

PRESS RELEASE

Government Appropriation Bill – 2019

As per the Appropriation Bill, which was presented to the Cabinet recently by Finance and Media Minister, Mangala Samaraweera, next year's annual state expenditure will be Rs 4,376 and the budget deficit will be Rs.644 billion which is 4.1% of the GDP.

The Government revenue in the year 2014 was 11.5% of the GDP and, it was gradually increased after the unity government came in to power and, it is expected to be increased to 15.1% of the GDP in 2019.

At the same time, a surplus was reported for the time after 63 years in the Government's Primary Balance in 2017 and, it is expected that this surplus will increase by 1.3% of the GDP in 2019.

Rs.2, 057 billion has been allocated for debt servicing in 2019. This is the largest amount of money a government in the history of this country is compelled to bear in repaying its borrowings. Out of this amount, Rs.1, 271 should be paid locally next year while Rs.786 billion, which is equal to 4,650 million US dollars should be paid to foreign lenders. Accordingly, the Government expects to borrow Rs.1, 944 billion from local and foreign sources for its debt servicing including the financing of the budget deficit in 2019.

Among the government expenditures, Rs.1, 456 billion have been allocated for recurrent expenditure of the public sector while Rs.856 billion has been allocated for capital expenditure.

The Government is to spend Rs.1, 000 billion for the salaries of 1.1 million public servants and 600,000 pensioners and an additional Rs.220 billion is allocated to provide public welfare such as Samurdhi allowance, school uniforms, free medicine, allowances for the elders, fertilizer subsidy, bag of nutritious food, payment for kidney patients and payments for the differently abled.

Finance and Media Minister, Mangala Samaraweera has made allocations through appropriatio0n Bill substantially to implement major development projects which bring direct benefits to the people of this country. These include road development, housing development, irrigation and drinking water supply development.

Rs 63 billion has been allocated for series of development projects aimed at rural livelihood development programmes such as One project for one village development program, Grama Shakthi, Gamperaliya and Pibidena Polonnaruwa Rs.175 billion has been allocated to develop highways and complete the Southern Expressway development up to Mattala; to develop and complete Colombo Outer Circular Road from Kadawatha to Kerawalapitiya and, construct the stretch of Central Expressway from Kadawatha to Mirigama. This will also include the construction of the elevated Port Entry Road from Peliyagoda to Colombo International Financial City.

Further Rs.75 billion has been allocated to complete middle and massive irrigation projects including the completion of the Uma Oya Multipurpose Development Projects and Moragahakanda Development project.

At the same time, the Government has identified various housing schemes to be launched throughout the country in 2019. Accordingly, Rs.50 billion has been allocated for the relevant ministries which are responsible to launch these housing development projects. Among them are urban housing development projects to be built by the Megapolis and Western Development Ministry, housing projects implemented by the Housing Development Ministry, housing development projects in the North and the East and the Estate housing development projects. Simultaneously, Rs.5 billion has been allocated for the proposed Colombo Light Railway Transit System which has been earmarked to begin construction from the Peliyagoda New Bridge next year. In addition, Rs.50 billion has been allocated to implement several water supply schemes including Jaffna Kilinochchi Water Supply System, Kelani River South Bank Water Supply scheme and Matale Water Supply system. Extra funds have been allocated for the development of the railway and road transport sectors in order to upgrade the strategic city development.

Meanwhile, the highest amount of allocations under the Appropriation Bill, which is to be presented to parliament by Finance and Media Minister Mangala Samaraweera on October 09 has been made for the ministry of Defense. The allocation for Defense in the year 2019 is Rs.306 billion. Rs.221 billion have been allocated for the capital and recurrent expenditure of Provincial councils. At the same time, capital expenditure of several ministries including, Education, Health, Provincial Council and Local Government, Finance, Fisheries, Agriculture and Megapolis and Western Development have been increased.

The Budget will be presented in Parliament by Minister Mangala Samaraweera on November 05,2018

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