

FINAL BUDGET POSITION REPORT (ANNUAL REPORT) 2023

**Ministry of Finance,
Economic Stabilization
& National Policies
Sri Lanka**



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**MINISTRY OF FINANCE, ECONOMIC
STABILIZATION & NATIONAL POLICIES
SRI LANKA**

**THIS FINAL BUDGET POSITION REPORT (ANNUAL REPORT) 2023, IS PUBLISHED
IN TERMS OF SECTION 13 OF
THE FISCAL MANAGEMENT (RESPONSIBILITY) ACT, NO. 3 of 2003**

ISBN 978-624-5674-19-0

Printed at M.D.Gunasena and Company Printers (Private) Limited,
No. 20. St. Sebastian Hill, Colombo 12
and published by the Ministry of Finance, Economic Stabilization &
National Policies, The Secretariat, Lotus Road, Colombo 01, Sri Lanka.

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List of Acronyms

AAIB	Agriculture and Agrarian Insurance Board
AASL	Airport and Aviation Services (Sri Lanka) Limited
ACI	Airport Council International
ADB	Asian Development Bank
AIT	Advance Income Tax
APIT	Advance Personal Income Tax
ASPI	All Share Price Index
ASYCUDA	Automated System for Customs Data
ATPS	Alternate Tax Payment System
AWCMR	Average Weighted Call Money Rate
AWDR	Average Weighted Deposit Rate
AWLD	Average Weighted Lending Rate
AWPLR	Average Weighted Prime Lending Rate
BIA	Bandaranaike International Airport
BoC	Bank of Ceylon
BOI	Board of Investment
BOP	Balance of Payment
BP	British Pharmacopoeia
CAR	Capital Adequacy Ratio
CASA	Current and Saving Account Ratio
CBSL	Central Bank of Sri Lanka
CCFL	Colombo Commercial Fertilizer Company Limited
CCPI	Colombo Consumers' Price Index
CEB	Ceylon Electricity Board
CECB	Central Engineering Consultancy Bureau
CERA	Centre for Robotics
CESS	Commodity Export Subsidy Scheme
CFC	Ceylon Fisheries Corporation
CFCL	Ceylon Fertilizer Company Limited
CFHC	Ceylon Fishing Harbours Corporation
CICT	Colombo International Container Terminals
CID	Customs Import Duty
CIT	Corporate Income Tax
CIABOC	Commission to Investigate Allegations of Bribery and Corruption
CKDU	Chronic Kidney Disease of Unknown

List of Acronyms

COPA	Committee on Public Accounts
CPA	Child Protection Authority
CPC	Ceylon Petroleum Corporation
CPI	Consumer Price Index
CPL	Chilaw Plantations Limited
CRA	Colombo Rubber Auction
CSE	Colombo Stock Exchange
CTA	Colombo Tea Auction
CUB	Committed Undisbursed Balance
DFCC	Development Finance Corporation of Ceylon
DLB	Development Lotteries Board
DRL	Debt Repayment Levy
DRP	Debt Relief Package
DTET	Department of Technical Education and Training
ECT	East Container Terminal
EDSL	Excise Department of Sri Lanka
e-GP	electronic Government Procurement
EFF	Extended Fund Facility
EMDEs	Emerging Markets and Developing Economies
EMEs	Emerging Market Economies
EPF	Employees' Provident Fund
EPL	Elkaduwa Plantations Limited
ESC	Economic Service Charge
ETF	Employees, Trust Fund
ETFB	Employees Trust Fund Board
FCBUs	Foreign Currency Banking Units
FCTFF	Foreign Currency Term Financing Facility
FDI	Foreign Direct Investment
FGPCs	Farmer's Grain Preservation Centers
FOB	Free on Board
FPSF	Fuel Price Stability Fund
FSRU	Floating Storage Regasification Unit
G to G	Government to Government
GDP	Gross Domestic Products
GIZ	German International Cooperation

List of Acronyms

GOR	Gross Official Reserves
GOSL	Government of Sri Lanka
GVA	Gross Value Added
GWh	Giga Watt hours
GWP	Gross Written Premium
HDFC	Housing Development Finance Corporation Bank
HDL	Hotel Developers Lanka Limited
ICT	Information and Communication Technology
ILO	International Labour Organisation
IMF	International Monetary Fund
IPP	Independent Power Producer
IRCSL	Insurance Regulatory Commission of Sri Lanka
IRD	Inland Revenue Department
ISBs	International Sovereign Bonds
ISBs	International Sovereign Bonds
IT/BPO	Information Technology and Business Processing Outsourcing
ITMIS	Integrated Treasury Management Information System
ITN	Independent Television Network
JEDB	Janatha Estates Development Board
JICA	Japan International Corporation Agency
KGLL	Kahatagaha Graphite Lanka Limited
KPL	Kurunegala Plantations Limited
KTFL	Kalubiwitiyana Tea Factory Ltd
kWh	Kilo Watt hours
LC	Letter of Credit
LCBs	Licensed Commercial Banks
LFPR	Labour Force Participation Rate
LIBOR	London Inter Bank Offered Rate
LMSL	Lanka Mineral Sands Limited
LNG	Liquefied Natural Gas
LSL	Lanka Sathosa Limited
LTU	Large Tax Payers Unit
LTU	Large Tax Administration Unit
M _{2b}	Board Money
MarCom	Marketing an Communication

List of Acronyms

MCU	Medium Corporate Unit
MEs	Micro Enterprises
MEFP	Memorandum of Economic and Financial Policies
MFA	Micro Finance Act, No.6 of 2016
MILCO	Milco (pvt) Ltd
MOP	Muriate of Potash
MRPs	Maximum Retail Prices
MSD	Medical Supply Division
MSMEs	Micro, Small and Medium Enterprises
NAITA	National Apprentice and Industrial Training Authority
NBT	Nation Building Tax
NCGI	National Credit Guarantee Institute
NCPI	National Consumer Price Index
NCRCS	New Comprehensive Rural Credit Scheme
NCRE	Non – Conventional Renewable Energy
NGOs	Non-Governmental Organizations
NITF	National Insurance Trust Fund
NLB	National Lotteries Board
NLDB	National Livestock Development Board
NMRA	National Medicines Regulatory Authority
NOP	Net Open Positions
NPL	Non-Performing Loans
NRFC	Non-Resident Foreign Currency
NSB	National Savings Bank
NSBS	Nearest School is the Best School
NVQ	National Vocational Qualifications
NWS&DB	National Water Supply and Drainage Board
OD	Overdrafts
ODA	Official Development Assistance
OGA	Other Government Agencies
OPEC	Organization of Petroleum Export Countries
PAL	Ports and Airport Development Levy
PAYE	Pay – As – You – Earn
PB	Peoples Bank
PBO	Budget Office in Parliament

List of Acronyms

PDE	Product Design Engineering
PFI	Participatory Financial Institutions
PFM	Public Finance Management
PIT	Personal Income Tax
PLC	Public Limited Company
PMB	Paddy Marketing Board
PMCU	Primary Medical Care Units
PMU	Project Management Unit
POD	Permanent Overdrafts
PRC	Project Review Committee
PSB	Pradeshya Sanwardana Bank
RAMIS	Revenue Administration Management Information System
RCU	Regional Corporate Unit
RCEP	Regional Comprehensive Economic Partnership
RDB	Regional Development Bank
RFC	Resident Foreign Currency
RFP	Request for Proposals
RII Act	Regulation of Insurance Industry Act, No. 43 of 2000
ROA	Return on Assets
ROE	Return on Equity
RPCs	Regional Plantation Companies
RRMS	Revenue Risk Management System
RSPGLoC	Rooftop Solar Power Generation Line of Credit
RSS1	Rubber Smoked Sheet 1
S & P	Standard and Poor's
SAGT	South Asia Gateway Terminals
SCL	Special Commodity Levy
SD&CC	State Development and Construction Corporation
SDA	Special Deposit Account
SDFR	Standing Deposit Facility Rate
SDR	Special Drawing Rights
SEC	Securities and Exchange Commission
SEC	State Engineering Corporation
SEZ	Special Economic Zone
SGST	Special Goods and Services Tax

List of Acronyms

SJGH	Sri Jayawardanapura General Hospital
SLA	Sri Lanka Airlines
SLADC	Sri Lanka Ayurvedic Drugs Corporation
SLC	Sri Lanka Customs
SLDBs	Sri Lanka Development Bonds
SLECIC	Sri Lanka Export Credit Insurance Corporation
SLFR	Standing Lending Facility Rate
SLHB	Sri Lanka Handicraft Board
SLIBTEC	Sri Lanka Biotechnology Institute
SLIC	Sri Lanka Insurance Corporation
SLINTEC	Sri Lanka Institute of Nanotechnology
SLPA	Sri Lanka Ports Authority
SLRC	Sri Lanka Rupavahini Corporation
SLREIT	Sri Lanka Real Estate Investment Trust
SLSI	Sri Lanka Standard Institute
SLSPC	Sri Lanka State Plantations Corporation
SLTB	Sri Lanka Transport Board
SLTDA	Sri Lanka Tourism Development Authority
SMELoC	Small and Medium Enterprise Line of Credit
SMEs	Small and Medium Enterprises
SMIB	State Mortgage and Investment Bank
SOBES	State Owned Business Enterprises
SOEs	State Owned Enterprises
SPC	State Pharmaceutical Corporation
SPMC	State Pharmaceutical Manufacturing Corporation
SRCC & T	Strike, Riot, Civil Commotion and Terrorism Fund
SRR	Statutory Reserve Ratio
SSCL	Social Security Contribution Levy
STC	State Timber Corporation
TEU	Twenty-Foot Equivalent Units
TIN	Tax Identification Number
TL	Telecommunication Levy
TSP	Triple Super Phosphate
TVD	Tax on Voluntary Disclosure

List of Acronyms

TVET	Technical and Vocational Education and Training
UCU	Upper Corporate Unit
UK	United Kingdom
UN	United Nations
UNCTAD	United Nations Conference on Trade and Development
UNIVOTEC	University of Vocational Technology
US	United States
USD	United States Dollar
USP	United States Pharmacopoeia
VAT	Value Added Tax
VFM	Value of Money
VOAs	Vote on Accounts
VTA	Vocational Training Authority
WB	World Bank
WCT	West Container Terminal
We-Fi	Women Entrepreneurs Financial Institute
WEO	World Economic Outlook
WHO	World Health Organization
WHT	Withholding Tax
WTO	World Trade Organization
Y-O-Y	Year on Year

SRI LANKA AT A GLANCE 2021 – 2023

	2021	2022	2023 ^(a)		2021	2022	2023 ^(a)
GDP				TOTAL GOVERNMENT DEBT (Rs. Bn)	17,614	27,492	28,696
GDP at Market Prices (Rs. Bn)	17,612	24,064	27,630	Total Government Debt (Percent of GDP)	100.0	114.2	103.9
GDP at Market Prices (USD Bn)	88.6	76.8	84.4	Domestic (Percent of GDP)	63.0	62.5	61.7
Per Capita GDP at Market Prices (Rs.)	794,926	1,084,882	1,253,785	Foreign (Percent of GDP)	37.0	51.8	42.1
Per Capita GDP at Market Prices (USD)	3,999	3,464	3,830	Total Debt Service (Percent of GDP)	13.5	12.5	15.4
GDP (Growth %)	4.2	-7.3	-2.3				
GNP (Growth %)	4.7	-7.6	-3.0	PROVINCIAL BUDGET			
Inflation – GDP Implicit Price Deflator (%) 2010=100	8.0	47.5	17.5	Revenue (Rs. Bn)	63.9	73.8	85.3
Inflation – CCPI (%), 2013=100 (Annual Average)	6.0	46.4	17.4	Tax Revenue (Rs. Bn)	55.1	59.9	64.2
Unemployment (%)	5.1	4.7	4.7	Expenditure (Rs. Bn)	382	393	454
Labour Force Participation Rate (%)	49.9	49.8	48.6	Central Government Transfers (Rs. Bn)	318.3	318.7	368.2
STRUCTURE OF THE ECONOMY				MONETARY SECTOR DEVELOPMENTS			
Share of GDP (%)				Narrow Money (Rs. Bn)	1,460	1,454	1,658
Agriculture	8.8	8.5	8.3	Broad Money (M _{2b}) (Rs. Bn)	10,647	12,290	13,189
Industry	30	29.8	25.6	Money Growth (M _{2b}) (%)	13.2	15.4	7.3
Services	55.9	57.0	59.9				
Tax-Subsidier	5.4	4.7	6.2	ACCESS TO BANKING & FINANCE			
Sectoral Growth (%)				Domestic Commercial Banks	13	13	13
Agriculture	1.0	-4.2	2.6	Branches	2,871	2,882	2,886
Industry	5.7	-16.0	-9.2	Foreign Commercial Banks	11	11	11
Services	3.4	- 2.6	- 0.2	Branches	46	44	43
				Specialized Banks	6	6	6
				Branches	705	706	706
EXTERNAL TRADE				ATMs			
Exports (USD Mn)	12,499	13,106	11,911	Domestic Commercial Banks	5,920	6,175	6,391
Imports (USD Mn)	20,637	18,291	16,811	Foreign Commercial Banks	52	53	47
Trade Balance (USD Mn)	-8,139	-5,185	-4,900	Specialized Banks	466	474	505
Tourism Earning (USD Mn)	507	1,136	2,068	Insurance Companies	27	28	28
Worker's Remittances (USD Mn)	5,491	3,789	5,970	Registered Finance Companies	39	36	33
Current Account Balance (USD Mn)	-3,284	-1,448	1,559	Specialized Leasing Companies	3	1	1
Overall Balance of Payment (USD Mn)	-3,967	-2,806	2,826	Student Savings Units	3,793	3,794	3,882
				Credit Cards Issued	285,888	240,653	199,124
GOVERNMENT FINANCE				Credit Cards in Use	2,054,985	2,054,896	1,987,857
Revenue (Rs. Bn)	1,457	1,979	3,049				
Tax Revenue (Rs. Bn)	1,298	1,751	2,721	EXCHANGE RATES			
Non-Tax Revenue (Rs. Bn)	159	228	328	Annual Average			
Revenue (USD Mn)	7,326	6,098	9,309	Rs/USD	198.88	324.55	327.53
Tax Revenue (USD Mn)	6,527	5,396	8,306	Rs/SDR	283.18	431.91	436.88
Non Tax Revenue (USD Mn)	800	703	1002	NEER (2017=100) (24-Currency Basket)	78.64	53.99	53.30
Total Expenditure and Net Lending (Rs. Bn)	3,522	4,473	5,357	REER (2017=100) (24-Currency Basket)	83.58	77.49	71.39
Recurrent Expenditure (Rs. Bn)	2,748	3,520	4,700				
Capital Expenditure and Net Lending (Rs. Bn)	774	953	657	Year End			
Current Account Balance / (Percent of GDP)	-7.3	-6.4	-6.0	Rs/USD	200.43	363.11	323.92
Primary Deficit/(Percent of GDP)	-5.7	-3.7	0.6	Rs/SDR	280.53	483.24	434.60
Budget Deficit / (Percent of GDP)	-11.7	-10.2	-8.3				
Total Expenditure and Net Lending (USD Mn)	17,708	13,782	16,354				
Recurrent Expenditure (USD Mn)	13,815	10,856	14,349				
Capital Expenditure and Net Lending (USD Mn)	3,893	2,936	2,006				
Budget Deficit (USD Mn)	-10,348	-7,580	-6,968				

(a) Provisional

* Included arrears

n.a. – not available

NEER – Nominal Effective Exchange Rate

REER – Real Effective Exchange Rate

SRI LANKA AT A GLANCE 2021 – 2023

	2021	2022		2023
Duty free items – Raw Materials	4,441	4,454	Free	3,724
5% Duty	–	–	15%	526
10% Duty	476	476	20%	2,643
25% Duty	–	–	Specific	852
15% Duty Intermediate Goods	2,420	2,420	Specific & Advelorum (Mixed)	412
30% Duty Luxury Goods & Motor Vehicles	–	–		
75% Duty Tobacco	–	–		
85% Duty Cigarettes	–	–		
125% Duty Liquor	–	–		
Specific Duty	75	75		
Specific & Advelorum	391	391		
Total	7,803	7,816	Total	8,157

	2021	2022	2023 ^(a)		2021	2022	2023 ^(a)
SOCIAL DEVELOPMENT				ACCESS TO BASIC INFRASTRUCTURE			
Mid Year Growth of Population (%)	1.1	0.1	-0.6	Access to Pipe-borne Water (% of Population)	54.3	60.4	61.6
Life Expectancy at Birth (2017)	75.5	75.5	75.5	Access to Safe Drinking Water (% of Population)	94.4	96.0	97.3
Crude Birth Rate (per 1,000 persons)	12.9	12.4	11.2	Telecommunications			
Crude Death Rate (per 1,000 persons)	7.4	8.1	8.2	Fixed Access Services ('000)	2,852	2,651	2,308
Literacy Rate – (%) ^(c)				Cellular Phones (No. of Subscribers) ('000)	29,959	28,838	28,986
Average	93.3	n.a.	n.a.	Internet and email Subscribers (Including mobile internet services) ('000)	22,106	21,668	22,864
Male	94.3	n.a.	n.a.	Postal			
Female	92.3	n.a.	n.a.	Public Post Offices	4,064	3,995	4,006
Computer Literacy Rate (%)	34.3	36.0	39.5 ^(b)	Private Post Offices	130	140	139
Dependency Ratio (%)	49.4	49.4	49.4	Roads			
MOTOR VEHICLE IMPORTS				National Road Length (Km)	12,537	12,537	12,568
Motor Cars	1,979	523	1,113	National Road Density (Km ²)	0.19	0.19	0.19
Motor Cycles	1,861	2,826	5,025	Ports			
Three-Wheelers	2,094	226	13	Vessels Arrived	4,180	4,073	4,823
Tractors	13,520	3,455	2,394	Total Container Traffic ('000 TEUs)	7,249	6,862	6,950
Motor Vehicles for Transport of Goods	2,067	235	197	Total Cargo Handled ('000 MT) ^(d)	109,356	100,376	103,794
Passenger Van and Buses	52	177	455	Transshipment Containers Handling ('000 TEUs)	6,050	5,832	5,960
Other	259	48	9	Production of Agriculture Sector			
TOTAL VEHICLE STOCK				Tea (Mn Kg)	299	252	256
Motor Cars	900,380	901,869	903,685	Rubber (Mn Kg)	77	71	64
Three-Wheelers	1,184,320	1,184,356	1,184,416	Coconut (Mn Nuts)	3,120	3,391	3,170
Motor Cycles	4,827,719	4,836,779	4,856,979	Paddy ('000 MT)	5,150	3,393	n.a.
Buses	112,864	113,268	113,953	Fresh Milk (Mn Ltr.)	513	506	504
Dual Purpose Vehicles	449,323	450,083	450,669	Fish ('000 MT)	436	397	407
Motor Vehicles for Transport of Goods	383,873	385,188	385,708				
Land Vehicles – Tractors	392,046	396,415	399,199				
Land Vehicles – Tailors	78,729	81,289	82,525				
Quadricycle and Motor Home	2,448	2,448	2,448				

(b) During first 06 months

(c) Based on Quarterly Labour Force Survey, DCS

(d) Excluding KKS, Myliddy, Point of Pedro and Karraynagar Ports.

SRI LANKA AT A GLANCE 2021 – 2023

	2021	2022	2023 ^(a)		2021	2022	2023 ^(a)
ACCESS TO BASIC NEEDS				PRINT MEDIA			
HEALTH				Newspapers (No.)	192	147	147
Public Hospitals	618	617	619 ^(h)	Sinhala	122	78	77
Private Hospitals	243	250	n.a.	Tamil	24	29	29
Primary Medical Care Units	542	544	545 ^(h)	English	43	37	36
Beds**	78,228	78,228	89,786 ^(h)	Bilingual/Trilingual	3	3	5
				ELECTRONIC MEDIA			
				Television Services	25	25	24
PROFESSIONALS				Government	5	5	5
Doctors**	18,992	20,209	21,796 ^(h)	Sinhala	3	3	2
Nurses**	38,743	39,091	39,257 ^(h)	Tamil	2	2	2
Attendants	8,176	8,334	7,740 ^(h)	Bilingual	-	-	1
Midwives	8,792	8,758	n.a.	Private	20	20	19
				Sinhala	12	12	12
				Tamil	4	3	4
				English	4	5	2
				Bilingual	-	-	1
EDUCATION				Radio Services	51	51	51
Government				Government	14	15	15
Schools	10,146	10,126	10,104	Sinhala	7	9	9
Students ('000)	4,049	3,970	3,888	Tamil	5	5	5
Teachers	241,054	236,738	241,114	English	2	1	1
Private				Private	37	36	36
Schools	123	126	126	Sinhala	20	20	20
Students ('000)	141	142	142	Tamil	7	6	7
Teachers	8,275***	8,040	7,760	English	10	10	9
Pirivenas							
Schools	819	822	822				
Students ('000)	70	69	69				
Teachers	7,347	7,128	7,050				
				INSTALLED CAPACITY (MW)			
				Total	4,186	4,084	4,381
				Public Sector	3,040	3,071	3,218
				Hydro Power	1,383	1,413	1,413
				Thermal Power	1,554	1,554	1,701
				Fuel	654	654	801
				Coal	900	900	900
				Other	104	104	104
				Private Sector	1,146	1,013	1,163
				Hydro Power	414	414	419
				Thermal Power – Fuel	433	270	387
				Other	299	329	357
WOMEN PARTICIPATION				POVERTY			
Women Population ('000) ^{(e) (f)}	11,429	11,441	11,367	Poverty Head Count Index	14.3 ^(g)	14.3 ^(g)	14.3 ^(g)
Employed Women ('000)	2,699	2,774	2,702	Poverty Gap Index (%)	0.6 ^(g)	0.6 ^(g)	0.6 ^(g)
Women Participation in the Labour Force (%)	31.8	32.1	31.3	Gini Coefficient of Per Capita Expenditure	0.39 ^(g)	0.39 ^(g)	0.39 ^(g)
Unemployed Women (%)	7.9	6.5	7.0	Average Daily kilo Calorie Intake	2,120 ^(g)	2,120 ^(g)	2,120 ^(g)
CAPITAL MARKET							
Market Capitalization (Rs. Bn)	5,489	3,847	4,249				
Average Daily Turnover (Rs. Mn)	4,888	2,972	1,697				
All Share Price Index (ASPI) 1985=100	12,226	8,490	10,654				
S&P SL 20 Index (2004 =1,000)	4,233	2,636	3,068				
Market Price Earnings Ratio- End of the Year (%)	13.6	n.a.	n.a.				

** Government

*** Including Special School Teachers and Excluding International Schools Teachers

(e) Women Population estimates were calculated based on final results of the Census of Population and Housing 2012

(f) 15 years and over population

(g) Based on Household Income and Expenditure Survey (2019), DCS

(h) As of end June 2023

SRI LANKA AT A GLANCE 2021 – 2024

Government Tax Rate (%)

	2021	2022		2023	2024
Personal Income Tax Relief	Rs. 3,000,000	Rs. 3,000,000	Personal Income Tax Relief	Rs. 1,200,000	Rs. 1,200,000
Taxable income	Rate (%)	Rate (%)	Taxable income	Rate (%)	Rate (%)
Next Rs. 3,000,000	6	6	First Rs. 500,000	6	6
Next Rs. 3,000,000	12	12	Next Rs. 500,000	12	12
Balance	18	18	Next Rs. 500,000	18	18
			Next Rs. 500,000	24	24
			Next Rs. 500,000	30	30
			Balance	36	36

As at end				As at end				
	2021	2022	2023/24		2021	2022	2023	2024
Corporate Tax (%)				Excise Duty				
Standard Rate	24	24 (prior to 01.10.2022) 30 (from 01.10.2022)	30	Cigarettes (Rs. Per 1,000 sticks)				
Agro – Farming	Exempt	Exempt (prior to 01.10.2022) 30 (from 01.10.2022)	30	Length below 60 mm	6,750	6,750	13,360 (from 01.01.2023) 16,030 (from 01.07.2023)	18,270
IT and Enabled Services	Exempt	Exempt (prior to 01.10.2022) 30 (from 01.10.2022)	30	Length 60–67 mm	28,850	28,850	34,620 (from 01.01.2023) 41,540 (from 01.07.2023)	47,360
Manufacturing	18	18 (prior to 01.10.2022) 30 (from 01.10.2022)	30	Length 67–72 mm	41,100	41,100	49,320 (from 01.01.2023) 59,180 (from 01.07.2023)	67,470
Export of Goods	14	14 (prior to 01.10.2022) 30 (from 01.10.2022)	30	Length 72–84 mm	46,600	46,600	55,920 (from 01.01.2023) 67,100 (from 01.07.2023)	76,490
Export of Services	Exempt	Exempt	Exempt	Length Exceeding 84 mm	51,800	51,800	62,160 (from 01.01.2023) 74,590 (from 01.07.2023)	85,030
Liquor & Tobacco	40	40	40	Liquor Duty Structure (Rs. Per absolute Litre)				
Value Added Tax (VAT) (%)				Coconut Processed/ Molasses Arrack	4,460	4,460	5,350 (from 03.01.2023) 6,420 (from 01.07.2023)	7,320
Standard Rate	8	8 (prior to 01.06.2022) 12 (from to 01.06.2022) 15 (from to 01.09.2022)	15 18 (From 01.01.2024)	Country Made Foreign Liquor	4,570	4,570	5,500 (from 03.01.2023) 6,600 (from 01.07.2023)	7,525
Exports	–	–	–	Malt Liquor (Beer) above 5% in Strength	3,450	3,450	4,150 (from 03.01.2023) 4,980 (from 01.07.2023)	5,680
Social Security Contribution Levy (%)	–	2.5 (from 01.10.2022)	2.5	Malt Liquor (Beer) less than 5% in Strength	3,300	3,300	3,960 (from 03.01.2023) 4,750 (from 01.07.2023)	5,415
Ports and Airports Development Levy (%)	10	10	10	Liquor made from any cereal other than toddy	3,300	3,300	3,960 (from 03.01.2023) 4,750 (from 01.07.2023)	5,415
Telecommunications Levy (%) (other than Internet)	11.25	15	15	Imported Malt Liquor	135	135	135	135
Share Transaction Levy (%)	0.3	0.3	0.3	Imported Wine	230	230	230	230
CUSTOMS DUTY (%)								
Inputs / Raw Material	0	0	0					
Intermediate Goods	10	10	15					
Finished and Luxury Goods	15	15	20					

SOCIAL & ECONOMIC DEVELOPMENT BY INTERNATIONAL RANKING (2023)^(a)

Index Name	No of Countries	Sri Lanka	India	Bangladesh	Bhutan	Maldives	Nepal	Pakistan
Prosperity Index	167	91	103	124	N/A	N/A	110	136
Competitiveness Index (2019)	141	84	68	105	N/A	N/A	108	110
Human Development Index	193	78	134	129	125	87	146	164
Global Hunger Index	125	40	111	81	N/A	N/A	69	102
Global Innovation Index	132	90	40	105	N/A	N/A	108	88
Corruption Perception Index	180	115	93	149	26	93	108	133
Doing Business Index (2020)	190	99	63	168	89	147	94	108
World Happiness Index	137	112	126	118	N/A	N/A	78	103
Economic Freedom Index (2022)	176	136	131	123	90	160	142	152

PART I

Macro-Fiscal Perspectives

01

Fiscal Policy, Strategy,
and Challenges in the
Context of Managing the
Macroeconomy

1.1 Overview

The Sri Lankan economy made significant progress toward restoring macroeconomic stability in 2023, following the tumultuous economic crisis that peaked in 2022. The path to revival was reflected in the recovery of economic growth and single-digit level inflation since the second half of the year, along with a primary budget surplus, and a surplus in the current account of the balance of payments by end 2023. These achievements were a result of the steadfast implementation of a comprehensive macroeconomic reform programme by the government to decisively handle the deepest, most complex and unprecedented economic crisis in the post-independence history of the country. In this process, the resilience shown by the Sri Lankan people in stabilizing the economy, within a relatively short period of time, is highly commendable. Whilst progress has been made, it is not a time to be complacent. The road to recovery for Sri Lanka is long and the country must stay the course. Committed and concerted efforts are essential to put the country on a sustainable development path. The ongoing macroeconomic rebalancing should be carefully understood and considered in designing and implementing respective policy responses.

The severe economic crisis in 2022, which led to major shortages of essential supplies, subjected almost all citizens to unimaginable hardships—job losses, income depletion, business downturns, diminished living standards and increased multi-dimensional poverty—was most acutely felt by the poor and vulnerable people. A rapid policy response was warranted given the fact that remedial policy measures had been delayed for a prolonged period, as identified by judicial scrutiny of the causes of the economic crisis¹. After almost two years, whilst the continuous supply of essential goods and services has been re-established, the government is in the process of gradually restoring a sustainable and inclusive economic growth path through a range of reforms and policy initiatives. The government is determined to make a concerted effort to implement changes which are conducive for the advancement of the country and its people.

¹ "... As we have discussed hereinbefore, prolonged inaction due to arbitrary, irrational and/or manifestly unreasonable decisions and inadequate measures over the period under consideration had heavily contributed to disastrous consequences", p. 117, *Decision of the Supreme Court on the Case No. SC FR 195/2022, 14 November 2023, Supreme Court of Sri Lanka.*

Source: https://supremecourt.lk/images/documents/sc_fr_195_2022_and_212_2022.pdf

The Government has made progress in stabilizing the economy through nuanced economic policy that balances long term structural reforms whilst minimizing near term disruption. In stabilizing the economy, a wide range of reforms had to be implemented within an extremely narrow window of opportunity. This includes numerous fiscal reforms covering tax policy, tax administration, and legislation; financial/monetary sector reforms, such as the new Central Bank of Sri Lanka Act and revisions to the Banking (Special Provisions) Act; State Owned Enterprise (SOE) reforms, including cost reflective pricing, liberalization of the fuel market, balance sheet restructuring and strategic divestment process to reduce fiscal risks; debt restructuring, governance reforms, and welfare reforms, including the overhaul of a three decade old Samurdhi programme through the introduction of the Aswesuma programme. Many of these reforms are included in the Extended Fund Facility (EFF) programme, supported by the International Monetary Fund (IMF), approved in March 2023 and the other reform efforts are particularly being supported by the World Bank and the Asian Development Bank (ADB). The ongoing support of international partners and multilateral institutions has been crucial in navigating the deep crisis that the country is in.

Following the stabilization of the economy due to measures taken to decisively address the root causes of macroeconomic vulnerability, transformative policy reforms are being implemented in key areas to fundamentally restructure the economy to achieve a high, sustainable, and inclusive growth by exploiting Sri Lanka's potential and using available opportunities to prevent a recurrence of such an economic crisis. Hence, in addition to the above measures, a number of new policies and laws are being implemented, including public finance reforms in the new Public Financial Management Bill (PFM Bill); debt management reforms in the new Public Debt Management Bill; and the growth enhancing reforms, such as those in the new Economic Transformation Bill, to institutionalise and give legal effect to the reform programme. Fiscal institutions are also being established or revamped in order to bolster the institutional framework that can support the envisaged reform process. This includes new institutions such as the Public Debt Management office (PDMO), the State Owned Enterprises Restructuring Unit, and a broader strategy for restructuring the Treasury as a whole to create an institution that is fit for purpose to catalyze economic development in the modern era.

The structural shift to a competitive outward oriented economy is embodied in trade and tariff reforms, as well as entering in to comprehensive trade agreements with strategic partners. Sri Lanka intends to join the Regional Comprehensive Economic Partnership (RCEP) agreement which would enable the country to link into dynamic regional value chains to drive investment, trade, and growth. Factor market reforms are being pursued to unlock productive capacity of the economy, including labour and land market reforms, along with education and energy sector reforms, agriculture modernization, digitalization and climate related policies, towards a new economic framework that optimizes local capabilities to capitalize on emerging global opportunities. Factor market reforms that unlock the production economy are a necessary complement to enable the achievement of low and stable long term inflation. Such measures will reduce the requirement for ad-hoc administered price interventions to support affordability going forward.

Many of these long neglected reforms have been discussed for around two decades and in some cases, for up to 50 years, as can be seen in the agreements signed by the Sri Lankan authorities with the IMF in 1977² and 1983³. During this period, our neighbours, particularly in South East Asia, have adopted sound macroeconomic policies, integrated with the global economy and built competitiveness, invested in education, and attracted global capital and know-how, allowing rapid economic take-off and improvement of the quality of life of their populations. However, it is very unfortunate that Sri Lanka is still trying to implement some of the policies that were planned to be implemented 50 years ago, leaving the country well behind its peers. Therefore, the present extremely narrow but unique window of opportunity should be used wisely to once and for all to implement deep and permanent structural reforms to address the fundamental flaws in the economy, without being swayed by ideological dogma, but following an evidence

based professional approach, while avoiding any policy mistakes or experiments, which will be extremely costly and unaffordable to the country.

The inter-connected nature of the crisis makes navigating the required multi-dimensional reforms a difficult task. For instance, the interactions between fiscal policy measures, SOE restructuring, the state banks and financial sector, monetary and exchange rate policy, welfare policies, debt restructuring, result in a single policy measure having multiple impacts across other policy areas. Hence, a very carefully coordinated policy mix is required to bring Sri Lanka out of this deep economic crisis on a sustainable manner.

More importantly, disruption in the reform measures related to these multiple, inter-connected moving parts has the potential to unravel the entire system and quickly reverse the gains that have been achieved in the last 2 years. Hence, the reform process requires an extensive level of support from all the stakeholders, strong coordination, effective communication, and careful implementation.

The depth of this economic crisis is such that there is no choice but to implement the reforms as quickly as possible whilst managing potential short term risks, although state capacity is stretched to the limit, requiring simultaneous efforts to strengthen capacity. It is important to understand that the reforms are essential to overcome the crisis, instill investor confidence as well as to create critical macroeconomic buffers. In the process, the protection of the poor and the vulnerable, who have been severely affected, was given highest priority with a three-fold increase in the expenditure on social safety nets in 2023 (compared to pre-crisis 2019) and the same amount being allocated for 2024 as well with enhanced coverage, improved targeting and delivery, and increased governance and transparency. Social protection has extended beyond cash transfers through granting free hold land rights to citizens. This is expected to economically empower a large number of households by making land assets more useful for economic purposes. Accordingly, it is particularly important that all Sri Lankans understand the necessity for such radical restructuring measures as a last chance for emerging from this serious crisis, restoring economic stability, and bringing about prosperity and well-being of all citizens.

2 "Statement of Economic and Financial Policies of the Government of Sri Lanka" attached to "Sri Lanka - Standby Arrangement", 16 December 1977, International Monetary Fund.

Source: <https://stoprdcom01e2.blob.core.windows.net/all-files/IG/Production%20Hosting/Adlib/Public%20Documents/EB/236464.PDF>

3 "Sri Lanka - Letter of Intent", 08 August 1983, International Monetary Fund.

Source: <https://stoprdcom01e2.blob.core.windows.net/all-files/IG/Production%20Hosting/Adlib/Public%20Documents/EB/103356.PDF>

Hence, the next stage of the policy implementation will be towards solidifying the stability and implementing above mentioned structural reforms to bolster the economic recovery, which is a task that needs broader political and social consensus. In this process, the government has to simultaneously implement policies to address legacy issues as well as identified new policies to unlock growth and prosperity. Addressing legacy issues in many areas has already been given the priority, but these measures often create headwinds for other economic activity. For instance, restructuring legacy debt of SOEs creates pressure on the balance sheets of state banks, requiring the government to allocate funds to re-capitalise these banks.

At the same time, the new policies are envisaged to create a competitive, export-oriented, green, and digitalized economy with higher economic growth over time to improve living standards and to prevent the country from experiencing a second default of the debt in the period ahead. It is critically important to understand that Sri Lanka cannot afford another crisis of this magnitude.

Towards this end, it is essential to ensure continuity of the IMF-EFF programme, completion of the debt restructuring process and the uninterrupted execution of productivity and efficiency enhancing reforms to address the structural issues in the economy. In fact, the intention of the government is to implement economic reforms that go beyond the IMF-EFF programme. It is in that context that the Economic Transformation Bill has been presented, which will be complemented by PFM Bill and Public Debt Management Bill, coupled with the already implemented Central Bank of Sri Lanka Act No. 16 of 2023. These laws establish a strong foundation to undertake economic management in a sustainable manner to ensure the transition of the economy towards a sustainable path in the future. The Economic Transformation Bill in particular outlines a set of key macroeconomic targets that articulate a common minimum economic framework that can prevent the repeat of a crisis and ensure inclusive prosperity. This includes a sustainable level of growth, export orientation, multi-dimensional poverty reduction, a robust and inclusive labour market, debt sustainability objectives, and a stable fiscal path. It is expected that these targets can be agreed

upon in a bi-partisan manner, whilst future governments may retain the policy flexibility as to how these outcomes can be achieved. The Bill also establishes the key institutional framework to support this process of structural reform.

One of the most critical steps in the economic recovery has been the process of restructuring Sri Lanka's debt to restore debt sustainability, and rebuild credibility and confidence. As the IMF does not allow it to lend to countries with unsustainable debt in the absence of a credible process of debt restructuring, the very complex process of debt restructuring is being undertaken amidst diverse types of instruments and creditors. As Sri Lanka was not eligible for the Common Framework being a middle income country, Sri Lanka had to chart its own course in navigating this complex process. The debt restructuring negotiations are progressing satisfactorily with the constructive engagement and cooperation of all creditor groups, which is an essential step towards the completion of the debt restructuring process. The cash-flow relief envisaged through the debt restructuring process will significantly reduce the burden on the fiscal structure, enabling budget deficits to be financed in a sustainable manner without relying on inflationary monetary financing.

Fiscal and debt related reforms are critical to ensure disciplined fiscal operations and effective debt management in the post-debt restructuring environment to create the fiscal space to invest in social and economic infrastructure. It is important to understand that prolonged fiscal indiscipline has been a root cause for many of the ills in the macroeconomy at present. In fact, the government's fiscal reform efforts have been able to convert a Treasury overdraft of close to Rs. 900 billion with two state banks in 2021 into a positive cash balance with the state banks, creating a buffer to withstand potential shocks in the absence of monetary financing and provisional advances from the Central Bank and limited foreign financing. In order to sustain this, the generation of adequate revenue and maintenance of the quality and appropriate quantity of expenditure in priority areas like education, health, public transport, and social protection, in line with the desirable aggregates, is essential. The provisions in the new PFM bill, which will

establish a framework of fiscal rules, Debt Management Bill, which will establish a separate PDMO, the Economic Transformation Bill which will provide medium to long term commitments in key economic variables, and the forthcoming Procurement Law will provide the necessary guidance and commitments in this regard to ensure responsibility, transparency, cost effectiveness and much needed discipline in managing government fiscal operations. Improving governance, addressing corruption vulnerabilities and preserving integrity are paramount in all these endeavours to instil public confidence and improve service delivery. The Anti-Corruption Act No. 9 of 2023 and the strengthened authority of the Commission to Investigate Allegations of Bribery and Corruption (CIABOC) will particularly facilitate the achievement of these objectives.

Parliamentary oversight of the public finances and government policy matters has been strengthened further with the establishment of twenty Sectoral Oversight Committees (SOCs). The SOC's are authorized to review any Bill, except those specified in Article 152 of the Constitution, as well as Treaties, Reports (including Annual and Performance Reports) concerning institutions under their scope, or any other matter referred to them by Parliament, another Committee, or a Minister that pertains to their designated subjects and functions. The effective Parliamentary oversight has become critical in an environment where there had been only a very minimal number of SOC meetings held in 2020 when the crisis was gradually approaching, in comparison to the significant increase of the number of SOC meetings in the post-crisis period. In addition, the Parliamentary Budget Office Act, No. 6 of 2023 establishes a Budget Office in Parliament (PBO) to evaluate and conduct an independent assessment of the reports and proposals provided to Parliament for the policy making process while providing independent and non-partisan costing analyses related to policies in manifestos of recognized political parties or independent groups, which will lead to more transparent and affordable public policy.

Institutional and legal reforms constitute an integral part of the reform efforts. Significant progress has already been made by the Government by introducing a number of new laws and making necessary revisions to the existing laws. These legal and institutional reforms will

empower key institutions and this should be used effectively by the respective entities to ensure that the country's much needed reform process is strongly supported, their actions are aligned with the government's policies, and the overall development objectives of Sri Lanka are met as envisaged.

The above process will be complemented with the other growth promoting reforms indicated above to create employment opportunities, raise income of the people and improve living standards. In this endeavour, a shift from inward oriented growth drivers in the non-tradable sector to an economy driven by non-debt creating inflows, such as export of goods and services, as well as foreign direct investment, is envisaged with opening up of the economy to international trade and investment, and integrating into global value chains while fostering an innovative entrepreneurial Sri Lanka. The revival of Micro, Small and Medium Enterprises (MSMEs) sector with appropriate policies is also a priority of the government. With these policies and measures, the economy is expected to shift to a more inclusive and sustainable trajectory, where the growth is led by green initiatives, while taking advantage of opportunities associated with climate prosperity. The challenges, such as climate change and population ageing, could act as headwinds to progress along this path. In addition, exogenous factors, such as escalating conflicts and geopolitical tensions that could disrupt supply chains and amplify commodity price volatility could also disrupt the progress. Hence, efforts are being stepped-up to promote resilience by re-building fiscal and external buffers, enhancing trade and other inflows, cross-border investment, and commodity supply networks.

It should be clearly noted that the improvements in the macroeconomy, particularly in the fiscal sector, have been achieved with the sacrifices made by everyone, particularly the general public, who felt the brunt of the crisis and the subsequent corrective measures. While the extensive reforms that are being implemented may cause difficulties for the current generation, already burdened by the impacts of multiple crises, those are intended to secure a brighter Sri Lanka for the generations to come with an accommodative economic environment, progressive tax structure, improved, efficient and transparent public financial management system, strong institutions, and enabling legal

Chapter 01

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framework for both the private and public sector to operate efficiently and effectively with integrity. Hence, preserving and sustaining the hard earned progress in fiscal consolidation and all other areas is essential without any policy reversals. Such policy reversals could adversely affect the continuation of the IMF supported EFF programme, undermine investor confidence, and irreversibly damage policy credibility of the country, all of which could lead to a deeper socioeconomic and political crisis, which will be far worse than the economic crisis experienced in 2022. This is true in the context of the environment prior to as well as after the forthcoming elections. Given that the first steps on this difficult journey have already been taken, it is essential that as a country, Sri Lanka does not go back to its past practices of living beyond its means. Hence, in order to arrive at a sustainable solution, it is important for Sri Lanka as a country to reach a "new social contract".

1.2. Economic Conditions of 2023

The economy shifted towards a positive economic growth momentum since the third quarter of 2023 after recording contractions for six consecutive quarters.

Positive growth outcomes in the second half of the year helped to halt the economic contraction to 2.3 percent which is much lower than the previously anticipated contraction of around 3.6 percent and a significant improvement over the contraction of 7.3 percent recorded in 2022.

Figure 1.1 | Quarterly GDP Growth Rate

Year	Q1	Q2	Q3	Q4
2018	3.7	5.2	4.4	-3.5
2019	-0.1	1.2	-0.3	-0.9
2020	-1.1	-17.1	-0.5	-1.1
2021	5.2	13.2	-2.1	2.7
2022	-0.6	-5.3	-11.2	-10.7
2023	-3.0	-1.6	2.3	4.5

Source: Department of Census and Statistics

Year-on-year inflation as measured by the Colombo Consumer Price Index (CCPI), which reached the historically highest level of 69.8 percent in September 2022, returned to a single-digit level in July 2023, and has remained at the single-digit level since then, benefiting from monetary policy actions. Inflation declined to 0.9 percent in May, 2024. The unemployment rate remained unchanged in 2023 compared to 2022, whereas the labour force participation rate dropped to 48.6 percent in 2023 from 49.8 percent in 2022.

Figure 1.2 | Monthly Movements of Inflation - Colombo Consumer Price Index (CCPI)

Year	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec
2021	3.0	3.9	5.2	6.0	7.6	9.9	14.2	15.1	29.8	39.1	54.8	60.8
2022	64.3	69.8	64.0	61.0	57.2	54.2	50.6	35.3	25.2	12.0	6.3	4.0
2023	1.3	1.5	4.0	5.9	0.9	1.5	0.9	1.5	0.9	1.5	0.9	1.5
2024	0.9	0.9	0.9	0.9	0.9	0.9	0.9	0.9	0.9	0.9	0.9	0.9

Source: Department of Census and Statistics
 Note: 2020 January-2023 January based on CCPI (2013=100) and 2023 February- 2024 May based on CCPI (2021=100)

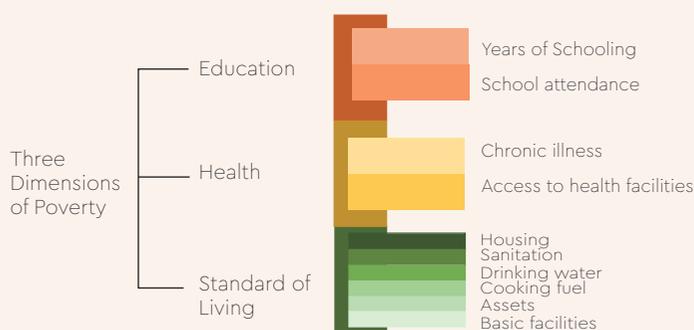
However, as the economic crisis led to loss of employment and decline in household income, poverty levels increased in Sri Lanka. As per the World Bank, poverty (at the USD 3.65 per capita per day level, and 2017 Purchasing Power Parity) reached 25.9 percent in 2023 compared to the pre-COVID levels of 11.3 percent in 2019. Gini-coefficient increased to 38.5 percent in 2023 from 37.7 percent in 2019, reflecting increased income inequality.

8

Box 1.1 | Multidimensional Poverty in Sri Lanka

Sri Lanka recognizes the multiple ways in which poverty manifests, where deprivation in education, health, and living standards, including sanitation, access to drinking water, and housing conditions reflect poverty beyond monetary conditions. Accordingly, Sri Lanka has introduced the Multidimensional Poverty Index (MPI) which has three dimensions; health, education, and living standards to identify the deprivation experienced by the poor based on ten indicators.

Structure of the National MPI in Sri Lanka



Source: Department of Census and Statistics

The Household Income and Expenditure Survey (HIES), 2019 revealed that, approximately one out of every six (16 percent) people in Sri Lanka are multidimensionally poor.

The highest level of deprivations can be seen in the sectors of health, cooking fuel, drinking water, and other basic facilities.

The Child MPI measures individual poverty among children aged 0–4 years old and it comprises of four dimensions which include child development as a new dimension. This measures two deprivations of early childhood: undernutrition and early childhood development. According to the child MPI, 42.2 percent of the 0–4 years old children are multi-dimensionally poor (Based on 2019 HIES). The main causes for the child multidimensional poverty are nutrition related factors; underweight or stunted growth, and early childhood development.

Impact of the Economic Crisis

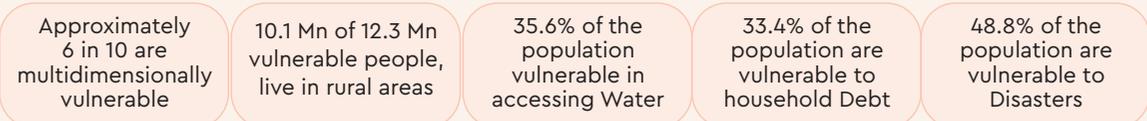
The economic crisis following the COVID-19 pandemic and external shocks pushed numerous vulnerable households below the poverty line. The recent information of the World Bank reveals that 25.9 percent of Sri Lankans remain below the poverty line in 2023.

Due to the difficulties in conducting annual surveys, in 2023, the Department of Census and Statistics (DCS) conducted a Household Survey on Impact of Economic Crisis. Thereby, the alterations in access to crucial services like healthcare, education, and overall living standards were assessed. The key impacts of the crisis on households can be summarised as follows.

- 60.5% of households have decreased their total household average monthly income
- 91% of households experienced an increase in their total household average monthly expenditure.
- 22% of households have indebted due to economic crisis
- 7% of total population changed their health treatment procedure due to economic crisis
- 54.9% of individuals (aged 3–21) schooling has been affected by the economic crisis

Source: Department of Census and Statistics

Further, the National Citizen Survey (NCS) 2022 – 2023 revealed that, approximately six in ten people (55.7 percent) in Sri Lanka are Multi dimensionally Vulnerable (MVI). Years of schooling attendance and physical health condition are also key for the Multidimensional vulnerability. Moreover, 82 percent of the multidimensionally vulnerable people live in rural areas which requires more policy focus in the areas of indebtedness, resilience to disaster and access to water sources. Families with People with Disability are experiencing greater levels of vulnerability across multiple dimensions. Furthermore, the NCS revealed that families spend around 5 hours per day caring for dependents, which highlights the need for paying greater attention to the Care Economy.



Source: United Nations Development Programme

Poverty and Nutrition

Poverty is associated with hidden hunger nutrient deficiencies, which exacerbate severity of malnutrition in individuals. The country has been facing the double burden of malnutrition over the past few decades, characterized by coexistence of undernutrition along with overweight, obesity or diet related non-communicable diseases. Children, pregnant mothers, and adults are the most vulnerable segments in poverty due to nutrition deficiencies. If unaddressed, this will severely affect human capital formation of the country leading to weaker economic outcomes.

 <p>Children</p>	 <p>Pregnant Mothers</p>	 <p>Adults</p>
<p>Children < 5 years</p> <ul style="list-style-type: none"> Increasing trend of stunting, wasting & underweight Wasting of children aged 6-59 months is a critical public health problem <p>School children</p> <ul style="list-style-type: none"> Increasing trends of overweight and obesity Increasing prevalence of Anemia 	<ul style="list-style-type: none"> An increasing trend of percentage of mothers with low BMI (13.9 percent in 2021 to 14.6 percent in 2022) High rates of low birth weight (LBW) seen in areas where higher percentage of mothers have a low BMI Increasing LBW children from 6.5% 2022 to 11.5 percent 2023 	<ul style="list-style-type: none"> Increasing trend of overweight and obesity among adults Emerging micronutrient deficiencies: <ul style="list-style-type: none"> - Vitamin D deficiency across all age categories - Zn deficiency
<p>Overweight and obesity are emerging public health problems among all age groups including school children and pregnant mothers</p> <p><i>Source: Family Health Bureau</i></p>		

Key Reform Initiatives

The government introduced a key reform initiative to reach the most vulnerable families through better targeting with a new "Social Registry" in 2023. The low income families were selected through new criteria using "the multidimensional deprivation scoring method" which covers all aspects of multidimensional poverty.

Around 3.3 million families were enumerated throughout the island wide survey and 1.8 million low income families were eligible for the initial round while expecting to enhance the beneficiaries up to 2.4 million. Accordingly, an electronic data base has been established under the Welfare Benefit Board and the "Aswesuma Welfare Benefit Payment Scheme" and cash transfers have been made directly to the bank accounts of eligible beneficiaries.

The empowerment programme for the Aswesuma recipients has been introduced linking them to the productive economic inclusion activities for moving out of poverty. A pilot programme has been initiated with the financial assistance of Asian Development Bank and the World Bank to identify the appropriate mechanism for the programme. Based on the performance, the government will implement the programme to enhance the living standards of Aswesuma recipients.

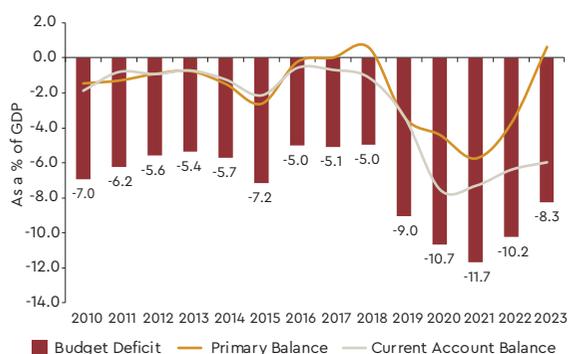
Whilst the Aswesuma programme provides the cash based support to help poor and vulnerable households mitigate the impacts of the economic crisis, this alone is not sufficient to reduce multi-dimensional poverty. Government programmes such as "Urumaya" are designed to endow low income households with real assets that can empower them economically. The economic recovery programme of the government is expected to convert the prevailing economic stability into economic recovery and growth. This growth must also be inclusive so as to ensure that it results in job creation that creates opportunities to boost livelihoods of all citizens, including the poor and vulnerable. That is why growth measures are supported by programmes to boost the SME sector through measures to enhance financial inclusion (measures including the SME financing programme and National Credit Guarantee Institution) and capacity enhancement of the SME sector. The government's fiscal policy reforms are intended to boost domestic revenue mobilization which will enable the government to allocate sufficient resources to improve public healthcare, education, child nutrition, and other key public services. The holistic impact of these collective measures is expected to enable a material reduction in multi-dimensional poverty in the country.

As per the Economic Transformation Bill, it is expected to reduce multi-dimensional poverty headcount ratio to be less than fifteen percent by the year 2027 and less than ten percent by the year 2035.

The fiscal sector showed significant improvement in 2023 with the recording of a primary balance surplus of Rs. 173.3 billion or 0.6 percent of GDP and the reduction of the overall budget deficit to 8.3 percent of GDP in 2023 from 10.2 percent recorded in 2022. This was primarily led by the increase in government revenue as a percentage of GDP to 11.1 percent in 2023 from 8.4 percent in 2022. The government revenue further augmented with an increase of 44.2 percent to Rs. 916.2 billion in the first quarter of 2024 from Rs. 635.3 billion in the same period of 2023 benefiting from revenue-based fiscal consolidation efforts. Central Government Debt as a percent of GDP also fell to 103.9 percent in 2023 from 114.2 percent in 2022.

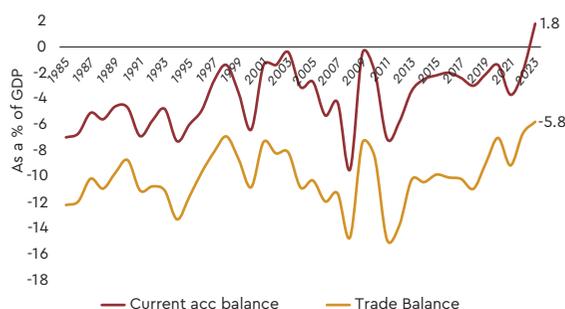
The external sector showed positive momentum with a current account surplus of USD 1.6 billion or 1.8 percent of GDP recorded in 2023. The merchandise trade deficit for 2023 of USD 4.9 billion was the lowest recorded deficit since 2010 with a larger contraction in import expenditure than the contraction in export earnings reflecting tighter macroeconomic policies, cost-reflective energy pricing, and aided by the continuance of import restrictions on non-essential items until October 2023, subdued economic activity, and associated low demand. In addition, the increase in tourism earnings to USD 2.1 billion in 2023 from USD 1.1 billion in 2022 and the increase in workers' remittances to nearly USD 6.0 billion in 2023 from USD 3.8 billion in 2022, supported the positive outcomes in the current account balance.

Figure 1.3 | Major Fiscal Balances (% of GDP)



Source: Department of Fiscal Policy

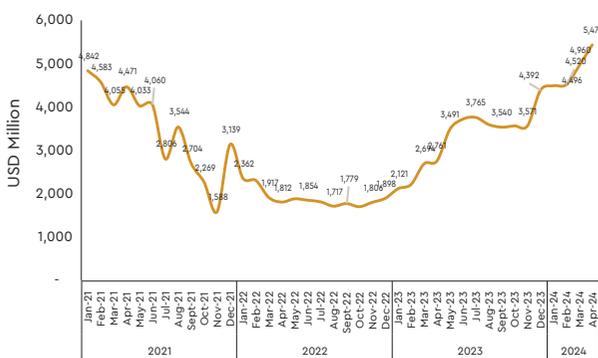
Figure 1.4 | Trade Balance and Current Account Balance (% of GDP)



Source: Central Bank of Sri Lanka

Gross official reserves increased substantially to USD 4.4 billion as at end 2023 from USD 1.9 billion as at end 2022 owing to net interventions by the Central Bank of Sri Lanka (CBSL) amounting to USD 1.7 billion and receipts from multilateral institutions, namely the International Monetary Fund (IMF), World Bank (WB) and the Asian Development Bank (ADB). This has further accumulated to USD 5.5 billion as at end April, 2024. Gross Official Reserves include the proceeds from the People's Bank of China which has conditions on usability.

Figure 1.5 | Gross Official Reserves



Source: Central Bank of Sri Lanka

The exchange rate was subject to fluctuations, but remained relatively stable throughout the latter part of the year, while recording an overall appreciation of 12.1 percent reflecting the stronger outcomes in the external economy as a result of appropriate fiscal and monetary policy actions.

Figure 1.6 | Exchange Rate Movements



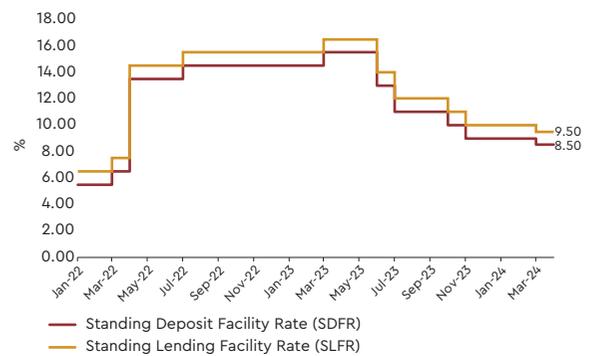
Source: Central Bank of Sri Lanka

With the decreased pace of inflation, monetary policy has been continuously eased since June 2023 with downward adjustment of market interest rates in July 2023, October 2023,

November 2023 and March 2024. Overall policy interest rates were reduced by 7.00 percentage points from June 2023 to March 2024.

Credit to the private sector also recovered in the second half of 2023. With the accommodative monetary policy, fiscal consolidation leading to lower government borrowing needs, and improved market confidence and liquidity following conclusion of the Domestic Debt Optimisation operation, market interest rates, including yields on government securities, recorded a decline in 2023. The financial sector remained resilient and stable in 2023.

Figure 1.7 | Policy Interest Rates (%)



Source: Central Bank of Sri Lanka

The Government is at present successfully implementing the IMF-EFF programme. Having entered into a staff-level agreement for the programme in September 2022, the IMF Executive Board approved a 48-month extended arrangement under the EFF of SDR 2.286 billion (approximately US\$ 3 billion) in March 2023 to support Sri Lanka's efforts to restore macroeconomic stability and debt sustainability, and USD 333 million was disbursed as the first tranche. A staff level agreement on the first programme review was reached in October 2023 and the IMF Executive Board completed the first review and USD 337 million was disbursed as the second tranche in December 2023. The Government and the IMF have reached Staff-Level Agreement on the second review in March 2024 and the review is expected to be completed in June 2024. The successful progress of the programme thus far is indicative of the robust performance of the Government in implementation of legislative and regulatory reforms, along with meeting of quantitative programme targets.

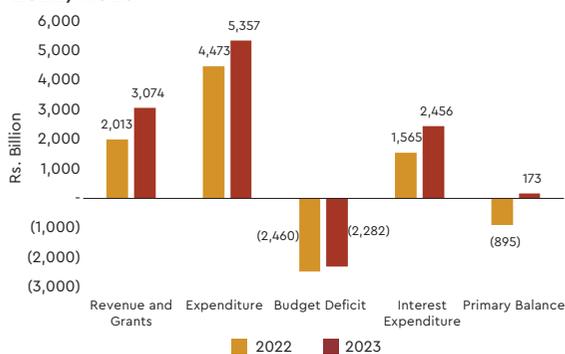
1.3 Fiscal Performance

Government fiscal operations substantially improved in 2023. Total revenue and grants increased by Rs. 1,061.7 billion or 52.8 percent to Rs. 3,074.3 billion in 2023 from Rs. 2,012.6 billion in 2022.

Total expenditure increased by Rs. 884 billion or 19.8 percent to Rs. 5,356.6 billion in 2023 from Rs. 4,472.6 billion in 2022. Accordingly, the budget deficit narrowed from Rs. 2,460 billion in 2022 to Rs. 2,282.3 billion in 2023

The increase in expenditure is mainly due to the increase in interest expenditure by Rs. 890.4 billion or 56.9 percent due to the increase in domestic interest rates. Accordingly, a surplus of Rs. 173.3 billion has been recorded for 2023 in the primary account which excludes interest payments. This is a significant improvement over the primary deficit of Rs. 894.8 billion recorded in 2022.

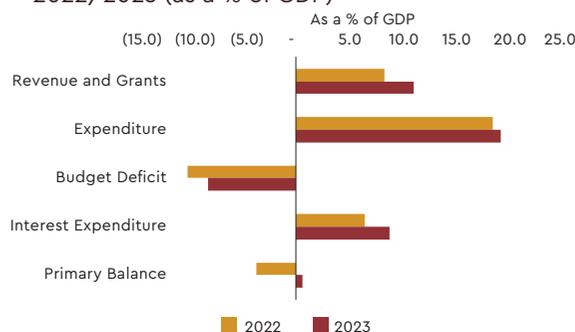
Figure 1.8 | Government Fiscal Operations - 2022/2023



Source: Department of Fiscal Policy

As a percentage of GDP, revenue and grants increased to 11.1 percent in 2023 from 8.4 percent in 2022. Expenditure increased to 19.4 percent in 2023 from 18.6 percent in 2022 along with the increase of interest expenditure to 8.9 percent from 6.5 percent during this period. Accordingly, the budget deficit narrowed to 8.3 percent of GDP in 2023 from 10.2 percent in 2022. A primary surplus of 0.6 percent was recorded in 2023 compared to the primary deficit of 3.7 percent in 2022.

Figure 1.9 | Government Fiscal Operations - 2022/2023 (as a % of GDP)



Source: Department of Fiscal Policy

Government Revenue

The improved fiscal performance in 2023 was primarily driven by the increase in tax revenue. Tax revenue increased by Rs. 969.4 billion or 55.4 percent in 2023 to Rs. 2,720.6 billion in 2023 from Rs. 1,751.1 billion in 2022. Tax revenue as a percentage of GDP increased to 9.8 percent of GDP in 2023 from 7.3 percent of GDP in 2022.

The increase in revenue was mainly led by the increase in revenue from income taxes by 70.7 percent and revenue from taxes on goods and services by 62.1 percent. Revenue from income taxes increased owing to significant policy changes that became effective from January 1, 2023, including revision of Personal Income Tax (PIT) structure and making Advance Personal Income Tax and Advance Income Tax mandatory. Further, revenue from Corporate Income Tax (CIT) increased owing to the increase of CIT rate from 24 percent to 30 percent, and removing sector-specific concessionary rates effective from October 1, 2022.

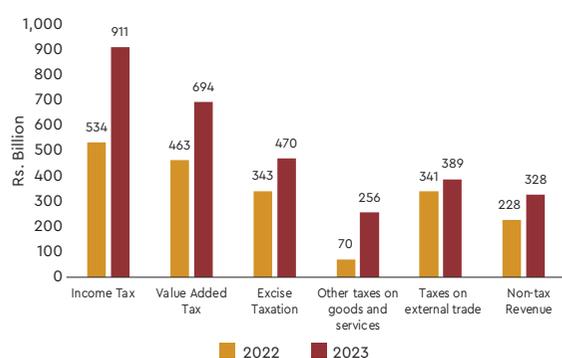
Revenue from Value Added Tax (VAT) increased by 50 percent owing to the impacts of increasing the VAT rate to 12 percent effective from June 1, 2022 and to 15 percent effective from September 1, 2022, and reducing the VAT registration threshold per annum to Rs. 300 million to Rs. 80 million effective from October 1, 2022. However, the VAT on imports had only increased by 31.4 percent indicating the impact of import restrictions that continued until October 2023.

Revenue from excise taxes increased by 37.1 percent. Revenue from Excise Duty on petroleum increased by 170.6 percent due to the increase in excise tax on fuel by Rs. 25 per litre effective from January 1, 2023 and by another Rs. 25 per litre from June 1, 2023. Gradual liberalization of fuel usage quotas including the elimination of the QR system as the economy stabilized, contributed to the growth in petroleum excise revenue. Rates of excise duty on liquor and cigarettes were also increased twice during 2023 in January and July. However, revenue from excise duty on cigarettes and liquor increased by only 13.7 percent and 3.1 percent, respectively in 2023. Other goods and services taxes recorded an increase of revenue by 263.6 percent mainly due to the revenue yield of Rs. 216.2 billion from the Social Security Contribution Levy in 2023.

Revenue from taxes on external trade recorded a growth of 14.1 percent in 2023. Revenue from the Ports and Airports Development Levy (PAL) and CESS Levy declined by 2.8 percent and 18.7 percent, respectively, owing to the effects of phasing out of para-tariffs along with continued import restrictions on non-essential items for most of 2023. Revenue from Customs Import Duty increased by 110.2 percent due to upward rate adjustments to compensate for revenue declines due to the phasing-out of para-tariffs.

Non-tax revenue increased by 43.9 percent to Rs. 328.3 billion. Non-tax revenue as a percentage of GDP increased to 1.2 percent in 2023 from 0.9 percent in 2022.

Figure 1.10 | Revenue Performance



Source: Department of Fiscal Policy

Note: Significant increase in revenue from other taxes is due to the full year impact of the Social Security Contribution Levy (SSCL) of Rs. 216.2 billion in 2023.

Government Expenditure

Total expenditure increased by 19.8 percent to Rs. 5,356.6 billion in 2023 from Rs. 4,472.6 billion

in 2022. Recurrent expenditure increased by 33.5 percent to Rs. 4,699.7 billion in 2023 from Rs. 3,519.6 billion in 2022. Accordingly, 88 percent of total expenditure was on recurrent expenditure.

Expenditure on interest payments increased by 56.9 percent to Rs. 2,455.6 billion. Accordingly, 52.3 percent of recurrent expenditure was on interest payments. This is due to the increase in expenditure on domestic interest payments by 62.3 percent. Interest cost as a percentage of GDP reached 8.9 percent. Interest payments were elevated as interest rates were increased in order to combat record high inflation since 2022. Domestic debt interest premiums were also elevated in 2023 due to market uncertainty pending the conclusion of the domestic debt optimization operation, and the absorption of some guaranteed SOE debt to the government.

Expenditure on subsidies and transfers increased by 23.2 percent to Rs. 1,004.9 billion, amounting to 21.4 percent of the recurrent expenditure. This is owing to the increase in expenditure on pensions (by 20.5 percent) and the increased spending on Social Safety Net (SSN) programmes in response to the economic crisis. Expenditure on goods and services increased by 63.9 percent to Rs. 299.7 billion in 2023 from Rs. 182.9 billion in 2022 due to higher nominal costs resulting from elevated inflation during the crisis. As a percentage of GDP, expenditure on goods and services increased to 1.1 percent, which is on par with the average expenditure of 1.0 of GDP over the previous 5 years.

However, expenditure on salaries and wages declined by 1.7 percent to Rs. 939.5 billion in 2023 from Rs. 956.2 billion in 2022. This is due to the limitation of recruitment of personnel to the public service to essential recruitments whilst continuing to fulfill public service obligations through optimization of efficiency. As a percentage of GDP, expenditure on salaries and wages declined significantly to 3.4 percent, well below the average of the previous 5 years (4.3 percent of GDP).

Capital Expenditure and net lending declined by 31.1 percent to Rs. 656.9 billion in 2023 from Rs. 952.9 billion in 2022. This is owing to the reduction in net lending to minus Rs. 256.7 billion in 2023 from Rs. 237.5 billion in 2022 reflecting the repayment of on-lending from the Ceylon Petroleum Corporation (CPC) related to the Indian Credit Line.

Capital Expenditure increased by 27.7 percent to Rs. 913.6 billion in 2023 from Rs. 715.4 billion in 2022. Expenditure on the acquisition of fixed assets increased by 45.4 percent to Rs. 648.0 billion in 2023 from Rs. 445.5 billion in 2022. Transfers to Provincial Councils increased by 73.4 percent to Rs. 34.6 billion in 2023 from Rs. 20.0 billion in 2022 due to the increase in the Provincial Specific Development Grants (PSDGs) and recommencement of implementation of foreign-funded projects on Health and Education. However, the transfers to both public institutions and public corporations declined by 4.8 percent and 34.2 percent, respectively reflecting the improved financial performance of public corporations following the introduction of cost-reflective pricing and other reforms to state-owned corporations.

Accordingly, public investments declined by 8.0 percent to Rs. 932.7 billion in 2023 from Rs. 1,014.3 billion in 2022. As a percentage of GDP, public investments has declined from 4.2 percent GDP to 3.4 percent of GDP during the corresponding period.

