350,849,915	-	647,368,644	703,481,270
15	Sri Lanka Savings Bank	1,374,987,226	(1)	16,032,023	1,358,955,202
16	Sarvodaya Economic & Enterprises Dev. Service	633,395,759	-	-	633,395,759
17	Local Loan Development Fund	5,433,242,612	-	-	5,433,242,612
18	Lanka Orix Leasing Co. PLC	861,447,043	(33)	160,546,668	700,900,342
	Add / (Less) : Parity Variance/ Adjustment	-	-	-	-
	Less: Revolving Recoveries/ Disbursement				(17,936,883)
	<b>Balance</b>	<b>861,447,043</b>	<b>(33)</b>	<b>160,546,668</b>	<b>682,963,459</b>
19	National Water Supply & Drainage Board	41,676,320,597	(1,871,950,150)	-	39,804,370,448
	Less : Transfer of 56 Sub loan balance to Equity				(39,804,370,448)
	<b>Balance</b>	<b>41,676,320,597</b>	<b>(1,871,950,150)</b>	<b>-</b>	<b>-</b>
20	Bank of Ceylon	1,309,899,004	182,145,152	217,277,199	1,274,766,957
	Add / (Less) : Parity Variance/ Adjustment	-	-	-	-
	Less: Revolving Recoveries/ Disbursement				(281,124,378)
	<b>Balance</b>	<b>1,309,899,004</b>	<b>182,145,152</b>	<b>217,277,199</b>	<b>993,642,579</b>
21	Colombo Dockyard	78,360	-	-	-
	Add / (Less) : Parity Variance	(78,360)	-	-	-
	<b>Balance</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
22	Urban Development Authority	276,749,960	-	-	276,749,960
23	Ceylinco Leasing Corporation Ltd.	58,598,709	(18)	14,649,677	43,949,013
24	People's Leasing Company Ltd	149,054,111	(28,221,964)	-	120,832,147
	Add / (Less) : Parity Variance/ Adjustment	-	-	-	-
	Less: Revolving Recoveries/ Disbursement				(28,221,964)
	<b>Balance</b>	<b>149,054,111</b>	<b>(28,221,964)</b>	<b>-</b>	<b>92,610,183</b>
25	Regional Development Bank (Kandurata)	34,738,118	233	-	34,738,351
	Add / (Less) : Parity Variance/ Adjustment	-	-	-	-
	Less: Revolving Recoveries/ Disbursement				(8,086,500)
	<b>Balance</b>	<b>34,738,118</b>	<b>233</b>	<b>-</b>	<b>26,651,851</b>
26	Distance Learning Centre Ltd	16,030,801	-	3,206,160	12,824,641
27	Central Bank of Sri Lanka	452,662,780	-	288,846,940	163,815,840
28	Prajashakthi District Organization-Badulla	5,820,000	-	-	5,820,000
29	Sanasa Development Bank (IFAD 283)	12,056,479	-	-	12,056,479
	<b>Balance</b>	<b>486,570,060</b>	<b>-</b>	<b>292,053,100</b>	<b>194,516,960</b>
30	Sanasa Development Bank	19,272,456	115,328,800	3,854,492	130,746,764
	Less: Revolving Recoveries/ Disbursement				(4,158,800)
	<b>Balance</b>	<b>19,272,456</b>	<b>115,328,800</b>	<b>3,854,492</b>	<b>126,587,964</b>
31	Regional Development Bank	302,766,177	377,288,016	80,921,857	599,132,337
32	Min.of Agricultural Dev. Agrarian Services	1,495,877,898	-	2,411,608	1,493,466,290
33	Alliance Finance Company Ltd.	139,435,177	955	15,509,909	123,926,223

## Notes to the Financial Statements contd...

**NOTE - 20 - ON LENDING**

	Institution	Balance as at 31.12.2014 Rs.	New Loan During 2015 Rs.	Amount Settled During 2015 Rs.	Balance as at 31.12.2015 Rs.
34	Revolving Funds with Central Bank of Sri Lanka	24,993,728,904	298,434,477	1,236,061,580	24,056,101,802
	Add: Parity Variance/ Adjustment	-	-	-	-
	Add: Revolving Recoveries/ Disbursement				1,893,799,542
	<b>Balance</b>	<b>24,993,728,904</b>	<b>298,434,477</b>	<b>1,236,061,580</b>	<b>25,949,901,344</b>
35	Regional Development Bank (Wayamba)	11,500,674	(123)	-	11,500,551
	Add / (Less) : Parity Variance/ Adjustment	-	-	-	-
	Less: Revolving Recoveries/ Disbursement				(11,500,551)
	<b>Balance</b>	<b>11,500,674</b>	<b>(123)</b>	<b>-</b>	<b>-</b>
36	Regional Development Bank	47,962,939	163,772,560	-	211,735,499
	Less: Revolving Recoveries/ Disbursement				(13,109,021)
	<b>Balance</b>	<b>47,962,939</b>	<b>163,772,560</b>	<b>-</b>	<b>198,626,477</b>
37	HDFC Bank / NHDA	272,053,728	-	29,176,545	242,877,183
38	Airport & Aviation Services (Sri Lanka) Ltd	11,506,065,333	-	658,279,344	9,558,184,928
	Add / (Less) : Parity Variance/ Adjustment	(1,289,601,061)	-	-	792,479,909
	<b>Balance</b>	<b>10,216,464,272</b>	<b>-</b>	<b>658,279,344</b>	<b>10,350,664,837</b>
	<b>On Lending Based on Foreign Aids</b>	<b>201,944,659,556</b>	<b>23,645,946,532</b>	<b>12,669,917,281</b>	<b>168,435,602,334</b>
39	Local Loans & Development Fund	237,393,165	-	-	237,393,165
40	Sri Lanka Rubber Manufacture & Dev. Corporation	773,340,000	-	-	773,340,000
41	Sri Lanka Handicraft Development Board	6,015,500	-	1,248,500	4,767,000
42	Lankaputhra Development Bank - Sml./Med. Gar.Pr.	5,455,200	-	5,455,200	-
43	Hotel Developers Lanka Ltd.	2,350,299,678	-	-	-
	Less: Parity Variance/ Adjustment	(2,350,299,678)	-	-	-
	<b>Balance</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
44	Other Local Loan (NLDB & Lady Lahore)	52,250,000	-	750,000	51,500,000
45	AHF Loan Scheme 2004/2005	1,181,912,449	-	229,091,770	952,820,679
46	Real Estate Exchange Pvt Ltd	250,000,000	-	-	250,000,000
47	Min. of Prtrolium & Pet.Resos. Dev.	314,982,409	-	1,827,271	313,155,138
48	Department of Treasury Operations - (RFPDFP)	1,999,025,150	-	-	1,999,025,150
49	Department of Treasury Operations - (PLGF)	916,231,000	-	-	916,231,000
50	Ceylon Hotel Corporations	-	-	-	-
51	Ceylon Ceramic Corporations	8,676,923	-	-	8,676,923
52	Ceylon Fisheries Corporations	50,000,000	-	-	50,000,000
53	Ceylon Fisheries Corporations	11,600,000	-	-	11,600,000
54	Ceylon Fisheries Corporations	50,000,000	-	-	50,000,000
55	National Paper Company Ltd	50,000,000	-	-	50,000,000
56	Central Bank - (SPIRDP)	4,874,833	-	4,546,583	328,250
57	Selacine Rupavahini	5,580,000	-	1,395,000	4,185,000
58	Central Bank - SEPI Loan Scheme	104,049,439	30,000,000	46,573,923	87,475,516
	<b>On Lending based on Domestic Funds</b>	<b>6,021,386,068</b>	<b>30,000,000</b>	<b>290,888,246</b>	<b>5,760,497,822</b>
	<b>Total (Before Parity Variance / Adjustment)</b>	<b>214,354,359,690</b>	<b>23,675,946,532</b>	<b>12,960,805,528</b>	<b>167,349,804,952</b>
	<b>Total Parity Variance</b>	<b>(6,388,314,065)</b>	<b>-</b>	<b>-</b>	<b>6,846,295,201</b>
	<b>Total (After Parity Variance / Adjustment)</b>	<b>207,966,045,625</b>	<b>23,675,946,532</b>	<b>12,960,805,528</b>	<b>174,196,100,153</b>

## Notes to the Financial Statements contd...

### NOTE - 21 - CAPITAL CONTRIBUTION / SHAREHOLDING IN THE COMMERCIAL PUBLIC CORPORATIONS/STATE OWNED COMPANIES / PLANTATIONS COMPANIES / DEVELOPMENT BANKS (8468 / 8548)

Institution	Balance as at 01.01.2015	Additions in 2015	Ajustments/ Reductions in 2015	Balance as at 31.12.2015
	Rs.	Rs.	Rs.	Rs.
Note - 21.1 (a) Capital Contribution in Commercial Public Corporations	300,191,133,572	76,318,506,676	41,000,000	376,468,640,248
Note - 21.1 (b) Central Bank of Sri Lanka	15,000,000			15,000,000
Note - 21.2 Shareholdings in Government Owned or Other Companies	91,143,627,191	17,992,037,115		109,135,664,306
Note - 21-3 Shareholdings in Plantation Companies	1,677,234,650			1,677,234,650
Note - 21.4 Shareholdings in Companies in US Dollor Denomination	260,914,190	23,000,380		283,914,570
Note - 21.5 Shareholdings in Development Banks	4,549,418,322			4,549,418,322
<b>Total</b>	<b>397,837,327,925</b>	<b>94,333,544,171</b>	<b>41,000,000</b>	<b>492,129,872,096</b>

### NOTE - 21.1 (a) - CAPITAL CONTRIBUTION IN COMMERCIAL PUBLIC CORPORATION

Name	Balance as at 01.01.2015	Additions in 2015	Ajustments/ Reductions in 2015	Balance as at 31.12.2015
	Rs.	Rs.	Rs.	Rs.
1 Bank of Ceylon	10,000,000,000			10,000,000,000
2 Central Engineering Consultancy Bureau	500,000			500,000
3 Ceylon Ceramics Corpoartion	2,640,000			2,640,000
4 Ceylon Electricity Board	257,797,356,841	11,527,011,228		269,324,368,069
5 Ceylon Fisheries Corporation	326,609,805			326,609,805
6 Ceylon Fisheriy Harbours Corporation	50,100,195			50,100,195
7 Ceylon Petroleum Corporation	3,500,000,000	24,987,125,000		28,487,125,000
8 Development Lotteries Board	2,200,000			2,200,000
9 Housing Development Finance Corporation Bank	346,490,000			346,490,000
10 National Film 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	39,804,370,448		39,989,850,448
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
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	0
34 State Timber Corporation	41,503,668			41,503,668
35 Urban Development Authority	1,257,651,060			1,257,651,060
<b>Total</b>	<b>300,191,133,572</b>	<b>76,318,506,676</b>	<b>41,000,000</b>	<b>376,468,640,248</b>

## Notes to the Financial Statements contd...

### NOTE - 21.1 (b) - CENTRAL BANK OF SRI LANKA

	Name	Balance as at 01.01.2015	Additions in / 2015	Ajustments/ Reductions in 2015	Balance as at 31.12.2015
		Rs.	Rs.	Rs.	Rs.
1	Centrlal Bank of Sri Lanka	15,000,000	-	-	15,000,000

### NOTE - 21.2 - SHAREHOLDING IN STATE OWNED OR OTHER COMPANIES

	Company	Number of Shares		As at 31.12.2015	Nominal Value per Share (Rs.)	Value of the Investment as at 01-01-2015 (Rs)	Value of the Investment as at 31.12.2015 (Rs)	Percentage of Share holdings by the Treasury
		As at 01.01.2015	Additions Deductions					
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	-		-	10.00	-	-	-
5	Building Materials Coporation	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 Only)	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	-		-	10.00	-	-	-
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	-		-	10.00	-	-	-
15	Commercial Bank of Ceylon Ltd	30,029		30,029	5.00	150,145	150,145	0.00418
16	Comsec Management Services	-		-	10.00	-	-	-
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) (Peference)	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	235,029,968	1,346,645,686	10.00	11,116,157,180	13,466,456,860	100.00
22	Kigsbury 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 Grafite 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 Suger 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 Layland Ltd	1,289,900		1,289,900	6.94	8,951,906	8,951,906	100.00
37	Lanka Layland Ltd	860,000		860,000	0.01	8,600	8,600	
38	Lanka Machine Leasers (Pvt) Ltd	-		-	100.00	-	-	-
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
41	Lanka STC General Trading Co. Ltd	10,000,000		10,000,000	10.00	100,000,000	100,000,000	100.00
42	Lanka Textile Mills Emporium Ltd	700,000		700,000	10.00	7,000,000	7,000,000	-

## Notes to the Financial Statements contd...

## NOTE - 21.2 - SHAREHOLDING IN STATE OWNED OR OTHER COMPANIES

Company	Number of Shares			Nominal Value per Share (Rs.)	Value of the Investment as at 01-01-2015 (Rs)	Value of the Investment as at 31.12.2015 (Rs)	Percentage of Share holdings by the Treasury	
	As at 01.01.2015	Additions	Deductions					As at 31.12.2015
43 Mantai Salt Ltd	300,000			300,000	100.00	30,000,000	30,000,000	100.00
44 Mihin Lanka (Private) Ltd	51,406,108	93,356,411		144,762,519	100.00	5,140,610,800	14,476,251,900	100.00
45 MILCO (Pvt) Ltd - Kiriya Milk Industries	31,945,403			31,945,403	10.00	319,454,030	319,454,030	99.99
46 National Paper Company Ltd	32,300,000			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			1,048	10.00	10,480	10,480	0.035
48 Paranthan Chemicals Company Ltd	4,000,000			4,000,000	10.00	40,000,000	40,000,000	100.00
49 Rakna Arashana Lanaka Ltd	500,205			500,205	10.00	5,002,050	5,002,050	100.00
50 Rajarata Food Grain Ltd	386,249			386,249	10.00	3,862,490	3,862,490	-
51 Skills Development Fund Ltd	10,000,001			10,000,001	10.00	100,000,010	100,000,010	98.00
52 Sri Lanka Insurance Corporation Ltd	599,568,144			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			7,798,000	10.00	77,980,000	77,980,000	100.00
54 Sri Lanka Savings Bank Ltd	4,584,460			4,584,460	100.00	458,446,000	458,446,000	100.00
55 Sri Lanka Telecom Ltd	893,405,709			893,405,709	10.00	8,934,057,090	8,934,057,090	49.50
56 Sri Lankan Airlines Ltd	490,986,328	20,587,841		511,574,169	100.00	49,098,632,800	55,363,729,135	99.11
57 State Resource Management Corporation Ltd		4,100,000		4,100,000	10.00	-	41,000,000	100.00
58 The Selinsing Company Ltd	615			615	10.00	6,150	6,150	1.00
59 Thomas De La Rue Lanka Currency & Security Print (Pvt) Ltd	2,800,000			2,800,000	10.00	28,000,000	28,000,000	40.00
60 Wakers & Greig Ltd	2,850			2,850	2.00	5,700	5,700	-
61 Wakers & Greig Ltd	100			100	10.00	1,000	1,000	-
62 West Coast Power (Pvt) Ltd (Ordinary)	55,000,000			55,000,000	112.95	6,212,500,000	6,212,500,000	50.00
63 Lanka Logistics and Technologies Ltd	205			205	10.00	2,050	2,050	100.00
64 Lakdiwa Engineering Company (Pvt) Ltd	2			2	10.00	20	20	100.00
<b>Total</b>	<b>3,604,428,145</b>	<b>353,074,220</b>		<b>3,957,502,365</b>		<b>91,143,627,191</b>	<b>109,135,664,306</b>	

## Notes to the Financial Statements contd...

### NOTE - 21.3 - SHAREHOLDING IN PLANTATION COMPANIES

Company	Number of Shares			As at 31.12.2015	Nominal Value per Share (Rs.)	Value of the Investment as at 01-01-2015 (Rs)	Value of the Investment as at 31.12.2015 (Rs)	Percentage of Share holdings by the Treasury
	As at 01.01.2015	Additions	Deductions					
1 Agaraptana Plantation Ltd	23,284,644			23,284,644	10.00	232,846,440	232,846,440	30.39
2 Agalawatta Plantation Ltd	741			741	10.00	7,410	7,410	0.003
3 Bagawantalawa Plantation Ltd	21,664			21,664	6.67	144,430	144,430	0.03
4 Balangoda Plantation Ltd	4,761			4,761	10.00	47,610	47,610	0.02
5 Chilaw Plantation Ltd	20,000,001			20,000,001	10.00	200,000,010	200,000,010	100.00
6 Elkaduwa Plantation Ltd	18,000,001			18,000,001	10.00	180,000,010	180,000,010	100.00
7 Elpitiya Plantation Ltd	15,613,092			15,613,092	5.00	78,065,460	78,065,460	21.43
8 Gal oya Plantation Ltd	51,600,000			51,600,000	10.00	516,000,000	516,000,000	51.00
9 Hapugastenne Plantation Ltd	1			1	10.00	10	10	-
10 Horana Plantation Ltd	5,889			5,889	10.00	58,890	58,890	0.023
11 Kahawatte Plantation Limited	1			1	10.00	10	10	-
12 Kegalle Plantation Ltd	4,387			4,387	10.00	43,870	43,870	0.02
13 Kelani Valley Plantation Ltd	1			1	10.00	10	10	-
14 Kotagala Plantation Ltd	3,800,557			3,800,557	10.00	38,005,570	38,005,570	11.88
15 Kurunegala Plantation Ltd	20,000,001			20,000,001	10.00	200,000,010	200,000,010	100.00
16 Madulsima Plantation Ltd	3,805,653			3,805,653	10.00	38,056,530	38,056,530	13.12
17 Malwalta Valley Plantation Ltd.	1			1	10.00	10	10	-
18 Maskeliya Plantation Ltd.	9,008			9,008	10.00	90,080	90,080	0.30
19 Maturata Plantation Ltd.	7,806,020			7,806,020	10.00	78,060,200	78,060,200	22.30
20 Namunukula Plantation Ltd.	3,763,301			3,763,301	10.00	37,633,010	37,633,010	15.85
21 Pussellawa Plantation Ltd.	7,816,790			7,816,790	10.00	78,171,230	78,171,230	32.70
22 Talawakelle Plantations Limited	368			368	10.00	3,680	3,680	0.0015
23 Udapussellawa Plantation Ltd	1			1	10.00	10	10	-
24 Watawala Plantation Ltd.	151			151	10.00	160	160	-
<b>Total</b>	<b>175,537,034</b>	<b>-</b>	<b>-</b>	<b>175,537,034</b>		<b>1,677,234,650</b>	<b>1,677,234,650</b>	

## Notes to the Financial Statements contd...

### NOTE - 21.4 - SHAREHOLDING IN COMPANIES IN US DOLLAR DENOMINATION

Company	Number of Shares		Nominal Value per Share	Value of the Investment as at 01-01-2015	Value of the Investment as at 31.12.2015	Percentage of Share holdings by the Treasury	
	As at 01.01.2015	Additions/ Deduction					As at 31.12.2015
			(RS)	(RS)	(RS)	(RS)	
1 Asian Reinsurance Corporation	980		980	US\$1000	127,752,800	139,101,200	
2 Ceylon Shipping Agency	24,500		24,500	1(Singapore Dollar)	2,410,310	2,447,550	99.00
3 International Finance Corporation	1,003		1,003	US\$1000	130,751,080	142,365,820	
<b>Total</b>	<b>26,483</b>		<b>26,483</b>		<b>260,914,190</b>	<b>283,914,570</b>	

### Exchange Rate (Buying Rate) as at 01.01.2015/ 31.12.2015

Currency	01.01.2015	31.12.2015
	Rate	Rate
US Dollar	130.36	141.94
Singapore Dollar	98.38	99.90

### NOTE - 21.5 - SHAREHOLDING IN DEVELOPMENT BANK

Company	Number of Shares		Nominal Value per Share (Rs.)	Value of the Investment as at 01-01-2015 (Rs)	Value of the Investment as at 31.12.2015 (Rs)	Percentage of Share holdings by the Treasury	
	As at 01.01.2015	Additions/ Deduction					As at 31.12.2015
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	2,171,971,612	2,171,971,612	
<b>Total</b>	<b>123,815,693</b>		<b>123,815,693</b>		<b>4,549,418,322</b>	<b>4,549,418,322</b>	

### NOTES - 21.2, 21.3, 21.4, 21.5 - SUMMARY

Currency	Number of Shares	Nominal Value of Shares as at 31.12.2015 (Rs.)
General	3,957,502,365	109,135,664,306
Plantation	175,537,034	1,677,234,650
Shares in Dollar Value	26,483	283,914,570
Development Banks	123,815,693	4,549,418,322
<b>Total</b>	<b>4,256,881,575</b>	<b>115,646,231,848</b>

## Notes to the Financial Statements contd...

	2015 Rs.	2014 Rs.
<b>NOTE - 22- INVESTMENT ON BORROWINGS</b>		
Capital Expenditure Investment- Appropriation Loan Account (8341)	24,088,000,000	55,517,766,290
Capital Investment Inland & Foreign Consolidated Loan Account (8342)	3,200,352,577,580	2,614,990,561,262
Treasury Bond Repayment Account (9103)	3,186,784,862,953	2,731,754,899,966
SL Development Bond Investment Account (9106)	612,882,354,231	385,578,906,336
Foreign Currency Banking Unit Investment Account (9108)	21,992,389,866	22,646,587,067
Treasury Bills Utilization Account (9109)	633,284,601,067	706,942,760,403
Ceylon Petroleum Corporation Treasury Fund (9136)	-	59,999,999,509
Least Asset Investment Account (9183)	5,568,921,038	-
	<b>7,684,953,706,734</b>	<b>6,577,431,480,833</b>
<b>NOTE - 23 - CONSOLIDATED FUND</b>		
Opening Balance of the Consolidated Fund as at 1st January	(356,664,771,188)	(312,477,109,649)
<b>Add Receipts to the Consolidated Fund</b>		
Total Cash flow from Operating Activities	1,386,067,901,165	1,114,976,281,135
Total Cash flow from Investing Activities	21,236,236,861	45,151,889,928
Total Cash flow from Financing Activities	1,749,615,111,661	1,397,407,372,990
<b>Total Cash Receipts (a)</b>	<b>3,156,919,249,687</b>	<b>2,557,535,544,054</b>
<b>Less Total Payments of the Consolidated Fund</b>		
Total Cash Disbursement for Operating Activities	1,672,921,451,455	1,370,045,993,316
Total Cash Disbursement for Investing Activities	683,963,424,066	595,710,645,910
Total Cash Disbursement for Repayment of Debt	846,395,107,802	635,966,566,366
<b>Total Cash Payments (b)</b>	<b>3,203,279,983,323</b>	<b>2,601,723,205,592</b>
<b>Net Cash Flow (a) - (b)</b>	<b>(46,360,733,636)</b>	<b>(44,187,661,539)</b>
<b>Closing Balance of the Consolidated Fund as at 31st December</b>	<b>(403,025,504,824)</b>	<b>(356,664,771,188)</b>
<b>NOTE - 24 - FOREIGN LOAN REVOLVING FUNDS</b>		
Reimbursable Foreign Aid Revolving Fund ( 8760 )	2,431,163,295	3,135,900,238
IDA Revolving Fund (8814)	12,777,289,483	14,123,637,331
ADB Special Dolor Revolving Fund (8919)	3,406,206,062	3,016,375,162
CBSL Special Dollar Account (International Fund for Agr. Dev. Revolving Fund) (8974)	1,002,612,286	1,205,683,684
IBRD Revolving Fund (8982)	1,570,884,207	1,570,884,206
CBSL Revolving Fund ( Yen ) - (9095)	898,067,656	1,093,611,229
CBSL Special Deutsche Mark Revolving Fund (9102)	127,907,606	127,907,606
Central Bank Special Nordic Revolving Fund (9111)	99,027,033	99,027,033
Special Foreign Currency Account Italy (9119)	(7,445,493,454)	(1,222,595,255)
Special Rupee Revolving Fund (9120)	(476,985)	(476,985)
Special Foreign Currency Revolving Fund (Euro Italy) (9121)	9,470,837,012	1,994,062,440
Special Rupee Revolving Fund (9122)	498,950,000	498,950,000
Special Foreign Currency Revolving Fund (9126)	910,646,321	192,320,267
	<b>25,747,620,522</b>	<b>25,835,286,956</b>
<b>NOTE - 25 - INVESTMENT BASED FUNDS</b>		
Government Corporations Capital Fund (8467)	376,483,640,248	300,206,133,572
Government Shares Account (8547)	115,646,231,848	97,631,194,353
On-lent Loan Investment Account (9117)	174,196,100,153	207,966,045,625
	<b>666,325,972,249</b>	<b>605,803,373,550</b>
<b>NOTE - 26 - MISCELLANEOUS FUNDS</b>		
Public Service Provident Fund Account (8098)	759,501,089	694,069,319
Teachers' Widows & Orphans Pension Fund (8186)	637,507,645	590,733,649

## Notes to the Financial Statements contd...

	2015 Rs.	2014 Rs.
	1,397,008,734	1,284,802,968
<b>NOTE -27 - NON CURRENT ASSET RESERVE FUNDS</b>		
Property Plant & Equipment Reserve Fund Account (9165)	8,807,729,400	-
Work in Progress Reserve Fund Account (9166)	578,324,146	-
Least Asset Resrve Fund Account (9182)	11,901,246,176	-
	<b>21,287,299,722</b>	-
<b>NOTE - 28 - BANK OVERDRAFTS</b>		
Treasury Authorized Imprest Account (7002)	11,343,609,316	20,666,789,714
Treasury Authorized Imprest Account- (RFA) (7003)	254,203,551	171,443,023
DST Cash Account (8020) Note 28(1)	(193,535,386,657)	(173,965,961,900)
Crown Agent Current Account (8030)	17,345,451	19,551,698
Temporary Employed Balances of CBSL (8192)	(29,559,467,649)	(27,069,290,025)
Central Bank of Sri Lanka - IDA Special Dollar Accounts (8813)	6,335,537,760	11,472,481,407
ADB Loan SLCB Special Dollar Account (8918)	6,283,256,594	3,406,848,452
International Fund for Agriculture Development Special Dollar Account (8973)	452,514,559	528,884,768
Central Bank of Sri Lanka Special Yen Account (9094)	10,863,423	372,923,767
Special Foreign Currency French Development Agency Account (9125)	742,493,029	48,467,548
	<b>(197,655,030,624)</b>	<b>(164,347,861,546)</b>
<b>NOTE - 28(1)</b>		
<b>Sub Accounts of DST Accounts - (8020)</b>		
Bank of Ceylon - 0002026450	(134,766,847,792)	(78,363,112,411)
Bank of Ceylon - 7041557	-	(55,000,000,000)
Peoples Bank - 014100130110432	(69,992,700,898)	(56,097,544,785)
Central Bank of Sri Lanka - 50516	439,296	309,136
Central Bank of Sri Lanka - 50545	-	2,875
Bank of Ceylon - 0007041634	-	16,853,000
Bank of Ceylon - 7040004	1,117,379,150	1,491,679,150
Bank of Ceylon - 73206830	-	1,870
Bank of Ceylon - 7040501	2,122,394,158	5,143,799,835
Bank of Ceylon -7041570	5,656,558,055	6,514,658,056
Bank of Ceylon -7041571	2,327,391,374	2,327,391,374
	<b>(193,535,386,657)</b>	<b>(173,965,961,900)</b>
<b>NOTE - 29 - ADVANCES FROM CENTRAL BANK OF SRI LANKA</b>		
Advance from CBSL - Monetary Law Act (8176)	151,131,671,400	143,897,971,400
	<b>151,131,671,400</b>	<b>143,897,971,400</b>
<b>NOTE - 30 - GOVERNMENT BORROWINGS</b>		
<b>Domestic</b>		
Treasury Bills (8085)	633,284,601,067	706,942,760,403
Treasury Bonds (9093)	3,186,784,862,953	2,731,754,899,966
<b>Total (a)</b>	<b>3,820,069,464,020</b>	<b>3,438,697,660,369</b>
Rupee Loans (8249)	24,088,000,000	55,517,766,290
Sri Lanka Development Bonds (9105)	612,882,354,231	385,578,906,336
Local Loans in Foreign Currency (9107)	21,992,389,866	22,646,587,067
Ceylon Petroleum Corporation Treasury Bond (9137)	-	59,999,999,509
<b>Total (b)</b>	<b>658,962,744,096</b>	<b>523,743,259,202</b>
<b>Total Borrowings - Domestic = (a)+(b)</b>	<b>4,479,032,208,116</b>	<b>3,962,440,919,570</b>
Lease Creditors (9181)	5,568,921,038	-
<b>Foreign</b>		
<b>Total Borrowings - Foreign (8343) Note 30(I)</b>	<b>3,200,352,577,580</b>	<b>2,614,990,561,262</b>

## Notes to the Financial Statements contd...

	2015 Rs.	2014 Rs.
	<b>7,684,953,706,734</b>	<b>6,577,431,480,833</b>
<b>NOTE - 31 - DEPOSITS &amp; OTHER LIABILITIES</b>		
Treasury General Deposit Account (6000)	62,756,010,987	53,131,728,488
Treasury Deposit Account for District Secretaries (6003)	67,856,977	9,273,256,063
Public Service Mutual Guarantee Association (8013)	18,531,519	18,525,868
Director General of Customs - Cess Recovery Account (8105)	300,000,000	300,000,000
	<b>63,142,399,483</b>	<b>62,723,510,419</b>
<b>NOTE - 32 - OPERATING ACCOUNTS WITH GOVERNMENT DEPARTMENTS [(Dr.)/ Cr.]</b>		
General Manager - Railway Department (8003)	(654,004,324)	(691,390,393)
Director General of Customs (8005)	(25,895,605)	(58,104,181)
Post Master General (8037)	6,602,795	6,602,795
Treasury Operations Department (8233) and (8583)	868,602,171	(3,638,056,526)
Treasury Operations Department (9092)	144,458,529	128,641,662
Cheques Return from Banks (8657)	(3,995,094)	(3,995,094)
Collection of GST (9098)	(37,953,565)	(37,953,565)
Non Operating Accounts (9100)	(20,772,460)	(20,772,460)
	<b>277,042,446</b>	<b>(4,315,027,763)</b>
<b>NOTE - 33 - SUNDRY ACCOUNTS [(Dr.)/ Cr.]</b>		
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)	76,973,664	60,554,864
Foreign Aid Expenditure Account (8301)	(80,558,007)	(88,710,652)
Investment Account for National Housing Bonds (8859)	(1,284,200)	(1,284,200)
Stock Certificates received from Inland Revenue Commissioner as Capital Tax (8491)	(88,589)	(88,589)
Currency Payments Accounts-International Monetary Institutions Fund (8340)	616,811,553	616,811,553
	<b>611,854,421</b>	<b>587,282,976</b>

## Notes to the Financial Statements contd...

## NOTE - 30 (f) - STATEMENT OF FOREIGN LOAN BALANCES

		Rs.				
Name	Loan Key	Balance as at 01.01.2015 (8343)	Accounted during the year	Repayments	Parity	Closing Balance as at 31.12.2015 (8343)
<b>Canada</b>						
Import of Commodities	1966002	2,813,334	-	2,637,666.76	(175,678)	(11)
Import of Asbestos Fiber & News Print	1967001	3,533,581	-	1,325,163.36	(261,293)	1,947,125
Import Newsprint	1968004	10,604,925	-	3,314,250.01	(797,637)	6,493,038
Import Newsprint	1969004	12,725,911	-	2,651,400.00	(984,259)	9,090,252
Import of Asbestos Fiber	1969005	9,897,929	-	2,651,400.00	(753,492)	6,493,037
Import of Commodities	1969007	25,451,819	-	5,302,800.00	(1,968,514)	18,180,505
Import of Commodities	1970006	39,026,125	-	6,098,220.00	(3,059,933)	29,867,972
Import of Commodities	1971004	45,954,674	-	6,628,500.00	(3,614,468)	35,711,706
Import of Newsprint & Radio Telecom Equipment	1972003	22,623,840	-	2,651,400.00	(1,791,935)	18,180,505
Import of Asbestos, Nylon & Tyre Cord	1973004	41,104,690	-	4,282,011.00	(3,266,662)	33,556,017
Import of Commodities	1974005	59,104,782	-	5,833,080.00	(4,703,782)	48,567,920
Import of Commodities	1975004	59,387,581	-	5,567,940.00	(4,732,278)	49,087,363
Import of Commodities	1975005	390,261,240	-	31,816,800.00	(31,195,350)	327,249,090
Import of Fertilizer & Commodities	1977009	353,497,499	-	26,514,000.00	(28,303,776)	298,679,723
Import of Fertilizer, Alum.Roads & Asbestos	1978005	763,554,600	-	53,028,000.00	(61,222,850)	649,303,750
<b>France</b>						
Import of Commodities	2002048	8,962,049	-	7,397,349.10	(441,220)	1,123,480
<b>Germany</b>						
Purchase of 16 Locomotives	2001049	741,745,597	-	51,062,502.45	(10,763,295)	679,919,800
General Commodity Aid 1995 for Potash	2001054	635,716,312	-	28,424,726.33	(8,865,561)	598,426,025
Import of Commodities	2001058	335,497,153	-	17,439,809.03	(4,730,832)	313,326,512
Commodity Aid for Electronic Equipment for CBSL	2001060	60,643,820	-	2,512,682.97	(840,805)	57,290,332
Import of Commodities	2001064	483,520,292	-	23,253,078.72	(6,772,808)	453,494,405
Import of Commodity Loan XIII	2001067	277,134,571	-	15,711,539.92	(3,938,831)	257,484,200
Import of Commodities XVI	2001068	417,739,816	-	19,639,425.67	(5,839,262)	392,261,128
Import of Commodities XVII	2001106	474,228,041	-	19,325,192.97	(6,557,833)	448,345,015
Import of Commodities XVIII	2001108	489,062,926	-	19,639,425.67	(6,755,931)	462,667,569
Import of Commodities	2001111	151,608,928	-	9,741,155.43	(2,182,596)	139,685,177
Import of Commodities XIX	2001112	414,399,206	-	25,766,924.98	(5,945,962)	382,686,319
Import of Commodities	2001113	272,897,116	-	19,482,307.78	(3,976,633)	249,438,175

## Notes to the Financial Statements contd...

## NOTE - 30 (f) - STATEMENT OF FOREIGN LOAN BALANCES

		Rs.				
Name	Loan Key	Balance as at 01.01.2015 (8343)	Accounted during the year	Repayments	Parity	Closing Balance as at 31.12.2015 (8343)
Import of Commodities	2001116	143,784,569	-	9,898,270.25	(2,086,319)	131,799,980
Import of Commodities IX	2001123	164,651,126	-	12,569,231.33	(2,419,051)	149,662,844
	<b>Japan</b>					
Import of Commodities	1982014	-	-	-	67,161	67,161
Import of Commodities XII	1988065	-	-	-	-	-
Commodity Loan XIII	1990016	89,018,829	-	88,824,236	(194,593)	1
	<b>Netherlands</b>					
Import of Commodities	1978010	-	-	-	-	-
Supply of Goods and Services	1981020	-	-	-	-	-
	<b>USA</b>					
Import of Fertilizer	1975014	46,498,935	-	48,895,133	2,396,156	(42)
	<b>Germany</b>					
Small Entrepreneur Promotion Program by DFCC	2001117	411,057,376	-	19,316,250	(5,755,689)	385,985,437
	<b>USA</b>					
Supply of Wheat PL 480-Title 1-1971	1971012	-	-	-	5	5
Supply of Wheat PL 480-Title 1-1973	1973009	1	-	-	(1)	-
Supply of Wheat PL 480-Title 1	1975013	92,584,155	-	94,386,750	1,802,527	(68)
Supply of Wheat PL 480-Title 1-1976	1976007	163,731,906	-	88,243,442	14,507,139	89,995,603
Supply of Wheat PL 480-Title 1-1977	1976008	451,216,169	-	158,240,107	37,706,535	330,682,597
Supply of Wheat PL 480-Title 1-1978	1978019	579,323,019	-	156,116,182	54,432,410	477,639,247
Supply of Wheat PL 480-Title 1-1979	1979012	342,566,760	-	70,317,774	29,019,125	301,268,111
Supply of Wheat PL 480-Title 1-1980	1980030	591,226,324	-	105,861,775	56,250,188	541,614,737
Supply of Wheat PL 480-Title 1-1981	1981026	501,227,971	-	77,017,762	48,077,312	472,287,521
Supply of Wheat PL 480-Title 1-1983	1982018	804,146,153	-	91,225,486	72,858,350	785,779,016
Supply of Wheat PL 480-Title 1-1982	1982019	563,401,028	-	75,659,643	54,189,181	541,930,566
Supply of Wheat PL 480-Title 1-1984	1983016	959,252,088	-	97,646,396	87,453,322	949,059,014
Supply of Wheat PL 480-Title 1-1985	1984016	1,166,500,482	-	112,172,233	138,017,771	1,192,346,020
Supply of Wheat PL 480-Title 1-1986	1985009	1,617,388,253	-	150,885,348	158,319,103	1,624,822,008

## Notes to the Financial Statements contd...

NOTE - 30 (f) - STATEMENT OF FOREIGN LOAN BALANCES							Rs.	
Name	Loan Key	Balance as at 01.01.2015 (8343)	Accounted during the year	Repayments	Parity	Closing Balance as at 31.12.2015 (8343)		
Supply of Wheat PL 480-Title 1 -1987	1986004	1,222,274,196	-	103,020,366	119,575,736	1,238,829,566		
Supply of Wheat PL 480-Title 1 -1988	1987026	1,463,089,642	-	112,408,622	142,815,485	1,493,496,505		
Supply of Wheat PL 480-Title 1 -1989	1988046	2,135,145,686	-	154,935,955	207,616,307	2,187,826,038		
Supply of Wheat PL 480-Title 1 -1990	1989054	2,428,008,094	-	164,772,817	239,064,659	2,502,299,936		
Supply of Wheat PL 480-Title 1 -1991	1991042	187,862,679	-	28,420,762	17,573,741	177,015,658		
Supply of Wheat PL 480-Title 1 -1992	1992024	566,558,485	-	77,415,121	55,824,333	544,967,697		
Supply of Wheat PL 480-Title 1 -1993	1993006	486,665,641	-	55,167,995	44,052,282	475,549,928		
Supply of Wheat PL 480-Title 1 -1994	1994002	978,913,634	-	105,300,112	94,898,119	968,511,641		
Supply of Wheat PL 480-Title 1 -1995	1994040	1,168,687,551	-	114,056,061	113,317,004	1,167,948,494		
Supply of Wheat PL 480-Title 1 -1996	1995055	626,170,821	-	52,918,091	57,736,903	630,989,633		
Supply of Wheat PL 480-Title 1 -1997	1997013	650,935,317	-	51,123,221	60,719,638	660,531,734		
Supply of Wheat PL 480-Title 1 -1998	1998007	700,813,388	-	50,922,867	65,487,618	715,378,139		
Supply of Wheat PL 480-Title 1 -2000	2000031	400,806,151	-	26,865,788	39,129,595	413,069,958		
Supply of Wheat PL 480-Title 1 -2001	2001047	664,944,545	-	41,881,910	64,915,201	687,977,836		
Line of Credit	<b>India</b>	-	-	-	-	-		
Import 300,000 tones of Indian Wheat	2001041	2,896,943,708	-	321,675,475	260,723,908	2,835,992,141		
Indian Line of Credit	2002056	1,732,832,050	-	407,776,089	156,310,739	1,481,366,700		
Indian Line of Credit	2003049	2,418,927,037	-	219,726,588	231,714,104	2,430,914,553		
Indian Dollar Credit Line Agreement	2004040	1,870,601,187	-	199,485,678	170,015,492	1,841,131,001		
Economic & Technical Cooperation	2008006	7,013,956,767	1,071,885,619	774,089,782	777,190,566	8,088,943,170		
	<b>China</b>	-	-	-	-	-		
	2000037	528,502,500	-	107,700,000	22,905,500	443,708,000		
	<b>Germany</b>	-	-	-	-	-		
	2005050	-	-	-	-	-		
	<b>India</b>	-	-	-	-	-		
Economic Stabilization Programme	2002057	602,823,560	-	301,406,270	44,332,230	345,749,520		
	<b>Japan</b>	-	-	-	-	-		
Economic Restructuring Programme	1991057	1,554,863,546	-	802,746,634	94,780,256	846,897,168		
Power Sector Restructuring Programme	2003041	3,685,701,901	-	205,006,695	317,304,453	3,797,999,660		
North West Coast Fisheries Development Project	<b>Abu Dhabi</b>	-	-	-	-	-		
	1976009	-	-	-	-	-		

## Notes to the Financial Statements contd...

## NOTE - 30 (f) - STATEMENT OF FOREIGN LOAN BALANCES

		Rs.				
Name	Loan Key	Balance as at 01.01.2015 (8343)	Accounted during the year	Repayments	Parity	Closing Balance as at 31.12.2015 (8343)
	<b>China Development Bank</b>					
Rehabilitation and Improvement of Priority Road Project	2010051	15,185,929,668	1,719,579,036	1,644,880,150	1,625,235,137	16,885,863,691
Improvement and Rehabilitation of Priority Roads	2011007	45,735,349,743	13,752,050,266	5,247,670,854	5,287,252,347	59,526,981,503
Moragahakanda Development Project	2012017	13,922,105,549	2,928,840,165		1,222,031,310	18,072,977,024
Improvement and Rehabilitation of Priority Road Project 3 (Phase I)	2014001	2,858,750,843	17,273,301,131		1,375,132,035	21,507,184,009
Improvement and Rehabilitation of Priority Road Project 3 (Phase II)	2014034	-	-	-	-	-
	<b>China</b>					
Rural Electrification Project VII	2003050	2,931,378,584	-	328,778,579	141,407,801	2,744,007,806
Supply of 100 Nos. Railway Passenger Carriages	2007014	2,475,893,954	-	328,238,378	125,872,484	2,273,528,060
Supply of 15 Nos. Diesel Multiple Units	2007015	3,524,867,079	-	467,304,608	179,201,445	3,236,763,916
	<b>Canada</b>					
Katunayake Airport Development Project	1966001	4,241,971	-	3,977,100	(264,871)	-
Maskeeliya Oya Hydro Electric Development Project	1968003	3,910,139	-	1,466,394	(289,101)	2,154,644
Mechanical Logging Project	1971003	61,375,842	-	8,852,851	(4,827,403)	47,695,588
Purchase of 14 Locomotives	1973003	145,261,326	-	16,120,512	(11,523,974)	117,616,840
Agriculture Sector Support Credit	1976002	239,520,351	-	19,313,739	(19,150,314)	201,056,298
Water Supply Project	1977004	212,098,497	-	16,220,048	(16,670,616)	179,207,834
Maduruoya Reservoir Complex	1980014	3,257,832,949	-	203,627,520	(261,679,871)	2,792,525,558
Maduruoya Right Bank Mahaweli System "B"	1983008	575,493,879	-	29,165,400	(46,364,637)	499,963,842
	<b>France</b>					
	1981014	-	-	-	-	-
	1995071	-	-	-	-	-
Expansion of Telephone Exchange in Colombo	1997077	134,733,492	-	7,612,658	(1,940,235)	125,180,599
TA/Maintain Water Treatment Plant Colombo	1997078	33,134,408	-	1,768,012	(475,609)	30,890,787
Cardio Thoracic Equipment for Kandy Hospital	1997080	153,111,309	-	7,828,793	(2,260,983)	143,021,533
Elii house & F/S on Colombo North Water Supply	1997081	79,120,604	-	4,114,875	(1,150,409)	73,855,320
Modernization - Colombo Water Distribution Network	1997082	31,044,631	-	1,672,461	(446,236)	28,925,934
Improvement of Government Film Unit	1997084	42,177,748	-	2,028,452	(598,295)	39,551,001
Water Treatment Plant in Anuradhapura	1998021	572,344,837	-	61,828,311	(9,444,445)	501,072,081
Modern Rathmalana Air Traffic Control System	1998083	167,351,972	-	16,131,686	(6,251,725)	144,968,561

## Notes to the Financial Statements contd...

NOTE - 30 (f) - STATEMENT OF FOREIGN LOAN BALANCES							Rs.
Name	Loan Key	Balance as at 01.01.2015 (8343)	Accounted during the year	Repayments	Parity	Closing Balance as at 31.12.2015 (8343)	
Expansion of E 10B Telecom Exchange - 1996	1998084	137,425,818	-	14,586,041	(2,172,391)	120,667,386	
Improvement of Government Film Unit	1998090	55,927,297	-	4,866,559	(849,085)	50,211,653	
Expansion of Colombo Telecommunication Units	1999100	134,224,027	-	7,585,096	(1,932,445)	124,706,486	
Ambathale Water Treatment Plant Project	1999102	712,505,248	-	95,276,642	(12,116,426)	605,112,180	
Samanalawewa Transmission Project	1999103	328,726,899	-	58,135,208	(5,816,937)	264,774,754	
Mixed Credit for Telecommunication & CEB	1999104	243,725,338	-	29,140,310	(4,050,898)	210,534,130	
Mixed Credit for Irrigation, Telecommunication & CEB	1999105	201,295,530	-	45,727,450	(4,021,918)	151,546,162	
Rehabilitation of Ambatale Water Plant	2000100	241,535,081	-	14,802,631	(3,652,942)	223,079,508	
Water Supply Network Colombo	2000101	260,687,862	-	23,002,199	(3,784,610)	233,901,053	
Import of Commodities	2002041	101	-	-	167	268	
Purchase of Goods - Services	2002043	-	-	-	-	-	
Purchase of Goods - Services	2002046	-	-	-	(42)	(42)	
Trinco Water Supply & Colombo Area Telecommunication Project	2002047	-	-	-	(1)	(1)	
Nilwala Ganga Project	2002049	16	-	-	1	17	
Colombo Airport Telecommunication Project	2002052	96,254,766	-	39,285,013	(2,346,138)	54,623,615	
Mixed Credit for Airport, Telecommunication, Irrigation, NWSDB	2002053	129,905,779	-	51,949,344	(2,945,027)	75,011,408	
Nilwala Ganga Project	2002054	126,818,946	-	52,701,894	(2,907,115)	71,209,937	
Mixed Credit for Airport, Telecommunication, Irrigation, NWSDB	2002055	147,238,393	-	40,401,444	(3,067,520)	103,769,429	
Trincomalee Integrated Infrastructure Project (TIIP)	2005049	9,751,337,224	-	-	99,072,932	9,850,410,156	
Greater Trincomalee Water Supply Project	2005052	1,554,143,334	55,663,543	-	149,577,691	1,759,384,568	
Construction Sector Support Project	2007040	1,594,206,000	-	-	(20,469,000)	1,573,737,000	
Spatial Information Infrastructure for Reconstruction Monitoring Project	2007042	996,496,466	-	-	(12,794,636)	983,701,830	
Trincomalee Integrated Infrastructure Project	2008030	2,319,594,626	-	-	(29,782,714)	2,289,811,912	
Provision of Oxygen Concentrators, Operating Theaters & Medical Equipment to Tsunami Affected & Remote Hospitals Project	2010008	1,519,117,939	-	-	(20,459,084)	1,498,658,855	
Widening and Reconstruction of 46 Bridges on National Road Network	2012028	2,532,402,877	719,036,894	-	(31,440,469)	3,219,999,302	
Implementation of Ambatale Water Supply System Improvement & Energy Saving Project	France 2014027	-	695,172,500	-	25,139,000	720,311,500	
Private Sector Infrastructure Development Project	Germany 1997065	297,210,839	-	12,432,103	(4,123,634)	280,655,102	

## Notes to the Financial Statements contd...

## NOTE - 30 (f) - STATEMENT OF FOREIGN LOAN BALANCES

		Rs.				
Name	Loan Key	Balance as at 01.01.2015 (8343)	Accounted during the year	Repayments	Parity	Closing Balance as at 31.12.2015 (8343)
Grid Substation Kelaniya & Rathmalana	1998037	894,842,269	-	35,689,023	(14,899,858)	844,253,387
Nawalapitiya Water Supply Project	1998057	500,677,212	-	19,919,245	(11,281,350)	469,476,617
Ampara Water Supply Project	1998058	273,169,220	-	11,900,996	19,226,316	280,494,540
Koggala Water Supply Project	1999026	584,676,994	-	23,578,259	6,698,051	567,796,786
NDB IV Project	1999054	1,018,880,733	-	39,260,672	(14,053,319)	965,566,742
DFCC Bank (DFCC iii)	2000010	1,022,630,205	-	38,632,500	(14,085,909)	969,911,796
Colombo Grid Substation Project	2001042	1,461,070,031	-	52,766,342	(195,583,561)	1,212,720,128
Kirindioya Irrigation & Settlement Project	2001061	468,994,984	-	24,341,616	(6,623,909)	438,029,459
Railway Wagons for Fertilizer Distribution	2001063	435,266,037	-	23,253,079	(6,152,885)	405,860,073
Expansion of two 132/11KV Substation In Colombo	2001065	652,083,816	-	-	(8,372,509)	643,711,307
Randenigala Dam Project	2001100	13,856,770,119	-	785,576,969	(196,969,986)	12,874,223,164
2nd Extension of Sapugaskanda Diesel Power Plant	2001101	3,679,870,257	-	97,052,380	(49,648,239)	3,533,169,638
Rantabe Dam Project	2001102	5,817,889,876	-	260,690,861	(81,148,629)	5,476,050,386
Railway Bridges Project	2001103	161,716,898	-	9,741,155	(2,312,764)	149,662,979
Small Entrepreneur Promotion Programme (DFCC II)	2001104	116,967,578	-	4,868,324	(1,622,258)	110,476,996
Kirindioya Irrigation & Settlement Project	2001105	784,945,931	-	50,410,702	(11,325,527)	723,209,702
Supply of a Railway Crane	2001110	128,867,958	-	4,870,578	(1,772,800)	122,224,580
Railway Bridges II	2001115	913,080,452	-	34,392,348	(12,574,442)	866,113,662
Embilipitiya Paper Mills Project	2001118	126,879,001	-	7,855,768	(6,425,999)	112,597,234
NDB Small Loan Programme iii	2001122	129,112,643	-	5,182,408	(1,785,965)	122,144,270
NDB VI - Small and Micro Enterprises	2003047	311,309,756	-	10,443,059	(4,255,452)	296,611,245
DFCC IV Private Sector Development	2005043	1,250,003,982	-	432,033,257	(26,393,789)	791,576,936
NDB V - Private Sector Promotion Programme	2005044	1,250,003,982	-	432,033,257	(26,393,792)	791,576,933
Rehabilitation Electricity Supply Jaffna Region ( Transmission Line)	2005051	882,099,911	86,420,371	-	(4,371,172)	964,149,110
DFCC V Credit Line for SME in the North and East	2006040	784,870,633	-	-	1,997,867	786,868,500
Reconstruction of Wter Supply Galle District - Phase ii	2010036	13,989,172	-	-	184,003,366	197,992,538
Construction of Mahamodara Maternity Hospital, Galle	2012022	(32,477,418)	124,743,503	317,635,973	(4,015,092)	(229,384,979)
<b>Denmark</b>						
Colombo Dockyard Project	1979013	-	-	-	(0)	(0)
Construction of 2 Coast Protection Scheme	1986001	336,248,990	-	56,518,230	(7,456,016)	272,274,744
Colombo Sewerage Rehabilitation Project	2004077	963,835,919	-	302,538,410	(26,990,316)	634,307,193

## Notes to the Financial Statements contd...

## NOTE - 30 (f) - STATEMENT OF FOREIGN LOAN BALANCES

Name	Loan Key	Balance as at 01.01.2015 (8343)	Accounted during the year	Repayments	Parity	Closing Balance as at 31.12.2015 (8343)
Nuwara Eliya District Group Water Supply Project	2006079	1,437,798,449	-	302,962,388	(30,906,768)	1,103,929,293
<b>India</b>						
Upgrading of Railway Line Colombo Matara	2008011	10,792,381,385	30,509,365	1,716,326,307	1,011,555,556	10,118,119,999
Upgrading of Railway Line Colombo Matara Phase II	2010010	8,177,122,737	322,329,803	813,443,754	523,710,679	8,209,719,464
Railway Line Omanthai -Pallai, Madhu- Tallaimannar & Medawachchiya	2010052	45,453,227,321	7,711,041,313		5,249,952,313	58,414,220,947
Greater Dambulla Water Supply Project i	2012002	5,907,847,286	714,190,418	705,587,217	517,136,226	6,433,586,712
Restoration of Northern Railway Services	2012003	20,509,612,853	9,267,401,903		2,481,479,099	32,258,493,855
Procurement of Two Advanced Offshore Patrol Vessels	2013046	1,038,846	4,403,635,462		388,998,726	4,793,673,033
<b>Japan</b>						
Colombo International Airport Development Project	1983012	-	-		1	1
Port Colombo Expansion Project	1984003	861	-		(863)	(2)
Greater Colombo Telecom Network Project	1985013	168,815,301	-	171,321,620	2,506,320	1
Colombo Port Expansion Project	1985014	69,057,910	-	70,083,180	1,025,270	-
Samalawewa Hydroelectric Power Project	1986016	1,553,120,081	-	799,087,992	91,915,454	845,947,544
Samalawewa Hydroelectric Power Project II	1987022	2,236,494,761	-	780,705,545	168,431,407	1,624,220,624
Port Colombo Expansion Project	1987024	313,612,938	-	109,474,596	23,618,330	227,756,672
Mahaweli Development (System c) Project II	1988009	544,980,002	-	160,778,778	39,852,544	424,053,768
Mimipe & Nagadeepa Irrigation Rehabilitation Project	1988011	366,101,342	-	92,275,612	25,284,301	299,110,031
Road Maintenance & Rehabilitation Project	1988012	1,225,449,630	-	308,873,804	84,634,045	1,001,209,871
Transmission System Augmentation Development Project	1988066	820,728,559	-	211,863,314	61,681,723	670,546,968
Commuter Train Improvement Project	1988067	1,443,782,416	-	372,698,774	108,507,238	1,179,590,880
Towns East of Colombo Water Supply Project	1990010	579,268,510	-	108,376,918	75,403,670	546,295,262
Greater Colombo Drainage Rehabilitation Project	1990011	87,871,524	-	16,440,122	6,887,462	78,318,864
Transmission & Grid Substation Development Project	1990012	689,735,914	-	129,044,564	54,062,218	614,753,568
Port Colombo Expansion Project (I)	1990014	1,679,969,251	-	314,310,007	131,677,740	1,497,336,984
Colombo - Katunayake Expressway Construction Project	1990015	150,574,788	-	28,171,446	11,802,210	134,205,552
Railway Rehabilitation Project	1990049	2,928,520,893	-	486,775,352	216,747,179	2,658,492,720
Greater Colombo Telecom Network (II) Project	1991005	3,542,113,050	-	560,749,153	283,613,247	3,264,977,144
Port of Colombo Extension Project	1991006	3,631,631,424	-	574,920,737	290,780,889	3,347,491,576
Samalawewa Hydroelectric Power (III) Project	1991007	1,136,235,374	-	179,876,536	90,977,165	1,047,336,004

Notes to the Financial Statements contd...