Figure 1.11 | Government Expenditure



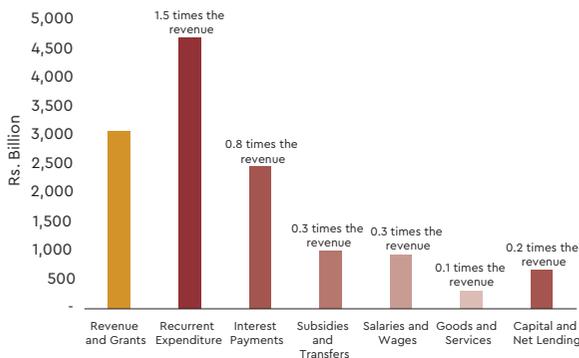
Source: Department of Fiscal Policy

Box 1.2 | Key Expenditure Management Measures

- Implementing diverse strategies encompassing the reallocation of approved cadres, business process re-engineering, organizational structural modifications, and digital transformation initiatives to optimize the operational efficiency of the public sector as a whole.
- Suspending new recruitments and reduction of new cadre positions.
- Advocating internal promotions as a means to address critical vacancies within numerous public institutions, thereby alleviating the strain induced by stringent limitations on the recruiting of new public servants.
- Deciding to dissolve the Department of Multi-purpose Development Task Force, which started by adding a workforce of approximately 30,000 to provide a solution to the primary level employment problem through the strategic allocation of Multi-purpose Development Assistants to Ministries and Departments confronted with vacancies within primary service categories, obviating the need for a net expansion in the overarching cadre.
- Strict controls over expenditure on allowances including travel allowances, over-time allowances, and other allowances.
- Additional controls over maintenance of public sector vehicles
- Optimising usage of buildings including strict approvals for new constructions, renting, and ensuring usage of under-utilised buildings
- Greater prioritisation of projects, and capital expenditure in order to ensure value for money and optimal economic and social returns from capital expenditure
- Expenditure controls of state enterprises and statutory boards for which allocations are provided through budget estimates
- Full roll out of Integrated Treasury Management Information Systems (ITMIS) to enhance commitment controls over public expenditure
- Recurrent expenditure allocations for 2023 were curtailed by a minimum 6 percent through National Budget circular 01/2023. This was to be achieved through efficiency and productivity gains, particularly through process re-engineering and digitisation along with curtailing non-essential recurrent spending
- Introduction of zero-based budgeting principles for 10 key line ministries. Based on the learnings from this, zero based budgeting principles were applied to the 2024 budget call.
- Transfers to State Owned Enterprises were minimized through the introduction of cost-reflective pricing in the most fiscally significant SOEs

Even with the significant increase in revenue and improvements in fiscal balances, Sri Lanka's expenditure remains high in comparison to the revenue yielded. In 2023, Sri Lanka's recurrent expenditure alone was 1.5 times the total revenue and grants, and interest payments accounted for 80 percent of the total revenue and grants. Subsidies and transfers accounted for 33 percent of revenue and salaries and wages accounted for a further 31 percent of the revenue. Another 10 percent of revenue was spent on goods and services. Capital expenditure and net lending accounted for 21 percent of the total revenue and grants.

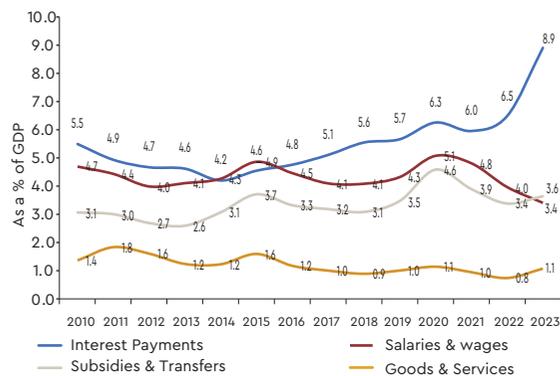
Figure 1.12 | Government Revenue and Expenditure (2023)



Source: Department of Fiscal Policy

Fiscal adjustments have resulted in better fiscal balances, but interest expenditure remains a serious concern. In 2023, expenditure on interest payments as a percentage of GDP increased to an exorbitant level of 8.9 percent of GDP.

Figure 1.13 | Major Components of Recurrent Expenditure (% of GDP)



Source: Department of Fiscal Policy

Hence, the growth in revenue needs to be sustained with further improvements in tax policy and tax administration and the focus of the expenditure requires to be shifted towards growth-enhancing public investment. This is crucial to reach fiscal sustainability by further reducing the gross financial needs and thereby reducing the government debt stock.

Financing the Budget Deficit

Despite the lower availability of bank overdraft facilities and the elimination of monetary financing from the Central Bank of Sri Lanka, the Government cash flow pressures eased in 2023 with improved revenue performance and contained government expenditure in comparison to 2022. Around 78 percent of the budget deficit of Rs. 2,282.3 billion was financed through domestic sources with net non-bank financing amounting to Rs. 3,295.3 billion. About 22 percent of the budget deficit was financed from external sources which includes funds received under the IMF-EFF programme and budget support programmes under ADB and World Bank. Reflecting the positive effects of cash flow management in 2023, the bank balance as at end 2023 recorded a cash surplus around Rs. 599.5 billion, including the cash buffer created through market borrowings of Rs. 79 billion, to mitigate the possible interest rate risks and other implications on the government security market.

Table 1.1 | Government Fiscal Operations ^(a)

	2022 Actual (Rs. Bn)	2023 Provisional (Rs. Bn)	2022 Actual (% of GDP)	2023 Provisional (% of GDP)
Revenue & Grants	2,013	3,074	8.4	11.1
Revenue	1,979	3,049	8.2	11.0
Tax Revenue	1,751	2,721	7.3	9.8
Income Tax	534	911	2.2	3.3
Taxes on Goods & Services	876	1,420	3.6	5.1
Taxes on External Trade	341	389	1.4	1.4
Non-Tax Revenue	228	328	0.9	1.2
Grants	33	26	0.14	0.09
Expenditure	4,473	5,357	18.6	19.4
Recurrent Expenditure	3,520	4,700	14.6	17.0
Salaries & Wages	956	939	4.0	3.4
Goods & Services	183	300	0.8	1.1
Interest	1,565	2,456	6.5	8.9
Subsidies & Transfers	815	1,005	3.4	3.6
Capital Expenditure and Net Lending	953	657	4.0	2.4
Public Investments	1014	933	4.2	3.4
Other	-61	-276	-0.3	-1.0
Current Account Balance	-1,540	-1,651	-6.4	-6.0
Primary Balance	-895	173	-3.7	0.6
Overall Fiscal Balance	-2,460	-2,282	-10.2	-8.3
Deficit Financing	2,460	2,282	10.2	8.3
Foreign Financing (Net)	425	495	1.8	1.8
Domestic Financing (Net)	2,035	1,788	8.5	6.5

Source: Department of Fiscal Policy

^(a) Based on the economic classification of government fiscal operations.

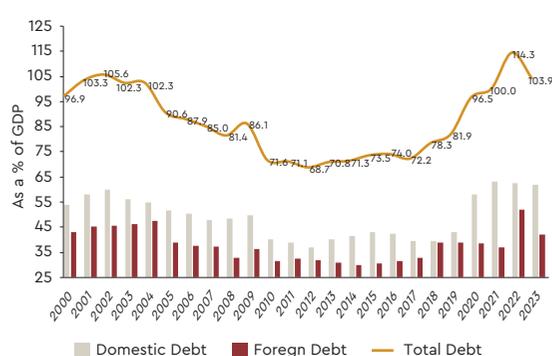
Note: - denotes deficit

Central Government Debt

Outstanding Central Government Debt increased by 4.4 percent to Rs. 28,695.9 billion in 2023 from Rs. 27,492.0 billion in 2022 with the increase of domestic debt by 13.4 percent to Rs. 17,051.9 billion in 2023 from Rs. 15,033.9 billion in 2022 reflecting the high reliance on domestic sources to finance the budget deficit. Outstanding foreign debt declined by 6.5 percent to Rs. 11,644.10 billion in 2023 from Rs. 12,458.2 billion in 2022 with limited availability of foreign financing options and impact of currency appreciation.

As a percentage of GDP, central government debt declined to 103.9 percent as at end 2023 from 114.2 percent recorded in 2022 mainly owing to the combined effect of growth in nominal GDP and the appreciation of the currency. Accordingly, outstanding domestic debt as a percentage of GDP declined to 61.7 percent in 2023 from 62.5 percent in 2022 and outstanding foreign debt as a percentage of GDP declined to 42.1 percent in 2023 from 51.8 percent in 2022.

Figure 1.14 | Outstanding Central Government Debt (% of GDP)



Source: Central Bank of Sri Lanka

1.4 The Role of Fiscal Policy in Macroeconomic Stabilisation

The comprehensive macroeconomic reform process implemented over the last two years has yielded notable results in terms of stabilisation of the economy. Fiscal reforms played a key role in achieving to the positive macroeconomic outcomes. Fiscal consolidation that resulted in a primary budget surplus in 2023 helped reduce the government's

borrowing requirements, which in turn allowed interest rates (Treasury bill yields) to decline to single digit levels by May 2024. The implementation of cost reflective energy pricing along with other reforms in state owned enterprises enabled key SOEs such as Ceylon Petroleum Corporation (CPC) and Ceylon Electricity Board (CEB) to reverse losses, and reduce borrowing requirements from the banking sector, thereby freeing up capital for more productive use and enhancing market liquidity. CPC registered a profit of Rs. 120.3 billion in 2023 from a loss of Rs. 617.6 billion in 2022. In the same vein, CEB recorded a profit of Rs. 61.2 billion in 2023 compared to the loss of Rs. 298.2 billion in 2022. Improved revenue collection also allowed the government and Central Bank to eliminate monetary financing, supporting the control of inflation which has a disproportionate impact on the poor and vulnerable.

Tighter fiscal conditions, which contributed to overall demand management efforts along with cost-reflective energy pricing, enabled a current account surplus in the balance of payments in 2023 for the first time since 1977. This in turn

supported an appreciation of the currency that helped control inflation and moderate prices in the economy. For instance, the Colombo Consumer Price Index which stood at 200.7 in January 2024 had declined to 195.2 by April 2024. The recovery of the currency, lower interest rates, and improved nominal GDP position have all contributed to positive debt dynamics, which enabled the public debt to GDP ratio to decline in 2023. The role of fiscal policy in controlling inflation, supporting the decline in interest rates, stabilisation of the external account and currency, has had an important impact in restoring a conducive macroeconomic environment to support economic growth, which is the crucial next stage in Sri Lanka's recovery path.

1.5 Fiscal Strategy in the Medium Term

The Medium-Term Macro-Fiscal Framework rests upon sustainable growth aspirations of over 3.0 percent over the medium term, maintenance of the inflation rate at targeted mid-single digit levels, stable exchange rate and strong external sector performance, and overall macroeconomic stability.

Table 1.2| Medium-Term Macro- Fiscal Framework 2023–2028

Indicator	As a percentage of GDP					
	2023 Provisional	2024 Budget ^(a)	2025	Projections		
				2026	2027	2028
Total Revenue and Grants	11.1	13.1	15.1	15.3	15.5	15.7
Total Revenue	11.0	13.0	15.1	15.2	15.5	15.7
Tax Revenue	9.8	12.1	14.1	14.2	14.5	14.7
Taxes on Income and Profit	3.3	3.4	3.7	3.8	4.0	4.1
Taxes on Goods and Services	5.1	7.1	9.0	9.0	9.1	9.1
Taxes on External Trade	1.4	1.6	1.4	1.4	1.4	1.4
Non-Tax Revenue	1.2	0.9	1.0	1.0	1.0	1.0
Grants	0.09	0.06	0.06	0.06	0.06	0.06
Total Expenditure	19.4	20.7	20.3	19.9	19.7	19.6
Recurrent Expenditure	17.0	16.8	15.9	15.3	15.1	14.8
Salaries and Wages	3.4	3.6	3.7	3.7	3.8	3.8
Goods and Services	1.1	1.1	1.1	1.1	1.1	1.1
Interest	8.9	8.4	7.5	6.9	6.5	6.2
Subsidies & Transfers	3.6	3.7	3.6	3.6	3.7	3.7
Capital Expenditure and Net Lending	2.4	4.0	4.4	4.6	4.6	4.8
o/w Public Investments	3.4	4.0	4.4	4.6	4.6	4.8
Current Account Balance	-6.0	-3.7	-0.8	-0.1	0.4	0.9
Primary Balance	0.6	0.8	2.3	2.3	2.3	2.3
Budget Deficit	-8.3	-7.6	-5.2	-4.6	-4.2	-3.9

Sources : Department of Fiscal Policy

(a) Does not consider the estimate of Rs. 450 billion for bank recapitalization

Note: - denotes deficit

The Medium-term Fiscal outlook is anchored around:

- achieving government revenue as a percentage of GDP of over 15 percent by 2025 and gradually increasing it up to 15.7 percent in 2028;
- managing government expenditure below 20 percent beyond 2025 over the medium term and gradually reducing recurrent expenditure with the expected decline in interest expenditure owing to effects of reduction of gross financial needs and debt restructuring;
- maintaining primary expenditure at a desired level;
- gradually increasing growth-enhancing capital expenditure as a percentage of GDP;
- achieving a primary surplus of 2.3 percent in 2025 and maintaining the same over the medium term; and
- containing the budget deficit to be less than 5 percent from 2026 onwards.

The Medium-Term Macro Fiscal Framework has taken into account the parameters set under the IMF-EFF Programme and reforms to be implemented over the medium term with respect to government revenue enhancement including tax administration, public financial management, and state-owned enterprises and other reforms to be implemented in the macroeconomic sphere.

Tax Reforms

The major tax reforms introduced with regard to income tax, VAT, and excise duties since June 2022 that led to the significant increase in revenue in 2023 will be continued and are expected to yield enhanced tax revenue over the medium term.

Further tax reforms were introduced in 2024 which will lead to an increase in revenue over the medium term. Such reforms include:

- increasing VAT rate up to 18 percent, lowering the VAT registration threshold to Rs. 60 million per annum, and removal of the majority of VAT exemptions with effect from January 1, 2024;
- lowering the registration threshold of the Social Security Contribution Levy (SSCL) to Rs. 60 million per annum from Rs. 120 million per annum with effect from January 1, 2024; and
- introducing automatic indexation to all excisable articles with effect from January 1, 2024.

Further, phasing out of the CESS Levy and Ports and Airports Development Levy (PAL) within three and five years, respectively will be continued in a revenue-neutral manner. A new national tariff policy which is near finalization will provide a transparent and predictable external tariff framework that strikes an appropriate balance between the interests of consumers, exporters, domestic producers, and government revenue considerations.

Tax Administration Reforms

Following the recent major reforms introduced to tax policy, it is expected that future revenue enhancement will be driven largely by continuous improvement of tax administration and compliance measures. The Government implemented a series of tax administration measures over the past two years to enhance tax compliance, reduce revenue leakages and minimize corruption vulnerabilities. Key such tax administration measures are as follows:

- Mandating compulsory registration of individuals over 18 years of age to obtain a Tax Identification Number.
- Implementing Version 2.0 of the Revenue Administration and Management Information System (RAMIS) at the Inland Revenue Department (IRD)
- Introducing measurable KPIs for the IRD on payment, filing, reporting, and registration under the IMF-EFF Programme.
- Establishing a High Wealth Individuals (HWI) Unit, Design and Monitoring Unit, and a strengthened Risk Management Unit within the Large Taxpayers Unit at the IRD to ensure on-time filing and payment.
- Introducing modern risk-based audits for large taxpayers at IRD.
- Developing risk management capabilities of Sri Lanka Customs by developing a sophisticated software solution. The project goals include enhancing risk assessment for revenue risks, improving operational efficiency in customs clearance, ensuring compliance with regulations, and creating a sustainable, adaptable software system for future needs.
- Strengthening information sharing between IRD, Registrar General's Department, Department of Registrar of Companies, Department of Motor Traffic, government procuring entities, financial institutions, and Colombo Stock Exchange through the publication of Gazette Notification under Inland Revenue Act, No. 24 of 2017.

The following tax administration measures will be implemented over the medium term.

- Revising the VAT refund system to fully repeal the SVAT system in 2025.
- Implement a VAT compliance improvement programme.
- Minimize temporary VAT registrations through interlinkages between IRD and Sri Lanka Customs to reduce revenue leakages.
- Introducing a digital revenue administration system to the Excise Department and Single Window at the Customs.
- Develop RAMIS 3.0 with required functionality and design improvements to allow IRD to process all tax collections with RAMIS.
- Enhance anti-corruption measures within revenue collection agencies with strengthened Codes of Conduct, Internal Affairs Departments, Risk Management and Automation.
- Creation of a semi-autonomous Revenue Authority.

Once revenue targets can be met in a sustainable manner through these tax policy and administration reforms, it will be possible to rationalize tax rates in a manner that does not jeopardize the achievement of revenue targets.

Reforms in State-Owned Enterprises (SOEs)

The Government has already improved key reforms with regard to major SOEs including the introduction of cost-reflective pricing for fuel and electricity, allowing additional private sector firms to enter into the petroleum sector, restructuring of balance Sheets of key SoEs, establishment of the SOE restructuring Unit (SOERU) and commencement of the divestiture process of several non-strategic SOEs. The reforms have helped key 52 SOEs to record a profit of 455.8 billion in 2023 from a loss of Rs. 774.6 billion 2022.

With the introduction of cost-reflective pricing, both CPC and CEB were able to return to profits in 2023. This eliminated the requirement of the state banks to fund these losses, and allowed the additional liquidity to help reduce market interest rates and free up funds to be channelled to more productive investments to support economic growth. Cost-reflective pricing also results in a more appropriate balance between supply and demand in the market, curbing over-consumption of fuel, which is also Sri Lanka's largest import item. Therefore, cost-reflective pricing also has

important implications for management of the current account of the balance of payments. Following the re-balancing of demand and supply in the market along with stabilisation of the external economy, quantitative restrictions (in the form of QR code based quotas) on retail fuel usage, were eliminated in August 2023.

In December 2022, the government absorbed sovereign guaranteed foreign currency denominated loans on the balance sheets of CPC and some such liabilities of CEB. Subsequently, in December 2023, the cross liabilities between the CPC, CEB, and SriLankan Airlines were resolved by setting off debts between the entities and the government (as the common shareholder). Recent profits made by the CPC and CEB have also been used to settle some legacy debt. Subsequent to the balance sheet restructuring, the health of the balance sheets of the CPC and CEB have improved significantly. CEB now has a strong positive net asset value position and CPC's negative net asset position has been reversed.

Further, the following measures will be implemented over the medium term:

- Enacting the Sri Lanka Electricity Bill which enables the restructuring and unbundling of the CEB with the objective of creating greater operational and financial autonomy for the generation, transmission and distribution segments of the CEB.
- Establishment of the Bulk Supply Transaction Account system to provide real-time data on costs and usage, which enables early identification of potential losses or profits and provides a more timely and accurate basis for tariff adjustments.
- Divesting a number of non-strategic SOEs in sectors such as telecommunications, insurance, private healthcare and limiting the government's role to regulation and oversight.
- Establishment of a holding company structure to gradually shift SOEs from line ministries to the holding company, thereby enabling professional management of these entities
- Enacting a Public Commercial Business Act which will introduce new control mechanism for state owned commercial enterprises and will form the basis for the establishment of the Holding Company
- Improve governance of SOEs to enhance financial transparency.

Box 1.3 | Legislative Reforms on Public Financial Management

Public Financial Management Bill

An array of fiscal reforms is entrenched in a robust legislative framework in the form of the Public Financial Management (PFM) Bill which was presented to Parliament on May 22, 2024. As the overarching legal framework for PFM, the Bill establishes a coherent legal framework for the budget cycle by providing clear provisions on relevant processes, roles and responsibilities and accountability requirements.

The Bill provides for the repeal of the Fiscal Management (Responsibility) Act, No. 03 of 2003 and introduces a revamped and more binding fiscal rules framework comprising a primary balance target and primary expenditure ceiling linked to a legally established Medium Term Macro-Fiscal Framework (MTFF) which requires to be published under a Fiscal Strategy Statement in June each year. The Statement will provide a medium-term fiscal outlook which will provide the basis for the preparation of the Budget.

The Bill also establishes enhanced fiscal discipline in terms of prioritisation and selection of capital expenditure projects. Fiscal risks emanating from SOEs and Public Private Partnerships (PPPs) are also addressed in this legislation through the introduction of a Fiscal Risk Statement. The Bill also adopts stricter guidelines on the issuance of Treasury guarantees. These improvements in budget planning and formulation will ensure fiscal consolidation and achievement of fiscal targets under a medium-term approach consistent with the overall debt reduction strategy.

The PFM Bill is expected to be a landmark piece of legislation that provides a clear framework that cements many of the key fiscal reforms implemented during the last two years. Proper implementation and continuity of the provisions in this legislation will go a long way towards preventing a repeat of the economic crisis faced by Sri Lanka in 2022.

Public Debt Management Bill

The Public Debt Management Bill was presented to Parliament on April 26, 2024. The Bill provides the basis for public debt management including the authorization to borrow, issue, and service public debt for the Government and issuing guarantees, on-lending, enter into suppliers' credit and financial lease agreements.

The Bill also stipulates the establishment of the Public Debt Management Office (PDMO) within the Ministry of Finance. The PDMO will be responsible for the preparation and publication of the medium-term debt management strategy, the annual borrowing plan and auction calendars for the issuance of Government securities and negotiation of financial terms and conditions of domestic and external borrowings, credit arrangements and other debt management activities.

Economic Transformation Bill

The Economic Transformation Bill was presented to Parliament on May 22, 2024. The Bill outlines the basis for the establishment of the National Policy on Economic Transformation to provide all citizens with an adequate standard of living, to create rapid development of the whole country, and to avoid an economic crisis in the future. The policy will encapsulate the restructuring of government debt and the transformation of Sri Lanka to a highly competitive and export-oriented, and digital economy.

The Bill also provides for the establishment of an Economic Commission which will contribute to the creation and maintenance of a robust investment climate and the promotion and facilitation of sustainable foreign direct investment, and evaluate the need for Investment Zones in Sri Lanka and recommend the declaration of such Zones. An entity named "Invest Sri Lanka" will be established

Box 1.3 | Legislative Reforms on Public Financial Management contd...

under the Commission to identify investment opportunities in Sri Lanka, to provide information and guidance to potential investors, and to facilitate the establishment, retention and expansion of investments. The Bill also sets forth the establishment of an entity named Investment Zones of Sri Lanka (Zones SL) tasked with the duties and functions including conducting studies to decide the need for creation or expansion of Investment Zones, making recommendations to the Economic Commission on the need for or expansion of Investment Zones and, operating and managing Investment Zones on behalf of the Government of Sri Lanka. Upon being enacted, the Bill will repeal the Board of Investment of Sri Lanka Law, No. 4 of 1978.

The establishment of an Office for International Trade is also entailed under the Bill to promote, develop and facilitate international trade of Sri Lanka. Further, the Bill provides for the appointment of an ambassador for international trade who will be the chief negotiator for international trade negotiations.

The Economic Transformation Bill stipulates the creation of National Productivity Commission as an independent body and accountable to Parliament. The proposed Commission will make recommendations to the relevant authorities to increase productivity and economic performance based on evidence and comprehensive analysis.

The Bill also provides for the establishment of Sri Lanka Institute of Economics and International Trade as a platform for research and policy making relating to economics, international finance and international trade.

Other legislation and reforms

To further streamline procurement processes and reduce associated corruption vulnerabilities, it is expected to enact a new Public Procurement Law.

It is expected to introduce a new law on Public Asset Management in 2024 to provide legal foundation to enable effective management of public resources. The Law will provide the legal basis for preparing National Assets Registry. Provisions have also been introduced to ensure proper collection of revenue when disposing of assets by public institutions.

Monetary Policy and Financial Sector Reform

In the past fiscal deficits have been readily accommodated by monetary policy, leading to persistent inflationary pressure and consistent current account deficits in the balance of payments. Monetary financing increased exponentially since early 2020, leading to a rapid expansion of the Central Bank balance sheet by 2022. This contributed to record inflation of 70 percent in 2022. The new Central Bank Act came into effect on September 14, 2023, which builds in substantive reforms to the institutional and operation arrangements of the monetary authority. The landmark legislation creates the institutional and legal framework to enable flexible inflation targeting as the key anchor of monetary policy. The new law prohibits monetary financing after a transition arrangement to account for the time required for stabilisation of fiscal balances and domestic debt market to eliminate the need for monetary financing.

Significant reforms have been implemented in the banking and financial markets as well. The Banking (Special Provisions) Act was approved by Parliament in July 2023 and amendments to the Banking Act were certified in April 2024. These legislative reforms provide for swifter resolution mechanisms of the Central Bank and financial tools to address distressed financial institutions. The reforms enable enhanced regulation and supervision, particularly addressing risk management such as large exposures, capital and liquidity framework, and governance issues.

Special attention is paid to the state owned banks as the Banking Act amendments supersede the respective state bank ordinances which in the past enabled weaker governance structures. In April 2024 the Cabinet approved further reforms to the state banks, particularly addressing selection and appointment of Boards of Directors, risk management practices, controls over exposure to state owned enterprises, among others.

Independent asset quality reviews were implemented at key banks to ensure clarity on the financial positions of the banks in the wake of the economic crisis and the debt restructuring process. The Parliament approved a budgetary allocation of Rs. 450 billion for potential recapitalisation needs of the state banks in particular, to ensure that the banks are sufficiently capitalised and well positioned to support the recovery of the economy.

Reforms in Governance

The IMF published the Governance Diagnostic Assessment on Sri Lanka in September 2023 containing priority recommendations to be adopted on strengthening accountability, transparency, fiscal governance, oversight, and rule of law. Sri Lanka is the first country in Asia where such an assessment was conducted. An action plan to implement the priority recommendations of the Report was published by the Ministry of Finance, Economic Stabilization and National Policies in February 2024. The actions detailed in the Action Plan are currently being implemented by various governmental bodies.

In addition, the Anti-corruption Act, No. 9 of 2023 was enacted in August 2023. The Act has repealed the Bribery Act (chapter 26), the Commission to Investigate Allegations of Bribery or Corruption Act, No. 19 of 1994, and the Declaration of Assets and Liabilities Law, No. 1 of 1975 and has strengthened investigative authority of the Commission to Investigate Allegations of Bribery and Corruption (CIABOC) and the asset and liabilities declaration framework of Sri Lanka. The Act also gives effect to obligations under the United Nations Convention Against Corruption and any other International Convention relating to the prevention of corruption to which Sri Lanka is a party and recognizes international standards and best practices in order to establish a culture of integrity in Sri Lanka.

From Stabilisation to Growth

A stable macroeconomic environment is a necessary but not sufficient condition to enable economic and debt sustainability. It is crucial that economic stabilisation translates into real economic growth in order to establish sustainable economic and debt dynamics. Towards this end, the government has initiated a number of significant structural reforms that will help unlock productive potential in the economy. It is also essential that Sri Lanka sees a qualitative improvement in the type of economic growth.

This particularly refers to a shift from inward oriented growth drivers in the non-tradable sector to an economy driven by non-debt creating inflows such as exports of goods, exports of services, and foreign direct investment. At the same time, economic growth must not occur at the expense of the country's environmental resources and bio-diversity heritage. The economy must shift to a more sustainable trajectory, where growth is led by green initiatives, while taking advantage of opportunities associated with climate prosperity.

To further Sri Lanka's exports and FDI, the country must integrate with regional and global partners. The government has concluded the comprehensive Free Trade Agreement with Thailand in February 2024, following the successful implementation of the Sri Lanka-Singapore FTA. Sri Lanka is in the process of negotiating a comprehensive trade agreement with India (ETCA), whilst also commencing engagement with countries including Malaysia and Indonesia, with a view to accession to the Regional Comprehensive Economic Partnership (RCEP) in the medium term. These agreements will provide Sri Lanka with much needed market access in the fast growing South East Asian region, whilst also enabling the country to constructively engage with regional and global value chains and production networks. The enhanced market access opportunities will also increase the country's attraction as a destination for export oriented investment. In addition to FTAs, the government is also undertaking unilateral measures to modernise the country's tariff regime to create an environment more conducive to trade and investment. The National Tariff Policy which is in advanced stages of development will set out the framework for a phased rationalisation of para-tariffs and exemptions, and creating a simple, transparent and predictable tariff framework, while giving special attention on any notable concerns.

In addition to creating market access opportunities, the government is also taking measures to address capacity and supply-side bottlenecks in the economy that hinder the ability to take advantage of export opportunities. One of the biggest bottlenecks to investment and growth is limited access to land. To address this the government has already released large tracts of government owned land for productive economic activity at the micro level of rural agriculture and also large scale acreage. New investment zones are also being established to support industrial activity. Legal impediments

to more flexible labour markets are also being addressed with amendments to the Shop and Office Employees legislation to increase flexibility of labour conditions, particularly in terms of time of work and transportation facilities for women, both of which would improve the ability of women to effectively participate in economic activity, along with the development of a comprehensive labour law that strikes an appropriate balance between the interests of employers and employees. Capital markets have already received a significant boost with the rapid decline in interest rates and freeing up of capital due to fiscal consolidation measures and SOE reforms. The government is also developing modern bankruptcy legislation and other capital market development initiatives.

The Gender Equality Bill which was submitted to parliament in May 2024 will provide the framework for gender equality and empower of women.

These economic recovery measures are beginning to yield results. In the third quarter of 2023 Sri Lanka returned to positive economic growth of 1.6 percent following 6 successive quarters of contraction. Subsequently the fourth quarter of 2023 saw economic growth of 4.5 percent. Leading high-frequency indicators such as Purchasing Managers Index and private sector credit growth suggest continued growth momentum in 2024 as well. The legislative and institutional framework, particularly the Economic Transformation Act, is being put in place to help improve the quality of growth such that growth is driven through non-debt-creating inflows and by productivity gains. The continuation of the prevailing macroeconomic policy path is expected to support continued economic recovery and the establishment of an inclusive, sustainable, and robust growth path that delivers prosperity and enhances well-being of all Sri Lankans.

Box 1.4 | Debt Restructuring

Sri Lanka's public debt, which reached 119.2 percent of GDP in 2022 is considered unsustainable by the International Monetary Fund (IMF). One of the pre-requisites for Sri Lanka to obtain financial support from the IMF was the requirement to demonstrate credible efforts to restructure public debt in order to restore debt sustainability. Towards this end the IMF Debt Sustainability Analysis (DSA) indicates three targets for debt reduction;

	2022	2027-2032 (average)
Public debt/GDP	119.2 percent	Below 95 percent by 2032
Gross Financing Needs/GDP	34.6 percent	Below 13 percent (annual average)
Forex Debt Service/GDP	9.4 percent	Below 4.5 percent (annual ceiling)

There are 6 work streams with regard to the restructuring of Sri Lanka's public debt;

1. Official bilateral debt owed to members of the Official Creditor Committee (members of the Paris Club and India). The OCC is co-chaired by India, Japan, and France.
2. Official bilateral debt owed to Exim Bank of China
3. External commercial debt by holders of international sovereign bonds
4. International sovereign bonds held by local banks and financial sector companies
5. External commercial debt other than bonds (syndicated loans held by China Development Bank)
6. Domestic Debt

Box 1.4 | Debt Restructuring contd...**Domestic Debt Optimisation (DDO)**

Domestic debt treatment was an essential component of the debt restructuring in order to achieve the Gross Financing Needs (GFN) target of 13 percent of GDP. This is because GFN is predominantly influenced by domestic debt. The DDO perimeter included the Sri Lanka Development Bonds (SLDB) and Foreign Currency Banking Unit (FCBU) assets of the banking sector, CPC debt held by the state banks, the Treasury Bills and government provisional advances held by the Central Bank, and the Treasury Bonds held by Provident Funds.

The DDO had to strike a balance between the need to provide cash-flow relief to the government by restructuring outstanding debt, whilst ensuring the financial sector remains stable and well capitalised to support economic recovery. For instance, the treasury bond restructuring excluded the banking sector since over 75 percent of the outstanding treasury bonds were held by the state banks, and a restructuring of those bonds would have attracted a substantial day one loss which would need to be funded by tax payer money. The banks would already face adverse financial impact due to the restructuring of SLDBs, FCBU, and SOE debt.

External Official Debt

Sri Lanka's debt restructuring process is complex given the diverse mix of creditors. Bilateral debt is shared amongst traditional Paris Club lenders including Japan, and non-Paris Club lenders such as China and India. Whilst India joined the Official Creditor Committee (OCC), Exim Bank of China did not do so. Therefore, Sri Lanka was required to separately negotiate debt restructuring terms with the OCC and Exim Bank of China, whilst ensuring the two are comparable in terms of treatment terms. Sri Lanka commenced negotiations on formal debt restructuring terms after the DSA was published when the IMF Board approved Sri Lanka's Extended Fund Facility (EFF) programme in March 2023.

In October 2023, Exim Bank of China became the first official creditor to announce reaching Agreement in Principle on the financial terms of debt restructuring. Subsequently in November, the OCC provided Agreement in Principle, enabling the IMF Board to approve the First Review of Sri Lanka's programme.

Subsequently, Sri Lanka has been negotiating with both groups to convert the Agreements in Principle into formal legal agreements which would enable a debt exchange. The restructuring process has been particularly challenging given the fact that the sovereign debt restructuring architecture is evolving to meet the new landscape of creditors with non-Paris Club members and global bond markets having a major presence in emerging market lending, unlike in the past. Sri Lanka as an emerging economy outside the Common Framework has had to navigate this largely uncharted path towards restructuring its debt.

Commercial Debt Restructuring

In addition to official debt, Sri Lanka has external debt held by commercial creditors. This includes International Sovereign Bonds (ISBs) held by international lenders, a smaller volume of ISBs held by domestic banks and financial companies, and syndicated loans held by another Chinese lender, China Development Bank. Each of these groups have different preferences on restructuring terms and must be negotiated separately. However, ultimately all of these restructuring terms must meet the requirements of comparability of treatment in terms of debt relief, and also provide sufficient relief to meet the IMF stipulated debt targets.

Box 1.4 | Debt Restructuring contd...

International bond holders and the government have held several negotiations, initially through their respective advisors. After the exchange of different iterations of debt treatment proposals, the government and a representative group of bondholders held restricted discussions in London in March 2024. Whilst these discussions made progress in advancing the negotiations, further convergence is required to enable an agreement to be reached. Similar negotiations have been held with advisors of the consortium of domestic ISB holders and treatment proposals have been exchanged amongst these groups as well, with a view to reaching agreement in the near term. A series of negotiations have also taken place with China Development Bank, with significant progress being made towards reaching agreement on debt restructuring terms.

02

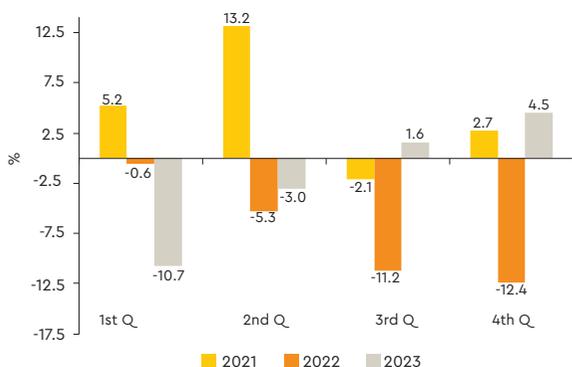
Economic
Developments
in 2023

2.1 Overview

Sri Lankan economy exhibited positive signs of recovery followed by the implementation of the comprehensive macroeconomic reform agenda of the Government, supported by the IMF-EFF and other stakeholders. A clear recovery path was witnessed throughout the year reflected in improvements in almost all key macroeconomic indicators. The Sri Lankan economy recorded a contraction of 2.3 percent in 2023 compared to the significant contraction of 7.3 percent in 2022, and beating expectations of a higher contraction of over 3 percent for 2023. Economic growth returned to positive trajectory in the third quarter of 2023 following 6 successive quarters of contraction. Growth in the fourth quarter of 2023 reached higher growth of 4.5 percent, indicating the beginnings of a robust recovery. Agriculture, industry and service sectors recorded positive signs of recovery in 2023 compared to 2022 while the agriculture sector rebounded with a positive growth of 2.6 percent in 2023.

Sri Lanka recorded a current account surplus in 2023 after persistent external current account deficits since 1977. This is mainly due to a re-balancing of macroeconomic policy with tighter fiscal and monetary conditions, market driven exchange rates, coupled with cost-reflective pricing of key utilities. The substantial increase in tourism income, growth in workers' remittances and decrease in merchandise imports supported this process. The current account balance as a percentage of GDP recorded a surplus of 1.8 percent in 2023 compared to a deficit of 1.9 percent in 2022. The trade deficit as a percentage of GDP has narrowed down to 5.8 percent in 2023, compared to 6.7 percent in 2022. The national savings-investment gap has recorded a positive value in 2023 along with the current account surplus.

Figure 2.1 | Quarterly Growth Rates of GDP



Source: Department of Census and Statistics

Table 2.1 | Sectoral GDP Growth Rates in 2023 (%)

Sector	Q1	Q2	Q3	Q4	Annual
GDP (Nominal)	32.1	12.6	4.9	12.0	14.8
Agriculture	27.1	12.1	1.9	10.1	11.9
Industry	22.3	-9.3	-13.4	-1.2	-1.4
Services	37.3	24.7	11.5	13.0	20.7
GDP (Real)	-10.7	-3.0	1.6	4.5	-2.3
Agriculture	1.6	4.2	4.2	0.6	2.6
Industry	-24.3	-11.7	-0.7	7.9	-9.2
Services	-4.6	-0.5	1.7	2.8	-0.2

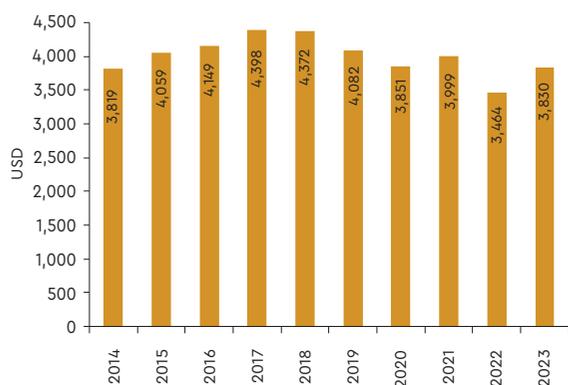
Source: Department of Census and Statistics

Gross Official Reserves (GOR) increased up to USD 4.4 billion at the end of 2023 from USD 1.9 billion at the end of 2022 mainly due to the CBSL net intervention to purchase foreign currency from the market along with receipts from the IMF, the World Bank and the Asian Development Bank. GOR increased to USD 5.5 billion at end April, 2024. Exchange rate appreciated by 12.1 percent to Rs. 323.92 per USD at the end of 2023 compared to Rs. 363.11 per USD at the end of 2022 mainly due to higher inflows, lower outflows and positive market sentiments based on a more sustainable macroeconomic policy path.

The equity market recorded a mixed performance in 2023 while the price indices recorded positive momentum during the year. Market capitalization grew by 9.7 percent to Rs. 4,233.3 billion at the end of 2023. The average daily turnover of the Colombo Stock Exchange (CSE) recorded a drop of 43 percent to Rs. 1,696.81 million in 2023 compared to Rs. 2,972.3 million in 2022.

The unemployment rate remained unchanged at 4.7 percent in 2023. However, the labour force participation rate declined to 48.6 percent in 2023 compared to 49.8 percent in 2022.

Inflation which peaked at 70 percent in September 2022 reverted to single digit levels following a rapid disinflation process and remained at lower single-digit levels by the end of 2023. Inflation declined to 0.9 percent in May 2024. The rapid reduction in inflation was achieved due to decisive and coordinated tightening of monetary and fiscal policy, enabling the elimination of monetary financing and anchoring of inflation expectations. The normalization of supply bottlenecks and elimination of import restrictions (except personal motor vehicles) following stabilization of the economy, supported the reduction in price levels. Accordingly, year-on-year headline inflation, measured by the Colombo Consumer Price Index (CCPI) and National Consumer Price Index (NCPI) declined to 4.0 percent and 4.2 percent (2021=100), respectively

Figure 2.2 | Per Capita GDP (USD)


Source: Department of Census and Statistics

by end 2023 compared to 57.2 percent and 59.2 percent (2013=100) by end of 2022. As a result of the effective demand management measures and underlying subdued demand conditions in the economy, core inflation also went through a strong disinflation path in 2023. CCPI-based year-on-year core inflation declined to 0.6 percent (2021=100) by end 2023 compared to 47.7 percent (2013=100) by end 2022. NCPI based year-on-year core inflation also declined to 0.9 percent (2021=100) by end 2023, compared to 57.5 percent (2013=100) by end 2022.

As inflation expectations were favourably anchored, the Central Bank adopted an accommodative monetary policy stance from mid-2023, enabling a gradual recovery in economic activity. Accordingly, the Standing Deposit Facility Rate (SDFR) and Standing Lending Facility Rate (SLFR) which stood at 14.5 percent and 15.5 percent, respectively at the end of 2022 were decreased by 550 basis points to 9.0 percent and 10.0 percent, respectively at the end of 2023.

2.2 Sri Lankan Economy

Sri Lankan economy showed positive signs of recovery at the second half of 2023. With the macro-fiscal reforms supported by the IMF-EFF, the Sri Lankan economy has begun a challenging journey towards macroeconomic stability after the decades-worst economic crisis hit the country in 2022.

The Agriculture sector rebounded by 2.6 percent in 2023 compared to the contraction of 4.2 percent in 2022 benefiting from the growth in sub-sectors including cereals, rice, vegetables, fruits, perennial crops, animal production, and marine fishing and marine aquaculture. However, the Industry sector contracted by 9.2 percent in

2023 compared to the significant contraction of 16.0 percent in 2022, owing to the contraction of sub-sectors including mining and quarrying, manufacture of textiles, wearing apparel and leather related products, manufacture of wood and products of wood and cork. The Services sector, which is the largest sector in the economy with Rs. 7,200 billion in value addition, contracted marginally by 0.2 percent in 2023 compared to the contraction of 2.6 percent in 2022, mainly due to the contraction in financial and auxiliary financial services, and real estate activities.

Whilst GDP at constant (2015) market prices contracted by 2.3 percent, the GDP at current market prices increased by 14.8 percent to Rs. 27,629.7 billion in 2023 compared to Rs. 24,063.7 billion in 2022 reflecting the impact of increased price levels during the year. The GDP per capita increased notably to USD 3,830 in 2023 from USD 3,464 in 2022 with a growth of 10.6 percent.

Investment expenditure grew by 1.6 percent in 2023 in current prices mainly due to the price increases of investment goods caused by supply shortages due to import restrictions and foreign exchange liquidity issues in the first part of the year. Consumption expenditure comprising private and government expenditure increased by 16.7 percent in 2023 in current prices compared to the 45 percent growth recorded in 2022, reflecting higher consumer prices. Net external demand improved significantly by 51.9 percent in 2023 at current market prices, benefiting from the substantial growth of the export of goods and services, while import of goods and services remained subdued compared to 2022. National savings grew by 14.7 percent in 2023, compared to 12.8 percent growth recorded in 2022, while the national savings to GDP ratio in 2023 remained almost stagnant at 27.2 compared to 2022. Further, the national savings-investment gap recorded a positive value in 2023 due to the higher growth in savings compared to the investments.

Agriculture Sector

The Agriculture sector grew by 2.6 percent in 2023 from a contraction of 4.2 percent in 2022. This was mainly due to the growth of sub-sectors such as growing of rice, fruits, and perennial crops. Also, growing of cereals and vegetables, animal production, agricultural supporting activities, marine fishing and marine aquaculture also contributed positively to this expansion. However, growing of sugarcane, tobacco and

Table 2.2 | Gross Domestic Product (GDP) at Constant (2015) Market Prices, 2018 to 2023

Economic Activity	2018	2019	2020	2021 ^(a)	2022 ^(a)	2023 ^(a)	Rs. Million	
							2022/ 2021 Change (%)	2023/ 2022 Change (%)
Agriculture, Forestry and Fishing	945,292	949,582	941,046	950,548	910,842	934,248	-4.2	2.6
1 Growing of Cereals (except rice)	14,676	13,355	21,342	21,949	16,507	16,989	-24.8	2.9
2 Growing of Rice	106,333	112,919	121,663	107,359	94,730	113,690	-11.8	20.0
3 Growing of Vegetables	105,072	102,037	111,088	109,147	103,161	106,494	-5.5	3.2
4 Growing of Sugar cane, Tobacco and other non-perennial crops	3,116	3,275	4,021	3,729	3,797	3,507	1.8	-7.6
5 Growing of Fruits	70,906	77,200	81,823	72,949	73,310	78,566	0.5	7.2
6 Growing of Oleaginous Fruits (Coconut, King Coconut, Oil palm)	89,706	102,800	92,197	102,490	111,196	107,223	8.5	-3.6
7 Growing of Tea (Green Leaves)	75,219	72,733	67,971	74,604	62,867	61,912	-15.7	-1.5
8 Growing of Coffee, Cocoa and other beverage crops	1,748	1,302	1,613	1,352	1,229	1,135	-9.1	-7.6
9 Growing of spices, aromatic, drug and pharmaceutical crops	91,543	90,880	93,776	97,767	101,234	99,559	3.5	-1.7
10 Growing of Rubber (except rubber)	26,050	24,029	24,081	26,464	23,871	22,025	-9.8	-7.7
11 Growing of other perennial crops	27,185	28,751	29,781	26,963	27,533	29,979	2.1	8.9
12 Animal Production	94,582	90,284	86,907	94,039	83,322	84,812	-11.4	1.8
13 Plant propagation	795	772	622	813	964.7	727	18.7	-24.6
14 Agricultural supporting activities	23,159	22,969	26,102	29,019	33,062	33,569	13.9	1.5
15 Forestry & Logging	44,606	43,133	42,587	44,348	50,931	47,221	14.8	-7.3
16 Marine Fishing and Marine Aquaculture	149,782	141,700	111,307	112,814	95,447	100,099	-15.4	4.9
17 Fresh water fishing Fresh water Aquaculture	20,815	21,444	24,166	24,742	27,682	26,739	11.9	-3.4
Industries	4,101,467	3,933,728	3,724,566	3,937,895	3,308,578	3,003,096	-16.0	-9.2
18 Mining and quarrying	322,522	318,658	284,079	287,969	198,612	154,291	-31.0	-22.3
19 Manufacture of food, beverages and Tobacco products	896,813	929,371	980,863	1,014,150	869,373	899,777	-14.3	3.5
20 Manufacture of textiles, wearing apparel and leather related products	463,618	469,028	416,312	473,911	511,863	450,498	8.0	-12.0
21 Manufacture of wood and of products of wood and cork, except furniture	39,879	36,321	32,831	35,579	29,758	23,807	-16.4	-20.0
22 Manufacture of paper products, printing and reproduction of media products	57,716	54,064	51,896	56,811	52,069	47,259	-8.3	-9.2
23 Manufacture of coke and refined petroleum products	19,846	24,630	22,108	15,492	6,474	21,895	-58.2	238.2
24 Manufacture of chemical products and basic pharmaceutical products	88,399	90,144	92,157	95,793	82,349	82,949	-14.0	0.7
25 Manufacture of rubber and plastic products	101,890	98,429	81,182	97,436	67,505	56,157	-30.7	-16.8
26 Manufacture of other non - metallic mineral products	102,554	107,062	102,685	119,973	85,182	84,671	-29.0	-0.6
27 Manufacture of basic metals and fabricated metal products	84,102	80,312	77,859	81,174	58,780	60,303	-27.6	2.6
28 Manufacture of machinery and equipments i.e.	64,638	66,114	65,187	73,090	59,181	50,229	-19.0	-15.1
29 Manufacture of furniture	88,078	95,470	81,651	82,694	60,837	56,089	-26.4	-7.8
30 Other manufacturing and repair and installation of machinery and equipment	97,155	96,432	87,586	101,048	79,088	66,747	-21.7	-15.6
31 Electricity, gas, steam and air conditioning supply	175,518	184,041	180,176	188,924	178,057	174,018	-5.8	-2.3
32 Water collection, treatment and supply	15,857	14,701	15,908	13,099	14,059	11,590	7.3	-17.6
33 Sewerage, Waste, treatment, and disposal activities	27,271	29,253	28,960	27,992	28,070	27,955	0.3	-0.4
34 Construction	1,455,612	1,239,700	1,123,127	1,172,761	927,321	734,859	-20.9	-20.8

Table 2.2 | Gross Domestic Product (GDP) at Constant (2015) Market Prices, 2018 to 2023 Contd...

Economic Activity	2018	2019	2020	2021 ^(a)	2022 ^(a)	2023 ^(a)	Rs. Million	
							2022/ 2021 Change (%)	2023/ 2022 Change (%)
Services	7,099,084	7,307,036	7,166,506	7,410,705	7,218,205	7,200,438	-2.6	-0.2
35 Wholesale and Retail Trade	1,579,590	1,636,752	1,650,889	1,675,083	1,675,534	1,677,928	0.0	0.1
36 Transportation of goods and passengers including warehousing	1,370,263	1,398,230	1,313,312	1,325,233	1,364,679	1,418,410	3.0	3.9
37 Postal and courier activities	16,495	17,099	17,620	18,886	19,780	20,349	4.7	2.9
38 Accommodation, Food and beverage service activities	230,929	216,976	128,556	130,743	166,030	209,140	27.0	26.0
39 Programming and broadcasting activities and audio video productions	40,839	42,752	43,841	42,161	37,350	36,551	-11.4	-2.1
40 Telecommunication	87,840	103,325	118,845	131,952	140,524	137,403	6.5	-2.2
41 Computer programming consultancy and related activities	158,565	175,634	194,893	243,971	238,455	187,341	-2.3	-21.4
42 Financial Service Activities Auxiliary financial service	511,418	510,367	557,357	596,106	529,907	477,047	-11.1	-10.0
43 Insurance, reinsurance and pension funding	111,838	120,550	117,595	148,658	78,728	99,192	-47.0	26.0
44 Real estate activities, including ownership of dwelling	580,367	610,231	604,259	630,570	554,456	521,465	-12.1	-6.0
45 Professional services	282,095	297,462	287,781	301,890	248,468	254,360	-17.7	2.4
46 Public Administration and defense, compulsory social security	600,932	605,938	616,176	621,834	629,031	618,542	1.2	-1.7
47 Education	267,448	283,605	284,751	290,475	302,435	307,740	4.1	1.8
48 Human Health Activities, Residential care and social work activities	228,368	235,136	246,735	260,482	237,677	236,092	-8.8	-0.7
49 Other personal service activities	1,032,097	1,052,980	983,900	992,662	995,154	998,877	0.3	0.4
Gross Value Added (GVA), at basic prices	12,145,842	12,190,346	11,832,118	12,299,149	11,437,626	11,137,782	-7.0	-2.6
(+) Taxes less Subsidies on Products	1,089,616	1,015,930	763,432	826,356	723,576	743,954	-12.4	2.8
Gross Domestic Products (GDP), at Constant Market Price	13,235,458	13,206,276	12,595,550	13,125,505	12,161,201	11,881,736	-7.3	-2.3

Source: Department of Census and Statistics

(a) Revised

(b) Provisional

Table 2.3 | Sectoral Distribution of GDP Growth (%) – Constant (2015) Prices

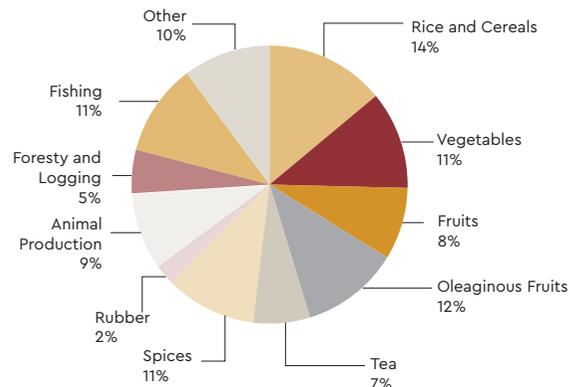
Rs. Million

Economic Activity	2018	2019	2020	2021 ^(a)	2022 ^(a)	2023 ^(b)
Agriculture, Forestry and Fishing	6.3	0.5	-0.9	1.0	-4.2	2.6
1 Growing of Cereals (except rice)	2.1	-9.0	59.8	2.8	-24.8	2.9
2 Growing of Rice	45.2	6.2	7.7	-11.8	-11.8	20.0
3 Growing of Vegetables	0.5	-2.9	8.9	-1.7	-5.5	3.2
4 Growing of Sugar Cane, Tobacco and Other non-perennial Crops	-4.6	5.1	22.8	-7.3	1.8	-7.6
5 Growing of Fruits	11.6	8.9	6.0	-10.8	0.5	7.2
6 Growing of Oleaginous Fruits (Coconut, King Coconut, Oil Palm)	4.6	14.6	-10.3	11.2	8.6	-3.6
7 Growing of Tea (Green Leaves)	2.0	-3.3	-6.5	9.8	-15.7	-1.5
8 Growing of Coffee, Cocoa and Other Beverage Crops	24.2	-25.5	23.9	-16.2	-9.1	-7.6
9 Growing of Spices, Aromatic, Drug and Pharmaceutical Crops	5.6	-0.7	3.2	4.3	3.5	-1.7
10 Growing of Rubber	1.8	-7.8	0.2	9.9	-9.8	-7.7
11 Growing of Other Perennial Crops (Except rubber)	3.9	5.8	3.6	-9.5	2.1	8.9
12 Animal Production	4.1	-4.5	-3.7	8.2	-11.4	1.8
13 Plant Propagation	-17.3	-2.9	-19.5	30.8	18.7	-24.7
14 Agricultural Supporting Activities	37.8	-0.8	13.6	11.2	13.9	1.5
15 Forestry and Logging	-13.6	-3.3	-1.3	4.1	14.8	-7.3
16 Marine Fishing and Marine Aquaculture	-1.2	-5.4	-21.4	1.4	-15.4	4.9
17 Fresh Water Fishing and Fresh Water Aquaculture	7.2	3.0	12.7	2.4	11.9	-3.4
Industries	-1.1	-4.1	-5.3	5.7	-16.0	-9.2
18 Mining and Quarrying	-2.7	-1.2	-10.9	1.4	-31.0	-22.3
19 Manufacture of Food, Beverages and Tobacco Products	4.8	3.6	5.5	3.4	-14.3	3.5
20 Manufacture of Textiles, Wearing Apparel and Leather related Products	5.1	1.2	-11.2	13.8	8.0	-12.0
21 Manufacture of Wood and Products of Wood and Cork, except Furniture	4.0	-8.9	-9.6	8.4	-16.4	-20.0
22 Manufacture of Paper Products, Printing and Reproduction of Media Products	3.0	-6.3	-4.0	9.5	-8.3	-9.2
23 Manufacture of Coke and Refined Petroleum Products	-7.2	24.1	-10.2	-29.9	-58.2	238.2
24 Manufacture of Chemical Products and Basic Pharmaceutical Products	4.3	2.0	2.2	3.9	-14.0	0.7
25 Manufacture of Rubber and Plastic Products	-0.3	-3.4	-17.5	20.0	-30.7	-16.8
26 Manufacture of Other Non-metallic Mineral Products	4.9	4.4	-4.1	16.8	-29.0	-0.6
27 Manufacture of Basic Metals and Fabricated Metal Products	10.1	-4.5	-3.1	4.3	-27.6	2.6
28 Manufacture of Machinery and Equipment	1.2	2.3	-1.4	12.1	-19.0	-15.1
29 Manufacture of Furniture	-4.9	8.4	-14.5	1.3	-26.4	-7.8
30 Other Manufacturing and Repair and Installation of Machinery and Equipment	-0.6	-0.7	-9.2	15.4	-21.7	-15.6
31 Electricity, Gas, Steam and Air Conditioning Supply	10.0	4.9	-2.1	4.9	-5.8	-2.3
32 Water Collection, Treatment and Supply	-16.3	-7.3	8.2	-17.7	7.3	-17.6
33 Sewerage, Waste, Treatment and Disposal Activities	6.7	7.3	-1.0	-3.3	0.3	-0.4
34 Construction	-8.0	-14.8	-9.4	4.4	-20.9	-20.8
Services	4.3	2.9	-1.9	3.4	-2.6	-0.2
35 Wholesale and Retail Trade	4.7	3.6	0.9	1.5	0.0	0.1
36 Transport of Goods and Passenger including Warehousing	2.1	2.0	-6.1	0.9	3.0	3.9
37 Postal Courier Activities	0.7	3.7	3.0	7.2	4.7	2.9
38 Accommodation, Food and Beverage Service Activities	5.1	-6.0	40.8	1.7	27.0	26.0
39 Programming and Broadcasting Activities and Audio Video Productions	-10.1	4.7	2.5	-3.8	-11.4	-2.1
40 Telecommunication	10.8	17.6	15.0	11.0	6.5	-2.2
41 IT Programming Consultancy and Related Activities	10.6	10.8	11.0	25.2	-2.3	-21.4
42 Financial Service Activities and Auxiliary Financial Services	16.4	-0.2	9.2	7.0	-11.1	-10.0
43 Insurance, Reinsurance and Pension Funding	17.7	7.8	-2.5	26.4	-47.0	-26.0
44 Real Estate Activities, Including Ownership of Dwelling	5.6	5.1	-1.0	4.4	-12.1	-6.0
45 Professional Services	3.8	5.4	-3.3	4.9	-17.7	2.4
46 Public Administration and Offence; Compulsory Social Security	1.9	0.8	1.7	0.9	1.2	-1.7
47 Education	-0.9	6.0	0.4	2.0	4.1	1.8
48 Human Health Activities, Residential Care and Social Work Activities	4.2	3.0	4.9	5.6	-8.8	-0.7
49 Other Personal Service Activities	1.5	2.0	-6.6	0.9	0.3	0.4
Gross Value Added (GVA), at Basic Prices	2.6	0.4	-2.9	3.9	-7.0	-2.6
(+) Taxes less Subsidies on Products	-0.4	-6.8	-24.9	8.2	-12.4	2.8
Gross Domestic Products (GDP), at Constant Market Price	2.3	-0.2	-4.6	4.2	-7.3	-2.3

Source : Department of Census and Statistics

(a) Revised

(b) Provisional

Figure 2.3 | Agriculture Sector Composition 2023


Source: Department of Census and Statistics

other non-perennial crops, growing of oleaginous fruits (coconut, king coconut, oil palm), growing of tea and other beverage crops (coffee, cocoa etc.), growing of spices, aromatic, drug and pharmaceutical crops, growing of rubber, plant propagation, forestry and logging, and freshwater fishing and freshwater aquaculture recorded a negative growth in 2023.

While the contribution of the Agriculture sector is only 8.4 percent of the GDP in 2023, the population engaged in the agriculture sector was 26.5 percent of the total employed population as at the fourth quarter of 2023. This indicates that the sector has important implications for rural income and consumption, with significant knock-on effects on overall demand in the economy. This reflects the importance of improving the productivity of the agriculture sector by successfully addressing the challenges such as water and land use inefficiency, high post-harvest losses, limitations in access to markets, and most importantly the negative impacts of climate change.

Paddy

In value-added terms, the rice sub-sector grew significantly by 20 percent in 2023, compared to the contraction of 11.8 percent in 2022. This was mainly due to lifting the ban on importation of chemical fertilizers and enhanced government support by providing affordable fertilizer and direct involvement in paddy purchasing. Credit granted for paddy production increased by 14.1 percent to Rs. 7,254 million in 2023 from Rs. 6,360 million in 2022. The volume of fertilizer issued in 2023 increased by 42.8 percent to 223,946 metric tons from 156,807 metric tons in 2022. With the boom in paddy production, the total imports of rice in 2023 declined by 96.2 percent to 29,606 metric tons from 783,420 metric tons in 2022.

The total paddy production in the 2022/2023 Maha season increased by 39.6 percent to 2.7 million metric tons compared to 1.9 million metric tons in 2021/2022 Maha season. The net extent harvested in the 2022/2023 Maha season increased by 5.4 percent to 722,501 hectares from 685,164 hectares in 2021/2022 Maha season. Most importantly, the yield per hectare in the 2022/2023 Maha season also increased by 32.4 percent to 3,732 kg per hectare from 2,819 kg per hectare in 2021/2022 Maha season, and this can be attributed to the increased availability of fertilizer.

Increased production of some varieties of rice has resulted in lower prices of rice during 2023 compared to 2022. Accordingly, the average producer price per kilo of white raw rice which was Rs. 184.83 in 2022 declined to Rs. 170.39 in 2023 and the average producer price per kilo of red raw rice which was Rs. 186.65 in 2022 has declined to Rs. 156.59 in 2023. However, the average producer price per kilo of white samba raw rice which was Rs. 190.77 in 2022 has increased to Rs. 194.16 in 2023.

Tea

In value-added terms, the tea sub-sector contracted marginally by 1.5 percent in 2023, compared to the significant contraction of 15.7 percent in 2022. However, the tea production increased by 1.7 percent to 256 million kg in 2023, compared to 252 million kg in 2022 due to the higher fertilizer supplies which boosted yields in high and medium grown areas. Tea prices at the Colombo Tea Auction (CTA) reduced by 6.5 percent to Rs. 1,188.33 per kg in 2023 from Rs. 1,270.50 per kg recorded in 2022. The average export price (FOB) of tea increased slightly by 7.7 percent to Rs. 1770.44 per kg in 2023 from Rs. 1,643.11 per kg in 2022, while the average export price (FOB) of tea in USD terms also increased slightly by 7.6 percent to USD 5.41 per kg during 2023 compared to USD 5.03 per kg in 2022. The increase in average tea prices during 2023 can be partly attributed to the increased demand for Sri Lankan tea while the supply of tea from India was reduced due to inadequate rainfall in 2023.

Rubber

In value-added terms, the rubber sub-sector contracted by 7.7 percent in 2023 compared to the contraction of 9.8 percent in 2022, mainly due to the impact of the "Circular Spot Leaf Disease" which was spreading since 2022. The total rubber production declined by 9.1 percent to 64.4 million kg in 2023 from 70.8 million kg in

2022. The prices of RSS1 rubber at the Colombo Rubber Auction (CRA) decreased slightly by 5.9 percent to Rs. 559.41 per kg in 2023 from Rs. 595 per kg in 2022. In 2023, the total export volume of rubber/rubber products decreased by 16.3 percent compared to 2022. The reduction of prices as well as export volume of rubber in 2023 was influenced by the economic downturn faced by the European Union and the United States, which were the main export markets of the Sri Lankan rubber/rubber products. Accordingly, the average FOB price of rubber decreased by 19.1 percent to USD 2.21 per kg in 2023 from USD 2.73 per kg in 2022.

Coconut

Coconut production declined by 6.5 percent to 3,170 million nuts in 2023 from 3,391 million nuts in 2022 due to inadequate nourishment for plants owing to limited application of fertilizer for two years. In 2023, some coconut related industries declined drastically while other coconuts related industries showed a slight growth. Desiccated coconut production decreased by 8.7 percent to 31,985 metric tons in 2023 from 35,033 metric tons in 2022. Coconut oil production dropped significantly by 53.1 percent to 22,546 metric tons in 2023 from 48,069 metric tons in 2022, whilst there were increased volumes (130 percent growth) of imported cooking oils to the country. Despite the decreased coconut production, the production of coconut cream, coconut milk powder and coconut milk increased by 9.6 percent in 2023.

In 2023, the total export volume of desiccated coconut declined by 9.4 percent, and the total export volume of copra dropped by 52.9 percent, whereas the total export volume of coconut oil has slightly increased by 2.9 percent compared to 2022 despite the decline in coconut oil production. The average FOB price of coconut fell by 10.5 percent to Rs. 75.68 per nut in 2023 from Rs. 84.54 per nut in 2022.

Minor Export Crops

The total export volume of minor export crops increased slightly by 0.8 percent to 173,680 metric tons in 2023 from 172,282 metric tons in 2022, with an increase in the export volume of minor export crops such as cinnamon, cloves, pepper, nutmeg and mace, fruits and cashew nuts. Compared to 2022, total export earnings from minor export crops in rupee terms increased by 4.9 percent whereas it increased by 5.2 percent in USD terms, in 2023.

While the demand for the major export crops of Sri Lanka is gradually diminishing, the worldwide demand for the minor export crops of Sri Lanka has seen a continuously increasing trend, indicating the high potential for export earnings from minor export crops. Due to the quality, unique flavours, colours, and aroma, the global demand for Ceylon spices and essential oils are increasing, and the demand for fresh and processed fruits of Sri Lanka is also on the rise.

Other Crops

In value-added terms, the cereals (excluding rice) sub-sector grew slightly by 2.9 percent in 2023 compared to the drastic decline of 24.8 percent in 2022. Furthermore, in value added terms, the vegetables sub-sector also grew slightly by 3.2 percent, and the fruits sub-sector grew by 7.2 percent in 2023. The total export volume of vegetables decreased slightly by 2.7 percent to 15,409 metric tons in 2023 from 15,835 metric tons in 2022. The total export volume of fruits increased slightly by 1.9 percent to 42,343 metric tons in 2023 compared to 41,526 metric tons in 2022.

The overall production of field crops (excluding rice) fell by 10.9 percent to 426,497 metric tons in 2023 compared to the decreased production of 479,128 metric tons in 2022, and this was mainly due to the inadequate availability of fertilizer and

Table 2.4 | Minor Export Agricultural Crops: Production and Exports (MT)

Crop	Production						Export *					
	2018	2019	2020	2021	2022 ^(b)	2023 ^(a)	2018	2019	2020	2021	2022 ^(b)	2023 ^(a)
Cinnamon	20,398	20,352	20,866	22,872	24,094	24,475	17,537	17,480	19,090	19,195	18,298	19,677
Pepper	22,551	22,156	23,970	25,047	24,029	24,618	13,535	8,335	9,542	18,575	11,416	14,255
Cocoa	413	548	612	658	709	716	296	520	255	159	1,649	1,917
Cardamom	86	69	86	104	140	141	108	13	1	3	3	8
Clove	3,360	4,786	3,512	3,837	4,088	4,179	3,279	5,126	2,597	6,487	2,325	5,841
Nutmeg & Mace	4,180	5,119	2,751	2,818	2,878	2,902	1,938	3,417	2,451	2,651	2,284	2,718

Sources: Central Bank of Sri Lanka and Sri Lanka Customs

(a) Provisional

(b) Revised

* Including Re-export

the high prices of fertilizer. Maize production declined by 14.6 percent to 221,248 metric tons in 2023 from 259,039 metric tons in 2022. Potato production declined by 14.4 percent to 40,748 metric tons in 2023, from 47,614 metric tons in 2022. Big onion production declined significantly by 71.4 percent to 5,084 metric tons in 2023 from a 73.0 percent decline in 2022 due to the lack of involvement of farmers in big onion cultivation. This was due to the increased cost of production and significant price volatility. As a result, the average retail price of big onions was around Rs. 800/kg.

Livestock

In value-added terms, the animal production sub-sector grew slightly by 1.8 percent in 2023 compared to the contraction of 11.4 percent in 2022. The total milk production declined slightly by 0.4 percent to 504 million liters in 2023 compared to 506 million litres recorded in 2022. The drop in the milk production can be attributed to the closure of many smallholder dairy farms in 2023. This is mainly due to increased forage prices, shortage of grass and grazing grounds, and the high costs of milch cows. The total egg production decreased by 13.2 percent to 1,604 million eggs in 2023 from 1,849 million eggs in 2022, due to shortage of animal feed and reduction of import of parent birds. The price of eggs peaked at significant levels due to the reduction in egg production and the increase in the cost of production of eggs. As a result, the government decided to import eggs and sold them at a lower price to consumers through Lanka Sathosa. Meanwhile, chicken production increased slightly by 3.5 percent to 236,110 metric tons in 2023, from 228,130 metric tons in 2022. However, the price of chicken also increased significantly in 2023 due to the increased cost of production followed by the increased feed cost.

Marine and Inland Fishing

The total fish production increased slightly by 2.5 percent to 407,070 metric tons in 2023 compared to 397,230 metric tons in 2022. This was due to the increase in marine fishing and marine aquaculture activities in coastal and lagoon areas. In value-added terms, the marine fishing and marine aquaculture sub-sector grew by 4.9 percent in 2023 from the contraction of 15.4 percent recorded in 2022. However, in value-added terms, the freshwater fishing and freshwater aquaculture sub-sector contracted by 3.4 percent in 2023 compared to the growth of 11.9 percent in 2022. Value of exports of fish,

crustaceans, molluscs and aquatic invertebrates and preparations in 2023 increased slightly by 1.9 percent compared to the significant increase of 53.9 percent in 2022. The fishing industry is facing critical challenges such as overfishing and unsustainable fishing, pollution and climate change that need to be addressed with effective policies to ensure a sustainable industry. The domestic fish consumption has also been reduced due to the high cost of fish affecting the nutrition level of the people.