NOTE - 30 (f) - STATEMENT OF FOREIGN LOAN BALANCES

		Rs.				
Name	Loan Key	Balance as at 01.01.2015 (8343)	Accounted during the year	Repayments	Parity	Closing Balance as at 31.12.2015 (8343)
Port of Colombo Extension Project III	1992008	8,018,249,155	-	1,100,114,398	651,937,675	7,570,072,432
Greater Colombo Flood Control & Environment Improvement (I)	1992009	4,193,835,272	-	575,399,751	340,987,063	3,959,422,584
Upper kotmale Hydroelectric Power (Engineering Services)	1992010	412,931,170	-	56,654,703	33,574,085	389,850,552
Baseline Road Project	1993023	2,374,448,092	-	263,118,675	187,880,119	2,299,209,536
Port of Colombo Extension Project IV	1993024	3,291,216,550	-	364,708,136	260,420,162	3,186,928,576
Transmission System Augmentation & Development Project	1993025	317,106,023	-	35,141,325	25,110,694	307,075,392
Sri Lanka - Japan Friendship Bridge Widening Project	1993026	1,042,890,818	-	115,565,403	82,519,576	1,009,844,991
The Regional Telecommunications Development Project	1993027	4,593,743,152	-	509,044,445	363,483,629	4,448,182,336
Greater Colombo Water Supply System Extension Project	1993028	1,615,994,618	-	179,072,503	127,866,876	1,564,788,991
Grater Colombo Flood Control & Environment Project (II)	1994015	1,900,069,656	-	191,564,542	154,355,782	1,862,860,896
Industrial Estates Development Project	1994016	2,025,757,248	-	204,236,333	164,566,253	1,986,087,168
Kukule Ganga Hydroelectric Power Project	1994017	10,321,313,984	-	1,040,592,262	838,471,622	10,119,193,344
Port of Colombo North Prier Development Project	1994018	2,612,540,883	-	263,395,710	212,234,740	2,561,379,912
Walawe L.B. Irrigation, Upgrading & Expansion Project	1994019	202,957,793	-	20,462,153	16,487,665	198,983,304
Coal Fired Thermal Development Project	1994020	360,418,612	-	36,337,313	29,279,293	353,360,592
Samanalawewa Hydro Electric Power Project	1995028	1,846,171,570	-	167,382,817	149,512,549	1,828,301,302
Walawe Left Bank Irrigation & Uogra & Extension Project	1995029	1,470,000,268	-	133,277,314	119,048,246	1,455,771,200
Kelamitissa Combined Cycle Power Plant	1996053	8,615,950,305	-	751,904,307	739,609,634	8,603,655,632
Walawe Left Bank Irrigation & Extension Project (II)	1996054	5,537,236,683	-	483,228,428	475,326,976	5,529,335,232
Towns North of Colombo Water Supply Project	1996055	3,288,456,429	-	286,979,900	282,287,383	3,283,763,913
G.C. Flood Control & Environment. Imp. Project (III)	1996056	3,775,317,994	-	329,467,761	324,080,509	3,769,930,742
Plantation Reform Project	1996057	2,619,519,135	-	228,602,493	224,864,526	2,615,781,168
Transmission & Substation Development Project	1997032	1,721,887,073	-	132,096,958	141,663,869	1,731,453,984
Baseline Road Project (II)	1997051	1,595,002,771	-	122,362,852	131,224,785	1,603,864,704
Telecom. Network Expansion Project in Colombo	1997052	5,811,101,259	-	445,806,703	478,093,540	5,843,388,096
Kalu Ganga Water Supply Project for Grater Colombo	1997053	7,723,414,701	-	592,512,483	635,424,251	7,766,326,469
Mahaweli System C. Upgrading Project	1997054	2,143,274,268	-	164,424,262	176,332,426	2,155,182,432
Small & Micro Ind. Leader & Entrepreneur Project	1997055	3,766,651,166	-	288,963,875	309,891,621	3,787,578,912
Transmission & Substation Development Project II	1998053	2,100,058,729	-	149,063,734	178,903,997	2,129,898,992
Medium Voltage Distribution Network	1998054	2,573,332,677	-	186,049,490	219,023,268	2,606,306,456
Telecom. Network Expansion - Colombo Metro	1998055	217,770,661	-	16,006,298	18,519,701	220,284,064

## Notes to the Financial Statements contd...

NOTE - 30 (f) - STATEMENT OF FOREIGN LOAN BALANCES							Rs.	
Name	Loan Key	Balance as at 01.01.2015 (8343)	Accounted during the year	Repayments	Parity	Closing Balance as at 31.12.2015 (8343)		
Environmentally Friendly Solution Fund	1998056	2,046,889,627	-	87,761,240	177,748,068	2,136,876,456		
Bandaranayake International Airport Development Project	1999029	9,803,577,281	-	624,684,304	818,322,719	9,997,215,696		
Road Network Improvement Project	1999030	2,504,255,012	-	158,213,705	209,160,078	2,555,201,385		
Poverty Alleviation Micro Finance Project	1999031	1,098,844,194	-	73,059,444	91,441,906	1,117,226,656		
Engineering Service for the Southern Highway	1999032	341,392,006	-	13,618,988	29,247,334	357,020,352		
Reduction of Non Revenue Water Project	1999033	222,730,974	-	10,049,451	18,974,109	231,655,632		
Urgent Upgrading of Colombo Port Project	1999034	1,283,752,507	-	80,150,340	107,309,508	1,310,911,675		
Port of Colombo North Pier Development Project II (Modification Agreement)	2000015	2,194,944,735	-	145,717,415	187,578,524	2,236,805,845		
Small & Micro Ind. Leader & Entrepreneur Project II	2001043	3,785,455,997	-	231,302,252	319,620,886	3,873,774,631		
Improvement of National Blood Transfusion Services	2001044	1,184,549,119	-	69,980,432	100,208,981	1,214,777,667		
Southern Highway Construction Project	2001045	16,655,496,154	-	1,016,178,492	1,428,626,116	17,067,943,778		
Greater Kandy Water Supply Project	2001046	4,429,963,914	-	172,017,995	385,740,550	4,643,686,470		
Colombo City Electricity Distribution Development Project	2001051	5,474,909,017	-	312,884,611	471,638,035	5,633,662,442		
Lunawa Environment Improvement & Community Development Project	2001052	5,821,251,340	-	335,843,902	490,411,349	5,975,818,787		
Upper Kotmale Hydro Power Project	2002040	32,317,722,876	-	1,209,282,141	2,816,753,173	33,925,193,909		
Plantation Reform Project II	2003042	1,681,438,230	-	93,525,224	144,756,101	1,732,669,107		
Provincial Road Improvement Project	2003043	5,733,715,810	-	318,921,647	493,619,259	5,908,413,423		
Pro-Poor Economic Advt. & Communication Enhancement	2003044	5,921,745,863	-	329,441,879	511,009,591	6,103,313,576		
Power Sector Restructuring Project (Kerawalapitiya)	2003045	2,846,526,430	-	158,329,944	245,059,296	2,933,255,783		
Small Scale Infrastructure Rehabilitation & Upgrading	2003046	9,506,146,291	-	528,752,374	818,390,263	9,795,784,181		
Small Scale Infrastructure Rehabilitation & Upgrading (SIRUP II)	2004044	12,708,873,198	-	436,960,362	1,111,047,300	13,382,960,136		
Small And Micro Industries Leader And Entrepreneur Promotion	2004045	10,380,688,421	-	356,912,002	907,510,497	10,931,286,916		
Environmentally Friendly Solution Fund (II)	2004046	5,585,192,967	-	192,031,811	488,274,097	5,881,435,253		
Vavuniya Kilinochchi Transmission Line Project	2005040	1,289,834,200	-	46,684,083	208,280,799	1,451,430,916		
Sri Lanka Tsunami Affected Area Recovery & Take off (STAART) Project	2005041	10,985,587,365	-	371,632,139	960,728,258	11,574,683,484		
The Galle Port Development Project	2006041	503,769,891	-	-	45,013,049	548,782,940		
Pro - Poor Eastern Infrastructure Development Project	2006042	4,896,633,936	-	-	437,525,993	5,334,159,929		
Tourism Resources Improvement Project	2006043	2,182,007,847	-	194,644,628	176,254,587	2,163,617,807		
Greater Colombo Transport Development Project	2007004	20,933,525,051	3,148,119,875	-	2,127,947,613	26,209,592,539		

## Notes to the Financial Statements contd...

NOTE - 30 (f) - STATEMENT OF FOREIGN LOAN BALANCES							Rs.	
Name	Loan Key	Balance as at 01.01.2015 (8343)	Accounted during the year	Repayments	Parity	Closing Balance as at 31.12.2015 (8343)		
Pro-Poor Rural Development Project	2007005	4,450,363,543	-	-	397,650,662	4,848,014,205		
Water Sector Development Project	2007006	12,516,894,997	2,012,933,848	-	1,295,561,662	15,825,390,507		
Greater Colombo Urban Transport Development Project - Phase 2(I)	2008012	6,273,583,309	-	-	559,981,692	6,833,565,001		
Southern Highway Construction Project (II)	2008013	19,117,074,681	-	-	1,708,165,555	20,825,240,236		
Water Sector Development Project (II)	2008014	5,995,745,866	3,167,687,117	-	729,978,407	9,893,411,390		
Poverty Alleviation Micro Finance Project -II	2008015	2,662,950,585	156,091,345	-	244,785,873	3,063,827,803		
Energy Diversification Enhancement Project	2008016	533,676,016	-	-	48,374,608	582,050,624		
Provincial Rural Road Development Project	2010013	7,884,561,024	2,196,804,596	-	858,807,035	10,940,172,655		
Provincial Rural Road Development Project	2010014	4,344,111,459	-	-	388,340,258	4,732,451,717		
Eastern Province Water Supply Development Project	2010015	3,362,142,527	908,776,248	-	312,014,532	4,582,933,306		
Kandy City Waste Water Management Project	2010016	1,020,572,462	494,592,179	-	121,119,304	1,636,283,945		
Upper Kotmale Hydro Power Project II	2010017	4,994,273,477	-	-	446,250,322	5,440,523,799		
Greater Colombo Urban Transport Development Project - Phase II	2011003	21,242,267,439	10,172,497,454	-	2,616,953,172	34,031,718,065		
Vavuniya Killinochchi Transmission Line Project - Phase II	2011004	940,998,581	108,232,284	-	94,996,383	1,144,227,248		
Emergency Natural Disaster Rehabilitation Project	2011027	7,671,440,058	-	-	685,461,581	8,356,901,639		
Habarana Veyangoda Transmission Line	2012006	141,283,176	25,436,896	-	13,683,194	180,403,266		
Improvement of Basic Social Services Targeting Emerging Region	2012007	1,141,890,420	692,330,989	-	165,112,290	1,999,333,700		
Greater Colombo Transmission and Distribution Loss Reduction Project	2013016	287,653,696	243,269,122	-	43,188,350	574,111,168		
Major Bridges Construction Project of the National Road Network	2013018	197,619,719	2,098,708,195	-	147,217,596	2,443,545,511		
Landslide Disaster Protection Project of the National Road Network	2013019	156,352,281	349,856,024	-	37,674,199	543,882,504		
Anuradhapura North Water Supply Project (I)	2013020	146,109,203	172,400,555	-	27,346,104	345,855,862		
New Bridge Construction Project Over the Kelani River	2014003	-	1,033,104,595	-	42,764,452	1,075,869,048		
<b>Korea</b>								
Hospital Rehabilitation & Reconstruction	1996037	117,945,361	-	81,077,238	3,233,299	40,101,422		
Horana Area Telecom. Facility Improvement	1996038	392,492,880	-	62,262,674	8,521,341	338,751,547		
Expansion of Telecom Centre - Gampaha	1996039	432,180,840	-	68,558,530	9,382,999	373,005,309		
Power Sector Development Project	1996040	75,052,080	-	51,591,816	2,057,443	25,517,707		
Medical Equipment Project	1996041	125,026,559	-	61,574,757	311,743	63,763,545		
Ratnapura-Balangoda Road Rehabilitation	1996042	1,764,861,122	-	144,863,746	30,147,771	1,650,145,147		
Housing Project for Public Servants	1996043	587,908,800	-	48,256,868	10,042,796	549,694,728		
Greater Galle Water Supply Project	2001048	3,596,083,440	-	212,612,615	68,769,278	3,452,240,103		

## Notes to the Financial Statements contd...

## NOTE - 30 (f) - STATEMENT OF FOREIGN LOAN BALANCES

		Rs.				
Name	Loan Key	Balance as at 01.01.2015 (8343)	Accounted during the year	Repayments	Parity	Closing Balance as at 31.12.2015 (8343)
Medical Equipment Project	2001050	177,544,079	-	24,982,654	2,662,828	155,224,253
	2001078	-	-	-	-	-
Balangoda -Bandarawela Road Rehabilitation Project	2003048	2,166,340,018	-	112,306,228	39,334,669	2,093,368,459
Greater Galle Water Supply Project Phase II	2005042	1,859,819,674	-	47,682,864	37,451,794	1,849,588,604
Re-Engineering Movement Component of Sri Lanka Project	2005046	1,731,918,101	-	-	34,638,362	1,766,556,463
Administrative Complex in Hambantota Project	2006044	2,278,773,619	-	-	45,575,472	2,324,349,091
Greater Galle Water Supply Project Phase II (Supplementary)	2007013	809,213,394	-	-	16,184,268	825,397,662
Upgrading of Niyagama National Vocational Training Centre Project	2007016	967,671,601	-	56,658,895	19,610,895	930,623,601
Lanka Government Network Stage II Project	2008040	998,288,193	-	-	21,099,394	1,019,387,587
Improvement of Padeniya- Anuradhapura Road Project	2008041	9,105,978,047	-	-	182,119,562	9,288,097,609
Ruhunupura Water Supply Development Project	2009004	7,854,550,748	2,570,982,485	-	210,876,707	10,636,409,940
Hatton - Nuwara Eliya Road Improvement Project	2010041	4,556,776,580	571,875,074	-	118,294,512	5,246,946,166
Improvement of Padeniya- Anuradhapura Road Project	2012027	1,550,810,746	-	-	31,016,215	1,581,826,961
Construction of Solid Waste Disposal Facilities	2013031	73,755,295	-	-	1,475,106	75,230,401
Establishment of Colombo Central Vocational Training Center & Gampaha College of Technology Project in Sri Lanka	2013033	-	108,720,418	-	2,887,600	111,608,018
Hatton-Nuwara Eliya Improvement Project (Supplementary Loan)	2015011	-	1,863,228,924	-	11,850	1,863,240,774
	<b>Kuwait</b>					
Bridges Reconstruction & Rehabilitation Project	1995013	661,651,644	44,032,553	121,377,593	36,680,566	620,987,170
Rehabilitation of Irrigation Schemes - Hambanthota	1999017	429,946,563	-	42,810,249	22,816,310	409,952,624
Rural Electrification Project V	2000023	566,297,843	-	52,424,846	31,544,294	545,417,291
Strengthening of Tertiary Education & Administrative Infrastructure in Tsunami Affected Areas	2005048	2,210,648,573	37,000,000	135,971,912	127,138,989	2,238,815,650
South Eastern University of Sri Lanka Development Project Phase I "A"	2007041	805,842,454	-	45,323,971	46,101,257	806,619,740
Kalu Ganga Development Project	2009002	557,985,294	875,642,314	-	109,329,439	1,542,957,047
South Eastern University of Sri Lanka Development Project Phase I "B"	2011030	106,010,774	406,320,053	-	27,299,831	539,630,658
Reconstruction of 25 Bridges Project	2014002	-	59,229,838	-	1,052,178	60,282,016
	<b>Netherlands</b>					
	2001066	-	-	-	-	-
	<b>Sweden</b>					
Education Reforms in Plantation Schools	2004072	583,993,229	-	60,700,430	4,935,613	528,228,412

## Notes to the Financial Statements contd...

## NOTE - 30 (f) - STATEMENT OF FOREIGN LOAN BALANCES

		Rs.				
Name	Loan Key	Balance as at 01.01.2015 (8343)	Accounted during the year	Repayments	Parity	Closing Balance as at 31.12.2015 (8343)
	USA	-	-	-	-	-
Co-ordination Rice Research Project	1977015	60,951,010	-	20,851,250	5,231,044	45,330,804
Mahaweli Development Project Stage 2	1977016	96,322,440	-	27,067,060	7,496,171	76,751,551
Malaria Control Project	1978016	355,517,584	-	71,558,766	31,116,296	315,075,114
Agriculture Base Mapping Project	1978017	82,906,600	-	20,940,190	7,395,650	69,362,060
Paddy Storage & Processing Project	1978018	116,311,928	-	28,185,468	9,183,495	97,309,955
Agricultural Inputs Project	1978020	321,434,581	-	73,855,143	(1,509,591)	246,069,847
Water Management Project	1979017	172,166,837	-	29,551,985	14,502,061	157,116,913
Agricultural Inputs Project	1979018	414,771,853	-	81,632,743	36,977,773	370,116,883
Malaria Control Project	1979068	175,666,170	-	22,149,026	16,268,032	169,785,176
Mahaweli Basin Development Phase I	1980026	366,899,177	-	52,424,102	31,717,974	346,193,049
Reforestation & Watershed Management Project	1980027	121,927,661	-	18,005,978	11,143,292	115,064,975
Jaffna Market Town Water Supply	1980028	130,275,885	-	16,641,801	12,280,399	125,914,483
Agricultural Inputs Project	1980029	174,176,287	-	27,360,292	14,898,727	161,714,722
Water Management Project	1980034	82,549,358	-	7,047,091	7,772,151	83,274,418
Reforestation & Watershed Management Project	1980115	123,895,057	-	9,583,661	11,806,612	126,118,008
Mahaweli Basin Development Phase Maduru Oya	1981024	1,098,829,453	-	140,682,265	103,895,362	1,062,042,550
Mahaweli Sector Support	1981084	826,319,721	-	104,338,782	76,675,028	798,655,967
Mahaweli Basin Development - Phase 2	1982093	1,352,712,416	-	126,326,118	123,186,542	1,349,572,840
Mahaweli Sector Support (Rupee - Expenditure)	1982094	774,391,181	-	79,590,828	72,772,130	767,572,483
Mahaweli Development Phase 2 & Maduru Oya Project	1982100	117,927,630	-	9,804,629	10,840,419	118,963,420
Private Enterprise Promotion Project	1983013	58,902,029	-	5,050,928	5,568,277	59,419,378
Mahaweli Sector Support	1983082	1,292,238,091	-	79,622,939	(254,030,841)	958,584,311
Mahaweli Development Phase 2- Maduru Oya System B Project	1983083	943,420,990	-	78,437,009	86,723,348	951,707,329
Malaria Control Project	1983084	271,450,201	-	24,713,419	25,666,435	272,403,217
Water Management Project	1983089	62,860,270	-	4,867,202	5,995,046	63,988,114
Mahaweli Development Phase 2- Maduru Oya System "B" Project	1984006	1,494,735,047	-	118,219,023	138,506,649	1,515,022,673
Malaria Control Project	1984007	200,446,316	-	14,938,256	19,336,861	204,844,921
Mahaweli Basin Development Phase-2 ( Maduru Oya System B)	1984008	511,982,733	-	36,471,912	47,706,889	523,217,710
Water Supply & Sanitation Project	1984013	90,724,527	-	7,199,734	8,431,094	91,955,887
Diversified Agriculture Research Project	1984014	108,808,852	-	5,818,590	10,459,810	113,450,072

## Notes to the Financial Statements contd...

NOTE - 30 (f) - STATEMENT OF FOREIGN LOAN BALANCES							Rs.	
Name	Loan Key	Balance as at 01.01.2015 (8343)	Accounted during the year	Repayments	Parity	Closing Balance as at 31.12.2015 (8343)		
Water Supply & Sanitation Project	1984068	223,565,217	-	14,470,363	20,957,088	230,051,942		
Malaria Control Project	1984072	105,671,281	-	7,146,169	10,212,222	108,737,334		
Diversified Agriculture Research Project	1984074	113,915,688	-	9,416,568	10,962,712	115,461,832		
Mahaweli Development Phase 2 - Maduru Oya System "B" Project	1984084	12,619,522	-	857,018	1,180,362	12,942,866		
Water Supply & Sanitation Project	1986002	72,673,760	-	3,804,284	7,064,698	75,934,174		
Irrigation System Management Project	1986010	572,007,680	-	35,478,503	55,076,817	591,605,994		
Agricultural Planning & Analysis Project	1986011	85,271,047	-	5,309,415	8,051,140	88,012,772		
Mahaweli Agriculture & Rural Development	1987009	245,285,044	-	13,827,684	23,200,919	254,658,279		
Mahaweli Down stream Support Project	1987010	265,271,642	-	14,457,806	25,772,915	276,586,751		
Irrigation System Management Project	1987027	280,654,380	-	15,728,537	27,037,771	291,963,614		
Mahaweli Agriculture & Rural Development	1988087	46,894,081	-	2,776,339	4,547,605	48,665,347		
Water Supply & Sanitation Project	1989019	126,685	-	5,955	9,788	130,518		
<b>Spain</b>		-	-	-	-	-		
The Supply & Construction of Pre-Fabricated Metal Bridges	2006086	1,362,127,724	-	184,201,832	(25,378,587)	1,152,547,305		
The Supply & Construction of Pre-Fabricated Metal Bridges	2006087	1,112,755,788	-	-	(14,287,362)	1,098,468,426		
Design Supply & Setting up of Tow Water Treatment Plants at Galle & Negambo	2007001	2,062,476,111	-	-	(26,481,411)	2,035,994,700		
<b>Saudi</b>		-	-	-	-	-		
Mahaweli Ganga Development Project System B.L.Bank	1983107	2,034	-	-	(2,034)	-		
Development Health Facilities - Colombo Hospital	2002058	751,327,671	-	106,734,223	66,183,030	710,776,478		
Baticoloo - Trincomalee Road Project	2004043	805,698,381	-	94,851,146	72,522,641	783,369,876		
Epilepsy Hospital & Health Centers Project	2008001	786,508,518	360,400,396	133,417,778	377,460,246	1,390,951,382		
Development of Health Facilities in Colombo Project (Additional Loan)	2008002	347,874,035	-	19,567,941	33,003,713	361,309,807		
Kalu Ganga Development Project	2010028	1,881,338,317	-	-	174,108,592	2,055,446,909		
Road Network Development Project	2012025	2,037,905,798	2,861,258,040	-	476,670,578	5,375,834,416		
<b>Germany</b>		-	-	-	-	-		
Debt Moratorium from Germany	2005403	-	-	-	(28)	(28)		
<b>Japan</b>		-	-	-	-	-		
2005407	2005407	-	-	-	(251,781)	(251,781)		
<b>Commercial Loans</b>		-	-	-	-	-		
Mixed Credit for Telecommunication, Air port, Irrigation & NWSDE	1986018	5,162,774	-	-	(5,162,774)	-		

## Notes to the Financial Statements contd...

## NOTE - 30 (f) - STATEMENT OF FOREIGN LOAN BALANCES

		Rs.				
Name	Loan Key	Balance as at 01.01.2015 (8343)	Accounted during the year	Repayments	Parity	Closing Balance as at 31.12.2015 (8343)
International Bond Issue 2009 USD 500 Million	2009022	65,524,300,000	-	65,750,000,000	225,700,000	-
International Bond Issue 2010 USD 1000 Million	2010040	131,048,600,000	-	-	13,013,700,000	144,062,300,000
International Bond Issue 2011 USD 100 Million	2011017	131,048,600,000	-	-	13,013,700,000	144,062,300,000
International Bond Issue 2012 USD 1000 Million	2012018	131,048,600,000	-	-	13,013,700,000	144,062,300,000
Sovereign Bond Issues 2014 - USD 1000 Million	2014008	195,989,200,000	-	-	(51,926,900,000)	144,062,300,000
Sovereign Bond Issues 2014 - USD 500 Million	2014009	-	-	-	72,031,150,000	72,031,150,000
International Sovereign Bond Issue 650 Million	2015008	-	87,035,000,000	-	-	87,035,000,000
<b>Bear Stearns &amp; Co</b>						
Low Income Shelter Programme Phase -3	1988015	262,010,225	-	69,349,675	(9,329,250)	183,331,300
Low Income Shelter Programme Phase -2	1986024	183,468,040	-	92,960,000	10,335,570	100,843,610
<b>Riggs National Bank</b>						
Low Income Shelter Programme Phase -3	1987006	287,532,989	-	101,487,327	24,777,260	210,822,922
Sri Lanka - USAID Housing Guarantee Loan	1994046	655,243,000	-	68,490,800	61,528,150	648,280,350
Sri Lanka - USAID Housing Guarantee Loan	1997067	1,277,723,851	-	99,674,063	118,510,913	1,296,560,701
US Housing Guarantee Loan for Private Sector	1998049	430,349,154	-	20,176,039	41,472,552	451,645,667
<b>In.Bond.Issues</b>						
International Sovereign Bond Issue 2015-USD 1500 Million	2015029	-	211,465,650,000	-	-	211,465,650,000
<b>ADB</b>						
Special Operation - Merchant Bank	1991061	78,500,686	-	5,149,700	3,837,829	77,188,815
<b>ADB</b>						
Agriculture Programme	1989068	7,701,400,955	-	518,454,432	374,788,403	7,557,734,926
Financial Sector Programme	1990051	7,417,478,641	-	468,146,599	362,258,188	7,311,590,230
Second Agriculture Programme	1991055	2,478,098,943	-	146,207,668	120,409,563	2,452,300,838
Private Sector Development Sub Programme I	2001001	7,874,829,069	-	795,188,928	372,293,823	7,451,933,964
Private Sector Development Sub Programme I	2001002	2,647,182	-	2,783,519	136,337	0
Small & Medium Enterprise Sector Development Programme	2002002	2,005,524,644	-	184,104,429	95,573,538	1,916,993,753
Power Sector Development Programme	2002005	1,474,509,049	-	452,400,192	109,944,222	1,132,053,079
Private Sector Development Sub Programme I	2003002	262,241,354	-	275,786,575	13,545,221	-
Rural Finance Sector Development Programme	2004001	2,163,294,594	-	469,698,319	173,656,421	1,867,252,696

## Notes to the Financial Statements contd...

## NOTE - 30 (f) - STATEMENT OF FOREIGN LOAN BALANCES

		Rs.				
Name	Loan Key	Balance as at 01.01.2015 (8343)	Accounted during the year	Repayments	Parity	Closing Balance as at 31.12.2015 (8343)
Fiscal Management Programme	2004009	3,324,791,799	-	573,153,533	307,551,939	3,059,190,205
Financial Markets for Private Sector Development	2004014	4,928,678,747	-	811,999,574	418,271,182	4,534,950,355
	<b>IDA</b>					
Economic Restructuring Credit	1990009	9,399,051,984	-	605,133,993	451,083,896	9,245,001,887
Public Manufacturing Ent.Adj.Credit	1990047	11,453,562,330	-	720,095,127	556,618,299	11,290,085,502
Poverty Reduction Support Credit	2003021	16,704,044,856	-	346,369,764	843,530,023	17,201,205,115
	<b>IFAD</b>					
Post Tsunami Coastal Rehabilitation & Resource Management Programme	2005022	1,773,226,491	12,275,813	31,378,606	91,639,109	1,845,762,807
Post Tsunami Livelihood Support & Partnership Programme	2005023	296,187,840	-	5,208,068	15,254,182	306,233,954
	<b>ADB</b>					
Special Assistance to selected Projects	1983006	1,051,781,378	-	125,206,895	49,233,162	975,807,645
Aquaculture Development Project	1983071	1,025,977,995	-	122,170,877	48,023,894	951,831,012
Walawe Irrigation Improvement Project	1984018	847,055,760	-	90,032,616	39,860,212	796,883,356
Plantation Sector Project	1985001	3,164,087,820	-	319,485,417	149,587,594	2,994,189,997
Secondary Towns Power Distribution Project	1985002	1,013,010,166	-	102,302,819	47,891,071	958,598,418
Trunk Roads Improvement Project	1985003	1,683,046,645	-	154,734,710	80,451,479	1,608,763,414
Development Financing Project	1985004	1,545,201,493	-	141,720,371	73,481,818	1,476,962,940
Kirindi Oya Irrigation & Settlement Project	1986020	1,136,274,929	-	95,527,190	54,403,598	1,095,151,337
Agricultural Inputs Programme	1987001	2,357,036,632	-	198,140,399	112,853,044	2,271,749,277
Water Supply Sector Project	1987002	2,257,288,730	-	190,259,557	108,584,800	2,175,613,973
Land Use Planning Project	1987003	547,351,891	-	46,124,692	26,330,248	527,557,447
1st Small & Medium Industries Project	1988002	1,062,402,835	-	82,427,632	51,158,665	1,031,133,867
Emergency Road Restoration Project	1988003	601,122,327	-	48,798,902	29,135,393	581,458,818
Secondary Towns Power Distribution Project II	1988004	2,715,286,400	-	210,894,118	130,980,013	2,635,372,295
Second Road Improvement Project	1988005	2,655,923,316	-	215,493,184	128,732,326	2,569,162,458
2nd Technical Education Project	1988008	1,756,732,983	-	136,429,322	84,741,909	1,705,045,570
Emergency Schools Restoration Project	1988013	1,098,308,890	-	82,016,673	52,954,125	1,069,246,342
Perennial Crops Development Project	1988062	1,120,026,048	-	83,915,449	54,293,178	1,090,403,777
2nd Development Financing Project	1988063	3,122,892,026	-	217,078,191	151,264,862	3,057,078,697
Smallholder Tea Development Project	1989011	1,299,441,684	-	93,900,811	63,127,241	1,268,668,114

Notes to the Financial Statements contd...

NOTE - 30 (f) - STATEMENT OF FOREIGN LOAN BALANCES

		Rs.				
Name	Loan Key	Balance as at 01.01.2015 (8343)	Accounted during the year	Repayments	Parity	Closing Balance as at 31.12.2015 (8343)
Agriculture Rehabilitation Project	1989067	1,671,379,146	-	116,193,476	80,956,762	1,636,142,432
Power System Expansion (Sector Loan) Project	1990025	6,219,812,212	-	402,072,645	300,092,671	6,117,832,238
Second Telecommunication Project	1990046	2,452,900,295	-	159,819,397	119,589,301	2,412,670,199
2nd Small & Medium Industries Project	1991017	2,453,540,628	-	149,993,776	119,858,021	2,423,404,873
3rd Development Financing Project	1991029	4,174,935,542	-	245,238,754	201,803,406	4,131,500,194
Low-Income Housing Development Project	1991034	1,732,290,855	-	105,304,560	84,021,269	1,711,007,564
Southern Province Rural Development Project	1991056	3,727,472,442	-	229,127,605	183,355,595	3,681,700,432
North Western Province Water Resources Development Project	1992029	1,657,124,437	-	92,317,632	80,782,459	1,645,589,265
Participatory Forestry Project	1992039	793,796,607	-	41,713,720	38,629,453	790,712,340
Second Health & Population Project	1992040	2,063,407,944	-	119,590,051	101,765,208	2,045,583,101
Fisheries Sector Project	1993002	2,433,113,550	-	135,798,317	118,825,477	2,416,140,710
Urban Development Sector Project	1993003	2,560,720,235	-	144,817,296	126,982,538	2,542,885,477
Second Water Supply & Sanitation Project	1993029	3,977,155,259	-	215,980,357	194,511,373	3,955,686,275
Secondary Education Development Project	1993030	3,203,311,517	-	168,925,298	156,437,992	3,190,824,212
Financial Management Training Project	1993041	1,173,086,592	-	61,863,184	57,289,202	1,168,512,610
Fourth Development Financing Project	1994026	7,662,850,145	-	394,139,924	375,136,667	7,643,846,888
Third Road Improvement Project	1995006	5,457,019,577	-	273,677,602	267,488,394	5,450,830,369
Plantation Reform Project	1996001	5,929,336,062	-	226,452,223	300,556,454	6,003,440,293
Second Power System Expansion Project	1996002	8,266,354,488	-	204,477,803	417,748,118	8,479,624,803
Emergency Rehabilitation Petroleum Facilities	1996028	2,733,534,553	-	67,632,891	138,141,200	2,804,042,862
NCP Rural Development Project	1996059	1,896,522,198	-	46,333,924	95,863,761	1,946,052,035
Upper Watershed Management Project	1998004	1,283,965,746	-	30,363,893	64,632,513	1,318,234,366
3rd Water Supply & Sanitation Sector	1998005	9,089,180,696	-	212,318,379	457,655,556	9,334,517,873
Southern Provincial Road Improvement Project	1998006	3,440,084,542	-	80,372,767	173,213,386	3,532,925,161
Second Perennial Crops Development Project	1998018	2,097,761,419	-	48,939,009	105,547,063	2,154,369,473
Science & Technology Personals Development Project	1998019	2,230,916,634	-	53,426,990	113,011,985	2,290,501,629
Urban Development & Low-Income Housing Sector	1998059	7,700,762,762	-	180,229,107	390,236,455	7,910,770,110
Coastal Resources Management Project	1999002	3,571,981,850	-	209,833,285	172,657,841	3,534,806,406
Road Network Improvement Project	1999004	10,641,651,139	-	241,560,362	535,577,838	10,935,668,615
Tea Development project	1999005	3,964,031,317	-	92,233,440	200,328,597	4,072,126,474
Skills Development Project	1999045	1,748,778,402	-	102,730,275	84,530,207	1,730,578,334

## Notes to the Financial Statements contd...

## NOTE - 30 (f) - STATEMENT OF FOREIGN LOAN BALANCES

Name	Loan Key	Balance as at 01.01.2015 (8343)	Accounted during the year	Repayments	Parity	Closing Balance as at 31.12.2015 (8343)
Southern Transport Development Project	1999057	8,662,440,129	-	515,357,988	425,204,288	8,572,286,429
Forest Resources Management Sector Project	2000032	2,328,261,999	-	134,944,566	114,827,386	2,308,144,819
Secondary Education Modernization Project	2000044	5,236,309,212	-	304,626,237	259,382,828	5,191,065,803
Water Resources Management Project	2000045	177,703,797	-	10,299,765	8,764,153	176,168,185
Protected Area Management & Wildlife Conservation Project	2000055	1,145,201,194	-	66,622,915	56,728,034	1,135,306,313
North East Community Restoration & Development Project	2001004	2,639,864,923	-	140,522,467	130,235,052	2,629,577,508
Southern Province Rural Economic Advancement project	2002001	2,808,585,675	-	149,503,532	138,558,839	2,797,640,982
SME- Business Service Facility Project	2002003	169,043,128	-	8,984,089	8,325,311	168,384,350
SME - SDP Credit Assistance Project	2002004	2,045,930,192	-	1,023,859,215	156,780,238	1,178,851,215
Power Sector Development Project	2002006	8,481,642,766	-	427,422,443	417,838,033	8,472,058,356
Aquatic Resource & Quality Improvement	2002007	1,501,255,535	-	79,453,874	97,668,644	1,519,470,305
Plantation Development Project	2002008	907,552,077	-	47,205,911	44,957,134	905,303,300
Plantation Development Project	2002009	858,707,301	-	84,136,230	71,933,063	846,504,134
Road Sector Development	2003001	6,380,587,397	-	322,662,387	315,452,337	6,373,377,347
Aquatic Resource Development & Quality Improvement	2003003	567,698,438	-	24,807,389	35,521,642	578,412,691
Secondary Towns & Rural Community Water/Sanitation	2003004	7,218,313,656	-	364,447,275	356,290,617	7,210,156,998
Distance Education Modernization Project	2003005	3,870,786,037	-	189,678,206	190,267,279	3,871,375,110
Rural Finance Sector Development Programme	2004002	952,790,079	-	33,830,105	91,650,780	1,010,610,754
Rural Finance Sector Development Programme	2004003	598,324,254	-	28,575,812	29,397,432	599,145,874
Conflict Affected Areas Rehabilitation Project	2004004	6,300,116,879	-	128,955,241	317,856,274	6,489,017,912
North East Coastal Community Development Project	2004005	2,123,123,426	-	101,399,341	104,315,326	2,126,039,411
North East Community Restoration & Development Project	2004007	1,084,100,094	-	21,974,948	54,705,900	1,116,831,046
Secondary Education Modernization II	2004008	3,839,836,403	-	186,616,764	297,808,581	3,951,028,220
Strengthening of the Fiscal Management Instructions Project	2004010	809,790,396	-	37,474,665	40,444,857	812,760,588
Modernization of Revenue Administration	2004011	1,467,405,185	-	45,025,519	44,479,487	1,466,859,153
Conflict Affected Areas Rehabilitation Project	2004012	3,269,246,133	-	50,061,255	320,264,393	3,539,449,271
Tsunami-Affected Areas Rebuilding Project	2005001	814,870,738	-	7,964,466	41,318,946	848,225,218
North East Community Restoration & Development Project II	2005002	3,109,437,413	-	30,409,781	157,666,165	3,236,693,797
Local Government Infrastructure Improvement Project	2006001	4,768,444,776	(2,898,409)	231,916,811	232,305,949	4,765,935,506
Technical Education Development	2006002	2,354,957,786	-	103,384,515	116,718,614	2,368,291,885
National Highways Sector Project AF	2006003	18,286,977,530	-	522,078,268	1,792,313,172	19,557,212,434

Notes to the Financial Statements contd...

NOTE - 30 (f) - STATEMENT OF FOREIGN LOAN BALANCES

		Rs.				
Name	Loan Key	Balance as at 01.01.2015 (8343)	Accounted during the year	Repayments	Parity	Closing Balance as at 31.12.2015 (8343)
Secondary Towns & Rural Community Water/Sanitation	2006004	5,983,620,675	-	251,483,185	290,588,441	6,022,725,931
Colombo Port Expansion Project	2007007	37,582,189,364	-	869,436,144	3,661,961,180	40,374,714,400
Secondary Towns & Rural Community Water/Sanitation (OCR)	2007012	1,499,690,855	-	37,938,449	147,203,873	1,608,956,279
SME Regional Development Project	2007030	4,939,515,771	-	-	254,098,989	5,193,614,760
Education for Knowledge Society Project	2007031	7,635,628,905	212,678,925	-	403,077,879	8,251,385,709
Southern Transport Development Project -Supplementary	2008003	11,394,648,645	-	256,327,941	1,119,923,371	12,258,244,075
Clean Energy and Access Improvement Project	2009006	10,519,110,631	2,488,776,804	241,331,486	1,243,901,697	14,010,457,646
Clean Energy and Access Improvement Project	2009007	2,139,179,165	344,262,310	-	133,599,861	2,617,041,336
Dry Zone Urban Water and Sanitation Project	2009008	2,757,275,956	1,512,888,172	-	229,437,942	4,499,602,070
Eastern & North Central Provincial Road Project	2009018	7,819,051,655	171,199,478	-	412,458,397	8,402,709,530
Greater Colombo Wastewater Management Project (OCR)	2009028	1,427,023,367	2,614,567,449	41,364,790	314,049,821	4,314,275,847
Greater Colombo Wastewater Management Project (ADF)	2009029	671,593,153	514,898,822	-	9,720,535	1,196,212,510
ADB Funded Fiscal Management Efficiency Project	2010019	816,952,901	180,683,070	8,428,654	95,255,209	1,084,462,526
North Eastern Community Restoration & Development Project II Supplementary	2010020	1,445,537,554	-	-	74,361,464	1,519,899,018
Conflict Affected Region Emergency Project	2010021	14,261,907,343	4,158,781,361	-	1,793,722,263	20,214,410,968
Northern Road Connectivity Project (OCR)	2010025	14,988,937,130	1,368,452,637	142,585,791	1,585,269,635	17,800,073,611
Northern Road Connectivity Project (ADF)	2010026	2,162,470,748	424,406,909	-	126,998,922	2,713,876,579
Jaffna & Kilinochchi Water Supply & Sanitation Project OCR	2011001	346,976,061	121,511,078	-	44,745,366	513,232,506
Jaffna & Kilinochchi Water Supply & Sanitation Project ADF	2011002	720,863,517	458,724,098	-	69,126,800	1,248,714,415
Sustainable Power Sector Support Project	2011012	7,065,492,195	1,616,021,953	-	870,227,920	9,551,742,069
Sustainable Power Sector Support Project	2011013	660,774,173	74,178,344	-	49,515,048	784,467,565
Secondary Towns & Rural Community Based Water Supply Add.	2011015	467,759,604	32,620,435	-	50,067,128	550,447,167
Secondary Towns & Rural Community Based Water Supply (XDR)	2011016	1,137,142,981	144,962,205	-	66,258,258	1,348,363,444
Local Government Enhancement Project	2011028	1,189,582,256	2,886,189,918	-	176,665,763	4,252,437,937
National Highways Sector Project (ADF)	2011035	5,961,013,774	3,124,530,105	-	825,925,260	9,911,469,139
Northern Road Connectivity Project (ADF)	2012029	2,524,804,639	2,942,278,180	-	290,645,260	5,757,728,080
Northern Road Connectivity Project (ADF)	2012030	1,276,798,580	1,243,115,498	-	221,216,611	2,741,130,689
Clean Energy and Network Efficiency Improvement Project	2013015	23,398,893	1,390,421,110	-	125,913,035	1,539,733,037
Clean Energy and Network Efficiency Improvement Project	2013017	417,886,429	417,886,429	-	26,104,242	443,990,671
Dry Zone Urban Water and Sanitation Project (ADF)	2013021	742,682,553	1,801,744,308	-	85,417,105	2,629,843,966

## Notes to the Financial Statements contd...

NOTE - 30 (f) - STATEMENT OF FOREIGN LOAN BALANCES							Rs.	
Name	Loan Key	Balance as at 01.01.2015 (8343)	Accounted during the year	Repayments	Parity	Closing Balance as at 31.12.2015 (8343)		
Education Sector Development Programme (OCR)	2013034	5,272,105,469	2,179,258,800		616,124,531	8,067,488,800		
Education Sector Development Programme (ADF)	2013035	5,039,127,018	2,023,564,822		382,745,910	7,445,437,750		
Greater Colombo Wastewater Management Improvement Project	2013042	6,915,436	2,068,259,910		184,477,445	2,259,652,791		
Greater Colombo Wastewater Management Improvement Project	2013043	110,536,511	153,886,924		109,960,492	374,383,927		
Skills Sector Enhancements Programme	2014005	2,351,626,800	1,579,211,700		207,403,186	4,138,241,686		
Skills Sector Enhancements Programme	2014006	2,308,602,234	1,433,256,975		80,805,055	3,822,664,265		
Southern Road Connectivity Project	2014017		522,335,445		41,282,036	563,617,481		
Southern Road Connectivity Project	2014018		239,141,955		11,809,179	250,951,134		
Greater Colombo Water & Waste water Management Project -2	2014029		22,715,885		518,001	23,233,886		
Greater Colombo Water & Waste water Management Project -2	2014030		45,022,961		240,250	45,263,211		
Green Power Development & Energy Efficiency Improvement Project	2014036				229,257	229,257		
Green Power Development & Energy Efficiency Improvement Project	2014037							
Integrated Road Investment Programme	2014041		4,284,613,901		172,650,646	4,457,264,546		
Integrated Road Investment Programme-Tranch 2 (ADF)	2015009		1,118,303,265			1,118,303,265		
Integrated Road Investment Programme-Tranch 2 (OCR)	2015010		1,288,157,382			1,288,157,382		
Mahaweli Water Security Investment Programme-Tranch 1	2015024							
Mahaweli Water Security Investment Programme-Tranch 1	2015025		960,190,919			960,190,919		
Integrated Road Investment Programme-Tranch 3	2015036							
Integrated Road Investment Programme-Tranch 3	2015037							
	<b>European Int. Bank</b>							
DFCC Global Loan	2002075	2,996,027,590		622,239,314	(52,617,627)	2,321,170,649		
Post Tsunami Line of Credit	2006073	7,313,461,336		957,706,579	45,942,553	6,401,697,310		
Post Tsunami Line of Credit	2006074	605,798,280		488,664,100	(22,709,960)	94,424,220		
DFCC Global Loan ii	2006093	7,413,057,900		377,544,800	(111,070,300)	6,924,442,800		
Sri Lanka SME & GREEN Energy Global Loan	2013047	2,621,837,884	3,946,099,243		238,208,778	6,806,145,905		
	<b>IBRD</b>							
Metro Colombo Urban Development	2012011	6,932,967,080	2,496,714,406		878,465,314	10,308,146,800		
Disaster Risk Management Development Policy Loan with a Catastrophe Differed Drawdown Option	2014013	66,402,714			7,069,059	73,471,773		
	<b>IDA</b>							
Lift Irrigation Project	1968001	29,524,157		8,281,576	1,838,430	23,081,011		

Notes to the Financial Statements contd...

NOTE - 30 (f) - STATEMENT OF FOREIGN LOAN BALANCES

		Rs.				
Name	Loan Key	Balance as at 01.01.2015 (8343)	Accounted during the year	Repayments	Parity	Closing Balance as at 31.12.2015 (8343)
Highway Development Project	1968002	11,878,683	-	3,007,827	896,488	9,767,344
Drainage & Land Reclamation Project	1969001	46,303,115	-	10,690,593	3,977,324	39,589,846
Mahaweliganga Development Project	1970016	303,861,509	-	61,490,683	24,858,207	267,229,033
Fifth Power Project	1973001	200,504,358	-	24,465,240	18,444,987	194,484,105
Dairy Development Project	1974001	154,573,656	-	17,171,935	14,658,051	152,059,772
Programme Credit Project	1974002	588,843,945	-	61,599,870	23,794,223	551,038,298
Private Sector Industrial Project	1975001	171,435,689	-	17,256,696	16,332,442	170,511,435
Agriculture Development Project	1975002	893,537,675	-	82,376,431	81,811,374	892,972,618
Tank Irrigation Modernization Project	1977001	190,982,881	-	17,224,073	17,933,359	191,692,167
Mahaweliganga Development Project (2)	1977002	533,647,452	-	46,451,778	50,559,206	537,754,880
Water Supply Project	1977003	452,117,669	-	36,549,300	41,685,371	457,253,740
4th Development Finance Cooperation Project	1977005	370,703,983	-	31,017,040	35,228,269	374,915,212
Tea Crop Rehabilitation (Tea) Project	1978001	858,003,832	-	64,451,855	79,788,635	873,340,612
Kurunegala Rural Development Project	1979001	976,593,071	-	68,623,571	91,564,451	999,533,951
Road Maintenance Project	1979002	852,496,481	-	59,802,379	79,828,343	872,522,445
Agricultural Extension & Research Project	1979003	453,745,137	-	32,455,316	43,114,136	464,403,957
Small & Medium Industries Project	1979004	859,565,494	-	60,115,958	80,307,994	879,757,530
Water Supply Project	1979074	10,611,898	-	-	(1,848,329)	8,763,569
Water Supply Project	1979077	99,267,758	-	-	(11,896,891)	87,370,867
Road Passenger Transport Project	1980003	3,146,487,753	-	205,052,556	294,354,884	3,235,790,081
Small Holder Rubber Rehabilitation Project	1980004	678,850,935	-	44,239,226	63,506,765	698,118,474
Telecommunications Project	1980005	1,828,127,970	-	119,136,870	171,021,915	1,880,013,015
Second Water Supply & Sewerage Project	1980006	1,828,127,970	-	119,136,870	171,021,915	1,880,013,015
Sixth Power Project	1980007	1,154,503,007	-	75,237,051	108,004,144	1,187,270,100
Mahaweliganga Technical Assistance Project	1980110	3,007,258	-	-	(509,347)	2,497,911
Mahaweliganga Technical Assistance Project	1980120	28,120,475	-	-	(3,228,719)	24,891,756
2nd Rural Development Project	1981001	2,081,886,545	-	130,856,357	101,142,553	2,052,172,741
Construction Industry Project	1981002	950,487,809	-	57,744,090	46,071,118	938,814,837
Village Irrigation Rehabilitation Project	1981003	1,652,198,326	-	101,048,710	80,759,042	1,631,908,657
Third Mahaweliganga Development Project	1981004	5,544,319,110	-	339,097,874	271,004,660	5,476,225,896
Second Small & Medium Industry Project	1982001	2,567,354,362	-	150,714,022	123,994,792	2,540,635,132

## Notes to the Financial Statements contd...

## NOTE - 30 (f) - STATEMENT OF FOREIGN LOAN BALANCES

Name	Loan Key	Balance as at 01.01.2015 (8343)	Accounted during the year	Repayments	Parity	Closing Balance as at 31.12.2015 (8343)
Seventh Power Project	1982002	2,909,403,717	-	173,556,669	143,277,474	2,879,124,522
Tea Rehabilitation & Diversification Project	1982003	1,237,061,581	-	70,860,033	60,171,706	1,226,373,254
Forest Resources Development Project	1983001	468,449,916	-	26,503,956	23,238,973	465,184,933
Third Rural Development Project	1983002	253,557,175	-	13,898,693	12,531,639	252,190,121
Industrial Development Project	1983003	2,434,151,413	-	134,000,938	120,874,477	2,421,024,952
Major Irrigation Rehabilitation Project	1985005	1,262,964,224	-	64,039,297	62,612,338	1,261,537,265
Fourth Tree Crops Project	1985006	6,597,299,340	-	322,598,005	323,602,293	6,598,303,628
Second Industrial Development Project	1986007	2,091,739,638	-	98,737,570	104,046,101	2,097,048,169
Municipal Management Project	1986008	1,076,532,970	-	50,529,721	53,262,134	1,079,265,383
Water Supply & Sanitation Rehabilitation Project	1986012	3,931,039,189	-	185,559,271	195,535,469	3,941,015,387
2nd Vocational Training Project	1986013	1,224,629,824	-	57,096,610	60,205,222	1,227,738,436
9th Power Project	1986014	4,236,929,639	-	194,919,439	210,381,427	4,252,391,627
Agricultural Research Project	1987005	1,534,204,346	-	70,674,358	75,273,776	1,538,803,764
Third Small & Medium Industries Project	1988001	1,485,757,407	-	115,899,448	72,162,026	1,442,019,985
Emergency Reconstruction & Rehabilitation Project	1988007	3,283,158,408	-	256,306,486	159,658,227	3,186,510,149
Health & Family Planning Project	1988014	824,063,105	-	61,948,662	40,159,620	802,274,063
Distribution & Transmission Project	1988045	1,405,324,853	-	105,646,618	68,486,571	1,368,164,806
2nd Smallholder Rubber Rehabilitation Project	1988085	952,764,627	-	71,624,337	46,431,697	927,571,988
3rd Industrial Development Project	1988086	3,065,098,934	-	229,538,295	148,489,834	2,984,050,473
Forest Sector Development Project	1989069	874,487,391	-	61,158,401	42,733,065	856,062,055
General Education Project	1990003	4,385,858,400	-	296,517,448	214,703,408	4,304,044,360
Third Roads Project	1990048	3,291,362,476	-	208,608,992	161,631,735	3,244,385,219
Poverty Alleviation Project	1991009	3,297,454,410	-	202,040,322	161,543,049	3,256,957,137
Second Telecommunications Project	1991022	4,325,153,308	-	265,009,871	211,890,225	4,272,033,662
Fourth Small & Medium Industries Project	1991023	4,104,350,248	-	251,481,239	201,073,015	4,053,942,024
2nd Power Distribution & Transmission Project	1991030	3,990,221,172	-	245,244,574	196,238,267	3,941,214,865
National Irrigation Rehabilitation Project	1991043	2,198,527,014	-	134,706,603	107,706,372	2,171,526,783
Second Agriculture Extension Project	1992023	751,117,557	-	43,558,834	37,069,703	744,628,426
Community Watersupply & Sanitation Project	1992041	2,276,328,133	-	126,768,264	110,899,508	2,260,459,377
Private Finance Development Project	1993013	5,536,449,177	-	301,042,910	271,187,422	5,506,593,689
Colombo Urban Transport Project	1993017	1,409,284,318	-	76,875,223	69,275,798	1,401,684,893

Notes to the Financial Statements contd...