Industry Sector

In value-added terms, the industry sector contracted by 9.2 percent in 2023, compared to the significant contraction of 15.9 percent in 2022. This was mainly due to the contraction of construction activities, mining and quarrying activities, manufacture of textiles, wearing apparel and leather related products, manufacture of wood and products of wood and cork, manufacture of rubber and plastic products, etc. The contractions were driven by issues related to the access to affordable finance, shortages of inputs, and supply chain disruptions. However, the manufacture of coke and refined petroleum products increased in production by 238.2 percent in 2023, while manufacture of food, beverages & tobacco products, manufacture of chemical products and basic pharmaceutical products, and manufacture of basic metals and fabricated metal products sub-sectors also showed a slight increase in 2023.

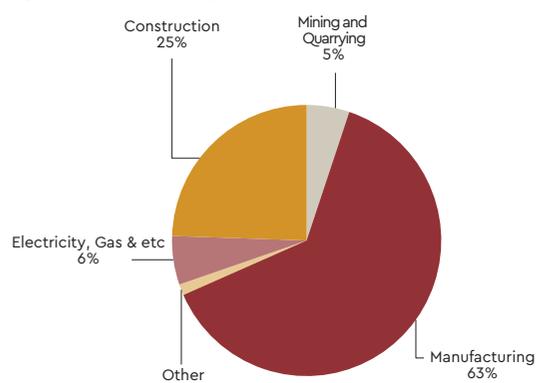
Mining and Quarrying

Mining and quarrying activities contracted significantly by 22.3 percent in 2023, in value-added terms, following the significant contraction of 31 percent in 2022. The slowdown in the construction sector contributed to this weak performance. The Government is taking steps to put in place a policy framework that would enable the sustainable utilization of the country's valuable mineral resources, including ilmenite, graphite, quartz, zircon, and rutile, among others.

Manufacturing

In value-added terms, the overall manufacturing activities contracted by 3.2 percent in 2023 compared to the contraction of 12.7 percent in 2022. The manufacture of food, beverages and tobacco products, which is the largest contributor to overall manufacturing activities, grew by 3.5 percent in 2023, compared to the contraction of 14.3 percent in 2022.

Figure 2.4 | Industry Sector Composition – 2023



Source: Department of Census and Statistics

The manufacture of textiles, wearing apparel and leather related products, which is the second largest contributor to the manufacturing activities contracted by 11.9 percent compared to the 8 percent increase in 2022 due to the drastic reduction in orders by overseas buyers, such as UK, Europe and the USA due to subdued demand in key markets.

The manufacture of wood and products of wood and cork contracted by 19.9 percent, manufacture of paper products, printing and reproduction contracted by 9.2 percent, manufacture of rubber and plastic products contracted by 16.8 percent, manufacture of other non-metallic mineral products contracted slightly by 0.6 percent, manufacture of machinery and equipment contracted by 15.1 percent, manufacture of furniture contracted by 7.8 percent, and other manufacturing, and repair and

installation of machines sub-sector contracted by 15.6 percent in 2023. Further, the electricity, gas, steam and air conditioning supply sub-sector also contracted by 2.3 percent in 2023 due to the overall weaknesses in Industrial activities.

Construction

In value-added terms, the construction industry contracted significantly by 20.8 percent in 2023 following the contraction of 20.9 percent in 2022, due to the low demand in both residential and commercial sectors and due to suspension of government-funded projects. High contractor fees and labour costs, lack of disposable income, overdue payments on completed projects, and high lending rates have caused some construction projects to pause ongoing work or to postpone the commencement of new projects.

Services Sector

In value-added terms, the Services sector contracted slightly by 0.2 percent in 2023, compared to the contraction of 2.6 percent in 2022, due to the negative growth recorded in programming and broadcasting activities and audio video production, telecommunication, IT programming consultancy and related activities, financial service activities and auxiliary financial services, real estate activities including ownership of dwelling, public administration and defense, compulsory social security, and human health activities, residential care and social work activities. However, wholesale and retail trade, transportation of goods and passengers,

Table 2.5 | Performance of the Selected Industrial Exports

Item	USD Million							
	2016	2017	2018	2019	2020	2021	2022	2023 ^(a)
Food , Beverages and Tobacco	324	393	462	447	464	587	520	539
Animal Fodder	68	80	108	129	103	149	171	146
Textiles and Garments	4,884	5,032	5,318	5,596	4,423	5,435	5,952	4,879
Rubber Products	768	835	875	866	786	1050	977	902
Gems, Diamonds and Jewellery	274	258	278	306	181	277	451	500
Machinery and Mechanical Appliances	318	371	435	400	338	501	581	598
Transport Equipment	131	162	120	146	71	148	129	149
Petroleum Products	287	434	622	521	374	506	568	539
Chemical Products	126	146	167	176	173	223	224	194
Wood and Paper Products	117	139	141	129	99	130	137	114
Leather Travel Goods and Footwear	166	158	148	103	54	58	86	71
Plastics and Articles thereof	66	75	78	73	176	79	61	56
Base Metals and Articles	90	116	165	177	111	156	177	178
Ceramic Products	34	34	31	30	24	37	38	34
Other Industrial Exports	288	309	311	326	295	361	395	378
Total	7,940	8,542	9,258	9,426	7,672	9,702	10,465	9,278

Source: Central Bank of Sri Lanka

(a) Provisional

Table 2.6 | Selected Indicators of Services Sector

Indicator	2019	2020	2021 ^(a)	2022 ^(a)	2023 ^(b)
Port Services					
Vessels Arrived ^(c)	4,697	4,337	4,180	4,073	4,823
Total Cargo Handled (MT '000)	106,979	102,908	109,369	100,372	103,791
Total Container Traffic (TEU '000) ^(c)	7,228	6,855	7,249	6,862	6,950
Transshipment Container ** (TEU '000)	5,955	5,765	6,050	5,832	5,960
Telecommunication Sector					
Fixed Telephone Lines (No '000)	1,245***	2,613	2,852	2,651	2,308
Cellular Phones (No '000)	32,884	28,739	29,959	28,838	28,986
Wireless Phone (No '000)	1,055	1,367	1,587	1,388	1,163
Internet and E mail Subscribers ('000) ^(d)	13,408	17,524	22,106	21,668	22,864
Health Sector					
Private Hospitals	209	217	243	250	n.a
Public Hospitals	603	609	618	651	n.a
No of Beds (Government)	77,964	77,121	78,228	89,903	89,786
No of Doctors (Government)	18,130	18,218	20,209	21,045	21,796
No of Nurses (Government)	38,276	37,133	39,091	50,516	39,257
Financial Sector					
Bank Branches and Other Outlets	7,390	7,406	7,369	7,382	7,474
Credit Cards in Use	1,854,103	1,984,525	2,054,985	2,054,896	1,987,857
Registered Finance Companies	42	40	39	36	33
Registered Leasing Companies	4	3	3	1	1
Tourism Sector					
Tourist Arrivals	1,913,702	507,704	194,495	719,978	1,487,303
Tourist Earnings (USD Mn)	3,607	682	507	1,136	2,068
Annual Room Occupancy Rate	57.1	15.0	18.6****	30.4	n.a
Transport Services (New Registrations)					
Buses	1,613	578	281	404	685
Cars	38,232	21,021	3,495	1,489	1,816
Dual Purpose Vehicles*****	13,459	9,532	771	760	586
Goods Transport Vehicles – Lorries	5,223	3,941	2,593	1,833	523
Motor Cycles	284,301	151,634	8,011	9,060	20,200
Three Wheelers	15,490	7,150	2,093	36	60
Land Vehicles – Tractors	5,696	6,025	8,272	2,725	2,784
Land Vehicles – Trailers	1,970	2,277	4,344	2,560	1,236

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) Revised

(b) Provisional

(c) Including KKS Port

(d) Including mobile internet connections

(e) As of end June 2023

** Including Re-Stowing

***excluding fixed wireless phones

**** In Level 1/ Level 2 and other Safe and Secure Hotels

***** Includes Single Cabs

postal and courier activities, accommodation, food and beverage service activities, insurance, reinsurance and pension funding, professional services, education, and other personal service activities recorded a positive growth in the year 2023.

Wholesale and Retail Trade

In value-added terms, wholesale and retail trade activities grew slightly by 0.14 percent in 2023, compared to 0.03 percent marginal growth in 2022 supported by the increased business

activities related to wholesale and retail trade during festival season in the latter part of the year following greater stabilization of macroeconomic conditions.

Transportation of Goods and Passengers

In value-added terms, the transport sub-sector expanded by 3.9 percent in 2023, compared to the growth of 2.9 percent in 2022, mainly due to the increased economic activities with the recovery from economic crisis. The passenger kilometers operated by the Sri Lanka

Railways increased by 6.7 percent, while the passenger kilometers operated by the Sri Lanka Transport Board contracted by 4.6 percent in 2023, reflecting the increased demand for rail transportation amidst significantly higher fuel costs. Passenger kilometers flown by Sri Lankan Airlines also improved significantly by 10.1 percent due to the increased tourist arrivals. However, cargo handling activities contracted by 10 percent in the year 2023, mainly due to the slowdown in global trade volumes. Further, new registration of motor vehicles also increased by 36 percent in 2023, albeit from a low base as import restrictions in this sector continued.

Accommodation, Food and Beverage Service Activities

In value-added terms, accommodation, food and beverage service activities expanded by 26 percent in 2023, compared to the significant increase of 27 percent in 2022, due to the increase in tourism related activities.

Financial, Insurance and Real Estate Activities

In value-added terms, financial, insurance, and real estate activities including ownership of dwellings, contracted by 5.6 percent in 2023 compared to the significant contraction of 15.4 percent in 2022, due to contractions in financial and real estate activities. Financial and auxiliary financial activities declined by 10 percent in 2023, following the contraction of 11.1 percent recorded in 2022, mainly due to the restrictions on vehicle imports which continued to affect the core business of this sub-sector; leasing and hire purchase. Real estate activities including ownership of dwelling contracted by 5.9 percent

in 2023 compared to the contraction of 12.1 percent in 2022, due to shrinking of private credit in the first half of the year, shortages of raw material, and high cost of labour. However, insurance, reinsurance and pension funding activities grew significantly by 26 percent in 2023 compared to the drastic contraction of 47 percent in 2022, mainly due to repricing of policies.

Other Service Activities

In value-added terms, telecommunication activities declined by 2.2 percent in 2023, compared to the growth of 6.5 percent in 2022. IT programming, consultancy and related activities contracted significantly by 21.4 percent in 2023, compared to the slight decline of 2.3 percent in 2022 due to decrease in both local and global demand. In 2023, professional services increased slightly by 2.4 percent compared to the significant contraction of 17.7 percent in 2022. Programming and broadcasting activities and audio video production decreased slightly by 2.1 percent in 2023 compared to the contraction of 11.4 percent in 2022. Human health activities, residential care and social work activities declined slightly by 0.7 percent in 2023, compared to the contraction of 8.7 percent in 2022. Education, other personal services, and postal and courier services contributed positively to the overall economic growth, while the public administration and defense sub-sector contributed negatively to the overall economic growth in 2023.

Domestic Demand and Consumption

Domestic demand comprising of consumption and investment expenditure of the country expanded by 12.5 percent to Rs. 28,042 billion

Table 2.7 | Domestic Demand, Supply and Trade Balance ^(a)

Item	Current Market Prices			Change			As a Percent of GDP		
	(Rs.Bn)			(%)					
	2021 ^(b)	2022 ^(c)	2023 ^(c)	2021	2022 ^(b)	2023 ^(c)	2021	2022 ^(b)	2023 ^(c)
Domestic Demand	18,901	24,921	28,042	32.3	31.9	12.5	107.3	103.6	101.5
Consumption	12,434	18,038	21,052	34.3	45.1	16.7	70.6	75.0	76.2
Private	10,770	16,311	19,159	39.0	51.5	17.5	61.1	67.8	69.3
Government	1,665	1,727	1,893	3.8	3.8	9.6	9.5	7.2	6.9
Investment	6,467	6,883	6,991	28.4	6.4	1.6	36.7	28.6	25.3
Net External Demand (Trade balance)	-1,301	-857	-413	34.1	34.1	51.9	-7.4	-3.6	-1.5
Export of Goods and Services	2,980	5,188	5,634	74.1	74.1	8.6	16.9	21.6	20.4
Import of Goods and Services	4,281	6,045	6,047	41.2	41.2	0.0	24.3	25.1	21.9
Domestic Supply = GDP	17,612	24,064	27,630	37.2	36.6	14.8	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) Revised

(c) Provisional

Table 2.8 | Aggregate Supply and Use of Goods and Services ^(a)

Item	Current Market Prices (Rs.Bn)			Change (%)		As a Percent of GDP	
	2021 ^(b)	2022 ^(b)	2023 ^(c)	2021/ 2022 ^(b)	2022/ 2023 ^(c)	2022 ^(b)	2023 ^(c)
Aggregate Demand	21,881	30,109	33,677	37.6	11.8	125.1	121.9
Domestic Demand	18,901	24,921	28,042	31.8	12.5	103.6	101.5
External Demand =Export of Goods and Services	2,980	5,188	5,634	74.1	8.6	21.6	20.4
						-	-
Aggregate Supply	21,881	30,109	33,677	37.6	11.8	125.1	121.9
Gross Domestic Product	17,600	24,064	27,630	36.7	14.8	100.0	100.0
Import of Goods and Services	4,281	6,045	6,047	41.2	0.0	25.1	21.9
						-	-
Trade Gap of Goods and Services	-1,301	-857	-413	34.1	-51.9	-3.6	-1.5
						-	-
Share of Imports in Aggregate Supply (%)	19.6	20.1	18.0	-17.3	-10.6	0.1	0.1

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 Statistic

(b) Revised

(c) Provisional

at current market prices in 2023, compared to the total demand of Rs. 24,921 billion recorded in 2022 mainly due to the increase in both private and government consumption expenditures, driven by elevated price levels.

Export of goods and services increased by 8.6 percent to Rs. 5,634 billion in 2023, compared to Rs. 5,188 billion in 2022, benefitting from the depreciation of the Sri Lanka rupee against currencies of major export destinations. The import of goods and services remained almost stagnant at Rs. 6,047 billion in 2023, compared to Rs. 6,045 billion in 2022, due to import restrictions and subdued import demand. Accordingly, the net external demand at current prices improved significantly by 51.9 percent in 2023 compared to the increase of 34.1 percent recorded in 2022.

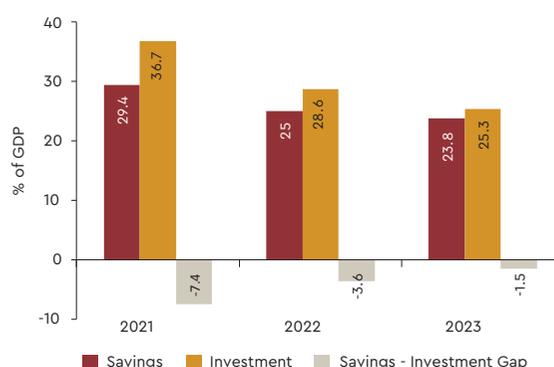
The total consumption grew by 16.7 percent to Rs. 21,052 billion at current market prices in 2023 compared to 18,038 billion at current market prices in 2022, and this growth was attributable to higher consumer prices. However, at constant prices in 2023, consumption expenditure contracted due to decreased purchasing power and macroeconomic demand management measures. Private consumption, which accounted for 91 percent of total consumption, grew by 17.5 percent at current market prices in 2023 compared to 51.3 percent growth in 2022 due to inflated prices. The government consumption grew by 9.6 percent in 2023 at current market prices compared to the growth of 3.8 percent in 2022 contributing to the growth of total consumption.

Investment and Savings

Investment expenditure at current market prices grew slightly by 1.6 percent to Rs. 6,991 billion in 2023 compared to 6.4 percent growth in 2022 reflecting the elevated prices of investment goods. The shortage in foreign exchange affecting supply chain disruptions and the depreciation in the local currency contributed to the elevation in prices of investment goods. However, at constant prices, investment expenditure contracted owing to the high interest rates for most of the year that discouraged investments.

The gross fixed capital formation at current market prices declined by 15.1 percent in 2023, compared to the 23.4 percent growth in 2022. The domestic savings grew by 9.2 percent in 2023 compared to the 16.6 percent growth in 2022, and this was driven by the increase in private

Figure 2.5 | Savings – Investment Gap



Source: Central Bank of Sri Lanka

Table 2.9 | Investment and Savings

Item	Rs. Bn.			As a % of GDP		
	2021 ^(a)	2022 ^(a)	2023 ^(b)	2021 ^(a)	2022 ^(a)	2023 ^(b)
Domestic Investment	6,467	6,883	6,991	36.7	28.6	25.3
Domestic Savings	5,166	6,026	6,578	29.4	25.0	23.8
Private	6,456	7,566	8,229	36.7	31.4	29.8
Government	-1,290	-1,540	-1,651	-7.3	-6.4	-6.0
Investment – Domestic Savings Gap	-1,301	-857	-413	-7.4	-3.6	-1.5
Net Factor Income From Abroad (c)	-396	-631	-895	-2.2	-2.6	-3.2
Net Foreign Private Transfers	1,035	1,159	1,836	5.9	4.8	6.6
National Savings	5,805	6,554	7,519	33.0	27.2	27.2

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

(a) Revised

(b) Provisional

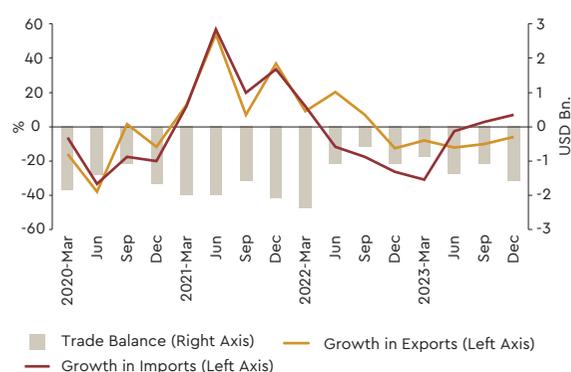
(c) The difference with the BOP estimates is due to the time lag in compilation.

savings during the year. However, domestic savings as a percentage of GDP decreased to 23.8 percent in 2023 compared to 25 percent in 2022. In rupee terms, net primary income from the rest of the world contracted substantially by 41.8 percent in 2023, while net current transfers from the rest of the world grew significantly by 58.4 percent during the year. National savings recorded a growth of 14.7 percent in 2023, which was 27.2 percent of the GDP.

2.3 External Sector

Sri Lanka's external sector recovered steadily in 2023 with the contraction in the trade deficit, increase in earnings from tourism and growth in inflows from workers' remittances. A current account surplus in the balance of payments was recorded after several decades. The external current account recorded a USD 1.6 billion surplus in 2023, compared to a USD 1.4 billion deficit in 2022. Accordingly, the current account surplus was recorded as 1.8 percent of the GDP in 2023 from the deficit of 1.9 percent of the GDP in 2022. The rebalancing of macroeconomic policy with tighter fiscal policy and monetary policy, cost-reflective energy pricing, and market driven exchange rates contributed to this process, along with the recovery of key inflows such as tourism and remittances. Earnings from exports declined by 9.1 percent to USD 11,910.7 million in 2023 compared to USD 13,106.4 million in 2022 due to the drop in demand from the major export destinations and geopolitical conflict related disruptions. Meanwhile, import expenditure declined by 8.1 percent to USD 16,811.1 million in 2023 from USD 18,291.0 million in 2022 with the continued restriction on non-essential imports until latter part of 2023

Figure 2.6 | Growth in Exports & Imports and Trade Balance (Quarterly)



Source: Central Bank of Sri Lanka

and subdued demand in the economy. The trade deficit contracted to USD 4,900 million in 2023 from USD 5,185 million in 2022 with the larger contraction in import expenditure than the decrease in export earnings.

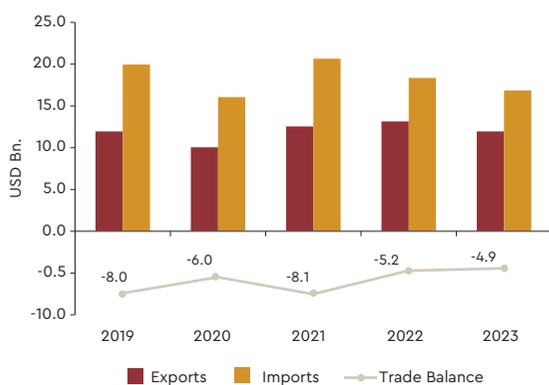
Table 2.10 | External Trade

	USD Million			
	2020	2021	2022	2023 ^(a)
Exports	10,047	12,499	13,106	11,911
Agricultural Exports	2,336	2,730	2,568	2,567
Industrial Exports	7,672	9,702	10,465	9,278
Mineral Exports	25	45	50	38
Unclassified	14	23	23	28
Imports	16,055	20,637	18,291	16,811
Consumer Goods	3,402	3,849	2,813	3,044
Intermediate Goods	9,077	12,309	12,439	11,007
Investment Goods	3,563	4,463	3,031	2,745
Unclassified	14	17	9	16
Trade Deficit	-6,008	-8,139	-5,185	-4,900

Source: Central Bank of Sri Lanka

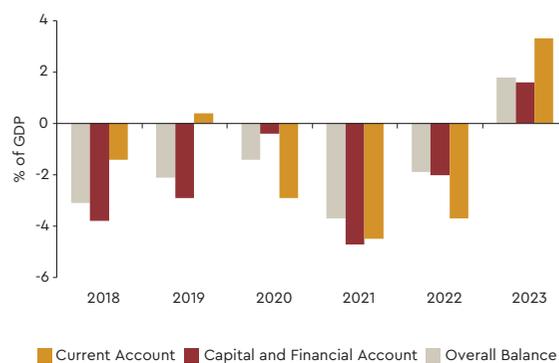
(a) Provisional

Figure 2.7 | Trade Balance



Source: Central Bank of Sri Lanka

Figure 2.8 | Balance of Payments



Source: Central Bank of Sri Lanka

Table 2.11 | Import & Export of Services

Item	Imports			Exports		
	2021	2022	2023 ^(a)	2021	2022	2023 ^(a)
Transportation Services	256	333	732	608	676	1,550
Computer and Information Services	140	133	198	1,168	1,066	795
Travel and Tourism	239	244	152	507	1,136	2,068
Communication Services	31	28	53	32	31	122
Construction Services	11	11	111	10	9	355
Insurance Services	37	36	51	20	19	35
Financial Services	102	96	57	95	92	64
Other Business Services	17	16	344	16	15	310
Government Expenditure n.i.e.	57	56	7	19	18	7
Total	890	953	1,705	2,475	3,062	5,306

Source: Central Bank of Sri Lanka

(a) Provisional

The service account surplus increased to USD 3.4 billion in 2023 from USD 2.1 billion in 2022 owing to increased earnings from tourism. The primary income account deficit widened to USD 2.6 billion in 2023 compared to USD 1.9 billion in 2022 reflecting the impact of higher interest payments for foreign loans and arrears. The financial account's overall balance was recorded as USD 2,826 million in 2023 compared to a deficit of USD 2,806 million in 2022 due to modest foreign direct investment inflows.

Gross foreign inflows to the government securities market increased to USD 824 million in 2023 from USD 69 million in 2022. External debt service payments were USD 2,589 million in 2023 compared to USD 2,483 million in 2022. In 2023, external debt service payments remained lower due to the government's decision to announce a temporary standstill on selected government debt since April 2022. However, the CBSL repaid some debt facilities that were outside the debt restructuring perimeter, including USD 200 million for the swap facility of Bangladesh Bank,

some outstanding liabilities of the Reserve Bank of India swap facility, and some IMF-EFF liabilities incurred from 2016.

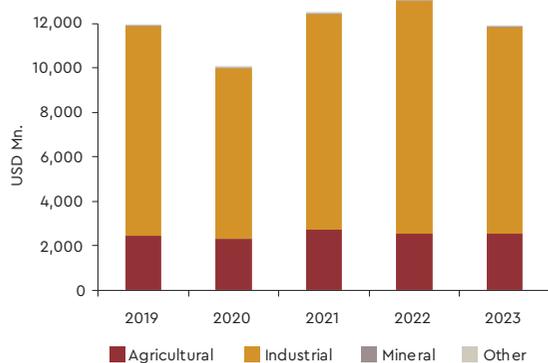
The tourism sector performance improved with the notable increase in tourist arrivals by 106.6 percent to 1,487,303 persons in 2023, compared to 719,978 persons in 2022. The elimination of shortage of essential items, revival of economic activities and environment sentiments positive for tourism helped achieve this improvement. Accordingly, earnings from tourism increased significantly by 82 percent to USD 2,068 million in 2022 from USD 1,136 million in 2022. Gross Official Reserves (GOR) improved to USD 4,392 million at the end of December 2023 from USD 1,898 million at the end of 2022 and total foreign assets increased to USD 12.5 billion at the end of 2023 from USD 8.8 billion by the end of 2022. GOR increased mainly due to purchases of foreign exchange from the domestic forex market by the Central Bank and the receipts from the IMF-EFF program, the World Bank and the Asian Development Bank. GOR included the swap

facility from the People's Bank of China (PBOC) which was around USD 1.5 billion that is subject to conditionalities on usability. On a net basis, CBSL absorbed foreign exchange around USD 1.7 billion from the domestic foreign exchange market in 2023. The overall balance of payments (BOP) recorded a surplus as USD 2,826 million in 2023, compared to a deficit of USD 2,806 million in 2022. Meanwhile, Sri Lankan rupee appreciated by 12.1 percent against the US dollar in 2023 with the market-based exchange rate policy implemented by the CBSL.

Exports

Earnings from exports decreased by 9.1 percent to USD 11,910.7 million in 2023 from USD 13,106.4 million in 2022 due to the lower demand from export markets, geopolitical conflict related disruptions, increased cost of living and economic downturn in major export markets. Accordingly, earnings from industrial exports fell by 11.3 percent to USD 9,277.7 million in 2023 from USD 10,465.3 million in 2022, earnings from agricultural exports decreased by 0.1 percent to USD 2,566.5 million in 2023 from USD 2,568.0 million in 2022 and earnings from mineral exports dropped by

Figure 2.9 | Composition of Exports



Source: Central Bank of Sri Lanka

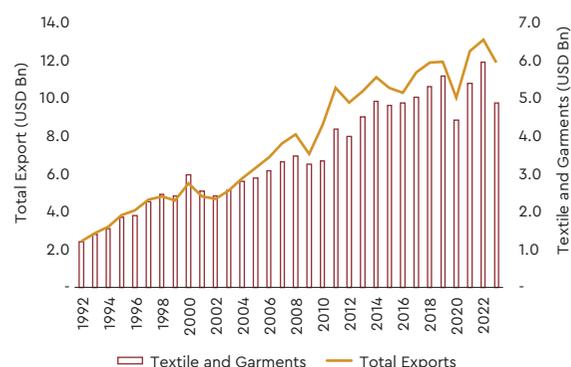
Table 2.12 | Value of Industrial Exports

Category	USD Million					
	2018	2019	2020	2021	2022	2023 ^(a)
Textile and Garments	5,318	5,597	4,423	5,435	5,952	4,879
Rubber Products	875	866	786	1,050	977	902
Petroleum and Chemical Products	622	521	374	506	568	539
Gems, Diamonds and Jewellery	278	306	181	277	451	500
Machinery and Mechanical Appliances	435	400	338	501	581	598
Food, Beverages and Tobacco	462	447	464	587	520	539
Other Industrial Exports	1,268	1,290	1,106	1,346	1,417	1,320
Total	9,258	9,426	7,672	9,702	10,465	9,278

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

(a) Provisional

Figure 2.10 | Total Exports and Textile & Garments Exports



Source: Central Bank of Sri Lanka

23.1 percent to USD 38.5 million in 2023 from USD 50 million in 2022. Textile and garments exports which contribute 41 percent of the total export earnings, decreased by 18 percent to USD 4,878.9 million in 2023 from USD 5,952.0 million in 2022 with the decreasing export of garments to most of the major markets including the USA, the EU and the UK which caused a significant drop in earnings in industrial exports. Exports earnings as a percentage of GDP declined to 14.1 percent in 2023 from 17.1 percent in 2022.

Industrial export earnings, which contributed to 78 percent of the total export earnings, decreased by 11.3 percent to USD 9,277.7 million in 2023 compared to USD 10,465.3 million in 2022. This was mainly due to the drop in export earnings from textiles and garments by 18.0 percent to USD 4,878.9 million and rubber products by 7.7 percent to USD 902.2 million in 2023. Furthermore, earnings from petroleum products decreased by 5.0 percent to USD 539.4 million in 2023 due to the lower price of bunker and aviation fuel. However, export earnings grew from machinery and mechanical appliances, gems, diamonds and jewellery and food, beverages and tobacco exports.

Table 2.13 | Value of Agricultural Exports

Category	USD Million					
	2018	2019	2020	2021	2022	2023 ^(a)
Tea	1,428.5	1,346.4	1,240.9	1,324.4	1,258.8	1,309.9
Rubber	31.6	24.2	30.1	42.2	41.4	28.0
Coconut	311.0	329.5	345.2	425.2	400.3	336.8
Other Agricultural Exports	542.4	499.2	530.2	665.0	598.5	629.6
Seafood	265.8	262.5	189.8	274.1	269.0	262.2
Total	2,579.3	2,461.8	2,336.2	2,730.0	2,568.0	2,566.5

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

(a) Provisional

Earnings from agricultural exports declined marginally by 0.1 percent to USD 2,566.5 million in 2023 from USD 2,568.0 million in 2022 with the drop in earnings from coconut, rubber and seafood. However, export earnings grew from tea, spices, minor agricultural products, unmanufactured tobacco and vegetables. Export earnings from tea increased by 4.1 percent to USD 1,309.9 million in 2023 from USD 1,258.8 million in 2022 with the higher export prices of tea, despite the decreased tea export volumes. Meanwhile, mineral export earnings decreased by 23.1 percent to USD 38.5 million in 2023 from USD 50.0 million in 2022 owing to decreased exports of titanium ores. However, unclassified export earnings recorded an increase of 20.8 percent to USD 28.0 million in 2023.

Imports

Expenditure on imports declined significantly by 8.1 percent to USD 16,811.1 million in 2023 compared to USD 18,291.0 million in 2022 with the decreased import expenditure on intermediate and investment goods despite the increase in consumer goods expenditure. Continued restrictions on the importation of non-essential goods for most of the year, demand management policies, slowdown in economic activities and reduced purchasing power have led to a decline in import expenditure. Import expenditure as a percentage of GDP decreased to 19.9 percent in 2023 from 23.8 percent in 2022.

Import expenditure on consumer goods increased by 8.2 percent to USD 3,043.9 million in 2023 compared to USD 2,813.0 million in 2022 due to the growth in imports expenditure of both food and beverages and non-food consumer goods categories. Import expenditure on food and beverages increased by 5.3 percent to USD 1,693.0 million in 2023 from USD 1,607.9 million

in 2022, with the higher import expenditure on sugar and confectionery, vegetables and dairy products. However, expenditure on cereals and milling industry products declined significantly by 72.8 percent to USD 116.9 million in 2023 from USD 430.5 million in 2022 owing to lower rice import volumes. Expenditure on non-food consumer goods grew significantly by 12.1 percent to USD 1,350.9 million in 2023 due to the increase in import expenditure of medical and pharmaceuticals, household and furniture items and telecommunication devices particularly mobile phones. Further, expenditure on non-food consumer goods increased with the removal of import restrictions on temporarily suspended items through three stages in June, July and October 2023.

Import expenditure on intermediate goods, which accounts for a share of 65.5 percent of the total imports, dropped by 11.5 percent to USD 11,006.6 million in 2023 from USD 12,438.8 million in 2022, mainly due to decreased expenditure on imports of fuel, textiles and textile articles and chemical products. Expenditure on fuel imports decreased by 4.0 percent to USD 4,702.6 million in 2023 with low import prices of crude oil, refined petroleum and coal despite the increase in import volumes of crude oil and coal. This increase in import volumes of crude oil and coal was driven by the higher fuel imports for electricity generation due to drought conditions in the early part of the year.

Import expenditure on investment goods declined by 9.4 percent to USD 2,744.6 million in 2023 from USD 3,030.5 million in 2022 due to the drop of import expenditure in machinery and equipment, building materials and transport equipment with the restriction on non-essential imports and the slowdown of economic activities in the construction sector. Import expenditure of machinery and equipment decreased by 5.1 percent to USD 1,867.6 million in 2023 due to the decline in imports expenditure specially on engineering equipment.

Table 2.14 : Value of Imports

	USD Million				
Category	2019	2020	2021	2022	2023 ^(a)
Consumer Goods	3,958.3	3,401.7	3,848.7	2,813.0	3,043.9
Food and Beverages	1,426.9	1,554.4	1,666.5	1,607.9	1,693.0
Sugar	201.2	277.1	288.8	257.8	435.5
Milk and Milk Products	311.9	333.8	317.7	225.3	273.7
Other Food and Beverages	913.8	943.5	1,060.0	1,124.8	983.8
Non-food Consumables	2,529.6	1,847.3	2,182.2	1,205.1	1,350.9
Vehicles	815.7	282.9	12.8	11.7	27.7
Home appliances-Radio and Television Sets	206.6	174.2	257.1	85.5	72.4
Medical and Pharmaceutical Products	552.6	595.5	882.5	533.4	667.0
Household and Furniture Items	171.9	146.9	161.2	116.3	122.1
Other	782.8	647.8	868.6	458.2	461.7
Intermediate Goods	11,369.6	9,076.5	12,308.9	12,438.8	11,006.6
Fertilizer	221.4	258.9	158.2	275.9	235.0
Petroleum	3,891.6	2,542.6	3,742.9	4,896.8	4,702.6
Chemical Products	831.5	831.5	1,074.4	966.2	814.7
Paper and Paper Boards	457.3	383.1	468.9	465.9	412.4
Wheat and Maize	346.4	384.4	418.3	303.1	338.2
Textile & Textile article	2,909.4	2,335.1	3,066.9	3,065.2	2,371.2
Diamond and Precious Metals	201.4	117.2	143.6	203.8	268.4
Base Metal	562.8	460.3	866.4	323.2	313.8
Other Intermediate Goods	1,947.8	1,763.4	2,369.3	1,938.7	1,550.3
Investment Goods	4,602.6	3,563.2	4,462.7	3,030.5	2,744.6
Machinery and Equipment	2,489.7	2,176.1	2,809.5	1,969.0	1,867.6
Transport Equipment	596.6	348.3	398.5	132.1	98.5
Building Material	1,508.7	1,035.6	1,248.9	926.3	775.1
Other Investment Goods	7.6	3.2	5.8	3.0	3.3
Unclassified Imports	8.3	14.0	17.1	8.8	16.0
Total Imports	19,937.1	16,055.4	20,637.4	18,291.0	16,811.1

Source: Central Bank of Sri Lanka

(a) Provisional

Meanwhile, import expenditure on building materials dropped by 16.3 percent to USD 775.1 million in 2023 owing to declined import expenditure recorded from Iron and steel. Expenditure on transport equipment decreased by 25.4 percent to USD 98.5 million in 2023 while other investment goods expenditure increased by 9.2 percent to USD 3.3 million in 2023.

Earnings from Tourism

Earnings from tourism increased significantly by 82 percent to USD 2,068 million in 2023 compared to USD 1,136 million in 2022 with the increased tourist arrivals specially from India, Russia, United Kingdom, Germany and China. Tourist arrivals increased by 106.6 percent to 1,487,303 persons in 2023, compared to 719,978 persons in 2022. The highest number of tourist arrivals was recorded from India which amounted

to 302,844 arrivals with a share of 20.4 percent of the total tourist arrivals. The second largest tourist arrived destination was Russia with 197,498 arrivals contributing to 13.8 percent of the total arrivals. The United Kingdom, Germany, China and Australia are the other major countries which recorded highest tourist arrivals in 2023 amounting to 130,088 arrivals, 102,539 arrivals, 68,789 arrivals and 67,436 arrivals, respectively.

Workers' Remittances

Workers' remittances increased significantly by 57.5 percent to USD 5,970 million in 2023, compared to USD 3,789 million in 2022 due to the receipt of remittances through formal channels due to stabilization of the financial sector and external sector, along with higher departures for foreign employment.

Table 2.15 | Balance of Payments: 2018- 2023

	USD Million					
Item	2018	2019	2020	2021	2022 ^(a)	2023 ^(b)
Trade Balance	-10,343	-7,997	-6,008	-8,139	-5,185	-4,900
Exports	11,890	11,940	10,047	12,499	13,106	11,911
Imports	22,233	19,937	16,055	20,637	18,291	16,811
Service (net)	3,766	2,849	819	1,586	2,110	3,404
Receipts	8,374	7,474	3,035	2,475	3,062	5,416
Payments	4,608	4,625	2,216	889	953	2012
Income (net)	-2,384	-2,462	-2,205	-1,959	-1,870	-2,564
Receipts	249	252	198	116	266	463
Payments	2,633	2,713	2,404	2,075	2,136	3,027
Goods, Services and Income (net)	-8,962	-7,610	-7,394	-8,512	-4,945	-4,060
Current Transfers (net)	6,163	5,766	6,207	5,228	3,496	5,619
Private Transfers (net)	6,155	5,757	6,194	5,221	3,493	5,599
Receipts (Workers' Remittances)	7,015	6,717	7,104	5,491	3,789	5,970
Payments	860	960	910	270	296	371
Official Transfers (net)	8	9	13	6	3	20
Current Account	-2,799	-1,843	-1,187	-3,284	-1,448	1,559
Capital and Financial Account	-3,364	-2,437	-232	-4,186	-1,549	1,367
Capital Account	14	23	28	25	19	63
Current and Capital Account	-2,785	-1,820	-1,159	-3,259	-1,429	1,622
Financial Account	-3,378	-2,460	-260	-4,211	-1,569	1,304
Errors and Omissions	-593	-640	795	-952	-139	-318
Overall Balance (Balance of Payments)	-1,103	377	-2,328	-3,967	-2,806	2,826
As a percentage of GDP						
Trade Deficit	-11.7	-9.5	-7.4	-9.2	-6.7	-5.8
Current Account Deficit	-3.2	-2.2	-1.5	-3.7	-1.9	1.8

Source: Central Bank of Sri Lanka

(a) Revised

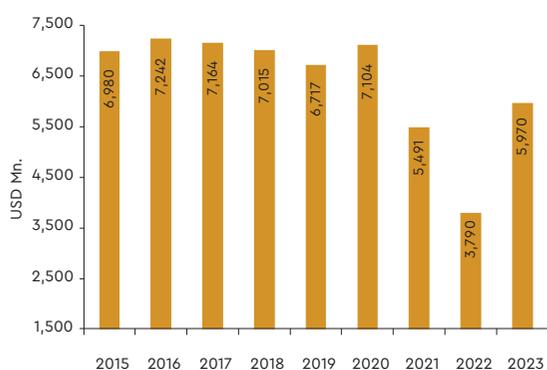
(b) Provisional

CBSL and the Sri Lanka Bureau of Foreign Employment jointly introduced a migrant worker loan scheme to encourage foreign employees to remit foreign exchange through official channels which led to increase remittances further. However, total departures for foreign employment were recorded as 297,656 persons in 2023 compared to the total departures of 311,056 persons in 2022.

2.4. Monetary Sector Developments

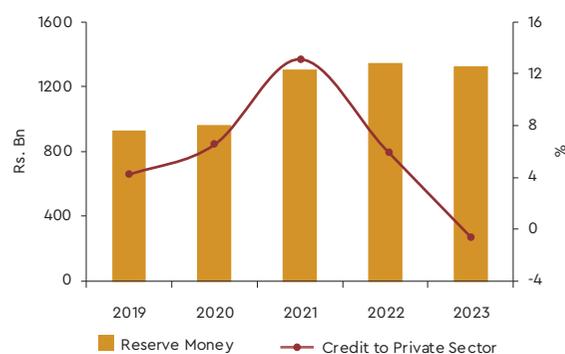
In the first five months of 2023, the Central Bank further continued its tight monetary policy stance to facilitate the required disinflation process. Standing Deposit Facility Rate (SDFR) and Standing Lending Facility Rate (SLFR) which were further increased by 100 basis points to 15.5 percent and 16.5 percent, respectively in

Figure 2.11 | Workers' Remittances



Source: Central Bank of Sri Lanka

Figure 2.12 | Reserve Money and Private Sector Credit Growth



Source: Central Bank of Sri Lanka

Table 2.16 | Outstanding Loans and Advances Granted by Commercial Banks ^{(a)(b)}

Item	Rs. Billion		
	2022 ^(c)	2023 ^(d)	2023/2022 % Change
Agriculture and Fishing	643.6	649.2	0.9
o/w			
Tea	125.6	129.5	3.1
Rubber	59.7	51.2	-14.3
Coconut	29.3	28.8	-1.6
Paddy	34.5	41.1	19.2
Vegetable, Fruits and Minor Food Crops	35.4	33.0	-6.7
Livestock and Dairy Farming	40.9	42.6	4.3
Fisheries	28.3	31.3	10.8
Industry	3,116.9	2,943.4	-5.6
o/w			
Construction	1,486.8	1422.6	-4.3
Food and Beverages	218.3	206.0	-5.7
Textiles and Apparel	316.0	277.8	-12.1
Wood and Wood Products	19.2	28.4	48.2
Paper & Paper Products	20.2	27.0	34.1
Chemical, Petroleum, Phamaceutical Products	174.7	177.7	1.7
Non-metalic Mineral Products	17.1	34.8	103.4
Basic Metal Products	54.3	50.2	-7.6
Fabricated Metal Products, Machinery and Transport Equipment	143.3	157.4	9.9
Other Manufactured Products	667.0	561.5	-15.8
Services	2,028.2	2,071.4	2.1
o/w			
Wholesale and Retail Trade	555.0	600.8	8.3
Tourism	384.7	347.1	-9.8
Financial and Business Services	354.4	334.8	-5.5
Transport	66.7	57.9	-13.1
Communication and Information Technology	71.9	130.3	81.2
Printing & Publishing	27.5	30.5	10.8
Education	37.7	31.9	-15.3
Health	139.8	116.8	-16.5
Shipping, Aviation and Freight Forwarding	30.8	39.7	28.9
Personal Loans and Advances ^(e)	1,813.1	1,809.4	-0.2
o/w			
Consumer Durables	360.5	319.9	-11.3
Pawning	411.0	546.7	33.0
Credit Cards	150.1	156.1	4.0
Personal Education	20.2	25.0	23.7
Personal Healthcare	3.8	1.2	-69.4
Others	867.6	760.6	-12.3
Total	7,601.8	7,473.4	-1.7

Source: Central Bank of Sri Lanka

(a) Based on the Quarterly Survey of Commercial Banks' Loans and Advances to the Private Sector, which includes loans and advances of both DBUs and OBUs of commercial banks.

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

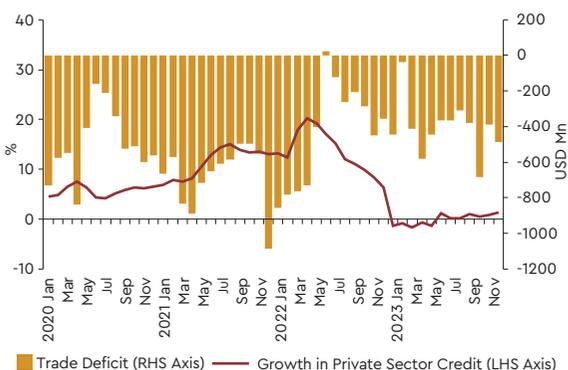
(c) Provisional

(d) Excludes personal housing loans, which have been included under 'Construction' classified under 'Industry' and includes Safety Net Scheme related loans.

(e) Total credit to the private sector as per the Quarterly Survey differ from that in the Monetary Survey due to differences in the compilation methodologies

March 03, 2023 were maintained until May, 2023. However, on May 31, 2023, monetary policy was relaxed as inflation showed a downward trend and inflation expectations had been well anchored. Accordingly, SDFR and SLFR were

reduced by 250 basis points to 13.0 percent and 14.0 percent, respectively and were further reduced by 200 basis points to 11.0 percent and 12.0 percent, respectively in July 05, 2023.

Figure 2.13 | Private Sector Credit Growth and Trade Deficit


Source: Central Bank of Sri Lanka

With the aim of stabilizing inflation at the envisaged 5 percent level in the medium term, and thereby enabling the economy to reach its potential growth while easing monetary conditions, SDFR and SLFR were slashed by 100 basis points to 10.00 percent and 11.00 percent, respectively on October 04, 2023 and were further reduced by 100 basis points to 9.00 percent and 10.00 percent, respectively on November 23, 2023. These reductions of policy interest rates were expected to accelerate the downward adjustment in market interest rates, particularly lending rates benefiting individuals and businesses. Accordingly, after easing the policy interest rates in June and July 2023, the Central Bank reduced the Statutory Reserve Ratio (SRR) on all rupee deposit liabilities by 2 percentage points to 2 percent in August 2023. This supplied additional liquidity of around Rs. 200 billion to the domestic money market. The improved fiscal position due to revenue enhancement measures resulted in a decline in the government's borrowing requirement, freeing up liquidity in the market supporting the decline in market interest rates. Similarly, the implementation of cost reflective pricing of utilities eliminated losses of key state enterprises such as the CPC and CEB, freeing up further liquidity in the market for productive economic use.

The Average Weighted Call Money Rate (AWCMR), reduced by 6.26 percent to 9.24 percent in end 2023 from 15.50 percent in end 2022 due to easing of monetary policy stance from June 2023 and improvements in domestic money market liquidity conditions. Average Weighted Lending Rate (AWLR) declined by 4.49 percentage points to 14.21 percent in end 2023 from 18.70 percent in end 2022 while Average Weighted New Lending

Rate (AWNLR) declined by 11.82 percentage points to 14.38 percent in end 2023 from 26.20 percent in end 2022. The interest rates of the loans to Small and Medium Sized Entrepreneurs (SMEs) also declined throughout the year in par with the adjusted market lending interest rates. Accordingly, the interest rate based on Average Weighted SME Lending Rate (AWSR) and Average Weighted New SME Lending Rate (AWNSR) declined by 5.40 and 11.95 percentage points, respectively in 2023.

The overall growth of broad money (M2b) supply remained moderate mainly due to the contractions in credit to the private sector and State-Owned Enterprises (SOEs) by LCBs and conversely, due to the improvements in Net Credit to the Government (NCG) and Net Foreign Assets (NFA) of the banking system. The year-on-year growth of broad money supply (M2b) decelerated gradually to 7.3 percent by end 2023 and further to 6.4 percent by end January 2024 from 15.4 percent at end 2022.

Employment and Unemployment

In absolute terms, the total number of labour force declined slightly by 1.2 percent to 8.4 million in 2023 from 8.5 million in 2022 with the falling of both employed and unemployed population to 8.0 million and 0.4 million, respectively in 2023. The decline in employed population was mainly attributable to the reduction of employment in the agriculture and industry activities despite the increase in employment in service sectors particularly in accommodation and food services showcasing the robust revival of tourism sector.

The agriculture sector workforce declined by around 71,000 persons to 2.088 million persons in 2023 from 2.159 million persons in 2022 while industry sector workforce declined by 115,000 persons to 2.043 million persons in 2023 from 2.158 million persons in 2022. However, service sector workforce increased by around 47,000 persons to 3.878 million persons in 2023 from 3.831 million persons in 2022 marking the highest level for the last 10 years. Accordingly, the shares of agriculture and Industry sector workforce declined to 26.1 percent and 25.5 percent, respectively in 2023 from 26.5 percent and 26.5 percent in 2022, whereas the share of services sector workforce increased to 48.4 percent in 2023 from 47.0 percent in 2022.

Labour Force participation rate declined further to 48.6 percent in 2023 compared to 49.8

percent in 2022, remaining below 50 percent per annum since 2021. Labour force participation rate of male and female declined to 68.6 percent and 31.3 percent in 2023 from 70.5 percent and 32.1 percent in 2022, respectively. Further, public sector employees as a percentage of employed population declined to 14.6 percent for the second consecutive year in 2023 from 15.1 percent in 2022 due to the restrictions of new recruitments, reduction of creating new cadre positions, and continued retirements. Meanwhile, the private sector employees as a percentage of total employed population increased to 44.5 percent in 2023 remaining as the major employment generator for the last 10 years. This was mainly attributable to the commencement of rehiring people by companies reflecting the positive direction of economic recovery.

Although the labour force participation rate further declined, the unemployment rate remained unchanged at 4.7 percent in 2023 compared to 2022. However, the number of unemployed persons declined marginally to 398,415 in 2023 from 399,332 in 2022. Unemployment rate of males declined to 3.6 percent in 2023 from 3.7 percent in 2022 whereas the unemployment rate of females grew to 7.0 percent from 6.5 percent in 2022. The unemployment rate among GCE A/L and above education category increased to 8.0 percent in 2023 from 7.8 percent in 2022. The unemployment rate of youth (15-24 years) also increased to 23.0 percent in 2023 from 22.8 percent in 2022.

Inflation

Sri Lanka's inflation has been reverting to a disinflation path from its peak in September 2022 with the subdued demand due to decisive revenue based fiscal consolidation measures, tightened monetary policy, eased global and domestic supply side disruption, strengthening of the Sri Lankan Rupee and moderated global commodity prices. Accordingly, headline inflation, as measured by the year-on-year change in the Colombo Consumer Price Index (CCPI, 2021=100) declined sharply to 1.3 percent in September 2023 from 69.8 percent (CCPI, 2013=100) in September 2022. Meanwhile, inflation increased slightly till the end of January 2024 due to electricity price hikes and bad weather conditions that disrupted agriculture sector. Accordingly, CCPI-based year-on-year headline inflation surged to 6.4 percent (2021=100) by January 2024. However, CCPI-based year-on-year headline inflation stood at 0.9 percent by May 2024 as the CCPI inflation index reduced from 200.7 in January

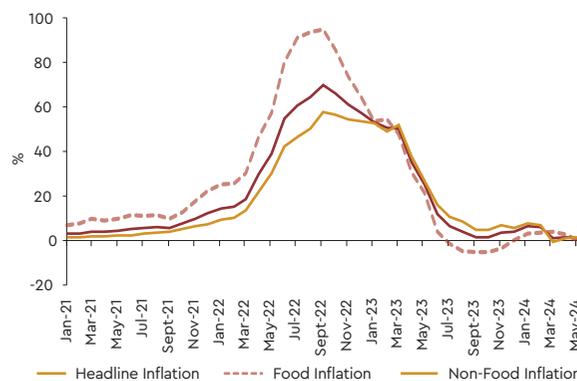
2024 to 194.1 in May 2024, reflecting improved macroeconomic outcomes in terms of currency appreciation and lower finance costs. Annual average inflation based on CCPI declined to 17.4 percent (2021=100) in 2023 from 46.4 percent (2013=100) in 2022.

Year-on-year headline inflation as measured by the National Consumer Price Index (NCPI, 2021=100) decelerated steadily towards 0.8 percent in September 2023 from 73.7 percent (NCPI, 2013=100) in September 2022. However, as measured by the year-on-year change in the NCPI (2021=100), the headline inflation surged sharply to 6.5 percent in January 2024 and it was declined to 2.7 percent in April 2024. In the meantime, annual average inflation based on NCPI declined to 16.5 percent (2021=100) in 2023, compared to 50.4 percent (2013=100) in 2022.

Year-on-year core inflation as measured by the movements in CCPI (2021=100) also declined to 0.6 percent in December 2023. Annual average core inflation based on CCPI declined to 14.5 percent (2021=100) by December 2023 from 34.6 percent (2013=100) by December 2022. Further, reflecting a similar pattern, year-on-year core inflation as measured by the movements in NCPI declined to 0.9 percent (2021=100) by December 2023, from 57.5 percent (2013=100) by December 2022. Annual average core inflation based on NCPI decelerated to 15.8 percent (2021=100) in 2023 from 43.9 percent (2013=100) in 2022.

The decline in core inflation was also a resultant of low demand stemming from tightened fiscal and monetary policies and weaker purchasing power. In contrast to the CCPI based headline inflation which increased slightly after September 2023 up to January 2024, CCPI based core inflation

Figure 2.14 | Headline Inflation, Food Inflation & Non - Food Inflation



Source: Department of Census and Statistics

Note: From 2021 January - 2023 January based on CCPI (2013=100) from 2023 February based on CCPI (2021=100)

declined gradually towards the end of 2023. This was mainly due to the food and energy price hikes which are excluded in calculating core inflation. Furthermore, CCPI based core inflation increased to 3.5 percent in May 2024 reflecting the impact of price escalations due to increase of VAT rate from 15 percent to 18 percent and removal of most of the exemptions, commencing from January 2024.

Equity Market Developments

The domestic equity market showed a mixed performance in terms of price indices, market capitalization and daily turnover in 2023 compared to subdued performance in 2022 with the gradual and steady recovery of the economy. Price indices increased significantly following the announcement of Domestic Debt Optimization (DDO) strategy in July 2023, and raising of S&P Global Ratings on Sri Lanka to 'CCC+/C' from 'SD/SD' in September 2023. The All-Share Price Index (ASPI) increased by 25.5 percent to 10,654

points at the end 2023 compared to 8,490 points at the end 2022 while the Standard & Poor's Sri Lanka 20 (S&P SL20) index which represents the top and the most liquid stocks, surged by 16.4 percent to 3,068 points at the end of 2023 from 2,636 points at the end of 2022.

In the same vein, market capitalization grew by 10.4 percent to Rs. 4,249 billion as at end 2023 from Rs. 3,847 billion as at end 2022 and the share of market capitalization as a percentage of GDP declined to 15.4 percent as at end 2023 compared to 16.0 percent as at end 2022. The Colombo Stock Exchange (CSE) recorded an annual average turnover of Rs. 411 billion in 2023, which was a 40.2 percent decline compared to Rs.687 billion recorded in 2022. Net foreign inflows were recorded Rs. 4.3 billion in 2023 compared to Rs. 30.6 billion in 2022 due to the decline in foreign participation. The listed companies trading under the CSE remained unchanged as 290 in comparison to the preceding year.

Table 2.17 | Movements in the Capital Market

Indicators	2015	2016	2017	2018	2019	2020	2021	2022	2023
All Share Price Index (1985=100)	6,895	6,228	6,369	6,052	6,129	6,774	12,226	8,490	10,654
S&P SL 20 Index	3,626	3,496	3,672	3,135	2,937	2,638	4,233	2,636	3,068
Market Capitalization (Rs. Bn.)	2,938	2,745	2,899	2,840	2,851	2,961	5,489	3,847	4,249
No. of Listed Companies in Trading	294	295	296	297	289	283	296	290	290
Annual Average Turnover (Rs.Bn.)	253	176	221	200	171	397	1,173	687	411
Foreign Sales (Rs. Mn.)	89,793	74,275	94,627	100,316	68,272	104,165	86,689	36,863	37,088
Foreign Purchases (Rs. Mn)	84,421	74,625	112,285	77,067	56,537	52,889	39,410	67,488	41,451

Sources: Colombo Stock Exchange and Central Bank of Sri Lanka

03

Global Economic
Developments

3.1 Overview¹

The world economy is estimated to have been stronger than expected in the second half of 2023 with economic activity remaining resilient due to increases in government and private spending. However, the global economy is still reeling from the longer-term repercussions of the COVID-19 pandemic, geopolitical tensions including the Russia-Ukraine conflict, the cost-of-living crisis and increasing geoeconomic fragmentation. Economic growth in emerging and developing Asia remained strong at 5.6 percent in 2023 driven by domestic demand with strong consumption and investment. However, growth varied across sub-regions with slow-downs in Southeast Asia and South Asia, and accelerations in East Asia. Growth in East Asia rebounded to 4.7 percent in 2023, in relation to 2.9 percent in 2022 with China removing all pandemic-related mobility restrictions early in the year.

The global economic growth which was 3.5 percent in 2022, slowed down to 3.2 percent in 2023 and is expected to continue at similar levels in 2024 and 2025 due to restrictive monetary policies, withdrawal of fiscal support and low underlying productivity growth. However, growth in developing Asia is expected to remain resilient in 2024 despite escalating uncertainty in the external geoeconomic environment. Tightening fiscal policies aimed at curbing high government debt, with higher taxes and lower government spending may affect the forecasted growth rates in developing Asia.

Headline inflation continuously declined from 9.2 percent in 2022, on a year-over-year basis, to 5.9 percent in 2023 and a projected 4.8 percent in 2024 due to the tightening of global monetary conditions. Core inflation excluding food and energy prices, is also projected to decline to 4.5 percent in 2024. However, both headline and core inflation remain higher than pre-pandemic levels as a result of commodity price shocks and tight labour markets.

Primary commodity prices declined slightly in the last quarter of 2023 driven by a decrease in oil prices as a result of the growth in supply in America buffering the impact of geopolitical tensions in the Middle East.

¹ Based on World Economic Outlook (April 2024, IMF), Fiscal Monitor (April 2024, IMF), Global Financial Stability Report (April 2024, IMF), Commodity Markets Outlook (April 2024, IMF), Global Economic Prospects (January 2024, World Bank), Asian Development Outlook (April 2024, ADB) and other data and information from IMF, World Bank and the Worldwide Web.

The global economic outlook is forecasted to be steady in growth as a whole, albeit slow and varying across regions. Further, global headline and core inflation are expected to decline steadily, driven by the effects of still-tight monetary policies, a related softening in labour markets, and stabilization of global energy and food prices.

3.2 World Output

Global growth is projected to remain stable around 3.2 percent in both 2024 and 2025. The 2024 forecast is slightly more positive on account of the resilience exhibited in the United States (US) and several large emerging markets and developing economies, as well as fiscal support in China. However, this forecast for 2024–25 still remains below the historical (2000–19) average of 3.8 percent, with elevated central bank policy rates to fight inflation, and a withdrawal of fiscal support amid high debt weighing on economic activity.

For advanced economies, growth is projected to rise from 1.6 percent in 2023 to 1.7 percent in 2024 and 1.8 percent in 2025, with the growth in the USA projected to increase to 2.7 percent in 2024, before slowing to 1.9 percent in 2025, on account of gradual fiscal tightening and a softening in labor markets slow aggregate demand. Euro area, which had a low growth of 0.4 percent in 2023 as a result of the conflict in Ukraine, is expected to have a growth of 0.8 percent in 2024 and 1.5 percent in 2025, with the effects of strong household consumption and low inflation fostering economic growth in the region.

In Emerging Markets and Developing Economies (EMDEs), growth is expected to be stable at 4.2 percent in 2024 and 2025, with a moderation in emerging and developing Asia offset mainly by rising growth for economies in the Middle East and Central Asia and Sub-Saharan Africa. In developing Asia, output in industries rebounded to pre-pandemic levels, mainly owing to the boost in industrial production with the gradual strengthening of manufacturing activities specially in electric devices and machinery. Buoyed by rising global demand for electronics, especially semi-conductors, improved tourism and retail trade, industry output increased in Asia.

However, as a result of the repercussions of the property crisis, declining labour force and slowing productivity in the medium-term, China's growth is expected to decline. The uncertainty in the property sector specially, is expected to negatively affect financial markets and consumer

Table 3.1 | A Snapshot of the World – 2023

Country	2023				
	GDP Growth (Annual percent change)	Inflation (Percent)	Unemployment (Percent)	Fiscal Balance (Percent of GDP)	Gross Debt (Percent of GDP)
Argentina	-1.6	133.5	6.6	-4.2	154.5
Australia	2.1	5.6	3.7	-0.9	49.4
Brazil	2.9	4.6	8.0	-7.9	84.7
Canada	1.1	3.9	5.4	-0.6	107.1
Chile	0.2	7.6	8.8	-2.2	39.4
China	5.2	0.2	5.2	-7.1	83.6
France	0.9	5.7	7.4	-5.5	110.6
Germany	-0.3	6.0	3.0	-2.1	64.3
Greece	2.0	4.2	10.9	-1.6	168.8
India	7.8	5.4	-	-8.6	82.7
Indonesia	5.0	3.7	5.3	-1.6	39.9
Italy	0.9	5.9	7.7	-7.2	137.3
Japan	1.9	3.3	2.6	-5.8	252.4
Korea	1.4	3.6	2.7	-1.0	55.2
Malaysia	3.7	2.5	3.6	-4.4	67.3
Mexico	3.2	5.5	2.8	-4.3	53.1
Russia	3.6	5.9	3.2	-2.3	19.7
Singapore	1.1	4.8	1.9	3.6	162.1
South Africa	0.6	5.9	32.8	-6.0	73.9
Spain	2.5	3.4	12.1	-3.6	107.5
Sri Lanka	-2.3	17.4	4.7	-8.3	103.9
Thailand	1.9	1.2	1.2	-3.2	62.4
United Kingdom	0.1	7.3	4.0	-6.0	101.1
United States	2.5	4.1	3.6	-8.8	122.1
Vietnam	5.0	3.3	2.0	-1.6	34.0
Venezuela	4.0	337.5	-	-3.4	148.2

Source: *World Economic Outlook, IMF, April 2024*
Fiscal Monitor, IMF, April 2024
Annual Economic Review 2023, Central Bank of Sri Lanka
Department of Fiscal Policy

sentiment in China. Further, lower demand from advanced economies together with a short-lived boost from China's market reopening kept the growth of goods exports in developing Asia subdued throughout most of 2023. However, by mid-2023, China has implemented a series of stimulus measures, including easing monetary policy and relaxing home-purchase restrictions, to boost consumer confidence and stabilize the deteriorating property sector.

Low-income developing countries are expected to experience gradually increasing growth from 4.0 percent in 2023 to 4.7 percent in 2024 and 5.2 percent in 2025, as some constraints on near-term growth ease.

Growth in emerging and developing Asia is expected to fall from an estimated 5.6 percent in 2023 to 5.2 percent in 2024 and 4.9 percent in

2025, mainly due to the slowdown in the growth of China from 5.2 percent in 2023 to 4.6 percent in 2024 owing to continued weakness in the property sector. As a result of strong domestic demand and a rising working-age population, growth in India is projected to remain strong at 6.8 percent in 2024 and 6.5 percent in 2025 whereas growth in emerging and developing Europe is projected at 3.2 percent in 2023 and 3.1 percent in 2024, with a slowing down to 2.8 percent in 2025, on account of the decline of growth in Russia from an estimated 3.2 percent in 2024 to an estimated 1.8 percent in 2025.

In Latin America and the Caribbean, growth is projected to decline from 2.3 percent in 2023 to 2.0 percent in 2024 before rising again to 2.5 percent in 2025, with only moderate growth in Brazil, at 2.2 percent in 2024, and 2.4 percent in

Table 3.2 | World and Regional Output

	Annual percent change			
	Actual		Forecast	
	2022	2023	2024	2025
World Output	3.5	3.2	3.2	3.2
Advanced Economies	2.6	1.6	1.7	1.8
United States	1.9	2.5	2.7	1.9
Euro Area	3.4	0.4	0.8	1.5
Germany	1.8	-0.3	0.2	1.3
France	2.5	0.9	0.7	1.4
Italy	4.0	0.9	0.7	0.7
Spain	5.8	2.5	1.9	2.1
Japan	1.0	1.9	0.9	1.0
United Kingdom	4.3	0.1	0.5	1.5
Canada	3.8	1.1	1.2	2.3
Emerging Market and Developing Economies	4.1	4.3	4.2	4.2
Emerging and Developing Asia	4.4	5.6	5.2	4.9
China	3.0	5.2	4.6	4.1
India	7.0	7.8	6.8	6.5
Indonesia	5.3	5.0	5.0	5.1
Malaysia	8.7	3.7	4.4	4.4
Thailand	2.5	1.9	2.7	2.9
Vietnam	8.1	5.0	5.8	6.5
Latin America and the Caribbean	4.2	2.3	2.0	2.5
Brazil	3.0	2.9	2.2	2.1
Emerging & Developing Europe	1.2	3.2	3.1	2.8
Russia	-1.2	3.6	3.2	1.8
Middle East and Central Asia	5.3	2.0	2.8	4.2
Sub-Saharan Africa	4.0	3.4	3.8	4.0
South Africa	1.9	0.6	0.9	1.2
Sri Lanka	-7.8	-2.3	3.0	5.0

Source: World Economic Outlook, IMF, April 2024

2024 for Mexico, due to expected contractions in manufacturing.

Growth in the Middle East and Central Asia is projected to rise from 2.0 percent in 2023 to 2.8 percent in 2024 and 4.2 percent in 2025, whereas in sub-Saharan Africa, growth is projected to rise from 3.4 percent in 2023 to 3.8 percent in 2024 and 4.0 percent in 2025, as the negative effects of earlier weather shocks subside and supply issues gradually improve.

3.3 Inflation

Even under the effects of unwinding supply-side issues and restrictive monetary policy, inflation is

Table 3.3 | Inflation at Average Consumer Prices

	Annual percent change			
	Actual		Forecast	
	2022	2023	2024	2025
World	3.5	3.2	3.2	3.2
Advanced Economies	7.3	4.6	2.6	2.0
United States	8.0	4.1	2.9	2.0
Euro Area	8.4	5.4	2.4	2.1
Germany	8.7	6.0	2.4	2.0
France	5.9	5.7	2.4	1.8
Italy	8.7	5.9	1.7	2.0
Spain	8.3	3.4	2.7	2.4
Japan	2.5	3.3	2.2	2.1
United Kingdom	9.1	7.3	2.5	2.0
Canada	6.8	3.9	2.6	1.9
Emerging Market and Developing Economies				
Emerging and Developing Asia	3.9	2.4	2.4	2.8
China	2.0	0.2	1.0	2.0
India	6.7	5.4	4.6	4.2
Indonesia	4.1	3.7	2.6	2.6
Malaysia	3.4	2.5	2.8	2.5
Thailand	6.1	1.2	0.7	1.2
Vietnam	3.2	3.3	3.7	3.4
Latin America and the Caribbean	14.0	14.4	16.7	7.7
Brazil	9.3	4.6	4.1	3.0
Emerging and Developing Europe	27.8	19.4	18.8	13.1
Russia	13.7	5.9	6.9	4.5
Middle East and Central Asia	13.9	16.7	15.5	11.8
Sub-Saharan Africa	14.5	16.2	15.3	12.4
South Africa	6.9	5.9	4.9	4.5
Sri Lanka	45.2	17.4	5.0	5.0

Source: World Economic Outlook, IMF, April 2024

falling faster than expected in most regions, with global headline inflation is expected to fall from an annual average of 6.8 percent in 2023 to 5.9 percent in 2024 and 4.5 percent in 2025, which will be reflected in a broad-based decline in core inflation by 1.2 percent in 2024 after a contraction of 0.2 percent in 2023.

The falls in headline inflation and core inflation, however, would be much higher for advanced economies whereas in Asia, since the share of rice in the overall consumption basket is high, rising international rice prices pushed up food inflation. For the region, excluding China, even though inflation has started to moderate, it still remains high relative to pre-pandemic levels.

3.4 Interest Rates

The federal funds rate, which is the interest rate set by the Federal Open Market Committee of the US, is the rate charged by banks when they lend to other banks, usually overnight or for a few days. The Federal Reserve of the US has raised the target range for the federal funds rate by 25 basis points in May, 2023 and a further, 25 basis points in July, 2023 to 5.25–5.50 percent. The European Central Bank has also hiked policy rates almost monthly up to a total of 100 basis points, with the deposit facility rate now at 4.00 percent. After pausing, the Reserve Bank of Australia and the Bank of Canada resumed rate hikes in the second quarter, while recent policy meetings saw the Bank of England, the Norges Bank, Sveriges Riksbank, and the Swiss National Bank tighten policy by 25 basis points. In Asia, the Central Bank of Pakistan increased rates by a total of 600 basis points to combat persistent double-digit inflation. Although, the Central Bank of Sri Lanka cut rates four times for a total of 650 basis points in 2023, due to the sharp disinflation, Sri Lanka's real interest rate remains high.

While the federal fund rates were initially expected to be cut several times in 2024, that potential has become more unlikely since inflation still remains higher than the targeted 2 percent. Central Banks around the world have increased policy interest rates up to restrictive levels in order to combat high and rising inflation. These measures, along with supply-side improvements, have led to steady disinflation. However, persistent inflationary pressures could trigger higher-for-longer interest rates, denting global financial conditions.

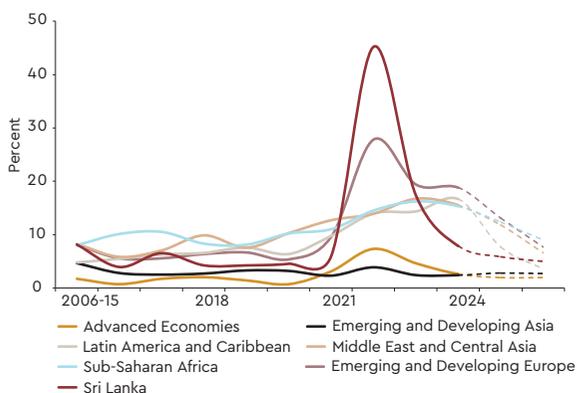
3.5 Fiscal Position

Even though the global economy showed clear signs of stabilization in 2023, fiscal deficits and public debt levels remain higher than pre-pandemic projections. It is anticipated that fiscal and monetary policies will remain tight amid debt stress for most EMDEs in 2024. Loss of windfall revenue from inflation with gradual disinflation combined with unchanging expenditure has led to worsening deficits across economies. Global fiscal deficits increased to 5.5 percent of GDP on average in 2023, with global public debt increasing to 93.2 percent of GDP. In 2024, the global fiscal deficit is forecasted to decline to 4.9 percent of GDP. This deficit is projected to stabilize at 4.3 percent of GDP by 2029, with global debt projected to increase to close to 100 percent of GDP by 2029.

3.5.1 Fiscal Deficits

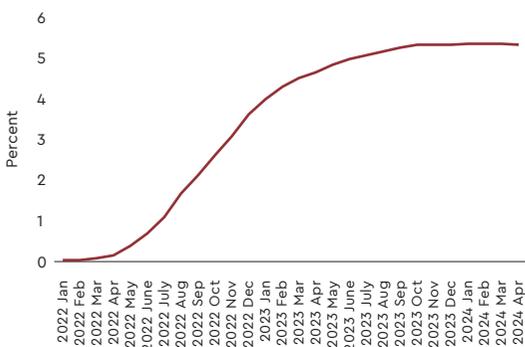
In 2023, the US experienced a large fiscal deficit, with the general government fiscal deficit rising to 8.8 percent of GDP from 4.1 percent of GDP in 2022. The overall deficit in China remained at 7.1 percent in China, despite persisting trouble in the property sector. Primary deficits in advanced economies increased by 0.6 percentage points to 2.1 percent of GDP on average in 2023 due to continued support in the form of subsidies and transfers to the general public to mitigate the impact of energy price shocks. In advanced economies, primary deficits are expected to decline to 1.7 percent of GDP in 2024, as the above-mentioned support measures are gradually phased-out. Primary deficits increased to 1.3 percent of GDP on average in EMDEs in 2023, due to indexation as a result of rising inflation, and the resultant increase in wage bills and social benefits. Decreasing revenue due to falling global commodity prices was also a reason for the primary deficit increase in export-oriented economies.

Figure 3.1 | Inflation at Average Consumer Prices



Source: World Economic Outlook, IMF, April 2024

Figure 3.2 | Secured Overnight Financing Rate (SOFR) (30 day average)



Source: Moneycafe.com

Despite elevated interest rates and exchange rate depreciations, primary deficits of low-income developing countries declined to 1.8 percent of GDP in 2023. Primary deficits are projected to decline in low-income developing countries in 2024 to 1.5 percent of GDP. Largely due to exchange rate depreciations, public-debt-to-GDP ratios in low-income developing countries, increased to 53 percent of GDP in 2023.

Table 3.4 | General Government Fiscal Balance: Overall Balance

	As a % of GDP			
	Actual		Forecast	
	2022	2023	2024	2025
World	-3.9	-5.5	-4.9	-4.7
Advanced Economies	-3.1	-5.6	-4.4	-4.2
Canada	0.1	-0.6	-1.1	-0.9
Euro Area	-3.7	-3.5	-2.9	-2.6
France	-4.8	-5.5	-4.9	-4.9
Germany	-2.5	-2.1	-1.5	-1.3
Italy	-8.6	-7.2	-4.6	-3.2
Spain	-4.7	-3.6	-3.1	-3.0
Japan	-4.4	-5.8	-6.5	-3.2
United Kingdom	-4.7	-6.0	-4.6	-3.7
United States	-4.1	-8.8	-6.5	-7.1
Other Advanced Economies	0.8	-0.1	0.0	0.2
Emerging Market and Developing Economies	-4.9	-5.4	-5.5	-5.3
Emerging Markets excl. China	-2.8	-4.2	-4.3	-3.7
Excluding MENA Oil Producers	-5.7	-6.0	-6.1	-5.8
Asia	-7.2	-6.7	-6.9	-7.0
China	-7.5	-7.1	-7.4	-7.6
India	-9.2	-8.6	-7.8	-7.6
Europe	-2.4	-4.3	-4.0	-3.1
Russian Federation	-1.4	-2.3	-1.9	-1.2
Latin America	-3.3	-5.1	-4.7	-3.4
Brazil	-3.1	-7.9	-6.3	-5.5
Mexico	-4.3	-4.3	-5.9	-3.0
MENA	3.8	0.6	-1.5	-1.1
Saudi Arabia	2.5	-2.0	-2.8	-1.6
South Africa	-4.3	-6.0	-6.1	-6.3
Low-Income Developing Countries	-4.5	-4.0	-3.6	-3.4
Kenya	-6.1	-5.3	-4.0	-3.2
Nigeria	-5.4	-4.2	-4.6	-4.2
Vietnam	0.3	-1.6	-2.4	-2.4
Oil Producers	3.0	0.4	-0.2	0.0
Sri Lanka	-10.2	-8.3	-7.6	-5.2

Source: Fiscal Monitor, IMF, April 2024
Department of Fiscal Policy

3.5.2 Government Debt

Debt-to-GDP ratios, which increased sharply during the pandemic, remain elevated, and large budget deficits continue to raise the debt burden in many economies. In addition, debt ratios are projected to increase by about 1.25 percentage points per year over the medium term through 2028.

Table 3.5 | General Government Gross Debt

	As a % of GDP			
	Actual		Forecast	
	2022	2023	2024	2025
World	91.3	93.2	93.8	95.1
Advanced Economies	111.2	111.0	111.2	112.4
United States	120.0	122.1	123.3	126.6
Euro Area	90.8	88.6	88.7	88.3
Germany	66.1	64.3	63.7	62.3
France	111.8	110.6	111.6	112.8
Italy	140.5	137.3	139.2	140.4
Spain	111.6	107.5	106.3	104.9
Japan	257.2	252.4	254.6	252.6
United Kingdom	100.4	101.1	104.3	106.4
Canada	107.4	107.1	104.7	102.1
Emerging Market and Developing Economies	64.0	68.0	69.4	71.3
Emerging and Developing Asia	74.2	79.0	82.4	85.4
China	77.1	83.6	88.6	93.0
India	81.7	82.7	82.5	81.8
Indonesia	40.1	39.9	39.3	39.3
Malaysia	65.6	67.3	66.4	66.3
Thailand	60.5	62.4	64.5	65.5
Vietnam	34.6	34.0	33.5	32.9
Latin America	68.3	74.1	68.5	68.4
Brazil	83.9	84.7	86.7	89.3
Emerging & Developing Europe	31.9	33.9	36.2	37.7
Russia	18.5	19.7	20.8	21.9
Middle East, North Africa and Afghanistan (MENA)	43.5	43.1	42.3	41.4
Sub-Saharan Africa	52.7	54.9	53.1	50.8
South Africa	71.1	73.9	75.4	77.9
Sri Lanka	114.2	103.9	n.a	n.a

Source: Fiscal Monitor, IMF, April 2024
Department of Fiscal Policy

Increasing interest payments are expected to arrest a significant portion of government revenues, averaging 14.3 percent of the general government revenues in 2024.

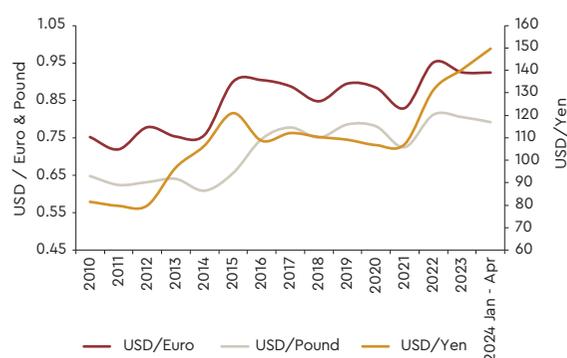
Similarly, public debt in EMDEs increased to about 58 percent of GDP in 2023 due to weak growth rates and high interest rates. Primary deficits in EMDEs are forecasted to decline to 1.2 percent of GDP in 2024.

By 2028, the public debt ratio of the US is projected to exceed 135 percent of GDP, surpassing the pandemic peak. For China, the public debt to GDP ratio is projected to increase continuously to reach 105 percent in 2028. Driven by these, global public debt is projected to approach 99 percent of GDP by 2029. Measures to combat declining productivity growth would be essential in the face of escalating government debt across countries.

3.6 Currency Movements

Continued tightness in US monetary policy to combat soaring inflation rates has led to marginal weakening of many regional currencies relative to the US dollar. Across developing Asia, GDP-weighted currencies depreciated by 2.3 percent against the US dollar in 2023 while currencies in South Asia and the Pacific fell by slightly more than the regional average. However, most regional currencies strengthened during the last quarter of 2023. Nevertheless, signs of persistent US inflation and amplified market uncertainty over the timing of expected US monetary easing have led to a mild depreciation of GDP-weighted average of currencies for developing Asia in the first quarter of 2024.

Figure 3.3 | Exchange Rates Against USD : 2010 - April 2024



Source: x-rates.com

3.7 World Trade

The volume of world trade has increased slightly by 0.3 percent in 2023 with trade growth projected at 3.0 percent in 2024 and 3.3 percent in 2025. Increasing geoeconomic fragmentation has significantly affected world trade, with weakening trade links between China and the US. There are significant shifts in trade patterns becoming apparent due to rising cross-border trade restrictions. International trade has exhibited remarkable resilience, swiftly recovering from the COVID-19 pandemic and adapting to the conflict in Ukraine.

In 2023, the volume of exports by advanced economies grew marginally by 0.9 percent whereas the volume of exports in EMDEs declined slightly by 0.1 percent. The volume of exports in advanced economies is anticipated to grow by 2.5 percent each both in 2024 and 2025. The volume of exports in EMDEs is anticipated to grow by 3.7 percent and 3.9 percent in 2024 and 2025, respectively.

Table 3.6 | World Trade Volume

	Average 2005-2014	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025
Annual percent change												
Trade in Goods and Services												
World Trade Volume	4.7	2.9	2.2	5.5	4.0	1.3	-8.3	11.0	5.6	0.3	3.0	3.3
Volume of Exports												
Advanced Economies	4	3.8	2.0	4.9	3.6	1.5	-8.8	9.9	5.6	0.9	2.5	2.9
Emerging Market and Developing Economies	6.2	1.9	2.8	6.2	4.2	1.0	-6.6	13.0	4.7	-0.1	3.7	3.9
Volume of Imports												
Advanced Economies	3.2	4.7	2.6	4.9	3.8	2.1	-8.2	10.3	7.1	-1.0	2.0	2.8
Emerging Market and Developing Economies	8	-0.7	1.5	7.1	5.1	-0.5	-9.4	12.1	3.9	2.0	4.9	4.1

Source: World Economic Outlook, IMF, April 2024

Table 3.7 | Price Indexes (2010=100)

	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025
Energy	120.4	66.1	56.0	69.4	89.4	78.3	52.7	95.4	152.6	106.9	104.0	100.0
Non-Energy	96.5	81.6	79.4	83.7	85.1	81.6	84.1	112.1	122.1	110.2	107.9	104.9
Agriculture	101.9	87.9	87.5	87.0	86.6	83.1	87.1	107.7	119.3	110.9	109.4	104.8
Beverages	101.8	94.0	91.3	83.1	79.1	76.1	80.4	93.5	106.3	107.8	131.9	115.8
Food	106.0	88.5	89.6	90.2	90.5	87.0	93.1	120.9	138.1	125.4	118.5	113.9
Oils and Meals	106.4	84.4	88.3	87.6	85.0	77.5	89.8	127.1	145.2	118.9	110.2	104.9
Grains	104.1	87.1	80.7	80.6	88.8	89.0	95.4	123.8	150.4	133.0	118.0	113.6
Other Food	107.3	95.1	99.5	102.4	99.1	97.7	95.5	110.2	117.7	127.2	129.8	126.2
Raw Materials	91.9	83.3	80.2	81.0	80.9	77.3	75.8	82.9	80.3	77.1	75.8	77.1
Fertilizers	101.5	98.4	77.7	74.3	82.5	81.4	74.6	152.3	235.7	153.5	120.2	112.9
Metals and Minerals	84.8	66.9	63.0	78.2	82.5	78.4	79.2	116.4	115.0	104.0	103.4	104.1
Precious Metals	101.1	90.6	97.5	97.8	97.2	105.4	133.5	140.2	136.8	147.3	158.9	156.8

Source: Commodity Markets Outlook, World Bank, April 2024

In 2023, The volume of imports in advanced economies declined marginally by 0.1 percent whereas the volume of imports in EMDEs grew by 2.0 percent. The volume of imports in advanced economies is anticipated to grow by 2.0 percent and 2.8 percent in 2024 and 2025, respectively whereas in EMDEs, the volume of imports is forecasted to grow slightly better at 4.9 percent and 4.1 percent in 2024 and 2025, respectively.

3.8 World Commodity Market

The conflict in the Middle East has significantly heightened geopolitical risks in the region, and have led to higher prices and volatility in commodity markets. If the conflict is to escalate, repercussions would be more adverse, especially for economies that are net energy importers, such as Sri Lanka.

3.8.1 Energy Prices

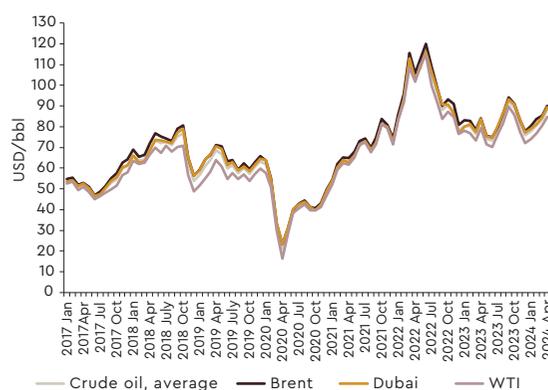
In the third quarter of 2023, energy prices were 9 percent higher than that of the previous quarter, mainly owing to an 11 percent increase in oil prices due to supply cuts. The energy price index is expected to decline by 3 percent in 2024 and by a further 4 percent in 2025, driven mainly by markedly lower natural gas and coal prices.

However, Brent crude oil, which averaged USD 83/bbl in 2023, is expected to rise to an average of USD 84/bbl in 2024 due to the escalation of geopolitical tensions and tight supply-demand balance. In mid-April of 2024, Brent crude oil prices rose to more than USD 90/bbl as a consequence of geo-political tensions in the Middle East. At the time of compiling this report, this price is expected to recede to USD 79/bbl in 2025.

If the conflict in the Middle East is to widen to a regional conflict, the subsequent risk of a reduction in supply from the Middle East would have a significant impact on oil prices.

Oil demand has been strong in China despite the weakness in some sectors and has grown by 10 percent in 2023, faster than in any other region. Demand in Advanced Economies (AEs), representing about half of the global market, has been stable. Robust demand for jet/kerosene and LPG/ethane in the United States reflected robust labor markets and still strong economic activity, which has proven more resilient to higher interest rates than initially anticipated.

Figure 3.4 | Crude Oil Prices : 2017 – April 2024



Source : Commodity Markets Outlook, World Bank, April 2024

Record-high natural gas production that outpaced demand drove down the price of natural gas in 2023. The lower natural gas prices have led to an increase in European industrial consumption in the second quarter of 2023.

In 2023, global gas demand rose by just 0.5 percent, as growth in China, North America and gas-rich countries in Africa and the Middle East

was partially offset by declines in other regions. Europe's gas demand declined, driven by lower consumption in the power sector, fuel switching, efficiency gains, production curtailments in the industrial sector, and the impact of the European Gas Demand Reduction Plan. Gas demand in the Asia Pacific region rose by an estimated 2.5 percent in the first eight months of 2023, mainly prompted by increases in China's industrial and power sectors. China was the world's largest LNG importer in 2023. India's gas consumption also bounced back strongly. In 2023, in response to lower prices. Consumption in North America increased marginally by an estimated 1 percent in the first nine months of 2023 primarily driven by the power sector.

Due to high levels of storage, increasing supply and reconfiguration of trade flows, natural gas prices are forecasted to decline in 2024. However, similarly to crude oil, the conflict in the Middle East may lead to heightened volatility in natural gas prices. It is anticipated that there will be a growth in demand in China with increased consumption in the industrial and power sectors.

Coal prices have been slightly affected by the conflict in the Middle East. Prior to the conflict, coal prices continued to decline as began in 2022, due to fuel substitutions, higher storage in Europe and higher exports from Indonesia. There was a slowdown in coal consumption in 2023 with a reduction in the demands in China and India, along with a reduction in consumption in the USA and Europe. However, global coal consumption is estimated to have reached an all-time high in 2023, with China and India accounting for more than 70 percent of the total consumption.

The fertilizer price index rose slightly more than 3 percent in 2023Q3 relative to the previous quarter, driven by significantly higher urea prices due to production outages, partly offset by declines in phosphate and potash prices. However, these prices are expected to weaken in 2024 and 2025, with increased supply, notably from Canada.

3.8.2 Agricultural Prices

Prior to the onset of the conflict in the Middle East, food commodity prices fell in Q3 of 2023, led by price decline in grains, meat, and sugar. However, food prices are still much higher than pre-Pandemic levels in inflation adjusted terms. Rice prices have risen due to adverse weather conditions and export ban on non-basmati rice imposed by India in response to floods in Northern

India which has increased food inflation in some economies of developing Asia. Food prices are forecasted to decrease by 6 percent in 2024 and 4 percent in 2025, with lower prices for grains as well as oils and meats in 2024, followed by broad-based declines in 2025.

An increase in oil prices as a result of an escalation of the conflict in the Middle East will in turn lead to a rise in food prices by increasing production and transportation costs for food and fertilizers. In addition, recent attacks on commercial vessels in the Red Sea have required re-routing from the Suez Canal to around the Cape of Good Hope. If similar attacks intensify, increased shipment costs will lead to a rise in higher prices and delays in supply leading to food security issues.

Increasing food insecurity has been an unresolved problem for decades with the COVID-19 pandemic exacerbating the issue. The risk of acute food insecurity is high in countries facing fragility, conflict, and violence and those affected by natural disasters. Domestic food price inflation is easing in many regions but is still at high levels. The declining prices of many agricultural commodities likely contributed to the decline in food price inflation.

Due to the adverse effects of El Nino, the beverage price index has risen sharply mainly driven by rising prices for cocoa and Robusta coffee. As a result of an abundant supply of tea from major exporters, including Sri Lanka, coupled with subdued demand from major importers such as Iran, tea prices remained weak.

3.8.3 Metal and Mineral Prices

The metals and minerals price index fell by 2 percent in the third quarter of 2023 from the previous quarter, continuing steady price declines since early 2022, reflecting the slowing economic activity in major economies and weak demand for base metals and iron ore from China, due to the ongoing property sector crisis.

Base metals prices are expected to continue their steady decline into 2024 as economic activity in China and other major economies is anticipated to remain subdued and supply continues to improve amidst issues with permitting, the quality of ores, and geoeconomic fragmentation.

Metal prices are projected to remain steady in 2024, before rising slightly in 2025. However, disruptions in the growth of major economies like China could derail this projected increase.

3.9 Looking forward within the Sri Lankan context

Economic contractions in Sri Lanka, along with the economic condition in Pakistan moderated the growth in South Asia from 6.6 percent in 2022 to 6.4 percent in 2023. However, even with these contractions, growth in Sri Lanka revived in the second half of 2023 and is expected to continue in the same vein in 2024 and 2025. Following a peak in 2022, Inflation decelerated to single digits last year on account of lower fuel prices, subdued demand, better supply, and tight monetary and fiscal policy measures including high policy rates and low liquidity injections. Inflation is forecasted to remain at single digit levels in 2024 and 2025.

Revenue-based fiscal consolidation under the IMF EFF was a central area of focus in 2023. As a result, government revenue and grants are estimated to have reached 11.1 percent of GDP in 2023 improving from 8.4 percent in 2022. Continued suspension of debt servicing on commercial and bilateral public debt has helped Sri Lanka to reduce foreign exchange outflow and thereby, improve reserves and currency appreciation. However, expenses still remain high due to interest paid on domestic refinancing.

Debt restructuring negotiations continue with Sri Lanka reaching an agreement in principle with the official creditor committee in November 2023 and a preliminary agreement with the Export-Import Bank of China in October 2023 regarding restructuring public external debt held by them. Even though, Domestic Debt Optimization (DDO) was completed in 2023, an agreement in principle with commercial creditors has yet to be reached.

It is anticipated that the economy of Sri Lanka will recover gradually in 2024 and 2025. Sri Lanka's revival depends on continued commitment to crucial reforms and timely completion of a debt restructuring agreement. Further, geopolitical tensions in the region could impinge on Sri Lanka's growth. In addition, with Sri Lanka being a heavily import-dependent country with imports worth around USD 16,811 Mn brought into the country in 2023, any volatility in commodity markets as a result of heightening geopolitical tensions, would have a significant impact on the inflation in Sri Lanka's economy.

As the economy recovers, it is necessary for Sri Lanka to further strengthen institutional and structural frameworks for an inclusive social protection system to address increasing vulnerability to poverty while spearheading the economy towards an inclusive growth trajectory over the medium term.

PART II

Final Budget Position

04

Government
Revenue

4.1 Overview

The year 2023 was a landmark year in Sri Lanka's economic recovery. Having undergone its deepest and most complex macroeconomic crisis in post-independence history, Sri Lanka commenced a comprehensive macroeconomic reform programme in mid-2022. Fiscal reforms were a critical component of this reform process since structural fiscal weakness has been a fundamental driver of the country's macroeconomic vulnerability. Towards this end, several tax policy reforms and tax administration measures have been put in place starting mid-2022. The results have begun to materialize as 2023 marked a watershed year in terms of restoring fiscal sustainability and anchoring macroeconomic stability.

Accordingly, the government revenue mobilization demonstrated commendable progress in 2023 benefiting from the implementation of corrective macroeconomic policies including primarily revenue-based fiscal consolidation measures. The total government revenue including grants surpassed its historically high level of Rs. 3,000 billion in 2023. Several factors have contributed to the significant improvement of government revenue. Among them, tax policy reforms together with enhanced tax administration including reforms to broaden the tax base and improve compliance have played a pivotal role. In addition, efforts to stimulate economic growth and investment have bolstered revenue streams, while prudent fiscal management practices have instilled confidence among key stakeholders.

In nominal terms, government revenue including grants increased by 52.8 percent to Rs. 3,074.3 billion in 2023 from Rs. 2,012.6 billion in 2022. The government revenue excluding grants increased by 54.0 percent to Rs. 3,048.8 billion in 2023 from Rs. 1,979.2 billion in 2022. This significant revenue enhancement represents a major achievement, surpassing the annual estimate by 7.4 percent. The notable uptick in government revenue can be attributed to the improved performance of various revenue streams. Particularly, Income Tax demonstrated significant growth driven by substantial increases in revenue from corporate and non-corporate tax (by Rs. 608.2 billion), Advanced Personal Income Tax (APIT) (by Rs. 145.0 billion), and Withholding Tax (WHT) (by Rs. 157.9 billion). These increases were the result of revisions to tax rates, rationalization of tax slabs, reduction of tax-free thresholds with effect from January 01, 2023, and realization of the full effect of tax policy measures in 2023. Further, there was a considerable increase in revenue from taxes on goods and services, primarily due to an increase in revenue from Value Added Tax (VAT) (by Rs. 694.5 billion) resulting from increasing the VAT rate, reduction of the VAT registration threshold, and removing VAT exemptions on condominium housing apartments. The revenue from the Social Security Contribution Levy (SSCL) increased to Rs. 216.2 billion in 2023, owing to the realization of the full impact of the SSCL following its implementation on October 01, 2022.

In parallel to the substantial nominal increase, government revenue including grants as a percentage of GDP increased to 11.1 percent in 2023 from 8.4 percent in 2022.

Table 4.1 | Summary of Government Revenue

Item	2020	2021	2022	Rs. Million	
				2023 ^(a)	As a % of GDP
Total Revenue and Grants	1,373,308	1,463,810	2,012,589	3,074,324	
Total Revenue	1,367,960	1,457,071	1,979,184	3,048,822	
Tax Revenue	1,216,542	1,298,019	1,751,132	2,720,563	
Income Tax	268,249	302,115	534,021	911,355	
Taxes on Goods and Services	586,650	646,068	875,995	1,420,089	
Taxes on External Trade	361,643	349,836	341,116	389,118	
Non Tax Revenue	151,417	159,052	228,052	328,259	
Grants	5,348	6,740	33,405	25,502	
Revenue and Grants	8.8	8.3	8.4	11.1	
Total Revenue	8.7	8.3	8.2	11.0	
Tax Revenue	7.8	7.4	7.3	9.8	
Non Tax Revenue	1.0	0.9	0.9	1.2	
Grants	0.0	0.0	0.14	0.09	

Source: Department of Fiscal Policy
(a) Provisional

This increase was mainly due to the rise in the tax revenue to GDP ratio by 2.5 percentage points and the non-tax revenue to GDP ratio by 0.3 percentage points. This ratio exceeded the envisaged annual estimate of 10.1 percent for 2023 by 1 percentage point. At 11.1 percent of GDP in 2023, government revenue has recovered to only 0.8 percentage points below the government revenue to GDP ratio of 11.9 percent in 2019 prior to the tax policy changes implemented at the end of 2019. Revenue excluding grants increased by 2.8 percentage points to 11.0 percent in 2023 from 8.2 percent in 2022 surpassing the envisaged annual estimate of 10.1 percent for 2023 by 0.9 percentage points. Revenue from taxes increased by 2.5 percentage points to 9.8 percent of GDP in 2023 from 7.3 percent of GDP in 2022 exceeding the envisaged estimate of 9.2 percent in 2023 by 0.6 percentage points. This was primarily driven by the 1.1 percentage point increase in revenue collection from income tax and the 1.5 percentage point increase in revenue collection from tax on goods and services.

Revenue from income taxes increased to 3.3 percent of GDP in 2023 from 2.2 percent of GDP in 2022. In line with the reform measures introduced to the VAT, the VAT revenue as a percentage of GDP increased by 0.6 percentage points to 2.5 percent in 2023 from 1.9 percent in 2022. The revenue from Excise Duty as a percentage of GDP increased to 1.7 percent of GDP in 2023 from 1.4 percent in 2022 benefiting from the increased revenue from all excisable items. Excise Duty on cigarettes increased by 20 percent each with effect from January 01, 2023 and July 01, 2023 and liquor by 20 percent each with effect from January 03, 2023 and July 01, 2023. Upward revisions of Excise Duty applicable on Petrol and Diesel were made twice by Rs. 25 per litre each on January 01, 2023 and June 01, 2023. Whilst revenue from Excise Duty on liquor increased, there is a potential for further improvement due to observed weaknesses in enforcement in the security features and security features management system (tax stamps). Revenue from taxes on external trade remained unchanged at 1.4 percent of GDP in 2023, though revenue in nominal terms increased moderately by 14.1 percent to Rs. 389.1 billion in 2023 from Rs. 341.1 billion in 2022. This outcome is primarily driven by weak collections from PAL and CESS due to the continuation of import restrictions through most of 2023 and the phasing out of CESS and PAL on certain items with effect from March 29, 2023 and April 04, 2023, respectively.

4.2 Tax Policy Reforms

In 2023, Sri Lanka embarked on a series of comprehensive tax policy reforms to support recovery from the unprecedented economic crisis experienced in 2022. These reforms were designed to align with the objectives outlined in the Extended Fund Facility Programme of the International Monetary Fund (IMF-EFF) aiming to restore economic stability, address structural fiscal imbalances, and foster sustainable growth. The introduction of tax policy measures was critical to generate revenue in the short term towards stabilizing the economy. One of the key tax policy reforms was the reforms introduced to the income tax. Recognizing the need for a fair and efficient taxation system, the government introduced measures to revise income tax rates and tax structure, thresholds, and removed exemptions. These adjustments were aimed at enhancing revenue in an equitable, non-distortive manner, striking a balance between revenue generation and economic incentives, with a focus on fiscal and macroeconomic stabilization. A stable fiscal and macroeconomic environment would in turn be a fundamental requirement for encouraging investment, entrepreneurship, and job creation. In the past, tax policy has been used as a tool to further various other policy objectives resulting in a proliferation of tax exemptions and preferential rates, resulting in a continuous erosion of the revenue base which eventually contributed to the fiscal and economic crisis. The recent tax reforms focus on tax policy being used primarily as a means of securing necessary revenue to finance public goods and services enabling the development of a stable, predictable, and non-distortive tax structure.

The VAT framework has also been enhanced through reforms to broaden the tax base by lowering the VAT registration threshold and rationalizing VAT rates. Further, VAT exemptions applied on major 137 items of which 95 major items were made liable for VAT to enhance revenue mobilization from VAT and to increase the efficiency of VAT with effect from January 01, 2024. Excise tax reforms played a pivotal role in the government's efforts to bolster revenue streams while addressing pressing socio-economic challenges. Special emphasis was placed on products such as cigarettes, liquor, and petroleum with adjustments to Excise Duty rates designed to align with public health objectives and environmental sustainability goals. These reforms

aimed not only to generate additional revenue but also to discourage harmful consumption patterns and promote responsible fiscal practices. The Excise Duty imposed on liquor and all excisable articles has been raised by 14 percent, with effect from January 1, 2024 in line with inflation adjusted index introduced for Excise articles.

Reforms introduced to the tax system have placed a special emphasis on improvements in tax administration and enforcement mechanisms to assure a broader tax base, better compliance, and enforcement. Enhanced capacity-building initiatives, leveraging technology for better compliance monitoring, and strengthening inter-agency coordination were prioritized to combat tax evasion and ensure the integrity of the tax system. Aligned with the IMF-EFF Programme, these reforms were implemented building on global best practices tailored to Sri Lanka's specific circumstances. The tax administration measures implemented thus far have had positive results in terms of improvements in compliance. Tax administration and compliance measures are expected to make a significant contribution to the achievement of revenue goals and targets. Once these revenue targets are achieved, it will become possible to rationalize tax policy rates in a manner that does not undermine revenue collection as the tax base continues to expand in a sustainable manner.

The tax policy reforms implemented in 2023 represented a concerted effort to navigate the challenges posed by the preceding economic crisis while laying the foundation for resilient and inclusive economic growth. As a result of comprehensive tax policy reforms introduced in 2023, government revenue excluding grants reached a historically high level. Aligned with the enhancements in government revenue, the primary balance transitioned to a primary surplus of 0.6 percent in 2023 from the primary deficit of 3.7 percent in 2022. This represents a 1.3 percentage point improvement against the envisaged estimate of a deficit of 0.7 percent for 2023. The fiscal deficit also improved notably by 1.9 percentage points, narrowing down to 8.3 percent in 2023 from 10.2 percent in 2022 surpassing the envisaged annual deficit estimate of 8.5 percent for 2023 by 0.2 percentage points. However, the fiscal deficit remains elevated in spite of the primary budget surplus due to the high interest cost faced by the Government.

4.2.1 Income tax

- Reducing tax-free threshold, increasing the marginal PIT rates and the top marginal rate, and rationalizing incremental tax slabs with effect from January 1, 2023.
 - Downward revision of tax-free threshold for PIT from Rs. 3.0 million to Rs. 1.2 million per annum.
 - Removing expenditure relief of Rs. 1.2 million that had been granted for education, health, contributions to pension schemes, interest paid on housing loans, etc.
 - Reducing the tax slab from Rs. 3.0 million to Rs. 0.5 million per annum.
 - Revising the tax rates progressively from 6 percent to 36 percent on every Rs. 500,000 exceeding the tax relief.
- Making APIT/ WHT on employment income (PAYE) mandatory for all taxpayers exceeding the personal relief of Rs. 1.2 million per year of assessment with effect from January 1, 2023.
- Making Advance Income Tax (AIT) on other payments compulsory at the following rates with effect from January 1, 2023.

Table 4.2 | AIT/WHT rates

Category	Rate (%)	Final/NonFinal
Dividend	15	Final
Interest or discount paid	5	Non-Final
Rent payments exceeding Rs. 100,000 per month	10	Non-Final
Service payments exceeding Rs. 100,000 made to individuals such as professionals	5	Non-Final
In all other cases (other than non-residents)	14	Non-Final
non-residents	14	Non-Final

Source: Department of Fiscal Policy

- Introducing compulsory tax registration with effect from June 01, 2023
 - Initiated compulsory tax registration at the Department of Inland Revenue for all residents who are above 18 years of age without considering their annual income and tax-free thresholds.
- Increasing the income tax rate applicable to the Employees Trust Fund (EPF), an approved provident or pension fund, or an approved termination fund up to 30 percent and the income tax rate applicable to the funds

that effectively participate in the process of Domestic Debt Optimization to continue as 14 percent with effect from April 01,2023.

4.2.2 Value Added Tax

- Increasing VAT rate from 8 percent to 12 percent with effect from June 01, 2022 and subsequently to 15 percent with effect from September 01, 2022. Further increase of VAT rate from 15 percent to 18 percent with effect from January 01, 2024.
- Lowering the VAT registration threshold to Rs. 80 million per annum from Rs. 300 million per annum with effect from October 01, 2022. Further reduction of VAT registration threshold from Rs. 80 million to Rs. 60 million with effect from January 01,2024.
- Removing the zero-rating of tourism-related services effective from June 01, 2022.
- Removing VAT exemptions on condominium housing apartments with effect from January 01, 2023.
- Removing the vast majority of VAT exemptions (95 out of 137 major items) while keeping more standard exemptions that have a high impact on low-income households and key sectors of the economy such as education, health, and transport to enhance revenue mobilization from VAT and to increase the efficiency of VAT with effect from January 01,2024.

4.2.3 Excise Duty

- Increasing Excise Duty on cigarettes by 20 percent in all categories except cigarettes less than 60 mm (98 percent hike) with effect from January 01, 2023 and July 01, 2023 and Excise Duty on liquor by 20 percent with effect from January 03, 2023 and July 01, 2023.
- Increasing Excise Duty on Petrol and Diesel by Rs. 25 per litre each time with effect from January 01, 2023 and June 01,2023, respectively.
- Increasing Excise Duties on liquor and all excisable articles by 14 percent to introduce an annual inflation adjustment for Excise Duty with effect from January 01, 2024.

- Reducing the Excise Duty on Petrol per litre by Rs. 5, and on Diesel per litre by Rs. 6 with effect from January 01,2024 to mitigate the price pressure emanating from the imposition of VAT on petrol and diesel.

4.2.4 Social Security Contribution Levy

- Amending Part IA of the First Schedule to the Social Security Contribution Levy (SSCL) Act, No.15 of 2023 (Amendment) to exempt the following items from SSCL with effect from September 08, 2023;
 - Any motor vehicle liable to the Excise Duty under the Excise (Special Provisions) Act, No. 13 of 1989 on the importation in considering Excise Duty is a composite tax introduced to simplify the tax structure.
 - Equipment used by differently-abled persons to lower the tax burden on such persons.
 - Rough unprocessed gemstones imported for re-exporting after cut and polishing to maintain the competitiveness of such Sri Lankan businesses in the global market by lowering the tax burden.
 - Any items sold at duty- free shops, similar to other import taxes.
 - Rice manufactured out of locally produced paddy to ease the rising cost of living
- Amending item i of Part II of the First Schedule to the SSCL Act to exempt generation and supply of electricity other than supply of electricity under a distribution licence from SSCL.
- Amending Part II of the First Schedule to the SSCL Act to exempt services provided by any General Sales Agent holding an Air Transport Service Licence issued under Section 97 of the Civil Aviation Act from SSCL considering thin profit margins of general sales agents.

4.2.5 Other tax measures

- Removing the restriction on registration for new Casinos that are licensed under the Casino Business (Regulation) Act, No. 17 of 2010, with the Inland Revenue Department, to pay the levies imposed under the Betting and Gaming Levy Act, No. 40 of 1988.

- Increasing the Gross Collection Levy on the turnover from 10 percent to 15 percent.
 - Reducing the Casino Entrance Levy from USD 100 to USD 50 or equivalent in Sri Lankan Rupees for every citizen of Sri Lanka who enters such a place for the business of gaming.
 - Increasing the amount of Annual Levy payable by a person carrying on the Business of Gaming from Rs. 200 million to Rs. 500 million for every year commencing on or after April 01, 2023.
 - Increasing the Annual Levy payable by a person carrying on the business of a bookmaker for every year commencing on or after April 01, 2023 as follows;
 - through an agent from Rs. 4 million to Rs. 5 million
 - with the use of live telecast facilities from Rs. 600,000 to Rs. 1,000,000
 - without the use of live telecast facilities from Rs. 50,000 to Rs. 75,000
 - Imposing a tax on beedi of Rs. 2 per stick with effect from January 01, 2023
 - Exempting PAL applicable on 1,631 tariff lines as the first step of the five-year phasing out of PAL with effect from April 04, 2023.
 - Imposing 10 percent of PAL applicable on importation of milk powder with effect from September 22, 2023.
- specific limits. Payment in aggregate to Rs. 500,000 or more in a day or a single transaction or a single event is not allowed to be deducted as expenses for tax purposes.
 - Obligating financial institutions etc. to submit taxpayer transaction information at the individual level to the IRD.
 - Implementing tax audit and verification programme. Under this programme all revenue-collecting agencies should conduct risk-based audits to identify the taxpayer's inherent risks to encourage compliance.
 - Taking steps to review and address deficiencies in the RAMIS system at the Inland Revenue Department (IRD).
 - Introducing a Charter covering the rights and obligations of taxpayers.
 - Introducing Key Performance Indicators (KPIs) to the IRD to monitor their performance and KPIs are being drafted for the Sri Lanka Customs and Excise Department of Sri Lanka (EDSL).
 - Establishing a High Worth Individuals (HWI) Unit at IRD to improve IRD's compliance management approach for its HWI taxpayer segment.
 - Establishing a Design and Monitoring Unit (DMU) along with a strengthened Risk Management Unit (RMU) at IRD to ensure on-time filing and payment.
 - Strengthening the Dedicated Awareness Unit at the IRD to make relevant public and taxpayer awareness with a more focused and consistent approach.
 - Amending opening and closing times of all types of Excise licenses to reduce the costs associated with inspection enforcing closing times for Excise licenses.
 - Publishing the Extraordinary Gazette Notification No. 2376/25 dated March 21, 2024 to share information that are in the custody of certain institutions (Registrar General's Department, Department of the Registrar of Companies, Department of Motor Traffic, Financial Institutions, Colombo Stock Exchange and Government Institutions granting contracts) with the Commissioner General of Inland Revenue to enhance tax administration measures.

4.2.6 Tax Administrative Measures

To foster fiscal sustainability, support economic development, promote social equity, and ensure compliance with international standards, comprehensive tax administrative measures were implemented in 2023 as detailed below.

- Expanding mandatory electronic tax filing system introduced to the corporate sector to the non-corporate taxpayers including employees to improve efficiency and compliance level.
- Streamlining the refund process and expediting the refunding of amounts paid in excess of the tax liability by resident individuals.
- Discouraging cash transactions and encouraging bank/card transactions with

Box 4.1 | Tax Administration and Digitalization

Background

Globally tax administration has evolved through the past decades with innovations and redesigning the tax administration process by applying new technologies. Furthermore, the COVID-19 pandemic and subsequent global economic downturns led to many governments redesigning administration processes including tax administration by implementing new technologies such as blockchain, cloud computing, and artificial intelligence. However, in Sri Lanka, a significant portion of tax administration and tax services are still conducted on paper-based forms except for corporate income tax. Due to weaknesses in the tax administration system, the VAT compliance level in Sri Lanka remained at 46 percent in 2022 and the PAYE compliance rate remained at 11 percent for the year of assessment of 2021/2022. Accordingly, the Government introduced several tax reforms recently to increase tax revenue. However, the tax revenue to GDP ratio remained as low as 9.8 percent in 2023 mainly due to weak tax administration. Further, it is essential to strengthen Domestic Resource Mobilization (DRM) to provide necessary financial assistance for vulnerable people to eradicate poverty and achieve sustainable development. Hence, enhancing tax revenue through digitalizing tax administration is essential for DRM, since DRM is the foundation for self-sustaining development.

Current challenges

During the pandemic, several issues in the tax administration process were identified including lower return filing and compliance rates due to the difficulty in accessing the tax administration process remotely. In addition to the Pandemic-induced digitization requirements of tax administration, a Governance Diagnostic Study on Sri Lanka conducted by the IMF revealed several issues within the existing tax administration system. The study highlighted the urgent need for immediate attention to these problems, particularly through the digitalization of the tax administration system. Addressing these issues is crucial for enhancing government revenue in Sri Lanka. In addition, an assessment of the tax administration system of the IRD conducted using the Tax Administration Diagnostic Assessment Tool (TADAT) has identified that substantive issues remain in all four main tax obligations including registration, filing, payment, and reporting of the IRD. Accordingly, the Government decided to intensify digitalized tax administration, and the digitalization process is expected to streamline tax collection, reduce inefficiencies, and improve compliance, ultimately bolstering the country's fiscal health. Hence, the main purposes of digitalizing the tax process are to increase accessibility, efficiency, and transparency to increase compliance rates while decreasing corruption and administrative costs by reducing human involvement.

Therefore, it is important to pursue tax policy reform and revenue administration measures together to raise revenue. However, sustained success requires institutional development and change should be implemented in a phased manner. Tax administration reform should include a sustained political commitment, visionary leadership for each revenue collecting agency who could work for 3-4 years continuously to implement a reform agenda, a dedicated team for each revenue collecting agency for administrative reforms, relevant training for the staff, additional resources for the tax administration for example information systems, reallocation of resources and change in incentives for tax administrators, taxpayer education, accounting and return processing, collection enforcement, auditing and legal services and appeals.

Box 4.1 | Tax Administration and Digitalization contd...

Recent Government Initiatives

The Sri Lankan government has implemented several measures to improve tax administration and digitalize its processes. These include;

- Encouraging electronic tax filing and electronic card transactions
- Upgrading IT systems in revenue departments
- Mandating compulsory registration of individuals in the tax system and issuing Tax Identification Numbers (TIN)

Tax reforms were made in May 2022, to reform the economic model and restore debt and economic stability. The new administration adopted a policy of zero tolerance for corruption and introduced the much-needed anti-corruption law in mid-2023. Under the tax reforms introduced in May 2022, corporate and personal income tax rates and VAT rates were increased; Excise Duty rates were increased; tax exemptions reduced; tax bases were broadened by rationalizing tax-free thresholds; mandatory withholding tax was re-introduced; Social Security Contribution Levy (SSCL) was introduced; and several tax administration measures were introduced including the mandatory e-filing. However, given the tax policy measures, further strengthening tax administration while fine-tuning tax policy measures would be required to ensure steady revenue growth to achieve the targeted tax-to-GDP ratio to 15 percent of GDP in the medium term. Hence, better tax compliance and strict enforcement would be critical to achieve the envisaged target.

Current Tax Administration Systems

Tax administration in Sri Lanka is conducted through three primary revenue agencies including the Inland Revenue Department (IRD), Sri Lanka Customs (SLC) and the Excise Department of Sri Lanka (EDSL). The IRD uses the Revenue Administration Management Information System (RAMIS) for taxpayer registration, return filing, assessment, appeals, and objections. The SLC utilizes the Automated System for Customs Data (ASYCUDA) to automate export-import process and procedure. Currently, the EDSL mostly operates manually and at present, an automated system is not operated at the EDSL.

Integrated Treasury Management Information System (ITMIS) and Electronic Government Procurement (eGP) System in Sri Lanka

The rollout of ITMIS in Sri Lanka aims to centralize Public Financial Management functions, including budget planning, revenue management, and expenditure management. As of December 2023, 164 out of 171 central government spending heads have started using ITMIS, with the remaining expected to join in 2024. The system's implementation is a key part of the government's fiscal reform initiatives, closely monitored by the IMF. Meanwhile, the Electronic Government Procurement (eGP) System enables the digitization of processes for procurement of goods, works, and services and the management of procurement contracts within government agencies.

Global Benchmark for International Best Practices:

Estonia: Estonia serves as a model for digitalization. Nearly all its public services are digitalized, including a highly efficient electronic tax filing system. Estonia's e-residency program and widespread use of electronic identity cards (e-IDs) for accessing various public services have significantly boosted its economic competitiveness and attracted foreign investments. The Organization for Economic Co-operation and Development (OECD) estimates that digital signatures save 2 percent of GDP of Estonia annually. Estonia's tax system is the most competitive among the OECD countries for the ninth year as per the Tax Competitive Index 2022.

Box 4.1 | Tax Administration and Digitalization contd...

India: India has a digital payment system named Unified Payment Interface (UPI) which allows access to multiple bank accounts in a single mobile application. UPI system introduced to Sri Lanka in February 2024 that enables Indian tourists to access UPI based payment systems in Sri Lanka for their financial transactions. It is expected to promote cross border merchant payments through this platform. Further, the Indian government issues an Aadhaar card for citizens, a biometric document that contains all the information of individuals in the database of the Indian Government. It is mandatory to Indian citizens to have a Permanent Account Number (PAN) card and an Aadhaar card to submit tax returns which will decrease tax evasion.

Georgia: Georgia introduced an electronic platform for tax administration around 2003 as an initial step to using IT solutions in tax administration. In 2010, they achieved considerable progress in digitalizing their tax administration process by developing a taxpayer's personal web portal, which allows electronic tax return filing, issuing VAT E-invoices, etc. Georgia's Revenue Service implemented measures to discourage tax return filing through paper forms, by making paper form submission a paid service by charging around 50 GEL per declaration which leads to increase an E-filing rate to 99 percent. Further, they took several measures such as encouraging electronic cash transactions, exchanging information between banks and tax administration and developing an electronic tool for tax debt collection. As per Georgian legislation, the state has the right to impose a tax lien/mortgage to secure outstanding tax liabilities from the property of the taxpayer.

Way Forward

To advance tax administration and digitalization in Sri Lanka, the focus must be on integrating modern technologies and implementing comprehensive reforms. Key initiatives should include the digitalization of tax processes to enhance efficiency, accessibility, and transparency, thereby improving compliance rates and reducing corruption. The Government continues to upgrade and intergrate IT systems across revenue departments including the General Treasury, promote online tax filing, and mandate electronic card transactions. Implementing mandatory e-filing and issuing Tax Identification Numbers will streamline tax collection and improve the accuracy of taxpayer data.

Adopting best practices from global benchmarks like Estonia, India, and Georgia including electronic identity systems and digital payment interfaces, will further enhance the digital infrastructure. Legislative reforms such as the Public Information Act and the Cyber Security Act are essential to support these technological advancements.

Ultimately, interlinking existing government IT systems and fostering a culture of compliance through tax education and enforcement will be vital. With a holistic approach and sustained political commitment, Sri Lanka can achieve a more efficient, transparent, and robust tax administration system, aligning with its vision for a digital economy by 2030.

4.3 Government Revenue Performance

The total Government revenue including grants notably increased by Rs. 1,061.7 billion to Rs. 3,074.3 billion in 2023. The ratio of direct to indirect taxes has exhibited a slight improvement,

shifting to 34:66 in 2023 from 30:70 in 2022. The improvement in the direct to indirect tax ratio represents a continuing positive direction of change in recent years from the 20:80 ratio that was characteristic of the past.

Table 4.3 | Estimated and Actual Revenue – 2023

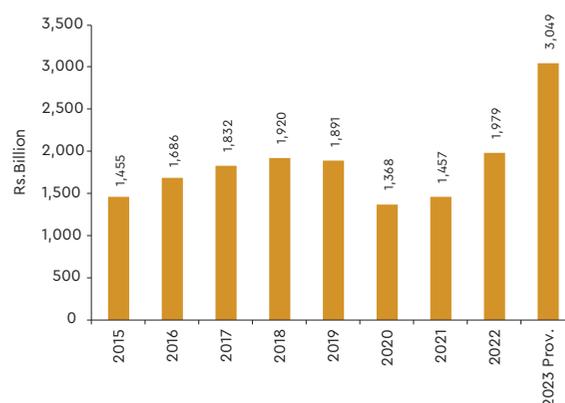
Item	Rs. Million		
	Rev. Estimate	Actual ^(a)	Deviation
Total Revenue	2,839,000	3,048,822	209,822
Tax Revenue	2,596,000	2,720,563	124,563
Department of Inland Revenue			
Tax on Income and Profit	863,500	911,355	47,855
VAT – Domestic (Net)	460,000	469,107	9,107
Nation Building Tax (Domestic)	–	68	68
Social Security Contribution Levy (Domestic)	162,000	164,915	2,915
Sub Total	1,485,500	1,545,446	59,946
Department of Customs			
Import Duty	88,000	105,120	17,120
VAT – Imports (Net)	220,500	225,353	4,853
Nation Building Tax (Import)	–	260	260
Social Security Contribution Levy (Import)	48,000	51,265	3,265
PAL	166,000	175,486	9,486
CESS Levy	53,000	57,184	4,184
Special Commodity Levy & Other	50,000	51,327	1,327
Excise Special Provisions			
Cigarettes	120,000	117,467	-2,533
Petroleum	114,000	143,642	29,642
Motor Vehicles & other	34,000	37,239	3,239
Sub Total	893,500	964,343	70,843
Department of Excise			
Liquor/Tobacco	182,000	171,274	-10,726
Sub Total	182,000	171,274	-10,726
Other			
Telecommunication Levy	17,500	17,304	-196
License Tax & Other	17,500	22,195	4,695
Sub Total	35,000	39,499	4,499
Non-Tax Revenue	243,000	328,259	85,259

Source: Department of Fiscal Policy
(a) Provisional

The tax revenue increased significantly by 55.4 percent to Rs. 2,720.6 billion in 2023 from Rs. 1,751.1 billion in 2022, primarily due to notable increases in revenue collection from income tax driven by the outperformance of APIT/PAYE and WHT, outstanding performance of taxes on goods and services including VAT and substantial revenue increase from SSCL. The tax revenue to GDP ratio increased to 9.8 percent in 2023 from 7.3 percent in 2022. The share of tax revenue to the total revenue also increased to 89.2 percent in 2023 from 88.5 percent in 2022.

Revenue from domestic consumption-based taxes increased by 57.1 percent to Rs. 927.5 billion in 2023 from Rs. 590.3 billion in 2022 mainly due to the increase in revenue from domestic VAT by Rs. 177.5 billion and domestic SSCL by Rs. 141.6 billion.

Figure 4.1 | Government Revenue



Source: Department of Fiscal Policy

Revenue mobilized from import-based taxes grew by 42 percent to Rs. 842.2 billion in 2023 from Rs. 593.0 billion in 2022 due to an increase in revenue collected from CID by 110.2 percent and import-VAT by 31.4 percent stemming from adjustments to tax rates.

Table 4.4 | Government Revenue

Rs. Million					
Item	2019	2020	2021	2022	2023 ^(a)
Tax Revenue	1,734,925	1,216,542	1,298,019	1,751,132	2,720,563
Income Tax	427,700	268,249	302,115	534,021	911,355
VAT	443,877	233,786	308,213	463,072	694,460
Nation Building Tax	70,672	2,351	434	413	328
Excise Duty	399,478	321,932	306,861	342,563	469,622
Import Duties	98,427	114,183	64,339	50,009	105,120
Ports & Airports Development Levy	112,174	115,442	154,125	180,595	175,486
Special Commodity Levy	70,364	82,709	55,828	40,194	51,327
Social Security Contribution Levy	-	-	-	36,111	216,181
Other	112,233	77,890	106,104	104,154	96,683
Non-Tax Revenue	155,974	151,417	159,052	228,052	328,259
Interest/ Rent	18,547	19,351	11,556	13,188	33,231
Profit and Dividends	27,857	17,624	30,591	28,092	75,701
Sales and Charge	73,884	47,370	42,645	90,050	146,566
Social Security Contribution	28,985	32,417	34,619	37,416	36,258
Central Bank Profit Transfers	-	24,009	15,012	30,007	1,029
Other	6,701	10,646	24,630	29,300	35,474
Total Revenue	1,890,899	1,367,960	1,457,071	1,979,184	3,048,822
As a % of GDP					
Tax Revenue	10.9	7.8	7.4	7.3	9.8
Income Tax	2.7	1.7	1.7	2.2	3.3
VAT	2.8	1.5	1.8	1.9	2.5
Nation Building Tax	0.4	...	...	...	...
Excise Duty	2.5	2.1	1.7	1.4	1.7
Import Duties	0.6	0.7	0.4	0.2	0.4
Ports & Airports Development Levy	0.7	0.7	0.9	0.8	0.6
Special Commodity Levy	0.4	0.5	0.3	0.2	0.2
Social Security contribution Levy	-	-	-	0.2	0.8
Other	0.7	0.5	0.6	0.4	0.3
Non-Tax Revenue	1.0	1.0	0.9	0.9	1.2
Interest/ Rent	0.1	0.1	0.1	0.1	0.1
Profit and Dividends	0.2	0.1	0.2	0.1	0.3
Sales and Charge	0.5	0.3	0.2	0.4	0.5
Social Security Contribution	0.2	0.2	0.2	0.2	0.1
Central Bank Profit Transfers	-	0.2	0.1	0.1	...
Total Revenue	11.9	8.7	8.3	8.2	11.0

Source: Department of Fiscal Policy

(a) Provisional

... Negligible

- not available

Revenue collected from taxes on external trade increased by 14.1 percent to Rs. 389.1 billion in 2023 from Rs. 341.1 billion in 2022. Revenue generated from SCL and CID increased by 73.4 percent to Rs. 156.4 billion in 2023 from Rs. 90.2 billion in 2022 owing to the upward revision of CID rates.

Non-tax revenue increased by 43.9 percent to Rs. 328.3 billion in 2023 from Rs. 228.1 billion in 2022 due to the increase in revenue from interest income owing to the upward revision of interest rates, profits and dividends, and fines, fees and charges parallel to the upward revision of the fees and charges of Department of Motor Traffic, Department of Immigration and Emigration and the Department of Registration of Persons.

Income Tax

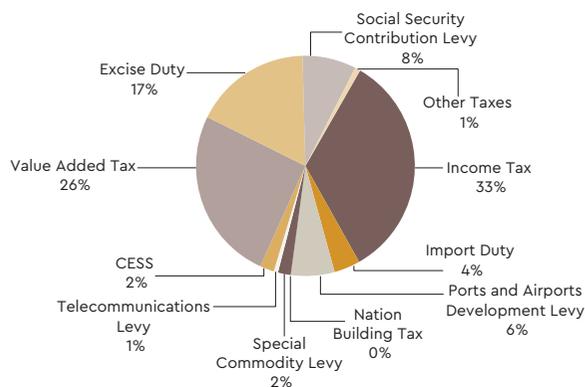
Revenue collection from income taxes increased significantly by 70.7 percent to Rs. 911.4 billion in 2023 from Rs. 534.0 billion in 2022. The revision of PIT and CIT tax streams and making APIT and WHT on employment income mandatory for all taxpayers were the main reasons to this surge. The realization of revenue from income tax was 105.5 percent of the envisaged annual estimate for 2023. Revenue from income tax as a percentage of tax revenue increased to 33.5 percent in 2023 from 30.5 percent in 2022. Corporate and non-corporate taxes considerably increased its revenue by 24.5 percent to Rs. 608.2 billion in 2023 from Rs. 488.4 billion in 2022.

Table 4.5 | Government Tax Revenue – By Source

Source	2022	2023 ^(a)	Rs. Million
			2022/2023 Change (%)
Income Tax	534,021	911,355	70.7
Domestic Consumption Based Taxes	590,315	927,544	57.1
VAT – Domestic	291,619	469,107	60.9
NBT – Domestic	352	68	-80.6
SSCL – Domestic	23,358	164,915	606.0
Tax on Liquor	165,188	170,260	3.1
Tax on Cigarettes /Tobacco	104,200	118,481	13.7
Other (Excise)	5,598	4,713	-15.8
Import Based Taxes	592,960	842,164	42.0
Import Duties	50,009	105,120	110.2
VAT – Import	171,452	225,353	31.4
NBT – Import	61	260	326.9
SSCL – Import	12,753	51,265	302.0
PAL	180,595	175,486	-2.8
SCL	40,194	51,327	27.7
CESS Levy	70,318	57,184	-18.7
Petroleum – Excise	53,074	143,642	170.6
Motor Vehicles – Excise	14,504	32,526	124.3
Licence and Other	33,836	39,500	16.7
Telecommunications Levy	14,995	17,304	15.4
Other	18,841	22,195	17.8
Total Tax Revenue	1,751,132	2,720,563	186.6

Source: Department of Fiscal Policy
(a) Provisional

Figure 4.2 | Composition of Tax Revenue – 2023



Source: Department of Fiscal Policy

In nominal terms, revenue generated from PAYE/APIT increased notably by 467.4 percent to Rs. 145.0 billion in 2023 from Rs. 25.5 billion in 2022 due to the implementation of mandatory APIT collection and increased incremental tax rates of employees who exceeded the minimal threshold level. Revenue collected from WHT also recorded a significant increase of 696 percent to Rs. 157.9 billion in 2023 from Rs. 19.8 billion in 2022 due to the re-imposition of mandatory WHT on employment income (PAYE), re-imposition of mandatory WHT for dividends, interest or discount paid and rent payments/service payment (exceeding Rs. 100,000 per month). The realization of revenue

from WHT was 105.3 percent of the estimate for 2023. Despite the above increases, revenue from Capital Gain Tax decreased to Rs. 2.7 billion in 2023 from Rs. 5.3 billion in 2022 reflecting the subdued performance in the real estate sector.

Value Added Tax (VAT)

In nominal terms, revenue from VAT increased significantly by 50.0 percent to Rs. 694.5 billion in 2023 from Rs. 463.1 billion in 2022 mainly due to the increase in VAT rate and the reduction of the VAT registration threshold in the latter part of 2022. VAT revenue from both domestic activities and imports increased in 2023. Revenue collected from VAT on domestic activities increased by 60.9 percent to Rs. 469.1 billion in 2023 from Rs. 291.6 billion in 2022 while VAT revenue from imports increased by 31.4 percent to Rs. 225.4 billion in 2023 from Rs. 171.5 billion in 2022. However, the implications of VAT reforms are not fully reflected in the increased revenue of VAT on imports due to the continuation of a majority of import restrictions during most of 2023.

VAT revenue as a percentage of total tax revenue decreased slightly to 25.5 percent in 2023 from 26.4 percent in 2022 while VAT revenue as a percentage of GDP increased notably to 2.5 percent in 2023 from 1.9 percent in 2022.

Table 4.6| Value Added Tax Revenue

Item	Rs. Million					
	2018	2019	2020	2021	2022	2023 ^(a)
Domestic	283,327	275,089	150,823	185,918	292,293	469,768
Imports	179,163	169,914	85,727	122,766	171,478	225,401
Gross Revenue	462,490	445,003	236,550	308,684	463,771	695,169
Refunds	840	1,126	2,764	471	699	709
Net Revenue	461,651	443,877	233,786	308,213	463,072	694,460
Net Revenue as a % of GDP	3.0	2.8	1.5	1.8	1.9	2.5

Source: Department of Fiscal Policy
(a) Provisional

Social Security Contribution Levy (SSCL)

The SSCL is charged at the rate of 2.5 percent on liable turnover from importers, manufacturers, service providers and wholesalers and retailers, whose turnover exceeds Rs. 120.0 million per annum with effect from October 01, 2022. The revenue from SSCL increased significantly to Rs. 216.2 billion in 2023 from Rs. 36.1 billion in 2022 reflecting full revenue impact in 2023. SSCL revenue as a percentage of total tax revenue is 7.9 percent in 2023.

Excise Duty

Total revenue from Excise Duty experienced a notable increase of 37.1 percent in 2023. This increase was primarily driven by the heightened revenue mainly from petroleum products and motor vehicles compared to 2022 with the increase of rates of Excise Duty in respective products in 2023. Revenue collected from Excise Duty on petroleum products increased due to upward adjustments in rates and increased volumes as economic stability was gradually re-established, allowing usage quotas administered by the QR system to be phased out. Excise duty on motor vehicles increased mainly due to allowing migrant workers to import motor vehicles as an incentive for their contribution to increase foreign remittances of Sri Lanka.

The revenue collected from Excise Duty as a percentage of GDP increased to 1.7 percent in

2023 from 1.4 percent in 2022 due to the increased revenue from all major categories of excisable articles. In nominal terms, revenue from Excise Duty witnessed a substantial rise of 37.1 percent to Rs. 469.6 billion in 2023 compared to Rs. 342.5 billion in 2022. In contrast, the contribution of Excise Duty revenue declined to 17.3 percent of total tax revenue in 2023 from 19.6 percent in 2022 as other tax measures such as income tax and VAT grew at a faster rate. However, Excise Duty has further secured its position as the third largest contributor to government revenue with the realization of the Excise Duty collection of 104.4 percent of the annual estimated revenue in 2023.

The revenue collected from Excise Duty on liquor increased only by 3.1 percent to Rs. 170.3 billion in 2023 from Rs. 165.2 billion in 2022. However, the production of alcohol declined by 17.5 percent to 34.0 million absolute liters in 2023 from 41.2 million absolute liters in 2022. This reflects the importance of further strengthening tax administration, particularly implementing a proper monitoring system to address the issues in the security features and security features management system (tax stamps).

Revenue from Excise Duty on motor vehicles exhibited a remarkable increase of 124.3 percent to Rs. 32.5 billion in 2023 from Rs. 14.5 billion in 2022 as a result of the relaxation of temporary

Table 4.7 | Excise Duty Revenue

Item	Rs. Million					
	2018	2019	2020	2021	2022	2023 ^(a)
Liquor	113,944	115,443	120,990	138,637	165,188	170,260
Cigarettes	92,198	87,367	94,345	88,539	104,160	117,467
Motor Vehicles	204,081	130,378	48,760	18,113	14,504	32,526
Petroleum Products	66,318	61,740	53,111	55,339	53,074	143,642
Other	7,701	4,549	4,727	6,234	5,598	4,713
Total	484,242	399,478	321,932	306,861	342,523	468,608

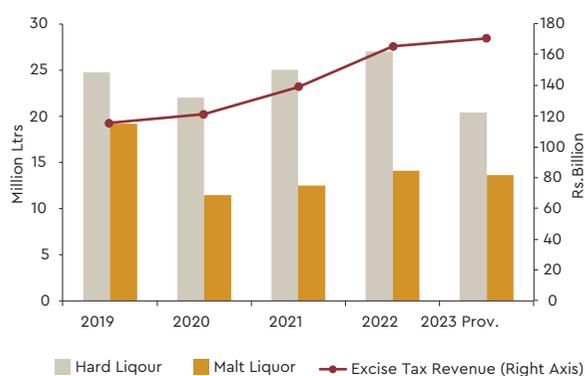
Source: Department of Fiscal Policy
(a) Provisional

Table 4.8 | Structure of the Amendment of the Excise Duty on Liquor

Liquor Category	Previous Duty per Absolute Litre (Rs.) (from July 01, 2023)	New Duty per Absolute Litre (Rs.) (From January 01, 2024)	Increase as a Percentage
Special Arrack	6,000	6,840	14
Molasses/ Palmyra/ Coconut Arrack	6,420	7,320	
Country made Foreign Liquor	6,600	7,525	
Beer (Strength – Less than 5%)	4,750	5,415	
Strong Beer (Strength – more than or equal to 5%)	4,980	5,680	
Wine	4,750	5,415	
Sake	1,300	1,480	
Milk Punch	3,300	3,760	
Cider	3,600	4,105	

Source: Department of Fiscal Policy

Figure 4.3 | Liquor Production and Excise Tax Revenue



Source: Department of Fiscal Policy and Department of Excise

Figure 4.4 | Cigarette Production and Excise Duty Revenue



Source: Department of Fiscal Policy and Department of Excise

importation restrictions on certain vehicle categories. Revenue from cigarettes notably increased by 12.8 percent to Rs. 117.5 billion in 2023 from Rs. 104.2 billion in 2022 primarily due to the upward revision of Excise Duty on cigarettes implemented on January 01 and July 01, 2023. However, the sales of cigarettes declined by 18.5 percent to 2,303.2 million sticks in 2023 from 2,825.3 million sticks in 2022.

The revenue derived from Excise Duty applicable on petroleum products increased substantially by 170.6 percent to Rs. 143.6 billion in 2023 from Rs. 53.1 billion in 2022. This notable uptick is mainly driven by the heightened importation of refinery products and crude oil during the period concerned. Meanwhile, the revenue from Excise Duty on other excisable items, including

Table 4.9 | 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
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	105.9	53.3	80.0	39.9
2016	55.6	7.3	52.2	-58.5	3,789	-7.9	120.8	14.1	88.8	11.0
2017	46.9	-15.5	71.1	36.3	3,149	-16.9	113.7	-5.9	86.0	-3.2
2018	25.3 ^(a)	-46.1	11.4 ^(a)	-84.0	3,150	0.0	113.9	0.2	92.2	7.2
2019	24.7	-2.4	19.1	67.9	2,622	-16.8	115.4	1.3	87.4	-5.2
2020	22.0	-10.9	11.4	-40.4	2,287	-12.8	121.0	4.9	94.3	8.0
2021	25.0	13.6	12.5	9.6	2,384	4.3	138.6	14.6	88.5	-6.2
2022	27.0	8.0	14.1	12.8	2,825	18.5	165.2	19.2	104.2	17.6
2023	20.4	-24.3	13.6	-3.5	2,303	-18.5	170.3	3.1	118.5	13.8

 Source: Department of Fiscal Policy, Department of Customs and Department of Excise
 (a) After the 2017 Hard Liquor & Malt Liquor Production is Absolute items.

sweetened beverages, refrigerators, palm oil, and fatty acids, etc. declined by 15.8 percent to Rs. 4.7 billion in 2023 from Rs. 5.6 billion in 2022. This decline was largely attributed to the import restrictions on non-essential products, which remained effective until the third quarter of 2023.

Custom Import Duty (CID)

Revenue from Custom Import Duty (CID) increased by 110.2 percent to Rs. 105.1 billion in 2023 from Rs. 50.0 billion in 2022 mainly due to upward revision of CID rates from 0:10:15 percent to 0:15:20 percent to accommodate the proposed phasing out of para-tariffs with effect from March 28, 2023 and the policy reversal for partial removal of import restrictions on essential and intermediary goods. The revenue from CID outperformed in 2023, reporting 119.5 percent of the annual estimate.

Special Commodity Levy (SCL)

Revenue collection from SCL increased notably by 27.7 percent to Rs. 51.3 billion in 2023 from Rs. 40.2 billion in 2022 due to a notable growth in the quantity of imports of essential commodities such as sugar, lentils and big onions. Revenue from SCL outperformed in 2023, surpassing the annual estimate for 2023 by 2.7 percent. However, the Government has passed through the benefit of the Rupee appreciation during the year to consumers without fully adjusting the SCL to capture the exchange gains.

Ports and Airports Development Levy (PAL)

Revenue generated from the PAL decreased marginally by 2.8 percent to Rs. 175.5 billion in 2023 from Rs. 180.6 billion in 2022. This was mainly attributable to the removal of PAL applicable to 1,631 HS codes (tariff items) with effect from April 03, 2023 as part of the program action of Development Loan Policy Program of the World Bank for the removal of PAL within five years in equal installment commencing from the year 2023. Around 4100 HS code items which represent about 50 percent of the total items applicable for the PAL have been removed by the end of year 2023. Petroleum oils including petrol and diesel, mineral in bituminous substances, Oil-cake and other solid residues, cereals and fertilizers are the five major items contributed for the PAL revenue in the year 2023.

Commodity Exports Subsidy Scheme Levy (CESS)

The revenue generated from the CESS on imports and exports declined notably by 18.7 percent to Rs. 57.2 billion in 2023 from Rs. 70.3 billion in 2022. This downturn was primarily attributable to the import reduction resulting from the government's implementation of restrictive policies aimed at curtailing non-essential imports along with the government's decision to phase out CESS (para tariffs) within a three-year period starting from 2023. Revenue collected from the CESS Levy on imports decreased by 19.2 percent to Rs. 55.0 billion in 2023 from Rs. 68.1 billion in 2022. Lubricating oils (Base oils) utilized for the production of lubricant oils were the principal

Table 4.10 | CESS Revenue from International Trade and Government Subsidy for Agriculture Sector Development : 2021-2023

Rs. Million							
Description	2021	2022	2023 ^(a)	Description	2021	2022	2023 ^(a)
CESS on Exports	2,223	2,243	2,229	Commercial Crop Development	24,056	64,074	55,961
Tea-under Tea (Tax and Control of Export) Act, Sri Lanka Tea Board Law	482	465	523	Tea	1,177	462	686
Rubber-under Rubber Replanting Subsidy Act	8	10	7	Rubber	897	652	655
Coconut-under Coconut Development Act	180	189	186	Coconut	322	213	450
EDB Cess- under Sri Lanka Export Development Act	1,553	1,579	1,513	Cashew	64	29	-
CESS on Imports	73,320	68,076	54,955	Minor Export Crops (Cinnamon, Cocoa, Coffee, Pepper)	361	241	388
Imports- under Sri Lanka Export Development Act	73,320	68,076	54,955	Fertilizer Subsidy for Total Agriculture Sector Development	21,235	62,477	53,782
Total	75,543	70,318	57,184	Total	24,056	64,074	55,961

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

contributor of the revenue generated from import CESS in 2023. Further, Portland cement, woven fabrics, and tyres have become other major contributors to the CESS revenue. Revenue from export CESS marginally declined to Rs. 2.22 billion in 2023 from Rs. 2.24 billion in 2022. Key products contributed for export CESS revenue were tea, and, coconut. The realization of revenue collected from CESS was 107.9 percent of the annual estimate of Rs. 53 billion for 2023.