NOTE - 30 (f) - STATEMENT OF FOREIGN LOAN BALANCES

		Rs.				
Name	Loan Key	Balance as at 01.01.2015 (8343)	Accounted during the year	Repayments	Parity	Closing Balance as at 31.12.2015 (8343)
Colombo Environment Improvement Project	1995023	2,721,189,106	-	104,359,800	138,374,915	2,755,204,221
Telecommunication, Regulatory & Public Enterprises Reforms	1996011	1,190,645,044	-	28,631,748	59,715,170	1,221,728,466
Teacher Education & Teacher Development Project	1996033	6,848,675,968	-	166,540,378	345,332,879	7,027,468,469
Private Sector Infrastructure Development Project	1996035	6,224,145,694	-	151,353,104	313,842,018	6,386,634,608
Health Services Project	1997002	1,595,291,645	-	38,547,771	80,676,317	1,637,420,191
Environmental Action 1 Project	1997022	1,681,193,675	-	39,991,993	84,883,780	1,726,085,462
Energy Services Delivery Project	1997023	2,725,684,118	-	64,837,988	137,620,303	2,798,466,433
Second General Education Project	1997064	8,132,771,158	-	191,947,673	411,451,158	8,352,274,643
Mahaweli Restructuring & Rehabilitation Project	1998017	6,879,335,175	-	158,527,894	346,134,593	7,066,941,874
Year 2000 Emergency Assistance Project	1999001	1,843,295,993	-	41,597,499	92,867,790	1,894,566,284
PPA- Postal Sector Reform Project	1999014	3,263,635	-	-	(3,263,635)	-
North-East Irrigated Agriculture Project	1999058	3,187,410,735	-	71,830,773	161,323,087	3,276,903,049
Legal & Judicial Reforms Project	2000036	2,039,941,070	-	45,466,667	103,265,271	2,097,739,674
Distance Learning Project	2001020	185,407,479	-	4,104,722	9,404,704	190,707,461
Land Titling & Related Services Project	2001021	561,452,576	-	12,430,182	28,479,393	577,501,787
Sri Lanka Central Bank Strengthening Project	2001022	4,173,645,125	-	90,741,628	211,069,874	4,293,973,371
Mahaweli Ganga Technical Assistance Project	2001024	46,756,011	-	5,303,982	3,866,139	45,318,168
Water Supply	2001025	243,451,820	-	24,793,882	13,506,014	232,163,952
Renewable Energy For Rural Economic Development Project	2002022	10,694,575,141	-	229,298,867	542,719,026	11,007,995,300
Economic Reform Technical Assistance Project	2003020	1,977,782,790	-	41,702,740	100,120,593	2,036,200,643
Improving Relevance & Quality of Undergraduate Education	2003022	5,287,178,506	-	109,633,250	266,994,840	5,444,540,096
Second North East Irrigated Agriculture Project	2004020	8,161,526,756	(287,338,557)	165,911,509	387,717,668	8,095,994,359
E - Sri Lanka Development Project	2004021	5,658,274,566	-	113,808,344	285,894,815	5,830,361,037
North East Housing Reconstruction Project	2005020	9,702,050,399	-	194,863,745	489,934,563	9,997,121,217
Tsunami Emergency Recovery Project II	2005021	5,698,887,730	-	56,781,898	290,024,218	5,932,130,050
Road Sector Assistance Project	2006020	13,048,687,697	(147,595)	-	671,244,184	13,719,784,286
Puttalam Housing Project	2007021	2,982,294,480	-	-	153,415,446	3,135,709,926
Renewable Energy for Rural Economic Development	2008020	4,993,797,713	-	-	256,488,301	5,250,286,014
Dam Safety & Water Resources Planning	2008031	7,475,180,173	323,353,381	-	406,300,546	8,204,834,100
Public Sector Capacity Building Project	2008033	1,717,663,218	-	-	88,360,176	1,806,023,394
Additional Financing for North East Housing Reconstructions Project	2008034	4,973,463,665	-	-	255,845,340	5,229,309,005

## Notes to the Financial Statements contd...

## NOTE - 30 (f) - STATEMENT OF FOREIGN LOAN BALANCES

		Rs.				
Name	Loan Key	Balance as at 01.01.2015 (8343)	Accounted during the year	Repayments	Parity	Closing Balance as at 31.12.2015 (8343)
Additional Financing for Education Sector Development Project	2008035	1,106,883,463	-	-	56,940,393	1,163,823,856
Additional Financing for Road Sector Assistance Project	2008036	11,314,402,042	(465,809)	-	582,012,468	11,895,948,701
Additional Financing for Health Sector Development Project	2009014	2,927,238,267	-	-	150,583,238	3,077,821,505
Second Community Development Livelihood Improvement Project	2009020	9,205,441,190	(27,161,647)	-	471,136,209	9,649,415,752
Provincial Roads Project	2010001	11,182,607,649	767,782,050	-	624,054,492	12,574,444,191
Emergency Additional Financing for Community Livelihoods	2010002	1,442,475,779	-	-	74,203,962	1,516,679,741
Emergency Northern Recovery Project	2010003	7,764,565,507	-	-	399,425,438	8,163,990,945
Higher Education for the Twenty First Century	2010024	3,260,262,517	1,333,943,408	-	256,141,592	4,850,347,517
Sustainable Tourism Development Project	2010042	19,018,448	-	-	2,633,019	21,651,467
North East Local Services Improvement Project (Pura Neguma)	2010043	6,170,178,593	28,212	-	317,408,302	6,487,615,107
Small & Medium Enterprise Development Facility Project	2010044	4,337,335,376	2,244,053,345	-	394,887,912	6,976,276,633
2nd & 3rd Additional Financing for Community Livelihood in Conflict Affected Areas	2011037	5,725,205,888	27,481,598	-	295,892,218	6,048,579,704
Additional Financing for E-Sri Lanka Development Project	2012004	1,358,338,706	-	-	58,283,990	1,416,622,696
Transforming the School Education System as the Foundation of a Knowledge Hub Project	2012012	5,437,870,690	1,459,378,866	-	357,779,759	7,255,029,315
Second Health Sector Development Project	2013030	4,652,786,820	5,399,884,572	-	445,016,585	10,497,687,977
Climate Resilience Improvement Management Programme - CRIP	2014010	1,951,017,469	504,867,764	-	72,080,098	2,527,965,331
Strategic Cities Development Project	2014019	1,297,558,748	1,297,558,748	-	74,156,040	1,371,714,788
Additional Financing for Dam Safety & Water Resources Planning Project	2014020	2,200,433,597	2,200,433,597	-	110,241,584	2,310,675,181
Skills Development Project - (Portion B)	2014021	-	-	-	-	-
Skills Development Project - (Portion A)	2014022	-	871,359,840	-	62,913,240	934,273,080
Water Supply and Sanitation Improvement Project	2015028	-	-	-	-	-
Early Childhood Development Project	2015030	-	-	-	-	-
Additional Financing for North East Local Services Improvement Project (NEISIP)	2015031	-	-	-	-	-
<b>IFAD</b>						
Kirindi Oya Irrigation & Settlement Project	1978004	511,089,540	-	41,601,180	49,135,920	518,624,280
Anuradhapura Dry Zone Agricultural Project	1981006	285,185,906	-	17,934,327	13,864,326	281,115,905
Coconut Development Project	1982004	247,656,924	-	14,657,943	12,081,043	245,080,024
Kirindioya Irrigation & Settlement Project	1982009	300,622,579	-	16,666,505	14,570,702	298,526,776

## Notes to the Financial Statements contd...

## NOTE - 30 (f) - STATEMENT OF FOREIGN LOAN BALANCES

		Rs.				
Name	Loan Key	Balance as at 01.01.2015 (8343)	Accounted during the year	Repayments	Parity	Closing Balance as at 31.12.2015 (8343)
Badulla - Rural Development Project	1983004	891,224,851	-	49,409,886	43,196,578	885,011,543
Kegalle Rural Development Project	1986026	616,551,764	-	29,297,687	30,126,910	617,380,987
Small Farmers & Landless Credit Project	1988088	465,325,847	-	19,760,164	22,877,580	468,443,263
2nd Badulla Integrated Rural Development	1991033	1,121,824,108	-	42,495,950	55,694,395	1,135,022,553
North Western Province Dry Zone Participatory Development Project	1992051	604,799,630	-	21,682,915	30,084,247	613,200,962
North Central Provincial-Oartici - Rural Development Project	1995040	717,558,331	-	34,301,103	35,286,607	718,543,835
Matale Regional Economic Advancement Project	1999007	1,184,350,565	-	49,538,077	58,577,047	1,193,389,535
Dry Zone Livelihood Support & Partnership Programme	2004022	2,844,457,096	-	96,488,236	143,138,468	2,891,107,328
Smallholder Plantations Entrepreneurship Development Programme	2007011	1,920,442,095	373,164,869	-	119,921,785	2,413,528,749
Post Tsunami Coastal Rehabilitation & Resource Management Programme	2008025	1,813,585,887	20,226,783	-	307,103,527	2,140,916,197
Post Tsunami Livelihood Support & Partnership Programme II	2008026	304,207,164	-	-	15,609,527	319,816,691
National Agribusiness Development Programme	2010009	298,715,996	162,191,376	-	38,395,614	499,302,986
Iranamadu Irrigation Development Project	2012008	682,158,995	504,153,826	-	58,121,047	1,244,433,868
<b>Nordic Dev. Fund</b>						
2 nd Power Distance & Transmission Project (Anuradhapura)	1996008	711,028,314	-	16,516,677	(9,732,146)	684,779,491
The Skills Development Project	1999055	1,049,462,567	-	24,086,237	52,994,391	1,078,370,721
Southern Transport Development Project	1999056	610,470,320	-	14,023,979	31,445,576	627,891,917
Secondary Education Modernization Project	2000052	773,898,988	-	17,176,219	39,103,462	795,826,231
<b>OPEC</b>						
Science & Technology Education Project	1997075	1	-	-	(1)	-
Skills Development Project	2000012	138,499,224	-	75,750,750	306,716	63,055,190
Southern Provincial Rural Economic Advancement Project	2002070	276,802,177	-	41,009,179	25,030,370	260,823,368
North East Community Restoration & Development Project	2002071	235,013,295	-	35,273,360	21,708,210	221,448,145
Road Sector Development Project	2003076	560,362,139	-	68,372,191	51,549,506	543,539,454
National Highway Sector Project	2010037	982,926,833	-	37,417,971	168,573,885	1,114,082,747
Kalu Ganga Development Project	2010038	368,445,050	335,779,169	74,837,346	60,538,444	689,925,317
Road Network Development Project	2012024	2,039,659,314	1,415,545,923	-	300,174,775	3,755,380,012
Colombo National Highways Project	2013023	115,502,142	709,476,500	-	59,934,819	884,913,462
<b>ADB</b>						
Colombo Fort Efficiency and Expansion Project	2001003	866,661,076	-	46,133,141	42,755,844	863,283,778

## Notes to the Financial Statements contd...

## NOTE - 30 (f) - STATEMENT OF FOREIGN LOAN BALANCES

		Rs.				
Name	Loan Key	Balance as at 01.01.2015 (8343)	Accounted during the year	Repayments	Parity	Closing Balance as at 31.12.2015 (8343)
TA Loan - Road Project Preparatory Facility	2004006	1,626,356,877	34,746,062	80,763,757	82,514,861	1,662,854,044
TA for Financial Market Programme for Private Sector Development	2004013	51,662,553	-	2,355,165	2,543,759	51,851,147
	<b>IDA</b>					
Mahaweli Ganga Technical Assistance Project	1980001	113,214,098	-	7,377,484	10,591,260	116,427,873
	<b>ADB</b>					
Communication Satellite Earth Station Project	2010101	1	-	-	0	1
Urea Fertilizer Project	2010102	1	-	-	(0)	1
Development Finance Cooperation of Ceylon	2010103	89,726,130	-	44,978,187	2,441,043	47,188,986
Canyon Hydro Power Project	2010104	354,999,997	-	180,770,336	12,337,365	186,567,026
Kirindioya Irrigation & Settlement Project	2010105	617,699,197	-	206,787,268	22,123,070	433,034,999
Sevenagala Sugar Development	2010106	903,296,758	-	262,727,802	37,856,816	678,425,772
Urea Fertilizer (Supplementary) Project	2010107	89,319,124	-	20,016,202	3,729,562	73,032,484
Rural Credit Project	2010108	267,800,227	-	54,225,577	11,347,062	224,921,712
2nd DFCC Project	2010109	467,188,768	-	93,688,686	19,503,398	393,003,480
Mahaweli Area Road Development Project	2010110	348,302,977	-	64,063,811	15,424,267	299,663,433
Third Tea Development Project	2010111	588,435,237	-	97,913,478	25,094,365	515,616,124
Rural Electrification Project	2010112	410,115,333	-	83,048,527	17,865,198	344,932,004
Anuradhapura Dry Zone Agriculture Project	2010113	431,858,563	-	72,864,418	19,380,049	378,374,194
National Development Bank of Sri Lanka	2010114	564,093,440	-	87,023,841	24,810,617	501,880,216
Second Fisheries Development Project	2010115	86,652,640	-	13,489,141	3,932,636	77,096,135
Coconut Development Project	2010116	130,961,401	-	20,406,649	5,933,301	116,488,053
Kirindi Oya Irrigation & Settlement Project	2010117	593,342,367	-	74,536,492	27,043,466	545,849,341
Community Forestry Project	2010118	455,084,986	-	66,124,335	21,181,201	410,141,852
Health & Population Project	2010119	383,495,548	-	51,766,019	17,713,239	349,442,768
Technical Education Project	2010120	787,177,617	-	106,756,814	36,894,855	717,315,658
Livestock Development Project	2010121	749,249,862	-	94,105,181	34,150,220	689,294,901
	<b>IDA</b>					
Second Additional Financing for Road Sector Assistance Project	2011010	8,744,677,927	1,396,893,693	-	562,546,971	10,704,118,591
	<b>Pakistan</b>					
Pakistan Line of Credit (Pakistan)	1991003	6,220,480	-	21,929,856	223,159,088	207,449,712
	<b>Pakistan</b>					

## Notes to the Financial Statements contd...

## NOTE - 30 (f) - STATEMENT OF FOREIGN LOAN BALANCES

		Rs.				
Name	Loan Key	Balance as at 01.01.2015 (8343)	Accounted during the year	Repayments	Parity	Closing Balance as at 31.12.2015 (8343)
Pakistan Line of Credit	2006071	3,569,179,128	-	501,249,941	314,034,047	3,381,963,234
	<b>Russia</b>					
Russian Line of Credit	2010018	9,016,829,801	12,257,775,512		2,535,186,135	23,809,791,448
	<b>AB Svenk Ex.Credit</b>					
Credit Line to NDB	2001070	4	-		(4)	-
Molecular Biology Institute, University of Colombo	2001072	101,250,432	-	16,637,341	(16,489,793)	68,123,298
Fourth Rural Electrification Project - USD Protion	2004076	546,753,283	-	133,196,567	52,445,801	466,002,517
Ratmalana & Ja-Ela Wastewater Treatment Facilities Project	2007029	11,232,392,511	439,287,229		1,140,458,900	12,812,138,640
Fourth Rural Electrification Project - Euro Protion	2009026	1,611,370,464	-	344,950,985	(29,222,739)	1,237,196,740
	<b>AFDD</b>					
Implementation of Jafna & Killinochchi Water Supply & Sanitation Project	2011036	91,312,720	26,982,742		205,999	118,501,461
	<b>Aust. &amp; New Zealand Inv. Bank</b>					
Integrated Water Supply Scheme Ampara District - 2	2002073	378,772,997	-	385,258,961	6,485,953	(11)
Integrated Water Supply Scheme for the Unserved Areas of Ampara District - Phase III	2010023	11,321,161,133	683,079,227	1,508,119,683	1,190,317,054	11,686,437,731
	<b>Bank Austria</b>					
Sirimavo Bandaranayake Children Hospital	2003070	1,380,651,846	-	267,645,829	(22,666,174)	1,090,339,843
Railway Bridges to Extend Rail Tracks	2003071	1,659,831,394	-	261,976,274	(32,421,963)	1,365,433,157
Water Supply Weligama, Ambalantota, Kataragama	2004073	990,403,442	-	141,621,095	(23,968,552)	824,813,795
Enhancement & Strengthening of the Road Infrastructure by Construction of Five Bridges	2006089	1,681,887,329	-	132,898,129	(27,054,378)	1,521,934,822
Greater Colombo Sewerage Rehabilitation System II	2007003	1,509,823,528	-	118,479,590	(25,109,134)	1,366,234,804
Rehabilitation & Augmentation of Kirindi Oya Water Supply Project	2008021	1,600,056,395	-		(23,209,156)	1,576,847,239
Supply of Modern Medical Equipments for Teaching Hospital Kurunegala Project	2008023	1,195,654,497	-	153,848,797	(18,876,653)	1,022,929,047
	<b>Banco</b>					
Veyangoda Railway Crossing Flyover Project - Spain	2012015	1,203,403,297	-	152,194,406	(21,707,532)	1,029,501,359
Veyangoda Railway Crossing Flyover Project - Spain	2012016	141,981,968	-	134,622,722	(7,359,246)	0
Implementation of the Greater Rathnapura Water Supply Project	2013003	1,326,572,492	2,086,595,972		44,911,191	3,458,079,655

## Notes to the Financial Statements contd...

NOTE - 30 (f) - STATEMENT OF FOREIGN LOAN BALANCES							Rs.	
Name	Loan Key	Balance as at 01.01.2015 (8343)	Accounted during the year	Repayments	Parity	Closing Balance as at 31.12.2015 (8343)		
	<b>BNP Paribas</b>							
Equipment to Teaching / Base Hospitals- Finland	2004070	902,665,440	-	343,681,923	(24,338,162)	534,645,355		
Reconstruction of (07) Railway Bridges Project	2013032	133,756,625	464,186,190	-	27,530,423	625,473,237		
	<b>City Bank International</b>							
Sustainable Water Assistance Management Project - Australian Export Credit	2004078	366,478,826	-	194,052,192	29,009,254	201,435,888		
	<b>Calyon Credit</b>							
Rehabilitation of Wimalasurendra and New Laxapana Power Stations	2008042	6,035,646,444	-	751,181,518	567,338,454	5,851,803,380		
	<b>Boerenleen Bank</b>							
Disaster Management & Emergency Response Systems	2006085	1,285,849,466	-	300,969,670	(32,875,059)	952,004,737		
Disaster Management Communication & Response Systems	2007032	430,435,620	-	399,890,453	(30,545,168)	(1)		
Improvement of the Facilities & Programmes of SLIATE	2008039	553,663,725	-	147,770,818	123,854,802	529,747,709		
Extension of a Disaster Management & Emergency Response System	2009030	(1)	-	-	1	-		
Importation Dairy Animals ( Australia)	2009031	2,535,225,230	-	319,771,769	(46,469,414)	2,168,984,047		
Importation Dairy Animals ( Netherlands & Australia)	2011025	-	-	-	(0)	(0)		
Development of Hambantota District - General Hospital	2011026	1,155,451,159	-	169,964,917	102,061,612	1,087,547,854		
Upgrading of the National Blood Transfusion Services Sri Lanka	2012010	4,137,383,493	2,436,895,911	-	85,671,630	6,659,951,034		
Upgrading of the National Blood Transfusion Services	2013001	2,543,341,673	1,077,230,859	199,116,633	374,981,303	3,796,437,202		
Upgrading of Peripheral Blood Bank Coming Under the National Blood Transfusion Services	2013002	621,615,100	-	342,642,320	73,637,487	352,610,267		
Sri Lankan Dairy Development Project - Phase II	2013024	854,055,140	2,040,687,632	-	22,061,145	2,916,803,916		
Sri Lankan Dairy Development Project - Phase II	2014032	-	1,592,259,046	-	143,116,737	1,735,375,783		
Construction of 463 Rural Bridges	2014033	-	407,740,954	-	40,499,858	448,240,812		
Towns South of Kandy Water Supply Project	2014035	-	4,909,836,103	-	20,267,481	4,930,103,584		
Construction of 537 Steel Beam Bridges	<b>Danske Bank</b>							
	2006072	3,269,317,765	-	632,377,086	(77,666,618)	2,559,274,061		
Uma Oya Hydro Electric and Irrigation Project	<b>Deutsche Bank</b>							
	2014028	-	9,109,278,567	-	277,600,565	9,386,879,132		
	<b>Exp. Dev. Bank of Iran</b>							
	2008027	6,633,588,922	-	-	658,744,436	7,292,333,358		

## Notes to the Financial Statements contd...

## NOTE - 30 (f) - STATEMENT OF FOREIGN LOAN BALANCES

		Rs.				
Name	Loan Key	Balance as at 01.01.2015 (8343)	Accounted during the year	Repayments	Parity	Closing Balance as at 31.12.2015 (8343)
Implementation of Rural Electrification Project 8	2010005	5,059,431,300	-	-	(64,961,178)	4,994,470,122
	<b>Exp. Imp. United States Bank</b>	-	-	-	-	-
Badulla , Haliela & Ella Integrated Water Supply Project	2013025	1,470,719,175.00	1,170,996,524	-	246,547,871	2,888,263,570
	<b>Exp. Imp. Bank of China</b>	-	-	-	-	-
Muthurajawela Oil Tank Farm Project	2001079	1,474,168,934	-	746,091,554	82,202,811	810,280,191
Kelanitissa Diesel Storage Tank Project	2004041	345,150,216	-	73,212,535	17,835,616	289,773,297
Bunkering Facility & Tank Farm Project at Hambantota	2009009	8,142,792,149	-	784,980,589	741,080,559	8,098,892,118
Colombo - Katunayake Expressway (CKE) Section A2	2009010	7,636,987,778	-	702,755,542	697,926,051	7,632,158,287
Colombo - Katunayake Expressway (CKE) Section A1	2009011	8,413,940,438	-	774,250,719	768,929,897	8,408,619,616
Colombo - Katunayake Expressway (CKE) Section A3	2009012	5,741,707,785	-	528,404,022	525,339,173	5,738,642,936
Colombo - Katunayake Expressway (CKE) Section A4	2009013	8,022,538,182	-	738,233,885	733,160,580	8,017,464,877
Supply of 13 Nos. Diesel Multiple Units to Sri Lanka Railway Project	2010007	13,623,607,149	-	495,256,145	692,318,478	13,820,669,482
Supply of 2 Nos. MA60 Aircraft Project	2010029	5,585,287,283	-	-	276,171,864	5,861,459,147
Procurement of Material for the Northern Province Power Sector Development Programme	2010030	3,823,959,798	-	407,440,861	344,682,528	3,761,201,465
Northern Road Rehabilitation Project (A009) from Galkulama to 230 km post	2010031	8,914,372,280	-	784,635,213	817,731,558	8,947,468,625
Northern Road Rehabilitation Project - 11B	2010032	5,570,836,672	-	469,909,309	512,780,694	5,613,708,057
Northern Road Rehabilitation Project - (Mulativu - Kokkilai) 11A	2010033	5,371,117,463	-	472,761,040	492,702,359	5,391,058,782
Northern Road Rehabilitation Project - (AB020) (AB032) (AB016) (AB018)	2010034	9,389,036,557	-	826,389,661	860,962,229	9,423,609,125
Northern Road Rehabilitation Project A009 (from 230km to Jaffna)	2010035	8,855,311,222	-	779,436,713	812,313,782	8,888,188,291
Highway Section Pinnaduwa to Kodagoda (30km to 45km)	2011005	5,051,545,358	3,090,948,659	-	684,320,849	8,826,814,866
Highway Section Kodagoda to Godagama (45km to 61km)	2011006	5,919,217,766	1,216,691,118	-	694,566,810	7,830,475,694
Rehabilitation & Improvement of 67 km Length of Navatkuli, Karaitivu, Mannar Road	2011008	5,577,611,207	758,022,023	269,480,024	604,215,201	6,670,368,407
Rehabilitation & Improvement of 113 km Length of Puttalam Marichchikade, Mannar Road	2011009	5,445,957,675	3,753,154,705	-	835,776,022	10,034,888,402
Finance Material Required for Lighting Sri Lanka Eastern Province Project	2012001	3,919,081,244	336,021,881	-	414,437,741	4,669,540,866
Mataru - Beliatta Section of Mataru - Kataragama Railway Line Extension	2013005	13,397,093,301	3,280,122,763	-	1,637,924,846	18,315,140,910

## Notes to the Financial Statements contd...

## NOTE - 30 (f) - STATEMENT OF FOREIGN LOAN BALANCES

NOTE - 30 (f) - STATEMENT OF FOREIGN LOAN BALANCES		Rs.				
Name	Loan Key	Balance as at 01.01.2015 (8343)	Accounted during the year	Repayments	Parity	Closing Balance as at 31.12.2015 (8343)
Greater Kurunegala Water Supply and Sewerage Project	2013041	709,346,610	2,779,244,229		135,551,493	3,624,142,332
Construction of Outer Circular Highway Project Phase III from Kerawalapitiya to Kadawatha	2014024	-	1,836,152,890		2,730,327	1,838,883,217
Construction of Extension of Southern Expressway, Section 4 from Mattala to Hambantota via Andarawewa Project	2014025		5,166,730,663		2,936,066	5,169,666,729
Construction of Extension of Southern Expressway Section 1 from Matara to Bellatta	2014040		9,637,253,671		31,975,198	9,669,228,869
	<b>Export Import Bank of Hungary</b>		-		-	-
Rehabilitation of Kalatuwawa Water Treatment Plant Project	2013008	797,015,233	359,369,429		34,429,012	1,190,813,674
Rehabilitation of Labugama Water Treatment Plant Project	2013009	847,544,459	364,841,059		27,348,821	1,239,734,339
	<b>Exp. Imp. Bank of Malaysia</b>		-		-	-
Purchase 50 Units of Terberg Terminal Tractors to be used at Jaya Terminal	2011018	235,887,480	-	107,684,840	15,859,660	144,062,300
	<b>Fortis Bank</b>		-		-	-
Kolonna - Balangoda Water Supply Project	2011029	1,230,034,208	353,310,118	178,347,888	(10,260,156)	1,394,736,282
	<b>HSBC UK</b>		-		-	-
Regional Bridge Project HSBC Bank Plc UK	2007027	9,837,183,998	-	1,222,031,999	824,040,000	9,439,191,999
Supply and Installation of 5000 Solar Power Drip Irrigation & Fertilising Systems	2008024	987,451,201	-	182,758,000	83,450,879	888,144,080
The Development of the Dikkowita Fisheries Harbour (Netherlands)	2008037	3,497,158,847	-	501,511,170	(74,507,431)	2,921,140,246
Emergency Purchase of Container Handling Equipments	2010011	(2,296,900,900)	-	936,770,100	64,977,850	(3,168,693,150)
Construction of 210 Permanent Steel Bridges	2012023	2,770,720,743	2,628,947,097		513,441,311	5,913,109,152
Modernization of Processing of MILCO (Pvt) Ltd	2013012	2,934,688,871	1,322,737,023	819,371,569	496,359,845	3,934,414,170
Regional Bridge Project - Phase ii	2013027	4,741,779,071	1,856,772,854		621,497,607	7,220,049,532
	<b>HSBC Hongkong</b>		-		-	-
Rehabilitation of Bridges North & East	2003073	1,097,970,500	-	423,891,600	(226,774,900)	447,304,000
Regional Bridges Project Phase ii - Commercial Credit Facility	2013026	1,125,626,138	-	294,370,079	85,055,802	916,311,860
	<b>HSBC-EKF</b>		-		-	-

## Notes to the Financial Statements contd...

## NOTE - 30 (f) - STATEMENT OF FOREIGN LOAN BALANCES

		Rs.				
Name	Loan Key	Balance as at 01.01.2015 (8343)	Accounted during the year	Repayments	Parity	Closing Balance as at 31.12.2015 (8343)
Establishment of Dairy Processing Plant at Badalgama	2015019	-	-	-	-	-
	<b>ING Bank</b>					
Negombo Water Supply Project	2008032	1,721,657,251	-	258,584,289	(6,349,294)	1,456,723,668
	<b>JBIC</b>					
Ukuwela Power Station Rehabilitation Project	2008022	1,033,735,602	-	134,612,561	(190,939,075)	708,183,966
	<b>KBC Bank</b>					
Delimitation of the Outer Edge of the Continental Margin of Sri Lanak - Belgium	2007009	183,468,040	-	52,977,620	13,571,880	144,062,300
Implementation of Monaragala- Buttala Water Supply Project	2014007	-	399,188,993	18,236,755	-	417,425,748
	<b>Nordea Bank Denmark</b>					
Kelani Right Bank Water Treatment Plant	2008028	5,315,173,724	-	794,730,304	(383,550,538)	4,136,892,882
Oluvil Port Development Project	2008029	3,985,771,517	-	695,493,370	330,046,343	3,620,324,490
	<b>Nordea Bank Finland</b>					
Solar Energy for the Development of Health & Education Facilities in Rural Areas	2005079	2,365,078,809	-	350,677,309	(38,875,882)	1,975,525,618
	<b>Nordea Bank Sweedden</b>					
Rural Electrification Project 4 Extension	2011011	5,524,693,856	-	838,795,793	482,993,413	5,168,891,476
	<b>Raiffeisen Bank</b>					
Upgrading of Technical Education (SLIATE)	2008038	1,754,056,683	-	-	(22,945,983)	1,731,110,700
	<b>Societe Generale</b>					
	1998087	-	-	-	170,994	170,994
	2000029	-	-	-	-	-
	<b>Uni Credit Bank</b>					
Rehabilitation of Old Laxapana Hydroelectric Power Plant	2010004	3,023,922,144	-	508,864,956	(72,705,808)	2,442,351,380
Rehabilitation of Eastern Railway Line	2010022	868,996,317	-	148,267,234	(18,861,038)	701,868,046
Augmentation of Mahiyangana Water Supply Project	2013004	825,150,382	433,389,602	-	60,945,623	1,319,485,607
Supply of the 2 Nos Cardiac Catheterization System to Cardiology Department of the NHSL	2013006	366,244,767	-	-	8,619,386	374,864,153

## Notes to the Financial Statements contd...

## NOTE - 30 (f) - STATEMENT OF FOREIGN LOAN BALANCES

Name	Loan Key	Balance as at 01.01.2015 (8343)	Accounted during the year	Repayments	Parity	Rs.	
						Closing Balance as at 31.12.2015 (8343)	
Upgrading of Sewerage Infrastructure at Kataragama Sacred City Area	2013045	334,783,260	433,064,282	-	13,625,422	781,472,964	
	<b>Raiffeisen</b>						
Development of Nuwara Eliya District General Hospital	2012009	3,346,452,842	2,323,518,231	-	161,024,740	5,830,995,813	
	<b>Exp. Imp. Bank of China</b>						
Procurement of Materials for Lightning Uva Province	2011014	2,763,785,317	-	294,479,840	249,120,953	2,718,426,430	
Matara - Beliatta Section of Matara - Kataragama Railway Line Extension	2013022	830,599,398	1,657,648,800	-	96,980,732	2,585,228,930	
<b>Total</b>		<b>2,614,990,561,262</b>	<b>556,370,365,051</b>	<b>174,799,538,645</b>	<b>203,791,189,912</b>	<b>3,200,352,577,580</b>	

## Notes to the Financial Statements contd...

## NOTE - 34 - STATEMENT OF CONTINGENT LIABILITIES

## NOTE - 34(A) - STATEMENT OF BANK GUARANTEES ISSUED BY THE GENERAL TREASURY AS AT 31.12.2015

Institution	Bank or Institution	Purpose	Issued Value of the Treasury Guarantees			Date of Issue	Date of Expiry	Outstanding on Treasury Guarantees as at 31.12.2015			Min. Rs. Mn
			US\$ Mn.	Euro Mn.	J. Yen Mn.			US\$ Mn.	Euro Mn.	J. Yen Mn.	
1	Co-operative Whole Sale Establishment	Credit Facility		157.10		2-Feb-05	30-Nov-15				108.33
2	Lakdhanavi Ltd.	Secure the Bonds		2,992.00		22-Feb-07	31-Mar-22				2,992.00
3	Lakdhanavi Ltd.	Secure the Bonds		2,992.00		1-Mar-07	31-Mar-22				2,835.82
4	Ceylon Electricity Board	Credit Facility		4,116.00		7-May-08	3-Mar-23				Nil
5	West Coast Power (Pvt) Ltd.	Secure the Loan Facility		134.84		28-Jun-07	28-Jun-22	63.61			
6	Ceylon Electricity Board	Credit Facility	4.20			11-Jun-08	9-Oct-23				1,320.77
7	Ceylon Petroleum Corporation	Secure the Loan Facility	700.00			9-Sep-08	31-Dec-15	678.03			
8	Ceylon Petroleum Corporation	Secure the Loan Facility	200.00			27-Jun-12	31-Dec-15				
9	Ceylon Electricity Board	Credit Facility		0.63		29-Sep-08	30-Jun-15				Nil
10	People's Bank Pension Trust Fund	Secure the Debentures				17-Dec-08	16-Dec-16				5,000.00
11	People's Bank Pension Trust Fund	Secure the Debentures				23-Oct-09	22-Oct-17				
12	Ceylon Electricity Board	Secure Short Term Credit Facility				7-Sep-09	13-Mar-15				Nil
13	Ceylon Petroleum Storage Terminals Ltd.	Credit Facility	40.3			9-Oct-09	6-Oct-19				2,130.55
14	Urban Development Authority	Secure the Loan Facility				6-Nov-09	5-Nov-24				2,300.00
15	STC General Trading Company Ltd.	Secure the Loan Facility				22-Dec-09	31-Dec-14				459.81
16	Ceylon Electricity Board	Term Loan Facility				17-Aug-10	31-Jul-16				413.00
17	Road Development Authority	Secure the Loan Facility				1-Sep-11	28-Feb-26				1,341.25
18	General Sir John Kotalawala Defence University	Secure the Loan Facility				29-Aug-11	31-Dec-26				62.79
19	Road Development Authority	Secure the Loan Facility				14-Mar-12	31-Dec-26				1824.01

## Notes to the Financial Statements contd...

## NOTE - 34 - STATEMENT OF CONTINGENT LIABILITIES

## NOTE - 34(A) - STATEMENT OF BANK GUARANTEES ISSUED BY THE GENERAL TREASURY AS AT 31.12.2015

Institution	Bank or Institution	Purpose	Issued Value of the Treasury Guarantees			Date of Issue	Date of Expiry	Outstanding on Treasury Guarantees as at 31.12.2015			Min. Rs. Mn
			US\$ Mn.	Euro Mn.	J.Yen Mn.			US\$ Mn.	Euro Mn.	J.Yen Mn.	
20	Road Development Authority	Secure the Loan Facility		2,472.36		12-Mar-12	31-Dec-26				1,801.19
21	Road Development Authority	Secure the Loan Facility		2,750.00		12-Mar-12	31-Dec-26				2,494.78
22	Road Development Authority	Secure the Loan Facility		1,400.00		21-Mar-12	31-Dec-26				1,106.48
23	Road Development Authority	Secure the Loan Facility		7,995.68		21-Mar-12	31-Dec-26				7,319.57
24	Road Development Authority	Secure the Loan Facility		2,861.81		21-Mar-12	31-Dec-26				2,500.87
25	Ceylon Petroleum Corporation	Secure the Loan Facility	200.00			10-Apr-12	01-May-16	200.00			
26	Ministry of Defence and Urban Development	Secure the Loan Facility		3,550.00		24-Apr-12	31-Dec-30				3,550.00
27	Ministry of Defence and Urban Development	Secure the Loan Facility		2,000.00		24-Apr-12	31-Dec-30				2,000.00
28	Ministry of Defence and Urban Development	Secure the Loan Facility		1,000.00		24-Apr-12	31-Dec-30				1,000.00
29	Ministry of Defence and Urban Development	Secure the Loan Facility		1,000.00		24-Apr-12	31-Dec-30				1,000.00
30	Road Development Authority	Secure the Loan Facility		2,647.63		6-Jun-12	31-Dec-26				2,386.59
31	Road Development Authority	Secure the Loan Facility		315.56		15-Oct-12	30-Apr-27				1,861.60
32	Road Development Authority	Secure the Loan Facility		1,788.16		31-Jan-13	30-Apr-27				
33	Road Development Authority	Secure the Loan Facility		354.58		15-Oct-12	30-Apr-27				2,242.64
34	Road Development Authority	Secure the Loan Facility		2,009.31		31-Jan-13	30-Apr-27				
35	Road Development Authority	Secure the Loan Facility		384.25		25-Oct-12	30-Apr-27				2,454.90
36	Road Development Authority	Secure the Loan Facility		2,177.39		31-Jan-13	30-Apr-27				
37	Road Development Authority	Secure the Loan Facility		209.04		15-Nov-12	31-May-27				1,305.16
38	Road Development Authority	Secure the Loan Facility		1,184.57		31-Jan-13	31-May-27				

Notes to the Financial Statements contd...

NOTE - 34 - STATEMENT OF CONTINGENT LIABILITIES

NOTE - 34(A) - STATEMENT OF BANK GUARANTEES ISSUED BY THE GENERAL TREASURY AS AT 31.12.2015

Institution	Bank or Institution	Purpose	Issued Value of the Treasury Guarantees			Date of Issue	Date of Expiry	Outstanding on Treasury Guarantees as at 31.12.2015			Min. Rs. Mn
			US\$ Mn.	Euro Mn.	J. Yen Mn.			US\$ Mn.	Euro Mn.	J. Yen Mn.	
39	Road Development Authority	Secure the Loan Facility		670.75		15-Nov-12	31-May-27				3,668.79
40	Road Development Authority	Secure the Loan Facility		3,934.25		31-Jan-13	31-May-27				
41	Road Development Authority	Secure the Loan Facility		385.64		15-Nov-12	31-May-27				2,195.50
42	Road Development Authority	Secure the Loan Facility		2,185.31		31-Jan-13	31-May-27				
43	Road Development Authority	Secure the Loan Facility		299.25		26-Dec-12	30-Jun-27				1,918.62
44	Road Development Authority	Secure the Loan Facility		1,695.75		31-Jan-13	30-Jun-27				
45	Road Development Authority	Secure the Loan Facility		309.12		28-Dec-12	30-Jun-27				1,846.88
46	Road Development Authority	Secure the Loan Facility		1,751.73		11-Feb-13	30-Jun-27				
47	Road Development Authority	Secure the Loan Facility		225.54		31-Dec-12	30-Jun-27				1,392.62
48	Road Development Authority	Secure the Loan Facility		1,278.09		31-Jan-13	30-Jun-27				
49	Road Development Authority	Secure the Loan Facility		89.60		31-Dec-12	30-Jun-27				516.55
50	Road Development Authority	Secure the Loan Facility		487.78		31-Jan-13	30-Jun-27				
51	Road Development Authority	Secure the Loan Facility		209.06		26-Dec-12	30-Jun-27				1,240.32
52	Road Development Authority	Secure the Loan Facility		1,190.94		31-Jan-13	30-Jun-27				
53	Mihin Lanka (Pvt) Ltd	Secure the Loan Facility		367.00		20-Feb-13	31-Dec-16				95.33
54	Road Development Authority	Secure the Loan Facility		3,223.31		14-May-13	30-Nov-27				1,482.12
55	General Sir John Kotalawala Defence University	Secure the Loan Facility		750.00		7-Jun-13	30-Jun-28				523.28
56	General Sir John Kotalawala Defence University	Secure the Loan Facility	201.63			24-Jun-13	31-Jan-32	104.43			
57	Ceylon Petroleum Corporation	Secure the Loan Facility	250.00			25-Jun-13	30-Jun-16				250.00

## Notes to the Financial Statements contd...

## NOTE - 34 - STATEMENT OF CONTINGENT LIABILITIES

## NOTE - 34(A) - STATEMENT OF BANK GUARANTEES ISSUED BY THE GENERAL TREASURY AS AT 31.12.2015

Institution	Bank or Institution	Purpose	Issued Value of the Treasury Guarantees			Date of Issue	Date of Expiry	Outstanding on Treasury Guarantees as at 31.12.2015			Min. Rs. Mn
			US\$ Mn.	Euro Mn.	J. Yen Mn.			US\$ Mn.	Euro Mn.	J. Yen Mn	
58	Road Development Authority	Secure the Loan Facility		1,802.74		11-Jul-13	31-Jan-28				1,378.84
59	Road Development Authority	Secure the Loan Facility		2,053.53		11-Jul-13	31-Jan-28				1,404.66
60	Ceylon Petroleum Corporation	Secure the Loan Facility	100.00			19-Jul-13	30-Jul-16	100.00			
61	Road Development Authority	Secure the Loan Facility		3,915.95		25-Jul-13	31-Jan-28				3,515.74
62	Road Development Authority	Secure the Loan Facility		1,020.00		5-Aug-13	31-Jan-28				1,019.74
63	Road Development Authority	Secure the Loan Facility		2,445.00		5-Aug-13	31-Jan-28				1,801.70
64	Ceylon Petroleum Corporation	Secure the Loan Facility	100.00			8-Aug-13	31-Aug-16	100.00			
65	Road Development Authority	Secure the Loan Facility		2,179.48		12-Aug-13	29-Feb-28				2,177.06
66	Paddy Marketing Board	Secure the Loan Facility		3,137.00		12-Aug-13	31-Dec-15				3,129.78
67	Paddy Marketing Board	Secure the Loan Facility		2,325.00		12-Aug-13	31-Dec-15				2,247.23
68	Paddy Marketing Board	Secure the Loan Facility		1,031.00		12-Aug-13	31-Dec-15				1,000.00
69	Road Development Authority	Secure the Loan Facility		2,614.92		28-Aug-13	29-Feb-28				2,364.40
70	Road Development Authority	Secure the Loan Facility		1,596.53		30-Aug-13	29-Feb-28				1,013.11
71	Road Development Authority	Secure the Loan Facility		477.70		24-Oct-13	31-Oct-27				459.31
72	Road Development Authority	Secure the Loan Facility		1,664.08		24-Oct-13	30-Apr-28				1,601.11
73	Road Development Authority	Secure the Loan Facility		2,132.63		24-Oct-13	30-Apr-28				2,132.60
74	Road Development Authority	Secure the Loan Facility		3,584.99		24-Oct-13	30-Apr-28				3,584.38
75	Road Development Authority	Secure the Loan Facility		1,716.08		24-Oct-13	30-Apr-28				1,589.32
76	Road Development Authority	Secure the Loan Facility		1,528.00		24-Oct-13	31-Oct-27				1,468.93

Notes to the Financial Statements contd...

NOTE - 34 - STATEMENT OF CONTINGENT LIABILITIES

NOTE - 34(A) - STATEMENT OF BANK GUARANTEES ISSUED BY THE GENERAL TREASURY AS AT 31.12.2015

Institution	Bank or Institution	Purpose	Issued Value of the Treasury Guarantees			Date of Issue	Date of Expiry	Outstanding on Treasury Guarantees as at 31.12.2015			Min. Rs. Mn
			US\$ Mn.	Euro Mn.	J.Yen Mn.			US\$ Mn.	Euro Mn.	J.Yen Mn.	
77	Road Development Authority	Secure the Loan Facility		1,689.49		24-Oct-13	30-Apr-28				1,689.49
78	Road Development Authority	Secure the Loan Facility		2,975.00		28-Nov-13	31-May-28				2,971.54
79	Road Development Authority	Secure the Loan Facility		1,212.15		28-Nov-13	31-May-28				927.84
80	Road Development Authority	Secure the Loan Facility		1,383.49		28-Nov-13	31-May-28				833.18
81	Road Development Authority	Secure the Loan Facility		530.99		28-Nov-13	31-May-28				351.15
82	Road Development Authority	Secure the Loan Facility		6,500.00		28-Nov-13	31-May-28				3,893.39
83	Road Development Authority	Secure the Loan Facility		1,800.00		28-Nov-13	31-May-28				1,610.72
84	State Development and Construction Corporation	Secure the Loan Facility		400.00		6-Dec-13	06-Dec-16				400.00
85	National School of Business Management Limited	Secure the Loan Facility		8,600.00		18-Dec-13	31-Dec-28				4,901.34
86	Road Development Authority	Secure the Loan Facility		751.48		27-Dec-13	30-Jun-28				670.47
87	Road Development Authority	Secure the Loan Facility		2,100.00		27-Dec-13	30-Jun-28				1,721.87
88	Road Development Authority	Secure the Loan Facility		3,914.22		27-Jan-14	31-Jul-28				3,914.22
89	Road Development Authority	Secure the Loan Facility		5,645.74		11-Feb-14	31-Aug-28				4,631.34
90	Road Development Authority	Secure the Loan Facility		1,884.93		13-Feb-14	31-Aug-28				1,134.17
91	Road Development Authority	Secure the Loan Facility		800.00		13-Feb-14	31-Aug-28				528.93
92	Road Development Authority	Secure the Loan Facility		6,956.05		7-Mar-14	31-Aug-28				6,956.04
93	Road Development Authority	Secure the Loan Facility		917.28		14-Mar-14	30-Sep-28				240.46

## Notes to the Financial Statements contd...

## NOTE - 34 - STATEMENT OF CONTINGENT LIABILITIES

## NOTE - 34(A) - STATEMENT OF BANK GUARANTEES ISSUED BY THE GENERAL TREASURY AS AT 31.12.2015

Institution	Bank or Institution	Purpose	Issued Value of the Treasury Guarantees			Date of Issue	Date of Expiry	Outstanding on Treasury Guarantees as at 31.12.2015			Min. Rs. Mn
			US\$ Mn.	Euro Mn.	J.Yen Mn.			US\$ Mn.	Euro Mn.	J.Yen Mn	
94	Road Development Authority	Secure the Loan Facility		1,800.00		14-Mar-14	30-Sep-28				1,785.15
95	Road Development Authority	Secure the Loan Facility		500.00		25-Mar-14	30-Sep-28				405.41
96	Road Development Authority	Secure the Loan Facility		533.51		25-Mar-14	30-Sep-28				256.36
97	Road Development Authority	Secure the Loan Facility		757.81		3-Apr-14	15-Oct-28				374.34
98	Road Development Authority	Secure the Loan Facility		2,346.99		7-Apr-14	15-Oct-28				1,966.62
99	Road Development Authority	Secure the Loan Facility		3,197.86		5-Mar-14	30-Sep-28				3,197.40
100	Road Development Authority	Secure the Loan Facility		903.01		7-May-14	15-Nov-28				903.00
101	Road Development Authority	Secure the Loan Facility		1,484.26		7-May-14	15-Nov-28				1,483.78
102	Road Development Authority	Secure the Loan Facility		1,265.23		21-May-14	15-Nov-28				1,264.15
103	Road Development Authority	Secure the Term Loan Facility		909.17		7-Jul-14	15-Jan-29				902.91
104	Road Development Authority	Secure the Term Loan Facility		1,615.81		8-Jul-14	15-Jan-29				1,615.79
105	Road Development Authority	Secure the Term Loan Facility		2,171.71		15-Jul-14	15-Jan-29				2,170.79
106	Road Development Authority	Secure the Term Loan Facility		2,124.39		15-Jul-14	31-Jan-29				1,474.83
107	Road Development Authority	Secure the Term Loan Facility		1,833.66		15-Jul-14	31-Jan-29				1,833.50
108	Road Development Authority	Secure the Term Loan Facility		2,125.94		16-Jul-14	31-Jan-29				917.24
109	Road Development Authority	Secure the Term Loan Facility		405.06		17-Jul-14	31-Jan-29				400.29
110	Road Development Authority	Secure the Term Loan Facility		1,348.03		21-Jul-14	31-Jan-29				1,339.87
111	Road Development Authority	Secure the Term Loan Facility		995.77		21-Jul-14	31-Jan-29				994.72

## Notes to the Financial Statements contd...

## NOTE - 34 - STATEMENT OF CONTINGENT LIABILITIES

## NOTE - 34(A) - STATEMENT OF BANK GUARANTEES ISSUED BY THE GENERAL TREASURY AS AT 31.12.2015

Institution	Bank or Institution	Purpose	Issued Value of the Treasury Guarantees			Date of Issue	Date of Expiry	Outstanding on Treasury Guarantees as at 31.12.2015			Min. Rs. Mn
			US\$ Mn.	Euro Mn.	J.Yen Mn.			US\$ Mn.	Euro Mn.	J.Yen Mn.	
112	Road Development Authority	Secure the Term Loan Facility		1,553.20		21-Jul-14	31-Jan-29				1,552.85
113	Road Development Authority	Secure the Loan Facility		940.89		20-Aug-14	28-Feb-29				940.85
114	Road Development Authority	Secure the Loan Facility		490.29		26-Aug-14	28-Feb-29				176.58
115	Ceylon Shipping Corporation Ltd.	Secure the Loan Facility	80			26-Aug-14	03-Jun-29	51.82			
116	Road Development Authority	Secure the Term Loan Facility	44.71			22-Sep-14	03-Sep-27	43.56			
117	Road Development Authority	Secure the Term Loan Facility		1,401.38		23-Sep-14	31-Mar-29				1,399.95
118	Sri Lanka Land Reclamation & Development Corporation - Weraganga Project	Secure the Loan Facility		2,000.00		26-Sep-14	31-Oct-28				2,798.78
119	Sri Lanka Land Reclamation & Development Corporation - Weraganga Project	Secure the Loan Facility		1,500.00		13-Jul-14	31-Oct-28				
120	Road Development Authority	Secure the Term Loan Facility		2,267.65		21-Sep-14	15-Apr-29				1,066.53
121	Lanka Coal Company (Pvt) Ltd	Secure Short Term Loan Facility		5,000.00		12-Nov-14	30-Sep-16				5,000.00
122	National Water Supply & Drainage Board (NWSDB) - Ampara	Secure Term Loan Facility		1,148.06		12-Nov-14	31-May-29				580.86
123	National Water Supply & Drainage Board (NWSDB) - Colombo City	Secure Short Term Loan Facility		2,792.07		14-Nov-14	30-Nov-29				1,496.14
124	National Water Supply & Drainage Board (NWSDB) - Bentota	Secure Term Loan Facility		1,239.48		17-Nov-14	31-May-29				429.93
125	National Water Supply & Drainage Board (NWSDB) - Ruhunupura	Secure Term Loan Facility		193.00		8-Dec-14	15-Jul-29				506.66
126	National Water Supply & Drainage Board (NWSDB) - Ruhunupura	Secure Term Loan Facility		1,736.61		9-Jul-14	15-Jul-29				

## Notes to the Financial Statements contd...

## NOTE - 34 - STATEMENT OF CONTINGENT LIABILITIES

## NOTE - 34(A) - STATEMENT OF BANK GUARANTEES ISSUED BY THE GENERAL TREASURY AS AT 31.12.2015

Institution	Bank or Institution	Purpose	Issued Value of the Treasury Guarantees			Date of Issue	Date of Expiry	Outstanding on Treasury Guarantees as at 31.12.2015			Min. Rs. Mn
			US\$ Mn.	Euro Mn.	J.Yen Mn.			US\$ Mn.	Euro Mn.	J.Yen Mn.	
127	National Water Supply & Drainage Board (NWSDB) - Ampara	Secure Term Loan Facility		2,800.00		9-Dec-14	31-Dec-29				1,416.75
128	National Water Supply & Drainage Board (NWSDB) - Ampara	Secure Term Loan Facility		2,900.00		9-Dec-14	31-Dec-29				1,467.34
129	Road Development Authority	Secure Term Loan Facility		242.54		1-Dec-14	31-May-29				297.02
130	Road Development Authority	Secure Term Loan Facility		1,567.46		11-Sep-15	31-May-29				
131	National Water Supply & Drainage Board (NWSDB)- Colombo District-Package I	Secure Term Loan Facility		3,041.00		30-Dec-14	30-Jun-29				911.90
132	Airport & Aviation Services (Sri Lanka) Limited	Secure the Loan Facility		28,969.00		28-Mar-12	28-Mar-52		129.79		
133	Ceylon Electricity Board - Broadlands Hydropower Project	Secure the Loan Facility	69.72			12-Mar-13	28-Mar-52	6.05			
134	CEB- (No Suggestions) (Samanala)	Secure Term Loan Facility		3,850.08		29-Apr-15	30-Apr-23				318.90
135	National Water Supply & Drainage Board - 22 Water Supply Project	Secure the Loan Facility		1,500.00		28-Jul-14	31-Jan-30				640.28
136	National Water Supply & Drainage Board Colombo District Colombo III	Secure Term Loan Facility		3,014.83		29-Sep-15	31-Mar-30				1,679.75
137	National Water Supply & Drainage Board - Laggala	Secure Term Loan Facility		1,348.76		29-Sep-15	31-Mar-30				Nil
138	National Water Supply & Drainage Board- Wilgamuwa	Secure Term Loan Facility		1,074.13		29-Sep-15	31-Mar-30				Nil
139	National Water Supply & Drainage Board-Galagedara & Mawathagama	Secure Term Loan Facility		937.87		30-Dec-15	30-Jun-30				Nil
	<b>Grand Total</b>		<b>1,990.56</b>	<b>135.47</b>	<b>28,969.00</b>			<b>1,283.89</b>	<b>63.61</b>	<b>129.79</b>	<b>184,173.36</b>

## Notes to the Financial Statements contd...

**NOTE - 34 - STATEMENT OF CONTINGENT LIABILITIES**
**NOTE - 34(A) - STATEMENT OF BANK GUARANTEES ISSUED BY THE GENERAL TREASURY AS AT 31.12.2015**
**SUMMARY OF THE TG IN RS. VALUE AS AT 31.12.2015 OF THE CBSL EXCHANGE RATES**

Currency	Exchange Rates	Issued		Outstanding	
		Amount in Respective Currencies Mn.	Amount in Rs. Mn.	Amount in Respective Currencies Mn.	Amount in Rs. Mn.
US\$	146.1800	1,990.56	290,980.06	1,283.89	187,678.46
Euro	160.4700	135.47	21,738.39	63.61	10,207.98
Yen	1.2206	28,969.00	35,359.56	129.79	158.42
Rs.	-	244,930.86	244,930.86	184,173.36	184,173.36
<b>Grand Total in Rs. Mn.</b>			<b>593,008.88</b>		<b>382,218.22</b>

**NOTE - 34(B) - STATEMENT OF LETTERS OF COMFORT ISSUED TO LOCAL BANKS AND THE LIABILITIES AS AT 31ST DECEMBER 2015**

			Rs. Mn
Institution	Bank	Purpose	Liabilities as at 31.12.2015
1 Lanka Sathosa Limited	People's Bank	Secure the Loan	1,743.80
2 Lanka Sathosa Limited	Bank of Ceylon	Secure the Loan	
3 Lanka Sathosa Limited	Bank of Ceylon	Secure the Loan	6,692.27
4 Ceylon Electricity Board	National Savings Bank	Secure the Loan	8,750.00
5 Lanka Sathosa Limited	People's Bank	Secure the Loan	3,000.00
6 Sri Lankan Air Lines	People's Bank	Secure the Loan	13,350.00
7 Mihin Lanka	People's Bank	Secure the Loan	1,650.00
8 Sri Lankan Air Lines	Bank of Ceylon	Secure the Loan	12,900.00
9 Mihin Lanka	Bank of Ceylon	Secure the Loan	1,650.00
<b>Total</b>			<b>49,736.07</b>

Schedule I - MOVABLE ASSETS ACQUIRED SINCE 01.01.2004  
2101 - Vehicles

Head No	Institution	2004										2014			2015	
		2004	2005	2006	2007	2008	2009	2010	2011	2012	2013	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	3,329,504	369,360	-	3,698,864	108,225	3,807,089
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	5,190	136,264
3	Secretariat for Special Functions (Senior Ministers)	-	-	-	-	-	-	-	77,609	166,350	198,927	29,385	-	228,312	-	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	-	230,721
5	Office of the Cabinet of Ministers	-	4,764	8,254	8,254	14,513	14,513	18,653	18,653	19,161	19,161	-	-	19,161	-	19,161
6	Public Service Commission	-	-	8,990	8,990	16,160	18,932	18,932	30,044	30,044	30,044	524	2,168	28,399	-	28,399
7	Judicial Service Commission	-	100	100	1,088	8,879	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	11,212	-	-	11,212	-	11,212
10	Commission to Investigate Allegations of Bribery or Corruption	-	-	-	-	-	-	3,319	9,795	18,825	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	-	12,835
12	National Education Commission	-	-	-	-	-	-	-	6,125	6,125	6,277	-	-	6,277	-	6,277
13	Human Rights Commission of Sri Lanka	-	-	-	-	-	-	8,071	8,071	8,071	8,426	5,655	-	14,081	-	14,081
14	Department of Attorney General	-	-	-	90,400	215,126	219,221	225,340	225,340	225,340	225,340	-	6	225,334	-	225,334
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	-	27,980
16	Parliament	6,800	27,735	27,735	27,735	61,770	68,870	76,370	111,813	159,853	159,044	5,565	13,894	150,716	-	150,716
17	Office of the Leader of the House of Parliament	78	78	7,536	13,036	13,036	15,304	16,616	16,616	16,616	16,616	-	78	16,538	-	16,538
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	6,915	18	-	6,932	-	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	26,859	15,608	-	42,466	-	42,466
20	Department of Elections	-	-	-	15,715	25,626	25,626	30,467	41,320	41,920	41,920	-	-	41,920	-	41,920
21	Auditor General	-	2,151	2,151	2,543	2,543	6,498	16,234	17,631	17,631	17,631	-	-	17,631	-	17,631
22	Office of the Parliamentary Commissioner for Administration	-	-	-	-	-	-	4,000	5,798	5,573	5,573	-	-	5,573	-	5,573
101	Ministry of Buddhasasana	-	-	5,500	24,545	24,545	24,545	32,717	38,976	45,359	56,959	992	-	57,950	-	57,950
102	Ministry of Finance	4,100	42,251	54,217	113,815	128,922	129,769	136,406	115,005	91,001	98,341	4,437	17,414	85,365	5,686	91,051
103	Ministry of Defence	495	10,152	57,907	459,119	2,545,912	2,563,739	2,617,984	2,648,635	2,658,847	10,040	-	-	2,668,887	6,587	2,675,475
104	Ministry of National Policies and Economic Affairs	-	-	-	-	-	-	-	-	-	-	-	-	-	136,770	136,770
105	Ministry of Economic Development	-	-	-	47,035	47,035	51,353	157,676	340,555	498,439	764,053	186,061	-	950,114	-	950,114
106	Ministry of Disaster Management	-	-	18,595	20,172	20,172	20,172	26,172	40,699	69,788	94,553	-	-	94,553	-	94,553
108	Ministry of Posts, Postal Services and Muslim Religious Affairs	-	5,800	19,825	52,725	52,725	52,725	72,728	77,085	77,085	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	88,983	1,192	-	90,175	-	90,175

Schedule I - MOVABLE ASSETS ACQUIRED SINCE 01.01.2004  
2101 - Vehicles

Head No	Institution	Rs'000														
		2004	2005	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015			
											Additions	Disposal	Balance	Additions	Balance	
111	Ministry of Health, Nutrition and Indigenous Medicine	-	-	-	18,296	18,296	51,713	75,510	129,855	194,188	413,954	625,614	6,715	1,032,853	7,800	1,040,653
112	Ministry of Foreign Affairs	-	25,986	151,191	275,957	345,547	386,696	405,674	509,828	614,621	652,494	102,098	4,094	750,498	81,604	832,101
113	Ministry of Ports & Aviation	-	-	9,446	9,446	22,259	26,109	38,809	38,809	38,809	38,809	-	-	38,809	-	38,809
114	Ministry of Transport & Civil Aviation	-	-	4,500	20,213	37,213	37,213	42,253	70,860	70,860	70,860	-	-	70,860	-	70,860
115	Ministry of Petroleum Industries	-	-	10,553	25,303	34,180	34,180	43,469	52,212	52,212	55,400	16,965	-	72,365	-	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	88,449	40,743	-	129,192	-	129,192
117	Ministry of Ports Highways	-	-	5,432	67,087	83,787	83,787	125,414	597,552	602,904	8,752	372	-	611,284	-	611,284
117	Ministry of Higher Education and Highways	-	-	-	-	-	-	-	-	-	-	-	-	7,360	-	7,360
118	Ministry of Agriculture	15,047	18,274	37,096	123,672	125,089	192,710	228,062	228,062	228,062	241,455	52,030	-	293,485	-	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	23,387	19,370	1,264	41,493	-	41,493
120	Ministry of Child Development & Women's Affairs	-	-	3,475	26,175	26,175	26,175	44,628	51,511	74,243	79,323	-	-	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	1,104,682	14,654	-	1,119,336	-	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	67,531	-	-	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	-	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	-	67,385
126	Ministry of Education	4,386	94,114	110,654	177,597	177,597	180,729	186,755	212,207	214,364	241,919	500	-	242,419	3,495	245,914
127	Ministry of Labour Relations & Productivity Improvement	-	19,050	30,410	47,090	47,090	47,776	47,724	64,224	61,573	70,727	35,373	-	106,100	-	106,100
128	Ministry of Traditional Industries & Small Enterprises Development	-	-	-	26,036	36,785	39,049	39,049	39,049	51,554	76,829	-	-	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)	216,701	414,817	-	631,518	-	631,518
133	Ministry of Technology and Research	-	-	5,500	34,706	31,832	31,832	41,755	75,031	75,431	(25,239)	-	2,565	(27,804)	-	(27,804)
134	Ministry of National Languages & Social Integration	-	9,000	9,000	42,434	42,434	42,434	46,622	57,324	57,332	60,634	-	-	60,634	-	60,634
135	Ministry of Plantation Industries	-	-	35,579	115,151	115,151	134,674	146,950	187,187	196,742	203,147	28,222	-	231,369	-	231,369
136	Ministry of Sports	-	-	-	4,350	4,350	18,828	22,678	28,452	28,452	45,676	16,019	-	61,695	6,859	68,554
138	Ministry of Indigenous Medicine	-	9,242	20,217	35,217	35,217	35,217	35,217	56,091	70,025	84,283	-	-	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	187,921	-	-	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	90,515	21,401	-	111,915	-	111,915
140	Ministry of Hill Country New Villages, Infrastructure and Community Development	-	-	-	-	-	-	-	-	-	-	-	-	-	1,332	1,332
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	-	111,486

Schedule I - MOVABLE ASSETS ACQUIRED SINCE 01.01.2004  
2101 - Vehicles

Head No	Institution	2004											2014			2015	
		2004	2005	2006	2007	2008	2009	2010	2011	2012	2013	2014	Disposal	Balance	Additions	Balance	
143	Ministry of Parliamentary Affairs	13,425	13,425	13,425	30,927	30,927	30,927	30,927	35,831	46,508	54,292	-	-	54,292	-	54,292	
145	Ministry of Re-Settlement	-	-	16,638	39,363	48,863	56,068	82,945	89,094	104,536	-	-	-	104,536	-	104,536	
149	Ministry of Industry and Commerce	2,667	2,667	15,538	37,338	50,928	65,327	73,261	88,798	98,014	33,354	-	-	131,368	10,253	141,621	
150	Ministry of Petroleum Resources Development	-	-	-	-	-	-	-	-	-	-	-	-	-	1,930	1,930	
151	Ministry of Fisheries & Aquatic Resources Development	-	-	-	-	-	-	-	-	-	-	-	-	-	7,515	7,515	
152	Ministry of Irrigation & Water Resources Management	4,758	4,758	4,758	12,293	12,293	17,793	33,724	33,124	121,658	-	-	154,782	-	154,782		
153	Ministry of Lands and Land Development	-	-	-	-	72,094	72,094	94,031	102,065	102,065	10,751	-	-	112,817	-	112,817	
155	Ministry of Provincial Councils and Local Government	-	-	-	-	-	-	-	-	-	-	-	-	-	35,408	35,408	
156	Ministry of Youth Affairs & Skills Development	-	1,912	14,902	22,402	20,861	20,861	95,842	98,793	104,978	-	-	104,978	-	104,978		
160	Ministry of Environment & Renewable Energy	6,550	24,226	31,726	51,685	51,680	53,143	73,141	83,910	96,860	-	-	96,860	-	96,860		
160	Ministry of Mahaweli Development and Environment	-	-	-	-	-	-	-	-	-	-	-	-	-	4,623	4,623	
166	Ministry of Water Supply & Drainage	-	-	-	25,986	25,986	34,216	60,277	67,012	67,012	-	3,160	63,852	-	63,852		
171	Ministry of Higher Education	-	-	-	14,795	14,795	14,795	45,289	66,333	84,780	15	-	84,795	-	84,795		
173	Ministry of Public Management Reforms	-	-	-	-	-	-	20,753	20,753	20,753	-	-	20,753	-	20,753		
174	Ministry of Rehabilitation and Prison Reforms	-	-	-	-	-	-	34,623	47,500	53,827	39,546	-	93,373	-	93,373		
175	Ministry of State Resources and Enterprise Development	-	-	-	-	-	-	20,692	24,296	42,110	11,101	53,000	211	-	211		
176	Ministry of Civil Aviation	-	-	-	-	-	-	24,335	24,365	44,009	-	-	44,009	-	44,009		
177	Ministry of Culture and the Arts	-	-	-	-	-	-	-	12,083	11,534	6,098	-	17,633	-	17,633		
178	Ministry of Coconut Development & Janatha Estate Development	-	-	-	-	-	-	17,197	22,275	37,366	25,377	6,297	56,445	-	56,445		
179	Ministry of Agrarian Services and Wild Life	-	-	-	-	-	-	28,554	38,944	7,169	-	-	46,113	-	46,113		
180	Ministry of Minor Export Crop Promotion	-	-	-	-	-	-	42,303	42,303	35,096	-	-	77,399	-	77,399		
181	Ministry of Productivity Promotion	-	-	-	-	-	-	39,292	40,075	42,177	6,592	-	48,769	-	48,769		
182	Ministry of Foreign Employment Promotion & welfare	-	-	14,515	14,515	19,890	19,890	56,740	56,740	56,740	-	-	56,740	-	56,740		
183	Ministry of Public Relation and Public Affairs	-	-	-	-	-	-	6,159	6,339	16,244	-	-	16,244	-	16,244		
184	Ministry of Private Transport Services	-	-	-	-	-	-	19,162	35,800	35,800	10,158	-	45,959	-	45,959		
185	Ministry of Telecommunication and Information Technology	-	-	-	-	-	-	16,000	16,000	23,879	200	-	24,079	-	24,079		
187	Ministry of Investment Promotion	-	-	-	-	-	-	-	-	-	35,473	-	35,473	-	35,473		
188	Ministry of Botanical Gardens & Public Recreation	-	-	-	-	-	-	-	-	-	6,683	-	6,683	-	6,683		

Schedule I - MOVABLE ASSETS ACQUIRED SINCE 01.01.2004  
2101 - Vehicles

Head No	Institution	2014										2015			
		2004	2005	2006	2007	2008	2009	2010	2011	2012	2013	2014	Balance	Balance	
190	Ministry of Law and Order	-	-	-	-	-	-	-	-	-	-	-	30,893	-	30,893
201	Department of Buddhist Affairs	-	-	-	-	-	-	1,176	1,607	1,607	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	-	4,965	-	4,965
203	Department of Christian Religious Affairs	-	-	-	-	595	595	595	595	595	595	-	595	-	595
205	Department of Public Trustee	-	-	-	-	-	2,016	7,056	7,056	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	2,631	17,671	-	17,671
208	Department of National Museums	-	3,475	3,475	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	-	2,612	-	2,612
210	Department of Information	-	-	79	9,379	9,379	9,379	9,126	9,126	9,126	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	5,404	15,114	5,490	20,604
212	Department of Examinations	-	2,875	2,875	8,797	8,797	8,797	7,402	7,402	7,402	4,617	-	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	-	78,705	-	78,705
216	Department of Social Services	-	-	-	-	-	-	345	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	-	3,877	-	3,877
219	Department of Sports Development	-	-	-	-	3,098	3,098	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	-	6,584	-	6,584
221	Department of Labour	-	48	48	20,788	20,788	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	5,713,580	42,842	5,738,169	219,382	5,957,551
223	Sri Lanka Navy	38,152	38,152	251,852	761,052	1,266,602	1,466,230	1,623,572	2,360,662	2,382,203	2,177,757	146,671	2,305,206	53,576	2,358,781
224	Sri Lanka Air Force	-	201,940	401,595	523,506	686,680	780,672	787,112	1,204,615	1,230,569	1,343,734	26,921	1,370,655	93,839	1,464,494
225	Department of Police	-	-	479,644	680,084	2,192,626	2,365,837	2,522,492	5,178,483	5,207,967	5,207,967	-	5,207,967	-	5,207,967
226	Department of Immigration & Emigration	-	-	10,410	10,410	10,410	10,410	10,410	10,410	10,930	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	-	27,808
228	Courts Administration	-	-	1,321	17,176	186,796	202,237	217,678	231,832	231,832	231,832	-	231,832	-	231,832
229	Department of Attorney General	-	-	-	-	-	-	-	-	-	-	-	-	651	651
230	Department of Legal Draftsman	-	-	-	-	-	-	-	-	-	-	-	-	-	-
232	Department of Prisons	17,813	19,905	45,497	58,804	79,926	84,901	107,970	107,970	107,970	159,371	-	159,371	295,170	454,541
233	Department of Government Analyst	-	-	3,441	13,137	13,137	18,177	18,177	18,177	14,331	12,051	478	12,529	-	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	-	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	-	10,081
238	Department of Fiscal Policy	-	-	-	11,400	11,400	13,668	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	-	14,909

Schedule I - MOVABLE ASSETS ACQUIRED SINCE 01.01.2004  
2101 - Vehicles

Head No	Institution	Rs'000															
		2004	2005	2006	2007	2008	2009	2010	2011	2012	2013	2014		2015			
												Additions	Disposal	Balance	Additions	Balance	
240	Department of National Budget	-	-	3,475	7,100	7,100	7,100	7,100	7,100	7,100	282,966	1,685,187	2,892,208	34,834	4,494,710	-	4,494,710
241	Department of Public Enterprises	-	-	-	12,200	12,200	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	-	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 & Investment Policy	-	-	-	8,400	8,400	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	-	2,871	6,494	-	6,494
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	-	90,675	-	90,675	
247	Sri Lanka Customs	-	18,562	18,562	3,923,342	3,923,342	3,923,342	3,923,342	3,923,342	3,923,342	3,946,629	3,946,629	-	-	3,960,455	1,496	3,961,951
248	Department of Excise	-	-	14,407	31,744	31,744	31,744	31,744	31,744	31,744	34,298	34,298	-	-	34,298	-	34,298
249	Department of Treasury Operations	-	-	-	12,818	12,818	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	6,500	2,800	2,800	-	2,800	-	-	
251	Department of Valuation	-	-	-	7,955	7,955	7,955	7,955	7,955	7,955	7,605	7,605	-	-	6,598	-	6,598
252	Department of Census & Statistics	3,446	6,874	29,132	48,643	48,643	48,643	48,643	48,643	48,643	77,501	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	-	-	14,205	-	14,205
254	Department of Registrar General	-	-	-	-	-	-	-	-	-	105	105	-	-	105	-	105
255	District Secretariat - Colombo	6	6	6	6	6	6	6	6	6	81	81	-	2,607	(14,047)	-	(14,047)
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	-	-	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	-	5,390	-	5,390	
271	District Secretariat - Trincomalee	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
280	Department of Project Management and Monitoring	-	-	-	-	-	-	-	-	-	-	-	2,520	-	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	7,033	6,869	-	6,869	-	6,869	
282	Department of Irrigation	494	494	181,243	249,450	372,179	482,062	509,670	509,670	509,670	509,084	509,084	26,830	12,876	523,038	-	523,038
283	Department of Forests	3,350	3,350	3,350	3,350	3,350	3,350	14,620	14,620	14,620	14,620	14,620	-	-	14,620	154	14,774
284	Department of Wildlife Conservation	-	-	-	2,643	23,508	23,508	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	18,850	18,850	19,519	19,519	-	-	19,519	3,418	22,937
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	-	7,150	-	7,150	
287	Department of Land Title Settlement	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
288	Department of Survey	-	-	-	11,400	11,400	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	11,617	11,899	11,899	11,997	11,997	-	-	11,997	-	11,997
291	Department of Coast Conservation	181	181	12,054	12,054	12,054	12,054	12,054	23,954	38,524	37,961	37,961	-	4,080	33,882	-	33,882
292	Department of Animal Production & Health	-	-	7,500	7,500	7,500	7,500	10,520	10,520	10,518	10,489	10,489	-	-	10,489	-	10,489
293	Department of Rubber Development	-	-	-	1,266	1,266	1,266	5,341	20,155	33,114	33,114	33,114	-	-	33,114	-	33,114

Schedule I - MOVABLE ASSETS ACQUIRED SINCE 01.01.2004  
2101 - Vehicles

Head No	Institution	2014												2015		
		2004	2005	2006	2007	2008	2009	2010	2011	2012	2013	2014	2014	2015	Balance	
294	Department of National Zoological Garden	-	359	359	6,654	14,879	25,575	25,575	25,575	25,575	25,575	-	-	25,575	-	25,575
295	Department of Commerce	-	-	-	3,410	3,410	3,410	3,410	3,410	3,331	3,481	-	-	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	-	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	-	2,256
300	Department of Food Commissioner	-	-	-	-	2,760	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	2,501	2,495	2,489	2,489	-	-	2,489	-	2,489
304	Department of Meteorology	-	3,970	3,970	3,970	3,970	3,970	3,970	3,970	3,970	3,984	90	-	4,074	-	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	26,116,847	5,443,237	4,348	31,555,736	419,054	31,974,789
307	Department of Motor Traffic	-	3,227	5,227	5,529	5,529	5,529	4,976	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	297,797	-	-	297,797	-	297,797
309	Department of Buildings	-	4,950	5,300	5,300	5,300	9,008	7,885	5,206	773	45	-	6	39	-	39
310	Government Factory	-	-	4,000	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	-	2,200	6,430	-	6,430
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	-	7,500
320	Department of Civil Security	-	-	-	34,065	81,960	87,086	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	18,887	-	-	18,887	-	18,887
323	Department of Legal Affairs	-	-	-	-	-	2,520	2,520	2,520	2,520	2,520	-	-	2,520	-	2,520
325	Department of Sri Lanka Coast Guard	-	-	-	-	-	8,872	8,872	9,684	9,684	9,684	-	-	9,684	-	9,684
326	Department of Community Based Correction	-	-	-	-	-	-	-	-	-	(2,385)	-	37	(2,422)	-	(2,422)
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>64,006,883</b>	<b>9,792,747</b>	<b>223,197</b>	<b>73,576,433</b>	<b>1,522,866</b>	<b>75,099,299</b>

Schedule I - MOVABLE ASSETS ACQUIRED SINCE 01.01.2004  
2102 - Office Equipment

Head No	Institution	2004													2015		
		2004	2005	2006	2007	2008	2009	2010	2011	2012	2013	2014		2015			
												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	1,613,072	110,792	-	1,723,864	8,724	1,732,588	
2	Office of the Prime Minister	1,807	6,850	7,750	12,570	17,494	22,602	28,374	33,353	38,078	41,638	6,458	-	48,096	24,483	72,579	
3	Secretariat for Special Functions (Senior Ministers)	-	-	-	-	-	-	-	4,910	5,898	6,862	2,294	-	9,156	-	9,156	
4	Judges of the Superior Courts	-	-	-	-	-	-	-	-	2,967	6,076	1,838	-	7,914	492	8,406	
5	Office of the Cabinet of Ministers	45	77	307	784	5,264	13,081	14,245	17,611	22,880	24,442	301	-	24,743	1,936	26,679	
6	Public Service Commission	11,394	11,988	12,402	12,862	14,767	15,489	15,520	15,607	16,095	22,793	268	-	23,061	256	23,317	
7	Judicial Service Commission	476	578	1,451	1,787	1,810	1,838	1,856	2,002	2,051	2,313	594	-	2,907	215	3,123	
8	National Police Commission	500	3,968	4,917	6,999	8,390	8,574	8,574	8,578	8,601	8,628	43	-	8,671	19	8,690	
9	Administration Appeals Tribunal	144	144	205	250	295	335	347	359	360	958	474	-	1,432	558	1,990	
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	7,831	2,315	136	10,010	13,424	23,434	
11	Office of the Finance Commission	194	759	814	994	978	993	2,654	4,907	4,968	4,986	1,038	-	6,023	240	6,263	
12	National Education Commission	424	875	1,361	1,432	1,745	2,533	3,005	3,602	3,829	4,602	500	154	4,948	799	5,748	
13	Human Rights Commission of Sri Lanka	-	-	-	-	-	905	2,210	3,207	4,391	6,391	2,196	-	8,588	1,335	9,922	
14	Department of Attorney General	3,615	6,362	8,894	14,330	17,039	21,923	31,152	35,895	39,095	45,089	7,497	838	51,749	-	51,749	
15	Department of Legal Draftsman	501	1,212	1,765	2,251	6,346	16,748	32,198	40,744	43,488	43,674	964	1,582	43,057	-	43,057	
16	Parliament	3,313	6,831	11,826	17,564	27,390	34,703	43,511	57,662	64,891	76,029	7,698	-	83,727	2,148	85,875	
17	Office of the Leader of the House of Parliament	117	316	516	623	747	1,071	1,406	1,873	1,965	2,460	407	-	2,867	500	3,367	
18	Office of the Chief Government Whip of Parliament	234	625	738	1,098	1,098	1,355	2,103	2,947	3,245	3,484	972	-	4,456	592	5,047	
19	Office of the Leader of the Opposition of Parliament	-	392	492	572	627	689	889	1,108	1,290	1,514	300	-	1,814	2,254	4,069	
20	Department of Elections	-	-	985	2,702	4,583	8,265	10,730	19,911	22,878	25,343	1,992	140	27,196	6,703	33,898	
21	Auditor General	1,966	5,352	7,841	9,035	13,677	16,418	22,643	23,908	26,681	27,430	7,315	-	34,746	6,597	41,343	
22	Office of the Parliamentary Commissioner for Administration	87	160	160	227	349	501	1,015	1,185	1,266	2,009	292	-	2,300	28	2,328	
101	Ministry of Buddhasasana	50	220	2,614	3,578	4,178	5,312	6,064	6,964	7,408	8,229	1,262	-	9,490	597	10,088	
102	Ministry of Finance	2,225	7,366	16,088	21,072	24,719	28,983	34,033	33,521	40,572	43,665	6,811	-	50,476	13,618	64,094	
103	Ministry of Defence	1,876	13,307	39,173	76,086	150,733	174,680	230,703	259,825	285,423	334,696	32,900	-	367,596	25,504	393,100	
104	Ministry of National Policies and Economic Affairs	-	-	-	424	2,793	5,400	8,137	8,787	15,768	30,483	3,781	223	34,040	-	34,040	
105	Ministry of Economic Development	-	-	-	8,969	10,268	10,904	12,702	13,593	16,065	19,310	2,549	-	21,859	11,068	32,928	
106	Ministry of Disaster Management	-	-	7,628	3,741	7,133	9,052	11,559	12,654	14,098	15,534	663	-	16,197	-	16,197	
108	Ministry of Postal Services	-	754	1,837	3,741	7,133	9,052	11,559	12,654	14,098	15,534	663	-	16,197	-	16,197	

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Head No	Institution	'000														
		2004	2005	2006	2007	2008	2009	2010	2011	2012	2013	2014		2015		
												Additions	Disposal	Balance	Additions	Balance
108	Ministry of Post, Postal Service and Muslim Religious Affairs	-	-	-	-	-	-	-	-	-	-	-	-	-	2,136	2,136
110	Ministry of Justice	4,937	125,085	321,411	392,157	395,422	404,158	403,710	412,143	415,849	423,779	8,123	810	431,091	6,492	437,583
111	Ministry of Health Nutrition and Indigenous Medicine	-	-	-	67,930	67,930	215,245	352,808	509,359	658,590	838,319	304,579	1,477	1,141,421	293,137	1,434,558
112	Ministry of Foreign Affairs	1,921	14,645	77,465	154,033	219,778	268,413	341,930	409,223	492,926	564,520	78,632	76	643,076	75,686	718,762
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	-	11,306
114	Ministry of Transport	23,001	23,001	24,498	25,375	26,711	27,299	28,116	28,726	29,719	30,167	1,255	-	31,422	-	31,422
114	Ministry of Transport & Civil Aviation	-	-	-	-	-	-	-	-	-	-	-	-	-	1,026	1,026
115	Ministry of Petroleum Industries	-	-	3,012	6,597	8,641	9,554	10,668	11,624	13,113	20,021	8,846	61	28,806	-	28,806
116	Ministry of Co-operative and Internal Trade	161	432	2,281	2,725	3,502	4,753	6,849	7,665	7,743	10,088	1,177	172	11,093	-	11,093
117	Ministry of Ports Highways	690	1,840	4,264	4,983	7,044	8,456	16,995	16,995	41,207	53,629	19,745	4	73,370	-	73,370
117	Ministry of Higher Education & Highways	-	-	-	-	-	-	-	-	-	-	-	-	-	159,420	159,420
118	Ministry of Agriculture	2,466	8,616	15,544	20,563	23,184	24,662	28,664	28,163	15,772	20,188	10,858	-	31,045	6,417	37,462
119	Ministry of Power & Energy	227	355	2,291	4,494	4,494	6,348	7,899	16,029	17,691	24,848	4,608	2	29,454	-	29,454
119	Ministry of Power & Renewable Energy	-	-	-	-	-	-	-	-	-	-	-	-	-	5,000	5,000
120	Ministry of Child Development & Women's Affairs	62	5,318	9,474	15,468	15,518	16,753	19,595	19,677	25,222	26,739	4,606	-	31,345	-	31,345
120	Ministry of Women and Child Affairs	-	-	-	-	-	-	-	-	-	-	-	-	-	3,993	3,993
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	149,199	20,489	6,015	163,673	-	163,673
121	Ministry of Home Affairs	-	-	-	-	-	-	-	-	-	-	-	-	-	9,045	9,045
122	Ministry of Mass Media & Information	-	1,783	4,783	6,765	7,308	9,497	10,517	11,129	13,037	14,728	1,424	-	16,152	-	16,152
122	Ministry of Parliamentary Reforms and Mass Media	-	-	-	-	-	-	-	-	-	-	-	-	-	2,208	2,208
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	9,810	939	182	10,566	-	10,566
123	Ministry of Housing and Construction	-	-	-	-	-	-	-	-	-	-	-	-	-	2,721	2,721
124	Ministry of Social Service	-	-	3,414	5,141	5,812	6,662	8,309	9,926	11,018	12,930	1,720	14	14,635	-	14,635
124	Ministry of Social Empowerment and Welfare	-	-	-	-	-	-	-	-	-	-	-	-	-	4,305	4,305
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	8,017,018	3,836,355	-	11,853,373	5,694,019	17,547,392
127	Ministry of Labour Relations & Productivity Improvement	-	3,069	7,035	9,618	11,373	13,419	14,645	15,188	15,466	16,222	1,681	-	17,903	-	17,903
128	Ministry of Traditional Industries & Small Enterprises Development	-	-	-	765	1,595	2,161	3,194	4,656	4,906	6,562	3,037	-	9,599	-	9,599
130	Ministry of Local Government & Provincial Councils	357	357	2,134	4,219	6,248	7,774	10,362	16,152	20,796	26,239	3,756	-	29,995	-	29,995

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		2004	2005	2006	2007	2008	2009	2010	2011	2012	2013	2014	2014	2015	Balance	Additions	Balance		
130	Ministry of Public Administration and Management	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	50,689	50,689
133	Ministry of Technology and Research	3,265	7,530	13,746	25,372	36,497	50,468	70,627	81,143	91,516	108,887	14,738	-	-	-	-	-	123,624	123,624
134	Ministry of National Languages & Social Integration	724	1,478	1,542	8,188	9,376	16,551	12,715	24,488	14,687	21,590	5,710	1,278	26,022	-	-	-	26,022	26,022
135	Ministry of Plantation Industries	2,455	4,126	5,621	7,576	14,379	17,669	20,849	28,661	34,700	40,409	6,343	38	46,715	9,297	9,297	56,012	56,012	
136	Ministry of Sports	-	-	-	-	2,375	3,566	7,008	12,180	12,716	31,889	11,334	18	43,205	9,663	9,663	52,869	52,869	
138	Ministry of Indigenous Medicine	-	719	1,290	2,876	3,834	5,040	11,298	15,981	18,864	19,600	1,948	-	21,548	-	-	21,548	21,548	
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	105,335	3,308	-	108,643	-	-	108,643	108,643	
140	Ministry of Livestock and Rural Community Development	-	-	1,016	3,198	4,070	4,231	5,340	7,608	9,472	11,526	20,447	8,420	23,554	-	-	23,554	23,554	
140	Ministry of Hill Country New Villages, Infrastructure and Community Development	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	3,800	3,800
142	Ministry of National Heritage & Cultural Affairs	-	19,745	40,466	45,405	45,405	67,297	88,032	92,233	93,526	97,817	2,263	-	100,080	-	-	100,080	100,080	
143	Ministry of Parliamentary Affairs	532	532	707	1,834	2,228	2,991	3,729	4,725	5,626	7,013	1,052	277	7,788	-	-	7,788	7,788	
145	Ministry of Re-Settlement	-	-	2,217	5,767	7,211	9,061	10,651	12,020	12,870	13,358	969	3	14,324	-	-	14,324	14,324	
145	Ministry of Rehabilitation, Re-Settlement and Hindu Religious Affairs	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	1,869	1,869	
149	Ministry of Industry and Commerce	446	446	2,051	4,000	6,302	7,311	8,913	13,213	16,833	28,172	12,256	266	40,163	9,964	9,964	50,127	50,127	
150	Ministry of Petroleum Resources Development	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	3,395	3,395	
151	Ministry of Fisheries & Aquatic Resources Development	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	3,441	3,441	
152	Ministry of Irrigation & Water Resources Management	-	-	3,652	5,212	6,653	7,196	10,604	13,204	16,480	32,862	9,319	-	42,181	-	-	42,181	42,181	
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	18,459	6,004	34	24,429	-	-	24,429	24,429	
153	Ministry of Lands	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	2,094	2,094	
154	Ministry of Rural Economic Affairs	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	802	802	
155	Ministry of Provincial Councils and Local Government	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	3,045	3,045	
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	43,767	10,250	-	54,018	-	-	54,018	54,018	
157	Ministry of National Dialogue	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	552	552	
158	Ministry of Public Enterprise Development	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	2,757	2,757	
159	Ministry of Tourism Development and Christian Religious Affairs	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	3,796	3,796	
160	Ministry of Environment	146	11,320	12,267	16,580	18,257	19,169	20,222	20,551	21,297	22,132	452	-	22,584	-	-	22,584	22,584	

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		2004	2005	2006	2007	2008	2009	2010	2011	2012	2013	2014		2015		
												Additions	Disposal	Balance	Additions	Balance
160	Ministry of Mahaweli Development and Environment	-	-	-	-	-	-	-	-	-	-	-	-	-	803	803
161	Ministry of Sustainable Development and Wildlife	-	-	-	-	-	-	-	-	-	-	-	-	-	7,384	7,384
162	Ministry of Megapolice and Western Development	-	-	-	-	-	-	-	-	-	-	-	-	-	699	699
163	Ministry of Internal Affairs, Wayamba Development and Cultural Affairs	-	-	-	-	-	-	-	-	-	-	-	-	-	1,759	1,759
164	Ministry of Southern Development	-	-	-	-	-	-	-	-	-	-	-	-	-	6,899	6,899
165	Ministry of National Intergration and Reconciliation	-	-	-	-	-	-	-	-	-	-	-	-	-	306	306
166	Ministry of Water Supply & Drainage	-	-	-	3,277	4,814	6,312	7,014	7,438	7,541	8,192	1,012	-	9,204	-	9,204
166	Ministry of City Planning and Water Supply	-	-	-	-	-	-	-	-	-	-	-	-	-	742	742
171	Ministry of Higher Education	-	-	-	1,252	3,187	3,445	157,334	180,832	250,879	351,971	118,142	-	470,113	-	470,113
173	Ministry of Public Management Reforms	-	-	-	-	-	-	5,148	7,593	4,035	9,459	3,995	5	13,449	-	13,449
174	Ministry of Rehabilitation and Prison Reforms	-	-	-	-	-	-	2,610	3,588	3,935	6,255	2,246	2	8,500	-	8,500
175	Ministry of State Resources & Enterprise Development	-	-	-	-	8,654	10,947	11,596	11,960	13,362	15,771	2,356	-	18,126	-	18,126
176	Ministry of Civil Aviation	-	-	-	-	-	-	-	3,294	3,631	6,292	1,292	-	7,584	-	7,584
176	Ministry of Ports and Shipping	-	-	-	-	-	-	-	-	-	-	-	-	-	-	2,058
177	Ministry of Culture and the Arts	-	-	-	-	-	-	-	29,924	54,677	85,467	1,433	-	86,901	-	86,901
178	Ministry of Coconut Development and Janatha Estate Development	-	-	-	-	-	-	-	5,041	5,580	9,838	7,256	-	17,094	-	17,094
179	Ministry of Agrarian Services and Wild Life	-	-	-	-	-	-	-	3,388	7,774	13,046	2,794	199	15,641	-	15,641
180	Ministry of Minor Export Crop Promotion	-	-	-	-	-	-	-	3,041	8,019	12,579	2,969	-	15,548	-	15,548
181	Ministry of Productivity Promotion	-	-	-	-	-	-	-	2,195	4,831	8,476	6,000	-	14,476	-	14,476
182	Ministry of Foreign Employment Promotion & Welfare	-	-	-	-	2,628	4,960	4,960	12,022	13,813	15,338	2,897	-	18,235	-	18,235
182	Ministry of Foreign Employment	-	-	-	-	-	-	-	-	-	-	-	-	-	3,000	3,000
183	Ministry of Public Relations and Public Affairs	-	-	-	-	-	-	-	1,202	2,678	3,352	877	-	4,229	-	4,229
184	Ministry of Private Transport Services	-	-	-	-	-	-	-	2,560	5,020	8,381	4,921	-	13,301	-	13,301
185	Ministry of Telecommunication and Information Technology	-	-	-	-	-	-	-	1,984	2,359	2,460	1,674	-	4,134	-	4,134
186	Ministry of Sugar Industry Development	-	-	-	-	-	-	-	-	-	-	1,853	-	1,853	-	1,853
187	Ministry of Investment Promotion	-	-	-	-	-	-	-	-	-	-	2,081	-	2,081	-	2,081
188	Ministry of Botanical Gardens & Public Recreation	-	-	-	-	-	-	-	-	-	-	8,547	-	8,547	-	8,547

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		2004	2005	2006	2007	2008	2009	2010	2011	2012	2013	2014		2015		
												Additions	Disposal	Balance	Additions	Balance
189	Ministry of Education Services	-	-	-	-	-	-	-	-	-	-	174,106	-	174,106	-	174,106
190	Ministry of Law and Order	-	-	-	-	-	-	-	-	-	-	55,866	-	55,866	-	55,866
192	Ministry of Law and Order and Prisons Reforms	-	-	-	-	-	-	-	-	-	-	-	-	-	37,454	37,454
193	Ministry of Labour and Trade Union Relations	-	-	-	-	-	-	-	-	-	-	-	-	-	1,135	1,135
194	Ministry of Telecommunication and Digital Infrastructure	-	-	-	-	-	-	-	-	-	-	-	-	-	1,250	1,250
195	Ministry of Development Strategies and International Trade	-	-	-	-	-	-	-	-	-	-	-	-	-	2,065	2,065
196	Ministry of Science, Technology and Research	-	-	-	-	-	-	-	-	-	-	-	-	-	13,691	13,691
197	Ministry of Skills Development and Vocational Training	-	-	-	-	-	-	-	-	-	-	-	-	-	4,979	4,979
198	Ministry of Irrigation and Water Resources Management	-	-	-	-	-	-	-	-	-	-	-	-	-	6,532	6,532
199	Ministry of Primary Industries	-	-	-	-	-	-	-	-	-	-	-	-	-	816	816
201	Department of Buddhist Affairs	3,795	7,344	8,308	9,288	9,992	10,228	10,685	12,128	13,070	14,814	2,495	64	17,245	1,881	19,127
202	Department of Muslim Religious & Cultural Affairs	616	635	883	1,411	1,505	1,546	1,696	1,786	1,816	2,036	292	4	2,325	1,140	3,464
203	Department of Christian Religious Affairs	-	-	-	173	427	1,246	1,532	1,800	1,821	2,270	289	27	2,531	727	3,259
204	Department of Hindu Religious & Cultural Affairs	739	781	1,534	2,705	3,733	4,026	4,516	5,945	6,462	9,442	1,493	-	10,935	2,300	13,234
205	Department of Public Trustee	136	651	729	1,391	1,639	1,850	2,176	2,322	2,511	2,797	387	78	3,106	391	3,497
206	Department of Cultural Affairs	-	3,059	4,665	5,983	7,896	8,655	9,561	11,715	13,681	15,367	1,698	-	17,065	6,498	23,563
207	Department of Archaeology	1,279	3,196	4,600	10,262	15,362	18,179	21,124	24,323	27,523	30,969	3,250	-	34,219	4,524	38,744
208	Department of National Museums	500	5,217	9,678	11,226	15,586	17,296	19,725	21,707	23,296	24,578	3,164	-	27,742	5,784	33,527
209	Department of National Archives	3,281	6,445	9,999	17,512	19,417	20,483	22,353	24,777	26,991	29,239	2,832	-	32,071	2,801	34,872
210	Department of Information	-	785	3,177	3,822	9,221	11,823	13,128	38,920	42,482	44,728	1,858	-	46,586	5,172	51,758
211	Department of Government Printer	-	1,684	5,464	8,272	9,855	11,407	13,071	14,999	17,235	20,300	629	-	20,929	6,862	27,792
212	Department of Examinations	-	499	1,992	3,020	3,800	4,714	98,987	99,984	101,049	120,847	17,531	-	138,378	8,997	147,375
213	Department of Educational Publications	815	1,159	1,159	1,801	2,269	2,863	3,789	4,326	4,922	5,783	1,296	-	7,079	1,681	8,760
215	Department of Technical Education & Training	7,444	14,940	24,940	36,987	39,843	42,954	49,942	62,316	85,987	97,688	32,956	-	130,643	21,875	152,518
216	Department of Social Services	1,257	5,650	9,204	16,950	17,942	18,494	21,367	22,222	22,615	23,100	698	-	23,798	10,502	34,300
217	Department of Probation & Child Care Services	300	1,154	2,309	3,148	3,372	3,682	4,006	4,417	4,862	5,939	1,260	6	7,193	1,733	8,926
218	Department of Commissioner General of Samurdhi	-	703	2,485	3,532	3,712	3,997	6,399	6,898	6,863	9,951	-	-	9,951	-	9,951

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		2004	2005	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015			
											Additions	Disposal	Balance	Additions	Balance	
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	2,192,628	48	-	2,192,676	474	2,193,150
220	Department of Ayurveda	3,316	5,879	9,811	14,027	19,304	22,474	29,243	38,033	53,358	62,349	8,774	-	71,123	7,760	78,882
221	Department of Labour	10,682	63,348	76,166	79,077	80,205	81,035	81,742	84,054	93,480	107,958	12,834	-	120,792	22,047	142,839
222	Sri Lanka Army	-	32,916	104,997	172,004	301,299	389,296	499,073	571,299	783,691	907,059	202,038	-	1,109,097	289,958	1,399,055
223	Sri Lanka Navy	34,298	34,298	34,298	69,570	69,570	69,570	99,130	153,697	269,602	297,756	55,280	24,414	328,622	72,341	400,963
224	Sri Lanka Air Force	2,810	32,689	50,689	69,091	77,542	171,488	202,572	268,671	327,846	412,876	107,324	1,313	518,887	84,180	603,066
225	Department of Police	-	-	-	146,389	146,389	146,389	266,702	366,702	486,314	672,296	256,048	-	928,344	391,600	1,319,944
226	Department of Immigration & Emigration	573	28,520	36,813	39,383	41,307	41,727	43,281	51,569	53,644	54,083	1,498	628	54,954	342	55,295
227	Department of Registration of Persons	1,312	2,034	3,040	3,884	4,543	6,154	7,018	7,654	8,162	9,384	2,499	367	11,516	5,212	16,728
228	Courts Administration	17,204	33,866	59,486	94,758	134,790	186,194	216,167	269,452	300,247	358,879	77,888	46	436,721	127,639	564,360
229	Department of Attorney General	-	-	-	-	-	-	-	-	-	-	-	-	-	7,492	7,492
230	Department of Legal Draftsman	-	-	-	-	-	-	-	-	-	-	-	-	-	1,805	1,805
231	Department of Debt Conciliation Board	-	-	-	231	318	416	515	619	952	1,503	898	-	2,402	386	2,788
232	Department of Prisons	1,463	3,721	6,545	19,546	29,080	44,613	56,427	66,418	80,184	138,988	93,702	-	232,691	84,145	316,836
233	Department of Government Analyst	995	2,456	3,452	21,449	39,021	59,840	109,821	139,371	150,938	155,493	35,000	669	189,824	7,559	197,383
234	Registrar of Supreme Court	-	-	-	-	-	-	-	-	-	9,940	1,808	-	11,748	2,751	14,499
235	Department of Law Commission	352	352	952	2,182	3,112	4,082	4,301	4,701	4,851	5,815	468	-	6,283	465	6,748
236	Department of Official Languages	15	115	392	648	648	826	887	1,038	1,531	2,108	766	-	2,874	899	3,773
237	Department of National Planning	1,151	6,196	6,428	10,038	13,258	14,785	14,876	14,749	15,681	16,315	923	1,870	15,368	1,098	16,467
238	Department of Fiscal Policy	-	4,163	4,497	4,497	4,562	4,641	5,459	5,985	6,556	7,916	712	509	8,119	1,959	10,078
239	Department of External Resources	1,192	10,433	16,409	27,297	27,297	27,875	29,793	29,903	33,688	39,133	161	-	39,294	13	39,307
240	Department of National Budget	138	646	729	957	1,207	5,883	5,908	6,288	11,552	11,910	6,892	2,257	16,545	2,042	18,587
241	Department of Public Enterprises	782	1,305	1,480	2,609	4,286	5,821	6,324	6,370	8,312	11,819	2,941	-	14,760	1,691	16,451
242	Department of Management Services	1,945	3,161	4,482	5,894	5,910	6,362	6,684	9,962	10,059	12,787	582	-	13,370	1,186	14,555
243	Department of Development Finance	-	187	359	502	502	548	620	672	927	991	-	-	991	407	1,398
244	Department of Trade & Investment Policy	-	-	-	736	1,446	1,444	1,464	2,057	2,069	2,075	77	226	1,927	394	2,321
245	Department of Public Finance	1,518	1,772	2,329	5,361	5,361	5,389	5,678	6,032	6,564	7,290	1,326	-	8,616	617	9,233
246	Department of Inland Revenue	986	8,245	40,917	49,083	54,406	64,155	73,383	88,336	96,251	101,912	49,343	-	151,255	31,820	183,075
247	Sri Lanka Customs	-	722	722	18,478	18,478	44,397	144,397	145,333	146,206	147,498	2,994	-	150,492	2,416	152,908
248	Department of Excise	697	1,744	8,646	13,992	17,606	21,668	25,798	28,951	33,930	38,928	1,809	-	40,737	7,716	48,454
249	Department of Treasury Operations	-	-	277	417	531	2,112	2,988	3,058	3,625	3,833	2,999	7	6,825	1,950	8,775
250	Department of State Accounts	846	1,703	2,077	3,172	3,172	3,857	4,789	4,726	6,888	7,251	254	1,380	6,125	1,351	7,476
251	Department of Valuation	396	984	1,778	3,611	8,386	10,085	20,085	20,821	21,293	27,255	4,624	-	31,880	1,998	33,878
252	Department of Census & Statistics	1,016	3,010	4,639	6,128	7,559	12,239	38,468	136,916	140,387	144,684	2,062	-	146,746	72,458	219,204

Schedule I - MOVABLE ASSETS ACQUIRED SINCE 01.01.2004  
2102 - Office Equipment

Head No	Institution	2004													2015		
		2004	2005	2006	2007	2008	2009	2010	2011	2012	2013	2014		2015			
												Additions	Disposal	Balance	Additions	Balance	
253	Department of Pensions	767	4,542	8,201	11,429	14,312	16,815	21,556	25,052	28,110	34,059	7,152	254	40,957	8,292	49,249	
254	Department of Registrar General	-	2,812	6,052	18,226	27,657	29,489	37,522	45,866	55,775	62,944	11,978	242	74,680	12,352	87,032	
255	District Secretariat - Colombo	3,131	14,978	17,425	51,313	55,005	67,579	82,799	105,225	116,231	151,103	28,851	395	179,559	6,230	185,789	
256	District Secretariat - Gampaha	1,499	2,178	4,126	20,102	22,867	24,762	26,709	29,634	32,106	36,098	3,980	696	39,383	1,941	41,324	
257	District Secretariat - Kalutara	920	2,418	5,379	27,961	33,908	34,996	36,578	40,703	44,305	48,845	4,866	-	53,711	4,643	58,354	
258	District Secretariat - Kandy	746	2,242	4,793	44,617	51,427	55,653	63,036	68,001	71,249	74,694	3,500	328	77,865	3,486	81,351	
259	District Secretariat - Matale	1,691	3,688	5,538	25,040	28,403	32,476	35,779	40,191	43,789	48,635	4,966	57	53,545	4,923	58,468	
260	District Secretariat - Nuwara Eliya	475	2,468	3,926	19,193	26,077	31,171	36,632	42,143	47,110	51,022	3,970	60	54,932	3,988	58,920	
261	District Secretariat - Galle	3,918	7,177	9,161	39,153	46,565	52,432	59,249	64,101	67,679	73,754	5,442	294	78,901	5,485	84,386	
262	District Secretariat - Matare	1,375	10,146	12,695	22,384	26,102	31,048	37,497	50,252	80,790	92,735	12,217	69	104,883	14,763	119,646	
263	District Secretariat - Hambantota	2,135	4,403	7,403	27,487	31,206	39,406	45,155	52,413	58,145	62,145	3,998	20	66,123	9,650	75,773	
264	District Secretariat - Jaffna	-	3,797	7,493	8,715	13,281	18,260	24,209	30,772	35,761	40,760	5,134	599	45,295	4,846	50,141	
265	District Secretariat - Mannar	54	553	3,301	8,013	11,268	12,265	16,221	20,220	25,213	29,739	4,998	-	34,737	5,075	39,812	
266	District Secretariat - Vavuniya	-	899	2,139	7,792	7,792	9,905	12,874	18,369	23,735	33,435	7,497	-	40,931	7,488	48,419	
267	District Secretariat - Mullaitivu	500	894	3,373	11,849	13,999	21,998	30,493	38,078	43,075	46,071	2,994	-	49,065	2,999	52,064	
268	District Secretariat - Killinochchi	365	1,365	2,864	19,476	23,806	28,783	33,236	31,369	34,336	37,638	4,000	2,961	38,677	3,999	42,676	
269	District Secretariat - Batticaloa	998	6,194	7,892	20,970	23,331	29,510	49,583	57,583	62,583	69,574	7,000	-	76,574	8,000	84,574	
270	District Secretariat - Ampara	850	2,321	3,779	14,731	15,829	18,512	22,354	26,353	29,396	33,380	3,931	754	36,557	3,876	40,433	
271	District Secretariat - Trincomalee	2,993	3,992	6,930	61,954	66,799	66,799	71,629	75,582	79,911	84,911	4,811	-	89,722	4,931	94,653	
272	District Secretariat - Kurunegala	4,583	7,730	10,533	20,227	24,621	28,471	31,265	33,274	34,941	38,933	4,000	-	42,933	4,996	47,929	
273	District Secretariat - Puttalam	999	2,729	5,228	25,295	29,006	33,409	38,200	43,156	47,620	53,092	4,982	-	58,074	5,895	63,969	
274	District Secretariat - Anuradhapura	1,186	2,983	5,735	10,963	16,387	21,452	28,605	34,567	39,194	43,540	3,886	-	47,426	3,582	51,008	
275	District Secretariat - Polonnaruwa	-	2,000	3,991	28,777	34,940	36,904	39,368	43,233	45,510	48,274	1,400	29	49,645	985	50,630	
276	District Secretariat - Badulla	988	3,584	6,571	12,981	15,304	18,801	24,793	30,623	31,336	38,817	3,000	-	41,817	7,500	49,317	
277	District Secretariat - Monaragala	989	2,994	5,111	7,918	10,789	19,183	26,817	35,552	40,381	45,709	8,548	87	54,169	5,195	59,365	
278	District Secretariat - Ratnapura	1,009	2,928	5,154	25,762	29,750	32,486	36,458	41,415	45,306	52,794	3,970	9	56,755	3,976	60,730	
279	District Secretariat - Kegalle	782	3,274	5,751	-	-	-	-	-	45	74	-	-	74	215	289	
280	Department of Project Management and Monitoring	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
281	Department of Agrarian Development	-	3,470	8,148	17,400	22,096	31,136	52,955	67,031	106,777	174,618	138,385	-	313,003	65,454	378,437	
282	Department of Irrigation	15,177	29,400	51,505	70,491	85,553	109,254	115,730	135,263	139,523	163,345	26,971	62	190,254	20,036	210,290	
283	Department of Forests	490	988	1,530	6,488	11,720	15,577	19,575	24,068	28,603	33,447	4,750	-	38,197	10,812	49,009	
284	Department of Wildlife Conservation	63	2,030	3,019	4,141	40,553	43,316	62,155	65,103	69,078	74,722	17,742	-	92,464	46,326	138,790	
285	Department of Agriculture	10,921	15,778	19,734	31,255	44,228	56,324	69,534	93,696	117,018	149,655	39,685	53	189,288	48,574	237,862	

Schedule I - MOVABLE ASSETS ACQUIRED SINCE 01.01.2004  
2102 - Office Equipment

Head No	Institution	'000														
		2004	2005	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015			
											Additions	Disposal	Balance	Additions	Balance	
286	Department of Land Commissioner	1,798	3,796	6,784	9,278	11,116	12,516	14,516	19,509	24,059	29,037	2,999	-	32,036	3,299	35,335
287	Department of Land Title Settlement	198	1,571	2,848	3,351	4,151	5,580	6,854	7,853	8,599	9,599	8,347	-	17,946	4,343	22,289
288	Department of Surveyor	3,386	125,364	127,493	132,310	133,456	133,322	134,889	137,176	138,847	141,274	8,032	-	149,306	6,263	155,569
289	Department of Export Agriculture	2,929	2,929	2,929	2,961	5,257	7,648	10,538	13,744	16,913	20,545	4,146	72	24,619	4,397	29,016
290	Department of Fisheries and Aquatic Resources	298	2,093	3,406	4,936	7,809	8,942	10,434	13,913	16,051	24,309	4,010	-	28,319	3,933	32,252
291	Department of Coast Conservation	692	2,586	3,282	4,018	4,316	4,384	4,577	5,056	6,241	7,510	1,685	202	8,994	781	9,775
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	43,722	11,347	5	55,065	3,691	58,755
293	Department of Rubber Development	-	759	946	4,008	5,112	7,576	8,558	10,043	10,752	12,055	958	-	13,013	852	13,865
294	Department of National Zoological Garden	211	511	895	1,537	2,036	2,737	3,089	3,840	4,638	5,531	1,360	-	6,891	900	7,791
295	Department of Commerce	-	1,681	2,317	3,106	3,175	3,674	4,110	4,483	5,263	8,929	4,707	-	13,636	2,548	16,184
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	23,103	7,562	1,156	29,509	2,331	31,840
297	Department of the Registrar of Companies	2	215	215	215	215	215	215	215	215	(444)	-	-	(444)	-	(444)
298	Department of Measurement Units, Standards & Services	301	630	1,005	1,907	2,370	2,370	2,859	3,356	3,843	4,246	485	-	4,731	494	5,225
299	National Intellectual Property Office of Sri Lanka	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	6,258	884	-	7,141	507	7,649
301	Department of Co-operative Development	167	796	1,976	2,469	2,558	2,634	2,734	2,832	2,906	3,214	297	32	3,479	300	3,779
302	Co-operative Employees Commission	-	295	1,369	1,540	1,535	1,596	1,660	1,674	1,982	2,178	377	62	2,493	368	2,861
303	Department of Textile Industries	494	919	1,117	1,708	1,769	1,913	2,403	3,303	3,749	4,248	1,900	68	6,080	893	6,973
304	Department of Meteorology	2,218	7,019	7,679	9,621	10,726	11,919	13,009	14,358	17,108	18,404	13,000	-	31,404	8,900	40,304
305	Department of Upcountry Peasantry Rehabilitation	49	298	741	741	1,089	1,344	1,544	1,788	2,016	2,024	293	-	2,316	-	2,316
306	Department of Sri Lanka Railways	-	5,839	9,751	10,185	22,307	26,950	31,824	42,577	60,802	77,839	39,691	225	117,305	37,756	155,061
307	Department of Motor Traffic	-	1,998	7,658	12,317	18,886	22,139	22,713	23,818	33,051	38,313	3,459	58	41,714	4,506	46,220
308	Department of Posts	26,557	45,544	52,744	55,100	89,712	98,470	108,286	120,230	130,522	142,217	13,920	-	156,137	45,000	201,137
309	Department of Buildings	-	1,244	4,035	13,216	22,450	28,072	30,979	32,432	34,450	36,780	1,481	38	38,224	787	39,011
310	Government factory	240	1,010	1,872	2,843	3,305	3,942	4,439	4,928	5,926	6,867	824	-	7,692	3,967	11,658
311	Department of National Physical Planning	1,524	2,398	3,615	5,088	5,988	6,093	6,194	6,492	6,541	6,600	200	-	6,800	4,500	11,301
320	Department of Civil Security	-	-	-	26,075	44,651	63,110	70,594	78,093	85,092	92,588	18,168	-	110,756	34,989	145,745
322	Department of National Botanical Garden	-	-	-	-	462	462	759	1,201	1,637	2,146	567	-	2,713	580	3,294
323	Department of Legal Affairs	-	-	-	-	-	225	685	867	925	1,283	179	10	1,452	437	1,889
324	Department of Management Audit	-	-	-	-	-	179	310	657	662	799	193	55	937	103	1,040
325	Department of Sri Lanka Coast Guard	-	-	-	-	-	875	6,085	11,049	14,280	15,969	3,081	-	19,050	5,976	25,026

Schedule I - MOVABLE ASSETS ACQUIRED SINCE 01.01.2004  
2102 - Office Equipment

Head No	Institution	'000														
		2004	2005	2006	2007	2008	2009	2010	2011	2012	2013	2014		2015		
												Additions	Disposal	Balance	Additions	Balance
326	Department of Community Based Correction	-	-	-	-	-	-	3,433	3,569	5,626	10,093	6,797	4	16,885	5,484	22,369
327	Department of Land Use Policy Planning	-	-	-	-	-	-	-	1,512	3,160	5,137	2,750	4	7,884	2,489	10,373
328	Department of Man Power and Employment	-	-	-	-	-	-	-	18,718	15,238	15,835	489	-	16,323	765	17,089
329	Department of Information Technology Management	-	-	-	-	-	-	-	-	-	-	111	-	111	424	535
331	Department of Divinaguma Development	-	-	-	-	-	-	-	-	-	-	-	-	-	9,958	9,958
332	Department of National Community Water Supply	2,501,603	4,751,376	7,070,310	11,149,424	12,108,851	13,163,434	15,960,294	18,556,448	20,739,841	23,218,959	6,598,058	65,248	29,751,769	8,462,080	38,213,848
	<b>Grand Total</b>															