Other Taxes

Telecommunication Levy (TL): Revenue generated from the Telecommunication Levy increased by 15.4 percent to Rs. 17.3 billion in 2023 from Rs. 15.0 billion in 2022 due to the continuing growth in telecommunication services during the year 2023 and residual impacts of rate adjustments in mid-2022.

Embarkation Levy (EL): Revenue collected from the embarkation levy increased by 74.5 percent to Rs. 38.8 billion in 2023 from Rs. 22.2 billion in 2022 benefiting from the recovery of the tourism sector in Sri Lanka as tourist arrivals increased significantly following the stabilization of the economy.

Betting and Gaming Levy (BG): Total revenue collected from Betting and Gaming levy increased notably by 41.5 percent to Rs. 7.4 billion in 2023 from Rs. 5.2 billion in 2022. This was due to the recovery of tourist arrivals in Sri Lanka, the increase in travel and entertainment activities, and the revenue measures imposed including annual fee and entrance fee for Sri Lankan citizens who enters such place of business of Gaming with effect from April 01, 2023. In addition, several measures were imposed to streamline the Betting and Gaming industry by introducing

regulations for online gaming and increasing annual levy payable by a person carrying on the business of a bookmaker and on the business of Gaming.

Revenue from casinos also gained Rs. 2 billion in 2023 mainly due to the collection of increased amounts of Casino registration fee imposed in 2022 by the Gazette notification No 2295/10 issued under the Casino Business (Regulation) Act, No. 17 of 2010, but completely implemented effective from 2023.

Non-Tax Revenue

In nominal terms, non-tax revenue increased significantly by 43.9 percent to Rs. 328.3 billion in 2023 from Rs. 228.1 billion in 2022. This reflects the increase in revenue collection from fines, fees and charges by 62.8 percent to Rs. 146.6 billion in 2023 from Rs. 90.1 billion in 2022. This was attributable to the upward revision of fees and charges of the Department of Motor Traffic, the Department of Immigration and Emigration and the Department of Registration of Persons. Accordingly, non-tax revenue as a percentage of GDP increased to 1.2 percent in 2023 from 0.9 percent in 2022. Meanwhile, non-tax revenue from interest income increased notably by 258.3 percent to Rs. 26.2 billion in 2023 from Rs. 7.3 billion in 2022 due to the increase of interest rates. Profits and dividends from State Owned Enterprises (SOEs) also increased by 169.5 percent to Rs. 75.7 billion in 2023 from Rs. 28.1 billion in 2022. Revenue from Social Security Contributions decreased marginally by 3.1 percent to Rs. 36.3 billion in 2023 from Rs. 37.4 billion in 2022. Meanwhile, other sources of nontax revenue increased by 21.1 percent to Rs. 35.5 billion in 2023 from Rs. 29.3 billion in 2022.

Table 4.11 | Non Tax Revenue

Item	2022	2023 ^(a)	2022/2023 (% change)	Rs. Million
				2023 (% of Total Non Tax Revenue)
Interest/Rent	13,188	33,231	152.0	10.1
Profits and Dividends	28,092	75,701	169.5	23.1
Sales and Charges	90,050	146,566	62.8	44.6
Social Security Contribution	37,416	36,258	-3.1	11.0
Central Bank Profit Transfers	30,007	1,029	-96.6	0.3
Other	29,300	35,474	21.1	10.8
Total	228,052	328,259	43.9	100.0

Source: Department of Treasury Operations, Department of State Accounts and Department of Fiscal Policy
(a) Provisional

Table 4.12 | Variance Analysis of Government Revenue

Rs. Billion					Major Reasons for Variance
Item	2022	2023 Est.	2023 Revised Est.	2023 ^(a)	
Income Taxes	534.0	912.0	863.5	911.4	<p>Revenue collection from income taxes increased mainly due to the policy changes implemented with regard to Personal Income Tax and Corporate Income Tax.</p> <p>No variance from the 2023 budget estimate is observed as 99.9 percent of the estimate has been achieved. Revenue collection overperformed in comparison to the revised budget.</p>
Value Added Tax (VAT)	463.1	908.0	680.5	694.5	<p>The significant increase in VAT revenue was mainly due to the realization of the full impact from</p> <ul style="list-style-type: none"> - the increased VAT rate from 8 percent to 12 percent effective from June 01, 2022 and from 12 percent to 15 percent effective from September 01, 2022; and - the reduction of VAT registration threshold to Rs. 80 million per annum from Rs. 300 million with effect from October 01, 2022. <p>Only 76.5 percent of the 2023 budget estimate has been realized due to</p> <ul style="list-style-type: none"> - the continuation of import restrictions until October 2023 which led to a realization of 63.5 percent of the estimate for VAT on imports; and - the earlier-than-expected reduction of the pace of inflation.
Excise Duty	342.5	560.0	450.0	469.6	<p>Revenue collection from Excise Duty increased by 37.1 percent due to</p> <ul style="list-style-type: none"> - the increase of Excise Duty on the importation of all types of Petrol and Diesel by Rs. 25 per litre with effect from January 01, 2023 followed by a second increase of Rs. 25 per litre with effect from June 01, 2023; - the increase in motor vehicle imports owing to the allowing the importation of electric vehicles for migrant workers and relaxation of temporary importation restrictions on certain vehicle categories; and - Revision of Excise Duty rate on cigarettes and liquor in January as well as July 2023. <p>Only 83.9 percent of the 2023 budget estimate has been reached.</p> <ul style="list-style-type: none"> - decrease of production of liquor and decrease of sales of cigarettes; and - the continuation of import restrictions on motor vehicles (only 56.1 percent of the annual estimate could be reached).
Import Duties	50.0	80.0	88.0	105.1	<p>Revenue from Import Duty showed a significant increase of 110.2 percent due to</p> <ul style="list-style-type: none"> - the upward revision of CID rates from 0 percent, 10 percent, and 15 percent to 0 percent, 15 percent, and 20 percent with effect from March 29, 2023; and - the increase in CID rates on milk powder, wheat flour, and wheat grain. <p>Revenue collection from import duties achieved 131.4 percent of the 2023 budget estimate due to the impact of increased rates.</p>
Port and Airport Development Levy (PAL)	180.6	220.0	166.0	175.5	<p>Revenue collection from PAL declined by 2.8 percent mainly due to the exemption of 20 percent on total PAL liable items effective from April 4, 2023 as a part of the phasing out of para-tariff.</p> <p>Only 79.8 percent of the 2023 budget estimate was realized</p> <ul style="list-style-type: none"> - due to the continuation of most import restrictions until October, 2023; and - impact of the exemption of items under phasing out of para-tariff.
Special Commodity Levy (SCL)	40.2	70.0	50.0	51.3	<p>The revenue from the Special Commodity Levy increased by 27.7 percent due to</p> <ul style="list-style-type: none"> - the upward revision of duty rates on sugar and maize, - introducing SCL on eggs; and - the increased volume of imports in major commodity items. <p>Only 73.3 percent of the budget estimate was realized due to the continuation of most import restrictions until October, 2023.</p>

Table 4.12 | Variance Analysis of Government Revenue contd...

Item	2022	2023 Est.	Rs. Billion		Major Reasons for Variance
			2023 Revised Est.	2023 ^(a)	
Social Security Contribution Levy (SSCL)	36.1	250.0	210.0	216.2	The Revenue from the Social Security Contribution Levy (SSCL) increased by 498.7 percent due to the realization of the full impact of the Levy which was introduced effective from October 1, 2022. The revenue collection from SSCL marks a realization of 86.5 percent of the 2023 budget estimate as revenue from SSCL on imports only achieved 80.1 percent of the 2023 budget estimate.
Other Taxes	104.6	130.0	88.0	97.0	The revenue collection from other taxes declined by 7.3 percent due to the decline of revenue from CESS Levy by 18.7 percent due to the removal of applicable CESS rates on 2,618 items with effect from March 29, 2023 under the phasing out of para-tariff; Increased revenue from the Telecommunication Levy and the increase of revenue from other motor vehicle taxes helped narrow the deviation.
Non Tax Revenue	228.1	278.0	243.0	328.3	The revenue yield from non-taxes increased by 43.9 percent due to the increased revenue performance of fines, fees, and charges, profit and dividends from State Owned Enterprises and, interest income. Non-tax revenue has realized 118.1 percent of 2023 budget estimate.
Total	1,979.2	3,408.0	2,839.0	3,048.8	

Compiled by the Department of Fiscal Policy
(a) Provisional

Box 4.2 | Major Fiscal Measures: January 2023 – April 2024

Effective Date	Measures
Inland Revenue (Amendment) Act, No. 45 of 2022	
01.01.2023	Personal Income Tax
	Taxable income per annum
	First Rs. 1,200,000 – Exempt
	Rs. 500,000- Rs. 1,000,000 – 6%
	Rs. 1,000,000- Rs. 1,500,000 – 12%
	Rs. 1,500,000- Rs. 2,000,000 – 18%
	Rs. 2,500,000- Rs. 3,000,000 – 24%
	Rs. 3,000,000- Rs. 3,500,000 – 30%
	Above Rs. 3,500,000 – 36%
01.01.2023	Withholding Tax (WHT)
	WHT Rates
	Dividend – 15%
	Interest or Discount paid – 5%
	Rent payments exceeding Rs. 100,000 p.m. – 10%
	Service payments Rs. 100,000 p.m – 5%
	In all other cases – 14%
Inland Revenue (Amendment) Act, No. 14 of 2023	
01.04.2023	- To increase the income tax rate applicable to the Employees Trust Fund, an approved provident or pension fund, or an approved termination fund up to 30% and the income tax rate applicable to the funds which effectively participate in the process of domestic Debt optimization to continue as 14%.
Betting and Gaming Levy – Betting and Gaming Levy Act, No. 40 of 1988	
01.04.2023	Betting and Gaming Levy (Amendment) Act, No. 11 of 2023
	i. To remove the restriction on registration for new Casinos which are licensed under the Casino Business (Regulation) Act, No. 17 of 2010, with the Inland Revenue Department, to pay the levies imposed under the B & G Act.
	ii. To increase the Gross Collection Levy on the turnover from 10% to 15%.
	iii. To reduce the Casino Entrance Levy from USD 100 (This has not been collected up to now) to USD 50 or equivalent in Sri Lankan Rupees from every citizen of Sri Lanka who enters such place of business of gaming.
	iv. To increase the amount of Annual Levy payable by a person carrying on the Business of Gaming from Rs. 200 million to Rs. 500 million for every year commencing on or after April 01, 2023.
	v. To increase the Annual Levy payable by a person carrying on the business of a bookmaker for every year commencing on or after April 01, 2023 as follows;
	□ through an agent from Rs. 4 million to Rs. 5 million
	□ with the use of live telecast facilities from Rs. 600,000 to Rs.1,000,000
	□ without the use of live telecast facilities from Rs. 50,000 to Rs. 75,000
	vi. To redefine the terms of "bookmaker" and "gaming" to include online activities.
	vii. To redraft relevant sections of the B & G Act to give references to other Acts currently in effect.

Box 4.2 | Major Fiscal Measures: January 2023 – April 2024 contd...
Inland Revenue (Amendment) Act, No. 04 of 2023

08.05.2023	<ul style="list-style-type: none"> i. To make electronic tax filing mandatory for personal income taxpayers. ii. To streamline the refund process and expedite the refunding of amounts paid in excess of the tax liability by resident individuals. iii. To discourage cash transactions. Payment in aggregate to Rs. 500,000/= or more in a day, or in a single transaction or in a single event will not be allowed to deduct as expenses for tax purpose. iv. Obligating financial institutions etc to submit taxpayer transaction information at the individual level to the Inland Revenue Department (IRD). v. Exemption of amounts derived by a non-resident person from engaging in a project of the Government of Sri Lanka.
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Income Tax- Amendments to the Inland Revenue Act, No. 24 of 2017

01.06.2023	<p>Gazette Notification No. 2334/21 of 31.05.2023</p> <ul style="list-style-type: none"> - To introduce compulsory tax registration at the IRD for all residents who are above 18 Years of age without considering their annual income and tax free thresholds, as proposed in Interim Budget Speech 2022. - Mandatory registration for professionals of 14 categories, except for those who have already been registered under the Inland Revenue Act, No. 24 of 2017. - Any individual who does not belong to any of the aforementioned categories, but is of 18 years or more as at of 31 December 2023 is required to register with IRD with effect from 01 January 2024. - Any individual who will be attaining the age of 18 years on or after January 01, 2024 is required to register with IRD, after attaining the age of 18 years.
01.04.2024	<p>Gazette Notification No. 2376/25 of 21.03.2024</p> <ul style="list-style-type: none"> - To prescribe the information to be shared on a regular basis to the Commissioner General of Inland Revenue (CGIR) by persons including Government Institutions.

Casino Business (Regulation) Act, No.17 of 2010

12.01.2024	<p>Gazette Notification No. 2366/33 of 12.01.2024</p> <ul style="list-style-type: none"> - To substitute section 05 of the Casino Business Licensing Regulation No.01 of 2022 and to incorporate a schedule II amending the license fee and license renewal fee structures given therein.
02.02.2024	<p>Gazette Notification No. 2369/42 of 02.02.2024</p> <ul style="list-style-type: none"> - To amend the investment criteria associated with the License fees and license renewal fees given in Schedule II of the regulation.
22.04.2024	<p>Gazette Notification No. 2381/16 of 22.04.2024</p> <ul style="list-style-type: none"> - To amend Sinhala translation errors in Extraordinary Gazette Notification No. 2366/33 dated January 12, 2024, and the Extraordinary Gazette Notification No. 2369/42 dated February 02, 2024.

Box 4.2 | Major Fiscal Measures: January 2023 – April 2024 contd...
Social Security Contribution Levy(SSCL) – Social Security Contribution Levy Act, No.25 of 2022

08.09.2023	Social Security Contribution Levy (Amendment) Act, No.15 of 2023 <ol style="list-style-type: none"> 1. To amend Part IA of the First Schedule to the Social Security Contribution Act (SSCL) to exempt the following items from SSCL; <ol style="list-style-type: none"> i. Any motor vehicle liable to the excise duty under the Excise (Special Provisions) Act, No. 13 of 1989 on the importation in considering excise duty is a composite tax introduced to simplify the tax structure. ii. Equipment used by differently-abled persons to lower the tax burden on such persons. iii. Rough unprocessed gem stones imported for re-exporting after cut and polishing to maintain the competitiveness of such Sri Lankan business in the global market by lowering the tax burden. iv. Any items sold at duty- free shops, similar to other import taxes. v. Rice manufactured out of locally produced paddy to ease the rising cost of living. 2. To amend item i of Part II of the First Schedule to the SSCL Act to exempt generation and supply of electricity other than supply of electricity under a distribution licence from SSCL. 3. To amend Part II of the First Schedule to the SSCL Act to exempt services provided by any General Sales Agent holding an Air Transport Service Licence issued under Section 97 of the Civil Aviation Act from SSCL considering thin profit margins of general sales agents.
01.01.2024	Social Security Contribution Levy (Amendment) Act, No.15 of 2024 <ul style="list-style-type: none"> - To reduce the registration threshold applicable for Social Security Contribution Levy (SSCL) to Rs. 60 million per annum from Rs. 120 million per annum.

Value Added Tax (VAT)- Value Added Tax Act, No. 14 of 2002

01.01.2023	Value Added Tax (Amendment) Act, No. 44 of 2022 <ul style="list-style-type: none"> - To remove VAT exemption on Condominium Residential Apartments.
01.01.2024	Gazette Notification No. 2363/22 of 19.12.2023 <ul style="list-style-type: none"> - To increase the VAT rate from 15 percent to 18 percent.
01.01.2024	Value Added Tax (Amendment) Act, No. 32 of 2023 <ul style="list-style-type: none"> - To remove vast majority of VAT exemptions applicable on major items.
01.01.2024	Value Added Tax (Amendment) Act, No. 16 of 2024 <ul style="list-style-type: none"> - To reduce VAT registration threshold to Rs. 60 million per annum from Rs. 80 million per annum.

Excise (Special Provisions) Duty – Excise (Special Provisions) Act, No. 13 of 1989

01.01.2023	Gazette Notification No. 2312/68 of 31.12.2022 <ul style="list-style-type: none"> - To assign Excise Duty applicable the newly created/ subdivided and amended HS codes accomodating the 2022 HS code revision implemented by Sri Lanka Customs. - To increase Excise Duty applicable on Petroleum Products. - To increase Excise Duty applicable on Cigarettes.
01.06.2023	Gazette Notification No. 2334/23 of 31.05.2023 <ul style="list-style-type: none"> - To increase the Excise (Special Provision) Duty rate applicable on fuel (Petrol and Diesel) by Rs. 25/- per liter each.

Box 4.2 | Major Fiscal Measures: January 2023 – April 2024 contd...

17.06.2023	Gazette Notification No. 2336/69 of 16.06.2023 - To impose an Excise (Special Provision) Duty on Palmitic Acid (HS Code 2915.70.10) and Lauric Acid (HS Code 2915.90.10) used in soap manufacturing of 29% of CIF value.
01.07.2023	Gazette Notification No. 2338/58 of 30.06.2023 - To increase the Excise Duty on all varieties of Cigarettes by 20 percent in line with the IMF Extended Fund Facility Programme.
01.01.2024	Gazette Notification No. 2364/36 of 31.12.2023 - To revise all excisable articles with unit rates excise duty by 14% based on an indexation and to reduce the excise duty on Petrol per litre by Rs 5, and on Diesel per litre by Rs 6.
Excise (Ordinance) Duty – Excise Ordinance (Chapter 52)	
03.01.2023	Excise Notification No.07/2022 (Gazette Notification No. 2312/70 of 31.12.2022) - To Increase the Duty on Liquor
17.06.2023	Excise Notification No.01/2023 (Gazette Notification No. 2336/70 of 16.06.2023) - To increase the current limits of Isopropyl Alcohol that can be kept in possession with and without license.
01.07.2023	Excise Notification No.02/2023 (Gazette Notification No. 2338/57 of 30.06.2023) - To increase the Excise Duty on all varieties of liquor by 20 percent in line with the IMF Extended Fund Facility Programme.
09.12.2023	Excise Notification No.03/2023 (Gazette Notification No. 2361/44 of 08.12.2023) - To maintain one opening and one closing time for all types of Excise licenses with the objective to reduce the increasing costs associated with inspection enforcing closing times for Excise licenses.
01.01.2024	Excise Notification No.04/2023 (Gazette Notification No. 2364/35 of 31.12.2023) - To increase Excise Duties on all varieties of liquor by 14 percent with the purpose of introducing an annual inflation adjustment for Excise Duty.
12.01.2024	Excise Notification No.01/2024 (Gazette Notification No. 2366/38 of 12.01.2024) - To revise Annual Excise License fees
12.01.2024	Excise Notification No.02/2024 (Gazette Notification No. 2366/39 of 12.01.2024) - To amend the provisions in Excise Notification No. 902.
01.02.2024	Excise Notification No.03/2024 (Gazette Notification No. 2369/32 of 01.02.2024) - To revise Annual Excise License Fees and introduce one time fee to the industry entry.
Tobacco Tax – Tobacco Tax Act, No. 08 of 1999	
01.01.2023	Gazette Notification No. 2312/71 of 31.12.2022 - To impose a tax on beedi of Rs. 2 per stick.
Customs Surcharge – Customs Ordinance (Chapter 235)	
05.01.2023	Gazette Notification No. 2313/35 of 04.01.2023 - To reissue the existing orders which have contained HS Codes 2017 version with the new HS version of 2022.

Box 4.2 | Major Fiscal Measures: January 2023 – April 2024 contd...

01.06.2023	Gazette Notification No. 2334/28 of 31.05.2023 - To reissue the Gazette Notification No. 2308/16 of 30.11.2022 to continue to the surcharge as a percentage of the Custom Import Duty on selected goods for another six months period till December 31, 2023.
Ports and Airports Development Levy – Ports and Airports Development Levy Act, No. 18 of 2011	
01.01.2023	Gazette Notification No. 2312/67 of 31.12.2022 - To assign PAL applicable the newly created / subdivided and amended HS Codes accommodating the 2022 HS Code revision implemented by Sri Lanka Customs.
04.04.2023	Gazette Notification No. 2326/02 of 03.04.2023 - To exempt PAL applicable on 1631 tariff lines as the first step of the five-year phasing out of PAL as per the proposal in Budget 2023.
22.09.2023	Gazette Notification No. 2350/45 of 21.09.2023 - To Impose PAL applicable on the importation of milk powder by 10% which was exempted since August 2021.
01.01.2024	Gazette Notification No. 2364/37 of 31.12.2023 - To exempt PAL on 26 essential items including Petrol, Diesel, and Fertilizers as PAL has to be phased out completely within five (05) years in accordance with the 2023 budget proposal No. 34.6 (Phasing-out of Para Tariffs).
29.03.2024	Gazette Notification No. 2377/39 of 28.03.2024 - To apply concessionary rates to 3,117 items and to exempt 595 items at the time of importation of such goods from Singapore as per the provisions of Sri Lanka – Singapore Free Trade Agreement (SLSFTA).
CESS Levy – Sri Lanka Export Development Act, No. 40 of 1979	
01.01.2023	Gazette Notification No. 2312/76 of 01.01.2023 - To assign CESS levy applicable the newly created/subdivided and amended HS Codes accommodating the 2022 HS Code revision implemented by Sri Lanka Customs.
29.03.2023	Gazette Notification No. 2325/06 of 28.03.2023 - To reduce CESS levy on 2,668 HS Codes out of 8,155 HS Codes as the first step of phasing out CESS levy within three years as proposed in Budget 2023.
17.06.2023	Gazette Notification No. 2336/71 of 16.06.2023 - To increase CESS levy on importation of Portland cement and impose CESS of Rs. 1 per kg on importation of Clinkers.
22.07.2023	Gazette Notification No. 2341/63 of 21.07.2023 - To grant exemption of Cess Levy on importation of raw materials for local printing ink manufacturing to eliminate tariff anomaly.
06.01.2024	Gazette Notification No. 2365/50 of 04.01.2024 - To publish Tariff Liberalization Program (TLP) related to the CESS Levy under the Sri Lanka – Singapore Free Trade Agreement (SLSFTA).
CESS Levy – Securities & Exchange Commission of Sri Lanka Act, No.19 of 2021	
31.01.2023	Gazette Notification No. 2316/32 of 26.01.2023 - To impose a CESS levy of 0.006% on the value of Repurchase Transaction (REPO) in corporate debt securities which are carried out on the Over The Counter (OTC) platform of the Colombo Stock Exchange.

Box 4.2 | Major Fiscal Measures: January 2023 – April 2024 contd...
Non Tax (Fees and Charges) – Securities & Exchange Commission of Sri Lanka Act, No.19 of 2021

01.02.2024	Gazette Notification No. 2366/34 of 12.01.2024 - To revise the fees and charges charged by the Securities and Exchange Commission for Market Intermediaries and Market Institutions.
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Customs Import Duty (CID) – Revenue Protection Act, No. 19 of 1962

01.01.2023	Revenue Protection Order No. 07/2022 (Gazette Notification No. 2312/75 of 01.01.2023) - To update the HS Code System every 5 years to facilitate the legitimate international trade flows. Sri Lanka has a total of 7,842 HS Codes in 08 Digits. However, due to the HS Code 2022 Version, the total HS Codes has increased to 8155 HS Codes.
29.03.2023	Revenue Protection Order No. 01/2023 (Gazette Notification No. 2325/07 of 28.03.2023) - To increase CID rate for specific items to maintain revenue neutrality due to reduction of CESS Levy by 20 percent by revision of the three-band tariff system of the Customs Import Duty from 0%, 10% and 15% to 0%, 15% and 20%.
17.06.2023	Revenue Protection Order No. 02/2023 (Gazette Notification No. 2336/72 of 16.06.2023) - To create new HS Codes (National Sub Divisions) for Palmitic Acid and Lauric Acid and to impose a duty structure on the same as the duty structure of Palm oil Fatty Acid to facilitate the local Cosmetic Industry.
01.07.2023	Revenue Protection Order No. 03/2023 (Gazette Notification No. 2338/54 of 30.06.2023) - To remove first installment out of the six annual installments under the category "6" of the Tariff Liberalization Programme (TLP) of the Customs Import Duty on 1,238 Tariff Lines under Sri Lanka Singapore Free Trade Agreement (SLSFTA).
22.07.2023	Revenue Protection Order No. 04/2023 (Gazette Notification No. 2341/64 of 21.07.2023) - To introduce 5 percent concessionary rate of CID on importation of raw materials for local printing ink manufacturing to eliminate tariff anomaly.
30.08.2023	Revenue Protection Order No. 05/2023 (Gazette Notification No. 2347/06 of 29.08.2023) - To increase import duty on importation of Wheat Flour of 15 percent or Rs. 16 per kg to 20 percent or Rs. 27 per kg.
06.01.2024	Revenue Protection Order No. 06/2023 (Gazette Notification No. 2365/51 of 04.01.2024) - To remove second installment out of the six annual installments under the category "6" of the Tariff Liberalization Programme (TLP) of the Customs Import Duty on 1,222 Tariff Lines under Sri Lanka Singapore Free Trade Agreement (SLSFTA).

Special Commodity Levy (SCL) – Special Commodity Levy Act, No. 48 of 2007

05.01.2023	Gazette Notification No. 2313/34 of 04.01.2023 - To reissue the existing orders which have contained HS Codes 2017 Version with the new HS Version of 2022.
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Box 4.2 | Major Fiscal Measures: January 2023 – April 2024 contd...

26.01.2023	Gazette Notification No. 2316/28 of 25.01.2023 - To facilitate local animal feed manufacturing industry and the concession was extended subject to consignments of Maize reaching ports on or before January 15, 2023 on the recommendation of Secretary, Ministry of Agriculture.
21.02.2023	Gazette Notification No. 2320/04 of 20.02.2023 - To introduce a SCL of Rs.50/- per egg on importation of eggs and to grant concessionary rate of only Rs.1/- per egg for State Trading Cooperation(STC) to make available the eggs at reasonable price for the Bakery Industry.
04.03.2023	Gazette Notification No. 2321/76 of 04.03.2023 - To extend the validity period of SCL imposed on Black Gram, Cowpea, Kurakkan and Millet for another one-year period in order to ensure better price for local farmers.
08.03.2023	Gazette Notification No. 2322/20 of 07.03.2023 - To increase SCL to Rs.50/- on importation of Potatoes in order to encourage the local farmers by ensuring a reasonable market price for their harvest.
08.03.2023	Gazette Notification No. 2322/21 of 07.03.2023 - To apply concessionary rate of Rs.1/kg for importation of dates to be received as donation or gifts in Ramazan Festival Season.
18.03.2023	Gazette Notification No. 2323/40 of 17.03.2023 - To apply concessionary rate of Rs.200/kg for importation of frozen whole egg liquid subject to the recommendation of Secretary to the Ministry of Trade , Commerce and Food Security.
18.05.2023	Gazette Notification No. 2332/14 of 17.05.2023 - To extend the validity period and to increase SCL of 25 cents to Rs.65 per kg on importation of rice, and to impose SCL of Rs.75 per kg for importation of maize and grant duty waiver of Rs.50 per Kg for importation of maize for the production of Thripasha and to extend validity period of other 34 items as same duty rate.
21.05.2023	Gazette Notification No. 2332/53 of 20.05.2023 - To continue a SCL of Rs.50/- per egg on importation of eggs and to grant concessionary rate of only Rs.1/- per egg for State Trading Cooperation(STC) to make available eggs at reasonable price for the Bakery Industry.
23.06.2023	Gazette Notification No. 2337/16 of 22.06.2023 - To grant concessionary rate of Rs.200/kg for importation of frozen whole egg liquid subject to the recommendation of Secretary to the Ministry of Trade, Commerce and Food Security by considering the Food Policy Committee Decision.
14.07.2023	Gazette Notification No. 2340/45 of 13.07.2023 - To remove concessions granted on importation of maize considering the difference on import price and tender price for production of thripasha and applied normal duty structure.
01.08.2023	Gazette Notification No. 2343/11 of 31.07.2023 - To extend the validity period for 6 items and continue duty waiver on importation of salt for the purpose of manufacturing pharmaceuticals and revise the HS Codes liable to duty waiver on importation of fish varieties as sail fish, marlin fish and queen fish.

Box 4.2 | Major Fiscal Measures: January 2023 – April 2024 contd...

18.08.2023	Gazette Notification No. 2345/64 of 17.08.2023 - To introduce concessionary SCL duty rate of Rs 25 for importation of maize and revise the duty rate on importation of black gram and green gram.
21.08.2023	Gazette Notification No. 2346/16 of 21.08.2023 - To continue a SCL of Rs.50/- per egg on importation of eggs and to grant concessionary rate of only Rs.1/- per egg for State Trading Cooperation (STC).
08.09.2023	Gazette Notification No. 2348/44 of 08.09.2023 - To continue a duty on importation of Potatoes with considering the recommendations from Ministry of Agriculture and Ministry of Trade, Commerce and Food Security.
14.10.2023	Gazette Notification No. 2353/77 of 14.10.2023 - To extend the validity period of prevailing SCL duty on importation of fish, maldive fish, lentils, mangoesteen and kiwi fruit for a period of one year and extend the duty waiver for importation of mackerel fish for the use of local canned fish Industry.
02.11.2023	Gazette Notification No. 2356/20 of 01.11.2023 - To increase the SCL rate on Sugar from 25 Cents per kg to Rs. 50/- per kg.
01.12.2023	Gazette Notification No. 2360/52 of 30.11.2023 - To continue the SCL Duty on importation of 09 commodities for another one year period and to continue a concessionary SCL duty rate of Rs 10/- for importation of B' Onions and Rs. 200/- on canned fish till December 31, 2024.
02.01.2024	Gazette Notification No. 2365/04 of 02.01.2024 - To grant duty waiver of Rs. 64/- per Kg on importation of rice with effect from 02.01.2024 to 21.01.2024.
08.01.2024	Gazette Notification No. 2365/84 of 07.01.2024 - To continue a SCL duty on importation of Potatoes until December 31, 2024.
20.02.2024	Gazette Notification No. 2372/06 of 19.02.2024 - To extend the validity period of prevailing SCL duty on importation of Maize, Black Gram and Green Gram whereas to increase the SCL rate on Cowpea and Kurakkan from Rs.70/- per kg to Rs. 300/- per kg.
02.03.2024	Gazette Notification No. 2373/42 of 01.03.2024 - To grant duty waiver of Rs.199/- per kg for the importation of dates considering the Ramadan Festive season till April 11, 2024.
27.03.2024	Gazette Notification No. 2377/17 of 26.03.2024 - To apply concessionary SCL duty rate of Rs.10/kg for the importation of Rose Onion considering the Festive season till April 30, 2024 and to extend the duty waiver of Rs. 64/- per Kg for the importation of Rice for the period of 02.01.2024 to 21.01.2024.
Imports & Exports (Control) Regulations – Imports and Exports (Control) Act, No. 01 of 1969	
01.01.2023	Imports & Exports (Control) Regulations No.01 of 2023 (Gazette Notification No. 2312/77 of 01.01.2023 - To consolidate Import Control License.

Box 4.2 | Major Fiscal Measures: January 2023 – April 2024 contd...

01.01.2023	Imports & Exports (Control) Regulations No.02 of 2023(Gazette Notification No. 2312/78 of 01.01.2023 - To consolidate Temporary Suspension.
19.01.2023	Imports & Exports (Control) Regulations No.03 of 2023 (Gazette Notification No. 2315/46 of 19.01.2023 - To amend the Regulations on Payment Terms.
22.02.2023	Imports & Exports (Control) Regulations No.04 of 2023 (Gazette Notification No. 2320/46 of 22.02.2023 - To amend the Regulations on Payment Terms.
22.02.2023	Imports & Exports (Control) Regulations No.05 of 2023 (Gazette Notification No. 2320/47 of 22.02.2023 - To amend Import and Export Control Regulations.
24.03.2023	Imports & Exports (Control) Regulations No.06 of 2023 (Gazette Notification No. 2324/45 of 24.03.2023 - To amend exhaust emission and safety measures/ standard regulations.
06.04.2023	Imports & Exports (Control) Regulations No.07 of 2023 (Gazette Notification No. 2326/40 of 06.04.2023 - To amend the Import Control Regulations on Payment Terms.
01.06.2023	Imports & Exports (Control) Regulations No.08 of 2023 (Gazette Notification No. 2326/41 of 06.04.2023 - To impose regulations of single use plastic items.
10.06.2023	Imports & Exports (Control) Regulations No.09 of 2023 (Gazette Notification No. 2335/26 of 09.06.2023 - Goods, classified under the HS Codes as described in the Schedule deleted from the Schedule I of the Imports and Exports (Control) Regulations No. 02 of 2023.
14.06.2023	Imports & Exports (Control) Regulations No.10 of 2023 (Gazette Notification No. 2336/45 of 14.06.2023 - To include Import Control License on wheat flour.
20.07.2023	Imports & Exports (Control) Regulations No.11 of 2023 (Gazette Notification No. 2341/38 of 20.07.2023 - Goods, classified under the HS Codes as described in the Schedule deleted from the Schedule I of the Imports and Exports (Control) Regulations No. 02 of 2023.
14.08.2023	Imports & Exports (Control) Regulations No.12 of 2023 (Gazette Notification No. 2345/03 of 14.08.2023 - To consolidate Temporary Suspension on Motor Vehicles used for transport passengers, goods and on special purpose motor vehicles. (Only valid for 1 month from 14.08.2023)
29.08.2023	Imports & Exports (Control) Regulations No.13 of 2023 (Gazette Notification No. 2347/08 of 29.08.2023 - To remove the license requirement of wheat flour. This was imposed by the Gazette Notification No. 2336/45 of 14.06.2023.
09.10.2023	Imports & Exports (Control) Regulations No.14 of 2023 (Gazette Notification No. 2353/16 of 09.10.2023 - Goods, classified under the HS Codes as described in the Schedule deleted from the Schedule I of the Imports and Exports (Control) Regulations No. 02 of 2023.

Box 4.2 | Major Fiscal Measures: January 2023 – April 2024 contd...

11.01.2024	Imports & Exports (Control) Regulations No.01 of 2024 (Gazette Notification No. 2366/19 of 11.01.2024 - To allow importation of selected motor vehicles, which were temporarily suspended, to fulfil specific requirements of several Government Institutions.
07.02.2024	Imports & Exports (Control) Regulations No.02 of 2024 (Gazette Notification No. 2370/15 of 07.02.2024 - To extend the period allowed importing fully electric vehicles for Sri Lankans working abroad by amending regulation, No. 12 (a) issued by Imports & Exports (Control) Regulations No.02 of 2023 (published in the Gazette Extraordinary No. 2312/78)
19.02.2024	Imports & Exports (Control) Regulations No.03 of 2024 (Gazette Notification No. 2372/04 of 19.02.2024 - To allow importation of selected spices (e.g., pepper, nutmeg, and mace, etc.) for processing and re-exporting purposes by an approved enterprises.
29.02.2024	Imports & Exports (Control) Regulations No.04 of 2024 (Gazette Notification No. 2373/28 of 28.02.2024 - To remove regulation No. 6 of Import & Export Control Regulation pertains to the prior endorsement requirement of the DP and DA payment terms.
19.03.2024	Imports & Exports (Control) Regulations No.05 of 2024 (Gazette Notification No. 2376/14 of 19.03.2024 - To allow importation of selected motor vehicles, which were temporarily suspended, to fulfil specific requirements of several Government Institutions.
08.04.2024	Imports & Exports (Control) Regulations No.06 of 2024 (Gazette Notification No. 2379/03 of 08.04.2024 - To issue Import Control Regulation (ICL) relate to import of total quantity of 2,000 metric tons of Black gram classified and listed out in the Schedule V of the Regulations.
Embarkation Levy – Finance Act, No. 25 of 2003	
12.01.2023	Gazette Notification No. 2314/16 of 11.01.2023 - To collect Embarkation Levy from passengers leaving from Sri Lanka by ships. Regulations have not been imposed to collect embarkation levy for ships since the Embarkation Levy imposed in 2003. Therefore, introduce regulations to collect Embarkation Levy for passengers leaving Sri Lanka by a flight as well as a ship.
25.04.2023	Gazette Notification No. 2329/19 of 25.04.2023 - To continue the deduction of 50% from the applicable rate of USD 60 (i.e. upto USD 30), for the embarkation levy for another period of one year from April 25, 2023 to March 26, 2024 for the airlines commencing operations of scheduled flights at Colombo International Airport Ratmalana (CIAR).
25.07.2023	Gazette Notification No. 2342/24 of 25.07.2023 - To continue the deduction of 50% from the applicable rate of USD 60 for a period of another six (06) months with effect from July 25, 2023 for flights commencing operations from Jaffna International Airport (JIA).
01.02.2024	Gazette Notification No. 2369/27 of 01.02.2024 - To grant a extension of one year, a concessionary rate of USD 30 on Embarkation Levy from the applicable levy of USD 60 for person leaving Sri Lanka by Aircraft for the flights commencing operations from CIAR and JIA.

Box 4.2 | Major Fiscal Measures: January 2023 – April 2024 contd...

07.03.2024	Gazette Notification No. 2374/19 of 06.03.2024 - To grant a concessionary rate of USD 05 on the Embarkation Levy for person leaving Sri Lanka by Ferry and USD 20 for the person leaving Sri Lanka by cruise from the applicable levy of USD 60 for period of around three years with effect from March 07, 2024 to December 31, 2026.
International Telecom Operators Levy – Finance Act, No. 11 of 2004	
01.01.2023	Gazette Notification No. 2312/80 of 01.01.2023 - To extend the rate of levy payable on incoming international calls, incoming international calls on Specific Telephone Numbers (STN), Incoming Local Access Charge (ILAC), Telecommunication Development Charge (TDC) and Outgoing Local Access Charge (OLAC) for further two years from January 01, 2023 to December 31, 2024.
Luxury Tax on Motor Vehicle – Finance Act, No.35 of 2018	
01.01.2023	Gazette Notification No. 2312/69 of 31.12.2022 - To assign Luxury Tax applicable the newly created/ subdivided and amended HS codes accomodating the 2022 HS code revision implemented by Sri Lanka Customs.
10.02.2023	Gazette Notification No. 2318/53 of 10.02.2023 - To increase Luxury tax-free threshold of fully electric vehicles from Rs. 6 million to Rs. 12 million for migrant workers importing electric cars.
31.05.2023	Gazette Notification No. 2334/24 of 31.05.2023 - To extend the period of consideration of remittances, establishment of Letters of Credit (LCs) and Registration of Motor vehicles published in the Extraordinary Gazette No. 2318/53 of 10.02.2023 (increase of tax free threshold of fully electric motor vehicles from Rs. 6 million to Rs.12 million for migrant workers)
13.07.2023	Gazette Notification No. 2340/42 of 13.07.2023 - To determine the disposal mechanism for vehicles imported by either diplomats or diplomatic organizations on 100% duty-free basis on the basis of used years.
24.01.2024	Gazette Notification No. 2368/24 of 24.01.2024 - To further extend the period of consideration for remittance, opening of Letters of Credit (LCs), and registration of vehicles published in the Extraordinary Gazette No. 2318/53 of 10.02.2023 (increase of tax fee threshold of fully electric motor vehicles from Rs. 6 million to Rs. 12 million for migrant workers).

05

Government
Expenditure

5.1 Overview

The government's expenditure has ranged between 18 percent and 21 percent of GDP in recent years, which is not excessive in comparison to global and regional standards. Most of this expenditure is required for mandatory payments such as interest expenditure (8.9 percent of GDP in 2023), salaries and wages (3.4 percent of GDP in 2023), and essential payments to households including pensions (3.3 percent of GDP in 2023), which cannot be easily reduced in the short term.

Nonetheless, the Government has undertaken numerous expenditure control measures in order to optimise efficiency, productivity, and value for money from government spending. Several circulars were issued by the National Budget Department in 2022 and 2023 outlining these expenditure management measures – subsequently, NBD circular 01/2024 consolidating the measures within a single circular. The circular outlines discipline relating to expenditure on over-time payments, transport and fuel allowances, government events, among others. Cadre management has been carefully carried out with a view to filling essential carder positions and maximising productivity to deliver public services. Capital expenditure is managed with greater prudence, particularly in terms of prioritisation and ensuring value for money.

The Government introduced zero based budgeting frameworks for 10 key spending agencies. The learnings from this process were published and built into the 2024 budget call. The Government has been also expanding digitisation of expenditure management, particularly through the roll-out of the Integrated Treasury Management Information System (ITMIS) which will significantly improve commitment controls and expenditure management at a centralised level. E-procurement is also being expanded with a view to enhancing price discovery and transparency. Overall efforts to enhance digitisation of public service delivery are expected to improve productivity and reduce costs in government functions.

These reform measures have had positive impacts thus far. For instance, government expenditure on public sector salaries has declined from 5.1 percent of GDP in 2020 to 3.4 percent of GDP in 2023. The expenditure on national security¹ declined from 2.9 percent of GDP in 2010 to 1.7 percent of GDP in 2023.

¹ Expenditure heads of the Ministry of Defence, Army, Navy, Air Force, but excluding Disaster Management Head, Civil Security, and Coast Guard.

5.2 Government Expenditure in 2023

In 2023, Government expenditure increased by 19.8 percent to Rs. 5,356.6 billion from Rs. 4,472.6 billion in 2022, reflecting the increased expenditure for interest payments, subsidies and transfers, and goods and services. Recurrent expenditure increased by 33.5 percent to Rs. 4,699.7 billion in 2023 from Rs. 3,519.6 billion in 2022, whereas capital expenditure and net lending declined to Rs. 656.9 billion in 2023 from Rs. 952.9 billion in 2022.

The increase in recurrent expenditure was led by the increase in expenditure for interest payments by 56.9 percent to Rs. 2,455.6 billion in 2023 from Rs. 1,565.2 billion in 2022 mainly due to the increased domestic interest payment by 62.3 percent. The non-interest recurrent expenditure increased by 14.8 percent to Rs. 2,244.1 billion in 2023 from Rs. 1,954.4 billion in 2022. This was mainly driven by the increase in expenditure for goods and services and subsidies and transfers. Reflecting the higher nominal costs resulting from elevated inflation during the crisis, the expenditure on goods and services increased significantly with a growth of 63.9 percent to Rs. 299.7 billion in 2023 from Rs.182.9 billion in 2022. Expenditure on subsidies and transfers increased by 23.2 percent to Rs. 1,004.9 billion in 2023 from Rs. 815.4 billion in 2022 stemming from the increase in expenditure for welfare payments, other welfare programmes such as in-kind subsidies for school children and other nutritional programmes, and pensions. However, expenditure on salaries and wages declined by 1.7 percent to Rs. 939.5 billion in 2023 from Rs. 956.2 billion in 2022 due to the limitation of new recruitment of personnel to the public service whilst continuing to fulfill public service obligations through optimization of efficiency.

Capital expenditure increased by 27.7 percent to Rs. 913.6 billion in 2023 from Rs. 715.4 billion in 2022. However, net lending component declined by 208.1 percent to Rs. minus 256.7 billion in 2023 from Rs. 237.5 billion in 2022, reflecting the repayment of on-lending from the Ceylon Petroleum Corporation (CPC) related to the Indian Credit Line.

As a percentage of GDP, government expenditure increased by 0.8 percentage points to 19.4 percent in 2023 from 18.6 percent in 2022 led by the increase in recurrent expenditure to 17.0 percent of GDP in 2023 from 14.6 percent of GDP in 2022. This was attributable to the increase in interest payments as a percentage of GDP to 8.9 percent in 2023 from 6.5 percent of 2022. Non-interest

Box 5.1 | Public Expenditure Review Committees (PERC)

With the aim of strengthening the fiscal consolidation and economic recovery process of the country, the Zero-Based Budgeting Concept was introduced in the year 2023 and the Cabinet of Ministers at its meeting held on February 06, 2023 decided to establish 10 Public Expenditure Review Committees (PERC) with the participation of public and private sector experts to rationalize the government expenditure of the following 10 key Ministries.

1. Ministry of Agriculture
2. Ministry of Defense
3. Ministry of Education
4. Ministry of Health
5. Ministry of Irrigation
6. Ministry of Plantation Industries
7. Ministry of Public Administration, Home Affairs, Provincial Councils and Local Government
8. Ministry of Public Security
9. Ministry of Transport and Highways
10. Ministry of Urban Development and Housing

The PERC reviewed all programmes/ projects which are being implemented by the above line Ministries and ascertained whether the core activities were in accordance with the mandate of a particular line Ministry. Accordingly, the Committees have submitted their reports with short, medium and long-term recommendations that to be implemented by each Ministry. The Cabinet of Ministers has approved implementing such recommendations by the Secretary of the relevant line Ministry. The reports were tabled in Parliament on 13th November 2023 for the guidance and support of the Hon Members of Parliament in implementing the recommendations. The key common recommendations made by the Committees are given below.

- a) Conducting activities relates to core functions of the Ministry and gradually assigning the irrelevant tasks to appropriate institutions.
- b) Implementing development programmes and projects by departments and institutions under the coordination of the Ministry.
- c) Resource sharing within and among the institutions.
- d) Consulting relevant government entities and reaching agreements prior to the commencement of activities of development projects.
- e) Conducting independent monitoring and evaluations on outcomes and performances of at least on mega-projects and taking necessary corrective actions.
- f) Merging entities/divisions that perform similar activities.
- g) Reviewing all subsidy programmes for their feasibility and reorganizing essential beneficiaries to work together with the Welfare Benefits Board.
- h) Conducting institution level self-cadre review to deploy staff only for the core functions of the concerned institution and abolish positions which the functionality could be replaced or duplicated and no longer required.
- i) Updating the delivery charges of the government services to reflect the cost of delivery.

recurrent expenditure remained unchanged at 8.1 percent of GDP both in 2022 and 2023 with the decline in expenditure for salaries and wages to 3.4 percent in 2023 from 4.0 percent in 2022 and the increase in expenditure for subsidies and transfers to 3.6 percent in 2023 from 3.4 percent in 2022 and the increase in expenditure for goods and services to 1.1 percent in 2023 from 0.8 percent in 2022. As a percentage of GDP capital expenditure and net lending declined to 2.4 percent of GDP in 2023 from 4.0 percent in 2022 with the increase in capital expenditure to 3.3 percent in 2023 from 3.0 percent in 2022 and the decline in net lending to minus 0.9 percent in 2023 from 1.0 percent in 2022.

5.3 Appropriation Act for 2023

The Appropriation Bill for 2023 was tabled in Parliament on October 18, 2022 and approved on December 08, 2022. The Bill was subsequently passed as the Appropriation Act, No. 43 of 2022.

According to the Appropriation Act, the total government expenditure was estimated as Rs. 7,886 billion which included Rs. 2,445 billion for recurrent expenditure, Rs. 1,220 billion for capital expenditure, Rs. 3,665 billion for debt servicing (interest payments and amortization) and Rs. 6 billion for Advance Account activities. Those provisions were allocated among 182 Expenditure Heads. The summary of three schedules included in the Appropriation Act, No. 43 of 2022 is detailed in Table 5.1. As per Section 2(1) (b) of the Act, the Government borrowing limit for 2023 was Rs. 4,429 billion, compared to the Rs. 3,200 billion in 2022.

5.4 Supplementary Estimates

A supplementary allocation of Rs. 231.5 billion was approved by the Parliament on 09.11.2023 to facilitate the restructuring of the balance sheets of Ceylon Electricity Board and SriLankan Airlines, as per the government's agreement with the

International Monetary Fund under the Extended Fund Facility.

Further Supplementary Estimate of Rs. 20 billion was approved by the Parliament on November 15, 2023 in order to fulfill the provisions necessary for Medical Supplies and to address other essential commitments. However, the total expenditure estimate remained unaffected subsequent to this supplementary allocation since an equivalent amount of provisions under the Ministry of Health was simultaneously frozen.

In order to provide additional allocation for Diets and Uniforms of the Sri Lanka Army, another Supplementary Estimate of Rs. 16.5 billion was approved at Parliament on December 11, 2023. An equivalent amount of provisions was also frozen to ensure that there was no impact on the total expenditure estimate.

Special Law Warrants as Supplementary Allocations

In terms of the powers vested with the Minister of Finance by virtue of the Constitution, two (02) Special Law Warrants were issued to authorize the withdrawal of money from the Consolidated Fund, enabling the meeting of additional fund requirements of the government that had been recognized as Special Law Services, in the Schedule 2 of the Appropriation Act, No. 43 of 2022, as tabulated in Table 5.2.

5.5 Revised Budget for 2023

The budgetary allocations approved by Parliament were revised with the issuance of two Special Law Warrants and Special Warrants by the Minister of Finance, Economic Stabilization and National Policies. As such, Table 5.3 indicates the total budgetary allocation in 2023, after revising the budget to account the above mentioned two Special Law Warrants.

Table 5.1 | Schedules of the Appropriation Act for 2023

Rs. Billion		
Schedule	Description	Act, No. 43 of 2022
First Schedule	Expenditure of General Services of the Government by Programme	3,658
Second Schedule	Expenditure of the Government, authorized by law and to be charged on the Consolidated Fund	4,222
Third Schedule	Expenditure related to Advance Account Activities	6
Total Government Expenditure		7,886

Source : Department of National Budget

Table 5.2 | Issued Special Law Warrants in 2023

Authority No.	Expenditure Head No.	Institution	Purpose/Objective	Amount (Rs.)
1	249	Department of Treasury Operations	To make the necessary technical adjustments/ accounting adjustments to facilitate the restructuring process of debt	9,000,000,000,000
2	249	Department of Treasury Operations	to account the discounts on Treasury Bills and Treasury Bonds	565,000,000,000

Source: Department of National Budget

Table 5.3 | Total budgetary allocations applicable for 2023

Authority Source	Recurrent	Capital/Debt Amortization	Total
1 st Schedule of Appropriation Act, No.43 of 2022	2,432,000,000,000	1,225,265,638,000	3,657,265,638,000
2 nd Schedule of Appropriation Act , No.43 of 2022	2,202,263,362,000	2,019,970,000,000	4,222,233,362,000
3 rd Schedule of Appropriation Act, No.43 of 2022			6,000,000,000
Supplementary Estimates approved by Parliament	36,500,000,000	231,500,000,000	268,000,000,000
Freed Allocation in order to provide Supplementary Allocations	(25,500,000,000)	(11,000,000,000)	(36,500,000,000)
Special Law Warrants issued by the Minister of Finance	565,000,000,000	9,000,000,000,000	9,565,000,000,000
FR transactions occurred from Recurrent to Capital	(9,446,332,042)		
Total Revised Budget	5,200,817,029,958	12,475,181,970,042	17,681,999,000,000

5.6 Advance Account Activities

Advance Account Activities are the activities of commercial nature, conducted by Government Ministries and Departments. The major activity is to provide advances and loans to public officers. The actual expenditure of the Advance Account Activities of the year 2023 was Rs. 40.74 billion, against the estimated maximum expenditure ceiling of Rs. 61.64 billion. Accordingly, the Advance Account Activities were well within the approved total expenditure limits of the Appropriation Act, No. 43 of 2022. However, the minimum receipts limit could not be realized in year 2023. The actual total receipts were Rs. 39.81 billion, against the estimated minimum receipts of Rs. 55.64 billion. Compared to year 2022, a 14 percent drop in the receipt of advance account activities was recorded in 2023. This drop was mainly due to the suspension of credit facilities to staff officers by the National Budget Circular 03/2022 which was effective until the end of 2023. Further, the difficulty in identifying the exact cadre under each expenditure head as a result of the Cabinet reshuffle that took place around the time of preparation of budget estimates has also impacted negatively on the performance of Advance Account Activities.

5.7 Public Expenditure Management

5.7.1 Transfer of Funds

The Section 5 of the Appropriation Act, No. 43 of 2022, empowered Secretary to the Treasury, Deputy Secretary to the Treasury, Director General of the Department of National Budget to grant approval to reallocate or transfer unutilized provisions under the Virement procedure specified in Financial Regulation No. 66 to 69 (FR 66 to FR 69) from the original object code to another object code for which allocation is required, within the expenditure limit approved by Parliament to each Expenditure Head. In 2023, National Budget Department granted approval for 1,383 of such FR 66 and 69 transfer applications amounting to Rs. 134.1 billion.

5.7.2 Reallocation of Provisions under the Project "Supplementary Support Services and Contingent Liabilities"

The "Supplementary Support Services and Contingent Liabilities" project under the Expenditure Head 240 - Department of National Budget, continued to facilitate unforeseen, unexpected or urgent additional fund requirements of spending agencies in 2023. Accordingly, in line with the guidelines specified

in printed Annual Budget Estimates 2023, Rs. 301.6 billion was reallocated (transferred) to other spending agencies as supplementary allocations for 2023. A summary of such allocation is detailed in Table 5.4. As per the Fiscal Management (Responsibility) Act, No. 03 of 2003, reports related to these additional

allocations were tabled in Parliament in terms of the Section 6 of the Appropriation Act, No 43 of 2022. In addition, the details of all such transfers have been incorporated into the Final Budget Position Report (Annual Report) as per the Fiscal Management (Responsibility) Act, No. 03 of 2003.

Table 5.4 | Ministry-wise summary of additional allocations from 01.01.2023 to 31.12.2023

Rs.				
Head No	Ministry/ Department/ Spending Unit	Purpose	Recurrent	Capital
1	His Excellency the President	To transfer the provisions under the Department of National Planning to the Presidential Secretariat as per the decision to carry out the functions of the Country Strategic Programme of World Food Programme (2023-2027) through the Presidential Secretariat with effect from the year 2023, to account the grant received under the World Food Programme, to incur essential recurrent expenditure.	696,300,000	3,875,700,000
2	Office of the Prime Minister	To settle outstanding bills, to account the donations received from the People's Republic of China for the welfare of school students.	-	125,500,000
8	National Police Commission	To meet the shortfall of provisions pertaining to increased duties and responsibilities of the National Police Commission consequent to the assignment of appointment, transfer, promotion and disciplinary activities of police officers to the Commission through 21 st Amendment to the Constitution, to meet the shortfall of provisions for rehabilitation and improvement of vehicles.	-	5,050,000
10	Commission to Investigate Allegations of Bribery or Corruption	To utilize and account the grant fund provided by United Nations Development Programme for the Europe-Sri Lanka Justice Reform Programme.	-	61,783,720
13	Human Rights Commission of Sri Lanka	To utilize and account the grant funds received from United Nations Development Programme for the Europe-Sri Lanka Justice Reform Programme, to utilize and account grant funds received from the United Nations International Children's Emergency Fund for the project of EU-Sri Lanka Justice Reform.	-	17,686,749
19	Office of the Leader of the Opposition of Parliament	To meet the shortfall of provisions pertaining to the expenditure arising out of the new appointment of two Deputy Opposition Whips of parliament as per the Cabinet decision; CP No.22/2118/602/020 dated 31.01.2023.	22,500,000	-
21	National Audit Office	To meet the expenditure of newly established Audit Service Commission, to purchase a core-switch for the computer network of National Audit Office, to provide provisions for the "World Bank Sri Lanka Public Finance Management Strengthening Project" to be implemented under a grant facility.	48,700,000	31,100,000
25	Delimitation Commission	to make provisions to meet expenditure pertaining to allowances, other expenses and preserving documents of Delimitation Committees as per the Cabinet Decision No. 22/1869/605/031 dated 05-12-2022, to meet the expenditure pertaining to paying allowances and incurring other expenses of Delimitation Committee of Delimitation of wards of Local Authorities as per the Cabinet Decision No 23/0478/605/025 dated 03.04.2023, to meet the expenses of urgent vehicle repairs.	9,141,060	500,000
101	Ministry of Buddha Sasana, Religious and Cultural Affairs	To meet the expenditure of construction work of the Amaradewa Asapuwa, expenditure of Project on Scientific Documentation and Conservation of the Exposed artifacts of the Godawaya Wooden Shipwreck under USAF for Cultural Reservation, expenditure of "Spiral Staircase Conservation Project - Sigiriya" funded by UNESCO, to account the constructions of "Faculty of Kandyan Dancing at Pallekelle" under "the Sri Dalada Maligawa Cultural Heritage project".	-	54,672,023

Table 5.4 | Ministry-wise summary of additional allocations from 01.01.2023 to 31.12.2023 Contd...

Rs.				
Head No	Ministry / Department / Spending Unit	Purpose	Recurrent	Capital
102	Ministry of Finance, Economic Stabilization and National Policies	To make installment payment of the ongoing Management Information System project of Sri Lanka Accounting and Auditing Standards Monitoring Board (SLAASMB), to meet operational expenditure of the newly established National Agency for Public Private Partnership (NAPPP) Unit, to meet the consultancy charges payable to Surbana Jurong (Pvt) Limited as per Cabinet Decisions No. 23/0855/601/032 dated 08.05.2023 and Cabinet Decisions No. 23/0856/601/033 dated 08.05.2023, to facilitate the public awareness campaign on the Extended Fund Facility and its on-going achievement in Sri Lanka, to make payments for the month of July, pertaining to the beneficiaries of "Aswesuma Social Welfare Benefit Programme", in terms of the Cabinet Decision No. 23/1417/601/047 dated 31.07.2023, to obtain Consultancy Services as per the Cabinet Decision No. 23/1555/604/150 dated 28.08.2023, to incur the cost for advertisement of Expression of Interest (EOI) with respect to the divestiture in terms of the Cabinet Decision No. 23/0431/604/046 dated 13.03.2023, to meet the expenditure of Welfare Benefit Board, to meet payments/arrears payments pertaining to the beneficiaries of "Aswesuma Social Welfare Benefit Programme", in terms of the Cabinet Decision No: CM/23/0730/604/073 dated 17.04.2023, to meet the shortfall of provision for the functioning of SOE Restructuring Unit established as per the Cabinet Decision No.22/1345/604/026 and dated 05.09.2022, to meet the outstanding payment due to the renewal of rent agreement pertaining to the office building of Tax Appeal Commission.	55,875,924,487	45,958,200
103	Ministry of Defence	Utilize and account for the grant received from the UNDP for the preparation of local disaster risk reduction plans for local authorities under the STRIDE project, donation received from the Embassy of People's Republic of China for the upliftment of National Cadet Corps, to utilize the grant received from UNDP under the STRIDE project by Disaster Management Centre, to meet the shortfall of provision on Other Allowances, to meet the short fall of provisions for the "Reduction of Landslide Vulnerability by Mitigation Measures Project".	37,000,000	160,400,000
110	Ministry of Justice, Prisons Affairs and Constitutional Reforms	To pay the compensation for the victims of the Easter attack, to settle professional fees for the legal services rendered towards X-Press Pearl Maritime Disaster in view of the exchange rate depreciation, to make provisions for the commencement of the Project of "Strengthening Social Cohesion and and Peace in Sri Lanka".	75,300,000	15,859,128
111	Ministry of Health	To utilize and account the donations made by private sector entities to the 1990 Suwaseriya Foundation under the "Adopt an Ambulance Project", to settle the unpaid bills of establishment of Isolation Building for COVID 19 at National Hospital Kandy through SAARC Fund, to implement the activities of WHO programme, to meet the shortfall of provisions for the project of "Picture Archiving and Communication System / Radiology Information System for twenty Government Hospitals", to meet the expenses related to 556 Service and Maintenance Agreements for MRI scanners, CT scanners, Cardiac Angiography machines, etc. at government Hospitals, to meet the requirement of uninterrupted supply of drugs, laboratorial items and surgical items in Government Hospitals, to meet the shortfall of provision to make the payments in relation to the Upgrading Health Facilities of Selected Hospitals, to meet the shortfall of provision on Electricity and Water and other maintenance expenses.	68,776,450,000	7,762,722,360

Table 5.4 | Ministry-wise summary of additional allocations from 01.01.2023 to 31.12.2023 Contd...

Rs.				
Head No	Ministry/ Department/ Spending Unit	Purpose	Recurrent	Capital
117	Ministry of Transport and Highways	To meet the shortfall of funding arising as a result of stopping the provision of loan from the domestic banks to the consultancy contract of the project of Central Expressway section 01, to meet Gap Financing of the Road Development Authority's Commitments, to pay VAT relating to the payments made to contractor of the Pelmadulla-Madampe road under the Road Network Improvement Project, to finance the completion of only the critical activities of roads due to non-availability of future tranches of the foreign loan for the Integrated Road Investment Programme (I-Road), to settle the part of the outstanding bills in hand pertaining to the Central Expressway - Section 01 project, to settle outstanding bills in hand pertaining to the Central Expressway Section 02 project.	-	58,283,565,645
118	Ministry of Agriculture and Plantation Industries	To meet the transport and distribution costs of the diesel grant of People's Republic of China distributed among the farmers, to pay the annual Contribution for Subscription/ Membership fees paid to the International Agencies, to settle outstanding bills of Climate Smart Irrigated Agriculture Project, to meet the shortfall of allocation requirements for salaries, wages, other allowances, vehicle maintenance and fuel.	211,989,160	3,905,000,000
119	Ministry of Power & Energy	To utilize and account the loan from the Government of India for the project of "Providing Rooftop Solar Power Facility Installation for Government Buildings, low-income households and religious places", to meet the allocation shortfall for personal emoluments and essential vehicles repairs, to reimburse the gap financing pertaining to Ceylon Electricity Board in relation to the Colombo Waste to Energy Waste Power Plant, to account the overdraft balance in the official bank account pertaining to Wind and Hydro Power Generation Project Development, to account the custom duties pertaining to the donation of Diesel for Agriculture and Fisheries Sector received from the People's Republic of China, to settle outstanding dues of fire standby charges and custom duties for the project of Donation of Diesel for Agriculture and Fisheries Sector.	12,880,000	3,204,260,000
122	Ministry of Tourism and Lands	To meet the shortfall in the provisions on other allowances, electricity and water, vehicle maintenance and rehabilitation, to settle the long term outstanding bills in relation to the acquisition of vehicles.	8,494,000	64,200,000
126	Ministry of Education	To utilize and account the grant of Korea International Cooperation Agency for capacity building projects pertaining to construction courses in Technical Colleges and Colleges of Technology in Sri Lanka, to utilize and account the grant received from the Asian Development Bank for the Skills Sector Development Programme, to provide allocations to accommodate the grant from South Asia Network for Development and Environment Economics (SANDEE) for the research activities in Universities and Higher Education Institutes, to utilize and account the grant from European Union to the Eastern University for enhancing governance, management and reforms in Sri Lankan Universities through non-academic staff training, for the settlement of VAT payment/implementation of the ADB -JFPR grant : 9193 "Demonstrating Innovative Approaches for the Private Sector and Women's Empowerment in the TVET Sector in Sri Lanka, to settle outstanding bills/pay loan installment on the loan obtained to establish 17 storied building, Faculty of Medicine, University of Colombo, to settle outstanding bills pertaining to the establishment of a Medical Faculty of Sabaragamuwa University.	-	1,942,907,000

Table 5.4 | Ministry-wise summary of additional allocations from 01.01.2023 to 31.12.2023 Contd...

Rs.				
Head No	Ministry/ Department/ Spending Unit	Purpose	Recurrent	Capital
130	Ministry of Public Administration, Home Affairs, Provincial Councils and Local Government	To allocate provisions for the compensation of damaged properties during the violence occurred from 31 st March to 22 nd July 2022, to complete the activities to secure the project in line with decision of Re-strategizing and Acceleration of Mega Projects (RAMP) Committee, to complete the activities of Greater Colombo Water and Wastewater System Programme-Tranche 3 (Government of Sri Lanka/ADB), To meet the shortfall of provisions to complete the activities of "the Local Government Sector Enhancement project – Pura Neguma".	1,014,000,000	1,405,000,000
135	Ministry of Plantation Industries	To pay salaries and incur other expenditure pertaining to the Kanthale Suger Company, to finance Government subsidies for tea replanting as a Matching Grant, to meet the expenditure on Plantation Sector Research and development.	-	435,594,000
151	Ministry of Fisheries	To compensate fishermen who lost their livelihood due to MV X-Press Pearl Maritime Disaster, to settle outstanding bills pertaining to Fresh Water Fish Hatchery Project, to settle distribution and transportation charges payable to Ceylon Petroleum Corporation for providing kerosene oil to fishing vessels and to incur the transport expenditure to distribute kerosene oil to Delft Island, to pay Annual Contribution Membership Fee of the Regional Fisheries Management Organizations, to provide 25 Theppams to small scale fishermen in Wellaweediya and Negombo who were effected by the expansion of East and West Terminals of Colombo Port, to meet shortfall of provisions of the programme of Increasing Inland Fish Production.	1,604,200,000	216,885,000
160	Ministry of Environment	To utilize and account the grant from Global Environment Facility For the implementation of new project "Strengthening National Level Intuitional and Professional Capacities of Country Parties towards Enhanced UNCCD Monitoring and Reporting".	-	10,000,000
166	Ministry of Water Supply	To continue the Ambathale Water Supply System Improvement & Energy Savings Project.	-	2,106,350,000
171	Ministry of Women, Child Affairs and Social Empowerment	To utilize and account the grant from United Nations International Children's Emergency Fund for the implementation of the action plans of programs to be implemented by the Department of Probation and Child Care Services, to cover the expenses related to closure of the Early Childhood Care and Development Project funded by World Bank, to meet the shortfall of expenditure in relation to paying monthly allowances including expenditure to top up and allwances payable for wait listed people for the month of July and August 2023, to pay allowances for elders for the months from September to December 2023, to fully account the funds received from United Nations Population Fund (UNFPA) pertaining to the Gender Based Violence Prevention Programme (GOSL /UNFPA).	9,756,890,000	58,618,942
176	Ministry of Ports, Shipping and Aviation	To settle consultancy services pertaining to the feasibility study for the Colombo North Port Development Project (Government of Sri Lanka/ADB), to settle the interest payments & loan repayments.	119,550,000	283,860,000

Table 5.4 | Ministry-wise summary of additional allocations from 01.01.2023 to 31.12.2023 Contd...

Rs.				
Head No	Ministry/ Department/ Spending Unit	Purpose	Recurrent	Capital
187	Ministry of Investment Promotion	To utilize the grant to Develop Website for the National Organic Control Unit of Export Development Board, to meet the expenditure of the International Commercial Dispute Resolution Centre-Colombo Port City, to meet the expenditure of Legal Consultancy Service to asses and make recommendations on the draft Colombo Port City Economic Commission Bill, to meet the expenditure of implementing the budget proposal No 6.1 on the Establishment of New Economic Zones in the Western Province, North Western Province, Hambantota and Trincomalee, to settle the membership fee of the Commonwealth Enterprise and Investment Council, to meet rent and security deposit for the period of 2023.10.01 – 2023.12.31 pertaining to the shifting of the Ministry to a new building from "Suhurupaya".	90,800,000	314,000,000
189	Ministry of Public Security	To utilize and account the grant given by World Health Organization for National Dangerous Drugs Control Board, to account the grant from "Colombo Plan" for the International Day against Drug Abuse and Illicit Trafficking 2023, to pay personal emoluments for Development Officers assigned to District Secretariats under the National Dangerous Drug Control Board.	94,000,000	7,734,872
198	Ministry of Irrigation	To utilize and account the grant of the Government of Japan for Farm Land Consolidation Study Pilot Project.	-	9,100,000
208	Department of National Museums	To establish an Automation System for the Library of National Museum donated by United Nations Educational, Scientific and Cultural Organization (UNESCO), to account the grant and pay the relevant duties and taxes to release Artifacts as per Cabinet Approval.	-	2,798,946,790
214	University Grants Commission	To meet the shortfall of provisions for the paymet of Mahapola Scholarships, to implement the Budget Proposal No. 25/2023; establishment of a New Faculty of Medicine-Uva Wellassa University of Sri Lanka, to settle outstanding bills of the project of Multipurpose Buildings for the Faculty of Humanities & Social Sciences, and the Faculty of Management and Commerce of the University of Sri Jayawardenapura.	220,000,000	700,000,000
216	Department of Social Services	To meet the allocation shortfall pertaining to Diets, Uniforms and other expenses.	28,500,000	-
220	Department of Ayurveda	To meet the expenses related to maintenance of Ultra Sound Scan Machine of Bandaranaike Ayurveda Research Hospital, Navinna, to meet the shortfall of provisions pertaining to Diets and Uniforms, Electricity and Water and Other Supplies.	26,000,000	4,000,000
223	Sri Lanka Navy	To account the value of 4,416 MT of Fuel received as a grant from the government of Australia for Sri Lanka Navy, to settle outstanding bills pertaining to fuel.	3,468,830,000	-
225	Department of Police	To account the expenditure on custom duties paid for the vehicles imported under the "Indian line of Credit Facility", to meet the shortfall of provision to pay membership fee for Interpol, to settle customs duties pertaining to the van received as a grant from the Australian Government.	12,380,000	2,210,000,000
226	Department of Immigration and Emigration	To provide provisions for the purchase of essential blank travel documents and related deliverables.	-	500,000,000
230	Legal Draftsman's Department	To meet the shortfall of provisions for the Electricity and Water.	1,900,000	-
232	Department of Prisons	To meet the shortfall of provisions for the essential recurrent expenditure.	1,740,000,000	-
233	Department of Government Analyst	To provide provisions for the purchase of a Universal Comparison Microscope.	-	27,000,000

Table 5.4 | Ministry-wise summary of additional allocations from 01.01.2023 to 31.12.2023 Contd...