Schedule I - MOVABLE ASSETS ACQUIRED SINCE 01.01.2004  
2103 - Machinery

Head No	Institution	2004											2014		2015	
		2004	2005	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015	Balance	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	1,223,481	167,992	-	1,391,473	86,226	1,477,698
2	Office of the Prime Minister	2,880	59,564	63,902	68,949	77,634	80,633	81,876	86,834	87,072	87,831	687	-	88,518	482	89,000
3	Secretariat for Special Functions (Senior Ministers)	-	-	-	-	-	-	-	2,163	3,985	7,077	3,896	-	10,973	-	10,973
4	Judges of the Superior Courts	-	-	-	-	-	-	-	-	-	-	1,219	-	1,219	784	2,002
5	Office of the Cabinet of Ministers	2,084	2,517	3,638	4,347	4,347	4,347	5,294	5,914	6,711	-	-	-	6,711	140	6,852
6	Public Service Commission	400	981	1,618	2,069	2,208	2,930	3,293	9,543	12,690	12,802	135	-	12,937	789	13,726
7	Judicial Service Commission	-	-	98	134	177	609	792	1,766	1,950	2,638	289	-	2,927	440	3,367
8	National Police Commission	152	1,006	1,534	1,534	1,557	1,596	1,621	1,621	1,709	1,732	452	-	2,185	537	2,722
9	Administration Appeals Tribunal	165	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	4,072	8,765
11	Office of the Finance Commission	69	177	397	477	506	506	1,202	1,660	2,110	2,176	338	53	2,461	-	2,461
12	National Education Commission	-	-	25	29	38	533	533	481	505	797	498	-	1,294	142	1,437
13	Human Rights Commission of Sri Lanka	-	-	-	-	-	421	439	582	632	706	75	-	781	87	868
14	Department of Attorney General	-	-	-	5,799	5,799	5,799	5,799	15,299	17,673	20,173	2,500	-	22,673	-	22,673
15	Department of Legal Draftsman	562	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	144,971	27,072	-	172,043	25,510	197,553
19	Office of the Leader of the Opposition of Parliament	-	-	-	-	461	1,131	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	83,536	19,997	456	103,077	20,256	123,333
21	Auditor General	-	-	-	-	-	-	-	-	-	-	-	-	7,002	7,002	7,002
101	Ministry of Buddhasasana	3,673	4,970	5,432	7,630	8,204	8,673	9,292	9,901	11,158	12,271	1,182	-	13,453	1,747	15,200
102	Ministry of Finance	14	312	562	4,618	5,075	5,124	9,356	9,208	9,511	12,761	877	-	13,638	27,695	41,333
103	Ministry of Defence	5,311	14,579	19,476	119,084	664,468	674,558	689,933	727,193	791,802	892,999	15,818	-	908,817	15,449	924,266
104	Ministry of National Policies and Economic Affairs	-	-	-	-	-	-	-	-	-	-	-	-	-	2,120	2,120
105	Ministry of Economic Development	-	-	-	1,216	2,318	3,486	5,281	7,086	2,576,790	6,639,064	8,155	92	6,647,127	-	6,647,127
106	Ministry of Disaster Management	-	-	2,431	19,108	20,402	20,934	22,104	22,650	23,642	26,035	121,812	-	147,847	3,406	151,253
108	Ministry of Postal Services	-	1,234	5,168	5,333	5,333	5,333	6,440	8,214	10,187	13,121	1,173	-	14,294	-	14,294
108	Ministry of Post, Postal Service and Muslim Religious Affairs	-	-	-	-	-	-	-	-	-	-	-	-	-	4,281	4,281
110	Ministry of Justice	-	75	311	791	1,012	1,012	1,012	1,012	1,012	1,099	-	-	1,099	1,664	2,763
111	Ministry of Health Nutrition and Indigenous Medicine	-	-	-	311,773	311,773	965,166	2,555,472	4,968,230	7,025,413	10,970,772	4,171,607	2,340	15,140,039	6,399,937	21,539,977
112	Ministry of Foreign Affairs	-	5,242	13,743	17,307	28,261	40,019	60,690	72,445	85,871	103,142	12,265	-	115,407	8,787	124,194

Schedule I - MOVABLE ASSETS ACQUIRED SINCE 01.01.2004  
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Head No	Institution	'000														
		2004	2005	2006	2007	2008	2009	2010	2011	2012	2013	2014		2015		
												Additions	Disposal	Balance	Additions	Balance
114	Ministry of Transport	78,900	78,900	80,878	82,936	84,845	86,175	87,364	91,821	94,489	95,945	1,455	-	97,400	-	97,400
114	Ministry of Transport & Civil Aviation	-	-	-	-	-	-	-	-	-	-	-	-	-	-	1,178
115	Ministry of Petroleum Industries	-	-	1,606	3,558	4,669	4,876	4,937	4,937	4,937	4,937	-	21	4,916	-	4,916
116	Ministry of Co-operative and Internal Trade	-	1,160	3,379	4,209	6,337	7,771	12,874	14,486	14,567	16,275	4,260	845	19,690	-	19,690
117	Ministry of Highways	543	1,597	3,680	45,280	46,353	48,112	83,402	83,402	83,398	86,705	46,831	2	133,534	-	133,534
117	Ministry of Higher Education & Highways	-	-	-	-	-	-	-	-	-	-	-	-	-	14,825	14,825
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	2,699,382	6,616	-	2,705,998	3,203	2,709,201
119	Ministry of Power & Energy	-	-	-	-	-	135	1,825	3,426	4,000	7,575	12,121	-	19,696	-	19,696
119	Ministry of Power & Renewable Energy	-	-	-	-	-	-	-	-	-	-	-	-	-	1,634	1,634
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	6,764	1,967	-	8,731	-	8,731
120	Ministry of Women and Child Affairs	-	-	-	-	-	-	-	-	-	-	-	-	-	4,194	4,194
121	Ministry of Public Administration & Home Affairs	270	1,685	4,353	11,206	18,089	19,078	23,835	25,846	105,641	142,156	36,153	-	178,310	-	178,310
121	Ministry of Home Affairs	-	-	-	-	-	-	-	-	-	-	-	-	-	54,342	54,342
122	Ministry of Mass Media & Information	-	3,186	5,386	11,000	13,302	15,241	17,127	18,760	23,546	25,429	2,401	-	27,829	-	27,829
122	Ministry of Parliamentary Reforms and Mass Media	-	-	-	-	-	-	-	-	-	-	-	-	-	2,009	2,009
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	12,916	3,447	93	16,271	-	16,271
123	Ministry of Housing and Construction	-	-	-	-	-	-	-	-	-	-	-	-	-	3,583	3,583
124	Ministry of Social Service	-	-	5,517	9,904	10,183	10,432	12,365	13,538	14,315	15,797	5,064	1,679	19,181	-	19,181
124	Ministry of Social Empowerment and Welfare	-	-	-	-	-	-	-	-	-	-	-	-	-	3,900	3,900
126	Ministry of Education	9,837	45,340	90,051	146,540	155,213	161,110	174,649	190,290	197,296	215,397	25,997	-	241,394	53,413	294,807
127	Ministry of Labor Relations & Productivity Improvement	-	5,707	14,407	30,388	32,706	36,649	40,145	42,276	43,271	47,080	3,200	-	50,280	-	50,280
128	Ministry of Traditional Industries & Small Enterprises Development	-	-	-	-	-	3,010	3,993	6,103	7,234	8,211	1,208	-	9,419	-	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	14,982	3,504	-	18,486	-	18,486
130	Ministry of Public Administration and Management	-	-	-	-	-	-	-	-	-	-	-	-	-	37,828	37,828
133	Ministry of Technology and Research	-	-	-	4,583	10,479	15,783	21,667	27,789	32,089	36,364	3,518	-	39,882	-	39,882
134	Ministry of National Languages & Social Integration	-	203	1,090	1,436	1,705	2,035	5,483	6,086	12,821	14,198	2,925	499	16,624	-	16,624
135	Ministry of Plantation Industry	-	-	-	-	-	-	-	-	-	-	-	-	-	23	23
136	Ministry of Sports	-	-	-	-	331	1,022	4,759	9,205	11,083	22,567	9,094	23	31,638	9,351	40,989

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		2004	2005	2006	2007	2008	2009	2010	2011	2012	2013	2014		2015		
												Additions	Disposal	Balance	Additions	Balance
138	Ministry of Indigenous Medicine	-	221	368	563	1,798	2,452	9,488	12,024	13,719	16,825	2,791	-	19,616	-	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	135,169	1,536	-	136,705	-	136,705
140	Ministry of Livestock and Rural Community Development	-	-	1,914	3,117	4,078	6,328	8,540	9,979	12,536	14,624	3,990	166	18,449	-	18,449
140	Ministry of Hill Country New Villages Infrastructure and Community Development	-	-	-	-	-	-	-	-	-	-	-	-	-	824	824
142	Ministry of National Heritage & Cultural Affairs (National Heritage)	-	1,291	2,875	5,264	6,384	10,198	11,980	15,190	17,913	21,391	2,038	-	23,428	-	23,428
143	Ministry of Parliamentary Affairs	150	150	186	322	399	453	1,312	1,359	1,260	2,050	-	-	2,050	-	2,050
145	Ministry of Re-Settlement	-	-	529	17,210	19,506	25,642	27,040	28,698	30,067	31,389	1,621	117	32,892	-	32,892
145	Ministry of Rehabilitation, Re-Settlement and Hindu Religious Affairs	-	-	-	-	-	-	-	-	-	-	-	-	-	2,823	2,823
149	Ministry of Industry and Commerce	434	434	2,334	4,689	7,313	10,047	12,907	15,276	15,317	15,458	2,861	-	18,319	1,343	19,661
151	Ministry of Fisheries & Aquatic Resources Development	-	-	-	-	-	-	-	-	-	-	-	-	-	1,115	1,115
152	Ministry of Irrigation & Water Resources Management	-	-	-	591	812	935	1,024	1,142	1,312	1,611	339	-	1,950	-	1,950
153	Ministry of Lands and Land Development	-	-	-	-	12,922	15,907	15,907	15,907	15,907	15,907	-	-	15,907	-	15,907
154	Ministry of Rural Economic Affairs	-	-	-	-	-	-	-	-	-	-	-	-	-	120	120
155	Ministry of Provincial Councils and Local Government	-	-	-	-	-	-	-	-	-	-	-	-	-	2,162	2,162
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	25,311	217,824	-	243,135	-	243,135
158	Ministry of Public Enterprise Development	-	-	-	-	-	-	-	-	-	-	-	-	-	2,317	2,317
159	Ministry of Tourism Development and Christian Religious Affairs	-	-	-	-	-	-	-	-	-	-	-	-	-	1,757	1,757
160	Ministry of Environment	438	7,715	9,311	10,881	12,844	14,782	17,481	33,301	39,960	46,637	6,005	-	52,642	-	52,642
160	Ministry of Mahaweli Development and Environment	-	-	-	-	-	-	-	-	-	-	-	-	-	1,924	1,924
161	Ministry of Sustainable Development and Wildlife	-	-	-	-	-	-	-	-	-	-	-	-	-	42	42
162	Ministry of Megapolice and Western Development	-	-	-	-	-	-	-	-	-	-	-	-	-	10,448	10,448
163	Ministry of Internal Affairs, Wayamba Development and Cultural Affairs	-	-	-	-	-	-	-	-	-	-	-	-	-	5,305	5,305
165	Ministry of National Intergration and Reconciliation	-	-	-	-	-	-	-	-	-	-	-	-	-	488	488
166	Ministry of Water Supply & Drainage	-	-	-	3,256	4,244	5,251	7,264	7,837	8,423	9,204	1,792	83	10,913	-	10,913

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		2004	2005	2006	2007	2008	2009	2010	2011	2012	2013	2014		2015		
												Additions	Disposal	Balance	Additions	Balance
166	Ministry of City Planning and Water Supply	-	-	-	-	-	-	-	-	-	-	-	-	-	2,228	2,228
171	Ministry of Higher Education	-	-	-	3,667	5,212	5,338	5,893	6,559	7,082	11,683	2,492	-	14,175	-	14,175
173	Ministry of Public Management Reforms	-	-	-	-	-	-	3,135	6,061	7,226	9,566	1,750	6	11,311	-	11,311
174	Ministry of Rehabilitation and Prison Reforms	-	-	-	-	-	-	4,173	5,515	6,161	10,626	3,373	-	13,999	-	13,999
175	Ministry of State Resources & Enterprise Development	-	-	-	3,349	3,618	3,962	4,040	4,815	5,720	8,194	1,228	-	9,422	-	9,422
176	Ministry of Civil Aviation	-	-	-	-	-	-	-	3,074	3,914	5,662	1,499	-	7,161	-	7,161
176	Ministry of Ports and Shipping	-	-	-	-	-	-	-	-	-	-	-	-	-	2,423	2,423
177	Ministry of Culture and Arts	-	-	-	-	-	-	6,174	6,174	11,023	18,405	2,553	-	20,957	-	20,957
178	Ministry of Coconut Development and Janatha Estate Development	-	-	-	-	-	-	-	5,653	6,051	6,051	726	-	6,776	-	6,776
179	Ministry of Agrarian Services and Wild Life	-	-	-	-	-	-	-	11,921	17,029	12,812	2,758	-	15,569	-	15,569
180	Ministry of Minor Export Crop Promotion	-	-	-	-	-	-	-	2,412	2,415	2,417	-	-	2,417	-	2,417
181	Ministry of Productivity Promotion	-	-	-	-	-	-	-	2,099	6,592	7,728	2,294	-	10,021	-	10,021
182	Ministry of Foreign Employment Promotion & Welfare	-	-	3,027	4,372	6,070	6,205	6,205	7,344	7,353	7,443	130	-	7,573	-	7,573
182	Ministry of Foreign Employment	-	-	-	-	-	-	-	-	-	-	-	-	-	604	604
183	Ministry of Public Relations and Public Affairs	-	-	-	-	-	-	-	1,366	3,595	6,152	296	-	6,448	-	6,448
184	Ministry of Private Transport Services	-	-	-	-	-	-	-	404	1,620	1,620	1,725	-	3,344	-	3,344
185	Ministry of Telecommunication and Information Technology	-	-	-	-	-	-	-	5,983	9,209	11,098	2,497	-	13,595	-	13,595
186	Ministry of Sugar Industry Development	-	-	-	-	-	-	-	-	-	-	3,982	-	3,982	-	3,982
188	Ministry of Botanical Gardens & Public Recreation	-	-	-	-	-	-	-	-	-	-	220	-	220	-	220
189	Ministry of Education Services	-	-	-	-	-	-	-	-	-	-	4,928	-	4,928	-	4,928
190	Ministry of Law and Order	-	-	-	-	-	-	-	-	-	-	100,947	-	100,947	-	100,947
192	Ministry of Law and Order and Prisons Reforms	-	-	-	-	-	-	-	-	-	-	-	-	-	51,482	51,482
193	Ministry of Labour and Trade Union Relations	-	-	-	-	-	-	-	-	-	-	-	-	-	1,865	1,865
194	Ministry of Telecommunication and Digital Infrastructure	-	-	-	-	-	-	-	-	-	-	-	-	-	908	908
196	Ministry of Science, Technology and Research	-	-	-	-	-	-	-	-	-	-	-	-	-	1,662	1,662
197	Ministry of Skills Development and Vocational Training	-	-	-	-	-	-	-	-	-	-	-	-	-	4,255	4,255

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		2004	2005	2006	2007	2008	2009	2010	2011	2012	2013	2014		2015			
												Additions	Disposal	Balance	Additions	Balance	
198	Ministry of Irrigation and Water Resources Management	-	-	-	-	-	-	-	-	-	-	-	-	-	-	720	720
199	Ministry of Primary Industries	-	-	-	-	-	-	-	-	-	-	-	-	-	-	859	859
201	Department of Buddhist Affairs	-	-	-	-	-	-	-	1,418	1,427	666	-	-	2,093	5	2,098	
202	Department of Muslim Religious & Cultural Affairs	867	1,648	1,648	1,901	1,908	1,993	2,121	2,246	2,297	2,692	199	6	2,886	1,683	4,569	
203	Department of Christian Religious Affairs	-	-	-	-	180	395	397	397	397	397	-	-	397	55	452	
204	Department of Hindu Religious & Cultural Affairs	-	-	-	-	103	175	460	2,508	2,607	2,624	500	-	3,124	249	3,373	
205	Department of Public Trustee	319	319	319	1,116	1,667	1,734	1,766	2,083	2,052	2,949	560	20	3,488	959	4,447	
206	Department of Cultural Affairs	-	504	1,435	3,349	6,820	7,625	15,983	18,782	21,500	21,855	826	-	22,681	3,200	25,881	
207	Department of Archaeology	2,976	4,195	4,534	5,290	5,672	5,817	8,148	11,004	14,124	25,203	3,890	-	29,093	5,588	34,681	
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	2,260	12,479	
209	Department of National Archives	4,846	6,705	6,958	13,414	17,639	19,810	29,258	34,563	36,439	41,391	18,150	-	59,541	10,754	70,295	
210	Department of Information	-	10,860	20,057	38,115	45,933	50,058	53,567	58,233	61,859	63,337	4,115	-	67,452	1,845	69,297	
211	Department of Government Printer	-	17,016	60,077	11,860	263,018	288,300	377,749	451,279	480,917	567,179	74,121	-	641,300	105,299	746,598	
212	Department of Examinations	-	5,096	10,097	11,860	14,001	16,462	17,871	19,438	21,015	35,526	88,013	-	123,539	463	124,002	
213	Department of Educational Publications	8	8	8	8	391	803	899	1,853	2,633	3,332	1,546	-	4,878	3,323	8,201	
215	Department of Technical Education & Training	41,559	64,575	95,602	105,292	123,825	124,666	126,626	139,599	188,215	193,059	38,708	-	231,767	15,337	247,104	
216	Department of Social Services	-	-	44	823	1,737	2,072	2,387	2,736	3,112	4,397	548	-	4,945	1,432	6,378	
217	Department of Probation & Child Care	600	886	890	1,117	1,246	1,489	1,926	2,006	2,006	2,006	-	44	1,962	-	1,962	
218	Department of the Commissioner General of Samurdhi	-	-	-	-	-	-	-	-	17	17	-	-	17	-	17	
219	Department of Sports Development	2,188	2,835	21,873	39,890	39,890	45,413	70,323	82,860	99,854	101,750	765	-	102,515	957	103,472	
220	Department of Ayurveda	413	3,054	7,862	11,475	15,246	15,623	24,894	34,631	39,609	42,467	11,784	-	54,250	5,454	59,704	
221	Department of Labour	15,663	29,885	43,561	185,489	205,913	230,310	290,114	345,021	447,015	537,696	66,981	-	604,677	86,859	691,536	
222	Sri Lanka Army	-	28,065	74,013	386,758	870,410	1,550,750	2,517,378	3,085,240	3,989,299	4,334,513	572,228	360	4,906,381	606,029	5,512,409	
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	3,241,990	234,826	55,798	3,421,018	912,400	4,333,418	
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	16,134,350	736,202	12,437	16,858,115	869,194	17,727,310	
225	Department of Police	-	-	-	442,799	442,799	442,799	743,900	874,057	1,000,547	1,309,478	164,337	-	1,473,814	210,575	1,684,390	
226	Department of Immigration & Emigration	23,720	24,915	112,550	158,583	197,979	217,589	226,947	233,112	251,241	238,452	14,523	3,554	249,421	6,898	256,319	
227	Department of Registration of Persons	667	3,237	4,995	12,451	13,136	14,570	16,070	17,528	20,544	24,509	9,629	1,240	32,898	2,340	35,238	
229	Department of Attorney General	-	-	-	-	-	-	-	-	-	-	-	-	-	-	7,340	
232	Department of Prisons	5,666	10,092	16,537	22,808	27,781	39,448	48,265	52,929	59,644	110,491	21,264	-	131,754	7,465	139,219	

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		2004	2005	2006	2007	2008	2009	2010	2011	2012	2013	Additions	Disposal	Balance	Additions	Balance			
233	Department of Government Analyst	-	-	-	-	-	-	-	-	-	-	-	9,584	42,160	-	51,743	109,602	161,345	
234	Registrar of Supreme Court	-	-	-	-	-	-	-	-	-	-	-	600	1,436	-	2,036	2,425	4,460	
236	Department of Official Languages	676	1,876	2,475	2,475	2,509	2,678	2,678	3,049	4,643	668	-	668	-	5,311	779	6,090		
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	3,961	3,961	-	-	52	3,910	-	3,910	-	3,910	
239	Department of External Resources	-	-	-	-	-	-	-	-	-	-	-	3,125	-	3,125	2,964	6,089		
240	Department of National Budget	3,293	6,339	11,764	13,934	14,389	14,389	14,373	14,373	14,373	-	-	-	-	14,373	-	14,373		
241	Department of Public Enterprises	-	-	-	-	922	916	916	916	916	-	-	-	-	916	-	916		
242	Department of Management Services	-	-	-	-	-	110	110	110	110	-	-	-	-	110	-	110		
243	Department of Development Finance	-	-	-	33	33	33	33	33	33	-	-	-	-	33	-	33		
244	Department of Trade & Investment Policy	-	-	-	1,964	2,958	2,967	2,993	3,434	5,078	1,359	-	-	6,437	2,549	8,986			
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	107,958	142,540	-	-	-	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	2,142,379	2,144,838	3,979	-	-	2,148,817	3,869	2,152,687			
248	Department of Excise	293	680	2,615	6,485	10,447	12,353	12,743	13,242	13,682	327	-	-	14,009	586	14,596			
249	Department of Treasury Operations	-	-	-	1,318	2,457	2,457	2,457	1,854	1,854	-	-	438	1,415	-	1,415			
250	Department of State Accounts	500	1,501	1,648	1,648	1,648	1,648	1,648	1,648	1,648	-	-	-	1,648	2,846	4,494			
251	Department of Valuation	653	1,390	2,182	4,670	16,711	50,711	51,207	52,022	52,497	1,920	-	-	54,417	909	55,327			
252	Department of Census & Statistics	1,002	4,415	6,212	16,230	22,958	33,569	33,569	33,569	38,553	-	-	-	38,553	15,593	54,146			
253	Department of Pensions	237	299	299	1,978	4,363	6,883	12,580	16,453	31,216	62,300	-	-	93,516	5,493	99,010			
254	Department of Registrar General	-	-	357	1,091	3,488	5,390	9,023	12,229	24,319	11,409	-	-	35,728	9,803	45,531			
255	District Secretariat - Colombo	-	-	172	30,169	32,622	36,695	41,092	62,548	79,384	1,831	515	-	80,699	4,441	85,140			
256	District Secretariat - Gampaha	-	1,298	4,841	7,278	9,127	10,984	14,681	21,871	24,976	2,793	20	-	27,750	988	28,737			
257	District Secretariat - Kalutara	-	-	2,354	13,293	14,951	15,911	18,400	20,370	22,525	1,632	-	-	24,157	1,803	25,961			
258	District Secretariat - Kandy	47	47	1,472	2,345	4,181	5,006	7,000	9,433	10,542	1,471	1	-	12,012	1,468	13,480			
259	District Secretariat - Matale	380	380	1,879	2,756	3,496	4,512	5,902	7,883	11,741	2,980	21	-	14,700	2,956	17,655			
260	District Secretariat - Nuwara Eliya	1,526	2,510	4,106	4,106	5,077	7,235	9,424	11,707	14,545	1,999	9	-	16,535	1,963	18,498			
261	District Secretariat - Galle	274	1,088	3,939	8,785	10,610	11,759	17,186	18,185	20,099	1,748	193	-	21,654	1,723	23,381			
262	District Secretariat - Matara	14	372	1,846	2,644	4,479	6,121	8,533	10,506	12,075	13,816	-	-	15,555	1,723	17,278			
263	District Secretariat - Hambantota	400	400	2,434	2,879	3,530	5,029	5,254	6,647	7,847	2,120	-	-	9,967	1,000	10,967			
264	District Secretariat - Jaffna	-	96	2,091	3,862	5,205	5,803	6,671	8,048	8,235	500	5	-	9,179	500	9,679			
265	District Secretariat - Mannar	-	-	-	1,678	2,051	4,000	5,698	6,194	7,792	1,042	6	-	8,827	1,250	10,078			
266	District Secretariat - Vavuniya	-	172	1,087	2,085	3,009	4,561	5,559	6,757	7,754	240	-	-	9,241	171	9,412			

Schedule I - MOVABLE ASSETS ACQUIRED SINCE 01.01.2004  
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Head No	Institution	2004													2015	
		2004	2005	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015	Balance	Balance	
267	District Secretariat - Mullaitivu	-	-	1,258	3,369	3,369	4,142	6,980	10,464	11,886	22,436	7,500	-	29,936	10,496	40,432
268	District Secretariat - Killinochchi	-	-	825	2,823	4,322	6,929	8,414	11,814	13,312	14,812	7,843	-	22,655	1,462	24,117
269	District Secretariat - Batticaloa	-	-	1,277	1,277	2,167	3,133	4,123	5,076	5,986	6,183	1,000	17	7,166	1,000	8,166
270	District Secretariat - Ampara	499	2,384	4,263	9,236	10,415	15,200	24,624	29,424	31,424	34,099	2,500	-	36,599	3,500	40,099
271	District Secretariat - Trincomalee	-	-	604	604	604	604	2,604	4,604	4,691	6,108	1,353	-	7,461	1,472	8,933
272	District Secretariat - Kurunegala	48	97	6,152	6,552	6,568	6,568	9,548	11,539	13,501	15,501	1,992	-	17,493	1,922	19,414
273	District Secretariat - Puttalam	-	-	798	798	1,720	3,715	4,449	7,449	7,736	9,235	1,309	-	10,544	2,493	13,037
274	District Secretariat - Anuradhapura	184	314	3,082	4,830	6,478	8,098	10,474	11,246	12,129	12,629	967	-	13,596	459	14,055
275	District Secretariat - Polonnaruwa	-	101	1,637	2,133	2,133	3,828	5,521	7,575	9,418	11,922	3,213	-	15,135	2,441	17,576
276	District Secretariat - Badulla	-	-	1,934	3,841	6,592	7,589	14,077	18,731	20,217	25,813	2,498	-	28,311	2,500	30,810
277	District Secretariat - Monaragala	-	400	1,664	2,164	4,161	6,161	8,661	9,654	10,105	12,105	17,000	-	29,105	1,300	30,405
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	1,426	6,833
279	District Secretariat - Kegalle	-	-	1,315	1,315	2,321	3,143	3,143	3,143	3,302	5,302	1,999	-	7,301	1,980	9,281
280	Department of Project Management and Monitoring	-	-	-	-	-	-	-	-	-	625	-	-	625	328	953
281	Department of Agrarian Development	-	-	-	14,705	17,804	31,899	39,145	53,513	65,540	72,135	20,564	-	92,699	83	92,782
282	Department of Irrigation	14,833	38,625	45,692	56,341	178,121	353,191	550,685	747,675	929,016	1,165,344	304,941	10,578	1,459,707	179,565	1,639,272
283	Department of Forests	500	998	998	1,647	2,636	3,594	4,579	5,786	8,254	10,734	2,672	-	13,407	3,342	16,749
284	Department of Wildlife Conservation	860	1,847	2,330	3,452	131,457	132,120	132,404	133,122	133,930	135,030	11,743	-	146,773	875	147,648
285	Department of Agriculture	4,536	5,504	17,034	52,774	58,918	65,519	87,419	110,796	135,544	157,145	80,937	18	238,064	39,033	277,097
287	Department of Land Title Settlement	327	327	327	707	707	707	2,675	5,115	6,594	7,505	-	-	7,505	-	7,505
288	Department of Surveyor	22,333	22,333	61,516	75,507	87,314	89,226	109,781	156,022	170,184	190,284	29,364	-	219,648	67,398	287,045
289	Department of Export Agriculture	1,130	1,130	1,130	1,130	4,011	10,633	16,098	24,720	30,702	36,218	4,478	-	40,696	5,906	46,602
290	Department of Fisheries and Aquatic Resources	603	8,540	16,799	20,179	25,891	29,603	33,530	36,308	39,848	41,652	14,056	-	55,708	6,164	61,871
291	Department of Coast Conservation	-	1,055	2,502	11,427	11,720	12,133	12,633	13,131	13,620	14,099	773	4	14,868	979	15,848
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	121,654	3,912	-	125,565	6,571	132,136
293	Department of Rubber Development	-	-	-	-	1,822	3,808	4,211	5,422	5,422	5,422	469	-	5,891	761	6,652
294	Department of National Zoological Garden	5,262	9,345	14,269	19,867	24,419	28,595	32,998	35,258	39,716	44,120	7,287	-	51,406	11,825	63,231
295	Department of Commerce	-	1,330	2,122	2,921	3,392	3,883	4,343	4,580	4,628	4,863	198	-	5,061	70	5,131
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	210,098	20,997	-	231,095	19,866	250,961
300	Department of Food Commissioner	-	-	45	916	916	1,151	5,664	5,664	6,205	6,440	16	-	6,456	67	6,524
301	Department of Co-operative Development	-	-	-	-	-	-	193	193	259	696	380	6	1,069	238	1,307

Schedule I - MOVABLE ASSETS ACQUIRED SINCE 01.01.2004  
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Head No	Institution	2004													2015		
		2004	2005	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015	Balance	Additions	Balance	
302	Co-operative Employees Commission	-	258	298	298	298	365	447	447	857	857	-	-	857	7	864	
303	Department of Textile Industries	-	-	165	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	623,248	6,301	-	629,548	12,446	641,994	
306	Department of Sri Lanka Railways	-	-	-	923	55,409	166,749	283,056	431,310	4,022,807	5,792,485	3,301,061	-	9,093,546	4,285,207	13,378,752	
307	Department of Motor Traffic	-	4,799	26,928	55,100	78,634	90,748	128,343	128,343	143,197	159,981	13,734	35	173,680	61,481	235,162	
308	Department of Posts	48	416	70,630	76,413	93,357	97,509	111,845	111,845	123,294	136,928	13,480	-	150,408	16,861	167,270	
309	Department of Buildings	-	-	2,650	2,650	2,650	2,650	3,164	3,613	3,927	12,345	15,207	2	27,550	19,576	47,126	
310	Government Factory	600	2,816	14,249	18,090	27,152	29,914	32,354	36,393	39,755	44,362	6,208	-	50,570	6,529	57,099	
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	-	5,959	
320	Department of Civil Security	-	-	-	42,887	165,112	337,354	427,334	467,316	486,940	511,939	35,794	-	547,733	34,962	582,695	
322	Department of National Botanical Gardens	-	-	-	-	270	270	561	873	1,149	1,539	498	-	2,037	542	2,579	
324	Department of Management Audit	-	-	-	-	-	233	233	422	613	1,189	450	0.10	1,639	522	2,161	
325	Department of Sri Lanka Coast Guard	-	-	-	-	-	-	23,075	49,157	60,397	70,681	4,741	-	75,422	6,443	81,865	
326	Department of Community Based Corrections	-	-	-	-	-	-	-	-	494	979	2,313	0.25	3,292	700	3,992	
327	Department of Land Use Policy Planning	-	-	-	-	-	-	-	1,598	3,335	4,918	1,965	18	6,864	1,966	8,830	
328	Department of Man Power and Employment	-	-	-	-	-	-	-	420	1,772	2,764	700	-	3,464	1,000	4,464	
329	Department of Information Technology Management	-	-	-	-	-	-	-	-	-	-	936	-	936	3,602	4,537	
331	Department of Divinaguma Development	-	-	-	-	-	-	-	-	-	-	-	-	-	3,826	3,826	
332	Department of National Community Water Supply	-	-	-	-	-	-	-	-	-	-	-	-	-	12,121	12,121	
	<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>63,751,495</b>	<b>11,273,330</b>	<b>91,871</b>	<b>74,932,955</b>	<b>14,787,389</b>	<b>89,720,344</b>	

## Explanatory Notes

### Note 10 - Vehicles on Lease

In terms of the Budget Circular No 150, the Department of National Budget has procured 3,376 Motor vehicles and 129,438 Motorcycles & Scooters on Lease in 2015 and a sum of Rs. 4,799,911,222 has been paid as lease installments during the year.

### Note 16 - Statement of Non Current Assets

05 Ministries and 30 Departments have reported non financial assets at cost or revaluated value during the financial year as part of reporting Non financial assets in the financial statements of the government and other Ministries / Departments will also be bringing to the same system gradually.

### Schedule I - Disposal of Movable Assets

Disposal of Movable Assets in the reporting period is disclosed in the Financial Statements of the following year.

### Schedule IV - Total Revenue and Expenditure of Provincial Councils

Total Revenue of Rs. 62,190,672,396 and Total Expenditure of Rs. 245,433,999,349 were reported for 9 Provincial Councils (Provisional figures) during the financial year.

## Schedule II - STATEMENT OF CAPITAL INVESTMENT IN DEVELOPMENT PROJECTS - 2015

Head No.	Institution	Project Description	Provision (Rs.)	Expenditure (Rs.)	Expenditure as % of Provision
1	His Excellency the President	Saemual Undong Project (GOSL- KOREA)	6,918,149	6,918,149	100
		Facilitating the Newly Created Ministry of Special Assignments	4,000,000	3,686,731	92
		Activities including Distribution of seed paddy among farmers in 2015/2016 Maha Season - National programme on Food Production	100,000,000	22,138,750	22
		"Let's Awake Polonanruwa" Presidential Programme, 2016-2020	100,000,000	99,816,610	100
		Development Initiatives, Coordination and Monitoring	100,000,000	30,245,826	30
		International Relations and Cooperation	100,000,000	96,781,082	97
4	Judges of the Superior Courts	Legal and Judicial Reforms	550,000,000	1,421,612	0
6	Public Service Commission	Construction of New Office Building	269,300,000	65,132,871	24
10	Commission to Investigate Allegations of Bribery or Corruption	Awareness Programmes against Bribery or Corruption	1,451,000	1,450,310	100
12	National Education Commission	Research Programmes on Education	4,000,000	198,865	5
13	Human Rights Commission of Sri Lanka	Human Rights Awareness Programmes	5,000,000	4,712,019	94
101	Ministry of Buddha Sasana	Sacred Area Development	118,224,048	111,647,511	94
		Vidyalankara International Buddhist Center-Kelaniya	95,100,100	95,100,096	100
		Mirisawetiya Buddhist Monks Training Center	3,603,406	3,603,405	100
		Kothmale Mahaweli Maha Seya	28,000,000	28,000,000	100
		Re-development of Under Developed Dhamma Schools	90,900,000	90,200,951	99
		Rehabilitation of Under-Developed Buddhist Temples	189,993,117	188,559,403	99
		Improvement of Rural Buddhist Temples under Punnyagrama	23,414,935	23,292,085	99
		Mathata Thitha Programme	10,665,540	9,848,955	92
		Celibration of 150th Birth Anniversary of Sri Anagarika Dharmapala	10,000,000	9,819,267	98
		Promotion of Languages and Maintaine Religious Harmony	3,547,280	3,531,066	100
		Dutugamunu Pilgrims Rest in Lumbini, Nepal	19,775,952	18,654,469	94
		Renovation of Places of Worship Damaged due to Earthquake in Nepal	50,000,000	50,000,000	100
102	Ministry of Finance	Fiscal Management Efficiency Project (GOSL / ADB)	1,347,190,000	168,397,626	12
		Fiscal Management Efficiency Project (GOSL / ADB)	187,130,000	8,536,198	5
103	Ministry of Defence	Other Capital Expenditure 03.Defence Head Quarters 04.Secretariat for Personal Identification -Consultancy Fees and Loan Re-payment 07. Handala Ranaviru Sampath Centre 08. Prefabrecated Buildings Project	8,664,930,000	5,856,412,288	68
		Other Capital Expenditure 01. System Automation Project	182,301,930	2,204,535	1

## Schedule II - STATEMENT OF CAPITAL INVESTMENT IN DEVELOPMENT PROJECTS - 2015

Head No.	Institution	Project Description	Provision (Rs.)	Expenditure (Rs.)	Expenditure as % of Provision
		Other Capital Expenditure	13,630,000	12,498,104	92
		Strategic Defence Communication Network	656,000,000	22,297,933	3
		Colombo City Development Works	10,000,000	769,330	8
104	Ministry of National Policies and Economic Affairs	Conducting a Study on Developing a Comprehensive Social Protection Scheme through IPS (UNICEF)	3,741,509	3,741,509	100
		Community Development and Livelihood Improvement Project -Phase II (GOSL-WB)	24,000,000	23,942,768	100
		Community Development and Livelihood Improvement Project -Phase II (GOSL-WB)	9,500,000	167,014	2
		Food Relief Programme (GOSL-WFP)	600,000,000	489,962,380	82
		Food Relief Programme (GOSL-WFP)	450,000,000	280,894,707	62
		Development of Infrastructure (Conflict Affected Region Emergency Project) (GOSL-ADB)	4,521,000,000	4,021,415,593	89
		Development of Infrastructure (Conflict Affected Region Emergency Project) (GOSL-ADB)	428,813	428,813	100
		Other Capital Expenditure 01. Youth Development Programme 02. Small Enterprises Development	25,000,000	18,664,696	75
		Young People's Reproductive Health (UNICEF)	20,000,000	4,774,022	24
		Skills Sector Development Programme (NYSC)	180,000,000	163,787,711	91
		Empowering the Youth Parliament	250,000,000	250,000,000	100
		UNICEF Supported Programme (Youth Development and Youth Empowerment Activities)	218,000	217,903	100
106	Ministry of Disaster Management	Disaster Risk Management Programme (GOSL/UNDP/WB)	12,000,000	12,000,000	100
		Disaster Risk Management Programme (GOSL/UNDP/WB)	115,600,000	34,972,522	30
		Strengthening the Resilience of Post Conflict Recovery and Development to Climate Change Risks in Sri Lanka (GOSL/UNDP)	133,620,000	19,809,236	15
		Flood and Drought Relief	43,005,546	43,002,618	100
108	Ministry of Post, Postal Services and Muslim Religious Affairs	Other Capital Expenditure 01. Enhancing Postal Services & Stamps	4,000,000	4,000,000	100
		Postal Network Improvement Project	11,225,000	11,225,000	100
110	Ministry of Justice	Child Protection Programme (GOSL -UNICEF)	4,167,000	4,035,212	97
		Strengthening Enforcement of Law, Access to Justice and Social Integration (GOSL - UNDP)	23,830,000	23,830,000	100
111	Ministry of Health, Nutrition and Indigenous Medicine	Other Capital Expenditure	14,865,827	14,865,827	100
		Work Plan Activities- UNICEF	20,000,000	5,419,773	27
		Work Plan Activities - UNFPA	21,000,000	8,197,814	39
		Technical Assistance -WHO	80,000,000	27,902,399	35
		Other Capital Expenditure	25,000,000	10,274,594	41
		The Third Country Group Training Programme (JICA)	10,518,950	10,518,949	100

## Schedule II - STATEMENT OF CAPITAL INVESTMENT IN DEVELOPMENT PROJECTS - 2015

Head No.	Institution	Project Description	Provision (Rs.)	Expenditure (Rs.)	Expenditure as % of Provision
		Activities under the Second Health Sector Development Programme (GOSL- WB)	1,051,273,045	698,694,493	66
		Improvement of ETU - Facilities under Line Ministry Hospitals (GOSL-World Bank)	700,000,000	696,342,991	99
		Thousand Hospitals Development Programme	100,000,000	95,895,639	96
		Development of Ambulatory Care Centre (OPD) of NHSL (GOSL- China)	850,000,000	189,431,908	22
		Infrastructure and Human Resource Development of National Drug Quality Assurance Laboratory	50,000,000	16,381,982	33
		Establishment of Elderly Wards in Identified Hospitals	10,000,000	6,947,958	69
		Development of Health Facilities in Identified Districts	205,000,000	204,227,390	100
		Special Emergency Provision for Crisis Management	85,779,120	78,249,836	91
		Epilepsy Unit at National Hospital - Colombo (GOSL - Saudi Fund)	196,000,000	80,580,523	41
		Upgrading Clinic Rooms and Consulting Rooms with all Facilities in Identified Hospitals	200,000,000	116,575,316	58
		Rehabilitation and Expansion of Production Capacity at State Pharmaceutical Manufacturing Corporation (GOSL - JICA)	28,000,000	3,857,239	14
		Modernization of Childrens' Hospitals as Centers of Excellence	665,000,000	658,830,008	99
		Development of Sports Medicine Units in Selected Hospitals	100,250,000	28,967,831	29
		Improvement of Healthcare Waste Management and Swerage Systems including Ragama Rehabilitation Hospital	15,000,000	12,475,407	83
		Other Capital Expenditure	10,000,000	2,618,107	26
		Other Capital Expenditure	51,500,000	7,669,710	15
		National Dengue Control Programme	356,650,000	356,629,197	100
		Rabies Control Programme	200,000,000	190,144,135	95
		Kidney Disease Programme	300,000,000	221,915,991	74
		Global Alliance for Vaccine Immunization (GAVI) - HSS	21,000,000	16,708,118	80
		Global Alliance for Vaccine Immunization (GAVI) - HSS	600,000	330,872	55
		Health Education Bureau	20,000,000	8,083,393	40
		School Health Programme	15,000,000	8,683,368	58
		Leptospirosis Controlling	5,000,000	4,923,896	98
		Childrens' Action Plan	25,000,000	24,067,092	96
		Disaster Preparedness & Response Programme	10,000,000	2,574,180	26
		National Cancer Control Centre	25,000,000	8,537,118	34
		Oral Health Promotion & Fluorosis Prevention	25,000,000	12,766,756	51
		Programme for Strengthening Primary Level Health Care	200,000,000	143,314,432	72
		Youth, Elderly, Disable & Displaced Person	5,000,000	1,454,792	29
		Work Plan Activities- UNFPA	23,800,000	2,992,268	13
		Work Plan Activities-UNICEF	12,550,000	3,208,667	26

## Schedule II - STATEMENT OF CAPITAL INVESTMENT IN DEVELOPMENT PROJECTS - 2015

Head No.	Institution	Project Description	Provision (Rs.)	Expenditure (Rs.)	Expenditure as % of Provision
		Work Plan Activities-WHO	16,000,000	12,597,741	79
		Funded Activities by SAARC Fund	10,000,000	641,274	6
		Implementation of Model Leprosy Control Programme (Fairmed Foundation -Switzerland)	7,580,000	210,530	3
		Global Fund to Fight Against Aids, Tuberculosis and Malaria (GFATM)	800,000,000	518,152,960	65
		Global Fund to Fight Against Aids, Tuberculosis and Malaria (GFATM)	100,000,000	74,925,253	75
		Improvement of Preventive Health Services in the Estate Sector	23,369,000	23,369,000	100
		Investment in Non-Communicable Diseases - Cancer, Stroke and Kidney	1,000,000,000	913,502,498	91
		Control of Non Communicable Diseases	20,000,000	19,834,328	99
		National STD/AIDS Control Programme	19,725,801	19,725,800	100
		Triplosa Programme	204,830,000	204,829,925	100
		National Programme for Improvement of the Nutritional Status of Vulnerable Population	45,900,000	22,599,792	49
		Nutrition Coordination Division and Nutrition Division	75,000,000	15,518,724	21
		Research Activities	36,013,600	36,013,559	100
		Establishment of Poshana Mandira	3,000,000	1,910,800	64
		Development of Homeopathic System	20,000,000	9,459,650	47
		Project to Provide Community Health Facilities through Indigeneous Medicine	127,121,928	126,372,986	99
		New Village Level Osu Govi Programme for Youth	1,000,000	140,470	14
112	Ministry of Foreign Affairs	Official Residence in London	200,000,000	54,285,990	27
		Residence in New Delhi and Other Constructions	152,000,000	16,687,883	11
114	Ministry of Transport and Civil Aviation	Implementation of Strategic Plan for Traffic Management	25,000,000	10,541,777	42
117	Ministry of Higher Education and Highways	Central (Northern) Expressway	75,600,000	75,600,000	100
		Rectification of Slope Failure Project on Southern Expressway (GOSL-JICA)	96,000,000	59,558,446	62
		Colombo - Rathnapura - Pelmadulla Expressway	258,820,000	258,810,259	100
		Technical Assistant for Southern Highway Investment Programme - Western Province (GOSL - ADB)	14,600,000	14,503,076	99
		Widening and Improvement of Roads - Tax Component- Investments	1,039,500,000	1,039,455,810	100
		Establishment of Bridge Maintenance System (BMS) and Bridge Assessment Unit (BAU) in the Road Development Authority (GOSL - JICA)	24,200,000	660,000	3
		Road Project Preparatory Facility (Including Provincial Roads) - (GOSL- ADB)	60,000,000	59,113,850	99
		Road Project Preparatory Facility (Including Provincial Roads) - (GOSL- ADB)	41,151,000	41,150,931	100
		Surveys, Investigations and Feasibility Studies	100,000,000	73,185,353	73

## Schedule II - STATEMENT OF CAPITAL INVESTMENT IN DEVELOPMENT PROJECTS - 2015

Head No.	Institution	Project Description	Provision (Rs.)	Expenditure (Rs.)	Expenditure as % of Provision
		Government Guaranteed Local Bank Funded Road Rehabilitation Projects - Int & Loan Repayment-Buildings & Structures	12,031,380,000	12,031,379,069	100
		Tax Component	250,000,000	249,901,376	100
		The Development Plan for South Eastern University Phase 1 "B" - (GOSL/Kuwait)	10,000,000	4,420,849	44
		The Development Plan for South Eastern University Phase 1 "B" - (GOSL/Kuwait)	400,000,000	399,996,907	100
		The Development Plan for South Eastern University Phase 1 "B" - (GOSL/Kuwait)	60,000,000	52,467,640	87
		Establishment of Faculty of Engineering in Killinochchi-University of Jaffna - (GOSL/India)	150,000,000	58,294,630	39
		Establishment of Faculty of Engineering in Killinochchi-University of Jaffna - (GOSL/India)	6,525,000	6,524,086	100
		SATREPS Project for Development of Pollution Control & Environment Restoration Technologies of Waste	45,200,000	42,675,863	94
		SATREPS Project for Development of Pollution Control & Environment Restoration Technologies of Waste	16,250,000	8,000,000	49
		Building Research Excellence in Wildlife and Human Health in Sri Lanka (Canada)	22,716,000	22,715,404	100
		Construction of Institute of Technology - University of Moratuwa ( GOSL/China)	102,919,000	102,918,469	100
		Establishment of Faculty of Agriculture in Killinochchi/ University of Jaffna ( India)	150,000,000	52,072,843	35
		Establishment of Faculty of Agriculture in Killinochchi/ University of Jaffna ( India)	5,452,000	5,451,892	100
		Erausmus Mundas Action 2 lot 9, EXPERTS - (Germany)	987,000	986,514	100
		Norwegian Programme for Capacity Building in Higher Education & Research Development (NORHED) Project	3,230,000	3,223,198	100
		Recommendation on the Construction of State of Art Auditorium with well Equipped Theatre Facility for the University of Ruhuna (GOSL/India)	36,000,000	831,579	2
		Waso - Asia Project (NORAD)	20,699,000	20,698,636	100
118	Ministry of Agriculture	Crop Forcasting Programme	3,200,000	2,482,764	78
		Special Programmes for Ensuring Food Security 03.Production of Other Field Crops 04. Attracting Youths for Agriculture "Agriprenureship Mission" 05. Establishment of Fruit Gardens	500,000,000	305,252,052	61
		Production and Use of Organic Fertilizer	300,000,000	245,548,389	82
		Implementation of National Agricultural Research Plan (NARP) with Universities	20,000,000	3,513,432	18
		Big Onion Seed Production Programme	30,000,000	8,920,436	30
		Deyata Kirula Development Programme	5,000,000	1,533,993	31
		Promotion of Rice Export by Establishing Four Rice Export Zone	71,338,000	31,585,568	44
		Skill Sector Development Programme (GOSL/ADB)	70,000,000	10,533,158	15

## Schedule II - STATEMENT OF CAPITAL INVESTMENT IN DEVELOPMENT PROJECTS - 2015

Head No.	Institution	Project Description	Provision (Rs.)	Expenditure (Rs.)	Expenditure as % of Provision
		Water, Sanitation and Hygiene (WASH) Project	5,956,136	4,926,360	83
		ACI Conference	3,462,000	3,352,750	97
		Post Harvest Value Addition Food in Sri Lanka - (SAARC)	200,000	200,000	100
		IFPRI Project - Implemented by Sri Lanka Council for Agricultural Research Policy	519,250	239,733	46
119	Ministry of Power and Renewable Energy	Multipurpose Gamma Irradiator Project	5,000,000	4,236,000	85
		Promoting Sustainable Biomass Energy Production and Modern Bio-energy Technologies (GOSL/UNDP)	25,500,000	5,150,311	20
120	Ministry of Woman and Child Affairs	Kantha Saviya	40,000,000	38,373,077	96
		Women Development Programme	10,000,000	9,688,817	97
		Gender Based Violence Programme (GOSL / UNFPA)	20,640,000	5,460,937	26
		Prevention of Child Abuse and Violence Against Women	150,000,000	142,782,965	95
		Ensuring and Strengthening Protection of Women Development (GOSL / UNDP)	12,090,000	11,443,067	95
		Diriya Kantha Programme ( GOSL / UNFPA)	85,000,000	83,438,444	98
		Early Childhood Care and Care Development	40,000,000	37,126,629	93
		Ensuring Child Protection and Child Rights (GOSL / UNICEF)	6,131,000	6,043,946	99
		Lama Saviya Programme	16,617,810	16,617,809	100
		South Asia Initiatives to End Violence Against Children (GOSL / SAARC)	19,622,000	15,856,479	81
		Training Programme on ECCD Standards(UNICEF)	3,150,000	1,887,133	60
121	Ministry of Home Affairs	Other Capital Expenditure	9,331,380,000	8,882,191,146	95
		Providing Sanitary Facilities for National Heritage Sites	5,000,000	2,482,717	50
		Completion of Projects under Commenced under Dayata Kirula Development Programme-2015	737,730,000	95,857,796	13
		Development Projects Implemented by the District and Divisional Coordinating Committees-2014	6,000,000,000	4,942,716,627	82
122	Ministry of Parliamentary Reforms and Mass Media	Other Capital Expenditure 01. Media Publicity for National Development 02. Research & Monitoring for Media Personal	12,000,000	1,818,408	15
		Digitalization of Terrestrial Television Broadcasting (DOTT - B) Project (GOSL / Japan)	950,000,000	2,716,085	0
123	Ministry of Housing and Construction	Capacity Building in Construction Industry RPL	4,000,000	4,000,000	100
		Upgrading of Technical Training Infrastructure at CETRAC	30,000,000	29,959,095	100
		Development of Training Infrastructure at Operator Training Centre at Galkulama	20,000,000	20,000,000	100
		Skills Sector Development Programme (GOSL/ADB)	150,000,000	150,000,000	100

## Schedule II - STATEMENT OF CAPITAL INVESTMENT IN DEVELOPMENT PROJECTS - 2015

Head No.	Institution	Project Description	Provision (Rs.)	Expenditure (Rs.)	Expenditure as % of Provision
		Rural Housing Loan Programme - Implemented by NHDA 01.For Low Income Householders 03. For Plantation Community	3,299,178,000	3,299,178,000	100
		Renovation of Housing Schemes	365,294,000	365,294,000	100
		Land Compensation for the Projects Implemented by NHDA	14,822,000	14,821,208	100
		Transfer of Ownership of Housing Schemes for Tsunami Affected Peoples - Implemented by CMA	10,000,000	10,000,000	100
		Implementaion of UN Habitat Programmes 01. Implementation of Proposed Housing Project to Mark World Habitat Day -2015	270,000,000	269,964,350	100
		Janasevana Paticipatory Enviornment and Sanitation Improvement Project - Implemented by USDA	23,000,000	23,000,000	100
		Urban Housing Scheme at Angulana, Implemented by USDA (Stage II)	189,465,000	189,465,000	100
		Janaupahara' Housing Development Loan Programme	35,000,000	35,000,000	100
		Moratuwa Lunawa Urban Housing Scheme - Implemented by USDA	217,100,000	217,100,000	100
		Chilaw Urban Housing Redevelopment Project - Implemented by USDA	14,141,000	14,141,000	100
		Lidula Housing Programme- Implemented by USDA	44,000,000	44,000,000	100
		Relocating Housing Scheme at Soysapura, Moratuwa - Implemented by NHDA	42,000,000	42,000,000	100
		Urgent and Essential Repairs of Government Housing - Implemented by CMA 01. Infrastructure Development in Housing Schemes	223,290,000	223,290,000	100
		Diriya Piyasa Programme	200,000,000	176,686,873	88
		Rural Housing Loan Programme	530,000,000	530,000,000	100
124	Ministry of Social Empowerment and Welfare	Support for Low Income Disable Persons	45,000,000	36,089,609	80
		Social Development Management Information System	1,500,000	1,182,009	79
		Social Development Programme	3,000,000	2,999,971	100
		Self Employment Opportunities for Single Parent Families	13,000,000	12,731,300	98
		National Counselling Programme	14,400,000	14,339,329	100
		Social Care Centres ( GOSL / UNICEF )	7,000,000	6,807,063	97
		Social Care Centres ( GOSL / UNICEF )	130,000	130,000	100
		GOSL / UNICEF Country Programme	2,802,000	2,802,000	100
		Improvement of Vocational Training Centres for Disabled - Dirisaviya (GOSL/WB)	101,000,000	88,129,979	87
		Rural Community Health Centers	25,000,000	20,815,419	83
		Divineguma Programme	1,350,000,000	953,874,617	71
126	Ministry of Education	Provision of Furniture to Schools at Difficult & Very Difficult Areas (Provincial Schools)	100,000,000	56,412,462	56
		National Institute of Education 02. Transforming the School Education System as the Foundation of a Knowledge Hub Project (WB)	65,000,000	42,588,642	66

## Schedule II - STATEMENT OF CAPITAL INVESTMENT IN DEVELOPMENT PROJECTS - 2015

Head No.	Institution	Project Description	Provision (Rs.)	Expenditure (Rs.)	Expenditure as % of Provision
		National Institute of Education 02. Transforming the School Education System as the Foundation of a Knowledge Hub Project (WB)	45,000,000	36,200,000	80
		Mitigation of Disparities in the Provision of Water and Sanitary Facilities to Unserved Schools	78,000,000	75,000,000	96
		Strengthening of Piriven Education	250,000,000	236,489,881	95
		UNESCO Activities	4,693,000	4,340,875	92
		Transforming the School Education System as a Knowledge Hub Project (GOSL/WB)	15,000,000	13,194,691	88
		Transforming the School Education System as a Knowledge Hub Project (GOSL/WB)	352,000,000	351,366,754	100
		Education for Social Cohesion (GOSL/German (GIZ))	78,341,065	37,720,050	48
		Education for Social Cohesion (GOSL/German (GIZ))	5,000,000	4,629,462	93
		Establishment of Teacher Training Centers for Technology Stream (GOSL/KOICA)	29,147,203	8,086	0
		Education Sector Development Programme (UNICEF)	69,934,000	69,499,204	99
		Provisions for Paying VAT of the Language Laboratory Equipments Established under the Indian Aid	81,658,935	81,658,935	100
		Provisions for Paying VAT of the Language Laboratory Equipments Established under the Indian Aid	6,902,335	6,902,335	100
		Folk Art Centre	15,000,000	14,279,000	95
		Public Performance Board	7,585,000	278,200	4
		Deye Urumaya Daruwantai Awareness Programme	1,900,000	1,385,512	73
		Preservation of Native Habitats	10,200,000	10,118,533	99
		Renovation of Broton Bungalow, Bandarawela	4,500,000	9,840	0
130	Ministry of Public Administration and Management	Governance of Local Economic Development (G-LED) Project-UNDP	22,000,000	11,948,736	54
		Governance of Local Economic Development (G-LED) Project-UNDP	3,000,000	1,493,160	50
		Project for Training Frontline Officers of Community Development in Conflict Affected Areas in Sri Lanka (GOSL JICA)	5,930,000	2,792,678	47
		Community Development Programmes	73,965,000	73,766,359	100
		Construction of Pilgrims Rests	280,100,000	279,310,041	100
		Other Capital Expenditure	2,000,000	1,948,731	97
135	Ministry of Plantation Industries	Small Holder Plantation Enterprenireship Development Programme (GOSL /IFAD)	350,600,000	334,957,480	96
		Small Holder Plantation Enterprenireship Development Programme (GOSL /IFAD)	49,400,000	32,088,861	65
		Tea and Rubber Land (Fragmentation) Board	500,000	174,398	35
		Cadastral Surveys in the Plantation Sector	10,000,000	1,395,737	14
		Mapping of Tea,Rubber and Other Plantation Lands using GIS Techniques	5,000,000	4,964,012	99
		Soil Conservation and Productivity Development Assistance for Tea Smallholders	394,026,000	323,470,000	82