Rs.				
Head No	Ministry/ Department/ Spending Unit	Purpose	Recurrent	Capital
237	Department of National Planning	To account the grant received for the Promoting Autonomy, Literacy and Attentiveness through Market Alliance (PALAM/A) Project and settle the tax component pertaining to milled rice received under the PALAM/A Project, to account the loan amount obtained from the World Bank to settle the outstanding bills of Contingency Emergency Response Component (CERCs) project for COVID -19, to account the value of fertilizer distributed to farmers through Government fertilizer companies and to account the value of vouchers distributed to farmers under the Contingent Emergency Response Components (CERCs) for Covid-19 , to meet the shortfall of provisions on Foreign Travell.	224,000	15,896,435,328
238	Department of Fiscal Policy	To meet the shortfall of provisions on foreign travell.	2,500,000	-
239	Department of External Resources	To meet the shorfall of allocaitons requied to settle the General Capital Increase (GCI) of the International Bank for Reconstrucion and Development (IBRD) due to the change of Exchange Rate, to meet the shortfall of provision for the Japanese Grant Aid for Human Recourse Development Scholarship Programe.	-	770,475,151
240	Department of National Budget	To meet the shortfall of provision for the payment of monthly installments for vehicles purchased under the financial leasing method for field activities in the year 2021 for the Government institutions.	39,600,000	-
241	Department of Public Enterprises	To account the acquisition of shares of the Ceylon Electricity Board owned by the Fuel Price Stabilization Fund, to facilitate the restructuring of Sri Lanka Telecom (PLC), for the capital infusion of the establishment of National Credit Guarantee Trustee Company Ltd in relation to the provision of credit guarantees for supporting Small and Medium sized Entrepreneurs, for the capital infusion of the Sinolanka Hotels & Spa (Pvt) Ltd in relation to the Grand Hyatt Colombo Hotel Project, for the equity contribution of Janatha Estate Development Board and Sri Lanka State Plantation Corperation to settle statutory dues, to provide equity capital/to facilitate restructuring of State Engineering corperation and National Equipment, Machinery Organization, to provide equity contribution to establish the South Asian Centre for Teacher Development as an autonomous and self-financed institution, to increase the current share Capital of Sri Lanka Export Credit Insurance Corporation (SLECIC), to meet the working capital requirement of North Sea Ltd, to set off receivable balance from the Treasury for the dividends payable to government by Sri Lanka Port Authority.	-	12,033,109,875
244	Department of Trade and Investment Policies	To meet the shorfall of provision pertaining to essential recurrent expenditure.	10,400,000	-
245	Department of Public Finance	To utilize the grant received for the e-Government Procurement Project.	-	80,000,000
249	Department of Treasury Operations	To repay lottery revenue and to facilitate the paddy purchasing programme.	250,000,000	-
251	Department of Valuation	To meet the shortfall of budgetary provision on capacity buliding , Furniture, Plant Machinery & Equipment.	-	31,007,000

Table 5.4 | Ministry-wise summary of additional allocations from 01.01.2023 to 31.12.2023 Contd...

Rs.				
Head No	Ministry/ Department/ Spending Unit	Purpose	Recurrent	Capital
252	Department of Census and Statistics	To account the grants received for the following projects/ programs; International Comparison Programme for Asia and the Pacific (ADB Project), Household Survey of Drinking Water Quality (UNISEF) project, Covid -19 Business Pulse Survey Project, Population and Housing Census (UNFPA) project, to utilize the grant received from the World Health Organization for the Global Adult Tobacco survey, to implement the Annual Work Plans of UNFPA for 2023, to conduct a quick survey to survey increasing poverty on people in the country due to recent economic crisis, to meet the shortfall of provisions on Electricity and Water.	8,000,000	94,096,961
255	District Secretariat, Colombo	To cover the transport and other related expenses of paddy purchasing and rice distribution.	16,444,000	-
256	District Secretariat, Gampaha	To cover the transport and other related expenses of paddy purchasing and rice distribution, to settle the bills pertaining to the construction of Divisional Secretariats of Wattala and Ja-Ela, to settle the outstanding bills pertaining to the construction of an Administrative Complex at the Gampaha.	34,653,000	389,300,000
257	District Secretariat, Kalutara	To cover the transport and other related expenses of paddy purchasing and rice distribution, to meet the shortfall of provisions pertaining to the essential expenditure.	25,210,000	-
258	District Secretariat, Kandy	To cover the transport and other related expenses of paddy purchasing and rice distribution.	57,638,000	-
259	District Secretariat, Matale	To cover the transport and other related expenses of paddy purchasing and rice distribution.	124,290,000	-
260	District Secretariat, Nuwara-Eliya.	To cover the transport and other related expenses of paddy purchasing and rice distribution.	10,806,000	-
261	District Secretariat, Galle	To cover the transport and other related expenses of paddy purchasing and rice distribution, to settle the bills in hand of the Programme for development of Provincial Roads, to settle the bills pertaining to the security services provided in connection with the partly completed Galle District Secretariat Auditorium.	13,246,000	16,900,000
262	District Secretariat ,Matara	To cover the transport and other related expenses of paddy purchasing and rice distribution.	63,733,000	-
263	District Secretariat , Hambantota	To cover the transport and other related expenses of paddy purchasing and rice distribution.	1,710,000,000	-
264	District Secretariat/ Kachcheri - Jaffna	To cover the transport and other related expenses of paddy purchasing and rice distribution, to meet the shortfall of provisions on Transport, Electricity & Water and Other services.	52,783,743	-
265	District Secretariat/ Kachcheri - Mannar	To cover the transport and other related expenses of paddy purchasing and rice distribution.	109,176,120	-
266	District Secretariat/ Kachcheri - Vavuniya	To cover the transport and other related expenses of paddy purchasing and rice distribution.	665,000,000	-
267	District Secretariat/ Kachcheri - Mullaitivu	To cover the transport and other related expenses of paddy purchasing and rice distribution.	419,000,000	-
268	District Secretariat/ Kachcheri - Killinochchi	To cover the transport and other related expenses of paddy purchasing and rice distribution.	140,000,000	-
269	District Secretariat/ Kachcheri - Batticaloa	To cover the transport and other related expenses of paddy purchasing and rice distribution.	515,077,000	-
270	District Secretariat, Ampara	To cover the transport and other related expenses of paddy purchasing and rice distribution.	3,089,000,000	-

Table 5.4 | Ministry-wise summary of additional allocations from 01.01.2023 to 31.12.2023 Contd...

Rs.				
Head No	Ministry/ Department/ Spending Unit	Purpose	Recurrent	Capital
271	District Secretariat/ Kachcheri – Trincomalee	To cover the transport and other related expenses of paddy purchasing and rice distribution.	498,000,000	-
272	District Secretariat, Kurunegala	To cover the transport and other related expenses of paddy purchasing and rice distribution.	466,024,000	-
273	District Secretariat, Puttalam	To cover the transport and other related expenses of paddy purchasing and rice distribution.	204,484,000	-
274	District Secretariat, Anuradhapura	To cover the transport and other related expenses of paddy purchasing and rice distribution, to settle the bills in hand of the Provincial Road Carpeting Programme (2011-2014).	1,288,988,589	98,610,000
275	District Secretariat – Polonnaruwa	To cover the transport and other related expenses of paddy purchasing and rice distribution.	972,000,000	-
276	District Secretariat – Badulla	To cover the transport and other related expenses of paddy purchasing and rice distribution.	277,207,000	-
277	District Secretariat, Monaragala	To cover the transport and other related expenses of paddy purchasing and rice distribution, to meet the transport and other expenses for surveying of lands.	1,081,768,000	-
278	District Secretariat, Rathnapura	To cover the transport and other related expenses of paddy purchasing and rice distribution, to settle outstanding bills of the projects implemented under the Rural Development Programme.	115,663,000	6,530,000
279	District Secretariat, Kegalle	To cover the transport and other related expenses of paddy purchasing and rice distribution, to settle the bills in hand of the Provincial Road Carpeting Programme (2011-2014).	8,222,000	8,321,000
285	Department of Agriculture	To settle the bills of implemented activities under Small Scale Agricultural Research Project.	-	10,000,000
286	Department of Land Commissioner General	To meet the shortfall of provisions pertaining to transport and fuel allowances.	1,800,000	-
289	Department of Export Agriculture	To meet the shortfall of provisions pertaining to the payment of other allowances for newly recruited employees.	13,900,000	-
290	Department of Fisheries and Aquatic Resources	To pay applicable tariff and taxes for Vessel Monitoring System Transponders (VMS Transponders) received as a grant from the Australian Government, to utilize and account the grant of VMS Transponders from the Australian Government, to make payments for deceased fisherman due to the natural disasters during fishing operations, to account the grant received from the Australian Government for the settlement of annual satellite charges of VMS Transponders.	190,836,000	639,879,795
293	Department of Rubber Development	To pay salary arrears as per a Supreme Court Judgment.	14,698,000	-
295	Department of Commerce	To pay membership fees of World Trade Organization (WTO) and Annual Subscriptions and Contribution fees for Bureau International des Expositions (BIE).	70,000,000	-
304	Department of Meteorology	To meet the shortfall of provisions to purchase weather forecasting equipments and to update the department's firewall system and other service agreements, to meet the shortfall of provision for electricity, cleaning and security services.	22,000,000	-
309	Department of Buildings	To meet the expenditure on Plant and Machinery Maintenance.	5,154,000	-
315	Northern Provincial Council	To settle the outstanding bills of the project of Jaffna – Kilinochchi Water Supply and Sanitation Project.	-	3,800,000

Table 5.4 | Ministry-wise summary of additional allocations from 01.01.2023 to 31.12.2023 Contd...

Rs.				
Head No	Ministry/ Department/ Spending Unit	Purpose	Recurrent	Capital
322	Department of National Botanical Gardens	To meet the shortfall of provisions in Rehabilitation and Improvement of vehicles.	-	4,000,000
325	Department of Sri Lanka Coast Guard	To meet the shortfall of provisions on expenses of Electricity and Water.	10,100,000	-
326	Department of Community Based Corrections	To meet the shortfall of provisions to meet essential recurrent expenditure and to renovate the roof of Hambantota sub-office.	19,000,000	850,000
328	Department of Manpower and Employment	To settle the customs duty for releasing of a forfeited vehicle to the Department.	-	1,500,000
331	Department of Samurdhi Development	To meet the shortfall of provisions in relation to the payment of monthly allowance for Samurdhi beneficiaries (including top-ups and payments for wait listed people) for the months of May and June 2023, to meet the shortfall of provisions for the payment of monthly allowances for the Samurdhi Benefisheries pertaining to the months from July to December 2023, to pay samurdhi allowances for beneficiaries under the appeals and objections review process, to meet the shortfall of provision to pay samurdhi allowance for the month of December 2023, pertaining to the beneficiaries under the appeals and objections review process.	24,383,244,506	-
333	Office of the Comptroller General	To meet the shortfall of provisions for the rental of vehicles procured under operational leasing and aquisition of plant, machinery and equipment.	4,766,750	900,000
336	Merchant Shipping Secretariat	To meet the payment of annual maintenance pertaining to the computer system of issuing "Competencies & Seafarer Continuous Discharge Certificate", to make annual contribution payment for Membership Fees of International Maritime Organization, to incur the operational expenses of Merchant Shippin Secretariat, to settle the bills pertaining to the Seafarer Identity Documents issued to Sri Lankan Seafarers by adding Biometric Features.	9,400,000	1,670,000
Grand Total			180,965,765,415	120,731,339,539

5.7.3 Directives issued through Circulars on Expenditure Management, Budget Preparation and Execution

Guidelines for the management of Budget 2023 were issued through the National Budget Circular No. 09/2022. In addition, the circulars tabulated below were issued in 2023, in the areas of budget preparation, execution and expenditure management. Department of Public Enterprises also issued a corresponding circular No. 02/2023

to the National Budget Circular No. 01/2023, on "Curtaiment of Recurrent Expenditure by 6 percent for the year 2023".

5.8 Composition of Government Expenditure

In 2023, expenditure for interest payments of Rs. 2,455.6 billion constituted 52.3 percent of the total recurrent expenditure. The expenditure on transfers to households including Pensions,

Table 5.5 | Circulars issued in relation to the public expenditure management

Circular No.	Date	Subject
NB/01/2023	27.01.2023	Curtaiment of Recurrent Provisions Appropriated for the year 2023 by 6 Percent and Public Expenditure Managemnt
NB/02/2023	02.02.2023	Control of Expenditure
NB/03/2023	16.06.2023	Guideline for National Development Committee for the Methodical Appraisal of New Development Projects/Programmes
NB/04/2023	04.08.2023	Budget Call-2024 Guidelines for the Preparation of Annual Budget Estimates-2024

Source: Department of National Budget

Table 5.6 | Government Expenditure by Categories

Expenditure Category	2022	2023 Rev. Estimate	2023 ^(a)
Total Expenditure	4,472.6	5,253.0	5,356.6
Recurrent	3,519.6	4,471.0	4,699.7
Salaries and Wages	956.2	986.0	939.5
Goods and Services	182.9	248.0	299.7
Interest	1,565.2	2,193.0	2,455.6
Subsidies and Transfers	815.4	1,044.0	1,004.9
Capital and Net Lending	952.9	782.0	656.9
Public Investments	1,014.3	827.0	932.7
Other	(61.4)	(45.0)	(275.8)
As a % of GDP			
Total Expenditure	18.6	18.7	19.4
Recurrent Expenditure	14.6	15.9	17.0
Interest Expenditure	6.5	7.8	8.9
Capital and Net Lending	4.0	2.8	2.4
O/w Public Investments	4.2	2.9	3.4

Source: Department of Fiscal Policy
(a) Provisional

social safety net payments, free medical supplies, fertilizer subsidies, in-kind subsidies to school students and nutritional programmes was Rs. 912.4 billion, constituting 19.4 percent of recurrent expenditure. The expenditure on salaries and wages amounted to Rs. 939.5 billion which is equivalent to 20.0 percent of recurrent expenditure.

5.8.1 Salaries, Wages and Allowances

The expenditure on salaries, wages and allowances (Personal Emoluments) for public servants including those in the Provincial Councils, Armed Forces and Police in 2023 was Rs. 939.5 billion, a decline of 1.7 percent compared to Rs. 956.2 billion in 2022. The expenditure on personal emoluments of the Provincial Councils has increased by 11.7 percent from Rs. 268.9

billion in 2022 to Rs. 300.2 billion in 2023. This increase was mainly due to the impact of salary increase given to the Teachers in 2022 and the salaries of the graduates attached to Provincial Councils which were borne by the Provincial Councils Budget in 2023.

The total pension payments increased by 20.5 percent to Rs. 372.4 billion in 2023 from Rs. 309.1 billion in 2022. This was mainly due to the net increase in the number of pensioners by 4.2 percent from 676,430 in 2022 to 704,795 in 2023. This increase was greatly affected by the government policy decision to reduce the compulsory retirement age of the public sector employees from 65 to 60 years. Further, the payments for the new pensioners were considerably higher than that of the existing pensioners and those who are deceased, and

Table 5.7 | Expenditure on Salaries and Wages

Sector	Rs. Million					
	2018	2019	2020	2021	2022	2023 ^(a)
Government	212,481	240,329	270,521	297,349	367,467	327,290
Provincial Councils *	162,086	179,971	239,034	256,142	268,864	300,210
Defence	189,055	189,508	199,474	205,542	222,996	217,868
Police and Public Security**	62,423	76,644	85,129	86,646	96,884	94,127
Total	626,045	686,452	794,158	845,680	956,210	939,496

Source: Department of Fiscal Policy
(* includes only the expenditure of government transfers)
(a) Provisional

settlement of arrears of gratuity payments brought forward from the previous year.

In addition to the pension payments, the Government incurred Rs. 43.1 billion for the payment of all-inclusive due salaries as compensation for the injured and deceased security personnel in 2023 which is an increase of 7.2 percent compared to Rs. 40.2 billion in 2022. This increase was mainly due to the adjustments made to the ration allowance of Tri Forces personnel, in line with the increased cost of food items.

5.8.2 Fiscal Decentralization

As per the 13th amendment to the Constitution of the Democratic Socialist Republic of Sri Lanka, the Government on the recommendation of and in consultation with the Finance Commission transfers funds to the Provincial Councils for recurrent and capital expenditure from the Annual Budget. Accordingly, the Government has granted Rs. 380.6 billion directly to the Provincial Councils of which Rs. 346 billion was for the recurrent expenditure and Rs. 26.1 billion was for the capital expenditure. In addition, Rs. 8.6 billion was channelled through the Ministry of Public Administration, Home Affairs, Provincial Councils and Local Government for capital expenditure. Accordingly, a sum of Rs. 34.6 billion was transferred to Provincial Councils for capital expenditure in 2023. The transfer for recurrent expenditure increased by 13.6 percent in 2023 from Rs. 298.7 billion in 2022. The increase in recurrent expenditure was due to annual salary increments and the impact of increase of Teachers' Salary.

Table 5.8|Transfers to Provinces in 2023

Provincial Council	Transfers 2023	
	Recurrent	Capital
Western	59,477	2,748
Central	42,098	2,972
Southern	45,665	2,796
Northern	32,240	3,165
North Western	40,036	2,270
North Central	24,970	3,007
Uva	30,028	3,095
Sabaragamuwa	35,467	3,062
Eastern	36,000	2,947
Projects implemented by the Ministry in Charge of the subject of Provincial Councils	-	8,579
Total	345,980	34,640

Source: Department of National Budget, Department of State Accounts

5.9 Sectoral Classification of Government Expenditure

5.9.1 Human Resource Management

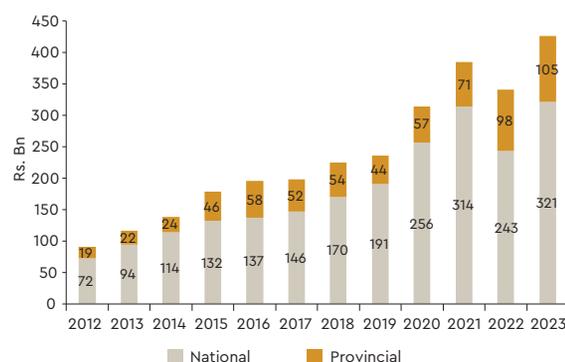
Health

Investments in Healthcare

Sri Lanka has achieved significant milestones in health outcomes compared to other developing nations. These accomplishments are evident in the country's rising life expectancy, declining rates of maternal and child mortality, and the decreasing prevalence of communicable diseases.

In 2023, the government incurred Rs. 426.9 billion through the Ministry of Health and Provincial Councils towards sustaining free healthcare services for the citizens of the country. This represents a significant increase of 38.4 percent

Figure 5.1 | Central Government Expenditure on Healthcare



Source: Department of National Budget

compared to the expenditure in 2022. The recurrent expenditure surged by 44.1 percent to Rs. 387.9 billion in 2023, primarily due to the increase of Rs. 70.5 billion, in the allocation for medical supplies. Meanwhile, the capital expenditure experienced a marginal decline of 0.8 percent compared to the previous year.

The personnel emoluments of the healthcare staff recorded a 0.4 percent increase to Rs. 192.5 billion in 2023 from Rs. 191.8 billion in 2022, mainly due to the increase in overtime payments from Rs. 61.9 billion in 2022 to Rs. 62.8 billion in 2023.

Curative Healthcare Services

Priority was placed on securing the provision of essential medicines, as well as biomedical

Box 5.2 | Institutionalizing Evaluation: A Transformation Towards Development Effectiveness

The recent economic crisis in the country has revealed two requirements that remain inadequately addressed in development effectiveness: (i) Increase transparency, accountability and results orientation of all stages of development process; and (ii) ensure efficient flow of benefits from development initiatives to the community. Evaluation is a critical strategic approach for progressive economies, as it assesses the scale of aforementioned good governance requirements to effectively overcome persistent challenges. It is a systematic process which designed for different development situations to assess "what work well and what went wrong". Evaluation is not a faultfinding exercise process, institutions or individuals, but learning lessons and utilizing those appropriately at the public investment life cycle. Absence of an agreed mechanism for evaluation had been a greater obstacle to strengthen the transparency and accountability in the policy planning and implementation of various investments in the mode of projects and programmes. Accordingly, the introduction of evaluation to the government mechanism in 2023 has emerged as one of the efforts for transformative initiative to enhance the accountability and optimizing government investments. This initiative aims to embed a formal evaluation process in government operations. Accordingly, the evaluation process has been institutionalized to ensure the continuous assessment of the efficiency, effectiveness and impact of public policies, investment programs and public institutions with the aim of creating a culture of accountability, transparency and ultimately better decision-making that achieves effective benefits for the society.

I. Evaluation in Policy Effectiveness

The country has numerous policies that are obsolete and no longer align with their intended objectives and current development needs, leading to inefficiencies and reduce effectiveness. Though some formulated policies are important, are not being utilized effectively due to changing requirements, resulting in sluggish implementation. Additionally, there are instances where policies overlap with other or require support from additional interventions for effective implementation. Hence, government aims to identify these policy gaps by executing evaluations. Evaluations can assess the extent to which policies align with their intended objectives. Evaluation findings can identify areas where alignment is lacking, allowing stakeholders to make necessary adjustments to better meeting these objectives.

II. Evaluation in Public Investments Effectiveness

At present, the government investment portfolio includes large number of development projects and programmes but their timely implementation has become a recurring problem regardless of their size and complexity. These delays have negative effects on the national budget, loan servicing foreign lending and the economy as a whole as the development objectives of the projects are not met on time. Therefore, it is commonly accepted that the effectiveness of public investment is questionable throughout the implementation process. Moreover, increased transparency and accountability on government investments have been often questioned and the efficient flow of benefits of the development projects to the community continued to be challenged. It leads to disappointment among direct and indirect beneficiaries and negative effects on society, the environment and the economy. Furthermore, inadequate utilization of lessons learnt from past in planning and designing of new development initiatives has been identified as one of the major reasons for the failure in implementation and results delivery. Lack of evaluation is the deep-seated cause of the limitedness of reliable evidence and information that is required for proper planning, designing and approval of highly feasible projects and programmes. Ideally, evaluation examines the relevance, efficiency, effectiveness, sustainability, impact and coherence of pre, ongoing and post implementation of these projects. Ultimately, this ensures timely completion with value for money and thereby helping to make an improvement in the economy as well as the community.

III. Evaluation in Institutional Performances

For many years, under performance of public institutions has been subjected to a discussion resulting poor service delivery to the citizen and substantial negative impacts on the economy. Therefore, evaluating their performance with a focus on governance, accountability, efficiency and effectiveness has been given priority. Diversion of those institutions towards the objective oriented targets ensuring better service for the public is a must. The government effort on institutionalizing evaluation will offer solutions for better functionality, profitability and long-term viability of those entities enabling to build public trust and ensuring sustainable growth by recovering missed opportunities for development.

The process of Institutionalization of Evaluation

In accordance with the aforementioned objectives, a comprehensive National Evaluation Policy (NEP) and a robust implementation framework have been introduced, by mainstreaming evaluation within the government administrative structure. Thereafter, institutionalizing of evaluation has been initiated by strengthening the available human resources attached to the existing network of institutions. In view of this, Department of Project Management and Monitoring (PMMD) conducted island wide training and knowledge sharing programmes for 702 middle-level staff officers of public sector cascading from national to divisional level including provincial institutions. In addition, 147 senior staff officers were trained as Training of Trainers (ToT) with a view to maintain a pool of evaluation trainers at all levels of the public sector. The PMMD serves as the secretariat for evaluation. A National Evaluation Steering Committee encompassing all relevant levels of officials in administration has been established by a Cabinet Decision with authority for decision making, execution and regulation of evaluation. All heads of institutions were provided instructions regarding selection, prioritization and funding for evaluations through the Evaluation Circular No. 01/2024 on "Roles and Responsibility of all state institutions for the implementation of the National Evaluation Policy of Sri Lanka". Thirteen line ministries and six Provincial Councils have submitted 23 evaluation proposals to be evaluated in 2025 and few development partners have agreed to finance some of these proposals. Accordingly, institutionalized evaluation will create an enabling environment for effective public investment, offering a fresh perspective and new direction to meet the evolving needs and aspirations of citizens.

equipment, while ongoing investments were directed towards hospital development projects. These endeavors aim to reduce congestion at both secondary and tertiary care hospitals.

In 2023, the Government increased public investment in hospital operations by allocating Rs. 130.3 billion. The expenditure on medical supplies surged from Rs. 73.2 billion in 2022 to Rs. 143.7 billion in 2023, guaranteeing the availability of quality medicines. Additionally, priority was given to purchase biomedical equipments and incurred Rs. 1.9 billion of expenditure incurred in 2023, ensuring the availability of medical equipments across all hospitals.

During the year 2023, the Government implemented numerous initiatives aimed at enhancing hospital infrastructure to address the disparities in healthcare delivery, particularly in regional and rural areas, and to reduce the overcrowding in hospitals. As part of these efforts, construction projects at primary-level healthcare facilities,

including the divisional hospital in Aluthgama, and base hospitals in Walasmulla, Rikillagskada, and Padaviya, were successfully completed. These endeavors signify a commitment to ensuring accessible and quality healthcare services for all citizens, regardless of their geographical location.

Furthermore, in an effort to enhance tertiary care health facilities, a new hospital dedicated to maternal and child care was completed in the Kalutara District in 2023. This project, with a total estimated cost of Rs. 5.4 billion, includes an eight-story main hospital building, three-story nurses' quarters, three-story doctors' quarters, and a single-story consultants' quarters.

Preventive Health care

Expenditure on preventive healthcare services increased at a cost of Rs. 2.9 billion in 2023 compared to Rs. 2.7 billion in 2022. This expenditure primarily supported preventive healthcare initiatives

Table 5.9 | Major Capital Investment in Curative Healthcare Services

Investment Area	Rs. Million									
	2015	2016	2017	2018	2019	2020	2021	2022	2023	
Hospital Development Projects	15,429	10,373	10,649	14,654	8,196	31,058	18,657	24,143	11,135	
Hospital Rehabilitation & Construction	4,206	3,735	4,814	6,513	6,381	3,734	5,067	2,595	7,602	
Medical Equipment & Machinery	5,068	4,093	4,732	4,438	5,481	3,949	4,590	1,484	2,280	
Beds & Furniture	224	325	243	352	346	235	230	125	246	
Ambulances for Hospitals								1,608	-	
Total	24,927	18,527	20,438	25,957	24,404	38,976	28,544	29,954	21,263	

Source: Department of National Budget and Department of State Accounts

Note: Includes only the Central Government Expenditure

aimed at combating emerging communicable diseases like Dengue, Rabies, and Tuberculosis. Additionally, it addressed non-communicable diseases, including diabetes, kidney disease, hypertension, and cardiovascular conditions.

The expenditure for the National Thripasha Programme surged from Rs. 715.98 million in 2022 to Rs. 2,366.3 million in 2023. This rise was primarily driven by increased production and raw material costs. The initiative continued its dedication to enhancing the nutritional well-being of mothers and children, reaching a total of 9,458,515 registered beneficiaries. Among them, there were 4,746,150 pregnant and lactating mothers, along with 4,712,365 children aged between 3 to 5 years.

Promotion of Indigenous Medicine

The total investment on Indigenous Medicine increased from Rs. 2.2 billion in 2022 to Rs. 2.4 billion in 2023, reflecting the acknowledgment of the significance of traditional medicinal and healing systems. Initiatives were undertaken to promote research and conservation programmes for medicinal plants, aiming to elevate the indigenous medicine systems globally.

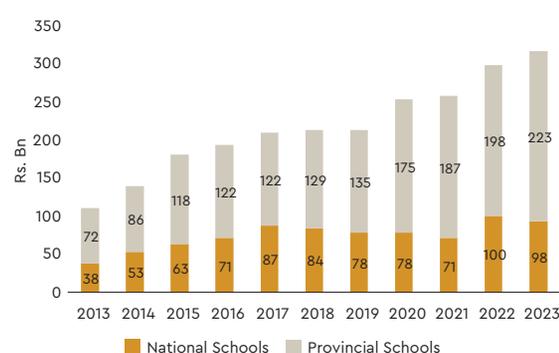
Education

General Education

The total expenditure on school education by the Government amounted to Rs. 315.3 billion, an increase of 5.8 percent in 2023 compared to Rs. 298.1 billion in 2022.

The expenditure of the Ministry of Education amounted to Rs. 97.7 billion and the Central Government transfers to the nine Provincial Councils amounted to Rs. 222.6 billion. The recurrent expenditure increased by 6.7 percent to Rs. 309.4 billion in 2023 from Rs. 290.1 billion in 2022, while the capital expenditure increased by 35 percent to Rs.10.8 billion in 2023, from Rs. 8.0 billion in year 2022.

Figure 5.2 | Expenditure on Education (2013 – 2023)



Source: Department of National Budget and Finance Commission

Table 5.10 | Expenditure on School Education in 2022–2023

	2022			2023		
	Recurrent	Capital	Total	Recurrent	Capital	Total
Ministry of Education	95,221	5,030	100,251	92,088	5,570	97,658
Provincial Councils*(a)	194,875	3,012	197,887	217,354	5,254	222,608
Total	290,096	8,042	298,138	309,442	10,824	320,266

(a) Provisional

*Includes Central Government Transfers to Provincial Councils

Source: Department of State Accounts, Finance Commission

Table.5.11 | Major Projects Implemented under the General Education Sector

	Rs. Million
	2023^(a)
Schools Development Activities and Grants	420
General Education Modernization Project	3,824
Technological Education Development Projects	1,751
Educational Environment Improvement Project in Kilinocchchi	65
Upgrade facilities of Secondary Schools and Establish 1000 National Schools	18
Qualitative Development Reforms in Education	437

Source: Department of State Accounts, Department of National Budget

Table 5.12 | Expenditure on Major Welfare Programs

	Rs. Million						
Program	2017	2018	2019	2020	2021	2022	2023 ^(a)
School Nutrition Food Program	4,434	5,325	5,063	2,299	1,685	3,308	12,500
Text Books	4,281	4,161	4,599	4,550	2,609	1,650	22,967
Uniforms	2,479	1,073	3,789	2,877	2,492	2,355	2,539
Shoes for Students in Difficult & Very Difficult Schools	640	220	640	492	901	967	1,838
Scholarships – Year 5 *	602	605	607	872	791	855	880
"Suraksha" Insurance Scheme	2,700	33	1,833	1,500	3,331	993	1,128

* Included the School Nutrition Food program payment of both Provincial & National Schools from 2014 onwards

Source: Ministry of Education, Provincial Councils and Department of State Accounts

(a)provisional

Table 5.13 | Number of Students Benefited by Major Welfare Programs

Programme	2017	2018	2019	2020	2021	2022	2023
School Nutritional Food Programme*	1,105,605	1,089,705	1,067,465	1,079,097	1,082,136	1,078,238	2,161,000
Text Books	4,355,101	3,628,951	3,642,528	4,180,000	4,180,000	4,180,000	2,683,888
Uniforms	4,326,951	4,357,797	4,725,445	4,180,000	4,180,000	4,180,000	4,559,420
Scholarships -Year 5	144,739	130,000	135,000	130,457	103,800	145,000	112,118
"Suraksha" Insurance Scheme	-	40,978	74,328	100,000	34,778	35,906	28,968

* The School Nutrition Food program beneficiaries of both provincial & National Schools from 2014 onwards are Included

(a) Provisional

Source: Ministry of Education, Provincial Councils, Finance Commission and Department of State Accounts

University Education

The total government expenditure on university education was Rs. 86.7 billion in 2023, an increase of 15 percent compared to 2022. Out of the recurrent expenditure of Rs. 61.3 billion, Rs. 50.5 billion was spent on the payment of salaries and wages of 25,408 academic and non-academic staff in the higher education sector.

The total capital investment increased by 38.5 percent to Rs. 25.3 billion in 2023, compared to Rs. 18.3 billion in 2022. This capital investment was mainly utilized for the construction, rehabilitation and improvement of capital assets, acquisition of fixed assets, human capital development and

strengthening research activities. Meanwhile, 54 construction projects at universities were continued at the end of the 2023. Para Clinical Building for the Medical Faculty of University of Sabaragamuwa was completed in 2023 with a total cost of Rs. 1,755 million.

Moreover, it increased the intake of medical students per year by 100. Also, Naval Studies and Shipping Centre for the Faculty of Engineering, University of Ruhuna was completed in 2023 with a cost of Rs. 943 million. The physical works of the Accelerating Higher Education Expansion and Development Project implemented under the loan financing from the World Bank was completed in 2023.

Table 5.14 | Investment on Higher Education (2017–2023)

	Rs. Million						
Year	2017	2018	2019	2020	2021	2022	2023*
Recurrent	31,246	37,457	47,323	51,506	54,734	57,351	61,313
Capital	16,176	24,420	23,512	22,615	21,884	18,289	25,344
Total	47,422	61,877	70,835	74,121	76,618	75,640	86,657

Sources : Department of State Accounts, Department of National Budget

*Provisional

13 new degree programmes were introduced in 2023 to meet the changing demand of the local and global labour market. Further, pre-university Online/E-Learn English Teaching Programme has been introduced to new university entrants in order to upgrade graduate profiles by strengthening soft skills.

The annual intake for universities from the students who sat for the G.C.E. A/L examination in 2022 (2022/2023 intake) is 43,209 and selection process is ongoing. Accordingly, the number of students to be admitted to the universities in 2023 for the intake of 2022/2023 would be around 43,500.

Table 5.15 | Student Intake

Academic Year	No. of Students
2017/2018	31,451
2018/2019	31,902
2019/2020	41,669
2020/2021	43,927
2021/2022	43,568
2022/2023	43,209*

* Provisional

Source : University Grants Commission

Mahapola and Bursary

The payment of Mahapola and Bursary continued to provide financial assistance to university undergraduates from households below an annual income of Rs. 500,000.

Table 5.16 Financial Assistance to University Students

	Rs. Million						
Year	2017	2018	2019	2020	2021	2022	2023
Mahapola	593	1,304	1,269	1,366	1,138	952	1,192
Bursary	441	521	695	759	862	873	1,023
Total	1,034	1,825	1,964	2,125	2,000	1,825	2,215

Source : Department of National Budget

Table 5.17 No. of University Students Benefited under the Financial Assistance Programmes

	Rs. Million						
Year	2017	2018	2019	2020	2021	2022	2023*
Mahapola	49,472	51,652	55,491	57,773	62,891	63,224	63,026
Bursary	20,093	22,450	22,923	23,494	29,491	33,842	32,292
Total	69,565	74,102	78,414	81,267	92,382	97,066	95,318

Source : University Grants Commission

* Provisional

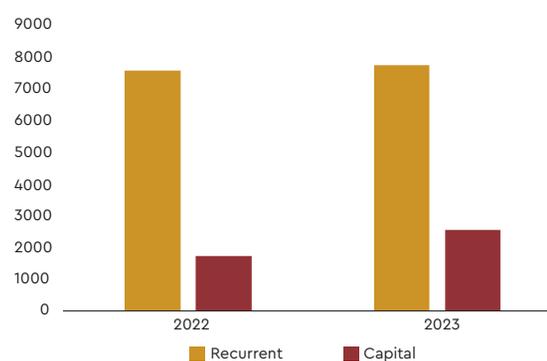
Support for Non state Higher Education

Given the limited opportunities available in the state university system, Rs. 917 million was invested in 2023 to continue interest free loan scheme to enhance higher education opportunities for A/L qualified students in non-state universities. Accordingly, 3,718 students were granted the opportunity of following 93 degree courses offered by 17 non-state higher education institutes during the year under the loan scheme. Furthermore, presently, 14,960 students are continuing their studies in 17 non-state Higher Education Institutes, while, 2,353 students have already graduated under this loan facilitation.

Skills Development

The total expenditure on Skills Development and Vocational Education was Rs. 10,264 million in 2023, of which Rs. 7,712 million was spent on recurrent expenditure and Rs. 2,552 million for capital investment.

Figure 5.3 | Expenditure on Skills Development 2022 & 2023 (Rs. Million)



Source: Department of National Budget

Table 5.18 | Major Projects Implemented in 2023 on Skills Development

Rs. Million	
Description	2023 Expenditure
Skills Sector Development Programme (ADB/WB)	896
Vocational Training in the Sri Lanka (GOSL - Germany) GIZ	382
Capacity Building Project for Construction Courses in Technical Colleges and Colleges of Technology In Sri Lanka (GOSL/KOICA)	534
You Lead (GOSL - USAID)	401
Nipunatha Sisu Diriya	370
Self-Employment Promotion Initiative (SEPI) Programme	15
Improving Vocational Training	18
Modernization of 7 Colleges of Technology/ Technical Colleges	87
Development of Vocational and Technological Training	03

Source: Department of National Budget

Science and Innovation Development

The total expenditure of the Research and Innovation sub sector was Rs. 2,361 million in 2023, of which the capital investment was Rs. 669 million and recurrent expenditure in institutions under the sub sector was Rs. 1,692 million.

Major projects implemented under this sector included Scientific Development Programme, Vidatha Programme, Prototype Manufacturing of Solar Panels, Improving Degraded Soil and School Science Society Programme.

Table 5.19 | Major Projects Implemented in 2023 on Science and Innovation

Rs. Million	
Description	2023 Expenditure
Vidatha Programme	672
Scientific Development Programmes	18
Prototype Manufacturing of Solar Panels	03
Improving degraded soil	03

Source: Department of National Budget

5.9.2 Transport

Bus transportation

Government spent Rs. 19.1 billion for bus transport sector in 2023, of which Rs. 15.8 billion and Rs. 3.3 billion was spent as recurrent and capital expenditure, respectively. A sum of Rs. 8.3 billion was spent to provide season tickets for the school and higher education students. Meanwhile, Rs.

5.5 billion was spent on other relief services such as operating of Sri Lanka Transport Board (SLTB) buses on unremunerated routes in rural areas, contribution to maintaining a socially obligatory bus service and providing armed forces bus passes. The total recurrent expenditure in 2023 increased by 40 percent to Rs. 15.8 billion in 2023 compared to 11.3 billion in 2022. A sum of Rs. 3,349 million was spent as capital expenditure including the purchase of 500 new buses for the Sri Lanka Transport Board, improvement of the bus fleet and printing of driving licenses.

Railways

A sum of Rs. 46.4 billion was spent on the railways sector by the government in 2023, of which Rs. 27.8 billion incurred as recurrent expenditure and Rs. 18.6 billion was spent as capital expenditure. This capital expenditure includes the expenditure on Colombo Suburban Railway Efficiency Improvement Project and Rehabilitation of Railway Track and Installation of signaling from Maho-Omanthai project implemented with the aim of providing comfortable and uninterrupted railway service to the public. The total expenditure on the railway transport sector in 2023 increased by 2.6 percent compared to the total expenditure of 45.2 billion in 2022.

Table 5.20 | Major Projects Launched in 2023 on Public Transport

Rs. Million	
Description	2023 Expenditure
Procurement of 140Nos. Passenger Coaches and improvement of Ratmalana Workshop	357
Double Tracking of Railway Line from Polgahawela - Kurunegala, Rehabilitation of Railway Track & Installation of signaling from Maho - Omanthai	195
Rehabilitation of 300 Nos. of passenger coaches	474
Rehabilitation of Permanent Way with new Rails & Sleepers	2,949
Colombo Suburban Railway Efficiency Improvement Project	6,129
Subsidy for School & Higher Education Season Tickets, Armed Forces - Bus Passes	8,466
SLTB, Bus Operating on Unremunerated Routes in Rural Area	3,690
Augmentation of the SLTB bus fleet	916

Source: Department of National Budget

Ports and Shipping

Government spent Rs. 1,816 million in 2023 for the ports shipping and civil aviation sector, of which,

Rs. 471 million was spent for recurrent expenditure and Rs. 1,345 million was for capital expenditure. The total expenditure of 2023 marked a decline of 8.3 percent compared to Rs. 1,981 million recorded in 2022.

Table 5.21 | Major Projects Launched in 2023 on Port and Shipping

Description	Rs. Million
	2023 Expenditure
Construction of Building Complex related to Port Access Elevated Highway Project (GOSL-ADB)	1,100
Rehabilitation of Kankesanthurai Harbour (GOSL – India)	6

Source: Department of National Budget

Road Development

The expenditure in the sector for 2023 has been mainly focused on road maintenance, completion of critical activities of on-going road projects and settling of outstanding bills relating to road construction and improvement in order to avoid charging claims and interest on outstanding bills by contractors. The total expenditure during the year 2023 was Rs. 226.8 billion and this is around 13 percent increase compared to the year 2022.

Significant amount of bills in hand relating to Central Expressway Project – Meerigama to Kurunegala section, “Maganeguma” and Development of an alternative Road Network to Access Main Roads and Expressways and to ease the traffic congestion were settled in 2023. Further,

Table 5.22| Major Road Development Projects in 2023

Project Name	Rs. Million
	2023 Actual Expenditure
Expressways	51,820
O/W Central Expressway	24,518
Port Access Elevated Highway	20,031
Elevated Highway from New Kelani Bridge to Athurugiriya	500
Colombo – Rathnapura – Pelmadulla Expressway	1,950
Highways Development	155,392
O/W Integrated Road Investment Programme	9,761
Western Province National Highways	806
Rehabilitation of the A 17 Road Corridor Project (Rakwana – Suriyakanda)	2,568
Rehabilitation of Peradeniya – Badulla – Chenkalady Road from Badulla to Chenkalady	2,458
Marine Drive Extension up to Panadura	169
Colombo District Road Development Project	2,733
Development of an alternative Road Network to Access Main Roads and Expressways and to ease the Traffic Congestion	23,999
Inclusive Connectivity and Development Project	7,851
Rural Road Reawakening Programme (Maga Neguma)	4,058
Maintenance	7,668
Widening & Improvement of Roads and Maintenance of Roads	7,668
Bridges & Flyovers	3,012
O/W Reconstruction of 25 Bridges on National Highways	16
Reconstruction of Damaged/ Weak Bridges on National Highways	262
Construction of Rural Bridges using old Bridge components	416
Design and Construction of Flyovers in Kohuwala and Gatambe	406
Construction of Flyovers over the Railway Line at Uttharananda Mawatha and near the Slave Island Railway Station	1,865
Institutional Support	9,000
Road Development Authority	9,000
Total	226,892

Source : Department of National Budget

the critical activities that are essential to enhance roads up to motarable level was continued under Integrated Road Investment Programme (i-road) programme and development of alternative road network to access main roads and expressways.

With the continuous financial support of Development Partners, the projects namely; the Port Access Elevated Highway, Inclusive Connectivity and Development Project, Rehabilitation of the A 17 Road Corridor and Rehabilitation of Peradeniya - Badulla - Chenkalady Road from Badulla to Chenkalady were continued and achieved a remarkable progress. Meantime, as a result of temporary suspension of disbursement, Central Expressway I - Kadawatha - Meerigama section has not made a significant progress in 2023.

Further, sum of Rs. 11,770 million was spent in 2023 for the payment of compensation for the people whose lands were acquired for roads and bridges development projects. Pending payments of such compensation had been a prolonged social issue.

5.9.3 Social Welfare and Social Security

Government expenditure on social welfare and social security amounted to Rs. 915.3 billion in 2023, an increase of 22 percent compared to Rs. 749.4 billion in 2022. This increase was driven by the introduction of "Aswesuma" house hold cash grant programme, increase of the monthly payment for existing Samurdhi beneficiaries, elderly persons, Kidney patients and disabled persons and provision of welfare payments to wait-listed people who were suffering from economic difficulties. Accordingly, the government has incurred an expenditure of Rs. 90 billion for Samurdhi subsidy, Rs. 52 billion for household cash grant under Aswesuma programme, Rs. 22.4 billion for the allowance for elders over 70 year of age, Rs. 2.9 billion for the allowances for Kidney patients and Rs. 5.6 billion for the allowance for Disabled persons. Furthermore, the government spent Rs. 6 billion to continue the payment of Rs. 20,000 allowance per "Poshana Malla" under the Nutrition Food Package Programme which aims to increase the nutritional level of expectant mothers and Rs. 3.7 billion for other welfare programmes.

Box 5.3 | Welfare Reforms

One of the factors that have contributed to Sri Lanka's macroeconomic vulnerabilities has been a weak cash transfer based social protection structure. The Samurdhi programme which had been in place since 1994 had imperfect selection criteria, with substantial room for subjectivity in the selection process allowing vulnerabilities for politicization. As a result, the Samurdhi programme was characterized by significant exclusion and inclusion errors. The World Bank estimates that only 48 percent of the poorest quintile received cash transfers whilst 12 percent of the richest quintile continued to receive cash transfers under the Samurdhi programme.

Given these weaknesses in cash transfer systems, successive governments have used various other tools to address necessary welfare and social protection requirements. For instance, fuel prices have long been maintained at levels below cost reflective levels in order to keep fuel affordable for the poor. Electricity tariffs in the country had not been adjusted since 2014. The tax regime was riddled with various exemptions in order to avoid price escalations that would affect the poor. Numerous commodities (eg. Cooking gas) were sold at administered prices in order to maintain affordability. None of these measures were targeted, and as a result even the wealthy benefitted from such measures over many years. This created significant entrenched resistance to tax reforms and reforms to administered prices. The lack of a robust cash transfer based social protection mechanism contributed to fiscal weakness due to tax exemptions, current account deficits due to under-pricing of large imports such as fuel, SOE losses and related vulnerabilities in the banking sector due to failure to implement cost reflective pricing to shield vulnerable groups from price volatility.

Social protection reform became one of the priority reform agendas of the government as it attempted to address the crisis. The Samurdhi framework was overhauled with new selection criteria being implemented. The new criteria under the new Aswesuma programme were based on objective, verifiable factors which minimized room for subjective decisions or politicization. A clear framework for application, verification, and transparent selection was implemented. Another key mechanism was

the grievance handling process and allowing for appeals and review. Naturally like with any other major reform after 3 decades, there have been teething issues and resistance. However, with the grievance handling mechanism falling into place, these issues have eased.

The cash transfers now take place direct to the beneficiaries' bank accounts, and the improved selection mechanism has enabled a larger allocation of funds to each vulnerable household. The total cash transfers to vulnerable households have increased by over three-fold compared to pre-crisis levels in 2019. A graduation mechanism is also being put in place, whereby those who are no longer eligible for cash transfers will still receive other non-cash benefits such as livelihood support, concessionary financing, among others.

With this major social protection reform now in place, it has enabled the government to pursue critical reforms in the tax structure, utility pricing and SOE reforms, knowing that poor and vulnerable households will be protected through direct cash transfers. The macroeconomic impacts of these reforms in terms of controlling inflation and reducing interest rates, has important positive impacts on the poor.

5.9.4 Agriculture

The Government incurred Rs. 135 billion in 2023 for the agriculture sector, an increase of 26 percent compared to 2022.

Agriculture – Food Crops

In 2023, the Government spent Rs. 105.2 billion for food crop sector which mainly includes the expenditure on production and productivity improvement of paddy and other food crops, pre and post-harvest losses management, seed certification and plant protection, farmer empowerment and entrepreneurial development, risk mitigation and preparedness. Out of the above Rs. 105.2 billion, Rs. 53 billion was spent on fertilizer subsidy.

In 2023, several projects and programmes continued to improve agricultural production through strengthening agriculture extension, production of seeds and planting materials as well as research and development. Rs. 9.8 billion was spent for the implementation of the Agriculture Sector Modernization Project and Smallholder Agribusiness Partnership Programme to improve the productivity, commercialization, value addition and market access for selected crops. The Government contribution to the farmer insurance scheme was Rs. 4.6 billion which is expected to reduce the risk to farmers with crop damages due to natural disasters.

Plantation

In 2023, the Government has invested Rs. 11.3 billion on the cultivation of tea, rubber, coconut and other export crops through the provision of extension

services and planting materials at a subsidized rate. In addition, the Government continued the promotion of the value addition of the plantation crops and provision of financial assistance for replanting and new planting activities.

In 2023, Rs. 1.2 billion was incurred through the Department of Export Agriculture to facilitate the production and quality improvements of perennial export crops such as Cinnamon, Pepper, Cardamom, Clove, Nutmeg, Coffee, Cocoa, Vanilla, Betel, Citronella, Lemongrass, Ginger, Turmeric, and Areca-nuts.

Fisheries

The government expenditure for the fisheries industry in 2023 amounted to Rs. 3.9 billion, of which Rs. 2.8 billion was spent for the rehabilitation and improvement of fishery harbours and anchorages to improve infrastructure facilities in the marine fisheries sector. Also, around Rs. 138 million was utilized in 2023 for the development of the inland fisheries sector, particularly through the implementation of projects on the cleaning of lagoons, fish breeding, and stocking of fish fingerlings in freshwater bodies.

Livestock

In 2023, an expenditure of Rs. 1.6 billion was incurred in the livestock sector including breeding farms, animal breeding through artificial insemination, disease control, production of vaccines, livestock research and training programmes.

5.9.5 Irrigation

The total government expenditure for the irrigation sector in 2023 amounted to Rs. 54 billion. In 2023,

Table 5.23| Expenditure on Agriculture Sector in 2023

Description	Rs. Million		
	2023 (a)	2023 (a)	2023 (a)
	Recurrent Expenditure	Capital Expenditure	Total Expenditure
Food Crops	76,194	29,011	105,205
O/w Fertilizer Subsidy	53,782	-	-
Plantation Industry	5,135	6,194	11,329
Livestock Development	720	943	1,663
Fisheries and Aquatic Resources	4,223	3,987	8,210
Land and Land Development	6,197	2,855	9,052
Grand Total	92,469	42,990	135,459

Source : Department of National Budget

(a) Provisional

priority was placed on the smooth implementation of ongoing projects, rehabilitation of minor tanks and canals and improvement of existing medium and major irrigation schemes. Rehabilitation of major, medium and minor irrigation schemes continued in 2023, especially focusing on the protection of the upper catchment area to ensure the water sources to down streams and desilting of reservoirs. In 2023, several ongoing schemes such as Mahaweli Water Security Investment Programme, Integrated Watershed and Water Resources Management Project and Uma Oya Downstream Development project, and Lower Malwathuoya Multisector Development Project are continued.

5.9.6 Housing and Common Amenities

Housing Development

Total expenditure for housing construction and related infrastructure development was Rs. 20.4 billion in 2023. As a result of commencing the construction activities of temporally terminated projects in the context of the economic crisis, the total expenditure of 2023 increased by 96 percent compared to 10.4 billion recorded in 2022. Middle Income Housing Scheme, Urban Regeneration Programmes for the resettlement of underprivileged settlements in Colombo city and suburban area, permanent housing for families affected by conflicts in the Northern and Eastern provinces and "Semata Niwahana" housing programmes were main housing projects continued in 2023 as previous year.

Urban Development and Coastal Conservation

Total expenditure for urban development, coastal conservation and waste management related activities was Rs. 11.0 billion in 2023. Out of the total expenditure, Rs. 4.7 billion was spent

on urban development sector and Rs. 6.3 billion was incurred on coastal conservation and waste management related activities. Rs. 3.1 billion was spent on solid waste management and ocean clean-up programmes including management of environmental damage caused by the MV X-Press Pearl Maritime Disaster. Meanwhile, the Greater Colombo Urban Development Project, which was implemented with the aim of flood controlling was continued.

Table 5.24 | Major Projects Launched in 2023 on Housing & Urban Development

Description	Rs. Million	
	2023 Expenditure	
Metro Colombo Urban Development Project-(GOSL-World Bank)	52	
Urban Regeneration Programme	13,983	
Siyak Nagara / Urban Infrastructure & Township Development Programm	1,935	
Resettlement/ Permenant Houses for the Conflict Affected families	1,672	
"Samata Niwahana" Housing Programme (obata geyak ratata hetak)	3,577	
Development of Strategic Cities – Jaffna -(GOSL-World Bank)	257	
Estate Housing Programme	499	
Metro Colombo Solid Waste Management Project	2,971	
Development of Strategic Cities – Anuradhapura -(GOSL-AFD)	556	

Source: Department of National Budget

Drinking water and Sanitation

The government spent Rs. 47.8 billion in 2023 for the water supply sector, of which Rs. 829 million was spent as recurrent expenses and Rs. 47.0 billion was spent as capital expenditure. The total expenditure of 2023 increased by 49.8 percent compared to Rs. 31.9 billion recorded in 2022, owing to the restarting of capital

projects including Greater Colombo Water and Wastewater Management Improvement Investment Project phase 2 and 3, Water Supply and Sanitation Improvement Project, Jaffna Kilinochchi Water Supply and Sanitation Project and Capacity Enhancement and Distribution Expansion Project after Corvid 19 pandemic.

Table 5.25 | Major Projects Launched in 2023 on Water Supply and Sanitation

Description	Rs Million	
	2023 Expenditure	
Kandy North & Pathadumbara Integrated Water Supply Project- (GOSL/China)		414
Capacity Enhancement & Distribution Expansion Project		6,192
Greater Colombo Water and Wastewater Management Improvement Investment Programme -Project 1,2,3(GOSL/ADB)		7,007
Water Supply and Sanitation Improvement Project (GOSL/WB)		11,045
Jaffna Kilinochchi Water Supply and Sanitation Project (GOSL/ADB)		12,984
Greater Matale Water Supply Project (GOSL/France)		1,902
Ambathale Water Supply System Improvement & Energy Saving Project (GOSL/ France)		3,717
Greater Ruwanwella Water Supply Project (GOSL / Korea)		1,060
Anamaduwa Water Supply Project (GOSL/ Spain/HNB)		326
"Praja Jala Abhiman" Water Supply Scheme		377
Inter Provincial Projects / Programme		245

5.9.7 Environment

Environment: Government has placed significant importance on the conservation and protection of the environment through proper waste management and conservation of forests and wildlife while addressing issues such as the human-elephant conflict and the depletion of forest cover.

Forest conservation: Government spent, Rs. 835 million on forest conservation which included the activities such as expansion of the forest coverage, establishment and management of industrial plantations, production of planting materials, conversion of Pine plantations to native broad leaf species, eco tourism and prevention of forest fires.

Wildlife conservation: Under the wildlife conservation, priority was given to mitigate human-elephant conflict for which Rs. 387 million was spent in 2023. Further, a sum of Rs. 100 million was allocated to construct electric fences while spending Rs. 68 million to habitat enrichment of wildlife. In addition, Rs. 9 million was spent to improve road network in National Parks to facilitate tourists.

Box 5.4 | Securing Water and Energy for All

Water: The performance of water utilization brings the water business efficiency in country. In face of global challenges of rapid economic and population growth, the rising demand for water needs the sophisticated measures to adopt the societal water needs with water security.

Though the policy based provisions has delivered highest priority for drinking water supply over other competing demands, Sri Lanka being an agricultural based economy with about 75 percent of the population in the rural sector, the investment in irrigable water received high Public Investment in the country since independence. Since 2000, irrigation sector investments are directed towards mixed developments – rehabilitation and modernization of ageing irrigation systems, water productivity improvements, water management, and construction of a few major multi-purpose projects. Annual investment for the water sector in the last five (5) years ranges from 6–9 percent of the public investments.

The total capital investment for irrigation in 2023 was approximately Rs. 75.8 billion and out of which 63 percent is incurred from foreign financial sources. The promotion of efficient water use in the irrigation sector was a major objective in a number of these initiatives in order to enhance the availability of water for the development of other sectors; Drinking Water, Industry and Energy which brings comparatively higher returns required for economic development. The effective and sustainable water usage, averting unnecessary losses are important strategies at this context to ensure food security and also assuring water to other uses in economy. In the context of limited government financing, other possible financing modalities such that private public partnership arrangements, possible blended financing options to be explored extensively in irrigation sector investment in future, particularly in the new irrigation infrastructure development and trans basin diversions.

Box 5.4 | Securing Water and Energy for All contd...

At present, Sri Lanka has achieved 3 million pipe borne drinking water connections in 2023; further targeting the 3.4 million connections in 2026 to materialize the wellbeing of community in terms of quality of life. The total capital investment for drinking water with sanitation during 2023 has approximated to Rs. 47.8 billion, where domestic financing was Rs. 12.51 billion and foreign financing was Rs. 35.27 billion. The achievement of quality of life in country by ranking Sri Lanka above in position of South Asia as depict by universal health coverage, comprises an immense contribution from providing safe drinking water. However, the production cost for unit of drinking water in country has re-priced with prevailing electricity price revisions. Though the production cost for unit of drinking water recorded as Rs. 86 in year 2023, the calculated same value for year 2024 is Rs. 89. Hence, the demand management in drinking water through regulatory and technology measures towards reduction of water loss and water mis-use has eminent importance in order to improve energy efficiencies under water sector.

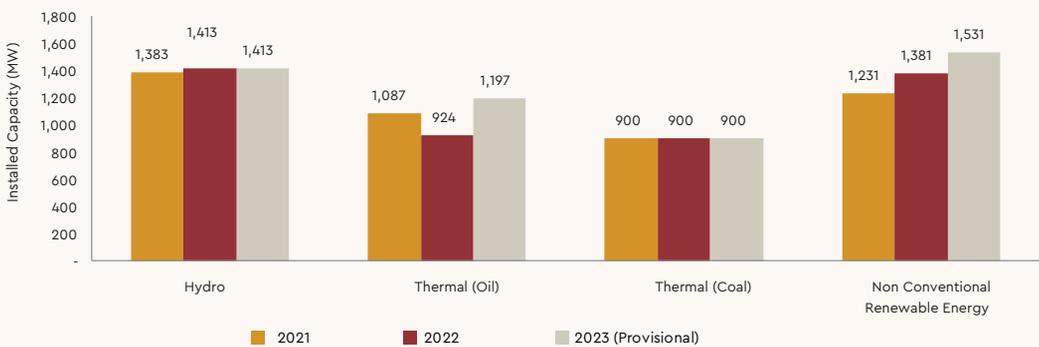
Power & Energy Sector:

Considering the modern industrial economy, energy sector is one of the foremost drivers of the economy. Therefore, it acts as a powerful engine for both the economic and social development. Many factors such as availability, price and accessibility as well as environmental concerns play key roles in influencing the energy supply of a country.

So far, Sri Lanka's main reliance has been on petroleum, accounting for 38 percent of its energy needs, along with biomass (32%), coal (13%), hydro (11%), and new renewable energy sources (6%).The total petroleum imports records average 6.0–6.5 million tons annually, valued at approximately USD 4500–5000 million, comprising crude oil, refined, and finished products. Considering the country's upstream petroleum industry, the preliminary stages of operations demonstrate a promise with successful discoveries of natural gas. However, the actual commencement of commercial production has not yet begun.

The total electricity generation in 2022 and 2023 were 15,942 GWh and 15,589 GWh, respectively. The country has nearly achieved full electrification, marking a significant accomplishment.

Electricity Installed Capacity Mix (MW)



Source: Ceylon Electricity Board

Box 5.4 | Securing Water and Energy for All contd...

The electricity sector's vision involves enhancing renewable energy usage and expanding natural gas (NG) / liquefied natural gas (LNG) capacity. Further, it has been identified the urgent energy sector reforms in order to ensure the sustainability. The National Policy Framework aims ambitiously to integrate renewable energy, especially wind and solar power, into its electricity generation mix by increasing the share of renewable energy to 70% by 2030. This shift requires improved battery storage systems to provide frequency regulation, energy shifting and blackout restoration..



Reducing emissions and ensuring competitive pricing are priorities, with a specific emphasis on LNG/NG. Moreover, nuclear power is being considered as a strategic and cost-effective option. Further, promoting investments in energy-efficient technologies across various sectors and structures, supporting advancements in grid efficiency, reliability and establishing mechanisms for demand-side management are acknowledged as critical steps toward a more sustainable and resilient energy sector. These actions also help in reducing the increased costs associated with electricity generation. Meanwhile, it is essential to secure private investments, including Foreign Direct Investments, to enhance the competitiveness as well as to leverage the potential for energy sector development.

Box 5.5 | Enhancing Accountability and Transparency: SDG Budget Tagging in Sri Lanka

Sustainable Development Goals (SDGs) are bold, universal agreement to end poverty in all its dimensions and craft an equal, just and secure world for people, planet and prosperity by 2030.

In line with the SDGs, Sri Lanka initiated its planning from 2017 onwards to act on 2030 agenda of the Sustainable Development.

In 2023, efforts were made to integrate the Sustainable Development Goals (SDGs) into the National Budget through the provision of coherent guidelines to all ministries on SDG Budget Coding and Tagging.

As outlined in the 2024 Budget Call Circular No. 04/2023, under section 4.4, all government institutions were required to tag public expenditure estimates according to the issued classification guidelines.

Consequently, the SDG Budget Tagging Analysis, based on the 2024 government budget, was conducted to identify allocation levels towards each SDG and its corresponding targets.

This analysis, covering both capital and recurrent expenditures, provides a comprehensive overview of the national budget, which enables identifying sectors / areas requiring further attention in public resource allocation to meet the country's Sustainable Development priorities.

Ultimately, SDG budget tagging not only enhances transparency in government spending but also reinforces Sri Lanka's commitment to leaving no one behind in the journey towards a sustainable future.

06

Cash Flow Management, Deficit Financing and Debt

6.1 Overview

In 2023, the government cashflow management reflected a substantial improvement compared to the previous year. The increase in the government revenue collection as a result of the series of measures implemented since mid-2022 and the committed efforts made to rationalize and contain the government expenditure helped to achieve this favourable outcome.

In 2022, as the economic crisis unfolded, there were unprecedented stresses on the cashflow operations as the daily revenue collection was far below the daily expenditure requirements. Similarly, the monthly collection of revenue was inadequate to make the payments related to public sector salaries, pension and Samurdhi welfare, fertilizer, medicine, and other essential administrative areas. Every day was a struggle to meet even the mandatory payments of the government. At the time, just the salary bill and interest cost exceeded government revenue. Government borrowing was a major challenge as monetary financing had reached an excessive level (over Rs. 2 trillion), there was no foreign financing available adequately due to the weak credit rating, the state bank overdraft window was all but closed (with over Rs. 900 billion, which were subsequently reduced periodically during the year 2022 by issuing Treasury Bonds to both Banks) and there were unpaid bills of over Rs. 170 billion at the time. Considering this situation, the government introduced revenue enhancement reforms as well as expenditure rationalization measures to ensure fiscal consolidation is strengthened which was essential to stabilize the cashflow operations. Improvements were brought in to cashflow forecasting, planning and execution as well as management of government borrowings in line with overall objectives of the cashflow operations.

The year 2023 demonstrated the positive outcomes of such concerted efforts. The government was able to clear the significant unpaid bills of over Rs. 170 billion and to convert the overdraft from the two state banks to a cash surplus. Measures were introduced to impose controls on expenditure commitments as well to better manage cash flows. National Budget Circular No 02/2023 dated 02.02.2023 was issued by deliberating instructions on the expenditure control, based on the approval granted by the Cabinet of Ministers for a note submitted by the Minister of Finance. In addition, actions were taken to prioritize the essential expenditure to be financed straightly by the Treasury cashflow and the rest of expenditure

items were required to obtain the detailed approval as per the Cabinet decisions dated 06.02.2023 and 13.02.2023.

Meanwhile, the monetary financing from the Central Bank was terminated with effect from 14 September 2023. Although the new Central Bank of Sri Lanka Act, No. 16 of 2023 (CBA) provides a transitional period of 18 months to gradually phase-out the monetary financing, the government in its Memorandum of Economic and Financial Policies (MEFP) with the IMF for the first EFF programme review, agreed to terminate the monetary financing with immediate effect from the staff level agreement in September 2023. This decision effectively terminated the monetary financing from the Central Bank and imposed a serious challenge and risk for the cashflow operations of the government. This was particularly challenging in an environment where at the time government revenue was still below expectations as there is a lag between policy implementation and actual impact on cashflow. Foreign financing was not available to fund the budget except for limited levels of multilateral support. The domestic financial market was also under significant stress due to low levels of liquidity and substantial uncertainty over the outcomes of the Domestic Debt Optimisation (DDO) process. As a result, government securities auctions often failed to raise the required funds or raised funds at elevated interest rates for government cash flow operations. At the same time, government spending needs continued unabated, creating a period of significant stress for Treasury cash management during mid to late 2023 in particular.

The new environment created with the sudden termination of the monetary financing was managed carefully by close monitoring, detailed planning, effective implementation and enhanced coordination with the stakeholders, including the three revenue agencies. In the absence of monetary financing, the government created a cash surplus as a buffer, a sharp contrast to the past, in order to face specific challenges, such as auction failures, that may arise given the market uncertainties discussed previously. Whilst the termination of the monetary financing has important positive impacts in terms of the necessary management of inflation, there are important trade-offs, particularly in the short term, until the fiscal position is optimized. For instance, the maintenance of a cash buffer has a carrying cost, and an opportunity cost in terms of funds that could have been utilized to fund public services and capital expenditure to support economic recovery.

The cashflow management is expected to improve further as the fiscal position continues to stabilize and technical improvements are made to cash management with the assistance of the international institutions.

The financial year 2023 started with a tight cash flow position given the lagged results of the revenue-enhancing measures implemented since mid-2022. Treasury cash flow operations throughout history were mainly backed by the considerably high State Bank overdraft facility which was subsequently decreased significantly by the Banks due to poor liquidity status in the market, which was recorded as Rs. 23 billion at the beginning of the year against the facility.

However, with the support of improved revenue performance and controlled government spending, the 2023 year-end bank balance recorded a cash surplus of around Rs. 599.5 billion including the cash buffer created through market borrowings of Rs. 79 billion, to mitigate the possible interest rate risks and other implications on the government security market due to discontinuation of monetary financing provided by the CBSL.

Cash flow performances show a total cash inflow during the year of Rs. 3,114.3 billion while outflows for the period amounted to Rs. 5,278.5 billion. The net cash deficit of Rs. 2,164. billion was mainly financed by domestic sources. Accordingly, total domestic debt stock as at the end of 2023 amounted to Rs. 17,051.9 billion while total foreign debt amounted to Rs. 11,644.1 billion.

6.2 Treasury Cash Flow Management

Treasury cash flow management aims to ensure the availability of adequate funds to operationalize the government budget during the fiscal year through the various implementing agencies efficiently and effectively. The Treasury cash flow management process transforms the Annual Budget approved by the Parliament for a particular financial year into an implementable fund flow. The fund flows include cash inflows in the form of revenue and borrowings and cash outflows in the form of expenditure which comprise both recurrent and capital payments including debt service payments.

Treasury cash inflows and outflows were affected by the revenue-based fiscal consolidation measures introduced as a part of the fiscal reforms supported by the IMF – EFF program extended to the government of Sri Lanka with effect from March 2023. Revenue enhancing measures as well as expenditure rationalization measures introduced

in the latter part of 2022 resulted in significant improvements in the liquidity status of the Treasury cashflow. The temporary discontinuation of a part of the debt service payments with effect from mid-April 2022 with the announcement of the Debt Standstill on selected debt also contributed to improving Treasury cash flow status. In contrast, the continued increasing trend of interest rates in the government securities market, specifically increasing in short-term Treasury bill interest rates, caused increasing interest costs for the government in 2023.

Accordingly, the financial year 2023 started with a negative cash balance of Rs. 84.2 billion against the negative cash balance prevailed as of January 01, 2022 of Rs. 831.6 billion. In addition, due payments on the goods and services obtained by the Government during the year worth Rs. 107 billion reflecting a decrease over the previous year by Rs. 46 billion from the bills in hand recorded as Rs. 153 billion at the beginning of 2022. A sizable reduction in the over-draft facility provided by the Banking system to support Treasury cash flow operations is another notable challenge that befallen during the year. Smoothing of spikes in the Treasury flow against the large volume and time differences of cash inflows and outflows from the history was done through the overdraft facility provided by the two main state Banks. While historically high overdraft facilities utilized for cash flow operations were recorded as Rs. 874 billion at the beginning of 2022, the facility available at the beginning of 2023 was only around Rs. 90 billion.