## Schedule II - STATEMENT OF CAPITAL INVESTMENT IN DEVELOPMENT PROJECTS - 2015

Head No.	Institution	Project Description	Provision (Rs.)	Expenditure (Rs.)	Expenditure as % of Provision
		Tea Shakthi Fund	50,000,000	50,000,000	100
		Control of Weligama Coconut Leaf Wilt & Rot Disease	100,000,000	51,311,920	51
136	Ministry of Sports	Establishment of Sugarcane Nurseries	18,000,000	17,298,720	96
		Sports Related Activities	408,897,900	298,256,995	73
140	Ministry of Hill Country New Villages, Infrastructure and Community Development	Livelihood and Basic Facility Improvement in Rural Areas	150,000,000	146,610,281	98
		Lagging Area Socio-Economic Development Project	300,000,000	271,783,528	91
		Estate Housing Programme	350,000,000	349,736,997	100
145	Ministry of Rehabilitation, Resettlement and Hindu Religious Affairs	Welioya Resettlement Programme	18,000,000	17,996,956	100
		Provision of Water and Sanitation Facilities for Resettled Families in Northern & Eastern Provinces	153,000,000	152,688,397	100
		Resettlement in Keppapilavu	30,000,000	29,942,294	100
		North Sea Ltd - Development & Expansion of Fishing Net Factory (GOSL-India)	10,000,000	10,000,000	100
		Supporting Demining for the Civilian Second (JICA)	55,000,000	46,401,681	84
		Supporting Demining for the Civilian Second (JICA)	2,096,000	1,998,995	95
		Renovation of Roads -Valikamam Area	46,000,000	45,971,089	100
		Livelihood Development of Palmyrah Development in the Northern Province	60,000,000	39,934,608	67
		Housing Development Project (GOSL -PAKISTAN)	130,000,000	75,050,000	58
		Housing Development Project (GOSL -PAKISTAN)	10,000,000	9,100,000	91
		Housing Development Project (GOSL- KAZAKHSTAN)	25,850,000	24,350,000	94
		Housing Development Project (GOSL-BAHRAIN)	129,500,000	97,600,000	75
		Vallikerni Housing Project (trincomalee District )	7,520,000	6,246,963	83
		Free Domestic Power Supply for Resettled Families in the Northern and Eastern Province	105,000,000	105,000,000	100
149	Ministry of Industry and Commerce	Industrial Estates	460,000,000	448,129,436	97
		Thrust Area Development Programme	74,100,000	45,199,858	61
		Handloom and Textile Industries	175,000,000	168,645,576	96
		Upgrading and Modernization of Main and Mini Industrial Estates	95,300,000	78,175,373	82
		Strengthening of Co-operatives	43,000,000	42,618,445	99
		Development of Enterprise Villages & Women Entrepreneurship	40,000,000	38,857,831	97
		Expansion of Lanka Sathosa Retail Network	216,100,000	216,099,245	100
		Improvements in Elephant Pass Saltern	5,900,000	5,741,370	97
151	Ministry of Fisheries and Aquatic Resources Development	Oruwella Radio Programme & Awareness Programme	3,049,039	1,874,999	61

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Head No.	Institution	Project Description	Provision (Rs.)	Expenditure (Rs.)	Expenditure as % of Provision
		Fisheries Community Empowerment	159,366,549	154,616,552	97
		Dickowita Fishery Harbour	77,000,000	66,358,451	86
		Stocking of Fish Fingerlings in Fresh Water Bodies to Develop Inland Fisheries	30,000,000	30,000,000	100
		Development of Ornamental Fish Industry	10,000,000	9,148,546	91
		Establishment of Inland Fresh Water Fish Breeding Centres	245,000,000	199,563,751	81
		Development and Rehabilitation of Fishery Harbours, Anchorages and Landing Sites	1,515,934,909	1,010,949,411	67
		Implementation of Vessel Monitoring System	85,165,091	85,165,091	100
153	Ministry of Lands	Implementation of Recommendation of LLRC	400,000,000	134,122,727	34
		Capacity Development Project for Creating Digital Elevation Model Enabling Disaster Resilience	2,000,000	1,363,814	68
154	Ministry of Rural Economic Affairs	Establishment of Economic Centres	125,000,000	95,738,749	77
		National Agribusiness Development Programme (GOSL-IFAD)	1,404,000,000	151,302,831	11
		National Agribusiness Development Programme (GOSL-IFAD)	107,900,000	1,796,505	2
		Development of Traditional Handicraft Villages	31,000,000	170,038	1
		Development of Pottery Villages	10,000,000	258,174	3
		Establishment of Handicraft Production and Marketing Villages (GOSL- India)	4,000,000	384,000	10
		Kithul Development Project	28,000,000	8,698,811	31
		Facilitation and Promotion of Liquid Milk Consumption	50,000,000	46,365,660	93
		Establishment of Animal Breeder Farms	35,000,000	33,859,997	97
		Medium Term Livestock Development Programme	50,000,000	24,397,451	49
		Importation of Dairy Animals	2,000,000,000	2,000,000,000	100
		Importation of Dairy Animals	388,900,000	360,350,377	93
		Development of Small and Medium Scale Poultry Farming System	20,000,000	17,678,081	88
		Swine Industry Development	15,000,000	14,085,756	94
155	Ministry of Provincial Councils and Local Government	Greater Colombo Wastewater Management Project - (GOSL/ ADB)	2,714,589,136	2,714,589,136	100
		Greater Colombo Wastewater Management Project - (GOSL/ ADB)	64,394,389	64,394,389	100
		Greater Colombo Wastewater Management Project - (GOSL/ ADB)	294,228,295	288,797,810	98
		Sewerage System - Colombo Municipality Council	800,000,000	170,000,000	21
		Other Capital Expenditure 01. Local Authority Competition 02. Local Government Week 03. Establishment of Data base in respect of Local Authorities 05. Local Authority Library Development	45,000,000	15,981,599	36
		Rural Bridges (GOSL/UK)	2,628,947,951	2,628,947,097	100
		Rural Bridges (GOSL/UK)	16,200,000	480,570	3
		North East Local Services Improvement Project (GOSL/WB)	10,000,000	2,033,243	20

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		North East Local Services Improvement Project (GOSL/WB)	1,200,000,000	519,712,219	43
		North East Local Services Improvement Project (GOSL/WB)	42,000,000	22,124,845	53
		Construction of 537 Rural Bridges (GOSL/UK)	9,206,891,595	9,206,790,162	100
		Construction of 537 Rural Bridges (GOSL/UK)	750,000,000	150,788,425	20
		Construction of 463 Rural Bridges (GOSL/NETHERLAND)	5,129,753,033	4,909,836,103	96
		Construction of 463 Rural Bridges (GOSL/NETHERLAND)	500,000,000	180,984,504	36
157	Ministry of National Dialogue	National Languages Development	40,000,000	23,777,414	59
		Social Integration Development Programme	25,000,000	17,996,873	72
		Trilingual Programme	25,000,000	14,494,017	58
		Research Activities	3,700,000	1,825,941	49
		Equal Access to Justice Programme Phase iii (GOSL-UNDP)	32,000,000	10,003,642	31
		Equal Access to Justice Programme Phase iii (GOSL-UNDP)	150,000	132,438	88
		Establishment of Provincial Centers (LLRC)	50,000,000	9,998,311	20
		Preparation of Hand Book for the use of Government Officers in all IV Levels (GOSL-Japan)	20,000,000	15,403,375	77
		Bilingual Public Activity Programme	21,500,000	8,890,285	41
158	Ministry of Public Enterprise Development	State Resources Management Corporation Ltd	12,000,000	11,992,428	100
159	Ministry of Tourism Development and Christian Religious Affairs	Tourism Promotion for Economic Development	100,000,000	12,461,681	12
160	Ministry of Mahaweli Development and Environment	Formulation, Review and Gap Analysis of Environmental Policies	3,000,000	1,978,319	66
		Adaptation and Mitigation of Climate Change Impacts	2,000,000	820,883	41
		Commemoration of Major Environment Events	5,000,000	4,719,108	94
		Education and Awareness Creation on Environment	2,000,000	1,937,275	97
		Environmental Protection and Conservation	20,000,000	14,513,049	73
		School Environmental Pioneer Programme (Haritha Niyamu)	30,000,000	25,227,329	84
		Implementation of the Montreal Protocol (GOSL/UNDP)	13,500,000	12,899,509	96
		National Implementation Plan for the Stockholm Convention on Persistent Organic Pollutants	5,000,000	2,305,969	46
		Strengthen the National Coordination Activities of the Global Environment Facility	699,000	566,500	81
		E-Waste Management Project	243,000	227,501	94
		Pilisaru Programme	279,474,167	173,218,237	62
		Plastic Waste Management Programme	50,000,000	45,000,000	90

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Head No.	Institution	Project Description	Provision (Rs.)	Expenditure (Rs.)	Expenditure as % of Provision
		Waste Management System at Dompe, Gampaha District (GOSL/Korea)	20,525,833	19,983,108	97
		Mainstreaming Biodiversity Conservation and Sustainable use for Improved Human Nutrition and Well-being	13,186,000	6,109,419	46
		Mainstreaming Agrobiodiversity Conservation and use in Sri Lankan Agro-eco System for Livelihoods and Adaptation to Climate Change	10,817,990	10,271,931	95
		Strengthening of the Laboratory of Central Environmental Authority	30,000,000	30,000,000	100
		Construction of Solid Waste Disposal Facilities - Anuradhapura, Hikkaduwa, Udunuwara and Panadura (GOSL/Korea)	92,000,000	14,953,000	16
		Community Forestry Programme (GOSL/UNDP)	170,000,000	120,990,914	71
		Community Forestry Programme (GOSL/UNDP)	30,000,000	29,840,950	99
		Mechanism for Reducing Emissions from Deforestation and Degradation (GOSL/UNDP)	85,000,000	13,350,477	16
		Addressing Climate Change Impacts on Marginalized Agricultural Communities at Mahaweli River Basin (GOSL/WFP)	186,763,010	37,026,250	20
		Monitoring of the Water Quality of Major Water Bodies (GOSL/Japan)	5,000,000	5,000,000	100
		Skills Sector Development Programme (GOSL/ADB)	20,000,000	2,999,880	15
		Sustainable Management of Bio Diversity and Natural Resources	21,000,000	19,211,007	91
		Moragahakanda and Kaluganga Reservoir Project (GOSL -China,Kuwait & Saudi)	3,500,000,000	3,479,283,006	99
		Moragahakanda and Kaluganga Reservoir Project (GOSL -China,Kuwait & Saudi)	5,100,000,000	5,009,268,055	98
		Moragahakanda and Kaluganga Reservoir Project (GOSL -China,Kuwait & Saudi)	1,000,000,000	587,080,714	59
		Moragahakanda and Kaluganga Reservoir Project (GOSL -China,Kuwait & Saudi)	1,530,355,000	1,520,109,709	99
		Dam Safety and Water Resources Planning Project (GOSL/WB)	835,000,000	833,237,075	100
		Dam Safety and Water Resources Planning Project (GOSL/WB)	38,000,000	36,694,229	97
		Feasibility Studies	212,000,000	189,770,114	90
		Implementing a Mechanism to Protect River Bank of Mahaweli - Gatambe	60,000,000	53,203,815	89
		Water Resources Development Investment Programme (GOSL/ADB) - Upper Elehera Canal, Moragahakanda, Kaluganga Transfer Canal, Minipe Anicut Raising & Lb Rehabilitation, North Western Province Canal	75,000,000	71,539,015	95
		Kalinganuwara - Angamadilla Minneriya Pumping Complex	20,000,000	19,972,115	100
		Additional Financing for Damsafty and Water Resources Planning Project (GOSL / WB)	1,910,000,000	1,910,000,000	100
		Additional Financing for Damsafty and Water Resources Planning Project (GOSL / WB)	40,000,000	4,487,645	11

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Head No.	Institution	Project Description	Provision (Rs.)	Expenditure (Rs.)	Expenditure as % of Provision		
162	Ministry of Megapolish and Western Development	Metro Colombo Urban Development Project (GOSL / World Bank)	5,300,000,000	2,343,826,566	44		
		Metro Colombo Urban Development Project (GOSL / World Bank)	1,800,000,000	465,905,257	26		
		Greater Colombo Urban Transport Development Project -Phase I- (Township Development )- (GOSL/Japan)	919,000,000	917,745,461	100		
		Greater Colombo Urban Transport Development Project -Phase I- (Township Development )- (GOSL/Japan)	234,000,000	97,500,000	42		
		Hataraliyadda Town Development Project	55,000,000	3,786,510	7		
		Development of Strategic Cities - Kandy & Galle (GOSL/World Bank)	3,450,000,000	442,370,937	13		
		Development of Strategic Cities - Kandy & Galle (GOSL/World Bank)	960,000,000	91,027,696	9		
		Greater Colombo Flood Protection and Environment Development Project	100,000,000	27,117,348	27		
		Metro Colombo Flood Resilient Urban Environment Trust Fund (GOSL-WB)	23,000,000	12,433,337	54		
		Metro Colombo Solid Waste Management Project	2,000,000,000	186,666	0		
		Western Region Megapolis Master Plan	56,150,000	50,702,687	90		
		Welfare Centre at Mattakkuliya	150,000,000	150,000,000	100		
		163	Ministry of Internal Affairs, Wayamba Development and Cultural Affairs	e-NIC Project	1,500,000,000	49,406,132	3
				Improving Existing WEB Site	600,000	594,854	99
Revealing and Preserving of Indigenous Knowledge and Cultural Values	2,000,000			860,430	43		
Renovation Project of Elphinstone Art Theatre	200,000,000			50,263,721	25		
Improving Facilities of Cultural Centres	4,000,000			4,000,000	100		
Inservice Training Centers - Veyangoda	2,000,000			1,885,875	94		
Preservation of Native Habitats	7,500,000			5,156,065	69		
Construction of Cultural Centre and the Tsunami Information Centre at Peraliya, Telwatta	47,000,000			13,722,321	29		
Construction of SAARC Cultural Center	150,000,000			150,000,000	100		
Construction and Rehabilitation of Cultural Centres (Including LLRC)	180,000,000			139,472,971	77		
Performance art Theatres at Kandy and Anuradhapura	500,000,000			1,535,892	0		
Angampora Gammanaya - Mahawa	30,000,000			30,000,000	100		
Musical Instruments and Furniture for Cultural Centres	35,000,000			31,371,901	90		
Heritage Conservation and Promotion of Initiatives	17,769,000			5,244,649	30		
166	Ministry of City Planning and Water Supply	Implementation of Rain Water Harvesting Programme	5,000,000	1,025,882	21		
		Catchment Protection & Prevention of Pollution at Sources	5,000,000	2,033,258	41		
		South Asia Conference on Sanitation, Follow up Action -All Island Sanitation Programme	23,000,000	12,353,573	54		

## Schedule II - STATEMENT OF CAPITAL INVESTMENT IN DEVELOPMENT PROJECTS - 2015

Head No.	Institution	Project Description	Provision (Rs.)	Expenditure (Rs.)	Expenditure as % of Provision
		Improving Community Based Rural Water Supply and Sanitation in Jaffna & Killinochchi Districts (GOSL-ADB)	65,000,000	31,878,459	49
		Improvement of Rural Water Supply and Sanitation	183,025,000	148,059,395	81
		Prevention of Water Borne Diseases in the North Central Province	1,000,000,000	864,886,709	86
		Deyata Kirula Programme	232,975,000	56,647,712	24
		Water Supply and Sanitation Improvement Project (GOSL-WB)	10,000,000	6,922,618	69
182	Ministry of Foreign Employment	Strengthening Island Wide Administrative Network for the Development of Foreign Employment Industry	6,000,000	5,480,226	91
		Foreign Employment Promotional Road Shows	10,000,000	4,495,768	45
		Skills Sector Development Programme (GOSL/ADB)	330,000,000	233,952,613	71
192	Ministry of Law and Order and Prisons Reforms	Prefabricated Building Project - II	528,000,000	524,990,743	99
193	Ministry of Labour and Trade Union Relations	Implementation of the National Policy for Decent Work	14,500,000	13,815,200	95
		Construction of Labour Quarters	10,000,000	6,300,000	63
194	Ministry of Telecommunication and Digital Infrastructure	Construction of Computer Labs in Schools	400,000,000	248,243,936	62
		IT Park-Jaffna	2,500,000	2,499,794	100
		IT Park - Mannar	1,500,000	1,500,000	100
		Set up Nenasala Centers at Grama Niladari Division Level (Budget Proposal 2013)	78,000,000	78,000,000	100
		Expansion of Nenasala Centers and New Facilities (Budget Proposal 2014)	600,000,000	344,499,495	57
		Smart Sri Lanka (e-Sri Lanka Development Project (GOSL - World Bank)	75,000,000	33,500,000	45
		Lanka Government Network	50,000,000	50,000,000	100
196	Ministry of Science, Technology and Research	Vidatha Programme	35,000,000	25,288,124	72
		Scientific Development Programmes 06. S&T Popularisation Programme 07. Scientific Training 13. Science & Technology Collaboration under Bilateral and Multilateral Agreements and with Other Countries	40,000,000	30,477,768	76
		Nanotechnology Initiative	340,000,000	339,600,000	100
		Techno Entrepreneurship Development	8,000,000	4,800,945	60
		Implementation of R & D Investment Framework	85,000,000	4,875,000	6
		Implementation of CKDU Mitigation Action Plan	5,000,000	3,913,875	78
		Establishment of National Science Center	150,000,000	150,000,000	100
		Installation of a 4D Digital Projectors	25,000,000	18,695,012	75
197	Ministry of Skills Development and Vocational Training	Other Capital Expenditure	10,500,000	10,326,247	98

Schedule II - STATEMENT OF CAPITAL INVESTMENT IN DEVELOPMENT PROJECTS - 2015

Head No.	Institution	Project Description	Provision (Rs.)	Expenditure (Rs.)	Expenditure as % of Provision
		Improvement of Vocational Training Activities {Yovun Diriya Programme (B.S.P. I -2006 (8) b)} 01. Skills Day 02. Public Private Partnership 03. Training and Exhibition	39,610,247	14,962,929	38
		Establishment of 5 Automobile Centres (GOSL/Korea)	143,189,753	143,189,752	100
		Establishment of 5 Automobile Centres (GOSL/Korea)	27,200,000	26,854,601	99
		Skills Sector Development Programme 01. Capacity Building and Training for Academic and Non Academic Staff 02. New Constructions 03. Improvement of Training Centers 04. Information System Development 05. Employment Linked Training Programme 06. Quality Management and Assurance 07. Implementing Reform Initiatives 08. Additional Recruitment for VTA & University Colleges 09. Other - ISSCs / RPL / Career Guidance and Social Marketing / Training Scope Development and Expansion	4,750,000,000	2,703,435,487	57
198	Ministry of Irrigation and Water Resources Management	Pro Poor Economic Advancement & Community Enhancement (PEACE) Project (GOSL-JBIC)	80,000,000	27,463,585	34
		Rehabilitation of Major and Medium Irrigation Schemes including emergency Infrastructure Rehabilitation Works	650,000,000	316,722,435	49
		Feasibility Studies	400,000,000	24,468,389	6
		Prefabricated Buildings for Government Agencies from Peoples' Republic of China	2,800,000,000	2,774,797,614	99
		Climate Resilience Improvement Project (GOSL/WB)	1,825,000,000	1,824,999,999	100
		Climate Resilience Improvement Project (GOSL/WB)	25,000,000	16,639,506	67
		Gin Nilwala Diversion Project	40,000,000	3,012,478,671	7531
199	Ministry of Primary Industries	Special Cocoa Cultivation Project in Uva-Wellassa	5,000,000	3,532,455	71
201	Department of Buddhist Affairs	Improvement of Buddhist Temples	45,000,000	43,964,607	98
		Facilitation of Dhamma Schools	14,000,000	13,308,183	95
		Facilitation of Sasanarakshaka Mandala	4,000,000	3,865,322	97
		Facilitation of Seelamatha Arama 01. Mulatiyana Education & Training Institute 02. Kelaniya Seelmatha Aramaya	11,000,000	10,108,241	92
		Dhamma School Teacher's Training & Dham Sarasaviya Programme	10,000,000	9,148,161	91
202	Department of Muslim Religious and Cultural Affairs	Facilitation for Dhamma Schools	13,788,000	13,787,290	100
		Construction of Islamic Cultural Centres & Improvement of Mosque	14,800,000	14,799,616	100
		Construction of Kaththankody Mosque	31,758,000	31,757,074	100
203	Department of Christian Religious Affairs	Renovation & Rehabilitation of Infrastructure Facilities of Churches	12,500,000	12,491,827	100
		Develop the Infrastructure Facilities of Pilgrims ( Talawila, Wahakotte, Madu)	4,000,000	3,999,970	100

## Schedule II - STATEMENT OF CAPITAL INVESTMENT IN DEVELOPMENT PROJECTS - 2015

Head No.	Institution	Project Description	Provision (Rs.)	Expenditure (Rs.)	Expenditure as % of Provision
204	Department of Hindu Religious and Cultural Affairs	Renovation, Rehabilitation of Infrastructure Facilities of Hindu Temples	88,000,000	87,850,000	100
		Furniture for Dhamma Schools	1,500,000	1,500,000	100
206	Department of Cultural Affairs	Construction Project of Kundasale Kala Nikethanaya	80,000,000	59,918,677	75
		Uthuru Dakunu Mithuru Sevana - Mihinthala	15,356,427	6,968,224	45
		Renovation Project of Jone De Silva Theatre and National Art Gallery	164,204,323	164,204,323	100
		Project of Accomplishment of Chapter VI of Mahawansa (1978-2010)	16,500,000	5,251,069	32
207	Department of Archaeology	Nilagiriseya Conservation & Preservation Project	5,700,000	2,114,373	37
		Yudaganawa Conservation & Preservation Project	4,000,000	289,233	7
		Thiwankapilimageya Conservation & Preservation Project	6,000,000	4,426,958	74
		Maduwanwala Walauwa Preservation Project	2,000,000	1,999,968	100
		Rajagalathenna Archaeological Sites Conservation & Preservation Project	5,000,000	4,727,639	95
		New Rest House in Anuradhapura	4,300,000	4,273,079	99
		Exploration, Excavation & Research of Archaeological Sites and Monuments	15,000,000	10,536,576	70
		Conservation and Maintenance of Archaeological Sites and Monuments	5,000,000	2,880,421	58
		Promotion and Exhibition of Archaeological Sites and Monuments	5,000,000	4,092,980	82
		Jaffna Fort Rehabilitation Project	28,000,000	28,000,000	100
		Ritigala Archeological Sites Conservation & Preservation Project	10,000,000	5,020	0
		Popularize of Lesser Known Archaeological Sites	25,000,000	1,273,572	5
		Renovation of Ancient Dutch Market, Nupe at Matara	1,500,000	521,972	35
208	Department of National Museums	Construction of Hambantota Heritage Museum	13,000,000	12,176,481	94
		Ostrology Gallery of National Science Museum	10,000,000	8,708,745	87
		Paleo BiO Diversity Park in Rathnapura National Museum	6,500,000	6,408,206	99
		Renovation of Colombo National Museum	57,700,000	34,178,965	59
		Improvement of Regional Museums	28,000,000	27,829,624	99
209	Department of National Archives	Other Capital Expenditure 01. Deyata Kirula National Development Programme 03. Binding Legal Copies of Newspapers	2,500,000	2,059,845	82
		Archival Management Project	4,600,000	3,950,796	86
		Computerization of Indices at the National Archives of Sri Lanka	2,100,000	2,037,014	97
		Establishment of Regional Archives	3,500,000	3,453,787	99
213	Department of Educational Publications	Other Capital Expenditure 02. TSEP - Improving Quality of Text Books and Multiple Book Options (GOSL/WB)	20,000,000	14,403,143	72

## Schedule II - STATEMENT OF CAPITAL INVESTMENT IN DEVELOPMENT PROJECTS - 2015

Head No.	Institution	Project Description	Provision (Rs.)	Expenditure (Rs.)	Expenditure as % of Provision
216	Department of Social Services	Expansion of Jayavirusevana Institute at Puwakpitiya	6,000,000	2,028,897	34
		Community Based Rehabilitation Programme	13,000,000	12,264,616	94
		Modernization of Vocational Training Centers for Differently Aabled	100,000,000	87,429,587	87
		Skill Sector Development ( GOSL / ADB / WB)	20,000,000	12,978,367	65
217	Department of Probation and Child Care Services	Refurbishment of Children's Homes	10,000,000	9,644,935	96
		Supervision of Children's Homes	13,000,000	12,903,129	99
		Improvement of Vocational Skills of Childrens in Homes	6,000,000	2,727,781	45
219	Department of Sports Development	Other Capital Expenditure 01. Exposure of Standard Sports Facilities to Rural People	369,000,000	368,962,619	100
220	Department of Ayurveda	Construction of Centre for Kidney Diseases Treatment - Madawachchiya	37,000,000	32,221,692	87
		Promotion and Conservation of Traditional Indigenous Medical System	152,878,000	60,300,148	39
		Research Activities	2,000,000	289,197	14
		Maternal and Child Nutrition Programme	2,000,000	145,750	7
221	Department of Labour	Promoting Employees' Provident Fund Activities through Media to Cover Informal Sector Employments	15,000,000	14,270,218	95
222	Sri Lanka Army	Other Capital Expenditure 01. Prefabricated Building Project 02. Army Hospital Project	1,880,160,000	1,880,159,759	100
		Indian Line of Credit	1,620,000,000	764,688,434	47
		Indian Line of Credit	324,000,000	106,513,401	33
		Pakistan Line of Credit	60,000,000	500	0
223	Sri Lanka Navy	Other Capital Expenditure 01. Prefabricated Building Project	40,000,000	39,999,539	100
		Development of Naval Academy	135,000,000	131,332,028	97
		Relocation of "Vidura" - Navy Recruits Training Center	191,500,000	123,853,634	65
		Purchase of 02 Nos AOPVs (GOSL-India)	4,485,380,000	4,403,635,462	98
		Indian Line of Credit	270,000,000	35,883,271	13
		Indian Line of Credit	54,000,000	2,259,415	4
224	Sri Lanka Air Force	Establishment a Base Maintenance Centre (BMC)	1,460,000,000	1,435,602,723	98
		Russian Line of Credit	12,258,000,000	12,257,775,512	100
		Indian Line of Credit	800,000,000	244,028,712	31
		Indian Line of Credit	65,000,000	59,213,188	91
225	Department of Police	Other Capital Expenditure 01. Prefabricated Building Project 02. Relocation of Police Headquarters 03. Development of Police Academy 04. Housing Schemes for Police Service 05. Prefabricated Building Project -11 06. Procuring Horses & Dogs	1,960,690,000	763,914,035	39
		Police Information & Communication Network	1,100,400,000	5,134,655	0
		Indian Line of Credit	202,500,000	96,430,537	48
		Indian Line of Credit	58,500,000	55,487,745	95

## Schedule II - STATEMENT OF CAPITAL INVESTMENT IN DEVELOPMENT PROJECTS - 2015

Head No.	Institution	Project Description	Provision (Rs.)	Expenditure (Rs.)	Expenditure as % of Provision
226	Department of Immigration & Emigration	Other Capital Expenditure 01. Blank Travel Documents & Related Deliverables 05. Document Scanning - Visa/CIT 06. Visa Sticker Labels 08. Queue Mgt System for Travel/Visa Division 09. Dream Home Visa	656,000,000	338,131,841	52
227	Department of Registration of Persons	Other Capital Expenditure	90,000,000	89,977,081	100
228	Courts Administration	Galle Court Complex, Stage I	105,000,000	34,168,278	33
		Homagama Court, Complex	183,510,000	86,427,650	47
		Wattala Court Complex, Stage I	50,000,000	11,355,268	23
		Baticalloa Court Building	56,490,000	45,578,898	81
		Small Scale Development Programme	200,000,000	186,650,781	93
		Galagedara Court Building	50,000,000	5,585,904	11
229	Department of Attorney General	Construction of New Head Office Building	440,000,000	23,489,755	5
		Construction of Official Residences (Mannar, Kurunegala, Kandy and Vavunia)	106,000,000	19,764,728	19
230	Department of Legal Draftsman	Other Capital Expenditure	1,000,000	866,748	87
		Revision of Legislative Enactments	60,000,000	2,102,258	4
232	Department of Prisons	Construction of Pallekele Prison Complex	190,000,000	52,636,797	28
		Construction of Jaffna Prison Stage 1	150,000,000	149,950,150	100
		Relocation of Prisons in Other Districts	1,300,000,000	1,245,608,046	96
		Construction of Office Building at Headquarters Premises	24,000,000	5,180,021	22
		Rehabilitation of Prisoners	3,000,000	2,534,807	84
		Construction of Prison Training Center	15,000,000	1,099,306	7
233	Department of Government Analyst	Establishment of Digital Multi Media Crime Investigation Center (GOSL - KOICA)	90,000,000	20,000	0
236	Department of Official Languages	Other Capital Expenditure	36,350,000	35,761,604	98
237	Department of National Planning	Other Capital Expenditure	300,000	238,565	80
239	Department of External Resources	Reimbursement of VAT for Residence Missions	868,500	868,127	100
243	Department of Development Finance	Other Capital Expenditure 01. Providing Seed Paddy	267,000,000	241,299,529	90
		Global Food Crisis Response Programme (GOSL/WB)	442,000,000	386,989,417	88
		Global Food Crisis Response Programme (GOSL/WB)	35,000,000	34,630,395	99
246	Department of Inland Revenue	Revenue Administration Management Information System (RAMIS)	1,531,000,000	1,518,108,469	99
251	Department of Valuation	Assessment of Government Properties	10,000,000	7,738,800	77
252	Department of Census and Statistics	Child Activity Programme (ILO)	1,985,000	1,678,415	85
		Census of Population and Housing - 2011	2,000,000	1,984,394	99
		Economic Census	97,100,000	87,283,241	90
		Census on Damaged Property and Humans due to Conflicts	300,000	221,644	74
		Statistical Capacity Improvement Project (KOSTAT - Korea)	3,000,000	2,603,792	87

## Schedule II - STATEMENT OF CAPITAL INVESTMENT IN DEVELOPMENT PROJECTS - 2015

Head No.	Institution	Project Description	Provision (Rs.)	Expenditure (Rs.)	Expenditure as % of Provision
		Statistical Business Register (SBR)	685,338	669,610	98
263	District Secretariat - Hambantota	Other Capital Expenditure	3,500,000	2,541,579	73
		Difficulties Encountered by the People in the Area Close to the Weeraketiya National School	130,500,000	71,046,856	54
269	District Secretariat-Batticaloa	Beautification of Kallady Bridge Front-Batticaloa District	11,400,000	10,732,051	94
275	District Secretariat-Polonnaruwa	Let's Awaken Polonnaruwa" Presidential Programme 2016-2020 01. Project to be Initiated in 2015 02. Initial Cost of 5 Year Development Programme	400,000,000	201,629,727	50
280	Department of Project Management and Monitoring	Project Evaluation & Web Based Monitoring System	3,000,000	2,768,239	92
		Strengthening of Capacity of Department of Project Management and Monitoring (UNDP)	8,500,000	320,315	4
		Project for Improvement of Basic Social Services Targeting Emerging Regions (GOSL/JICA)	7,700,000	7,691,110	100
281	Department of Agrarian Development	Crop Diversification	170,000,000	148,100,472	87
		Development of Minor Irrigation Systems and Abundant Paddy Lands	1,500,000,000	1,350,003,159	90
282	Department of Irrigation	Other Capital Expenditure 01. Pre Feasibility Studies 02. Training 03. Specialised Studies 04. Ancillary Services 05. Enhancing and Upgrading the Irrigation Department IT & other Capabilities 06. Existing & New Farm Development	123,500,000	115,721,551	94
283	Department of Forests	Bio Fuel Plantation in Sri Lanka	200,000	200,000	100
		Conservation of Hill Tops in the Central Highlands in Sri Lanka	10,000,000	9,997,763	100
		Expanding Forest Cover	400,000,000	397,734,322	99
		Eco Tourism	13,000,000	12,997,630	100
		Establishment and Management of Industrial Plantations	168,000,000	167,534,492	100
		Production of Planting Materials	20,000,000	19,804,266	99
		Conversion of Pine Plantations to Native Broad Leaf Species	10,000,000	9,999,557	100
		Research and Development	15,500,000	15,064,320	97
284	Department of Wildlife Conservation	Construction of Electric Fences	300,000,000	275,819,926	92
		Habitat Enrichment for Wildlife	161,554,000	145,279,848	90
		Improvement of Road Network in National Parks	30,000,000	14,538,361	48
285	Department of Agriculture	Infrastructure Development Needs to Improve Rice Research & Development Institutes (RRDI)	62,000,000	41,918,106	68
		Small Scale Agricultural Research Project	55,008,500	55,008,101	100
		Implementation of National Agricultural Research Plan (NARP)	45,721,500	42,998,263	94
		Implementation of Tree Felling Act and Soil Conservation Act	15,000,000	12,769,712	85

## Schedule II - STATEMENT OF CAPITAL INVESTMENT IN DEVELOPMENT PROJECTS - 2015

Head No.	Institution	Project Description	Provision (Rs.)	Expenditure (Rs.)	Expenditure as % of Provision
		Development of New Hybrids & Open Pollinated Chilli, Maize, Onion & Vegetables Varieties & Production of Seeds	124,270,000	124,266,997	100
		Establishment of 100 Fruit Villages	30,000,000	25,593,199	85
		Establishment of Bio-diversity Garden of Tropical Fruits at Fruit Crops Research and Development Centre (FCRDC), Horana	40,000,000	26,402,734	66
		Post-harvest Management and Value Addition of Fruits in Sri Lanka	20,000,000	5,717,911	29
		Media Programme	30,000,000	29,989,142	100
		Bataatha and Gannoruwa Agro Technology Parks	4,598,000	4,593,415	100
		Improvement of School of Agriculture	200,000,000	144,022,851	72
		National Seed Production and Purchasing Programme	265,000,000	228,745,857	86
		Quality Assurance of Seeds and Planting Materials through the Implementation of Seed Act	21,265,000	21,253,473	100
		Accelerated Seed Farms Development Programme	119,000,000	110,181,482	93
		Minimize Potential Adverse Effects of Agro - chemicals on Human Health and Environment	58,735,000	50,826,057	87
		Promotion of Local Seed Potato Production	60,000,000	59,320,097	99
286	Department of Land Commissioner General	Other Capital Expenditure 01. Establishment of State Land Information System	20,000,000	19,837,544	99
288	Department of Surveyor	Other Capital Expenditure	10,000,000	7,461,069	75
289	Department of Export Agriculture	Implementation of National Agricultural Research Plan (NARP)	4,000,000	3,132,152	78
		Prevention & Control of Nutmeg Leaf Fall Disease in Mid Country	2,000,000	1,940,929	97
290	Department of Fisheries and Aquatic Resources	Fisheries Society Activities	3,000,000	2,979,014	99
		Intergrated Awareness Programme for Fishery Sector	3,000,000	2,976,019	99
		Introduction of Modern Technology for Small and Medium Fishing Industry	1,750,000,000	1,347,069,271	77
291	Department of Coast Conservation	Other Capital Expenditure 01. Coastal Engineering Investigation 02. Coastal Conservation & Management 03.Environmental Education Programme	1,563,600,000	1,185,474,354	76
		Participatory Coastal Zone Restoration and Sustainable Management in the Eastern Province	270,000,000	181,384,676	67
		Participatory Coastal Zone Restoration and Sustainable Management in the Eastern Province	30,000,000	6,224,287	21
292	Department of Animal Production and Health	Quality Control and Quarantine Activities	8,500,000	8,149,450	96
		Control of Contagious Diseases	40,000,000	30,271,596	76
		Livestock Health Improvement Programme	4,200,000	4,193,346	100
		Implementation of Livestock Research	36,500,000	36,496,271	100
		Production of Vaccine Against Foot and Mouth Disease Locally	25,000,000	22,650,741	91
		Establishment of Laboratory for VRI	10,000,000	8,921,773	89
		Expansion of Animal Health Surveillance	50,000,000	46,433,150	93

## Schedule II - STATEMENT OF CAPITAL INVESTMENT IN DEVELOPMENT PROJECTS - 2015

Head No.	Institution	Project Description	Provision (Rs.)	Expenditure (Rs.)	Expenditure as % of Provision
		Mastaitis Control Programme	15,000,000	14,985,030	100
		Increase the Availability of High Quality Heifer Calves	46,500,000	46,019,830	99
		Improvement of Services Delivery System of Field Veterinary Office	85,000,000	44,703,804	53
		Animal Identification and Traceability System	15,000,000	10,670,240	71
		Expansion and Modernization of Animal Quarantine Units	15,000,000	14,683,131	98
		Livestock Breeding Project	117,000,000	80,640,238	69
		Establishment of Livestock Technology Park	6,000,000	5,048,578	84
		Export Facilitation of Chicken Meat and Eggs through Poultry Health Management	18,000,000	17,974,094	100
		Exploring Commercial Fodder Production for Dairy Development	5,000,000	4,911,248	98
		Skills Sector Development Programme (GOSL/ADB)	60,000,000	42,893,746	71
293	Department of Rubber Development	Other Capital Expenditure	70,000,000	46,700,052	67
295	Department of Commerce	Other Capital Expenditure 01. Exploration of Export Markets	6,000,000	4,292,049	72
301	Department of Co-operative Development	Co-operative Development Administration	21,740,000	16,073,212	74
304	Department of Meteorology	Awareness Building	1,000,000	964,700	96
		Development of Meteorological Observation, Weather Forecasting and Dissemination (GOSL/JAPAN)	10,800,000	10,767,604	100
		Development of Meteorological Observation, Weather Forecasting and Dissemination (GOSL/JAPAN)	45,000,000	44,775,991	100
		Development of Meteorological Observation, Weather Forecasting and Dissemination (GOSL/JAPAN)	15,500,000	15,088,533	97
307	Department of Motor Traffic	Other Capital Expenditure 01. Printing of Driving Licences	950,000,000	922,897,898	97
308	Department of Posts	Enhancing Postal Services & Stamps	6,000,000	5,952,164	99
310	Government Factory	Kolonnawa Government Factory Modernization	70,000,000	17,265,161	25
311	Department of National Physical Planning	Physical Plans and Research Activities	7,000,000	2,018,569	29
326	Department of Community Based Corrections	Other Capital Expenditure	500,000	362,931	73
328	Department of Man Power & Employment	Administration and Establishment Services 01. Promotion of Employment in the Informal Sector	7,000,000	6,443,396	92
		Jobs Net Programme	2,000,000	1,616,834	81
		Producing Human Resources with Employment Skills Targeting the Demand of Labour Market	2,200,000	1,975,525	90
		Job Fair Programme	3,000,000	2,523,534	84
		Establishment of Labour Market Information System	5,500,000	4,041,600	73

## Schedule II - STATEMENT OF CAPITAL INVESTMENT IN DEVELOPMENT PROJECTS - 2015

Head No.	Institution	Project Description	Provision (Rs.)	Expenditure (Rs.)	Expenditure as % of Provision
		Conducting Career Guidance Programme for Dropout Students from Secondary Education System	6,000,000	6,000,000	100
		Establishment of Public Employment Service	6,000,000	5,285,002	88
331	Department of Divineguma Development	Divineguma Livelihood Development Programme	1,200,000,000	988,252,576	82
332	Department of National Community Water Supply	Improvement of Community Water Supply	180,443,201	89,938,174	50
		<b>Grand Total</b>	<b>199,369,864,005</b>	<b>156,571,098,659</b>	

## Schedule iii - HEAD-WISE SUMMARY OF BUDGETARY PROVISION AND EXPENDITURE - 2015

Rs. '000

Head No.	Institution	Total			Recurrent			Capital					
		Provision	Expenditure	Savings	%	Provision	Expenditure	Savings	%	Provision	Expenditure	Savings	%
1	His Excellency the President	3,727,733	3,307,042	420,691	89	2,194,218	2,115,993	78,225	96	1,533,515	1,191,049	342,465	78
2	Office of the Prime Minister	619,498	545,806	73,692	88	483,189	470,270	12,919	97	136,309	75,536	60,773	55
4	Judges of the Superior Courts	723,500	159,145	564,355	22	132,200	119,412	12,788	90	591,300	39,732	551,568	7
5	Office of the Cabinet Ministers	77,400	65,563	11,837	85	67,550	62,900	4,650	93	9,850	2,663	7,187	27
6	Public Service Commission	422,640	210,617	212,023	50	141,540	140,145	1,395	99	281,100	70,473	210,627	25
7	Judicial Service Commission	42,770	37,802	4,968	88	41,690	36,892	4,798	88	1,080	910	170	84
8	National Police Commission	47,030	41,176	5,854	88	45,680	40,374	5,306	88	1,350	803	547	59
9	Administrative Appeals Tribunal	24,330	23,475	855	96	23,130	22,917	213	99	1,200	558	642	46
10	Commission to Investigate Allegations of Bribery or Corruption	291,950	256,331	35,619	88	245,500	225,157	20,343	92	46,450	31,174	15,276	67
11	Office of the Finance Commission	43,000	38,056	4,944	89	38,500	36,037	2,463	94	4,500	2,019	2,481	45
12	National Education Commission	44,058	32,384	11,674	74	37,858	30,755	7,103	81	6,200	1,629	4,571	26
13	Human Rights Commission of Sri Lanka	186,500	168,638	17,862	90	172,200	159,908	12,292	93	14,300	8,731	5,569	61
16	Parliament	1,860,350	1,731,680	128,670	93	1,787,500	1,672,889	114,611	94	72,850	58,791	14,059	81
17	Office of the Leader of the House of Parliament	30,850	29,177	1,673	95	28,650	28,196	454	98	2,200	982	1,218	45
18	Office of the Chief Govt Whip of Parliament	40,300	39,294	1,006	98	38,450	38,013	437	99	1,850	1,281	569	69
19	Office of the Leader of the Opposition of Parliament	84,450	65,746	18,704	78	71,750	61,130	10,620	85	12,700	4,616	8,084	36
20	Department of Elections	5,966,400	5,848,909	117,491	98	5,913,425	5,802,757	110,668	98	52,975	46,152	6,823	87
21	Auditor General	1,185,865	1,158,154	27,711	98	1,157,650	1,138,328	19,322	98	28,215	19,826	8,389	70
22	Office of the Parliamentary Commissioner for Administration	14,140	11,857	2,283	84	13,640	11,829	1,811	87	500	28	472	6
101	Ministry of Buddha Sasana	832,278	799,725	32,553	96	179,507	159,250	20,257	89	652,771	640,475	12,296	98
102	Ministry of Finance	3,630,117	1,273,119	2,356,998	35	573,133	571,159	1,974	100	3,056,984	701,959	2,355,025	23
103	Ministry of Defence	19,497,425	14,476,710	5,020,715	74	5,676,980	5,363,528	313,452	94	13,820,445	9,113,182	4,707,263	66
104	Ministry of Policies and Economic Affairs	15,382,311	12,826,100	2,556,210	83	2,120,692	1,925,376	195,316	91	13,261,619	10,900,724	2,360,895	82
106	Ministry of Disaster Management	3,501,916	2,484,932	1,016,983	71	1,292,499	732,962	559,538	57	2,209,416	1,751,971	457,446	79
108	Ministry of Posts, Postal Services and Muslim Religious Affairs	130,900	127,723	3,177	98	101,699	98,636	3,063	97	29,201	29,087	114	100
110	Ministry of Justice	874,757	774,390	100,367	89	764,220	685,852	78,368	90	110,537	88,539	21,998	80
111	Ministry of Health, Nutrition and Indigenous Medicine	148,164,433	129,373,780	18,790,653	87	109,446,253	100,754,147	8,692,106	92	38,718,180	28,619,632	10,098,548	74
112	Ministry of Foreign Affairs	10,106,084	8,543,943	1,562,141	85	9,025,315	8,010,523	1,014,792	89	1,080,769	533,420	547,348	49
114	Ministry of Transport & Civil Aviation	28,380,030	20,890,709	7,489,321	74	12,595,380	12,471,210	124,170	99	15,784,650	8,419,499	7,365,151	53
117	Ministry of Higher Education and Highways	207,410,980	187,640,364	19,770,616	90	1,595,331	1,502,249	93,082	94	205,815,649	186,138,114	19,677,535	90
118	Ministry of Agriculture	55,007,726	53,730,879	1,276,846	98	53,819,665	53,017,917	801,749	99	1,188,060	712,963	475,098	60
119	Ministry of Power & Renewable Energy	9,236,379	7,910,496	1,325,884	86	3,684,500	3,321,183	362,667	90	8,867,929	7,578,313	1,289,617	85
120	Ministry of Women and Child Affairs	5,044,393	4,157,865	886,528	82	4,379,692	3,717,624	662,068	85	664,701	440,240	224,461	66
121	Ministry of Home Affairs	24,690,175	21,700,522	2,989,653	88	7,983,614	7,354,348	629,265	92	16,706,561	14,346,174	2,360,388	86
122	Ministry of Parliamentary Reforms and Mass Media	3,526,300	1,378,793	2,147,507	39	1,114,800	1,055,121	59,679	95	2,411,500	323,672	2,087,828	13
123	Ministry of Housing and Construction	6,359,880	6,319,788	40,092	99	643,190	628,675	14,515	98	5,716,690	5,691,112	25,578	100

Schedule iii - HEAD-WISE SUMMARY OF BUDGETARY PROVISION AND EXPENDITURE - 2015

Rs. '000

Head No.	Institution	Total			Recurrent			Capital					
		Provision	Expenditure	Savings	%	Provision	Expenditure	Savings	%	Provision	Expenditure	Savings	%
124	Ministry of Social Empowerment and Welfare	29,135,242	28,429,815	705,427	98	10,853,815	10,620,864	232,951	98	18,281,427	17,808,951	472,476	97
126	Ministry of Education	58,451,256	56,283,014	2,168,242	96	41,104,052	40,746,615	357,437	99	17,347,204	15,536,400	1,810,804	90
130	Ministry of Public Administration and Management	2,072,955	1,887,180	185,775	91	1,092,306	1,048,869	43,437	96	980,649	838,311	142,338	85
135	Ministry of Plantation Industries	12,588,849	11,821,172	767,677	94	9,465,499	9,403,842	61,657	99	3,123,350	2,417,330	706,020	77
136	Ministry of Sports	1,259,477	1,023,825	235,652	81	457,644	400,387	57,257	87	801,833	623,438	178,395	78
140	Ministry of Hill Country New Villages, Infrastructure and Community	1,146,470	1,056,879	89,591	92	322,030	271,079	50,951	84	824,440	785,800	38,640	95
145	Ministry of Rehabilitation, Resettlement and Hindu Religious Affairs	6,806,527	1,937,525	4,869,002	28	830,107	822,613	7,494	99	5,976,420	1,114,911	4,861,509	19
149	Ministry of Industry and Commerce	5,485,687	4,105,663	1,380,024	75	1,804,157	1,691,155	113,002	94	3,681,530	2,414,508	1,267,022	66
150	Ministry of Petroleum Resources Development	4,843,976	4,743,803	100,173	98	4,653,976	4,652,775	1,201	100	190,000	91,028	98,972	48
151	Ministry of Fisheries and Aquatic Resources Development	4,001,648	3,257,155	744,493	81	1,321,648	1,305,867	15,781	99	2,680,000	1,951,289	728,711	73
153	Ministry of Lands	3,391,793	2,890,263	501,530	85	282,520	270,314	12,206	96	3,109,273	2,619,949	489,324	84
154	Ministry of Rural Economic Affairs	18,364,167	11,931,508	6,432,659	65	7,788,417	7,696,151	92,266	99	10,575,750	4,235,357	6,340,393	40
155	Ministry of Provincial Councils and Local Government	298,435,058	226,994,669	71,440,388	76	233,151,233	168,558,301	64,592,932	72	65,283,825	58,436,369	6,847,456	90
157	Ministry of National Dialogue	592,365	405,911	186,454	69	287,065	260,680	26,385	91	305,300	145,231	160,069	48
158	Ministry of Public Enterprise Development	1,206,888	1,189,905	16,983	99	119,044	105,707	13,337	89	1,087,844	1,084,198	3,646	100
159	Ministry of Tourism Development and Christian Religious Affairs	169,050	64,517	104,533	38	56,000	43,331	12,669	77	113,050	21,186	91,864	19
160	Ministry of Mahaweli Development and Environment	35,886,828	28,270,462	7,166,366	80	3,534,725	3,516,456	18,269	99	32,352,103	25,204,006	7,148,097	78
161	Ministry of Sustainable Development and Wildlife	117,630	103,297	14,333	88	100,698	91,153	9,546	91	16,932	12,145	4,787	72
162	Ministry of Megapollce and Western Development	18,016,125	7,437,899	10,578,226	41	477,675	459,021	18,654	96	17,538,450	6,978,878	10,559,572	40
163	Ministry of Internal Affairs, Wayamba Development and Cultural Affairs	4,412,944	1,324,130	3,088,814	30	889,200	820,482	68,718	92	3,523,744	503,648	3,020,096	14
164	Ministry of Southern Development	55,940	39,038	16,902	70	31,065	18,606	12,459	60	24,875	20,431	4,444	82
165	Ministry of National Integration and Reconciliation	32,802	6,624	26,178	20	29,242	5,829	23,413	20	3,560	795	2,765	22
166	Ministry of City Planning and Water Supply	39,335,874	30,291,073	9,044,801	77	213,127	210,870	2,257	99	39,122,747	30,080,203	9,042,544	77
176	Ministry of Ports and Shipping	2,227,818	214,520	2,013,298	10	216,538	205,809	10,729	95	2,011,280	8,711	2,002,569	0.43
182	Ministry of Foreign Employment	1,145,538	963,312	182,226	84	612,488	538,246	74,242	88	535,050	425,065	107,985	80
192	Ministry of Law and Order and Prisons Reforms	7,620,782	7,270,163	350,619	95	6,640,846	6,566,017	74,829	99	979,936	704,146	275,790	72
193	Ministry of Labour and Trade Union Relations	260,750	237,069	23,681	91	215,560	202,632	12,928	94	45,190	34,438	10,752	76
194	Ministry of Telecommunication and Digital Infrastructure	1,440,550	838,614	581,936	60	101,739	94,141	7,598	93	1,338,811	764,473	574,338	57
195	Ministry of Development Strategies and International Trade	713,085	539,767	173,318	76	353,595	343,794	9,801	97	359,490	195,973	163,517	55
196	Ministry of Science, Technology and Research	3,756,900	3,148,133	608,767	84	1,500,350	1,425,781	74,569	95	2,256,550	1,722,353	534,197	76
197	Ministry of Skills Development and Vocational Training	8,798,705	6,448,140	2,350,565	73	2,889,485	2,849,057	40,428	99	5,909,220	3,599,082	2,310,138	61
198	Ministry of Irrigation and Water Resources Management	7,215,059	9,139,935	-1,924,876	127	333,290	315,454	17,836	95	6,881,768	8,824,481	-1,942,713	128
199	Ministry of Primary Industries	41,405	32,121	9,284	78	28,355	20,865	7,490	74	13,050	11,257	1,793	86
201	Department of Buddhist Affairs	1,056,510	1,014,178	42,332	96	962,760	928,633	34,127	96	93,750	85,545	8,205	91
202	Department of Muslim Religious and Cultural Affairs	158,555	157,186	1,369	99	82,304	81,845	459	99	76,251	75,341	910	99
203	Department of Christian Religious Affairs	149,490	146,542	2,948	98	125,275	123,037	2,238	98	24,215	23,505	710	97