Reflecting the positive momentum of the restructuring agenda, total receipts to the Treasury cash flow recorded an achievement of 109.3 percent, which amounted to Rs. 3,114.3 billion over the revised estimated inflow of Rs. 2,838.9 billion in the form of tax and non-tax revenue. However, the revenue performance reflected a shortfall of 10 percent over the original revenue estimate for the year 2023 of Rs. 3,456 billion. The realization of non-tax revenue particularly cash inflows on the transactions carried out under the Indian Credit line was also supported to record the considerable improvement in cash inflows during 2023.

Meanwhile, the cash outflow for both recurrent expenses and public investment in 2023 amounted to Rs. 5,278.5 billion, including interest payment of Rs. 2,265.8 billion and excluding debt repayment as against the estimate of Rs. 4,735 billion representing 92.9 percent from the estimate. Expenditure rationalization measures of

Table 6.1 | Government Treasury Cash Flow Operations – 2023

Item	2021	2022	2023	
	Actual	Actual	Revised Estimate	Actual
Opening Cash balance as at 1st January	-488.2	-831.6	-84.16	-84.16
Total cash inflow from revenue and other receipts	1,389.8	1,876.8	2,838.90	3,114.3
Tax Revenue	1,269.4	1,701.9	2,582.6	2,661.2
Non Tax Revenue	120.3	174.7	256.4	452.2
Grant Receipts	0.1	0.2	0.1	0.9
Total cash outflow for recurrent payments	-2,713.1	-3,220.4	-4,734.5	-4,397.1
Personal Emoluments	-970.0	-1,081.7	-1,123.0	-1,064.5
Pension payments	-251.6	-290.4	-375.3	-364.4
Samurdhi payments	-55.4	-84.6	-86.8	-145.0
Fertilizer Subsidy	-21.1	-46.7	-56.3	-34.2
Other Recurrent	-363.8	-350.8	-679.491	-523.196
Interest	-1051.2	-1,366.2	-2,413.7	-2,265.8
Total cash outflow for capital payments	-718.0	-1,013.0	-1444.5	-881.4
Other Capital payments	-706.2	-1,000.9	-1385.1	-865.6
Grant payments	-2.3	-3.5	-38.0	-5.5
Advance to Public Officers	-9.5	-8.6	-21.3	-10.3
Net cash surplus / (deficit)	-2041.3	-2,356.6	-3,340.1	-2,164.2
Utilization of gross borrowing	2,989.4	4,410.5	13,979.0	8,136.9
Debt repayment	-1,315.5	-1,449.2	-5,574.1	-5,330.9
Utilization of Net borrowing	1,673.9	2,961.3	8,404.9	2,806.0
Balance proceeds of ISB/FCTFF previous year	-	4.6	-	-
Adjustment account balance (Temporary Employed Balance, net deposits, etc.)	24.0	138.1	-	41.9
Closing Cash balance as at 31st December	-831.6	-84.2	4,980.6	599.5

Source: Department of Treasury Operations

the government have eased the Treasury cash flow operations during the year, which reflects only an increase in total expenditure both recurrent and public investments excluding debt repayments and interest cost of Rs. 277 billion or 15 percent over the previous year. However, the interest cost has gone up by 66 percent or by Rs. 900 billion over the year 2022, mainly due to the impact of continued increases in the government security interest rates and depreciation of exchange rates starting from mid-2022.

Financing the revenue gap during the year has mainly been secured through domestic borrowings. Accordingly, a net cash deficit of Rs. 2,164.2 billion has been financed through borrowings. Specifically, domestic debt repayment and interest payments at maturity have

been financed through re-issuing the maturing debt instruments to the market. However, in order to overcome the liquidity shortage in the domestic money and capital market as well as to manage market interest rates, a part of the maturities were settled through monetary financing in the first eight months of the year. Nevertheless, such borrowing for debt service payments through monetary financing has been negated through domestic debt optimization by way of retiring Treasury Bills and provisional advances issued to the Central Bank of Sri Lanka and converting those into longer-term Treasury Bonds. Further, a part of the borrowing recorded during the year includes non-cash transactions generated on the execution of domestic debt restructuring during the latter part of the year. Possible negative implications on the discontinuation of monetary financing as a

standby source of debt servicing such as interest rate risk and liquidity risk were managed through the excess revenue generated in the Treasury cash flow. As a result of improved revenue collection and controlled government spending, the bank overdraft was also settled in full during the year 2023 and a considerable positive cash balance was maintained with the two-state Banks at the end of 2023. Foreign currency inflows to the Treasury cashflow during 2023 mainly consisted of the first and second tranches of the IMF- EFF program, which were provided for government budgetary purposes, and the program loans from the other multilateral partners of the Government of Sri Lanka, including the Asian Development Bank and the World Bank, which were utilized to finance limited debt service payments in foreign currency terms during the year.

6.3 Government Borrowing Programme – 2023

Approval of the Parliament had been granted for a borrowing limit of Rs. 4,979 billion as specified in Appropriation Act, No. 43 of 2022 and it was subsequently increased up to Rs. 13,979 billion in the Appropriation Act, No. 12 of 2023 in order to facilitate the implementation of the Domestic Debt Optimisation (DDO) programme. However, only a part of the planned debt optimization was able to implement during the year. Accordingly, the actual gross borrowing in 2023 was Rs. 8,137 billion as against the approved borrowing limit of Rs. 13,979 billion for the year. A major part of the total borrowings during the year 2023 was mainly raised from the domestic market from which Rs. 7,306 billion was accounted for the recording of new debt instruments issued under the Domestic Debt Optimization programme while the balance Rs. 831 billion was raised from the foreign sources.

6.4 Financing of the Budget

In an economic classification, the overall budget deficit of Rs. 2,282.3 billion was financed mainly through domestic sources in 2023. Financing through domestic sources amounted to Rs. 1,787.6 billion or 6.5 percent of GDP in 2023, while net foreign financing accounted Rs. 494.7 billion or 1.8 percent of GDP in 2023. The net domestic financing decreased by 2.2 percent to Rs. 1,787.6 billion in 2023 from Rs. 2,035.1 billion in 2022 while the net foreign financing increased significantly Rs. 494.7 billion in 2023 from Rs. 422.9 billion in 2022.

Foreign Financing Commitments

By the end of 2022, the signs of initial economic stabilization in the Sri Lankan economy were reflected. In 2023, certain legal and fiscal reforms were initiated to further strengthen the recovery initiatives in order to maintain economic stability in the long run. As one of the key policy measures, on March 20, 2023, the government entered into the four-year Extended Fund Facility Programme (EFF) 2023–26 of the International Monetary Fund (IMF) amounting to approximately USD 3 billion. Successful approval of the EFF programme by the IMF has also created an opportunity to secure additional foreign financing from International Financial Institutions (IFIs).

The Government obtained foreign financing of USD 2,120.5 million by entering into 16 agreements with foreign development partners and lending agencies during the year 2023, of which, USD 2,029.9 million was in the form of loans. This consists of the USD 728.1 million under IMF-EFF arrangement, USD 550.0 million for the Economic Stabilization programme, and Financial Sector

Table 6.2 | Commitment 2023, by Development Partners

Development Partner / Lending Agency		USD Million		
		Loan	Grant	Total
Bilateral		0.0	70.6	70.6
	Japan	0.0	44.2	44.2
	USA	0.0	19.3	19.3
	Korea	0.0	7.1	7.1
Multilateral		2,029.9	20.0	2,049.9
	International Monetary Fund	728.1	0.0	728.1
	World Bank	691.8	4.2	696.0
	Asian Development Bank	610.0	0.0	610.0
	European Union	0.0	15.8	15.8
Total		2,029.9	90.6	2,120.5

Source: Department of External Resources

Notes: Financial values committed in difference currencies have been converted into USD and LKR as per the daily average exchange rates prevailed on each agreement date

For conversion of SDR into USD, monthend exchange rate of SDR applied to the end of previous month published by CBSL have been used.

Table 6.3 | Foreign Financing Commitments with Terms – from 1st January to 31st December 2023

Development Partner/ Lending Agency	Instrument Type	Agreement Date (DD/MM/YYYY)	Project /Program/ Instrument Name	Amount Committed (million)			Financial Terms			Other Terms	
				Currency	In Instrument Currency	Rupees	USD	Type	Annual Rate (%)		Margin (100 basis points)	Other Charges	Grace Period (Years)	Maturity /Availability Period from the Date of Signing (Years)
Bilateral											
Japan	Grant	22/2/2023	Fuel Grant Assistance under Japanese Economic and Social Development Programme	JPY	5,000.0	13,423.0	37.1		Not applicable		3
	Grant	26/4/2023	Grant Assistance for the Project for the Improvement of Infectious Waste Management	JPY	503.0	1,211.7	3.8		Not applicable		3
	Grant	9/8/2023	The Project for Human Resource Development Scholarship	JPY	284.0	636.2	2		Not applicable		3
	Grant	22/11/2023	Providing Supportive Equipment for the Fisheries Industry under the Economic and Social Development Programme	JPY	200.0	442.9	1.4		Not applicable		3
Korea	Grant	31/5/2023	Floating Solar Photovoltaics (PV) Pilot Project in the Southern Area of Sri Lanka (Chandrika Weva and Kiriibban Weva, 1MW Each)	Won	6,830.0	1,524.4	5.1		Not applicable		1
Korea	Grant	12/5/2023	Strengthening Labour Market Demand Driven Technical Vocational Education and Training (TVET) Sector in Niyagama in Sri Lanka	Won	2,150.0	516.2	1.6		Not applicable		1
	Grant	15/2/2023	The Community-Based Tourism Development Project in the North Eastern and Central Regions of Sri Lanka	Won	400.0	117.8	0.3		Not applicable		1
USA	Grant	28/7/2023	A Democratic, Prosperous, and Resilient Sri Lanka Programme (Enhancement)	USD	13.2	4,356.3	13.2		Not applicable		4

	Grant	17/8/2023	A Democratic, Prosperous, and Resilient Sri Lanka Programme (Enhancement)	USD	6.0	1,926.6	6.0				Not applicable		4
Multilateral													
Asian Development Bank	Loan	29/5/2023	Economic Stabilization Program	USD	350.0	104,689.1	350.0	Variable	SOFR	2	Commitment Fee 0.75%	4	8
	Loan	28/11/2023	Second Integrated Road Investment Program – Tranche-4	USD	60.0	19,740.2	60.0	Fixed	2	N/A	-	5	25
	Loan	11/12/2023	Financial Sector Stability and Reforms Program - Subprogram 1	USD	200.0	65,386.3	200.0	Fixed	2	N/A	-	5	25
European Union	Grant	23/10/2023	Promoting a Circular Economy in the Food Sector	EUR	15.0	5,158.2	15.9				Not applicable		5
International Development Association	Loan	28/6/2023	Resilience, Stability, and Economic Turnaround (RESET) Development Policy Financing	SDR	371.2	153,049.4	495.6	Interest Free			Commitment Fee 0.5%	6	12
	Loan	21/9/2023	Social Protection Project	SDR	148.5	63,724.8	196.2	Fixed	1.25	N/A	Service fee 0.75% Commitment fee 0.5%	5	30
International Development Association	Grant	6/7/2023	Sri Lanka – Public Financial Management Strengthening Project	USD	4.2	1,289.3	4.2				Not applicable		3
International Monetary Fund	Loan	20/3/2023	Sri Lanka's 2023-26 Extended Fund Facility (EFF) Arrangement from IMF	*SDR	508.0	244,110.6	728.1	Amount Based			Commitment fee 0.5% Service fee 0.5%	5	11
Total						681,303.0	2,120.5						

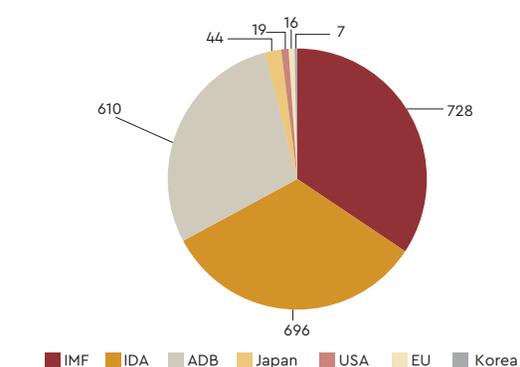
Source: Department of External Resources

Notes: SOFR = Secured Overnight Financing Rate

Financial values committed in difference currencies have been converted into USD and LKR as per the daily average exchange rates prevailed on each agreement date

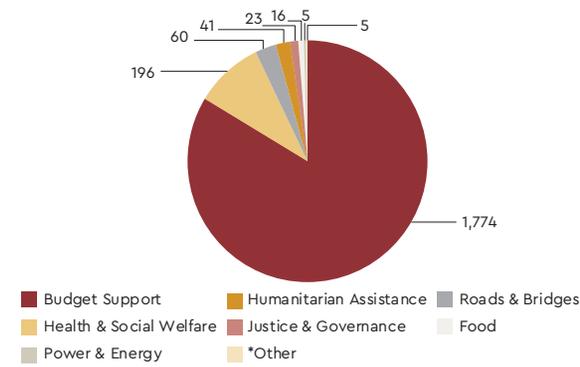
for convrsion of SDR into USD, monthend exchange rate of SDR prevailed on previous month published by CBSL have been used

Figure 6.1 | Commitments 2023 by Major Development Partners (USD Million)



Source: Department of External Resources

Figure 6.2 | Commitments 2023 by Major Economic Sector (USD Million)



Source: Department of External Resources

*Other - Education & Training, Fisheries, Tourism

Stability and Reforms Program – Subprogram 1, USD 60.0 million for Second Integrated Road Investment Programme –Tranche 4 extended by the ADB, USD 495.6 million for the Resilience, Stability, and Economic Turnaround (RESET) Development Policy Financing, and USD 196.2 million for the Social Protection Project extended by the International Development Association (IDA).

Apart from loan agreements, the total of USD 90.6 million was received by way of Official Development Assistance (ODA) through ten grant agreements signed with the Government of Japan, Government of the United States of America (USA), European Union (EU), Government of Korea, and the IDA during the year 2023.

During this period, IMF led by its commitments amounting to USD 728.1 million, followed by the IDA (USD 696.0 million), ADB (USD 610.0 million), Japan (USD 44.2 million), USA (USD 19.3 million), EU (USD 15.8 million) and Korea (USD 7.1 million).

The highest amount of commitment was made for the Budget Support sector which amounted

to USD 1,774.0 million or 84 percent of the total commitments in 2023.

Foreign Financing Disbursements and Utilization

Total foreign financing disbursements during the period from 1st January to 31st December 2023 was amounted to USD 2,568.7 million. Of which, USD 2,510.3 million was disbursed as loans and USD 58.4 million was disbursed by way of grants.

The majority of the disbursements recorded in 2023 were from the loan agreements signed with ADB, which amounted to almost 33 percent of the total disbursements, followed by World Bank (29 percent) and IMF (27 percent).

The majority of the disbursements was utilized in the Budget Support sector accounting for almost 67 percent of the total disbursements, followed by the Trade sector at 5 percent, Health & Social Welfare sector at 5 percent, Roads and Bridges sector at 4 percent, and Ground Transport Sector at 4 percent.

Table 6.4 | Disbursements of Foreign Loans and Grants from 1st January to 31st December 2023

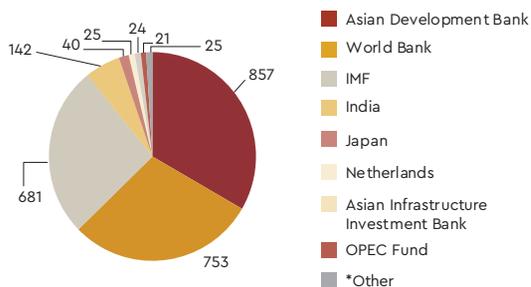
Development Partner/ Lending Agency	Disbursements* (USD million)		
	Loan	Grant	Total
Bilateral	176.1	45.8	221.9
India	142.5	-	142.5
Japan	-	39.6	39.6
The Netherlands	24.7	-	24.7
Saudi Fund	7.6	-	7.6
Germany	-	6.0	6.0
France	1.3	0.2	1.5
Multilateral	2,334.2	12.6	2346.8
Asian Development Bank	853.9	3.0	856.9
World Bank	743.6	9.6	753.2
International Monetary Fund	681.5	-	681.5
Asian Infrastructure Investment Bank	24.2	-	24.2
OPEC Fund	21.3	-	21.3
International Fund for Agricultural Development	9.7	-	9.7
Total	2,510.3	58.4	2,568.7

Source: Department of External Resources

For conversion of disbursements made in different currencies into USD, the exchange rates prevailed on each disbursement date have been used

* Provisional

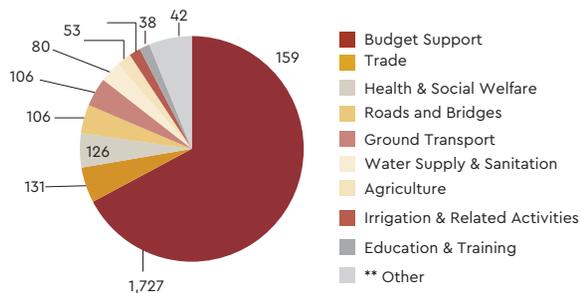
Figure 6.3 | Disbursements 2023, as per the Lender (USD Million)



Source: Department of External Resources

*Other = International Fund for Agricultural Development, Saudi Fund, Germany, France

Figure 6.4 | Disbursements 2023, as per the Sector



Source: Department of External Resources

** Other = Housing & Urban Development, Rural Development, Humanitarian Assistance, Power & Energy, Science & Technology, Defence, SME Development, Land Development, Environment, Disaster Management, Plantation, Justice & Governance

Box 6.1 | Sri Lanka's Path to Environmental Sustainability, Climate Resilience and Blue-Green Financing

Prioritizing environmental management involves more than just ecological concerns, it represents a strategic investment in sustainable long-term development, human well-being, and global cooperation.

Sri Lanka confronts significant environmental challenges, causing environmental degradation and climate challenges. The country, being highly susceptible to climate change, experiences frequent climate-induced disasters that significantly impact its economic development. Sri Lanka is identified as among the most vulnerable globally, due to adverse impact of climate change. These disasters have not only hindered Sri Lanka's economic progress but also exacerbated hardships for vulnerable communities due to worsening climate conditions.

Sri Lanka's per capita carbon emission is around one ton per year, reflecting its commitment to a low-carbon approach in development. However, the country aims to reduce greenhouse gas emissions by 14.5 percent across key sectors like Electricity, Transport, Industry, Waste, Forestry, and Agriculture from 2021 to 2030, as detailed in its updated Nationally Determined Contributions (NDCs), under the Business-As-Usual scenario.

Further, Sri Lankan government has placed a high priority on environmental management, focusing on climate change mitigation and adaptation, conservation of wildlife and forests, waste management, reduction of plastic waste generation, and biodiversity and ecosystem conservation.



The Blue Green Economy can be defined as a macro-economic approach. While the green economic strategies focus on energy and transport, agriculture and forestry sectors, blue economy concentrates on mainly the fisheries, marine and coastal resources. Harnessing the blue-green economy involves leveraging both marine (blue) and terrestrial (green) resources sustainably to promote economic growth while preserving environmental integrity.

Box 6.1 | Sri Lanka's Path to Environmental Sustainability, Climate Resilience and Blue -Green Financing contd...

Blue-green financing particularly the Sustainable innovative financing under blue-green economy refers to financial mechanisms and approaches that support environmentally sustainable projects and initiatives while promoting economic growth and social equity. This type of financing is designed to address the unique challenges and opportunities presented by the transition to a more sustainable and environmentally friendly economic model. It encompasses various strategies such as green bonds, impact investment funds, climate funds, and other innovative financial instruments that channel capital towards activities, promoting conservation, renewable energy, resource efficiency, waste reduction, and other sustainable practices. These financial mechanisms play a crucial role in mobilizing resources, incentivizing green investments, and driving positive environmental and social outcomes within the framework of a blue-green economy.

The government's efforts towards blue-green financing, including the drafted green bond framework, Sustainable Finance Roadmap, and Sri Lanka Green Finance Taxonomy, demonstrate the commitment to sustainable development and meeting international obligations. The establishment of a Climate Smart Governance dashboard will also offer timely and location-specific data crucial for climate adaptation measures in future. Moreover, actions have been taken to create a comprehensive evaluation guideline known as the Green Book which incorporates environmental assessments into the decision-making process for public policies, programs, and projects, providing valuable guidance on environmental asset valuations. This initiative stresses aligning with global standards for innovative financing under blue-green economy and creating tools for issuing and reporting on blue- green, social, and sustainability bonds etc as well as communicates how the Government of Sri Lanka intends to raise capital for climate adaptation and mitigation and environment conservation both domestically and internationally.

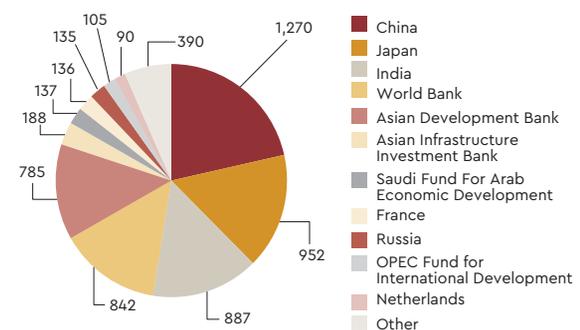
Sri Lanka has engaged in International collaborations like joint carbon crediting mechanisms and incorporation of Article 6 of the Paris Agreement, unlocking avenues for accessing carbon markets, attracting investment, enhancing NDC implementation, building capacity, and promoting sustainable development. Specialized financial instruments like blue-green bonds, debt -for- nature swaps, sustainability-linked loans, and impact investment funds tailored for blue-green investments, can further support these initiatives. It leverages partnerships, innovative financial tools, and a holistic perspective to create positive environmental and social impacts while enhancing the economic growth. Enhancing awareness on blue-green financing and creating platforms for sharing experiences and successful strategies are also key initiatives to be implemented in order to obtain the optimum benefits under the blue-green economy.

Committed Undisbursed Balance (CUB)¹

As at 31st December 2023, the total undisbursed balance of foreign financing available from the loans committed, was USD 5.9 billion. Major portion of the balance is to be disbursed from the projects committed with China and followed by the disbursements made from Japan, India, WB and ADB respectively.

Almost 22 percent of the CUB is to be utilized in Roads and Bridges sector whereas 16 percent is for Water Supply and Sanitation and 11 percent in Ground Transport sector.

Figure 6.5 | CUB for Development Projects and Programs, by Development Partner/Lending Agency as at 31st December 2023 (USD Million)



Source: Department of External Resources

¹ Affected by Interim Policy of debt standstill

Table 6.5 | Committed Undisbursed Balance as at 31st December 2023

Economic sector	CUB* (USD Million)
Roads and Bridges	1,313.7
Water Supply & Sanitation	972.0
Ground Transport	660.5
Trade	529.0
Education & Training	431.4
Power & Energy	260.3
Health & Social Welfare	239.8
Irrigation & Related Activities	235.8
Humanitarian Assistance	212.8
**Other	1,061.5
Total	5,916.8

Source: Department of External Resources

*Provisional due to interim policy of debt standstill

Other= Housing & Urban Development, Defense, Agriculture, Media, Rural Development, SME Development, Science & Technology, Land development, Sports infrastructure, Livestock Development, Ports & Shipping, Labour & Vocational training, Disaster management, Justice & Governance, Private Sector Development, Environment, Plantation

6.5 Central Government Debt

The total outstanding central government debt, in nominal terms, increased slightly by 4.4 percent to Rs. 28,695.9 billion by the end 2023 compared to Rs. 27,492.0 billion by the end 2022. This was mainly due to the increase in domestic debt by 13.4 percent in 2023 compared to 2022. However, the total debt stock as a percentage of GDP declined by 10.3 percentage points to 103.9 percent at the end 2023 from 114.2 percent at the end 2022 due to the increase in GDP in nominal terms and reduction of foreign debt with the appreciation of Sri Lankan Rupee. Foreign debt as a percentage of GDP declined to 42.1 percent by the end 2023 compared to 51.8 percent of GDP at the end 2022 due to the appreciation of the Sri Lanka rupee against major currencies during 2023. The domestic debt as a percentage of GDP also declined slightly by 0.8 percentage points to 61.7 percent at the end 2023 compared to 62.5 percent at the end 2022.

Of the total debt, domestic debt increased by 13.4 percent to Rs. 17,051.9 billion at the end of 2023 from Rs. 15,033.9 billion at the end of 2022 while foreign debt decreased significantly by 6.5 percent to Rs. 11,644.1 billion at the end 2023 from Rs. 12,458.2 billion at the end 2022. The increase in domestic debt amidst the decline in foreign debt highlighted the decisive financial requirements of the government to be encountered within the constrained fiscal space owing to the limited foreign financing receipts. Also, the drop in rupee value of the foreign debt stock was partly responsible for the receipts of funds from multilateral agencies, including the two tranches of the IMF-EFF in 2023.

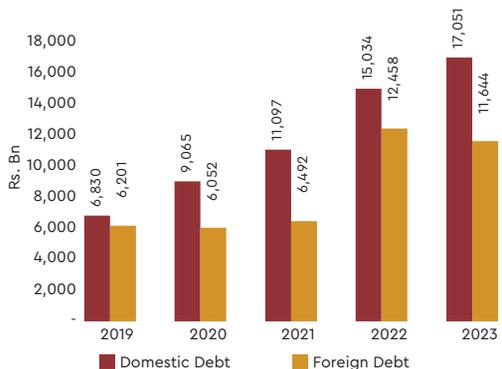
The share of domestic debt in the total debt stock surged to 59.4 percent at the end of 2023 from 54.7 percent recorded at the end of 2022. In contrast, of the total debt stock, the share of foreign debt declined to 40.6 percent at the end of 2023 from 45.3 percent at the end of 2022.

Outstanding short term domestic debt stock significantly declined by 15.3 percent to Rs. 3,616.2 billion at the end of 2023 from Rs. 4,267.7 billion at the end of 2022. Treasury bills stock declined by 2.4 percent, to Rs. 4,017.0 billion by end 2023, compared to Rs. 4,113.9 billion recorded at the end of 2022. The share of short-term debt in total domestic debt stock declined slightly to 21.2 percent by the end of 2023 from 28.4 percent reported at the end of 2022. Furthermore, the share of Treasury Bills in total domestic debt stock decreased to 23.6 percent at the end of 2023 from 27.4 percent at the end of 2022. This led to the conversion of short-term debt maturities into medium to long term maturities under the DDO operation with the aim of reducing refinancing risk to the Government.

The medium and long term domestic debt stock increased significantly by 28.0 percent to Rs. 12,646.9 billion by the end of 2023 from Rs. 9,882.1 billion recorded at the end of 2022. Further, the share of medium and long term debt in the total domestic debt stock surged to 74.2 percent in 2023 from 65.7 percent at the end of 2022. Hence, the share of Treasury Bonds of the total outstanding domestic debt stock increased to 70.4 percent at the end of 2023 from 57.9 percent at the end of 2022. This was primarily driven with the conversion of Treasury bill holding and provisional advances of the Central Bank to the Government into longer term Treasury bonds under the DDO operation by extending the maturity period of the debt stock to assist the Government in narrowing the burden of the Gross Financing Needs.

The banking sector debt increased by 6.8 percent to Rs. 9,102.8 billion at the end of 2023 from Rs. 8,525.7 billion in 2022 due to the increased debt to commercial banks. Meanwhile, nonbank sector debt also increased by 21.8 percent to Rs. 7,506.3 billion at the end of 2023 compared to Rs. 6,164.1 billion at the end of 2022. Of the total domestic debt, the share of the banking sector debt declined to 53.4 percent by the end of 2023 from 56.7 percent at the end of 2022 whereas the share of the non-banking sector debt by debt instrument/ by institution increased to 44.0 percent by the end of 2023 from 41.0 percent by the end 2022.

Figure 6.6 | Central Government Debt



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

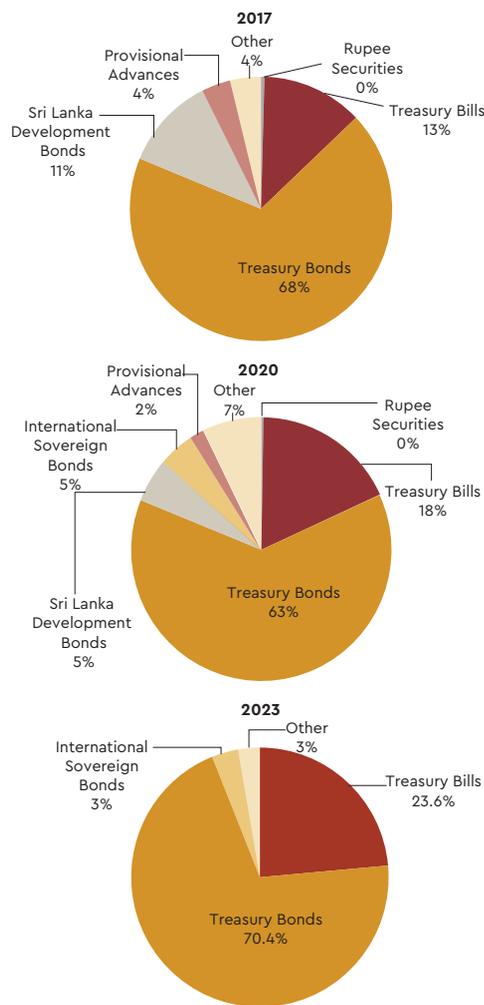
6.5.1 Domestic Debt

The outstanding domestic debt, excluding the rupee-denominated Treasury Bills and Bonds issued to non-residents, increased by 13.4 percent to Rs. 17,051.9 billion at the end 2023 from Rs.15,033.9 billion at the end 2022. However, due to the execution of the Domestic Debt Optimization programme, the composition of the outstanding debt stock has changed drastically over the previous year. Meanwhile, the government guaranteed foreign currency loans of USD 2,435 million of Ceylon Petroleum Corporation was transferred to the government debt stock at the end of 2022 and remained unchanged in the debt stock of 2023.

Composition by Type

As at end 2023, Treasury Bonds and Treasury Bills stood at 70.4 percent and 23.6 percent, respectively of the outstanding domestic debt. Sri Lanka Development Bonds and the Central Bank of Sri Lanka's (CBSL) holdings of Treasury bills were converted to Treasury bonds under the Domestic Debt Optimisation programme. Accordingly, Treasury Bill stock was reduced by Rs. 2,368 billion in absolute terms which was added back to the Treasury Bond stock reflecting a slight decrease in the stock of Treasury Bills by 2.4 percent to Rs. 4,017.0 billion compared to 2022. As a result of the execution of the Domestic Debt Optimization programme, the stock of Treasury Bonds increased significantly by 37.8 percent to Rs.12,002.3 billion in 2023. There were no outstanding stocks of SLDBs and the provisional advances obtained from the CBSL by the end of 2023 consequent to the implementation of the Domestic Debt Optimisation programme.

Figure 6.7 | Composition of Domestic Debt by Type

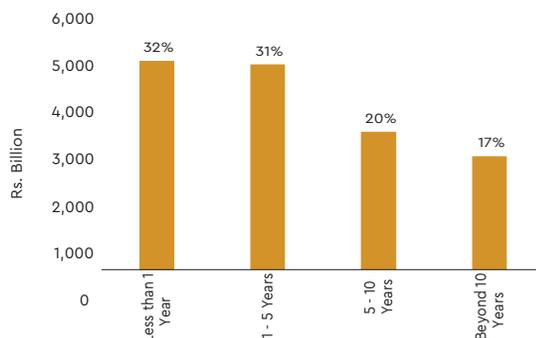


Sources: Central Bank of Sri Lanka & Department of Treasury Operations

Composition by Maturity Profile

The share of domestic debt matured within a year from the total outstanding stock of Treasury Bills, including the share held by non residential investors and Treasury Bonds, represented 31.4 percent while the balance 68.6 percent represented the maturities beyond 2024.

Figure 6.8 | Domestic Debt Maturity Profile



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

6.6 Debt Service payments

In nominal terms, the total debt service payments increased by 42.2 percent to Rs. 4,263.3 billion in 2023 compared to Rs. 2,997.6 billion in 2022. This was mainly due to the significantly increased domestic interest payments. Total domestic debt service payments which accounted for 89.0 percent of total debt service payments notably increased by 51.1 percent to Rs. 3,792.9 billion in 2023 from Rs. 2,509.8 billion in 2022 whereas total foreign debt service payments marginally declined by 3.6 percent to Rs. 470.5 billion in 2023 from Rs. 487.9 billion in 2022. The total debt repayments increased by 26.2 percent to Rs. 1,807.7 billion in 2023 from Rs. 1,432.5 billion in 2022 combined with the total interest payments by 56.9 percent to Rs. 2,455.6 billion in 2023 from Rs. 1,565.2 billion in 2022.

Total domestic repayments increased significantly by 36.9 percent to Rs. 1,469.9 billion in 2023 from Rs. 1,073.7 billion in 2022 mainly due to the increase in maturing of Treasury Bonds. Foreign debt repayment declined by 5.8 percent to Rs. 337.8 billion in 2023 from Rs. 358.7 billion in 2022. This was mainly due to suspension of certain foreign debt commitments with the government debt standstill announcement in 2022.

Interest payments on domestic debt increased notably by 61.8 percent to Rs. 2,322.9 billion in 2023 from Rs. 1,436.1 billion in 2022 due to the increased domestic borrowings with the limited foreign financing receipts and the rise in domestic interest rates. In the same vein, interest payments on foreign debt increased slightly by 2.8 percent to Rs. 132.7 billion in 2023 from Rs. 129.1 billion in 2022.

As a percentage of government revenue, total debt service payments dropped to 139.8 percent in 2023 from 151.5 percent in 2022 benefiting from the increased revenue in 2023. The total debt repayments as a percentage of government revenue fell to 59.3 percent in 2023 from 72.4 percent in 2022 whereas the total interest payment as a percentage of government revenue increased to 80.5 percent in 2023 from 79.1 percent in 2022. Total debt service payments as a percentage of GDP increased to 15.4 percent in 2023 from 12.5 percent in 2022. Debt repayments to GDP ratio increased to 6.5 percent in 2023 from 6.0 percent in 2022 while interest payments as a percentage of GDP increased to 8.9 percent in 2023 from 6.5 percent in 2022 for the second consecutive year.

6.6.1 Domestic Debt Service Payments

Domestic debt service payments increased significantly by 51 percent to Rs. 3,793 billion in 2023 reflecting an increase in amortization payments on the domestic debt by 37 percent to Rs. 1,470 billion and the increase in interest payments on the domestic debt by 62.0 percent to Rs 2,323 billion in 2023, over the previous year. This drastic increase of debt service payments was due to the increase in interest rates of the domestic debt instruments, mainly the increase in interest rates of Treasury Bonds and Treasury Bills, started from April 2022 with the significant increase in Central Bank policy rates.

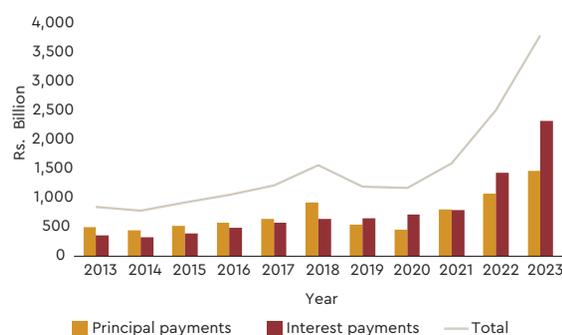
Table 6.6 | Domestic Debt Service Payments

Rs. Million			
Year	Principal payments	Interest payments	Total
2013	496,042	354,706	850,748
2014	449,554	327,934	777,488
2015	523,824	394,289	918,113
2016	572,442	484,182	1,056,624
2017	642,875	570,623	1,213,498
2018	921,881	639,482	1,561,363
2019	546,315	652,795	1,199,110
2020	455,899	710,113	1,169,522
2021	799,695	794,124	1,594,328
2022	1,073,712	1,436,078	2,510,281
2023	1,469,938	2,322,919	3,792,857

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

* Excludes treasury Bonds Transactions related to the Domestic Debt Optimisation Programme

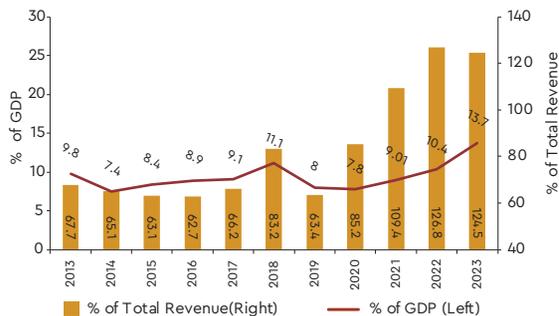
Figure 6.9 | Domestic Debt Service Payment - 2023



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

Domestic debt service payments as a percentage of GDP increased to 13.7 percent in 2023 from 10.4 percent in 2022. Domestic debt service payments recorded 124.4 percent of Government revenue in 2023, compared to 126.8 percent in 2022.

Figure 6.10 | Domestic Debt Service Payments as a % of GDP and Total Government Revenue: 2013- 2023



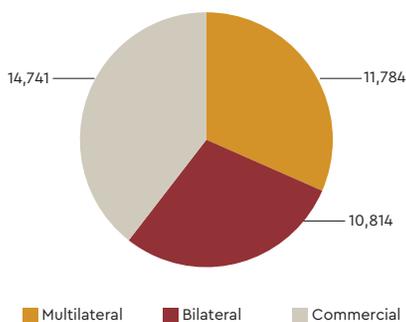
Source: Central Bank of Sri Lanka and Department of Treasury Operations

6.6.2 External Debt Stock and External Debt Service Payments

Total Central Government external debt as at the end of December 2023, amounted to USD 37.3 billion². Composition of external debt as per lender category is depicted in the Figure 6.11.

Commercial debt represented the majority of the total Central Government external debt (39 percent), which consists of International Sovereign Bond issuances (ISB) & Term Loan Facilities followed by the Multilateral debt (32 percent) and Bilateral debt (29 percent).

Figure 6.11 | Composition of Central Government External Debt – as of 31st December 2023 (USD Million)



Source: Department of External Resources

Notes : Provisional, Only the Central Government outstanding Foreign Debt are depicted including unpaid Principal accumulated after debt standstill policy was adopted.

² Provisional, Only the Central Government outstanding Foreign Debt are depicted.

Included unpaid Principal accumulated from the date of debt standstill policy was adopted.

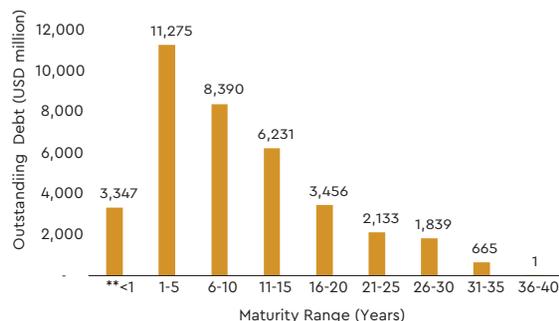
Non resident holdings of T-bill/T-bonds are not included.

Outstanding amount of ISBs has not been classified on resident/non-resident basis of its holdings

Total debt service payments³ from 1st January to 31st December in 2023 was amounted to USD 1,439.9 million, of which, USD 1,031.3 million was in lieu of principal repayments and the balance USD 408.6 million for the payment of interest.

In line with the interim policy adopted by the Government, the servicing of the external debt of affected bilateral and commercial creditors have been temporary suspended for an interim period commencing from 12th April, 2022. Accordingly, Principal amount of USD 4,451 million and Interest of USD 2,080.9* million have been accumulated as unpaid debt service by end 2023.

Figure 6.12 | Remaining Maturity of Foreign Loans as at the end of December, 2023***



Source: Department of External Resources

Note: This includes ISB & Foreign currency term loan facilities

** Includes debt standstill loans that were to be matured from 2022 April to 2023 December

*** Based on the original maturity dates. Hence subjected to adjust the maturity dates of affected loans after restructuring

The majority of the outstanding debt was in US dollars which amounted for almost 70 percent of the total outstanding debt, followed by the Special Drawing Rights (SDR) at 14 percent, Japanese Yen at 7 percent and Chinese Yuan Renminbi at 4 percent.

Table 6.7 | Maturity Structure of ISBs

Date of Issuance (DD/MM/YYYY)	Amount (USD million)	Interest Rate (%)	Tenure (Years)	Maturity Date (DD/MM/YYYY)
*25/07/2012	1,000	5.88	10	25/07/2022
03/06/2015	650	6.13	10	03/06/2025
03/11/2015	1,500	6.85	10	03/11/2025
18/07/2016	1,000	6.83	10	18/07/2026
11/05/2017	1,500	6.20	10	11/05/2027
*18/04/2018	1,250	5.75	5	18/04/2023
18/04/2018	1,250	6.75	10	18/04/2028
14/03/2019	1,000	6.85	5	14/03/2024
14/03/2019	1,400	7.85	10	14/03/2029
28/06/2019	500	6.35	5	28/06/2024
28/06/2019	1,500	7.55	10.7	28/03/2030

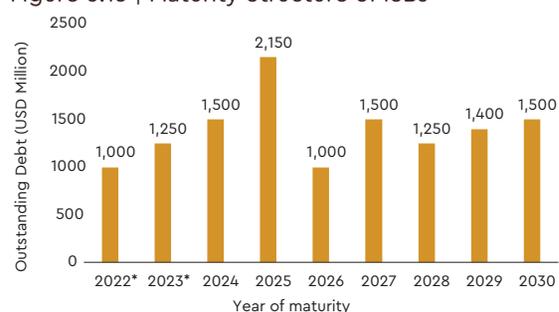
Source: Department of External Resources

*Not paid due to interim policy of debt standstill

³ Debt Service = Principal Payments + Interest Payments

* To be reconciled with creditors during the restructuring discussions

Figure 6.13 | Maturity Structure of ISBs**

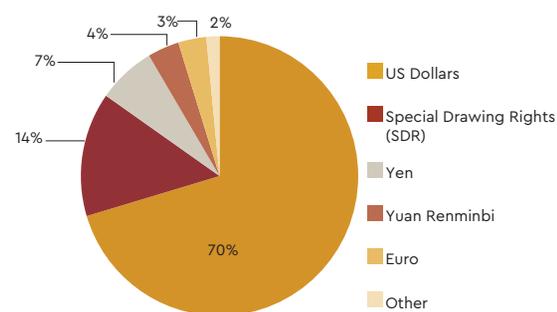


Source: Department of External Resources

* Not paid due to interim policy of debt standstill

** Based on the original maturity dates. Hence subjected to adjust the maturity dates after restructuring

Figure 6.14 | Composition of External Debt by Currency



Source: Department of External Resources

Table 6.8 | Grant Disbursements 2023

Development partner	Description	Disbursements* (million)			
		Currency	Amount	Rupees	USD
Bilateral					
Government of France	Implementation of Sanitization Hygiene Initiative for Towns Project -Phase 1	EUR	0.2	70.8	0.2
	Human Resource Development Scholarship	JPY	3.5	8.2	0.03
	Human Resource Development Scholarship	JPY	63.5	156.6	0.5
	Human Resource Development Scholarship	JPY	92.8	222.0	0.7
	Human Resource Development Scholarship	JPY	96.9	229.5	0.7
Government of Japan	Human Resource Development Scholarship	JPY	34.1	78.3	0.2
	Fuel Grant Assistance under Japanese Economic and Social Development Programme	JPY	5,000.0	12,076.5	37.4
	Grant Assistance for the Project for the Improvement of Infectious Waste Management	JPY	18.2	39.7	0.1
Germany	Completion of Maternity Hospital Galle	EUR	5.6	1,942.6	6.0
Multilateral					
Asian Development Bank	Supporting Electricity Supply Rehabilitation Project	USD	0.1	43.4	0.1
	Skills Sector Enhancement Programme – Additional Financing	USD	1.1	361.6	1.1
	Women Entrepreneurs Finance Initiative ("We-Fi")	USD	1.3	408.8	1.3
	Small and Medium-Sized Enterprises Line of Credit Project – Additional Financing	USD	0.5	170.3	0.5
World Bank (IBRD)	Additional Financing for Agriculture Sector Modernization Project	EUR	3.7	1,413.5	4.0
	Local Development Support Project Funded by European Union (IBRD/IDA)	EUR	4.6	1,577.8	5.0
World Bank (IDA)	Sri Lanka – Public Financial Management Strengthening Project	USD	0.6	182.5	0.6
			Total	18,982.0	58.4

Source: Department of External Resources

For conversion of disbursements made in different currencies into USD, the exchange rates prevailed on each disbursement date have been used

* Provisional

Annex 6.1 | Foreign Loan Disbursements with Financial Terms January- December 2023

Development Partner/ Lending Agency	Project	Amount Disbursed* (Million)			Annual Interest Rate			Other Payments	Grace Period (Years)	Maturity (Including Grace Period) (years)	
		Currency	In loan currency	Rupees	USD	Interest Type	Rate				Margin (100 basis points)
Bilateral ODA											
Government of France	Development of Mini Dairy Cooperatives with French Soft Loan	EUR	1.21	425.13	1.32	Fixed	0.0016%	N/A	-	10	33
Saudi Fund For Arab Economic Development	Road Network Development Project-(Saudi Fund)	SAR	1.71	146.02	0.47	Fixed	2%	N/A	-	5	20
	Improvement of Peradeniya - Badulla - Chenkaladi Road Project	SAR	4.10	342.34	1.07	Fixed	2%	N/A	-	5	25
	Wayamba University Township Development Project	SAR	20.54	1,704.35	5.35	Fixed	2%	N/A	-	5	25
	Kalu -Ganga Development Project - Additional Finance	SAR	2.32	198.53	0.61	Fixed	2%	N/A	-	5	25
	Construction of Faculty of Medicine Project at the Sabaragamuwa University	SAR	0.40	33.56	0.11	Fixed	2%	N/A	-	5	25
Co-op Centrale Raiffeisen (Netherlands)	Development of General Hospital Kaluthara	EUR	3.57	1,273.07	3.90	Variable	EURIBOR -6 Month	1.50	-	4	13
	Construction of Rural Bridges with Financial Assistance from Netherlands	EUR	19.38	6,772.97	20.80	Variable	EURIBOR -6 Month	1.45	Commitment Fee 0.25%, Arrangement fee EUR 104,493.2	5	15
Export Import Bank of India	India Dollar Credit Line Agreement	USD	8.25	2,761.39	8.25	Variable	LIBOR -6 Month for USD	0.5	Commitment Fee 0.5%, Management Fee USD 568,663.18	6	19
	Restoration of Northern Railway Services	USD	2.14	698.97	2.14	Variable	LIBOR -6 Month for USD	0.5	Commitment Fee 0.5%, Management Fee USD 1,911,850	6	26
	Doller Credit Line 318M of the Development of Railway Sector	USD	1.11	357.16	1.11	Fixed	1.75%	N/A	Commitment Fee 0.5%, Management Fee USD 1,590,000	7	22
State Bank of India	Importation of essential Commodities for year 2022 (USD -1000)	USD	131.00	45,243.27	131.00	Variable	SOFR - 3 Months	1.60	Upfront Fee 0.5%, Legal Fee -USD 3,500	3	5
Multilateral											
Asian Development Bank	Greater Colombo Wastewater Management Project (OCR)	USD	2.05	652.57	2.06	Variable	SOFR -6 Month for USD	0.2	Commitment Fee 0.15%	5	26

Development Partner/ Lending Agency	Project	Amount Disbursed* (Million)			Annual Interest Rate			Other Payments	Grace Period (Years)	Maturity (Including Grace Period) (years)	
		Currency	In loan currency	Rupees	USD	Interest Type	Rate				Margin (100 basis points)
	Jaffna & Kilinochchi Water Supply & Sanitation Project OCR	USD	0.10	37.47	0.10	Variable	SOFR -6 Month for USD	0.3	Commitment Fee 0.15%	6	25
	Jaffna & Kilinochchi Water Supply & Sanitation Project ADF	SDR	(0.01)	(3.99)	(0.01)	Fixed	1% During Disbursing Period, 1.5% During Repaying Period	N/A	-	8	32
	Greater Colombo Water & Wastewater Management Improvement Project 1	SDR	(0.02)	(9.24)	(0.03)	Fixed	1% During Disbursing Period, 1.5% During Repaying Period	N/A	-	8	31
	Greater Colombo Water & Wastewater Management Project-2.	USD	0.02	5.52	0.02	Variable	SOFR -6 Month for USD	0.4	Commitment Fee 0.15%	4	25
	Greater Colombo Water & Wastewater Management Project-2	SDR	3.57	1,582.78	4.75	Fixed	2.00%	N/A	-	4	24
	Green Power Development & Energy Efficiency Improvement Project	SDR	1.27	559.73	1.69	Fixed	2.00%	N/A	-	5	25
	Green Power development & Energy Efficiency Improvement Project	USD	21.84	7,223.03	21.81	Variable	SOFR -6 Month for USD	0.5	Commitment Fee 0.15%	5	20
	Mahaweli Water Security Investment Program – Tranche 1	SDR	1.11	473.67	1.47	Fixed	2.00%	N/A	-	5	25
	Mahaweli Water Security Investment Program – Tranche 1	USD	16.75	5,459.23	16.75	Variable	SOFR -6 Month for USD	0.5	Commitment Fee 0.15%	5	26
	Grater Colombo Water and Wastewater Management improvement investment programme – Project 3	SDR	1.05	451.85	1.37	Fixed	2%	N/A	-	5	24
	Grater Colombo Water and Wastewater Management Improvement Investment Programme – Project 3 (OCR)	USD	5.46	1,883.94	5.49	Variable	SOFR -6 Month for USD	0.5	Commitment Fee 0.15%	5	25
	Technical Assistance Loan Agreement – (Transport Project Preparatory Facility)	SDR	0.37	160.49	0.50	Fixed	2%	N/A	-	5	25
	Local Government Enhancement Sector Project – Additional Financing	USD	7.91	2,537.27	7.91	Fixed	2%	N/A	-	5	25

Development Partner/ Lending Agency	Project	Amount Disbursed* (Million)			Annual Interest Rate			Other Payments	Grace Period (Years)	Maturity (Including Grace Period) (years)	
		Currency	In loan currency	Rupees	USD	Interest Type	Rate				Margin (100 basis points)
	Jaffna Kilinochchi Water Supply Project – Additional Financing	USD	2.37	768.86	2.37	Fixed	2%	N/A	-	6	25
	Jaffna Kilinochchi Water Supply Project – Additional Financing	USD	21.13	6,845.93	21.13	Variable	SOFR -6 Month for USD	0.7	Commitment Fee 0.15%	7	30
	Mahaweli Water Security Investment Program – Tranche 2	USD	21.99	7,116.49	21.99	Variable	SOFR -6 Month for USD	0.7	Commitment Fee 0.15%	5	20
	Mahaweli Water Security Investment Program – Tranche 2	USD	1.57	502.25	1.57	Fixed	2.00%	N/A	-	5	25
	Skills Sector Enhancement Program – Additional Financing	USD	1.50	485.33	1.50	Fixed	2.00%	N/A	-	5	25
	Skills Sector Enhancement Program – Additional Financing	USD	1.00	323.56	1.00	Variable	SOFR -6 Month for USD	0.7	Commitment Fee 0.15%	5	20
	Health System Enhancement Project	USD	0.48	152.87	0.48	Fixed	2.00%	N/A	-	5	25
	Technical Assistance Loan Agreement (Urban Project Preparatory Facility)	USD	0.06	20.27	0.06	Fixed	2.00%	N/A	-	5	24
	South Asia Sub regional Economic Cooperation Port Access Elevated Highway Project (SSADSEC)	USD	64.03	20,625.65	64.01	Variable	SOFR -6 Month for USD	0.7	Commitment Fee 0.15%	8	28
	Science and Technology Human Resource Development Project	USD	4.55	1,485.13	4.55	Fixed	2.00%	N/A	-	5	25
	Science and Technology Human Resource Development Project	USD	18.47	6,112.80	18.47	Variable	SOFR -6 Month for USD	0.7	Maturity premium USD 166,040 and Commitment Fee 0.15%	8	29
	Railway Efficiency Improvement Project	USD	18.12	5,956.02	18.13	Variable	SOFR -6 Month for USD	0.7	Commitment Fee 0.15%	9	29
	Small and Medium-Sized Enterprises Line of Credit Project-Additional Financing	USD	8.00	2,634.75	8.00	Variable	SOFR -6 Month for USD	0.5	Commitment Fee 0.15%	10	13
	Responsive COVID-19 Vaccines for Recovery Project – Project Investment Component	USD	0.53	167.13	0.53	Variable	SOFR -6 Month for USD	0.5	Commitment Fee 0.15%	8	29
	Health System Enhancement Project – Additional Financing	USD	32.12	10,468.13	32.12	Variable	SOFR	0.5	Commitment Fee 0.15%	8	29
	Food Security and Livelihood Recovery Emergency Assistance project	USD	15.11	5,004.91	15.11	Variable	SOFR	0.7	Commitment Fee 0.15%	8	32

Development Partner/ Lending Agency	Project	Amount Disbursed* (Million)			Annual Interest Rate			Other Payments	Grace Period (Years)	Maturity (Including Grace Period) (years)	
		Currency	In loan currency	Rupees	USD	Interest Type	Rate				Margin (100 basis points)
	Economic Stabilization Program	USD	350.00	103,432.39	350.00	Variable	SOFR	2	-	4	8
	Second Integrated Road Investment Program – Tranche-4	USD	28.98	9,470.92	28.98	Fixed	2.00%	N/A	-	5	25
	Financial Sector Stability and Reforms Program – Subprogram 1	USD	200.00	65,344.62	200.00	Fixed	2.00%	N/A	-	5	25
Asian Infrastructure Investment Bank	Reduction of Landslide Vulnerable by Mitigation Measures Projects	USD	4.90	1,543.41	4.90	Variable	LIBOR -6 Month for USD	1.3	Front End Fee USD 200,000, Commitment Fee 0.25%	6	30
	Support to Colombo Urban Regeneration Projects	USD	19.27	6,537.25	19.27	Variable	LIBOR -6 Month for USD	1.4	Front End Fee USD 500,000, Commitment Fee 0.25%	9	30
International Bank for Reconstruction and Development of the World Bank	Accelerating Higher Education Expansion & Development Operation (AHEAD) programme	USD	12.99	4,080.39	12.99	Variable	LIBOR -6 Month for USD	-	Commitment Fee 0.25%, Frontend Fee USD 167,500	10	24
	Primary Health Care System Strengthening Project	USD	41.29	13,465.37	41.35	Variable	LIBOR -6 Month for USD	-	Commitment Fee 0.25%, Frontend Fee USD 500,000	6	32
	COVID 19 Emergency Response & Health Systems Preparedness [IBRD Funded]	USD	4.00	1,447.69	4.00	Variable	LIBOR -6 Month for USD	-	Commitment Fee 0.25%, Frontend Fee USD 87,500	5	30
	Climate Resilience Multiphase Programmatic Approach	USD	3.85	1,190.67	3.85	Variable	LIBOR -6 Month for USD	-	Commitment Fee 0.25%, Front End Fee USD 230,000	5	30
	Additional Financing for Water Supply & Sanitation Improvement Project	USD	14.35	4,607.88	14.35	Variable	LIBOR -6 Month for USD	-	Commitment Fee 0.25%, Front End Fee USD 100,000	5	17
	Inclusive Connectivity & Development Project	USD	60.20	20,591.38	60.20	Variable	LIBOR -6 Month for USD	-	Commitment Fee 0.25%, Front End Fee USD 1,250,000	10	28
International Development Association of the World Bank	Water Supply and Sanitation Improvement Project	SDR	8.12	3,503.87	10.92	Fixed	1.25%	N/A	Service Fee 0.75%, Commitment Fee 0.50%	5	25
	Early Childhood Development Project	SDR	(0.40)	(181.03)	(0.52)	Fixed	1.25%	N/A	Service Fee 0.75%, Commitment Fee 0.50%	5	25
	Ecosystem Conservation and Management Project	SDR	3.46	1,587.65	4.64	Fixed	1.25%	N/A	Service Fee 0.75%	5	25
	Social Safety Nets Project	SDR	7.70	3,268.01	10.17	Fixed	2.68%	N/A	Frontend Fee USD 134,250, Commitment Fee 0.25%	5	24
	Agriculture Sector Modernization Project	SDR	15.36	6,697.68	20.51	Fixed	1.25%	N/A	Service Fee 0.75%	5	24
	Transport Connectivity and Asset Management Project	SDR	13.85	6,121.61	18.55	Fixed	1.25%	N/A	Commitment Fee 0.5%, Service Fee 0.75%	4	24

Development Partner/ Lending Agency	Project	Currency	Amount Disbursed* (Million)			Annual Interest Rate			Other Payments	Grace Period (Years)	Maturity (Including Grace Period) (years)
			In loan currency	Rupees	USD	Interest Type	Rate	Margin (100 basis points)			
	Financial Sector Modernization Project	SDR	(1.73)	(626.86)	(2.29)	Fixed	3.36%	N/A	Frontend Fee USD 138,500, Commitment Fee 0.25%	5	23
	General Education Modernization Project	USD	9.82	3,303.50	9.82	Variable	LIBOR -6 Month for USD	-	Commitment Fee 0.25%	6	22
	Climate Smart Irrigated Agriculture Project	USD	25.07	8,321.59	25.07	Variable	LIBOR -6 Month for USD	-	Frontend Fee USD 312,500, Commitment Fee 0.25%	12	27
	Local Development Support Project	USD	8.38	2,759.59	8.38	Variable	LIBOR -6 Month for USD	-	Frontend Fee USD 175,000, Commitment Fee 0.25%	12	25
	Sri Lanka Integrated Watershed and Water Resources Management Project- Concessional Loan	SDR	4.50	1,959.65	6.00	Fixed	1.25%	N/A	Commitment Fee 0.25%, Service Fee 0.75%	5	29
	Resilience, Stability, and Economic Turnaround (RESET) Development Policy Financing	SDR	371.20	157,552.23	495.62	Interest Free			Commitment Fee 0.5%	6	12
International Fund for Agricultural Development	Sri Lanka Smallholder Tea and Rubber Revitalization Project (STARR)	SDR	1.99	821.91	2.63	Fixed	2.00%	N/A	-	5	25
	Implementation of Smallholder Agribusiness Partnership(SAP) Program Loan No 2000001843	USD	6.10	1,960.15	6.10	Fixed & Variable	T-1 & T 3 - 2%, T-2 - SOFR	1.06 for T - 2	-	5	24
	Smallholder Agribusiness Resilience Project (SARP)	USD	1.00	323.25	1.00	Variable	SOFR Overnight Index	-	-	11	27
International Monetary Fund EFF 23-26 Pr	Sri Lanka's 2023-26 Extended Fund Facility (EFF) Arrangement from IMF	SDR	508.00	221,010.66	681.47	Amount Based			Commitment Fee 0.5%, Service Fee 0.5%	5	11
OPEC Fund for International Development	Road Network Development Project (OPEC Fund)	USD	1.24	394.21	1.22	Fixed	3.10%	N/A	Service Fee 1%	5	20
	Colombo National Highways Project	USD	2.10	677.29	2.08	Fixed	4.60%	N/A	-	5	20
	Western Province Road Development Project	USD	1.37	427.29	1.35	Fixed	2.60%	N/A	Service Fee 1%	5	20
	Rehabilitation of the A 05 Road Corridor from Badulla to Chenkaladi Project	USD	5.04	1,623.88	4.97	Fixed	2.50%	N/A	Service Fee 1%	5	20
	Technological Education Development Programme	USD	5.03	1,586.04	4.96	Fixed	2.50%	N/A	Service Fee 1%	5	20
	Rehabilitation of the A017 Road Corridor Project (Rakwana-Suriyakanda)	USD	6.84	2,208.72	6.76	Fixed	2.50%	N/A	Service Fee 1%	5	20
Grand Total			806,654.02	2,510.32							

Source: Department of External Resources

Note: N/A = Not Applicable

For conversion of disbursements made in different currencies into USD, the exchange rates prevailed on each disbursement date have been used

* provisional

LIBOR = London Interbank Offer Rate, EURIBOR = Euro Interbank Offer Rate, SOFR = Secured Overnight Financing Rate
Minus figures indicates the refunded amount from advance account

PART III

Development Finance
for Balanced and
Inclusive Growth

07

Development
Finance

7.1 Overview

Small and Medium-sized Enterprises (SMEs) play a key role in the economic process in Sri Lanka contributing to 52 percent of the country's Gross Domestic Production (GDP), 45 percent of employment, and 20 percent of exports as per the extant studies. Despite its importance, the SME sector was hit by the Easter Sunday Attack, the COVID-19 pandemic and the severe economic crisis in 2022 causing a severe blow to the economy. To mitigate the ramifications of such distress, the Government has taken multiple steps to thrive the sector while improving access to finance, regulating the unregulated areas such as microfinance institutions and enhancing financial literacy and infusion of technology.

In 2023, the Government facilitated the injection of nearly Rs. 717,936 million worth of funds to the SME sector with the assistance of development partners and licensed banks. The General Treasury implemented financial assistance programmes through 13 financial institutions under the Small and Medium-sized Enterprises Line of Credit (SMELoC): (i) SME Credit Line to provide investments loans for SMEs; (ii) Emergency Response Component (ERC) to provide permanent working capital loans for Micro, Small and Medium-sized Enterprises (MSMEs) who are severely affected by the economic crisis; and (iii) Tea Smallholder Credit Line to provide investment loans to tea smallholders for new planting, replanting, infilling, irrigation, nursery development and mechanization with a provision of Rs. 2,406 million for 2023. In addition, the "Kantha Saviya" programme was implemented to empower women-headed enterprises.

With the aim of strengthening institutional and legislative framework, the establishment of the National Credit Guarantee Institution Limited (NCGIL) is expected to serve as a key institution dedicated to the provision of required guarantees for bank loans. This important step will help the expansion of SME enterprises to serve as incubators for large-scale enterprise to thrive in the export market. NCGIL will operate under the PPP model which commits to transparency and inclusivity. In order to cushion the pressure emanating from debt servicing of MSMEs with the Parate Execution by the banks to recover Non-

Performing Loans (NPLs) through possessing the borrowers' properties, the Government has suspended the Parate Execution until 15th December 2024 and required amendments were made to the section 4 of the recovery of loans by Banks (Special Provisions) Act No.4 of 1990.

The Government has invested Rs. 52.3 billion for the fertilizer subsidy programme in 2023, more than doubling the investment of Rs. 21.2 billion in 2021 to thrive in the agriculture sector. From the shifting of fertilizer subsidy policy to a 70:30 chemical-eco-friendly hybrid policy effective from the 2022/23 Maha season, the Government continued the fertilizer subsidy programme in 2023 with a more transparent and accountable distributional mechanism of granting cash directly deposited for farmer's bank accounts or coupon issued to them instead of the provision of fertilizer. The Government provided a cash grant of Rs. 20,000 per hectare for the 2023 Yala season and Rs.15,000 per hectare for the 2023/24 Maha Season for a maximum of two hectares per paddy farmers on their choices of either use of chemical or eco-friendly fertilizer. In addition, the Muriate of Potash (MOP) which was imported with the financial assistance of the Asian Development Bank has been provided to farmers at an affordable price. Meanwhile, the Paddy Purchasing Programme was implemented in 2023 through the Paddy Marketing Board (PMB) and District Secretaries with the participation of SME paddy millers. The pledged loan scheme was provided for SME paddy millers at concessionary interest rates through state banks to ease their financial distress.

In order to improve the food security and nutritional requirements of the people, the Government has introduced various measures such as the assurance of the Minimum Guaranteed Price and setting Maximum Retail Prices (MRPs) of certain essential items and making adjustments to the Special Commodity Levy (SCL) to provide relief both farmers and consumers. Moreover, rice has been distributed among low-income families to improve their nutritional levels and also warehouse facilities have been provided to farmers. In 2023, USD 450 million worth of goods were imported under the Indian Line of Credit (ILC) facility which was mainly used to import fuel, pharmaceuticals and related raw materials.

7.2 Financial Assistance for MSMEs

7.2.1 Local Funded Loan Schemes

7.2.1.1 'Kantha Saviya' Loan Scheme for Empowering Young Women Entrepreneurs

With the implementation of the 2023 budget proposal, the 'Kantha Saviya' loan scheme has been launched through the Regional Development Bank (RDB) in 2023 to empower young women entrepreneurs who are engaged in informal household businesses but not covered by any other loan schemes while absorbing them into the formal financial system.

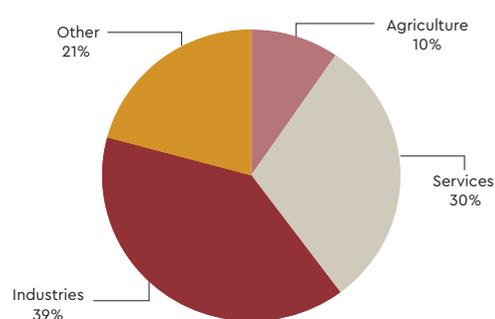
A maximum loan amount of Rs. 250,000 at an interest rate of 6 percent is granted for young women entrepreneurs who are aged at 18–45 years to obtain loans in the areas of agriculture, livestock, industry, business and income generating other activities including tourism and non-traditional value added projects. For this purpose, Rs. 50 million has initially been released by the General Treasury to the RDB in 2023.

7.2.1.2 SME Financing through the Commercial and Specialized Banks

Participating Financial Institutions (PFIs) including both the commercial and specialized banks have implemented various loan schemes by utilizing their own funds at the market interest rates for supporting SMEs. In 2023, approximately Rs. 704,142 million worth of loans have been granted by PFIs through their own loan schemes to fulfill the financial needs of the SME sector.

In 2023, seventeen state and private banks have provided 120,285 loans to the SME sector. Out of the total loan amount granted, the majority of 39 percent has been disbursed to the industry

Figure 7.1 | Sector wise SME Loan Disbursements



Source: Respective Banks

Table 7.1 | Loans Disbursed by Commercial and Specialized Banks to SMEs – 2023

PFI	Agriculture		Services		Industries		Other		Total	
	Number	Amount (Rs. Million)	Number	Amount (Rs. Million)	Number	Amount (Rs. Million)	Number	Amount (Rs. Million)	Number	Amount (Rs. Million)
Bank of Ceylon (BOC)	1,650	26,262	2,435	13,898	1,116	10,212	1,040	1,326	6,241	51,698
People's Bank (PB)	674	1,651	180	938	202	1,388	3,794	16,297	4,850	20,275
Regional Development Bank (RDB)	6,179	6,972	2,008	3,223	3,231	5,386	1,770	2,306	13,188	17,887
Sanasa Development Bank Ltd. (SDB)	6	13	4	8	14	41	7	18	31	81
State Mortgage and Investment Bank (SMIB)	-	-	-	-	1	30	1	62	2	92
National Development Bank PLC (NDB)	632	3,218	780	8,280	2,275	15,979	1,819	7,566	5,506	35,043
DFCC Bank Ltd.	211	3,842	98	2,031	641	6,071	988	10,914	1,938	22,858
Commercial Bank of Ceylon PLC	2,628	7,400	7,560	58,809	42,003	144,322	3,378	21,123	55,569	231,655
Sampath Bank Ltd.	344	2,716	588	9,676	2,826	45,636	2,516	37,075	6,274	95,103
Seylan Bank PLC	109	1,660	47	322	91	1,793	504	5,159	751	8,934
Hatton National Bank PLC (HNB)	689	6,117	1,107	9,275	1,589	22,437	3,492	22,952	6,877	60,781
Nations Trust Bank PLC (NTB)	153	2,291	838	17,716	733	7,792	14	92	1,738	27,892
Standard Chartered Bank	-	-	6,485	70,117	-	-	-	-	6,485	70,117
Pan Asia Banking Corporation PLC	379	708	31	2,448	1,233	6,214	2,637	10,382	4,280	19,752
Union Bank of Colombo Ltd.	89	704	343	4,227	72	265	1,811	6,637	2,315	11,833
Cargills Bank	36	700	105	2,622	333	7,129	4	21	478	10,472
Amana Bank	532	3,153	1,960	9,358	431	2,602	839	4,557	3,762	19,670
Total	14,311	67,410	24,569	212,949	56,791	277,295	24,614	146,487	120,285	704,142

Source: Respective Banks

Box 7.1 | Revitalization of the SME Sector: The Way Forward

The MSMEs sector has been identified as a vital sector of strategic importance to re-orient the country's economy. The recent upheavals experienced have severely affected the MSMEs, hindering their capacity significantly, grappling to conduct business as usual. As such, the support to aid their business revitalization through the provision of financial assistance, non-financial support, and essential technical guidance has been identified as an important and immediate step. Hence, the Government has identified the following MSME re-energizing packages including both investment and working capital assistance to rejuvenate such businesses. In addition, the National Credit Guarantee Institution Limited is also being established to support the SME sector.