## Schedule iii - HEAD-WISE SUMMARY OF BUDGETARY PROVISION AND EXPENDITURE - 2015

Head No.	Institution	Total			Recurrent			Capital					
		Provision	Expenditure	Savings	%	Provision	Expenditure	Savings	%	Provision	Expenditure	Savings	%
204	Department of Hindu Religious and Cultural Affairs	222,477	221,134	1,343	99	127,952	126,763	1,189	99	94,525	94,371	154	100
205	Department of Public Trustee	48,355	44,844	3,511	93	45,450	42,117	3,333	93	2,905	2,727	178	94
206	Department of Cultural Affairs	797,105	752,513	44,592	94	500,365	495,533	4,832	99	296,740	256,980	39,760	87
207	Department of Archaeology	1,001,000	910,942	90,058	91	849,500	824,877	24,623	97	151,500	86,065	65,435	57
208	Department of National Museums	309,296	268,245	41,051	87	161,436	149,854	11,582	93	147,860	118,391	29,469	80
209	Department of National Archives	286,216	134,203	152,013	47	109,816	98,661	11,155	90	176,400	35,541	140,859	20
210	Department of Information	234,900	193,468	41,432	82	216,363	179,645	36,718	83	18,537	13,823	4,714	75
211	Department of the Government Printer	2,006,850	1,936,056	70,794	96	1,833,854	1,789,625	44,209	98	173,016	146,431	26,585	85
212	Department of Examinations	3,196,150	3,021,146	175,004	95	3,030,400	2,979,530	50,870	98	165,750	41,616	124,134	25
213	Department of Educational Publications	111,300	96,651	14,649	87	55,400	47,261	8,139	85	55,900	49,390	6,510	88
214	University Grants Commission	34,738,000	34,495,417	262,584	99	25,898,000	25,760,736	137,264	99	8,860,000	8,734,681	125,320	99
215	Department of Technical Education & Training	1,964,248	1,919,159	45,089	98	1,628,348	1,597,814	30,534	98	335,900	321,345	14,555	96
216	Department of Social Services	604,530	548,027	56,503	91	426,638	407,117	19,541	95	177,872	140,909	36,963	79
217	Department of Probation and Child Care Services	323,200	307,028	16,172	95	290,083	278,206	11,877	96	33,117	28,822	4,295	87
219	Department of Sports Development	2,799,806	2,310,168	489,638	83	586,506	534,905	51,601	91	2,213,300	1,775,263	438,037	80
220	Department of Ayurveda	1,741,967	1,522,025	219,942	87	1,166,967	1,109,013	57,954	95	575,000	413,011	161,989	72
221	Department of Labour	3,117,104	2,932,081	185,023	94	1,411,200	1,357,881	53,319	96	1,705,904	1,574,199	131,705	92
222	Sri Lanka Army	159,814,900	158,351,344	1,463,556	99	151,629,470	151,624,689	4,781	100	8,185,430	6,726,655	1,458,775	82
223	Sri Lanka Navy	58,042,380	57,042,425	999,955	98	48,187,800	48,025,626	162,174	100	9,854,580	9,016,799	837,781	91
224	Sri Lanka Air Force	53,174,500	49,525,572	3,648,928	93	33,876,500	32,281,397	1,595,103	95	19,298,000	17,244,175	2,053,825	89
225	Department of Police	57,868,940	54,224,019	3,644,921	94	52,329,150	51,343,699	985,451	98	5,539,790	2,880,320	2,659,470	52
226	Department of Immigration and Emigration	1,807,280	1,372,284	434,996	76	989,380	966,082	23,298	98	817,900	406,201	411,699	50
227	Department of Registration of Persons	674,580	667,796	6,784	99	571,239	566,930	4,309	99	103,341	100,866	2,475	98
228	Courts Administration	6,267,019	5,817,048	449,971	93	5,061,927	4,992,982	68,945	99	1,205,092	824,066	381,026	68
229	Department of Attorney General	1,268,116	746,214	521,902	59	657,616	655,067	2,549	100	610,500	91,147	519,353	15
230	Department of Legal Draftsman	158,650	88,127	70,523	56	87,840	76,207	11,633	87	70,810	11,921	58,889	17
231	Department of Debt Conciliation Board	12,000	9,381	2,619	78	11,000	8,888	2,112	81	1,000	493	507	49
232	Department of Prisons	6,892,188	6,526,231	365,957	95	4,648,000	4,620,303	27,697	99	2,244,188	1,905,928	338,260	85
233	Department of Government Analyst	515,300	372,685	142,615	72	224,800	210,063	14,737	93	290,500	162,621	127,879	56
234	Registrar of Supreme Court	156,500	135,903	20,597	87	145,500	130,089	15,411	89	11,000	5,813	5,187	53
235	Department of Law Commission	17,000	11,295	5,705	66	15,000	10,163	4,837	68	2,000	1,132	868	57
236	Department of Official Languages	136,250	129,455	6,795	95	96,650	90,877	5,773	94	39,600	38,578	1,022	97
237	Department of National Planning	91,710	81,513	10,197	89	76,110	68,487	7,623	90	15,600	13,026	2,574	83
238	Department of Fiscal Policy	78,380	72,661	5,719	93	75,880	70,434	5,446	93	2,500	2,227	273	89
239	Department of External Resources	3,007,855	874,823	2,133,032	29	333,242	196,968	136,274	59	2,674,613	677,855	1,996,758	25
240	Department of National Budget	15,267,508	6,901,991	8,365,517	45	8,554,029	2,350,216	6,203,814	27	6,713,479	4,551,775	2,161,703	68

Schedule iii - HEAD-WISE SUMMARY OF BUDGETARY PROVISION AND EXPENDITURE - 2015

Rs. '000

Head No.	Institution	Total			Recurrent			Capital					
		Provision	Expenditure	Savings	%	Provision	Expenditure	Savings	%	Provision	Expenditure	Savings	%
241	Department of Public Enterprises	94,470,005	89,453,672	5,016,333	95	64,605	62,746	1,859	97	94,405,400	89,390,926	5,014,474	95
242	Department of Management Services	48,400	46,447	1,953	96	44,325	43,106	1,219	97	4,075	3,342	733	82
243	Department of Development Finance	7,039,446	6,840,253	199,193	97	3,608,656	3,586,084	22,572	99	3,430,790	3,254,170	176,620	95
244	Department of Trade and Investment Policy	1,161,765	1,161,005	760	100	1,157,092	1,156,559	533	100	4,674	4,446	228	95
245	Department of Public Finance	196,900	194,156	2,744	99	194,600	192,430	2,170	99	2,300	1,727	573	75
246	Department of Inland Revenue	4,476,050	4,437,134	38,916	99	2,440,000	2,428,412	11,588	100	2,036,050	2,008,722	27,328	99
247	Sri Lanka Customs	2,085,446	2,046,936	38,510	98	1,870,540	1,865,927	4,613	100	214,906	181,010	33,896	84
248	Department of Excise	1,054,542	812,545	241,997	77	666,626	665,084	1,542	100	387,916	147,461	240,455	38
249	Department of Treasury Operations	1,400,858,999	1,380,811,933	20,047,066	99	531,602,575	528,958,834	2,643,741	100	869,256,424	851,853,099	17,403,325	98
250	Department of State Accounts	45,350	41,344	4,006	91	36,150	35,686	464	99	9,200	5,658	3,542	62
251	Department of Valuation	404,000	391,436	12,564	97	365,800	364,622	1,178	100	38,200	26,814	11,386	70
252	Department of Census & Statistics	1,287,235	1,036,035	251,201	80	812,250	805,376	6,874	99	474,985	230,658	244,327	49
253	Department of Pensions	187,619,350	180,286,554	7,332,796	96	187,567,483	180,234,872	7,332,611	96	51,867	51,682	185	100
254	Department of Registrar General	1,325,200	1,272,045	53,155	96	1,261,200	1,217,452	43,748	97	64,000	54,593	9,407	85
255	District Secretariat - Colombo	1,513,500	1,281,258	232,242	85	688,700	678,723	9,977	99	824,800	602,535	222,265	73
256	District Secretariat - Gampaha	1,244,228	1,022,302	221,926	82	949,428	944,987	4,441	100	294,800	77,315	217,485	26
257	District Secretariat - Kalutara	916,400	912,195	4,205	100	796,200	795,589	611	100	120,200	116,606	3,594	97
258	District Secretariat - Kandy	1,147,983	1,144,760	3,223	100	1,066,983	1,066,791	192	100	81,000	77,969	3,031	96
259	District Secretariat - Matale	768,150	622,437	145,713	81	556,150	552,475	3,675	99	212,000	69,961	142,039	33
260	District Secretariat - Nuwara Eliya	485,300	459,159	26,141	95	435,300	423,755	11,545	97	50,000	35,404	14,596	71
261	District Secretariat - Galle	1,120,300	1,084,994	35,306	97	1,042,300	1,037,713	4,587	100	78,000	47,281	30,719	61
262	District Secretariat - Matara	1,074,350	1,000,934	73,416	93	991,540	929,718	61,822	94	82,810	71,217	11,593	86
263	District Secretariat - Hambanthota	923,750	857,354	66,396	93	695,650	690,016	5,634	99	228,100	167,338	60,762	73
264	District Secretariat - Jaffna	731,640	726,989	4,651	99	653,990	649,340	4,650	99	77,650	77,649	1	100
265	District Secretariat - Mannar	389,322	311,700	77,622	80	195,222	193,399	1,823	99	194,100	118,301	75,799	61
266	District Secretariat/ Kachcheri - Vavuniya	263,250	262,069	1,181	100	186,634	186,249	385	100	76,616	75,820	796	99
267	District Secretariat - Mullaitivu	282,100	251,389	10,711	96	188,626	177,970	10,656	94	73,474	73,418	56	100
268	District Secretariat - Killinochchi	210,600	206,839	3,761	98	173,600	170,574	3,026	98	37,000	36,265	735	98
269	District Secretariat - Batticaloa	758,000	601,418	156,582	79	543,700	538,217	5,483	99	214,300	63,201	151,099	29
270	District Secretariat - Ampara	842,251	842,250	1	100	778,251	778,250	1	100	64,000	64,000	0	100
271	District Secretariat - Trincomalee	406,220	396,442	9,778	98	352,920	344,117	8,803	98	53,300	52,325	975	98
272	District Secretariat - Kurunegala	1,601,223	1,584,666	16,557	99	1,547,223	1,540,573	6,650	100	54,000	44,093	9,907	82
273	District Secretariat - Puttalam	684,950	678,985	5,965	99	627,650	621,730	5,920	99	57,300	57,255	45	100
274	District Secretariat - Anuradhapura	856,100	826,967	29,133	97	776,100	773,739	2,361	100	80,000	53,228	26,772	67
275	District Secretariat - Polonnaruwa	955,700	568,994	386,706	60	351,500	340,531	10,969	97	604,200	228,463	375,737	38
276	District Secretariat - Badulla	735,550	710,758	24,792	97	617,550	612,984	4,566	99	118,000	97,774	20,226	83

## Schedule iii - HEAD-WISE SUMMARY OF BUDGETARY PROVISION AND EXPENDITURE - 2015

Rs. '000

Head No.	Institution	Total			Recurrent			Capital					
		Provision	Expenditure	Savings	%	Provision	Expenditure	Savings	%	Provision	Expenditure	Savings	%
277	District Secretariat - Monaragala	483,317	474,583	8,734	98	429,550	429,384	166	100	53,767	45,199	8,568	84
278	District Secretariat - Rathnapura	901,200	851,685	49,515	95	734,200	730,416	3,784	99	167,000	121,269	45,731	73
279	District Secretariat - Kegalle	707,000	629,508	77,492	89	607,000	600,292	6,708	99	100,000	29,215	70,785	29
280	Department of Project Management and Monitoring	100,621	91,779	8,842	91	78,680	78,628	53	100	21,941	13,151	8,790	60
281	Department of Agrarian Development	8,162,091	7,831,987	330,104	96	6,076,091	5,988,419	87,672	99	2,086,000	1,843,568	242,432	88
282	Department of Irrigation	13,397,223	13,198,165	199,058	99	2,848,873	2,821,112	27,761	99	10,548,350	10,377,053	171,297	98
283	Department of Forests	2,046,335	2,032,017	14,318	99	1,198,585	1,188,985	9,600	99	847,750	843,032	4,718	99
284	Department of Wildlife Conservation	1,631,618	1,543,232	88,386	95	973,618	956,153	17,465	98	658,000	587,079	70,921	89
285	Department of Agriculture	6,138,251	5,785,704	352,547	94	4,057,901	3,978,908	78,993	98	2,080,350	1,806,796	273,554	87
286	Department of Land Commissioner General	394,080	391,699	2,381	99	314,030	312,646	1,384	100	80,050	79,053	997	99
287	Department of Land Title Settlement	400,300	388,990	11,310	97	377,800	369,873	7,927	98	22,500	19,117	3,383	85
288	Department of Surveyor	3,267,334	3,198,622	68,712	98	3,026,034	2,966,920	59,114	98	241,300	231,702	9,598	96
289	Department of Export Agriculture	992,770	966,123	26,647	97	564,670	549,550	15,120	97	428,100	416,573	11,527	97
290	Department of Fisheries and Aquatic Resources	2,201,660	1,777,118	424,542	81	384,460	376,722	7,738	98	1,817,200	1,400,396	416,804	77
291	Department of Coast Conservation	2,114,600	1,598,394	516,206	76	203,800	197,336	6,464	97	1,910,800	1,401,058	509,742	73
292	Department of Animal Production & Health	1,127,520	997,219	130,301	88	512,770	501,688	11,082	98	614,750	495,531	119,219	81
293	Department of Rubber Development	3,691,350	3,194,564	496,786	87	2,589,350	2,302,460	286,890	89	1,102,000	892,105	209,895	81
294	Department of National Zoological Gardens	896,432	863,234	33,198	96	299,782	299,080	702	100	596,650	564,154	32,496	95
295	Department of Commerce	121,905	108,144	13,761	89	105,653	96,002	9,651	91	16,252	12,142	4,110	75
296	Department of Import & Export Control	63,193	57,047	6,146	90	58,293	54,391	3,902	93	4,900	2,655	2,245	54
297	Department of the Registrar of Companies	49,200	47,436	1,764	96	49,200	47,436	1,764	96	0	0	0	-
298	Department of Measurement Units, Standards and Services	316,440	315,359	1,081	100	95,940	94,999	941	99	220,500	220,360	140	100
299	National Intellectual Property Office of Sri Lanka	25,869	25,277	592	98	25,869	25,277	592	98	0	0	0	-
300	Department of Food Commissioner	228,370	194,649	33,721	85	206,687	192,641	14,046	93	21,683	2,007	19,676	9
301	Department of Co-Operative Development	86,991	79,617	7,374	92	63,786	62,200	1,586	98	23,205	17,417	5,788	75
302	Co-operative Employees Commission	15,231	14,265	966	94	14,096	13,273	823	94	1,135	993	142	87
303	Department of Textile Industries	103,500	86,531	16,969	84	72,000	68,249	3,751	95	31,500	18,282	13,218	58
304	Department of Meteorology	603,180	360,064	243,116	60	255,180	248,533	6,647	97	348,000	111,531	236,469	32
306	Department of Sri Lanka Railways	58,051,686	44,485,025	13,566,661	77	14,165,486	14,048,776	116,710	99	43,886,200	30,436,249	13,449,951	69
307	Department of Motor Traffic	3,602,000	3,407,349	194,651	95	2,361,012	2,217,645	143,366	94	1,240,988	1,189,704	51,285	96
308	Department of Posts	11,960,500	11,952,035	8,465	100	11,759,500	11,755,687	3,813	100	201,000	196,348	4,652	98
309	Department of Building	345,300	338,962	6,338	98	292,900	286,735	6,165	98	52,400	52,228	172	100
310	Government Factory	231,575	162,322	69,253	70	79,375	75,567	3,808	95	152,200	86,756	65,444	57
311	Department of National Physical Planning	192,250	176,707	15,543	92	179,250	169,065	10,185	94	13,000	7,641	5,359	59
320	Department of Civil Security	17,477,920	17,301,399	176,521	99	17,289,920	17,114,024	175,896	99	188,000	187,375	625	100

Schedule iii - HEAD-WISE SUMMARY OF BUDGETARY PROVISION AND EXPENDITURE - 2015 Rs. '000

Head No.	Institution	Total			Recurrent			Capital			
		Provision	Expenditure	Savings	Provision	Expenditure	Savings	Provision	Expenditure	Savings	
322	Department of National Botanical Gardens	706,511	682,012	24,499	337,211	332,789	4,422	369,300	349,222	20,078	95
323	Department of Legal Affairs	20,100	11,885	8,215	19,035	11,087	7,948	1,065	798	267	75
324	Department of Management Audit	31,960	31,700	260	30,460	30,389	71	1,500	1,311	189	87
325	Department of Sri Lanka Coast Guard	136,922	89,377	47,545	32,270	30,622	1,648	104,652	58,756	45,896	56
326	Department of Community Based Corrections	233,800	226,600	7,200	221,512	214,701	6,811	12,288	11,898	390	97
327	Department of Land Use Policy Planning	387,967	376,658	11,309	322,967	320,666	2,301	65,000	55,992	9,008	86
328	Department of Manpower and Employment	352,800	346,571	6,229	312,300	310,137	2,163	40,500	36,435	4,065	90
329	Department of Information Technology Management	66,982	66,385	596	62,370	61,783	587	4,612	4,603	9	100
331	Department of Divinaguma Development	54,759,850	52,330,089	2,429,761	53,439,900	51,306,092	2,133,808	1,319,950	1,023,997	295,953	78
332	Department of National Community Water Supply	244,929	145,974	98,956	44,929	39,843	5,086	200,000	106,130	93,870	53
<b>Grand Total</b>		<b>3,475,411,295</b>	<b>3,203,279,983</b>	<b>272,131,312</b>	<b>1,776,233,397</b>	<b>1,672,921,451</b>	<b>103,311,945</b>	<b>1,699,177,898</b>	<b>1,530,358,532</b>	<b>168,819,366</b>	

Schedule IV  
STATEMENT OF PROVINCIAL COUNCILS REVENUE AND EXPENDITURE REPORT - 2015

Rs

Category	Province							Total		
	Western	Central	Southern	Northern	North Western	North Central	Uva		Sabaragamuwa	Eastern
<b>Total Revenue</b>	35,607,240,513	6,027,182,924	6,107,178,857	2,231,870,810	6,013,008,236	2,817,577,087	2,726,822	3,381,182,083	2,705,063	62,190,672,396
<b>Recurrent Expenditure</b>	49,433,790,867	27,998,057,732	24,950,959,206	18,372,943,761	26,572,368,845	14,848,459,911	18,590,634,933	20,858,411,771	19,886,682,539	221,512,309,565
<b>Capital Expenditure</b>	5,283,723,514	4,574,163,040	766,581,642	2,531,249,547	2,703,136,197	3,281,107,099	463,797,641	3,968,426,124	349,504,980	23,921,689,784
<b>Total Expenditure</b>	54,717,514,381	32,572,220,772	25,717,540,848	20,904,193,308	29,275,505,042	18,129,567,010	19,054,432,573	24,826,837,895	20,236,187,519	245,433,999,349



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**கணக்காய்வாளர் தலைமை அறிபதி திணைக்களம்**  
**AUDITOR GENERAL'S DEPARTMENT**



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 Date }

20<sup>14</sup> May 2016

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 2015**

The audit of financial statements of the Democratic Socialist Republic of Sri Lanka for the year ended 31 December 2015 comprising the statement of financial position as at 31 December 2015 and the 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 the 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 Auditing 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 loans not exceeding Rs.1,780,000 million could have been raised whether in or outside Sri Lanka in the year 2015 for and on behalf of the Government in accordance with the applicable laws in terms of Section 2(1)(b) of the Appropriation Act, No. 41 of 2014, according to the Financial Statements of the Republic, domestic and foreign loans amounting to Rs.3,349,805 million had been raised during the year under review. Accordingly, the limit authorized by Parliament had been exceeded by Rs.1,569,805 million during the year 2015. Comparatively, the limit on loans authorized by Parliament during the preceding year had been exceeded by Rs.1,164,775 million.
2. According to the Financial Statements, the loan balance payable by the Government as at 31 December 2015 amounted to Rs.7,684,954 million. Nevertheless, according to the impact of the following observations revealed during the course of audit test checks, that loan balance had been understated by Rs.1,025,180 million.

- (a) Even though the Department of Treasury Operations had confirmed the Face Value of the Treasury Bonds as at 31 December 2015 as Rs.3,695,541 million, that balance had been understated by Rs.508,763 million in the Financial Statements.
  - (b) Even though the Department of Treasury Operations had confirmed the Face Value of the Treasury Bills as at 31 December 2015 as Rs.663,285 million, that balance had been understated by Rs.30,000 million in the Financial Statements.
  - (c) The loan balance amounting to Rs.338,141 million payable by the Republic as at 31 December 2015 in connection with 07 Loan Agreements entered into by the Republic with Foreign Lending Institutions had not been included in the Financial Statements.
  - (d) According to the information obtained from the Department of National Budget, the Financial Lease Liability as at 31 December 2015 had been confirmed as Rs.19,376 million, the liability relating to the motor cycles purchased on financial lease system from the year 2014 had been understated by Rs.13,807 million.
  - (e) The loan balance of Rs.7,550 million obtained by the Ministry of Defence from 04 domestic Banks for the construction of the building for the Department of Registration of Persons had not been included in the Financial Statements.
  - (f) Sums totalling Rs.12,031 million comprising Rs.2,469 million as installments and Rs.9,562 million as interest had been paid on the loans obtained by a Ministry in the year 2014 from domestic Banks on Government Guarantees. Even though the Government had paid those loans and interest, the loan balance of Rs.126,919 million had not been included in the Financial Statements.
3. Even though Rs.527,227 million had been paid as interest for the year under review in accordance with the Financial Statements, the net results of the following observations revealed during the course of the audit test checks carried out in that connection, Rs.16,818 million had been overstated.

- (a) The interest revenue amounting to Rs.13,998 million earned from the issue of Treasury Bonds had been surcharged to the Interest Payment Account, and as such the interest revenue received and interest payments in the year 2015 had been understated by that amount in the Financial Statements.
- (b) In the issue of the Treasury Bonds at a price less than the Face Value of the Treasury Bonds, the sale value of the Bonds only had been credited to the Bonds Account instead of crediting the Face Value of Bonds to the Bonds Account and the release of the Face Value of those Bonds in the year under review by paying cash, the Bonds discount of Rs.40,378 million had been debited to the Interest Account, thus overstating the interest shown in the Financial Statements by Rs.40,378 million.
- (c) According to the Return 854-1 prepared by the Department of External Resources, the interest on foreign loans in respect of the year under review amounted to Rs.83,063 million whereas according to Note No. 08 of the Financial Statements, the interest payments amounted to Rs.77,174 million. Accordingly, the interest payments had been understated by Rs.5,889 million in the Financial Statements.
- (d) Even though interest amounting to Rs.9,562 million had been paid on the loans obtained from Banks on Government Guarantees by a Ministry, that had been brought to account as Government Investments instead of being brought to account as payment of interest. Thus, the interest payments had been understated by Rs.9,562 million.

- 4. According to the Financial Statements, the Government had paid sub-loans amounting to Rs.174,196 million to various State Institutions. According to the net impact of the following observations revealed during the course of the audit test carried out in this connection, the value thereof had been understated by Rs.2,682 million in the financial statements.

- (a) Even though the sub-loan balance receivable as at 31 December 2015 from 14 State Institutions had been shown in the Financial Statements as Rs.8,390 million, the Institutions concerned had confirmed those loan balances as Rs.7,215 million, thus the sub-loan balances of those 14 Institutions had been overstated by Rs.1,175 million.
  - (b) According to the Financial Statements, the value of the Sub-loans of 07 Institutions as at 31 December 2015 amounted to Rs.5,726 million, and those Institutions had confirmed those loan balances as Rs.9,333 million. As such, the loan balances of those 07 Institutions had been understated by Rs.3,607 million in the Financial Statements.
  - (c) The sub-loan of Rs.250 million granted at 9 per cent interest in the year 2001 to the State Mortgage and Investment Bank and the interest amounting to Rs.337 million receivable from the year 2001 to 31 December 2015 had not been included in the Financial Statements.
5. Instead of separately recording the Premium earned from the issue of Bonds in the year 2015 in the Financial Statements, that had been credited to the Treasury Bonds Account. As such the value of the Treasury Bonds had been overstated by Rs.18,846 million.
6. Even though the receipts and payments of Foreign Loans had been shown in the Financial Statements as Rs.556,370 million and Rs.187,113 million respectively, according to the impact of the audit observations revealed during the course of the audit test check carried out in that connection, receipts of Foreign Loans had been understated by Rs.34,003 million and the payment of Foreign Loans had been understated by Rs.4,605 million.
- (a) The Foreign Loans amounting to Rs.10,697 million received in the year 2015 under 07 Foreign Loan Agreements and the payments of Foreign Loans amounting to Rs.4,605 million during the year 2015 had not been included in the Financial Statements.

- (b) Out of the Foreign Loans received under 41 Loan Agreements during the year under review, a sum of Rs.23,306 million had not been included in the Financial Statements.
- (c) Even though a sum of Rs.187,113 million had been shown in the Financial Statements as the repayments of Foreign Loans, according to the Note No. 30(i) thereof (Statement of Foreign Loan Balances) the repayments of Foreign Loans amounted to Rs.174,800 million. As such, a difference of Rs.12,313 million was observed.
7. The value of investment made by the Government in the Public Enterprises appearing in the Financial Statements amounted to Rs.492,192 million. According to the net impact of the following observations revealed during the course of the audit test check carried out in that connections, that value had been understated by Rs.105,068 million.
- (a) Even though the capitalized value of the State lands vested in the Hotels Development (Lanka) Co. Ltd amounted to Rs.7,000 million, that value had not been disclosed in the Financial Statements.
- (b) The capital contribution of Rs.100 million made by the General Treasury in the year 2011 in a private company had not been shown in the Financial Statements.
- (c) According to the Financial Statements, the capital contribution made by the General Treasury in 06 Enterprises out of the 129 Enterprises owned by the Government had been shown as Rs.305,152 million, and the Institutions concerned had shown capital contributions totalling Rs.339,069 million. As such, the capital contributions totalling Rs.33,917 million relating to those 06 Enterprises had been understated in the accounts.
- (d) According to the Financial Statements, the capital contribution made by the General Treasury in 02 Enterprises out of the 129 Enterprises owned by the Government had been shown as Rs.349 million, the confirmation of balances had established that the General Treasury had not invested in the capital of the respective Institutions. Accordingly, a sum of Rs.349 million had been overstated in the Financial Statements.

- (e) The General Treasury had made capital contributions of Rs.50,500 million in the Ceylon Petroleum Corporation and Rs.13,900 million in the National Water Supply and Drainage Board in the year 2015 through the issue of Treasury Bonds. But that amount had not been shown in the Financial Statements of the Republic for the year 2015.
8. Disclosure had not been made in the Financial Statements in regard to the arrears of revenue totalling Rs.55,408 million in respect of the year under review relating to three major revenue earning Institutions.
  9. Even though the Telecommunications Regulatory Commission of Sri Lanka had obtained a Commercial Loan of U.S.\$ 104.3 million or Rs.15,238 million from a Company in China on the Guarantee of the Ministry of Finance for the Construction of the Lotus Tower Multifunctioning TV and Telecommunications Tower, that contingent liability had not been included in the Financial Statements of the Republic.
  10. The Ministry of Irrigation and Water Management had paid advances totalling Rs.4,011 million comprising Rs.3,012 million in the year under review and Rs.999 million in the preceding year to a Foreign Company in connection with the Gin Nilwala River Diversion Project. Even though provision of Rs.40 million for this Project had been made in the year under review under the Object 198-2-3-18-2502 a sum of Rs.3,012 million which exceeded that provision by a sum of Rs.2,972 million had been paid.
  11. A balance of Rs.400 million existed in the Suspense Account No.8533 in the Financial Statements of the Republic for the year under review and that balance included the expenditure incurred for the purchase of motor vehicles for the Common Wealth Conference. That balance had not been settled by the end of the year under review by obtaining provision and amounting for that expenditure. In addition to that, a credit balance existed of Rs,1,269 million in the Suspense Account No. 8233 and action had not been taken even by the end of the year under review for the settlement of that balance.

12. According to the Revised Budget Estimates for the year under review, the Budget Deficit amounted to Rs.1,170,980 million and that represented 10.47 per cent of the estimated Gross Domestic Product. Even though in terms of Section 3(4) of the Fiscal Management (Responsibility) Act, No. 3 of 2003, the estimated Budget Deficit should be reduced to 5 per cent of the Gross Domestic Product, the Budget Estimates exceeding that limit had been prepared.

### **Qualified Opinion**

In my opinion, except for the effects of the matters described in the Basis for Qualified Opinion paragraph of this report, 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 2015 and its financial performance and cash flows for the year then ended in accordance with the Generally Accepted Accounting Principles.

### **Reporting to Parliament**

The Report I should forward to Parliament in pursuance of Article 154(6) of the Constitution will be issued in due course.



H.M.Gamini Wijesinghe  
Auditor General

# Statistical Appendix



Table 1 | Sri Lanka: Demographic and Related Trends

Item	Unit	1995	2000	2001	2002	2003	2004	2005	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015(a)	
Mid Year Population	'000	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	20,771	20,966	
Mid-Year Population by Age Group	'000																		
0 -14 Years		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	5,235	5,288	
15- 64 Years		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	13,901	14,030	
65 Years and Over		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	1,635	1,648	
Growth of Population	%	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	0.9	
Density of Population	Persons per sq. km	289	305	300	303	307	310	314	317	319	332	326	329	333	324	327	331	334	
Life Expectancy at Birth	Years																		
Male		69.5	-	-	-	-	-	-	69.9	-	-	-	-	70.5	n.a.	n.a.	n.a.	n.a.	
Female		74.2	-	-	-	-	-	-	78.7	-	-	-	-	79.8	n.a.	n.a.	n.a.	n.a.	
Crude Birth Rate	Per '000	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	16.0	
Crude Death Rate	Per '000	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	6.3	
Infant Mortality Rate (IMR)	Per '000 Live Births	16.5	13.4	12.6	11.4	11.3	9.8	11.2	10.0	8.5	8.5	9.7	-	-	n.a.	8.2	n.a.	n.a.	
Maternal Mortality Rate (MMR)	Per 100,000 Live Births	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.	n.a.	
Net Migration Rate	Per '000	-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	-2.2	0.7	
Dependency Ratio	%	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	52.90	49.40	49.10	
Dependency Ratio - 65 years and Over	%	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	11.80	11.50	
Literacy rate (b)	Overall % of Population	-	-	-	-	-	-	-	91.5	91.1	91.3	91.4	91.9	92.2	95.7 (e)	92.5	93.3	-	
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 & over

(c) Computer (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	1995	2000	2001	2002	2003	2004	2005	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015
<b>Annual Rainfall (Average) Total</b>	mm	1,626	1,296	1,430	1,471	1,419	1,945	1,607	1,921	1,640	2,020	1,711	1,992	2,027	1,776	1,687	2,375	2,387
<b>Highest Rainfall</b>																		
Cities with Highest Rainfall	mm																	
Anuradhapura		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	121.6
Badulla		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	79.4
Batticaloa		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	182.9
Colombo		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	114.4
Hambantota		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	92.2
Kandy		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	80.4
Kurunegala		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	97.9
Nuwara Eliya		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	120.0
Ratnapura		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	82.7
Vavuniya		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	136.5
<b>Annual Average Minimum Temperature</b>	0c																	
Low Country		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	23.4	24.3
Hill Country		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	16.9
<b>Annual Average Maximum Temperature</b>	0c																	
Low Country		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	31.9	32.0
Hill Country		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	25.9

Source: Department of Meteorology  
 Note: Badulla, Bandarawela, Nuwaraeliya and Katugstota stations have been considered for the calculation of hill country temperature.

Table 3 | Gross Domestic Product (GDP), Inflation and Exchange Rate

Year	GDP (e)						Inflation			Exchange Rate										
	GDP at Current Market Prices (Rs. Mn.)	GDP at Current Market Prices (US\$ Mn.)	Per Capita GDP at Current Market Price (US\$)	Real GDP Growth (%)	Share of GDP (at Current Factor Cost Prices) (%)			GDP Deflator (%)	Annual Average Price Change of CCPI (%)	Annual Average Price Change of N CPI (%)	End Year		Annual Average							
					Agriculture	Industry	Services				US\$	Indian Rs	US\$	Indian Rs						
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	6,413,668	56,728	310,214	2,744	8.0	8.5	26.6	54.6	7.3	6.2(d)	-	110.95	1.36	147.56	2.48	113.06	1.30	150.10	2.49	
2011	7,219,106	65,290	345,925	3,129	8.4	8.8	28.0	55.1	3.8	6.7(d)	-	113.90	1.47	147.42	2.15	110.57	1.39	153.86	2.38	
2012	8,732,463	68,436	427,559	3,351	9.1	7.4	30.1	55.6	10.8	7.6(d)	-	127.16	1.48	168.12	2.33	127.60	1.60	164.00	2.39	
2013	9,592,125	74,294	466,112	3,610	3.4	7.7	29.2	56.4	6.2	6.9(d)	-	130.75	1.24	180.45	2.11	129.11	1.32	171.51	2.21	
2014	10,448,479	80,028	503,032	3,853	4.9	8.0	28.6	56.7	3.9	3.3(d)	-	131.05	1.10	159.42	2.07	130.56	1.24	173.59	2.14	
2015(a)	11,183,220	82,266	3,925	4.8	8.1	8.1	28.5	56.3	2.1	0.9(d)	3.8 (f)	144.06	1.20	157.37	2.17	135.94	1.12	150.84	2.12	

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

(a) Provisional

(b) 1952=100

(c) 2002=100

(d) 2006/07=100

(e) National Accounts data from 2003 onwards based on the GDP estimates of the Department of Census and Statistics with base year 2002. From 2010 onwards, data is based on the year 2010 GDP estimates of the Department of Census and Statistics. National Accounts estimates were revised in 1982 and 1996 by Central Bank of Sri Lanka.

(f) 2013 = 100

Table 4 | Gross Domestic Product -Sectoral Composition (2010) Constant Prices

		Rs.million						
Sector		2010	2011	2012	2013	2014	2015 (a)	
<b>Agriculture, Forestry and Fishing</b>		<b>544,914</b>	<b>569,954</b>	<b>592,445</b>	<b>611,676</b>	<b>641,493</b>	<b>676,899</b>	
1	Growing of Cereals (except rice)	10,548	10,593	12,521	14,307	14,927	15,077	
2	Growing of Rice	60,086	70,205	62,289	65,607	61,022	75,219	
3	Growing of Vegetables	47,704	52,349	51,244	54,153	55,307	69,060	
4	Growing of Sugar Cane, Tobacco and Other Non-perennial Crops	2,442	2,142	2,254	2,441	2,286	1,954	
5	Growing of Fruits	36,610	37,791	38,248	37,385	40,889	47,629	
6	Growing of Oleaginous Fruits ( Coconut, King Coconut, Oil Palm)	60,231	57,110	62,201	53,424	64,159	67,439	
7	Growing of Tea (Green Leaves)	72,208	71,769	72,100	74,734	73,946	72,027	
8	Growing of Other Beverage Crops (Coffee, Cocoa etc.,)	1,295	1,287	1,319	1,321	1,538	1,259	
9	Growing of Spices, Aromatic, Drug and Pharmaceutical Crops	28,468	28,147	44,426	50,833	57,509	58,278	
10	Growing of Rubber	44,411	45,956	44,249	37,987	28,689	25,777	
11	Growing of Other Perennial Crops	14,496	14,666	15,167	14,344	15,392	15,829	
12	Animal Production	27,230	26,359	29,511	36,599	47,954	51,782	
13	Plant Propagation and Support Activities to Agriculture	8,533	8,436	9,105	9,183	9,767	9,781	
14	Forestry and Logging	43,339	42,505	38,188	43,044	47,451	48,333	
15	Marine Fishing and Marine Aquaculture	77,579	89,575	97,063	103,879	106,585	104,952	
16	Fresh Water Fishing and Fresh Water Aquaculture	9,737	11,065	12,560	12,435	14,072	12,501	
<b>Industries</b>		<b>1,708,867</b>	<b>1,866,947</b>	<b>2,035,600</b>	<b>2,119,080</b>	<b>2,194,167</b>	<b>2,259,223</b>	
17	Mining and Quarrying	124,926	148,100	184,468	198,447	202,905	201,036	
18	Manufacture of Food, Beverages and Tobacco Products	433,769	487,943	507,121	507,127	513,895	542,573	
19	Manufacture of Textile, Wearing Apperal and Leather Related products	264,905	238,254	244,496	264,527	276,653	276,710	
20	Manufacture of Wood and Products of Wood and Cork, except Furniture	26,318	31,521	23,472	25,258	23,141	24,780	
21	Manufacture of Paper Products, Printing and Reproduction of Media Products	26,094	27,605	24,738	24,925	24,970	27,326	
22	Manufacture of Coke and Refined Petroleum Products	22,281	35,457	28,858	27,514	28,723	29,075	
23	Manufacture of Chemical Products and Basic Pharmaceutical Products	69,450	67,644	75,582	81,982	82,244	85,101	
24	Manufacture of Rubber and Plastic Products	63,257	75,656	83,307	82,187	71,914	75,296	
25	Manufacture of Other Non-metallic Mineral Products	79,267	86,204	87,090	81,037	78,678	76,503	
26	Manufacture of Basic Metals and Fabricated Metal Products	31,665	26,295	24,591	26,589	24,883	29,112	
27	Manufacture of Machinery and Equipment	35,909	33,650	30,849	30,845	32,064	37,574	
28	Manufacture of Furniture	56,402	53,352	63,922	67,488	82,752	88,269	
29	Other Manufacturing and Repair and Installation of Machinery and Equipment	48,660	34,555	41,962	44,443	53,077	61,763	

Table 4 | Gross Domestic Product -Sectoral Composition (2010) Constant Prices contd...

	Sector	Rs.million					
		2010	2011	2012	2013	2014	2015 (a)
30	Electricity, Gas, Steam and Air Conditioning Supply	68,491	73,927	75,262	76,789	79,296	85,446
31	Water Collection, Treatment and Supply	9,381	9,846	10,554	10,975	11,505	12,000
32	Sewerage, Waste, Treatment and Disposal Activities	11,712	12,141	14,572	15,511	17,355	21,659
33	Construction	336,381	424,798	514,757	553,438	590,111	584,999
	<b>Services</b>	<b>3,504,323</b>	<b>3,817,155</b>	<b>4,245,462</b>	<b>4,405,644</b>	<b>4,634,805</b>	<b>4,881,273</b>
34	Wholesale and Retail Trade	705,778	788,048	848,686	859,977	898,864	940,814
35	Transport of Goods and Passenger including Warehousing	662,153	745,891	805,391	849,539	879,833	928,279
36	Postal Courier Activities	4,066	4,068	4,441	4,364	4,056	3,830
37	Accommodation, Food and Beverage Service Activities	87,693	105,372	134,160	126,392	131,484	129,732
38	Programming and Broadcasting Activities and Audio Video Productions	2,526	2,178	2,252	2,422	2,513	2,651
39	Telecommunication	22,931	24,420	26,450	27,395	30,989	34,128
40	IT Programming Consultancy and Related Activities	6,194	7,216	7,972	9,693	10,599	12,834
41	Financial Service Activities and Auxiliary Financial Services	274,933	314,678	364,688	386,009	425,965	493,124
42	Insurance, Reinsurance and Pension Funding	67,830	67,596	69,026	70,854	74,983	81,948
43	Real Estate Activities, Including Ownership of Dwelling	307,112	328,076	369,719	417,024	444,142	486,686
44	Professional Services	112,062	127,358	155,741	161,963	166,489	154,698
45	Public Administration and Defence; Compulsory Social Security	383,823	367,093	385,615	382,470	402,206	430,098
46	Education	138,553	136,172	167,107	157,477	173,762	160,702
47	Human Health Activities, Residential Care and Social Work Activities	136,574	155,994	173,898	146,551	147,975	156,052
48	Other Personal Service Activities	592,095	642,995	730,316	803,514	840,946	865,698
	<b>Gross Value Added (GVA), at basic prices</b>	<b>5,758,104</b>	<b>6,254,056</b>	<b>6,873,506</b>	<b>7,136,399</b>	<b>7,470,465</b>	<b>7,817,394</b>
	<b>(+) Taxes less Subsidies on Products</b>	<b>655,564</b>	<b>698,664</b>	<b>715,011</b>	<b>709,802</b>	<b>758,522</b>	<b>805,432</b>
	<b>Gross Domestic Product(GDP), at market prices</b>	<b>6,413,668</b>	<b>6,952,720</b>	<b>7,588,517</b>	<b>7,846,202</b>	<b>8,228,986</b>	<b>8,622,825</b>

Sources: 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	2015(a)
Investment (b)	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	1,946,707	2,408,573	3,410,511	3,189,326	3,341,174	3,361,546
Savings (b)	Rs. Mn	269,986	285,988	309,007	374,601	459,520	583,473	656,301	834,928	784,278	1,148,305	1,825,232	1,897,484	2,908,642	2,865,365	3,081,142	3,113,250
Savings - Investment Gap (b)	Rs. Mn	-82,646	-23,696	-25,797	-14,156	-68,496	-74,546	-165,939	-165,392	-430,970	-33,144	-121,475	-511,089	-501,869	-323,961	-260,032	-248,296
Investment (b)	% of GDP	28.0	22.0	21.2	21.3	25.3	26.8	28.0	28.0	27.6	24.4	30.4	33.4	39.1	33.2	32.0	30.1
Savings (b)	% of GDP	21.5	20.3	19.5	20.6	22.0	23.8	22.3	23.3	17.8	23.7	28.5	26.3	33.3	29.9	29.5	27.8
Savings - Investment Gap (b)	% of GDP	-6.6	-1.7	-1.6	-0.8	-3.3	-3.0	-5.6	-4.6	-9.8	-0.7	-1.9	-7.1	-5.7	-3.4	-2.5	-2.2
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	10,505
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	18,935
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	-8,430
	% of GDP	-10.7	-7.3	-8.5	-8.1	-10.9	-10.3	-11.9	-11.3	-14.7	-7.4	-8.5	-14.9	-13.8	-10.2	-10.4	-10.2
	(b)																
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	16,902
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	23,007
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	39,908
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	6,980
Earnings from Tourism	US\$ Mn.	252	213	363	454	408	429	410	385	342	350	576	830	1,039	1,715	2,431	2,981
Earnings from Computer and Information Services	US\$ Mn.	n.a	66	50	65	72	82	98	110	230	245	265	355	564	604	628	677
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	-1,988	-2,009
	% of GDP	-6.4	-1.4	-1.4	-0.4	-3.1	-2.7	-5.3	-4.3	-9.5	-0.5	-1.9	-7.1	-5.8	-3.4	-2.5	-2.4
	(b)																
Foreign Direct Investments including loans	US\$ Mn.	175	82	197	229	223	272	604	734	889	601	516	1,066	1,382	1,438	1,635	1,161
Inflows	US\$ Mn.	175	82	192	199	193	272	480	603	752	404	478	956	941	933	894	681
Outflows	US\$ Mn.	2	-	11	27	42	38	29	55	62	20	43	60	64	65	67	53
Loans & Other	US\$ Mn.	2	0	16	58	72	38	153	186	198	217	81	170	505	571	808	533
Portfolio Investments	US\$ Mn.	-44.7	-11.0	25	2	7	60	51	101	60	-6	-230	-171	2,126	2,068	2,065	689
Inflows	US\$ Mn.	19	24	78	145	95	276	355	423	548	375	819	452	2,116	2,068	2,065	689
Outflows	US\$ Mn.	64	35	53	143	89	215	304	322	488	381	1,049	623	-10.0	0.0	-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	9,337
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	7,304
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	44,797

Sources: Department of Customs and Central Bank of Sri Lanka

... negligible

(a) Provisional

(b) Revised GDP estimates (base year 2010) of the Department of Census and Statistics have been used from 2010 onwards.

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	1995	2000	2001	2002	2003	2004	2005	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015(a)	Rs. million
<b>1. Revenue and Grants</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>1,067,533</b>	<b>1,153,306</b>	<b>1,204,621</b>	<b>1,460,892</b>	
1.1. Total Revenue	136,258	211,282	234,296	261,888	276,465	311,473	379,747	477,833	565,051	655,260	699,644	817,279	967,862	1,051,462	1,137,447	1,195,206	1,454,878	
Tax	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	908,915	1,005,895	1,050,362	1,355,779	
Non-Tax	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	99,099	
1.2 Grants	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	6,014	
<b>2. Expenditure and Lending minus Repayments</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>1,556,497</b>	<b>1,669,396</b>	<b>1,795,865</b>	<b>2,290,394</b>	
2.1 Recurrent	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	1,131,021	1,205,180	1,322,898	1,701,657	
2.2 Capital and Lending minus Repayment o/w Public Investment	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	588,737	
	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	602,768	
<b>3. Current Account Surplus(+)/ Deficit (-)</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>-79,560</b>	<b>-67,733</b>	<b>-127,692</b>	<b>-246,779</b>	
<b>4. Budget Deficit</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>-488,964</b>	<b>-516,090</b>	<b>-591,244</b>	<b>-829,502</b>	
<b>5. Financing of Budget Deficit</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>488,964</b>	<b>516,090</b>	<b>591,244</b>	<b>829,502</b>	
5.1. Total Foreign Financing (Net)	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	211,743	236,803	
Gross Borrowings	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	521,096	
Repayments	-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	-117,583	-284,293	
5.2. Total Domestic Financing (Net)	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	308,204	448,186	379,502	592,699	
Non-Bank Financing (Net)	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	300,858	
Gross Borrowings	140,041	118,368	262,789	285,818	217,014	296,456	331,333	363,473	373,157	586,543	583,563	484,065	484,065	486,425	671,066	714,709	824,681	
Repayments.	-81,244	-44,074	-44,074	-130,786	-185,083	-147,740	-203,347	-247,536	-252,165	-258,720	-401,296	-389,672	-439,894	-415,441	-588,652	-449,554	-523,824	
Foreign Investment in Treasury Bills and Bonds (Net)	-	-	-	-	-	-	-	-	37,160	-17,578	146,922	48,875	25,068	105,693	55,795	781	222,967	
Bank Financing (Net)	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	68,875	
Other Borrowings (Net)	548	3,175	747	-816	80	4,680	4,300	-	18,060	4,619	11,280	10,230	-4,798	-	13,000	-13,363	-	
<b>5.3 Privatization Proceeds</b>	<b>3,001</b>	<b>401</b>	<b>8,589</b>	<b>5,693</b>	<b>10,223</b>	<b>2,437</b>	<b>1,020</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	

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	As a percentage of GDP																
	1995	2000	2001	2002	2003	2004	2005	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015(a)
<b>1. Revenue and Grants</b>	<b>21.8</b>	<b>17.2</b>	<b>17.0</b>	<b>17.0</b>	<b>15.6</b>	<b>15.3</b>	<b>16.8</b>	<b>17.3</b>	<b>16.6</b>	<b>15.6</b>	<b>15.0</b>	<b>13.0</b>	<b>13.6</b>	<b>12.2</b>	<b>12.0</b>	<b>11.5</b>	<b>13.1</b>
1.1 Total Revenue	20.4	16.8	16.6	16.6	15.2	14.9	15.5	16.3	15.8	14.9	14.5	12.7	13.4	12.0	11.9	11.4	13.0
Tax	17.8	14.5	14.6	14.0	12.7	13.5	13.7	14.6	14.2	13.3	12.8	11.3	11.7	10.4	10.5	10.1	12.1
Non-Tax	2.7	2.3	2.0	2.5	2.5	1.4	1.7	1.7	1.6	1.6	1.7	1.4	1.7	1.6	1.4	1.4	0.9
1.2 Grants	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	0.1
<b>2. Expenditure and Lending minus Repayments</b>	<b>30.5</b>	<b>26.7</b>	<b>27.5</b>	<b>25.4</b>	<b>22.9</b>	<b>22.8</b>	<b>23.8</b>	<b>24.3</b>	<b>23.5</b>	<b>22.6</b>	<b>24.9</b>	<b>20.0</b>	<b>19.9</b>	<b>17.8</b>	<b>17.4</b>	<b>17.2</b>	<b>20.5</b>
2.1 Recurrent	23.1	20.2	21.6	20.9	18.4	18.6	18.1	18.6	17.4	16.9	18.2	14.6	14.2	13.0	12.6	12.7	15.2
2.2 Capital and Lending minus Repayment	7.4	6.5	5.9	4.6	4.6	4.2	5.8	5.6	6.1	5.7	6.7	5.3	5.7	4.9	4.8	4.5	5.3
o/w Public Investment	7.9	6.4	5.9	4.6	4.8	4.7	6.1	6.0	6.4	6.0	6.8	5.6	5.8	5.1	5.0	4.7	5.4
<b>3. Current Account Surplus(+)/ deficit (-)</b>	<b>-2.7</b>	<b>-3.4</b>	<b>-4.9</b>	<b>-4.3</b>	<b>-3.2</b>	<b>-3.7</b>	<b>-2.6</b>	<b>-2.4</b>	<b>-1.6</b>	<b>-2.0</b>	<b>-3.7</b>	<b>-1.9</b>	<b>-0.8</b>	<b>-0.9</b>	<b>-0.7</b>	<b>-1.2</b>	<b>-2.2</b>
<b>4. Budget Deficit</b>	<b>-8.7</b>	<b>-9.5</b>	<b>-10.4</b>	<b>-8.5</b>	<b>-7.3</b>	<b>-7.5</b>	<b>-7.0</b>	<b>-7.0</b>	<b>-6.9</b>	<b>-7.0</b>	<b>-9.9</b>	<b>-7.0</b>	<b>-6.2</b>	<b>-5.6</b>	<b>-5.4</b>	<b>-5.7</b>	<b>-7.4</b>
<b>5. Financing of Budget Deficit</b>	<b>8.7</b>	<b>9.5</b>	<b>10.4</b>	<b>8.5</b>	<b>7.3</b>	<b>7.5</b>	<b>7.0</b>	<b>7.0</b>	<b>6.9</b>	<b>7.0</b>	<b>9.9</b>	<b>7.0</b>	<b>6.2</b>	<b>5.6</b>	<b>5.4</b>	<b>5.7</b>	<b>7.4</b>
5.1. Total Foreign Financing (Net)	3.2	...	1.0	0.1	2.4	1.8	1.9	1.4	1.8	0.3	1.7	3.0	2.7	2.1	0.7	2.0	2.1
Gross Borrowings	4.4	1.9	3.0	2.5	4.3	3.4	2.8	3.0	3.6	1.5	4.0	4.2	4.0	4.2	1.9	3.2	4.7
Repayments	-1.3	-1.9	-2.0	-2.3	-1.9	-1.6	-0.9	-1.6	-1.8	-1.2	-2.3	-1.2	-1.3	-2.1	-1.2	-1.1	-2.5
5.2. Total Domestic Financing (Net)	5.1	9.4	8.8	8.0	4.4	5.6	5.0	5.6	5.1	6.7	8.1	3.9	3.6	3.5	4.7	3.6	5.3
Non-Bank Financing (Net)	3.9	4.7	5.3	8.3	5.5	3.3	3.8	2.9	3.1	2.6	3.8	3.0	0.6	0.8	0.9	2.5	2.7
Foreign Investment in Treasury Bills and Bonds (Net)	-	-	-	-	-	-	-	-	1.0	-0.4	3.0	0.8	0.3	1.2	0.6	0.0	2.0
Bank Financing (Net)	1.1	4.5	3.4	-0.3	-1.1	2.1	1.1	2.7	0.4	4.4	1.0	0.0	2.7	1.5	3.1	1.2	0.6
Other Borrowings (Net)	0.1	0.3	0.1	-0.1	...	0.2	0.2	-	0.5	0.1	0.2	0.2	-0.1	0.0	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

Note: Revised GDP estimates (base year 2010) of the Department of Census and Statistics have been used from 2010 onwards.

Table 8 | Economic Classification of Government Revenue

Item	Rs. million																
	1995	2000	2001	2002	2003	2004	2005	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015 (a)
<b>1. Tax Revenue</b>	<b>118,543</b>	<b>182,392</b>	<b>205,840</b>	<b>221,839</b>	<b>231,597</b>	<b>281,552</b>	<b>336,828</b>	<b>428,378</b>	<b>508,947</b>	<b>585,621</b>	<b>618,933</b>	<b>724,748</b>	<b>845,697</b>	<b>908,915</b>	<b>1,005,895</b>	<b>1,050,362</b>	<b>1,355,779</b>
Income Tax	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	172,594	205,666	198,115	262,583
Personal and Corporate Income Tax	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	122,343	193,531
Corporate & Non Corporate	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	100,046	167,325
Pay-As-You-Earn (PAYE)	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	26,206
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	6,148
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	62,904
Value Added Tax (VAT) (b)	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	219,700
Domestic (Net)	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	130,527
Services	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	87,242
Manufacturing	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	43,285
Import (net)	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	89,173
National Security Levy (NSL) (c)	14,408	33,539	43,065	28,859	79	240	35	-	-	-	-	-	-	-	-	-	-
Excise Tax	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	256,690	497,623
Liquor	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	105,234
Cigarettes/Tobacco	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	80,015
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	45,092
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	263,470
Other	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	3,812
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	58,644
Debits Tax (e)	-	-	-	1,315	3,611	4,489	5,700	6,255	7,187	8,410	8,036	10,843	4,232	-	-	-	-
Import Duties	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	132,189
Cess Levy	-	-	-	-	-	-	4,444	5,872	17,157	24,472	28,520	29,752	29,662	32,741	36,091	38,707	46,289
Special Commodity Levy (SCL)	-	-	-	-	-	-	-	-	-	14,603	18,965	10,173	15,622	33,666	46,705	47,953	52,276
Nation Building Tax (NBT) (f)	-	-	-	-	-	-	-	-	-	27,205	46,022	35,667	38,736	40,937	44,583	45,004	45,004

Table 8 | Economic Classification of Government Revenue contd...

Item	Rs. million																
	1995	2000	2001	2002	2003	2004	2005	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015 (a)
Domestic	-	-	-	-	-	-	-	-	-	-	-	11,594	19,310	19,040	23,076	25,243	28,044
Imports	-	-	-	-	-	-	-	-	-	-	15,611	26,712	16,627	15,660	15,694	16,089	16,960
Telecommunications Levy (g)	-	-	-	-	-	-	-	-	-	-	-	8,869	18,651	22,290	24,445	31,351	33,358
License Taxes & Other	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	8,113
<b>2. Non Tax Revenue</b>	<b>17,715</b>	<b>28,890</b>	<b>28,456</b>	<b>40,050</b>	<b>44,868</b>	<b>29,921</b>	<b>42,919</b>	<b>49,455</b>	<b>56,104</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>	<b>99,099</b>
Rent	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	2,823
Interest	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	4,498
Profit and Dividends	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	29,798
Sales and Charges	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	38,492	44,632
Social Security Contributions	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	15,213
Central Bank Profit Transfers	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	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	19,472	2,135
<b>3. Total Revenue</b>	<b>136,258</b>	<b>211,282</b>	<b>234,296</b>	<b>261,888</b>	<b>276,465</b>	<b>311,473</b>	<b>379,747</b>	<b>477,833</b>	<b>565,051</b>	<b>655,259</b>	<b>699,644</b>	<b>817,279</b>	<b>967,862</b>	<b>1,051,462</b>	<b>1,137,447</b>	<b>1,195,206</b>	<b>1,454,878</b>

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

(b) 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 1998. Prior to that, the data represents the revenue from central government Business Turnover Tax (BTT).

(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	2015(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>1,322,898</b>	<b>1,701,657</b>
1.1 Expenditure on Goods & Services	130,765	143,747	139,894	138,659	164,530	194,861	253,025	292,632	360,328	379,731	388,286	451,605	487,833	512,624	603,634	786,714
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	561,730
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	172,491
Provincial Councils	21,401	25,125	29,213	29,237	34,455	44,620	61,453	69,366	73,791	74,634	81,887	90,818	88,217	105,034	121,789	150,796
Defence	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	176,810
Police and Public Security	9,462	9,657	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	61,633
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	224,984
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	147,270
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	18,959
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	50,923
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	7,832
1.2 Interest Payments	71,200	94,307	116,515	125,126	119,782	120,159	150,777	182,681	212,475	309,676	352,592	356,699	408,498	444,007	436,395	527,227
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	69,930	77,174
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	366,465	450,053
1.3 Subsidies and Transfers	52,314	65,307	74,441	70,907	105,367	128,331	144,157	147,445	170,908	190,168	196,216	216,601	234,692	248,549	282,869	387,716
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	214,905	313,781
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	156,577
Samurthi	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	39,994
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	49,571
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	21,387	27,927
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	46,008
<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>459,854</b>	<b>588,176</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	313,260
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	274,916
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	197,712
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	42,473
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	34,063
Abroad	47	212	96	90	173	203	409	160	341	5	1	459	1,459	1,379	516	668
<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>13,113</b>	<b>561</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	-1,070
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	14,592
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	-12,961
3.4 Restructuring Expenditure	4,159	5,320	4,689	4,601	3,567	1,365	2,041	549	625	1,950	-	-	-	-	-	-
<b>4 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>	<b>2,290,394</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	1995	2000	2001	2002	2003	2004	2005	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015(a)
<b>1. Recurrent Expenditure</b>	154,159	254,279	303,362	330,847	334,693	389,678	443,350	547,960	622,758	743,710	879,575	937,094	1,008,244	1,131,023	1,205,180	1,322,898	1,701,658
General Public Services	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	414,275
Civil Administration	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	105,661
Defence	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	233,733
Police and Public Security	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	74,881
Social Services	57,647	77,160	87,968	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	564,190
Education	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	169,600
Health	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	140,560
Welfare	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	230,035
Community Services	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	23,995
Economic Services	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	173,430
Agriculture and Irrigation	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	91,267
Energy and Water Supply	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	5,479
Transport and Communication	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	57,028
Other	-	-	-	-	-	-	-	-	-	-	-	-	-	-	6,998	11,435	19,656
Other	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	549,763
o/w Interest Payments	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	527,227
<b>2. Capital Expenditure and Lending</b>	52,810	80,955	82,491	72,177	87,409	97,631	148,582	177,443	229,273	263,859	330,448	356,519	438,962	443,972	481,203	486,610	602,767
General Public Services	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	48,699
Civil Administration	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	44,886
Police and Public Security	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	3,813
Social Services	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	124,370
Education	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	55,447
Health	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	37,230
Housing	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	7,769	7,811
Community Services	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	31,954	23,882
Economic Services	36,105	54,647	54,906	51,678	58,740	61,271	77,537	106,788	141,244	168,879	256,410	278,803	342,653	343,828	369,377	330,136	429,030
Agriculture and Irrigation	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	54,447
Energy and Water Supply	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	55,499
Transport and Communication	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	239,279
Other	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	79,805
Other	1,074	2,680	6,463	96	4,276	173	704	912	900	341	5	1	459	1,459	1,379	516	668
Other	-	-	-	-	-	-	24,448	-	-	-	-	-	-	-	-	-	-
<b>3. Total Expenditure and Lending</b>	206,969	335,234	385,853	403,024	422,102	487,309	591,932	725,403	852,031	1,007,569	1,210,023	1,293,613	1,447,206	1,574,995	1,686,383	1,809,508	2,304,425

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 11 | Composition of Government Debt

Source	2000	2001	2002	2003	2004	2005	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015(a)
<b>1. Foreign Debt</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>	<b>3,544,031</b>
1.1 Project Loans	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	2,180,388
1.2 Non-project Loans	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	1,363,643
Commodity	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	71,470
Other	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	1,292,173
<b>2. Domestic Debt</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>3,832,825</b>	<b>4,277,783</b>	<b>4,959,197</b>
2.1 Rupee Loans	263,888	292,813	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	24,088
2.2 Treasury Bills	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	658,240
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	3,305,248
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	668,458
2.5 Central Bank Provisional Advances	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	151,132
2.6 Other	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	152,031
<b>3. Total</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>3,588,962</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>8,503,227</b>
<b>Government Debt to GDP Ratio (b)</b>																
Foreign Debt	43.1	45.2	45.6	46.3	47.6	39.0	37.5	37.1	32.8	36.4	31.6	32.3	31.7	30.9	29.8	31.7
Domestic Debt	53.8	58.0	60.0	56.0	54.7	51.6	50.3	47.9	48.5	49.7	40.0	38.8	37.0	40.0	40.9	44.3
Total Debt	96.9	103.2	105.6	102.3	102.3	90.6	87.9	85.0	81.4	86.1	71.6	71.1	68.7	70.8	70.7	76.0

Sources: Department of Public Debt 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

(b) Revised GDP estimates (base year 2010) of the Department of Census and Statistics have been used from 2010 onwards.

Table 12 | Domestic Production of Selected Items

Item	Unit	1995	2000	2001	2002	2003	2004	2005	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015(a)
<b>Plantation Crops</b>																		
Tea	(Kg Mn)	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	328.9
Rubber	(Kg Mn)	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	88.6
Coconut	(Nuts Mn)	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	3,050.0
<b>Seasonal Crops</b>																		
Paddy	(Mt'000)	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	3,380.7	4,819.4
Potatoes	(Mt'000)	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	82.7	94.8
Sweet Potatoes	(Mt'000)	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	50.9	51.9
Chillies -Green	(Mt'000)	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	71.0	62.9
Chillies -Dried	(Mt'000)	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	15.7
Big Onions	(Mt'000)	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	89.6
Red Onions	(Mt'000)	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	63.1	61.2
Maize	(Mt'000)	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	261.1
Green Gram	(Mt'000)	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	14.6	15.0
Black Gram	(Mt'000)	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	11.9
Kurakkan	(Mt'000)	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	8.8	8.9
Cowpea	(Mt'000)	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	12.3
Soya Beans	(Mt'000)	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	10.7	11.3
Gingerly	(Mt'000)	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	13.1
Ground Nuts	(Mt'000)	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	25.1	28.5
<b>Other Agricultural Crops</b>																		
Sugar	(Mt'000)	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	56.0
Coffee	(Mt'000)	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	6.5	5.3
Cinnamon	(Mt'000)	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	19.0	23.9
Pepper	(Mt'000)	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	28.4	35.4
Cloves	(Mt'000)	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	6.3	8.2
<b>Livestock and Fish</b>																		
Milk	(Ltr Mn)	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	333.9	374.4
Fish	(Mt'000)	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	520.2

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	2015(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>	<b>2,482</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	1,341
Black Tea	637	613	593	601	646	718	769	890	1,111	1,072	1,383	1,430	1,354	1,471	1,555	1,280
Bulk	393	350	360	338	393	407	463	535	643	616	567	534	512	561	563	504
Packets	180	194	160	183	162	213	203	235	321	301	607	667	640	693	754	593
Bags	64	69	73	81	91	98	103	121	147	156	209	229	203	217	238	183
Instant	8	9	9	11	8	7	7	9	11	10	13	15	11	15	19	16
Green Tea	3	5	5	8	11	14	19	22	29	29	44	46	47	56	55	45
Other	52	63	53	63	73	72	86	106	118	74	-	-	-	-	-	-
Rubber	29	24	26	39	51	47	93	109	125	99	173	206	125	71	45	26
Sole Crepe	-	-	-	-	-	-	-	-	-	-	6	10	16	7	9	7
Latex and Other Crepe	-	-	-	-	-	-	-	-	-	-	25	63	102	58	38	25
Sheet Natural	13	11	15	22	28	25	54	59	69	46	67	63	38	14	5	2
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	1	...
Other	1	1	1	2	6	5	12	15	16	10	18	15	14	9	4	2
Coconut	121	82	84	93	113	113	124	141	171	166	166	266	209	205	356	352
Kernal Product	77	41	41	48	59	49	53	60	82	58	56	136	80	86	214	222
Other	44	41	42	45	54	64	71	81	89	108	110	130	129	119	142	130
<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>	<b>600</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	30.5
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	38.0
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	67.5
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	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	149.0
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	139.6
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	48.3
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	33.3
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	1.1
Other Oil Seeds	...	...	...	...	...	...	...	0.2	...	0.1	...	0.1	5.2	0.4	1.2	0.1
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	9.1
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	0.2
Unmanufactured Tobacco	37.6	35.2	37.5	37.2	39.7	35.1	35.3	40.2	39.5	33.5	32.6	38.4	42.2	47.6	41.3	31.8
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	4.7
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	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	2.4
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	8.4
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	0.4
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	34.1
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	163.1
<b>Industrial Exports</b>	<b>4,315</b>	<b>3,713</b>	<b>3,628</b>	<b>3,975</b>	<b>4,508</b>	<b>4,949</b>	<b>5,402</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>	<b>7,976</b>
Food, Beverages and Tobacco	25	27	32	28	75	223	232	323	244	183	245	348	284	235	289	265
Milling Industry Products	8	7	9	9	13	30	52	48	62	40	71	142	90	37	43	31
Vegetable, Fruit and Nut Preparations	6	8	9	10	11	10	15	29	49	55	51	61	59	63	80	87

Table 13 | Value of Exports contd...

Category	2000	2001	2002	2003	2004	2005	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015(a)
Cereal Preparations	1	2	2	2	4	4	5	7	11	9	11	19	20	25	22	21
Fish Preparations	...	...	...	...	1	3	1	1	1	1	1	1	...	...	1	1
Manufactured Tobacco	2	2	2	2	8	16	20	16	23	24	26	41	47	49	56	58
Other	9	8	10	48	30	156	142	215	93	54	85	85	67	61	88	68
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	4,820
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	4,556
Woven Fabrics	65	46	49	47	43	34	46	61	66	55	70	85	92	124	90	102
Yarn	32	27	25	23	22	24	24	45	44	42	50	57	58	58	68	63
Other Made Up Textile Articles	173	137	105	105	89	84	96	86	84	44	57	64	56	61	90	100
Petroleum Products	97	68	73	65	100	131	188	170	255	134	263	553	463	428	338	374
Bunkers and Aviation Fuel	75	53	60	65	100	131	181	168	253	133	259	524	457	423	327	364
Other Petroleum Products	22	14	13	...	-	7	7	2	2	2	4	28	6	5	11	10
Ceramic Products	47	42	42	40	47	47	47	47	49	36	40	38	36	40	41	35
Tiles	9	7	8	9	10	9	11	11	12	8	8	6	7	8	9	8
Tableware, Household Items and Sanitaryware	27	25	26	24	29	31	32	30	30	24	27	28	25	29	29	25
Other	10	11	9	8	8	7	5	5	7	4	5	5	4	4	3	3
Rubber Products	196	173	182	231	284	395	450	483	542	385	558	885	860	888	890	761
Rubber Tyres	101	84	84	121	160	259	295	309	337	213	336	569	540	551	564	467
Surgical Gloves and Other Gloves	62	56	61	73	77	86	105	111	117	114	137	181	177	195	176	165
Other Rubber Products	33	32	37	37	47	50	50	64	88	58	85	135	143	141	150	130
Leather, Travel Goods and Footwear	176	150	84	58	121	133	127	60	56	47	60	65	55	77	139	136
Footwear	56	32	19	21	13	13	19	24	22	17	20	17	12	29	87	86
Travel Goods	109	108	55	27	21	19	13	26	23	20	27	31	27	28	31	29
Other	12	10	9	10	87	101	94	10	12	10	13	17	16	19	21	21
Machinery and Mechanical Appliances	244	245	266	290	386	330	396	371	322	187	259	312	297	312	343	294
Gems, Diamonds and Jewellery	334	276	251	346	373	402	414	474	514	402	409	532	559	446	394	332
Gems	143	91	45	113	108	124	86	105	76	69	70	95	118	130	173	164
Diamonds	178	166	192	216	247	265	312	348	418	317	322	414	417	295	198	148
Jewellery	13	19	14	17	19	13	16	22	20	17	17	22	24	21	22	19
Transport Equipment	15	81	100	164	145	105	138	151	108	127	144	225	165	146	152	244
Road Vehicles	5	4	3	5	8	13	20	23	39	50	58	49	86	32	39	40
Ships, Boats and Floating Structures	2	1	1	2	2	9	8	37	22	58	59	149	57	82	86	182
Other	8	76	96	157	135	83	111	91	48	20	28	27	22	33	27	22
Printing Industry Products	2	2	2	2	3	9	15	34	47	48	246	235	42	36	52	46
Other Industrial Exports	197	105	170	126	166	285	311	487	497	418	517	608	619	633	694	669
Chemical Products	31	28	31	35	53	73	65	78	71	74	93	118	117	120	134	126
Mineral Exports	3	4	5	5	11	23	17	22	22	20	24	33	61	52	59	28
Unclassified Exports	69	75	50	94	89	125	42	38	-	-	199	7	10	12	15	20
<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>	<b>10,505</b>

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

... negligible

(a) Provisional

Table 14 | Value of Imports

Category	US\$ million															
	2000	2001	2002	2003	2004	2005	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015(a)
<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>3,853</b>	<b>4,714</b>
Food and Beverages	383	402	513	547	558	573	711	802	1,089	933	1,322	1,567	1,304	1,368	1,634	1,628
Sugar	141	115	132	116	111	132	224	151	203	218	363	426	345	289	255	253
Milk and Milk Products	118	115	110	120	122	133	171	186	288	165	259	345	307	291	339	251
Rice	4	11	18	9	59	16	6	39	44	23	59	18	24	18	282	135
Flour	8	1	2	2	1	32	3	2	1	1	1	14	5	2	2	2
Fish	68	69	65	63	56	68	92	108	115	119	128	147	134	162	141	218
Other Food and Beverages	213	140	186	237	208	192	216	317	437	407	512	617	489	607	614	769
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	35.5
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	77.3
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	122.0
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	148.0
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	11.2	13.6	27.2
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	20.4	26.2
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	23.7
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	0.1
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	33.5
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	113.3
Non-food Consumables	461	413	537	672	724	716	840	862	918	632	1,154	2,087	1,691	1,814	2,219	3,086
Vehicles	40	37	138	249	249	235	308	244	239	93	455	881	495	582	897	1,360
Home appliances-Radio and Television Sets	56	40	40	49	63	52	65	59	64	24	45	118	118	103	86	120
Rubber Products	34	26	29	32	37	38	42	44	51	46	72	83	80	88	90	114
Medical and Pharmaceutical Products	96	92	105	105	117	135	162	179	212	202	217	348	372	378	381	460
Household and Furniture Items	55	48	48	50	59	63	69	70	75	61	88	127	117	125	134	150
Other	180	170	177	187	199	193	194	266	277	206	277	530	509	538	632	882
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	321.4
Other Articles of Plastics	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	615.4
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	10.7
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	33.5
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	4.0
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	9.0
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	9.2
<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>	<b>9,638</b>
Fertilizer	79	68	75	87	107	134	163	192	577	182	240	407	311	239	272	290

Table 14 | Value of Imports contd...

Category	2000	2001	2002	2003	2004	2005	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015(a)
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	2,700
Chemical Products	202	195	218	238	265	312	357	405	508	432	520	702	670	734	808	870
Paper and Paper Boards	116	108	156	186	210	222	254	290	328	264	350	427	363	380	490	477
Wheat and Maize	143	131	144	158	209	168	217	255	402	269	265	429	364	323	405	357
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	2,296
Diamond and Precious Metals	161	147	179	217	218	244	257	284	545	277	378	1,076	588	483	175	162
Base Metal	64	55	124	175	253	298	298	252	275	167	239	354	440	406	478	471
Vehicle and Machinery Parts	79	65	70	82	94	105	121	127	159	127	176	223	211	210	228	264
Other Intermediate Goods	491	449	496	567	750	808	864	938	1,045	728	1,033	1,540	1,320	1,425	1,616	1,752
Semi Finished Products of Iron	80	24	36	45	60	71	78	105	137	72	91	157	256	238	168	151
Polymer of Ethylene	89	39	37	44	67	77	82	106	103	76	103	109	99	106	142	84
Unmanufactured Tobacco	49	1	30	41	36	46	32	40	42	39	31	52	71	62	70	83
Palm Oil (Refined)	71	18	34	24	53	131	131	145	127	35	68	161	67	81	123	111
<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>4,567</b>
Machinery and Equipment	844	683	730	788	998	1,051	1,341	1,428	1,467	1,077	1,339	2,141	2,356	2,222	2,131	2,278
Recorders and Primary Batteries	38	13	15	18	29	50	49	119	124	107	87	124	138	152	n.a.	n.a.
Medical Instrument and Appliance - Used	63	34	48	31	47	56	56	60	73	54	63	81	87	92	104	117
Wire Cables (Electrical)	26	16	14	11	20	18	19	5	13	11	38	33	32	34	33	37
Gas Cylinders (For Industries)	6	4	4	3	4	3	4	7	6	3	6	12	n.a.	n.a.	n.a.	n.a.
Transport Equipment	245	127	156	228	269	333	405	410	481	357	593	1,065	992	668	707	931
Building Material	296	254	292	342	443	548	651	753	900	656	822	1,076	1,237	1,357	1,309	1,352
Iron Pipe & Tube	84	34	38	45	63	79	85	93	126	88	108	85	84	70	56	57
Other Investment Goods	2	1	2	2	4	5	3	6	4	3	4	4	5	6	5	6
<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>16</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>	<b>18,935</b>

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

 ... negligible  
 (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	2015(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	612.4	
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	81.8	
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	142.2	
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	49.9	
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	210.3	
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	15.2	
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	160.9	
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	285.6	
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	86.8	67.2	
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	5.2	11.5	
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	6.3	12.1	
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	35.9	45.4	
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	27.7	
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	0.7	0.8	
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	5.7	
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	...	7.3	
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	12.3	
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	4.9	
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	...	...	...	1.1	
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	28.2	
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	20.2	
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	3.8	5.0	
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	7.5	
Mandarin	...	...	...	...	2.7	4.0	6.1	3.7	5.3	7.4	10.9	10.5	10.6	9.5	7.1	8.9	
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	87.7	
Maldive 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	2.2	
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	24.6	
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	10.0	7.9	
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	142.0	161.8	
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	2.0	

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

... negligible  
(a) Provisional

Table 16 | Value of Food Imports

Item	US\$ million															
	2000	2001	2002	2003	2004	2005	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015(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	252.5
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	250.9
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	2.0
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	35.5
Chilies - 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	77.3
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	85.5
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	9.4
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	148.0
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	135.1
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	23.9	17.3
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	6.8	15.0
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	6.9	12.1
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	20.4	26.2
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	23.7
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	0.1
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	4.4
Soya Bean	0.8	0.9	1.0	0.4	0.5	0.4	0.6	...	0.9	0.7	0.8	...	0.1	...	...	3.6
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	15.0
Turmeric	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	6.9
Turmeric (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	-	...	...	0.4
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	18.0	18.2	27.3
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	19.6
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	8.4	12.2
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	4.9
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	2.9
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	87.7
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	9.4
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	52.6
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	18.1	16.5
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	123.0	110.8
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	0.2	4.3

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

... negligible

(a) Provisional

Table 17 | Motor Vehicles

Item	1995	2000	2001	2002	2003	2004	2005	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015(a)
<b>Motor Vehicle Imports</b>																	
Total	99,918	93,417	74,612	130,713	208,930	236,868	295,928	337,693	296,290	258,244	169,493	383,099	533,056	374,175	308,398	482,003	654,820
Motor Bicycles	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	322,257	349,441
Three-Wheelers	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	83,233	132,865
Tractors	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	5,511	14,233
Transport Vehicles (goods)	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	25,664	44,218
Passenger Vans and Buses	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	3,906	4,687
Motor Cars	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	41,030	108,866
Other	86	215	92	126	478	282	661	152	490	694	210	277	769	435	408	402	510
<b>New Registration of Motor Vehicles</b>																	
Total	82,401	92,237	72,634	113,351	181,502	223,842	229,669	300,522	297,892	265,199	204,075	359,243	525,421	397,295	326,651	429,556	668,907
Motor Cars	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	105,628
Three Wheelers	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	129,547
Motor Cycles	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	370,889
Buses	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	4,140
Dual Purpose Vehicles	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	39,456
Goods Transport Vehicles - Lorries	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	7,142
Land Vehicles - Tractors	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	9,977
Land Vehicles - Trailers	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	2,128
<b>Total Vehicle Fleet *</b>																	
Total	1,246,750	1,706,382	1,779,016	1,892,367	2,073,869	2,297,711	2,527,380	2,827,902	3,125,794	3,390,993	3,595,068	3,954,311	4,479,732	4,877,027	5,203,678	5,633,234	6,302,141
Motor Cars	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	672,502
Three Wheelers	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	1,059,042
Motor Cycles	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	3,359,501
Buses	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	101,419
Dual Purpose Vehicles	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	365,001
Goods Transport Vehicles - Lorries	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	341,911
Land Vehicles - Tractors	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	343,339
Land Vehicles - Trailers	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	59,426

Sources: Department of Customs and Department of Motor Traffic

(a) Provisional

\* Cumulative number of all vehicles registered in Sri Lanka

Table 18 | Power Sector

Item	Unit	1995	2000	2001	2002	2003	2004	2005	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015(a)
Installed Capacity	MW	1,409	1,838	1,999	2,231	2,483	2,499	2,411	2,434	2,444	2,645	2,684	2,818	3,146	3,312	3,356	3,932	3,851
Hydro Power		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	1,684
Thermal		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	1,115
Coal		-	-	-	-	-	-	-	-	-	-	-	-	300	300	300	900	900
Wind*		-	3	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	149
Maximum Demand	MW	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	2,283
Total sales by CEB	GWh	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	11,787
Generation	GWh	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	13,090
Average Electricity Price	Rs	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	15.93
Average Cost of Electricity	Rs	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	15.01
Access to Electricity	000 <sup>1</sup>	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	5,649
Access to Electricity	%	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	98.5

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	1995	2000	2001	2002	2003	2004	2005	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015 (a)	
<b>Total Road Length</b>	<b>km</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>112,964</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>	<b>117,093</b>	
National Roads		11,126	11,482	11,546	11,649	11,649	11,658	11,693	11,773	11,874	11,891	11,922	12,019	12,019	12,258	12,289	12,369	12,380	
Class A		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	4,215	
Class B		6,910	7,266	7,330	7,430	7,430	7,439	7,474	7,554	7,655	7,672	7,703	7,800	7,800	7,944	7,949	7,993	7,995	
Expressways		-	-	-	-	-	-	-	-	-	-	-	-	-	95	121	161	170	
Provincial Roads		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	19,083	
Rural Roads		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	85,630	
<b>Total Roads Density</b>	<b>km/km<sup>2</sup></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>	<b>1.78</b>	
National Roads Density		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	0.19	
Provincial Roads Density		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	0.29	
Rural Roads Density		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	1.31	
<b>Road Condition of National Roads as per IRI*</b>																			
Excellent	%	-	-	-	-	-	-	-	-	7	7	11	16	23	24	29	27	27	
Good	%	-	-	-	-	-	-	-	-	28	23	24	27	23	29	36	27	28	
Fair	%	-	-	-	-	-	-	-	-	19	18	17	13	10	10	8	9	9	
Poor	%	-	-	-	-	-	-	-	-	36	41	37	33	26	17	13	16	16	
Bad	%	-	-	-	-	-	-	-	-	10	11	11	11	18	20	14	22	21	

Source: Road Development Authority  
 \*IRI = International Roughness Index  
 (a) Provisional

Table 20 | Port Services

Item	Unit	1995	2000	2001	2002	2003	2004	2005	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015(a)
<b>Vessels Arrived *</b>	No.	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	4,760
Colombo		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	4,197
Sri Lanka Ports Authority		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	2,169
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	1,026
Colombo International Container Terminal		69	97	117	76	73	88	114	100	87	68	32	48	73	69	36	60	72
Trincomalee		266	303	327	199	121	107	96	141	297	322	310	109	126	161	134	127	164
Magam Ruhunupura Mahinda Rajapaksa Port		-	-	-	-	-	-	-	-	-	-	-	-	-	9	34	139	295
KKS, Myliddy, Point Pedro & Karrainagar		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
<b>Total Cargo Handled</b>	MT '000	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	77,611
Colombo		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	73,718
Sri Lanka Ports Authority		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	36,668
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	16,893
Colombo International Container Terminal***		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	745	8,648
Galle		237	597	662	526	482	578	655	735	627	459	167	318	464	422	207	394	542
Trincomalee		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	3,027
Magam Ruhunupura Mahinda Rajapaksa Port		-	-	-	-	-	-	-	-	-	-	-	-	-	15	20	119	474
KKS, Myliddy, Point Pedro & Karrainagar		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
<b>Total Container Traffic (b)</b>	TEUs '000	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	5,185
Sri Lanka Ports Authority		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	2,252
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	1,371
Colombo International Container Terminal		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	57	687
<b>Transshipment Container **(b)</b>	TEUs '000	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	3,967
Sri Lanka Ports Authority		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	1,711
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	1,043
Colombo International Container Terminal		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	44	540
<b>Employment (Sri Lanka Ports Authority)</b>	No.	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	9,538	9,497
Colombo		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	8,746	8,725
Galle		779	758	737	752	638	634	622	615	577	553	513	480	433	391	379	373	355
Trincomalee		862	1,175	1,080	1,001	776	711	688	663	620	614	591	601	466	436	426	419	417
<b>Revenue (Sri Lanka Ports Authority)</b>	Rs Mn	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	37,492	40,805

Source: Sri Lanka Ports Authority

(a) Provisional

(b) TEUs=Twenty-foot Equivalent Container Units

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

\*\* Including Re-Stowing

\*\*\* Estimated tonnage

The South Asia Gateway Terminal commenced its operations in 1999.

Table 21 | Water Supply and Sewerage

Item	Unit	1995	2000	2001	2002	2003	2004	2005	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015(a)
Access to Pipe Borne Water	% population	13.0	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	44.3	45.9
Access to Safe Drinking Water	% population	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	89.7	89.7
Access to Piped Sewerage*	% population	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	2.0	2.0
Average Cost (per month)**	Rs.000'	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	1,607,839***	1,742,950***
Average Household Bill (per month)	Rs	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	547.9***
Water Supply Connections	No.	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	1,587,663	1,707,742	1,831,998	1,954,669***
Water Production	Mn cum	275	332	343	349	357	368	383	398	425	440	449	470	490	525	547	575	600***
Water Consumption	Mn cum	150*	213	220	230	233	244	253	261	284	299	309	322	342	368	381	411	436***
Water Sales (Bill Revenue)	Rs Mn	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	20,516***
Non- Revenue Water																		
Colombo City	%	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	46.2***
Island wide	%	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	27.3***
Employees	No.	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	10,245
Employees	Per 1000 connections	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	5.5***
Collection Efficiency (Collection/Billing)		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	1.03***

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	1995	2000	2001	2002	2003	2004	2005	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015(a)
<b>Telecommunication</b>																		
Fixed Access Services	No.	204,350	767,411	829,282	883,108	933,771	991,239	1,243,993	1,884,078	2,742,059	3,446,411	3,435,958	3,534,575	3,608,392	3,449,391	2,706,787	2,709,848	2,601,196
Wireline in Service		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	1,123,126	1,128,291
Wireless Access (b)		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	1,586,722	1,472,905
Cellular Phones (b)	No.	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	24,384,544
Telephone Density (Including Cellular Phones)	per 100 persons	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	119.6	128.7
Public Pay Phones	No. of Booths	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	6,642	5,809
Internet and Email Subscribers	No.	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	606,100	682,512
Mobile Broadband Subscribers*	No.	-	-	-	-	-	-	-	-	-	-	91,356	200,000	485,533	942,461	1,501,611	2,790,195	3,408,408
Internet Service Providers	No.	-	-	-	-	-	-	1	3	4	5	8	9	20	19	15	15	13
<b>Postal</b>																		
Public Post Offices	No.	3,966	4,043	4,043	4,038	4,041	4,040	4,043	4,046	4,051	4,053	4,057	4,059	4,058	4,062	4,061	4,063	4,063
Main Post Offices		563	597	602	614	625	629	633	637	641	645	647	649	648	651	651	653	653
Sub Post Offices		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	3,410
Private Post Offices	No.	179	309	339	421	621	650	654	679	646	654	657	606	675	676	602	629	629
Private Agency Post Offices		179	309	339	376	420	436	439	463	480	488	494	491	512	516	497	524	524
Rural Agency Post Offices		-	-	-	-	156	156	157	158	159	159	159	111	156	156	101	101	101
Estate Agency Post Offices**		-	-	-	45	45	58	58	58	7	7	4	4	7	4	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 classification of active subscribers

\* from 2014 Mobile Broadband definition has been changed.

\*\* 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 Infrastrucutre and Livestock Development to the Agents of the Estate Agency Post Offices"



Table 24 | Petroleum Products Tax Structure

Item	Unit	2002	2003	2004	2005	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015
<b>Petrol</b>															
Value Added Tax (VAT)	%	10	10	15	15	15	15	15	5	Ex	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 (Rs. 23 duty waived)	Rs.35 (Rs. 23 duty waived)	Rs.35	Rs.35
Excise Duty	Rs. per ltr	21	21	20	20	20	20	20	25	25	25	25	27	27	27
Ports and Airports Development Levy (PAL)	%	1	1	1	1.5	2.5	3	3	3	3	5	5	5	5	5
Nation Building Tax (NBT)	%	-	-	-	-	-	-	-	Ex	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>Diesel</b>															
Value Added Tax (VAT)	%	10	10	15	15	Ex	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 Duty waived	Rs.15 Duty waived
Excise Duty	Rs. per ltr	3	3	2.25	2.5	2.5	2.5	2.5	2.5	2.5	2.5	2.5	3	3	3
Ports and Airports Development Levy (PAL)	%	1	1	1	1.5	2.5	3	3	3	3	5	5	5	5	5
Nation Building Tax (NBT)	%	-	-	-	-	-	-	-	Ex	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	Ex
Import Duty	Rs. per ltr	Free	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	Ex
Ports and Airports Development Levy (PAL)	%	1	1	1	1.5	2.5	3	3	3	3	5	5	5	5	5
Nation Building Tax (NBT)	%	-	-	-	-	-	-	-	Ex	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	Ex
Import Duty	Rs. per ltr	Free	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	Ex
Ports and Airports Development Levy (PAL)	%	1	1	1	1.5	2.5	3	3	3	3	5	5	5	5	5
Nation Building Tax (NBT)	%	-	-	-	-	-	-	-	Ex	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	Ex
Import Duty	Rs. per ltr	Free	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	Ex
Ports and Airports Development Levy (PAL)	%	1	1	1	1.5	2.5	3	3	3	3	5	5	5	5	5
Nation Building Tax (NBT)	%	-	-	-	-	-	-	-	Ex	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	1995	2000	2001	2002	2003	2004	2005	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015(a)
<b>Hospitals</b>	No.	535	581	594	605	605	605	606	604	734	747	716	740	778	790	809	811	827
Public		535	581	594	605	605	605	606	604	619	612	555	568	592	593	603	601	610
Private		n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	115	135	161	172	186	197	206	210	217
Central Dispensaries	No	386	389	389	385	398	397	397	397	387	417	461	476	475	480	481	484	475
Beds	No	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)	76,781
<b>Doctors</b>	No.	3,986	10,285	10,975	10,328	11,834	12,210	12,692	13,276	14,060	15,185	15,930	16,492	18,299	18,252	19,672	21,277	21,837
Administrative MOO		n.a.	101	97	102	101	106	124	124	128	131	136	138	240	211	143**	128	203
Specialist MOO		n.a.	697	683	669*	719	791	848	905	959	1,006	1,135	1,216	1,264	1,458	1,566	1,493	1,836
Medical Officers		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	15,873	15,833
Intern MOO		n.a.	693	676	746	624	514	585	857	1,218	993	765	989	1,835	1,062	1,043	1,404	1,557
Dental Surgeons		n.a.	589	954	726	763	774	805	848	849	879	1,022	1,209	1,230	1,110	1,279	1,324	1,391
RMO/AMO		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	1,017
Nurses	No.	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	31,527	32,272
Pupil Nurses	No.	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	1,999	7,224
Public Health Nursing Sisters (PHNS)	No.	174	292	308	303	298	311	308	312	297	210	328	365	326	364	331	n.a.	299
Public Health Midwives (PHM)	No.	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	9,021
Public Health Inspectors (PHI)	No.	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	1,664
Health Education Officers (HEOO)	No.	n.a.	50	54	52	51	51	49	50	43	43	51	50	56	47	48	40	47
<b>Professions Supplementary to Medicine (PSM)</b>	No.	2,153	2,313	2,357	2,471	2,456	2,456	2,557	2,485	2,488	2,756	3,251	3,509	3,553	3,694	3,699	3,773	3,995
Medical Lab Technicians (MLTT)		n.a.	733	860	873	910	899	984	913	910	1,020	1,332	1,422	1,415	1,399	1,421	1,423	1,448
Physiotherapists		n.a.	208	199	203	211	209	220	217	215	241	268	322	328	339	319	340	400
Radiographers		n.a.	288	320	338	346	341	345	340	336	385	464	477	485	534	536	531	551
Occupational Therapists		n.a.	45	49	47	49	49	47	46	47	56	75	92	100	105	94	93	101
Pharmacists		n.a.	879	885	896	955	958	961	969	980	1,054	1,112	1,196	1,225	1,317	1,329	1,386	1,495
Attendants	No.	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	8,096	8,689

Source: Ministry of Health and Indigenous Medicine

(a) Provisional

(b) Excluding Northern province

(c) Private and Public Hospitals

\* Excluding Specialist MOO attached to Anti Filaria Campaign, Blood Bank Colombo, Faculty Staff Colombo, Fever HS Colombo, Mental HS Angoda, Rehabilitation HS Ragama, NIHS, STD Clinic Katugasstota, BH Kalmunai South, BH Delattakandiya, DH Madirigiriya & BH Nikaweretiya

\*\* Permanently employed

Table 26 | Education

Item	Unit	1995	2000	2001	2002	2003	2004	2005	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015(a)
<b>General Education</b>																		
Schools	No.	10,832	10,615	10,552	10,508	10,473	10,501	10,461	10,459	10,430	10,445	10,205	10,502	10,549	10,737	10,849	10,971	10,997
Government		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	10,121	10,144
o/w National		198	317	320	323	323	324	324	327	328	330	334	340	342	342	350	352	352
Private		79	78	78	80	85	85	85	91	94	92	98	98	98	98	103	103	104
Pirivenas		514	561	583	599	598	651	653	654	658	691	697	719	720	734	734	747	749
Students	000'	4,351	4,340	4,337	4,179	4,099	4,029	4,098	3,999	4,111	4,101	4,038	4,119	4,159	4,195	4,234	4,272	4,330
Government		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	4,129
National		391	717	746	706	644	684	723	682	730	749	759	785	800	793	797	797	806
Provincial		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	3,324
Private		88	95	97	97	101	101	106	106	114	115	115	117	122	126	130	131	136
Pirivenas		47	51	53	55	56	57	55	55	55	56	58	62	63	65	66	63	65
Teachers	No.	195,388	194,718	198,410	196,407	196,897	197,697	199,715	215,439	220,204	223,314	224,672	226,646	231,819	235,533	236,131	245,922	250,850
Government		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	232,990	236,999
Private		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	6,471	7,075
Pirivenas		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	6,461	6,776
<b>University Education</b>																		
Universities	No.	9	15	15	15	15	15	17	17	17	17	17	17	17	17	17	17	17
UGC (a)		9	13	13	13	13	13	15	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	2
Students	No.	36,669	56,071	57,414	58,382	70,995	73,083	74,458	78,600	80,836	80,057	82,822	86,592	92,963	86,197	94,492	105,084	107,189
UGC (b)		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	83,539	86,253
OUSL		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	20,916	20,523
MoHE		-	86	137	177	204	223	298	312	357	413	447	376	391	557	627	629	413
New Admissions	No.	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	25,200	25,624
Employees	No.	8,541	11,486	12,112	12,634	12,390	12,417	13,269	13,859	14,119	14,549	15,412	15,670	15,905	16,301	16,971	17,641	17,983
<b>Academic</b>																		
Lecturers		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	5,688	5,609
UGC (a)		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	5,610	5,525
MoHE		-	14	14	35	44	42	44	50	50	52	55	48	53	66	69	78	84
Non Academic		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	11,953	12,374
Graduate Output**	No.																	
First Degree		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	28,357	n.a.
Postgraduate		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	8,141	n.a.

Sources: Ministry of Education and Ministry of Higher Education

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 Buddhadasanaka Bhiksu 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 & Non academic Strikes in 2012.

(a) Provisional

Table 27 | Access to Banking and Finance

Category	Unit	2000	2001	2002	2003	2004	2005	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015(a)
<b>Domestic Commercial Banks</b>	No.	10	11	11	11	11	11	11	11	11	11	11	11	12	12	13	13
State		2	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	11
Branches		931	952	987	1,013	1,056	1,090	1,179	1,263	1,289	1,333	1,417	1,567	1,627	2,582**	2,672**	2,694**
State		603	604	608	610	620	624	630	633	637	640	640	654	675	1,356	1,361	1,366
Private		328	348	379	403	436	466	549	630	652	693	777	913	952	1,226	1,311	1,328
Other offices		480	523	633	679	700	742	2,296	2,894	3,256	3,452	3,523	3,610	3,727	2,864***	2,871***	2,870***
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	2,610
Private		205	248	308	339	352	374	341	328	346	375	422	450	462	254	261	260
Automated Teller Machines (ATMs)		n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	1,256	1,510	1,710	1,815	2,035	2,187	2,316	2,406	2,481
State		n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	392	490	625	664	740	787	871	894	917
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	1,564
<b>Foreign Commercial Banks</b>	No.	16	14	12	11	11	11	12	12	11	11	11	12	12	12	12	12
Branches		38	37	31	32	33	35	39	43	44	44	46	49	49	221	221	220
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	49
<b>Specialized Banks (b)</b>	No.	12	14	13	14	14	14	14	15	14	14	9	9	9	9	9	7
State		6	8	7	8	8	8	8	8	8	8	8	8	8	8	8	6
Private		6	6	6	6	6	6	6	6	6	6	1	1	1	1	3	1
Branches		315	328	332	346	375	369	379	409	448	465	500	515	527	645**	652**	624**
State		134	140	142	156	178	170	175	191	229	239	270	280	287	390	541	546
Private		181	188	190	190	197	199	204	218	219	226	230	235	240	255	111	78
Other Offices		18	20	32	33	33	36	212	219	220	233	257	272	273	175***	175***	175***
State		11	13	20	21	21	23	194	202	203	215	236	251	251	167	175	175
Private		7	7	12	12	12	13	18	17	17	18	21	21	22	8	-	-
Automated Teller Machines (ATMs)		n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	68	97	119	158	158	180	180	180	184
Insurance Companies		8	9	11	12	13	14	15	15	16	18	19	22	22	22	21	30
Registered Finance Companies		25	25	26	26	26	28	29	32	34	35	36	39	47	48	48	46
Specialized Leasing Companies		n.a.	n.a.	13	15	17	18	18	20	22	21	21	16	13	10	8	7
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	198,843
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	1,145,055

Sources: Central Bank of Sri Lanka and Insurance Board of Sri Lanka

(a) Provisional

(b) Up to 2013, specialized banks were classified as National level and regional level banks.

\* During 2010, business of 6 Regional Development Banks was tested with a new level bank, i.e. Pradeshiya Sarwardhana 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	1995	2000	2001	2002	2003	2004	2005	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015	
				(a)	(b)	(c)	(d)	(a)	(b)	(c)	(d)	(a)	(a)	(c)	(c)	(c)	(c)	(c)(e)	
<b>Labour Force</b>																			
Total Labour Force	'000	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	8,973	
Labour Force Participation Rate	%	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	53.8	
<b>Employed Population by Industry</b>																			
Agriculture	'000	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	2,409	
Public	'000	36	32	33	24	23	33	27	89	98	157	145	107	116	127	128	77	86	
Private	'000	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	2,323	
Industry	'000	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	2,225	
Public	'000	49	67	59	38	38	40	59	45	51	51	50	47	43	59	58	80	54	
Private	'000	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	2,171	
Services	'000	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	3,920	
Public	'000	755	749	777	821	900	900	924	821	820	956	981	945	1,021	1,044	1,084	1,136	1,143	
Private	'000	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	2,777	
<b>Unemployment</b>																			
Unemployment No.	'000	749	517	537	626	641	667	623	493	447	433	471	401	357	336	384	380	419	
By Gender																			
Male	'000	368	260	280	310	311	323	302	227	210	194	223	186	153	160	179	180	172	
Female	'000	381	257	257	316	330	344	322	268	237	239	248	216	205	176	205	200	247	
By Age Group																			
15-19 years	'000	157	101	114	125	127	121	122	86	70	68	68	59	46	48	53	54	60	
20-29 years	'000	436	325	340	398	404	422	381	300	272	260	277	240	225	200	227	225	243	
30-39 years	'000	113	62	56	69	74	78	76	59	59	58	71	59	56	53	58	58	67	
Over 40 years	'000	41	30	27	34	36	45	44	48	46	46	55	43	30	n.a.	47	43	50	
By Level of Education																			
Grade 5 & Below	'000	41	16	19	29	31	36	28	23	20	20	20	11	10	9	15	12	-	
Grade 6 - 10	'000	352	236	219	255	258	245	232	207	183	17	188	140	136	126	140	144	145	
GCE O/L	'000	218	134	147	158	167	175	178	131	98	101	109	91	71	92	85	85	102	
GCE A/L & Above	'000	138	131	153	184	185	212	185	133	146	142	154	159	141	110	144	139	162	
Unemployment Rate	%	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	4.6	

Source: Department of Census and Statistics

(a) Data including Eastern provinces but excluding Northern province

(b) Excluding Mullaitivu 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.

Table 29 | Average Daily Wages and Strikes

Item	Unit	1995	2000	2001	2002	2003	2004	2005	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015(a)
<b>Paddy Cultivation</b>	Rs. per day																	
Male		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	1,034.00
Female		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	765.00
<b>Tea Cultivation</b>	Rs. per day																	
Male		66.50	95.00	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	887.00
Female		95.00	101.00	188.00	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	656.00
<b>Rubber Cultivation</b>	Rs. per day																	
Male		64.01	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	931.00
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	742.00
<b>Coconut Cultivation</b>	Rs. per day																	
Male		64.01	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	1,114.00
<b>Carpentry</b>	Rs. per day																	
Master Carpenter		90.33	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	1,486.00
Skilled and Unskilled		n.a.	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	1,034.00
<b>Masonry</b>	Rs. per day																	
Master Mason		76.98	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	1,450.00
Skilled and Unskilled		74.00	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	1,029.00
<b>Strikes</b>																		
No. of Strikes		183	87	92	104	98	90	57	53	25	51	8	15	21	34	42	38	51

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	1.2
Squard Poverty Gap							
	%	1.8	2.2	1.6	0.9	0.5	0.30
Poverty Shortfall							
	Rs./Month	101	191	317	448	587	607
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	1995	2000	2001	2002	2003	2004	2005	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015(a)	
Unit	727	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	6,980	
US\$ mn																		
<b>Total Remittances</b>																		
By Country																		
Middle East	423	730	703	770	804	868	1,089	1,234	1,451	1,745	1,995	2,474	3,030	3,358	3,562	3,902	3,769	
European Union	108	156	190	220	253	286	355	411	500	525	603	724	885	1,071	1,160	1,270	1,222	
Europe, Other	41	63	64	71	113	129	135	143	135	128	148	177	232	275	308	337	307	
East Asia	55	68	61	63	69	76	86	110	135	175	203	247	401	509	557	611	698	
North America	58	78	81	87	90	105	125	119	105	114	127	140	154	174	186	204	209	
South and Central America	7	11	12	13	14	15	19	22	20	23	28	35	41	48	58	63	63	
South East Asia	15	22	22	24	27	32	38	52	75	90	100	144	206	263	288	316	391	
South Asia	5	8	7	11	12	13	19	22	25	32	40	58	51	90	83	91	98	
Australia and New Zealand	7	12	14	14	16	23	29	28	33	55	57	82	103	132	147	161	161	
Other	8	12	11	14	16	18	24	22	23	29	30	35	41	66	58	63	63	
<b>Total Departures</b>	<b>No.</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>300,703</b>	<b>263,307</b>
Professional	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	5,372	6,257	
Middle Level	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	20,778	6,921	
Clerical and Related	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	29,267	12,472	
Skilled	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	73,162	82,098	
Semi Skilled	-	-	-	-	-	-	-	-	3,499	5,326	6,015	4,932	4,180	3,467	3,412	3,977	4,837	
Unskilled	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	79,519	77,444	
Housemaids	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	88,628	73,278	

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	2015(a)
<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	31,703
<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	39,994
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	1.4
Assistance to Elderly	-	-	-	-	-	-	648	326	922	960	650	950	554	2,045	2,655	8,039
Allowance for Handicapped Students	-	-	-	-	-	40	50	71	70	74	71	80	80	123	138	220
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	936
<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	23,433
<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	49,571
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	1,629	1,440	1,789	228	7,480
<b>Commercial Crop Development</b>																
<b>Crop Subsidy</b>																
Tea	81	96	141	160	206	183	188	199	232	211	191	171	182	272	331	7,292
Rubber	90	69	54	61	50	115	176	193	275	200	371	485	435	587	763	2,871
Coconut	68	69	126	218	56	124	270	179	222	237	269	293	353	403	485	471
Cashew	11	12	25	13	15	18	22	23	35	34	25	29	27	49	40	35
Minor Crops - (Cinnamon, Cocoa, Coffee, Pepper)	104	99	40	32	40	45	79	134	117	175	180	220	185	207	254	360
<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	2,261
Season Tickets	225	225	225	225	225	250	250	500	600	1,384	1,369	1,359	1,233	1,430	1,695	1,800
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	2,773	3,979
Grade v Scholarships, Mahapola and Bursary	222	255	n.a.	441	362	421	235	201	565	578	645	777	790	801	852	1,390
Nutrition Program	-	-	5	43	61	166	722	1,308	1,649	2,251	2,475	2,631	2,790	3,077	3,725	3,938
Thripasa for Children and Expectant Mothers	246	487	617	512	304	504	537	488	649	1,155	865	1,336	1,189	1,396	1,798	1,956
Poshana Malla for Expectant Mothers	-	-	-	-	-	-	82	418	386	505	388	360	249	203	279	2,422
Fresh milk for Pre-school Children	-	-	-	-	-	-	-	13	35	167	178	249	205	230	197	189
Poshana Manpetha and Lama Saviya	-	-	-	-	13	4	25	22	24	30	30	18	17	19	21	23
<b>Disaster Assistance</b>																
Flood and Drought Relief	-	-	-	-	310	348	171	345	323	738	264	649	153	148	521	271
Cooked Meals and Dry Rations	-	-	-	-	1,800	1,482	2,586	1,670	1,457	2,859	1,000	199	54	32	28	118
Assistance to Religious Places	-	-	-	-	-	-	45	30	46	144	42	46	49	47	50	50
Water for Religious Places	-	-	-	-	-	-	45	30	46	144	42	46	49	47	50	50

Table 32 | Welfare Payments and Development Subsidies contd...

Description	2000	2001	2002	2003	2004	2005	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015(a)
<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	-	19,468
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	-	-	252
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	7,714
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	5,229
<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	4,975
Transportation Facilities for Armed Forces	-	-	-	-	-	-	-	-	200	598	208	257	182	169	276	300
<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>159,048.0</b>	<b>228,571.0</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	2015(a)
<b>Tourist Arrivals by Country of Nationality</b>	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	1,527,153	1,798,380
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	91,956
Latin America & the Caribbean		594	342	400	549	636	715	732	805	4,104	3,721	666	594	1,167	1,626	3,166	3,202	5,698
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	498,758	599,415
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	141,984	125,284
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	88,654	101,676
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	10,674	14,473
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	640,045	787,483
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	71,183	72,395
<b>Tourist Arrivals by Purpose of Visit</b>	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	1,198,240
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	4,616	6,705
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	5,240
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	458,411
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	200	1,202
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	60,932	128,582
Official Tourist Receipts	US \$ Mn	225	253	211	253	340	417	362	410	384	342	349	575	830	1,038	1,715	2,431	2,981
Receipt Per Tourist Per Day	US\$	56.1	62.3	63.1	63.4	66.8	72.2	74.6	83.4	79.1	76.7	81.8	88.0	98.0	103.0	156.5	160.8	164.1
Average Duration (Nights)	No.	10	10	10	10	10	10	9	10	10	10	9	10	10	10	9	10	10
<b>Accommodation Capacity Hotels (Classified/ unclassified and Boutique Hotels)</b>	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	18,510	19,377
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	36,883	38,479
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	1,356,411
<b>Revenue from Tourism</b>																		

Table 33 | Tourism

Item	Unit	1995	2000	2001	2002	2003	2004	2005	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015(a)	
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	1,014.8	
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	1,968.5	
<b>Museums</b>																			
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	45,053	558,521	
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	831,587.0	1,011,585	
<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	722,676	
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	1,727.0	2,178.0	2,495.6	
<b>Zoological Gardens</b>																			
Number of Foreign Visitors		189,043	204,681	150,353	147,329	217,990	252,445	135,006	178,902	155,310	153,994	149,833	249,556	284,898	287,485	305,860	348,842	393,064	
Revenue from Sale of Tickets	Rs. Mn	11.4	29.2	22.2	30.2	42.3	119.5	61.4	82.7	133.1	134.3	201.7	410.1	470.2	480.7	550.9	745.7	813.9	
<b>Botanical Gardens</b>																			
Number of Foreign Visitors		n.a.	n.a.	n.a.	n.a.	n.a.	238,689	110,639	150,138	113,759	117,751	123,425	210,949	237,763	259,572	293,454	345,468	407,553	
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	435,151	
<b>Wild Life Parks</b>																			
Number of Foreign Visitors		n.a.	n.a.	n.a.	n.a.	n.a.	88,033	57,441	84,198	58,258	54,323	70,688	143,198	198,536	254,052	325,153	454,053	558,521	
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	1,011,583	

Sources: Sri Lanka Tourism Development Authority, 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	1995	2000	2001	2002	2003	2004	2005	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015(a)
<b>Total Livestock Population</b>		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	18,619	18,468	18,542
Cattle	No. '000	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	1,169(b)	1,105	1,088
Buffalo	No. '000	764	305	290	282	280	302	308	314	319	440	372	423	405	415	381(b)	321	323
Goat/Sheep	No. '000	610	506	504	360	424	417	405	395	405	387	385	381	384	394	341 (b)	307	317
Swine	No. '000	87	71	68	82	68	79	85	92	94	89	81	84	82	89	81 (b)	105	70
Chicken	No. '000	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	16,647 (b)	16,630	16,744
<b>Total Production</b>																		
Milk	Mn Lt.	333	181	183	183	187	190	193	197	202	208	233	248	258	299	329	334	374
Chicken meat	Mt '000	39	67	71	75	80	78	86	85	100	103	99	104	117	137	145	150	164
Eggs	Mn	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	1,721	1,899
Mutton	Mt	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	1,340	1,350
Pork	Mt	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	7,080	7,018
<b>Domestic Demand</b>																		
Domestic Demand - Milk																		
Milk Requirement	Mn. Ltrs per Year	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	937.7	1,014.8
Domestic Production	Mn Ltrs.	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	333.9	374.4
Domestic Production / Total Req. Ratio	%	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	35.6	36.9
Production Gap	Mn Ltrs.	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	603.8	614.8
Domestic Demand - Chicken																		
Chicken Requirement	Mt'000 per year	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	148.7	164.0
Domestic Production	Mt'000	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	150.3	164.5
Production Gap	Mt'000	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	-	-
Domestic Demand - Eggs																		
Egg Requirement	Mn. per Year	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	2,231.0	2,202.5
Domestic Production	Mn.	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	1,721.0	1,899.0
Production Gap	Mn.	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	510.0	303.5
<b>Per Capita Availability</b>																		
Milk (b)	kg per Year	18.3	5.0	4.9	5.0	5.5	5.3	5.4	5.3	5.7	5.9	6.0	6.1	6.3	8.1	8.7	13 (c)	15 (c)
Chicken Meat	kg per Year	2.2	3.6	3.8	3.9	4.2	4.0	4.4	4.3	5.0	5.0	4.9	4.9	5.7	6.8	7.1	7.2	7.8
Eggs	No. per Year	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	107.9	105.1
Mutton	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	...	0.1	0.1	0.1

Table 34 | Livestock Sector contd...

Item	Unit	1995	2000	2001	2002	2003	2004	2005	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015(a)
Pork	kg per Year	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	0.3
Beef	kg per Year	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	1.6	1.5
<b>Imports</b>																		
Milk and Milk Products	Mt	50,185	52,526	49,068.6	60,768.5	58,461.2	52,701.8	52,788.1	65,840.3	61,241.8	65,376.1	63,873.5	75,482.6	88,129.0	83,818.0	69,452.0	71,026.8	86,327.5
	Rs. Mn	5,532	7,780	9,080.1	9,587.3	10,106.1	11,289.2	12,591.4	16,254.0	19,306.2	30,849.0	18,608.7	29,029.4	38,192.0	39,023.0	37,572.0	44,307.7	34,087.9
Poultry and Poultry Products	Mt	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	591.6
	Rs. Mn	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	129.4
Mutton and Mutton Products	Mt	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	502.7
	Rs. Mn	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	218.9
Pork and Pork Products	Mt	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	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	0.1
Beef and Beef Products	Mt	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	40.2	50.7
	Rs. Mn	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	28.8	39.7

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

(a) Provisional

(b) Revised

(c) Cow milk only

... negligible

Table 35 | Fisheries Sector

Item	Unit	1995	2000	2001	2002	2003	2004	2005	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015(a)
<b>Fishing Fleet Capacity (Total Boats)</b>	No.	27,269	28,148	27,717	28,703	30,295	31,164	30,504	38,819	38,383	39,049	40,245	48,134	53,476	54,310	52,301	62,524	59,194
High Seas Boats		n.a.	6	6	8	10	9	10	11	10	13	19	26	29	130	-	-	-
Multi Day Boats		1,639	1,430	1,572	1,614	1,530	1,581	1,328	2,394	2,434	2,529	2,604	2,679	3,843	3,950	4,111*	4,447*	4,218*
One Day Boats		1,357	1,170	993	1,112	1,486	1,493	1,164	907	1,085	1,110	1,135	1,160	1,120	890	802	876	719
Out Board 6-8 m FRP		8,564	8,690	8,744	9,033	11,020	11,559	11,010	16,685	15,016	15,016	15,016	15,016	22,890	23,160	23,134	23,982	24,028
Motorized Traditional Boats		1,060	1,205	640	776	618	674	1,660	1,842	2,188	2,213	2,238	2,263	2,960	2,340	2,514	2,720	1,872
Non-Motorized Traditional Boats (b)		14,649	15,100	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	29,325	26,669
Beach Scene Boats		**	547	562	560	591	588	593	633	990	990	990	990	984	1,040	1,174	1,174	1,688
<b>Annual Fish Production</b>	MT	235,750	300,380	284,760	302,890	284,960	286,370	162,680	251,270	291,050	319,120	339,730	384,670	444,830	484,810	512,840	535,050	520,190
Marine Fish Catch		217,500	263,680	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	452,890
Coastal		157,500	175,280	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	269,020
Offshore and Deep Sea		60,000	88,400	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	183,870
Inland and Aquaculture		18,250	36,700	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	67,300
<b>Fish for Dry or Smoking</b>	MT	36,000	60,900	43,650	61,720	54,340	63,470	18,900	71,740	77,830	93,240	97,690	100,120	112,295	61,320	146,630	157,982	126,390

Source: Ministry of Fisheries and Aquatic Resources

(a) Provisional

(b) from 2014 number of nonmotorized Traditional Boats includes both marine and fresh water driven boats.

\* Including High Sea Boats

\*\* Beach Scene Boats are included in Non- Motorized Traditional Boats