Project	Enhancing SMEs Finance Project – SMeLoC2	Re-energizing the MSME Sector in Sri Lanka Project		Pledge Loan Scheme for Paddy Purchasing Project
		Component I: Strengthening the Existing MSMEs and Start-ups	Component II: Supporting MSMEs in the NPL Category	
Source of Fund	Asian Development Bank (ADB)	Government of Sri Lanka (GoSL)	Government of Sri Lanka (GoSL)	Government of Sri Lanka (GoSL)
Allocation – 2024	Rs.14.8 billion	Rs.16 billion		Rs.9 billion*
Beneficiaries	MSMEs in agriculture, tourism, manufacturing, technology, export-oriented sectors and any women-led MSMEs	MSMEs in manufacturing, construction, export-oriented, apparel, agriculture and agro base industries sectors and any women-led MSMEs	MSMEs in operational but classified as Non-Performing Borrowers due to unsettled existing loans resulting from the recent economic downturn (Fully closed-down MSMEs are excluded)	Small and Medium scale paddy millers, paddy storage owners and paddy collectors
Loan Type	Working Capital Loan	Investment Loan	Working Capital Loan	Pledge Loan
Maximum Loan Amount	Rs. 10mn	Rs. 15mn	Rs. 5mn	Rs.50mn
Effective % to PFIs	5%	3%	4%	-
On lending Rate	Maximum 8%	7%	8%	11%
Interest Subsidy	-	-	-	4%
Repayment Period	3 years including 06 months grace period	10 years including 12 months grace period	5 years including 6 months grace period	06 months
PFIs	13 Public and Private Licensed Banks	16 Public and Private Licensed Banks		Licensed State Banks

* Total loan amount to be released by the respective banks.

The debt servicing capacity of MSMEs has severely been affected due to the recent economic crisis and the distress arisen that has been further exacerbated by the Parate execution policy of the banks. The execution rights by the banks to recover NPLs through possessing the borrower's properties has created tension among the MSMEs since the most of the vested properties have been transferred to the MSMEs by their parents or their close relatives. With due consideration to the requests made by the MSMEs, the Government has suspended the Parate Execution until 15th December 2024 and amended section 4 of the Banks (Special Provisions) Act No. 4 of 1990 to provide relief to MSMEs.

sector while around 30 percent and 10 percent have been disbursed for the services and agriculture sectors, respectively.

7.2.1.3 'Enterprise Sri Lanka' Interest Subsidy Loan Scheme

The 'Enterprise Sri Lanka' programme was implemented during the period from 2017 to 2019. However, the liability of interest subsidy payments of disbursed loans has to be borne by the General Treasury until the year 2033. Accordingly, Rs. 1,502.34 million was paid as interest subsidies for banks in 2023.

Table 7.2 | Interest Subsidy payment for "Enterprise Sri Lanka Programme"- 2023

PFI	Total Interest Subsidy paid (Rs. Million)
BOC	410.96
PB	83.75
NSB	326.69
RDB	230.56
SLSB	2.82
SMIB	0.33
NDB	34.56
Sampath Bank PLC	62.56
Seylan Bank PLC	22.72
Union Bank of Colombo PLC	7.7
DFCC Bank PLC	267.77
NTB	5.56
Pan Asia Bank PLC	4.3
Commercial Bank of Ceylon PLC	42.06
HDFC Bank	0.01
Total	1,502.34

Source: Department of Development Finance

7.2.2 Loan Schemes Funded by the Development Partners

7.2.2.1. SMELoC Project

There are three major loan components implemented under the SMELoC Project: (i) SME Credit Line attached with Women Entrepreneur Finance Initiative (We-Fi) Grant to provide investment loans for SMEs; (ii) Emergency Response Component (ERC) to provide permanent working capital loans for crisis-affected MSMEs; and (iii) Tea Smallholder Credit Line attached with Japan Fund for Poverty Reduction (JFPR) Grant to provide investment loans to tea smallholders for new planting, replanting, infilling, irrigation, nursery development and mechanization.

There are thirteen PFIs to implement SMELoC Project including the Bank of Ceylon, People's Bank, Regional Development Bank, Hatton National Bank, Commercial Bank, Sampath Bank, Seylan Bank, National Development Bank, DFCC Bank, Nations Trust Bank, Pan Asia Bank, Union Bank and Sanasa Development Bank.

I. SME Credit Line and We-Fi Grant

Under SME Credit Line, around Rs. 8,895.17 million has been distributed among 917 SMEs as investment loans and We-Fi grants in 2023 and out of which, Rs. 429.39 million was distributed among 420 women entrepreneurs as a blended loan with a maximum of 25 percent grant component.

Table 7.3 | Progress of The SME Credit Line and We-Fi Grant for the period from January 01, 2023 to December 31, 2023

PFI	SME Credit Line				We-Fi Grant			
	Allocated Amount (Rs. Million)	Loan Disbursement Number	Amount (Rs. Million)	% Disbursed	Allocated Amount (Rs. Million)	Granted Amount Number	Amount (Rs. Million)	% Granted
BOC	650	127	650	100	30.35	48	30.35	100
PB	896.5	116	883.36	98	42.12	63	42.12	100
RDB	816.64	165	440.76	54	41.47	93	27.06	65
SDB	424.76	34	146.56	34	15.13	10	4.71	31
Sampath Bank	300	14	300	100	16.86	9	16.86	100
HNB	1,045.51	92	1,032.22	98	50.33	48	48.14	95
NTB	1,198.07	63	1,173.07	97	53.78	24	53.78	100
Commercial Bank	1,443.38	106	1,387.61	96	67.38	38	67.37	100
NDB	736.84	41	701.35	95	31.9	19	31.9	100
Seylan Bank	716.61	43	659.58	92	35.4	24	35.4	100
Union Bank	755.5	48	688.51	91	35.52	23	35.51	100
DFCC Bank	654.08	45	568.43	86	19.36	8	18.91	97
Pan Asia Bank	414.74	23	263.74	63	19.92	13	17.28	86
Total	10,052.63	917	8,895.17	88	459.52	420	429.39	93

Source: Department of Development Finance

II. Emergency Response Component (ERC)

Under this component, around Rs. 4,899 million was provided for 895 crisis-affected MSMEs in 2023 as working capital loans to re-energize their businesses. Through this ERC facility, Rs. 2,318 million worth of loans were provided for the agriculture and agro-processing sector while, Rs. 518 million and Rs. 251 million worth of loans were disbursed among MSMEs in fisheries and animal husbandry sectors, respectively. Moreover, Rs. 862 million worth of loans were provided to re-energize the manufacturing sector and Rs. 511 million and Rs. 439 million loans were granted for tourism and other service oriented MSMEs, respectively. The eight PFIs including the Bank of Ceylon, Regional Development Bank, Hatton National Bank, Commercial Bank, Sampath Bank,

National Development Bank, Nations Trust Bank and Seylan Bank participated in implementing this component.

III. Tea Smallholder Credit Line & Japan Fund for Poverty Reduction (JFPR) Grant

Under the Tea Smallholder Credit Line, Rs. 2,406 million was provided to 1,520 tea smallholders as investment loans blended with JFPR grants for new planting, replanting, irrigation, nursery development and mechanization. Out of that, 1,058 tea smallholders were provided with nearly Rs. 156 million worth of JFPR grant for new planting and replanting of tea. Further, out of Rs. 2,406 million, 44.5 percent has been provided for replanting and 55.5 percent for new planting.

Table 7.4 | Progress of the SMELoC – Emergency Response Component as at December 31, 2023

PFI	Amount Allocated (Rs. Million)	Emergency Response Component		No. of Loans	Loan Amount (Rs. Million)	(%) Disbursed
		Loan Disbursement				
		No. of Loans	Loan Amount (Rs. Million)			
BOC	612.39	118	612.39		100	
RDB	612.39	325	612.39		100	
NTB	612.39	66	612.39		100	
Commercial Bank	612.39	85	612.39		100	
HNB	612.39	78	612.39		100	
Sampath Bank	612.39	70	612.39		100	
NDB	612.39	76	612.39		100	
Seylan Bank	612.39	77	612.39		100	
Total	4,899.14	895	4,899.14		100	

Source: Department of Development Finance

Table 7.5 | Progress of the Tea Smallholder Loan Scheme

PFI	Allocated Amount (RS. Million)	Disbursement of Loans			Allocated Amount(Rs. Million)	No. of Loans	JFPR Grant		
		No. of Loans	Amount (Rs. Million)	% Disbursed			No. of Loans	Amount Granted(Rs. Million)	% Granted
BOC	452.62	341	294.04	65	29.46	242	19.22	65	
PB	502.29	225	343.97	68	27.5	153	15.9	57	
RDB	623.7	336	335.68	53	39.31	193	21.85	55	
SDB	129.06	33	37.32	28	5.05	28	3.53	69	
Seylan Bank	330.2	149	330.18	100	32.71	142	32.71	100	
Sampath Bank	121.45	39	121.46	100	7.56	28	7.56	100	
NDB	158.68	33	158.69	100	11.2	26	11.2	100	
HNB	281.4	134	219.62	78	19.2	102	12.87	67	
DFCC Bank	200.06	52	142	71	12.31	45	7.18	58	
Union Bank	200.06	35	182.56	91	12.31	23	11.81	95	
Commercial Bank	395.1	133	194.76	49	23.41	70	10.09	43	
NTB	129.1	3	22.6	17	1.68	1	1	59	
Pan Asia Bank	30.77	7	22.98	74	1.53	5	0.83	54	
Total	3,554.49	1,520	2,405.85	67	223.23	1058	155.75	69	

Source: Department of Development Finance

Considering the prevailing demand of SMEs for working capital loans to utilize on re-energizing their businesses and providing support to SMEs for fulfilling their collateral requirements requested by the banks, the ADB agreed to provide USD 100 million of which USD 50 million is for the provision of working capital loans for MSMEs and the balance USD 50 million is for the equity contribution of the Government in National Credit Guarantee Institution. The funds are to be received early June 2024. The optimal utilization of the proposed working capital loan will be closely monitored by the Ministry of Industries and its affiliated institutions.

7.2.2.2 Indian Credit Line (ICL) of USD 1,000 Million

The Credit Facility Agreement between the GoSL and the State Bank of India (SBI) was signed on March 17, 2022 to obtain a loan of USD 1,000 million for the importation of essential items from India till March 16, 2023 under the approval of the Cabinet of Ministers which was granted at its meeting held on March 05, 2022. The objective of this agreement was to facilitate Sri Lankan importers who faced difficulties in opening Letters of Credit to import foods and other essential items due to the shortage of foreign currency in the banking system and the market during the crisis. The credit facility has initially been allotted among three sectors including industrial raw materials, essential commodities and pharmaceuticals. However, USD 200 million was allocated to import fuel in mid of 2022.

Considering the unutilized amount and further requirement of imports of pharmaceutical items, the SBI consented to extend the deadline for utilizing the remaining funds under this facility until March 16, 2024 by signing the extension agreement on June 07, 2023. In view of the usage,

cancellations and rejections, and further sectorial requirements, the final allocation was revised to Essential Commodities (USD 100 million), Pharmaceuticals (USD 360 million), Industrial Raw Materials (USD 70 million), Fuel (USD 200 million).

As of December 31, 2023, USD 450 million worth of goods have been imported into the country utilizing the ICL facility of which USD 434 million payment authorizations have been issued to High Commission of India (HCI) to process exporters' payments. This facility has been mainly used to import fuel, pharmaceuticals and pharmaceutical raw materials.

7.2.3 Non-financial Support Programmes – Improving Institutional and Legislative Framework

7.2.3.1 GIZ – SME Development Programme

The SME Development Programme is designed with the BMZ Sector Strategy on Private Sector Development (2013) as a frame of reference focusing on SMEs to improve overall business conditions and encourage foreign investment. The programme was implemented as a multi-donor action co-financed by the European Union (EU) and the Federal Ministry of Economic Cooperation and Development. This programme helped existing and new organic food producers in Sri Lanka gain access to new markets in the EU and provide opportunities for private investment. In the third phase of the programme, Euro 9.2 million worth of grants were provided and the Government has borne the tax component of the expenditure. The operations of this programme were successfully concluded by the end of December 2023, and the total expenditure incurred in 2023 was Rs. 1,267.6 million.

Table 7.6 | Summary of Indian Line of Credit Facility as of December 31, 2023

Category	Total Allocation	Sent for Approval to HCI	Rejected/Cancelled	Final Approved Value	Goods Received	Payment Authorizations (PA) Issued	(USD Million)
							% of PA Issued from goods received
Industrial Raw Materials	70	136	62	49	44	43	99
Pharmaceuticals	360	228	34	180	128	113	88
Essential Commodities	100	298	150	91	78	78	99
Fuel	200	200		200	200	200	100
LP Gas		17		-			
Unallocated	270						
Total	1,000	879	246	520	450	434	96

Source: Indian Credit Facility Coordinating Unit

Box 7.2 | National Credit Guarantee Institution Limited (NCGIL)

The MSME sector has been considered a dynamic engine of economic growth, creating employment opportunities, fostering innovation, and driving inclusive development. However, access to finance remains a critical challenge for many MSMEs. The high-interest rates and rigid credit conditions of lending agencies including collateral requirements are the main constraints. Although the Government has taken necessary measures from time to time to make low-cost financing available in the market, SMEs have not been able to benefit from these financing options, as the traditional banking system has shown more preference to provide collateral-based loans instead of cash flowbased loans, which are more convenience for MSMEs. This bottleneck may hinder young entrepreneurs with innovative ideas from contributing to the sector's revitalization, and negatively impacting overall economic growth. Therefore, the establishment of NCGIL will play a pivotal role in the development of the MSME sector in the future, as a backup support by offering guarantees for bank loans. This initiative will not only support the growth of individual enterprises but also contribute significantly to the overall economic development of the country.

Main Features of the NCGIL

Key Parameters	Remarks
Legal Entity	Public Limited Company
Ownership	90% Government and 10% PFIs
Expected Contribution (Gov. and PFI)	Government: USD 100mn PFIs: USD 10.75mn
Appraisal	Individual basis
Guarantee Coverage	Up to 2/3 (67%); Pari-passu basis
Maximum Guarantee Limit	Maximum Five (5) times of the Total Capital
Sustainability	Listing the NCGI in the share market and make it open for private investors

NCGIL will operate under the Public Private Partnership (PPP) model and the Government of Sri Lanka (GoSL) will provide USD50 million as the initial capital with the support of the ADB, while 13 Participatory Financial Institutions (10 Licensed Banks and 3 Licensed Non-Bank Financial Corporations) provide USD 5.375 million as their initial contribution. One of the most commendable aspects of NCGIL is its commitment to transparency and inclusivity and this PPP model ensures sustainability, enhancing efficiency and accountability. Further, subject to compliance with the performance criteria of the Institution, an additional loan of USD 50 million will be provided by the ADB as the final capital infusion of GoSL.

Furthermore, it's worth highlighting the flexibility in the ownership structure of NCGIL. The Government plans to gradually reduce its ownership allowing for broader participation from other stakeholders such as private investors and financial institutions. This inclusive approach will not only diversify the funding sources but also enhance NCGIL's velocity and adaptability to respond to the evolving needs of the MSMEs.

7.2.3.2 Establishing a Comprehensive Regulatory Framework for the Micro Finance Industry

Due to the unavailability of a comprehensive regulatory framework for the microfinance industry, the informal microfinance institutions operate in remote areas throwing the rural community into the debt trap. In order to address this burning issue, a new comprehensive legislative framework was proposed and the new Microfinance and Credit Regulatory Authority

Bill was approved by the Cabinet of Ministers on October 09, 2023 and published in the Gazette on October 30, 2023. The same was submitted to Parliament for approval on January 09, 2024 and the Bill was challenged by the several interesting parties at the court by submitting special determination petitions. Considering the Supreme Court determination, a committee was appointed to revisit the Bill incorporating the stakeholders' concerns along with the real issue for which the Bill was drafted to address.

7.3 Support to Enhance the Productivity of the Agriculture Sector

7.3.1 Fertilizer Subsidy

The Government has taken bold measures to ensure the availability of agricultural inputs in the market with the support of development partners. The Fertilizer Subsidy Programme continued in 2023. However, the methodology applied for the provision of fertilizer has been shifted to a cash grant method to avoid the inefficiencies and malpractices observed in the previous fertilizer distribution process. Accordingly, the Government provided a cash grant at the rate of Rs. 20,000 per hectare for the 2023 Yala season and Rs. 15,000 per hectare for the 2023/2024 Maha Season for a maximum of two hectares per paddy farmer. Therefore, either chemical fertilizer or eco-friendly fertilizer or both could be purchased with the choice of the farmer by using the coupons issued or direct cash deposits made to the farmer's bank account under the cash subsidy programme. In addition, the Muriate of Potash (MOP) which was imported with the financial assistance of the Asian Development Bank was provided to farmers at an affordable price.

In 2023, Rs. 52,334 million was spent for the fertilizer subsidy programme. Even though, the fertilizer prices in the market considerably increased in 2023, the expenditure on the fertilizer subsidy programme has been managed within the given budgetary allocations due to the policy decision taken including the use of the funds received from development partners to import fertilizer during 2022/23 Maha season and 2023 Yala season. In addition, the introduction of a coupon system in 2023 Yala season and the provision of financial subsidy directly to the farmers' accounts in the 2023/24 Maha season also ensured the cost effectiveness of the subsidy process since the operational, handling

and other administrative inefficiencies were also mitigated by the new methodology.

As practiced in 2022, fertilizer subsidy policy was not applied for crops other than paddy in 2023 and both state fertilizer companies and private sector companies were empowered to fulfill the fertilizer requirements for Other Field Crops (OFC).

7.3.2 Encouraging Plantation Sector

7.3.2.1 Assistance to smallholder planters

In order to increase the production of the main export crops by strengthening the capacity of the smallholder planters, the Government provided subsidies for new planting, re-planting, preparation for land, plant protection and other activities of tea, rubber and coconut smallholders. For this purpose, Rs. 1,143 million has been distributed among 431,933 tea, rubber and coconut smallholders, of which Rs. 468 million has been provided for 13,677 tea planters, while distributing Rs. 133 million among 1,319 rubber planters in 2023. In addition, Rs. 542 million was provided to 416,937 coconut growers under this subsidy programme.

7.3.3 Support for Livestock Developers

7.3.3.1 Poultry Sector

The feeds which account for nearly 80 percent of the total cost of production of both chicken and eggs have comprised with single ingredient of maize of more than 50 percent. The prices of the chicken and eggs in the market considerably increased, especially in the festival season, in 2023 due to the inadequate local maize production and the import restrictions.

To ensure affordable prices for chicken, eggs and related products in the market, the Government has granted permission to import 200,000

Table 7.7 | Performance of Smallholder Plantation Sector, 2020–2023

Year	Tea			Rubber			Coconut		
	Extent (Ha)	Total Production (Kg Million)	Total Value of the Production (Rs. Million)	Extent (Ha)	Total Production (Kg Million)	Total Value of the Production (Rs. Million)	Extent (Ha)	Total Production (Nuts. Million)	Total Value of the Production (Rs. Million)
2020	157,910	279	169,865	137,834	78	25,815	443,538	2,792	122,514
2021	157,971	299	196,198	138,622	77	33,920	456,137	3,382	166,034
2022	157,973	252	308,291	98,584	71	44,971	460,339	3,352	262,934
2023	158,027	256	321,219	100,000	64	36,607	480,215	3,170	228,720

Source: Ministry of Agriculture and Plantation Industries

MT of maize with the recommendation of the Department of Animal Production and Health, and imposed a Special Commodity Levy (SCL) of Rs. 25 per 1 kg of Maize. Accordingly, 187,000 MT of Maize has been imported as of December 31, 2023 which has made a positive impact on the reduction of cost of production in poultry products

7.3.4 Other Agriculture-Support Schemes

7.3.4.1 Compulsory Crop Insurance

The Compulsory Crop Insurance Scheme was introduced with the objective of providing extensive insurance coverage for crop damage of paddy and other commercial crops including maize, soya, big onions, potatoes and chilies. The scheme covers the losses caused due to droughts, floods and wild elephant attacks up to

Table 7.8 | Progress of Compulsory Crop Insurance Scheme- 2023

No	District Office	22/23-Maha	
		No of Farmers	Indemnity (Rs.Million)
1	Ampara	4,376	115.5
2	Anuradhapura	9,842	244.5
3	Badulla	2,872	49.4
4	Batticaloa	470	9.1
5	Colombo	-	-
6	Galle	108	0.9
7	Gampaha	55	0.9
8	Hambantota	262	4.1
9	Jaffna	378	11.3
10	Kalutara	59	1.1
11	Kandy	315	2
12	Kegalle	6	0
13	Kilinochchi	584	12.8
14	Kurunegala	673	14.8
15	Mannar	1,711	51.2
16	Matale	252	1.9
17	Matara	33	0.3
18	Monaragala	11,225	186.8
19	Mullaithivu	221	4.9
20	Nuwaraeliya	23	0.3
21	Polonnaruwa	2,369	66.2
22	puttlam	238	6.3
23	Rathnapura	76	0.9
24	Trincomalee	568	22.4
25	Vavuniya	1,979	99
	Total	38,695	906.4

Source: Agriculture and Agrarian Insurance Board (AAIB)

the maximum land extent of five acres for paddy and 2.5 acres for other commercial crops and the insurance coverage per acre is Rs. 40,000. This scheme is free for farmers and operated with a premium contribution which is made by the Government. Additional coverages can be obtained for damages caused by pests and diseases, other animal attacks, and fire by paying a premium. Insurance coverage can also be obtained for additional cultivation extents and a higher sum insured up to the cost of cultivation by paying a relevant premium charge. During the 2022/23 Maha season, Rs. 906.4 million has been paid to 38,695 farmers as compensation for crop damages in cultivated land areas of 60,848.3 acres.

In addition, Rs. 795 million has been paid in 2023 Yala season for 32,959 farmers in eleven Districts including Hambantota, Mannar, Anuradhapura, Colombo, Kaluthara, Tricomalee, Kurunegala, Rathnapura, Polonnaruwa, Ampara and Gampaha as compensation for crop damages in cultivated areas of 32,141.6 acres. The General Treasury has provided Rs. 1,000 million to the Agriculture and Agrarian Insurance Board (AAIB) for this purpose in 2023.

7.3.4.2 Writing Off the Non-Performing Loans Obtained by Paddy Farmers with less than Two Hectares

The recent economic crisis had a negative impact on the agricultural workforce for about 30 percent of the total labor force in the country. Particularly, small-scale paddy farmers encountered difficulties in repaying bank loans obtained for cultivation purposes due to the increase in interest rates of the loans. Although the Government supplied chemical fertilizer and other inputs, the farmers were in difficulty in obtaining the required funding to cultivate as planned, since most of the farmers have been in the NPL category due to unsettlement of their loans as agreed.

Table 7.9 | Progress of Writing off Paddy Farmers' Loans

Bank	Reimbursed		Written off as at 31/12/2023	
	2022 Amounts (Rs.Million)	2023 Amounts (Rs.Million)	No. of Farmers	Total Amounts (Rs.Million)
BOC	107	98.47	7,849	205.47
PB	67	61.71	14,512	128.71
RDB	176	121.33	5,479	297.33
Total	350	281.51	27,840	631.51

Source: Department of Development Finance

The Government intended to pay off NPLs taken out by paddy farmers cultivating two hectares or less of land by May 31, 2022. Under this arrangement, the BOC, Peoples' Bank, and RDB have written off a total of Rs. 631.5 million for 27,840 farmers; the General Treasury refunded the entire amount to the banks in 2022/23.

7.4 Social Security for Targeted Segments of the Society

7.4.1 Special Interest Scheme for Senior Citizens

This scheme was designed to provide a 15 percent special interest rate for senior citizens' fixed deposits to provide them a stable and secure retirement life, the gap between a fixed 15 percent interest rate and the normal fixed deposit interest rate is financed by the General Treasury to the respective licensed banks.

However, the monetary policy stance adopted by the Central Bank of Sri Lanka to increase the Standing Deposit Facility Rate (SDFR) to 14.50 percent on July 07, 2022 to arrest high inflation has created an opportunity for senior citizens to enjoy a higher interest more than 15 percent through the licensed banks for their fixed deposits. In line with the monetary policy stance together with the mitigation of the future financial burden to the cash flow of the General Treasury, this scheme was discontinued with effect from October 01, 2022.

The total outstanding interest subsidy amount settled for banks up to the 2nd quarter 2023 was Rs. 14.5 billion of which Rs. 10.0 billion of interest subsidy was fully settled for twenty banks and Rs. 4.5 billion was paid to settle a part of the outstanding interest subsidy payment to balance seven banks.

Table 7.10 | Settlement of Interest Subsidy for Senior Citizen's Fixed Deposits, 2015–2023

Year	(Rs. Million)	
	Total Interest Subsidy Settled	Total Interest Subsidy to be Settled
2015	3,714.50	0
2016	14,519.00	0
2017	13,462.20	0
2018	13,579.40	0
2019	18,082.70	0
2020	31,151.80	0
2021	31,760.10	32,190.50
2022	4,543.00	68,117.00
2023	514.7	8,400.80
Total	131,327.40	108,708.30

Source: Department of Development Finance

As at end 2023, the amount of interest subsidy due to be settled to licensed banks was Rs. 108.7 billion.

7.4.2 Providing Rs. 2.00 Incentive per USD on Converted Inward Workers' Remittances

As proposed in the Budget 2021, an additional Rs. 2.00 per USD over the market exchange rate was paid for the foreign remittances sent by the Sri Lankans, who had been employed abroad or resided in Sri Lanka and earned foreign currency income by rendering services abroad in nature of employment, to banks in Sri Lanka, with the objective of promoting inward workers' remittances. Accordingly, Rs. 1,600.3 million was reimbursed during the year 2023 to banks to settle the outstanding amount on an additional Rs. 2.00 payment due for the 1st quarter, 2022.

This programme was terminated with effect from March, 2022 in parallel to the decision taken by the CBSL to allow the exchange rate to be determined based on the market forces.

7.4.3 Reimbursing the Additional Interest Paid by the Authorized Dealers for the Special Deposit Account (SDA)

As per sections 29 and 7 of the Foreign Exchange Act, No. 12 of 2017, the regulations have been published in the Gazette Notifications No. 2170/4 dated April 08, 2020, No. 2202/7 dated November 17, 2020, No. 2234/19 dated June 30, 2021 and No. 2273/06 dated March 28, 2022, permitting to open SDAs for a period of 06 months, 12 months, 24 months and 36 months, respectively. Accordingly, Authorized Dealers are permitted to open and maintain SDAs at the Domestic Banking Units (DBUs) for Sri Lankan individuals' resident in or outside Sri Lanka, dual citizens, citizens of other states with Sri Lankan origin, non-national residents in or outside Sri Lanka, including funds, corporate bodies, associations incorporated/registered outside Sri Lanka and any other well-wishers. Accordingly, Authorized Dealers paid an additional 1 percent and 2 percent interest rate per annum for the aforesaid SDAs at the maturity of those deposits than the interest rates paid for normal deposits of a similar nature.

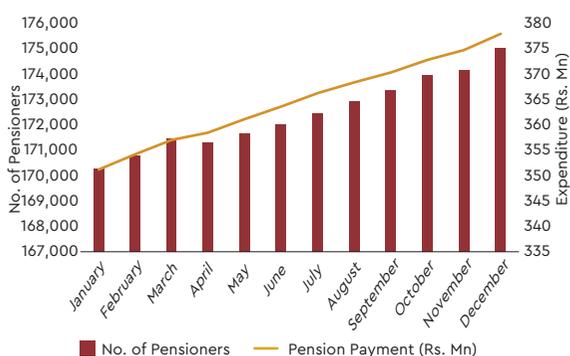
Accordingly, Rs. 636.7 million has been reimbursed for the additional interest paid by the Authorized Dealers for SDAs in 2023.

7.4.4 Pension Scheme for Farmers

The Agriculture and Agrarian Insurance Board (AAIB) has established the farmers' pension scheme to safeguard the elderly farmers, who have contributed to the agricultural development of the country. Approximately 959,254 farmers have been registered under the farmers' pension scheme and around 172,424 farmers on average receive monthly benefits. In 2023, Rs. 4,375 million was distributed among 175,006 farmers as monthly pension. Since the farmers' contribution to the scheme is not adequate for the scheme to operate as a self-financing scheme, the gap is provided by the General Treasury to the AAIB annually. Accordingly, the General Treasury has provided Rs. 4,601 million to pay pensions for farmers in 2023.

As per the instructions issued by the Gazette Notification No. 1853/49 dated March 14, 2014, the existing Farmers' Pension and Social Welfare Scheme was re-designed and was re-launched on October 31, 2022 with the objective of operating the new farmers' pension scheme as a self-financed scheme. Accordingly, 2,166 new farmers have been registered under this new farmers' pension scheme during 2023.

Figure 7.2 | Progress of Farmers' Pension Scheme – 2023



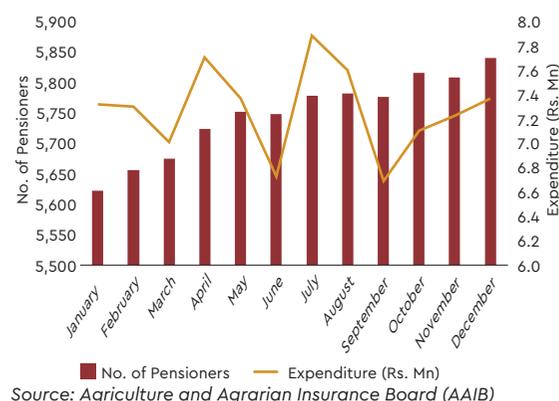
Source: Agriculture and Agrarian Insurance Board (AAIB)

7.4.5 Pension Scheme for Fishermen

The fishermen's contributory pension scheme was implemented as a self-sustained scheme by the AAIB and nearly 69,049 fishermen have been registered under this scheme at the end of 2023. Rs. 87.2 million was distributed among 5,839 fishermen as their monthly pension during 2023.

Under the existing scheme, the minimum and maximum monthly pension of a fisherman is Rs. 1,000 and Rs. 4,000, respectively. Since this

Figure 7.3 | Progress of Fishermen's Pension Scheme – 2023



Source: Agriculture and Agrarian Insurance Board (AAIB)

amount is not sufficient when compared with the current cost of living, the necessary arrangements are being made to implement a new pension scheme for fishermen, as a more beneficial and self-financing scheme, in cooperation with the AAIB to ensure the sustainability of the programme.

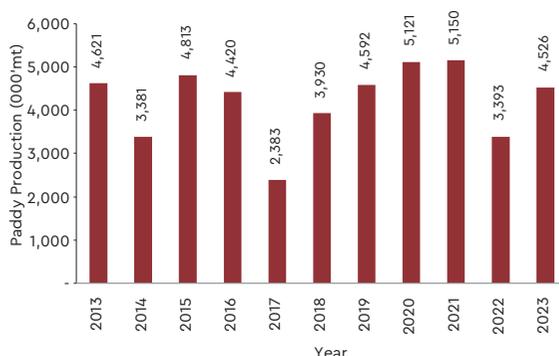
7.5 Food Security

7.5.1 Government Paddy Purchasing Programme

Considering the importance of ensuring food and nutrition security in the country, the Government took action to adopt favorable policy measures to enhance domestic food production and food availability by giving special attention to paddy. The Government facilitated the paddy sector through provision of a fertilizer subsidy programme, seed paddy, extension services and guaranteed price for paddy and irrigation facilities.

As a result, paddy production returned to normal in 2023 from the low production recorded in 2022 which was mainly due to the fuel and fertilizer

Figure 7.4 | Total Paddy Production 2013 – 2023



Source: Department of Sensus and Statistics

Table 7.11 | Paddy Purchased under the Government Paddy Purchasing Programme 2020 –2023,

Season	Variety of Paddy			Value (Rs. Million)
	Nadu (Mt)	Samba (Mt)	Total (Mt)	
2019/20 Maha	34,408	17,844	52,252	2,597
2020 Yala	9,636	37	9,673	512
Total	44,044	17,881	61,925	3,109
2020/21 Maha	51,616	541	52,157	2,447
2021 Yala	13,423	147	13,570	683
Total	65,039	688	65,727	3,130
2021/22 Maha	63,376	7,903	71,279	6,450
2022 Yala	4,632	2,444	7,076	890
Total	68,008	10,347	78,355	7,340
2022/23 Maha	100,895	0	100,895	11,750
2023 Yala	2,151	3	2,154	205
Total	103,046	3	103,049	11,955

Source : Paddy Marketing Board and Respective District Secretaries

shortages over the year. Accordingly, the paddy production in the country increased by around 33 percent to 4.5 million Mt in 2023 compared to 2022.

The Government Paddy Purchasing Programme (GPPP) implemented with the objectives of ensuring a reasonable price for paddy farmers and rice availability and affordability in the market for consumers while the empowerment of Small and Medium Scale (SME) paddy millers. At the beginning of the 2022/2023 Maha season, comparatively lower paddy prices were recorded in certain areas in the country. Accordingly, the Government declared a guaranteed price of Rs.100 per kg of Nadu paddy and implemented the GPPP enabling farmers to obtain a reasonable price for their production at the market.

Although the Government provided an additional cash grant for low-income groups to ease their day to day needs until April 2023, there was a requirement to look after these groups further for a certain period. Accordingly, in the 2022/2023 Maha season, in addition to the main objectives of the GPPP implemented previously, actions were taken to protect the low-income groups of the society from the adverse implications of the extremely difficult economic situation prevailed in the country by providing 10 kg of Nadu rice per month for a low-income family for 2 months covering around 2.7 million low-income families for maintaining their nutritional level. Since the paddy harvest of the Maha season 2022/2023 was expected to be higher than the previous Maha season, excess paddy production was

utilized for distributing rice among the identified low-income beneficiaries. Those families were selected island-wide under four categories, such as Samurdhi beneficiaries, differently-abled persons, elders and persons with Chronic Kidney Diseases (CKD).

The paddy purchasing and distribution of rice among low-income families were implemented island-wide by District Secretaries with the involvement of Small and Medium Scale (SME) paddy millers. Under this programme, around 100,895 Mt of paddy was purchased during January – April in 20 districts through 454 SME paddy millers, recording the highest paddy quantity purchased under the Government Paddy Purchasing Programme implemented by the District Secretaries. Around 54,974 Mt of rice was distributed as 20 kilograms of rice per family for around 2,739,505 low-income families in 25 districts.

Table 7.12 | Government Guaranteed Price of Paddy, 2019 – 2023

Season	Guaranteed Price (Rs/Kg)		
	Nadu	Samba	Keeri Samba
2018/19 Maha	38	41	50
2019 Yala	38	41	50
2019/20 Maha	50	50	50
2020 Yala	50	50	50
2020/21 Maha	56.5	56.5	56.5
2021 Yala	55	52	55
2021/22 Maha	90	92	95
2022 Yala	120	125	130
2022/23 Maha	100	-	-
2023 Yala	95	-	-

Source: Department of Development Finance

Entire programme was implemented by utilizing the government funds amounting to around Rs. 11,750 million. After distributing rice among low-income families, the remaining rice quantity of around 10,619 Mt was supplied to the market through District Secretaries to ensure the availability of rice in the market as well as to provide relief to the consumers. The above arrangement was beneficial to the farmers, the low-income groups, consumers as well as the SME paddy millers.

Apart from the paddy purchasing by the District Secretaries for distribution of rice, the Paddy Marketing Board (PMB) has purchased 2,154 Mt of paddy worth Rs. 204.6 million in Yala season in 2023. Action has been taken to mill the purchased paddy and sell the rice in the market. Meanwhile, total outstanding liabilities of the PMB to the General Treasury stood at Rs. 28 billion as end 2023.

7.5.2 Implementation of a pledge loan scheme to purchase paddy

Considering the capacity of the Small and Medium Scale (SME) paddy millers to produce majority of the market requirement of rice in the country as well as the low level of access to finance under the applicable higher market rate of interest, a pledged loan scheme was arranged

by the Government at a concessionary interest rate through state banks for purchasing paddy from farmers for the Yala Season 2023. Under this concessionary loan scheme, out of the effective interest rate of 16 percent per annum, 12 percent rate of interest per annum was paid by the respective SME paddy millers and 4 percent interest subsidy was paid by the Government to the respective banks. Accordingly, Rs. 585 million worth of pledged loans have been issued to 30 SME Paddy millers by the Bank of Ceylon and People's Bank in 2023 Yala season. Rs. 1.2 million was paid as the total interest subsidy during 2023. This new approach was able to increase the financial capacity of the SME paddy millers by addressing the challenge of the low level of access to finance under the applicable higher market rates of interest.

7.5.3 Paddy Purchasing by Private Sector

The private sector played a major role in purchasing paddy in 2023 contributing to development of the paddy sector. The banking sector was the main source of funds required for purchasing paddy by the private sector. Accordingly, both the private sector paddy buyers and financial institutions have played a vital role in purchasing paddy in the market in 2023. Compared to 2022, the number of loans

Table 7.13 | Progress of Granting Loans for Purchasing Paddy for Private Sector – (2022–2023)

PFI	2022		2023		Comparison	
	No of Loans	Loan Amount (Rs.Million)	No of Loans	Loan Amount (Rs.Million)	No of Loans as a %	Total Loan Amount as a %
PB	35	628	68	3,919	94	524
BOC	407	21,976	236	13,751	(42)	(37)
RDB	100	991	73	231	(27)	(77)
Sub-Total-State Banks	542	23,595	377	17,901	(30)	(24)
Commercial Bank	912	7,954	620	4,197	(32)	(47)
Sampath Bank	80	4,354	45	3,461	(44)	(21)
DFCC Bank	33	288	54	967	64	235
Seylan Bank	128	1,448	102	835	(20)	(42)
Pan Asia Bank	3	7	33	28	1,000	300
Amana Bank	161	1,797	516	3,260	220	81
NDB	65	4,029	166	7,982	155	98
NTB	67	1,750	112	3,423	67	96
HNB	57	1,236	68	848	19	(31)
Cargills Bank	-	-	52	2,682	N/A	N/A
Sub-Total-Private Banks	1,506	22,863	1,768	27,683	17	21
People's Leasing and Finance PLC	-	-	7	23	N/A	N/A
Sub-Total Financial Institutions	-	-	7	23	N/A	N/A
Grand Total	2,048	46,458	2,152	45,607	5	(2)

Source: Respective Banks

Box 7.3 | Agriculture Modernization

The agriculture sector is instrumental in ensuring food security of the nation, acting as a catalyst for the country's development. The sector presently accounts for nearly 26.4% of country's total employment and occupies land area of nearly 2 million hectares. The sector contributes to 8 percent to the GDP (2023) and nearly 20 percent of the total exports amounting to US\$ 12 billion in 2023. Out of total Agriculture exports, tea accounts for 51 percent, followed by coconut at 13 percent and spices at 15 percent. Despite its true potential for development, particularly livelihood and social wellbeing of non-urban masses, country's agriculture sector has not been able to provide desired contribution to the country's economy. Therefore, the Government has emphasized the requirement to modernize the agriculture sector as a key priority to boost the economy.

The main objective of agriculture sector modernization is to transform it to a highly competitive export oriented agro-based economy, to compete in domestic as well as international markets sustainably. The agriculture sector in Sri Lanka is predominantly characterized by scattered nature small scale producers with limited adoption of technology. This has led for many challenges in the sector leading it to poor production and productivity, high cost of production, weak producer-market integration, less adoption of new technology, inconsistencies in supply side and less attention on maintaining safety and quality standards etc. All these challenges ultimately influence on the return on investment of individual farmers and further been aggravated by the climate change which is expected to be intensified further, affecting notoriously on the productivity and resilience of the entire food systems. In addition, heavy post-harvest losses, less productivity due to poor quality seeds and other inputs and crop damages by wild animals, international market dynamics and geopolitical issues are also affecting on agriculture, badly influencing on cost reflective pricing in the market.

In this context, agriculture sector modernization attempts to capture the said underline issues throughout the value chain and to revamp through modern and appropriate strategic interventions to make the sector more productive and resilient. Having understood the importance of this sector, the government has given priority in its policy directives to modernize the agriculture sector and also established a dedicated secretariat (Agriculture Modernization Secretariat) under the Presidential Secretariat to oversee the modernization process. A considerable investment is provided through the annual budgets and in 2024, a capital investment of Rs.46,000 million has been provided for the Ministry of Agriculture and Plantation Industries for agriculture sector modernization. This includes loans raised by the government through World Bank, International Fund for Agricultural Development (IFAD) and the Asian Development Bank. In addition, grant and technical supports are provided through the support of EU, JICA, USDA, FAO and WFP. The grant financing obtained from GCF for cascade development and loan funds secured from World Bank for irrigation infrastructure development are also streamlined to boost the productivity in the agriculture sector. In the meantime, new financing which are on pipeline and expected to be secured through World Bank and the Asian Development Bank are also targeted to finance this sector to catalyze the momentum of modernization in agriculture in the years to come.

These investments are targeted to bridge the gaps and also to leverage the private sector investment to increase the competitiveness in the sector. The investment priorities are made to identified gaps in value chains from the farm to the end consumer, which include on-farm modernization; viz and viz, cultivation under controlled environments, farm mechanization, innovation of effective water saving technologies, usage of clean energy and hi-tech know-how, strengthening of value chain actors, priority logistic needs and research and development. The agriculture sector modernization also attempts to address improvements in quality infrastructures and necessary reforms in the sector for higher efficiency and effectiveness. Thus, the institutional reforms, reforms in legislations and procedures are carefully being identified as prerequisites for the modernization of the sector. Further, it is planned to establish an Agriculture Technology University to further consolidate and disseminate innovative and latest technology towards the agriculture sector modernization in Sri Lanka. The ultimate outcome of all these strategic interventions is to make a business oriented, rich farming community in Sri Lanka who is capable of competing in international environment while ensuring the food security of the nation.

issued by the banks for purchasing paddy has increased by 5 percent to 2,152 in 2023 from 2,048 in 2022.

7.5.4 Developing other Local Food Crops

With the view to achieving self-sufficiency in the selected 15 local crops, the initiatives were taken by the government in 2020 by adopting policy measures, such as suspension of importation of certain crops and introducing new guaranteed prices. Accordingly, local cultivation was promoted to enhance the production of crops, including dried chilies, maize, soya bean, green gram, cowpea, onion, ginger, turmeric, peanuts, potatoes, etc. Suspension of importation of certain crops, such as black gram, turmeric, ginger, green gram, etc., continued in 2023 facilitating local crop production. In particular, SCL for potatoes was continued at Rs. 50 per kg of imported potatoes in 2023 in order to encourage local cultivation of potatoes.

7.5.5 Government Storage Facilities for Agricultural Products

By using the World Bank and government funds, the Government implemented five Farmer's Grain Preservation Centers (FGPCs) which are enriched by modern technology and an inventive system. Those storage facilities are located in major agricultural districts including Anuradhapura, Monaragala, Mannar, Kilinochchi, and Polonnaruwa. The five FGPCs offer state-of-the-art, high-quality storage facilities for paddy, maize, soybean, sesame, black gram, pepper, peanut, and other agricultural products during the harvesting season until a reasonable price for products is received in the market. These five warehouses have a combined storage capacity of about 17,200 Mt. They offer a wide range of supplementary facilities, including drying, cleaning, and testing for grain quality, in addition

to the storage facility. The most intriguing aspect is the provision of warehouse receipt financing to farmers, which enables them to use their harvest stock as collateral to assure financial receipt of a loan at a favorable interest rate.

The operational cost of FGPCs has been reduced by around 50 percent from Rs. 43 million in 2022 to Rs. 24.4 million in 2023 due to close supervision. Reflecting a slight increase in the operational income of those five projects, Rs. 25.6 million has been credited to the Consolidated Fund in 2023. The farmers who stored their paddy in the warehouses enjoyed Rs. 144 million of financial support from the Regional Development Bank through the warehouse receipt financing programme in 2023 which was a drastic reduction of 45 percent compared to year 2022.

7.5.6 Cost of Living

The necessary policy measures were taken by the Government for the protection of both the consumers and producers through the Maximum Retail Prices (MRPs) and Minimum guaranteed prices to assure food security in the country. Further, appropriate adjustments to the SCL were made making available essential food items for the consumers while protecting the local producers. In particular, the Government facilitated issuing import licenses for the importation of GR 11 variety of rice under the SCL of Rs. 1 per kg to stabilize the price of rice in the local market. The Food Policy Committee which was established in 2022 continued in 2023, as the focal point with a strong policy approach and effective facilitation of inter-agency coordination to help resolve the issues related to the Cost of Living in a broad sense of food security.

Table 7.14 | Programme of the Grain Preservation Centers 2022-2023

	Buttala Warehouse		Polonnaruwa Warehouse		Anuradhapura Warehouse		Kilinochchi Warehouse		Mannar Warehouse	
	2022	2023	2022	2023	2022	2023	2022	2023	2022	2023
Operational Income (Rs. Million)	7.24	5.10	3.48	4.22	2.02	2.97	7.25	10.43	2.20	2.95
Operational Cost (Rs. Million)	6.86	2.85	9.60	4.34	8.07	3.07	8.42	7.31	10.05	3.91
Annual grain inflow (storing) (Mt)	520.61	890.66	295.3	175	1,485	1,148	1,034	1,068	523.65	591.65
No. of registered farmers	1,141	1,266	159	158	1,010	1,136	246	451	389	656
Warehouse receipt finance (Rs. Million)	90.99	49.28	11.77	4.11	112.6	36.9	12.66	26.6	33.20	26.9

Source: Regional Development Bank

Table 7.15 | Measures to Control Cost of Living, 2023/2024

Commodity	Description of Special Commodity Levy (SCL)/ Maximum Retail Price (MRP)	Effective Date
Big Onion	SCL was reduced from Rs 50/- to Rs 10/- per kg	01.12.2022
	SCL was continued as Rs 10/-per kg for until 31.12.2024	01.12.2023
Mysore Dhal	SCL was continued as 25 cents per kg for another 1 year	14.10.2023
Rice	MRPs were continued	
Keeri Samba	Rs. 260/- per kg	
White/Red Samba	Rs. 230/- per kg	02.05.2022
White/Red Nadu	Rs. 220/- per kg	
White/Red Raw Rice (Local)	Rs. 210/- per kg	10.06.2022
Rice	SCL was continued as Rs.65/- per kg for one year	17.05.2023
	Waive-off balance amount after collecting Rs.1 per kg from applicable SCL of Rs. 65 per kg on importation of Rice under HS Code 1006.30.29 on the Recommendation of the Secretary, Ministry of Trade, Commerce and Food Security	02.01.2024
Cowpea	SCL was continued as Rs.70/- per kg for one year	04.03.2023
Green gram	SCL was increased from Rs 40/- to Rs 300/- per kg for 06 months	18.08.2023
Sugar	SCL was increased from 25 cents to Rs. 50 per kg for another 1 month	02.11.2023
	MRP was imposed as follows,	03.11.2023
	White Sugar – Rs. 295/- per kg (Packeted), Rs. 275/- per kg (Unpacketed)	
	Brown Sugar – Rs. 350/- per kg (Packeted), Rs. 330/- per kg (Unpacketed)	
	again MRPs were removed	21.11.2023
Potato	SCL was increased from Rs. 20/- to Rs. 50/- per kg for another 06 months	08.03.2023
Black Gram – whole	SCL was continued as Rs.200/- per kg for one year	04.03.2023
	SCL was increased from Rs 200/- to Rs 300/- per kg for 06 months	17.08.2023
Egg	MRPs were imposed	
	White Egg Rs.44/-per egg	20.01.2023
	Brown Egg Rs.46/-per egg	
	again MRPs were removed	20.04.2023
	again MRPs were imposed	
	White Egg Rs.44/-per egg or Rs. 880/- per kg	20.04.2023
	Brown Egg Rs.46/-per egg or Rs 920/- per kg	
	again MRPs were removed	25.07.2023
SCL was imposed Rs.50 per egg for 03 months (Waive -off balance amount after collecting Rs. 1 per Egg from the applicable SCL Levy of Rs. 50 per Egg on importation of egg by the Sri Lanka State Trading (General) Corporation on the recommendation of the Secretary, Ministry of Trade, Commerce and Food Security)	21.02.2023	
SCL was continued as Rs.50/- per kg for another 03 months	21.05.2023	
SCL was continued as Rs.50/- per kg for another 04 months	21.08.2023	
SCL was imposed Rs.1,300 per kg of Frozen Whole Egg Liquid for 02 months (Waive -off balance amount after collecting Rs. 200 per from the applicable SCL Levy of Rs. 1,300 per kg on importation of Frozen Whole Egg Liquid on the recommendation of the Secretary, Ministry of Trade, Commerce and Food Security)	18.03.2023	
SCL was continued as Rs.1,300/- per kg for another 03 months	22.06.2023	

Source: Consumer Affairs Authority and Department of Trade and Investment Policy

08

Performance of
State Owned Enterprises
(SOEs)

8.1 Overview

Along with the gradual revival of the Sri Lankan economy in 2023, the State-Owned Enterprises (SOEs) sector also experienced significant improvements in terms of operational and financial performance. This was enabled by the reform measures adopted by the Government during 2022/2023, such as cost-reflective pricing including the electricity tariff adjustments, implementation of the fuel price formula, revision of water tariffs and the restructuring of balance sheets of selected key SOEs through the transfer of legacy debts to the Government balance sheet and settlement of cross liabilities, among others. The improved financial performance of the SOEs sector has reduced its excessive reliance on the banking sector (particularly state banks). This is expected to contribute to improved liquidity in the banking sector, supporting the decline in interest rates, and freeing up capital for deployment in productive economic activities.

The reforms undertaken by the Government in the power and energy sector continued in 2023 with the further liberalization of the domestic petroleum market by allowing three private companies for the importation, storage, distribution, and sale of petroleum products through a predetermined dealer-operated distribution network. This is expected to drive competition in the sector, creating value for consumers through productivity gains. The Sri Lanka Electricity Bill was submitted to Parliament to improve transparency, accountability, and competitiveness of the electricity sector in the country. Furthermore, in order to facilitate the conversion of Road Development Authority (RDA) as an extra budgetary unit by separating the expressways and related assets and liabilities from its balance sheet, the Government reconstituted the Board of Directors of the Sahasya Investments Limited (SIL) in the latter part of 2023. As approved by the Cabinet of Ministers, the responsibility for daily operations and management of expressways was shifted to the SIL with effect from April 01, 2024 to enhance the efficiency and commercial management by streamlining processes and utilizing resources optimally.

Moreover, the settlement of cross liabilities between SOEs (particularly Ceylon Petroleum Corporation (CPC), Ceylon Electricity Board (CEB), and SriLankan Airlines (SLA)) in December, 2023 further strengthened the balance sheets of those SOEs, which would reduce the burden on the fiscal sector in the medium term.

Reflecting the Government's continuous commitment for the implementation of reforms in the SOE sector, the Cabinet of Ministers approved a restructuring policy for SOEs, a special guideline on divestiture of SOEs and the appointment of Transaction Advisors for the divestment of seven key SOEs i.e. SLA, Sri Lanka Telecom PLC (SLT), The Lanka Hospitals Corporation PLC (LHCP), Sri Lanka Insurance Corporation Ltd. (SLIC), Canwill Holdings (Pvt) Ltd. (CHPL), Hotel Developers (Lanka) Ltd. (HDL) and Litro Gas Lanka Limited (LGL). Accordingly, the Request for Qualification (RfQ) were called for those seven SOEs in 2023. The responses received on account of HDL, CHPL, LHCP and SLT were evaluated by the respective Special Project Committees and Special Cabinet Appointed Negotiating Committees and bidders were shortlisted for the Request for Proposal (RFP) phase. At the same time, the State-Owned Enterprises Restructuring Unit under the Ministry of Finance is in the process of drafting a SOE law in line with the objectives stipulated in the SOE policy approved by the Cabinet of Ministers in May, 2023.

In 2023, the financial performance of the key 52 SOEs reflected the success of Government policy initiatives by converting the total loss Rs. 774.6 billion reported in 2022 to a total profit of Rs. 455.8 billion. Out of 52 SOEs, 40 SOEs recorded a collective net profit of Rs. 462.3 billion and the other 12 SOEs recorded a collective net loss of Rs. 6.5 billion in 2023. CPC and CEB have contributed 39.3 percent of the total profit of 40 SOEs in 2023 mainly due to the implementation of the fuel price formula, cost-reflective pricing in electricity and, supported by the appreciation of the Sri Lanka rupee. The total collection of levies and dividends increased to Rs. 75.7 billion in 2023, compared to Rs. 28.1 billion in 2022.

Table 8.1 | SOEs Financial Outturn

Sector	Number of SOEs	Rs. Million		
		Total Revenue ^(a)	PBT/ (LBT) ^(b)	PBT/ (LBT) ^(b)
		2023	2022	2023
Energy	2	1,983,627	-915,777	181,582
Water	1	61,852	-2,701	5,286
Ports	1	83,791	57,027	40,359
Commuter Transportation	1	77,240	1,421	2,189
Aviation	2	297,244	-66,830	34,764
Construction	3	9,853	-1,173	-2,289
Banking and Finance	7	1,336,080	100,826	129,573
Insurance	4	95,918	35,386	43,918
Lotteries	2	57,927	4,657	4,360
Livestock	2	19,748	-259	-338
Plantations	6	6,461	1,427	678
Non-Renewable Resources	3	6,143	6,278	4,435
Health	4	109,274	-478	4,316
Media	3	4,214	-1,146	-1,079
Marketing and Distribution	11	108,947	6,782	8,057
Total	52	4,258,319	-774,560	455,811

Sources: SOEs and Department of Public Enterprises

^(a) Provisional

^(b) Profit before Tax (PBT)/(Loss before Tax (LBT)) – Provisional

Table 8.2 | Levy/ Dividend Income from SOEs

	Rs. Million				
	2019	2020	2021	2022	2023
Levy	22,634	14,769	24,442	22,004	60,497
National Savings Bank	2,000	1,000	3,500	-	-
Bank of Ceylon	-	1,250	1,500	-	-
People's Bank	2,200	2,500	500	441	-
Telecommunication Regulatory Commission of Sri Lanka	8,950	5,000	8,500	13,200	23,000
Pradeshya Sanwardana Bank	169	-	-	-	-
State Timber Corporation	50	-	100	320	641
State Pharmaceuticals Manufacturing Corporation	-	-	100	100	300
National Insurance Trust Fund	3,268	782	1,824	1,608	2,000
Geological Survey and Mines Bureau	2,300	-	2,000	1,000	2,000
National Gem and Jewellery Authority	25	-	15	35	390
Board of Investment of Sri Lanka	250	156	-	416	533
National Lotteries Board	-	-	900	361	1,000
Securities and Exchange Commission of Sri Lanka	53	-	-	-	-
Sri Lanka Standards Institution	-	-	-	10	40
Sri Lanka Export Credit Insurance Corporation	15	-	25	50	620
Central Engineering Consultancy Bureau	25	-	25	-	-
Sri Lank Tourism Promotion Bureau	500	-	-	-	500
Civil Aviation Authority	800	-	50	1,000	4,000
State Pharmaceutical Corporation	-	-	-	350	-
National Transport Medical Institute	200	-	110	290	150
Sri Lanka Bureau of Foreign Employment	650	-	-	1,200	7,000
National Transport Commission	50	-	-	10	300
Sri Lanka Tourism Development Authority	200	-	-	-	75
Sri Lanka Land Reclamation and Development Authority	29	-	-	-	500
Sri Lanka Ports Authority	900	-	-	1,015	8,066

Table 8.2 | Levy/ Dividend Income from SOEs Contd...

	Rs. Million				
	2019	2020	2021	2022	2023
National Medicine Regulatory Authority	-	81	147	400	646
Road Development Authority	-	4,000	4,000	-	75
Land Reforms Commission	-	-	1,100	-	350
Condominium Management Authority	-	-	25	50	200
National Institute of Business Management	-	-	16	33	115
Sri Lanka Ayurvedic Drugs Corporation	-	-	5	-	-
Post Graduate Institute of Management	-	-	-	90	25
Other SOEs	-	-	-	25	7,971
Dividends	5,025	2,854	4,672	6,087	15,204
National Savings Bank	60	60	60	60	30
Bank of Ceylon	346	346	346	346	173
People's Bank	316	316	316	316	158
National Development Bank	1	1	1	1	-
Sri Lanka Insurance Corporation Ltd	1,720	695	899	1,511	2,272
Airport and Aviation Services (Sri Lanka)(Pvt) Ltd	500	-	-	500	5,500
Lanka Mineral Sands Ltd	130	-	700	759	2,500
Lanka Phosphate Ltd	7	-	20	20	220
Lanka Leyland Ltd	13	2	3	13	6
Rakna Arakshaka Lanka Ltd	37	-	-	-	125
Manthai Salt Ltd- (National Salt Ltd)	-	2	15	-	120
Ceylon Fertilizer Ltd	15	304	29	15	22
Colombo Commercial Fertilizer Ltd	10	-	-	10	60
Paranthan Chemicals Company Ltd	-	10	3	50	305
STC General Trading Company	-	-	-	11	150
Sri Lanka Telecom PLC	947	947	1,331	1,805	223
De La Rue Lanka (Pvt) Ltd	133	-	345	313	-
Lanka Electricity Company Ltd	501	-	327	218	697
Lanka Industrial Estates Ltd	82	82	82	-	174
Ceylon Agro Industries	23	77	95	24	167
Plantation Companies	172	12	98	95	554
Lanka Sugar Company Limited	-	-	-	-	1,597
Lanka Thriposha Ltd	-	-	-	10	75
Others	12	-	2	10	75
Total	27,659	17,623	29,114	28,091	75,701

Sources: SOEs and Department of Public Enterprises

Table 8.3 | Asset Base of Key SOEs

Rs. Million				
Sector	Number of SOEs	Total Assets as at 31.12.2022	Total Assets as at 31.12.2023 ^(a)	Growth (%)
Energy	2	1,568,449	1,515,810	-3.36
Water	1	956,571	987,028	3.18
Ports	1	731,690	739,506	1.07
Commuter Transportation	1	36,488	55,291	51.53
Aviation	2	357,674	390,997	9.32
Construction	3	41,233	41,310	0.18
Banking and Finance	7	9,795,414	10,090,023	3.01
Insurance	4	332,747	382,483	14.95
Lotteries	2	12,842	15,744	22.59
Livestock	2	28,486	28,160	-1.14
Plantations	6	17,996	18,824	4.60
Non-Renewable Resources	3	12,760	11,774	-7.73
Health	4	97,279	91,835	-5.60
Media	3	5,626	6,238	10.88
Marketing and Distribution	11	126,783	134,655	6.21
Total	52	14,122,037	14,509,679	2.74

Sources: SOEs and Department of Public Enterprises

^(a)Provisional

8.2 Energy

8.2.1 Ceylon Electricity Board

After a debilitated performance of the CEB in 2022 with the extensive power outages due to supply shortages of fuel and coal as a result of foreign exchange liquidity constraints, the year 2023 saw a significant turnaround. The implementation of cost reflective tariffs resulted in 03 consecutive tariff revisions approved by the Public Utilities Commission of Sri Lanka (PUCSL). These adjustments resulted in the CEB recording a net profit of Rs. 61,236 million in 2023, the

highest in history, compared to the net loss of Rs. 298,189 million in 2022. The CEB was able to provide an uninterrupted power supply across the country throughout the year with a substantial contribution to the economy.

With the need of regular cost reflective price revisions, a biannual cost reflective tariff mechanism was introduced from 2022 with an automatic cost recovery-based tariff adjustment. The 03 tariff revisions in 2023 resulted the end user average tariff to increase by 66 percent in February, 2023, subsequently a reduction of the average tariff by 14 percent in July, 2023 followed by an average increase by 18 percent in October,

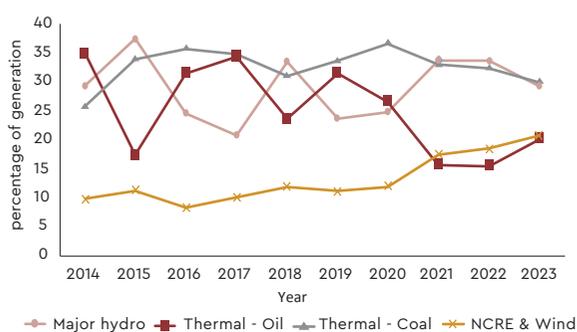
Table 8.4 | Installed Capacity and Power Generation of CEB – 2021 – 2023

	2021			2022			2023 ^(a)		
	Installed Capacity MW	Percentage on Total Generation	GWh	Installed Capacity MW	Percentage on Total Generation	GWh	Installed Capacity MW	Percentage on Total Generation	GWh
Hydro	1,383	33	5,658	1,413	34	5,364	1,413	29	4,573
Thermal – CEB Oil	654	7	1,279	654	8	1,339	811	13	1,975
Thermal – IPP Oil	433	8	1,400	270	7	1,128	386	7	1,160
Thermal – Coal	900	35	6,111	900	33	5,174	900	30	4,646
NCRE Wind & Rooftop	1,231	17	2,929	1,381	18	2,937	1,531	21	3,235
Total	4,601	100	17,377	4,618	100	15,942	5,041	100	15,589

Source: Ceylon Electricity Board

^(a)Provisional

Figure 8.1 | Generation Mix Percentage by Sources 2014-2023



Source: Ceylon Electricity Board

2023. Early in 2024, the PUCSL approved the latest tariff revision with effect from March 05, 2024 with an average reduction by 22 percent.

During the year 2023, the electricity consumption reduced marginally by 2.5 percent to 14,154 GWh. However, due to tariff revisions, the revenue generated through the electricity sales for the year under review almost doubled to Rs. 606.6 billion in 2023, compared to Rs. 308.5 billion in 2022.

Even though the electricity generation also reduced marginally by 2.2 percent to 15,589 GWh in 2023, simultaneously with the electricity consumption, the direct generation cost increased significantly to Rs. 407.2 billion by 25 percent due to the dry weather spell prevailed during May to September of the year. The unusual weather pattern was followed by heavy rainfall and high-water content in the reservoirs in the latter part of 2023 reflecting el-nino conditions.

Table 8.5 | Operational Statistics and Financial Outturn of Ceylon Electricity Board

	2019	2020	2021	2022	2023 ^(a)
					Rs. Million
Operational Statement					
Revenue	255,008	249,066	261,373	321,432	640,436
Sale of Electricity	242,950	238,911	248,776	308,457	606,627
Other Income	12,058	10,155	12,597	12,975	33,809
Expenditure	352,367	309,552	295,512	524,933	579,200
Direct Generation Cost	218,469	183,213	157,374	325,245	407,173
IPP (With NCRE)	118,665	110,213	85,690	121,244	128,004
CEB – Fuel Cost (Oil & Coal)	99,803	73,000	71,684	204,001	279,169
Generation, Transmission & Distribution O&M Cost	73,121	67,701	76,189	85,615	65,131
Corporate Expenses	6,969	7,009	8,047	38,458	12,300
Interest on Borrowings and Delayed Payments	22,526	19,522	20,431	41,850	59,935
Depreciation	31,283	32,107	33,471	33,765	34,661
Operating Profit/(Loss)	-97,358	-60,486	-34,139	-203,501	61,236
Exchange Gain/(Loss)				-94,689	
Net Profit/(Loss)	-97,358	-60,486	-34,139	-298,189	61,236
Actuarial gain/(loss) on defined benefit obligations	-63	-8,677	-504	-11,059	-3,154
Total Comprehensive Income/ (Loss) for the period	-97,422	-69,164	-34,643	-309,248	-58,082
Liquidity Position					
Borrowings from Banks	93,796	49,681	32,701	78,181	48,348
Payments to Banks	62,130	20,568	26,938	34,108	47,537
Outstanding Debt to Banks	333,245	416,143	428,300	220,743	263,560
Term Loan	89,420	96,650	89,417	102,012	85,038
Project Loan funded by Donor Agencies	222,553	223,415	282,733	54,452	62,232
Project Loans by Banks	21,272	43,155	56,150	64,279	116,290
Debenture				20,000	20,000
Purchases from CPC and IPP	173,423	137,762	100,630	176,989	235,606
Payments to CPC and IPP	115,181	147,122	96,598	152,790	364,697
Outstanding to CPC and IPP	141,904	128,883	141,094	192,619	79,232
Operational Statistics					
Units Sold (GWh)	14,611	14,285	15,214	14,520	14,154
Units Generated (GWh)	16,556	16,392	17,378	15,942	15,589
Cost per Unit (Rs.)	24.12	21.67	19.42	36.15	40.92
Sales per Unit (Rs.)	16.63	16.72	16.35	21.24	42.86

Source: Ceylon Electricity Board

^(a) Provisional

The generation mix recorded as thermal (coal): hydro: NCRE, Wind & Rooftop: and thermal (fuel) as 30: 29: 20 percent, respectively in 2023, compared to 33: 34: 18: 15 percent respectively in 2022. The coal power generation reduced to 30 percent in 2023 from 33 percent in 2022, mainly due to the scheduled interruption of 01 unit of the Norochcholai coal power plant for 03 months and the supply shortage of coal due to the dollar crisis in 2022. Accordingly, amidst the increase in NCRE, Wind & Rooftop power generation, due to the reduction in hydro and coal power generation along with the increase in coal prices resulted from currency depreciation in 2022, the average unit cost at selling point increased to Rs. 42.86 per KWh in 2023, compared to Rs. 21.24 per KWh in 2022.

Even though the cost recovery tariff is being implemented since 2022 and the balance sheet was restructured through the transfer of CEB debt to the Government Balance Sheet with the approval of the Cabinet of Ministers, the General Treasury made an equity investment of Rs. 126.3 billion in 2023 as a cross settlement mechanism to settle the long outstanding payable to CPC and Independent Power Producers (IPPs) to further strengthen the balance sheet of CEB. As a result, the debt outstanding to CPC and IPPs stood as Rs. 78.4 billion at the end of 2023, a decline from Rs. 191.8 billion at the end of 2022.

Under the institutional reforms of the power sector initiated with the appointment of high-level committee in 2022, the reform process continued with drafting a single reform bill, establishment of the Power Sector Reforms Secretariat within the Ministry of Power and Energy to ensure strategy and sequencing of execution of the reform process with the approval of the Cabinet of Ministers. Accordingly, the revised Sri Lanka Electricity Bill with the approval of the Cabinet of Ministers was published in the Gazette on April 17, 2024. The new legislation intends to unbundle the CEB, ensuring greater autonomy and transparency between the generation, transmission, and distribution segments of the entity. This would improve the overall governance structure, enhance price discovery, competitiveness, and reduce fiscal risks over the medium to long term.

8.2.2 Ceylon Petroleum Corporation

The petroleum industry in general, is subject to uncertainty and volatility within global economic

and political contexts. The shift in global oil supply from key producers in the Middle East to the United States and other Atlantic Basin countries, and the dominant impact of China and its booming petrochemical sector on oil demand, profoundly impacted global oil trade in 2023. The price of Brent crude oil averaged USD 82 per barrel in 2023, down from USD 99 per barrel in 2022, a difference of USD 17 per barrel. The global market adjusted to new trade dynamics with crude oil from Russia finding destinations outside the European Union, and global crude oil demand fell short of expectations.

The stabilization of macroeconomic conditions in the country, particularly the improvement in forex liquidity in response to macroeconomic reforms along with the improvement in CPC financial health, enabled a normalization in fuel supply in the economy. The weekly quota under the National Fuel Pass QR code system, which was introduced in 2022 to mitigate the social unrest by managing the demand for fuel, was increased in the months of April and May, 2023 and subsequently with the easing of supply constraints, the QR code system was abolished from September, 2023.

As part of the government reform initiatives to restructure the SOEs and enhance market competitiveness while driving efficiencies, reducing cost and improving service standards, licenses were granted to three global oil companies to operate in the domestic retail market. Following the Cabinet approval, China-based Sinopec, Australia-based United Petroleum and United States-based RM Parks were authorized to enter into the retail market in Sri Lanka for the importation, storage, distribution, and sale of petroleum products. Notably, Sinopec commenced operations in September, 2023, while the United Petroleum and RM Parks are to commence their operations in 2024.

The revenue of CPC experienced a notable increase of 12.6 percent to Rs. 1,343 billion in 2023, compared to Rs. 1,193 billion in 2022. This was mainly due to the reintroduction of the cost reflective pricing formula since May, 2022. Additionally, the sales volume of CPC increased by approximately 134 million liters to 4,184 million liters, compared to 4,050 million liters in 2022.

Meanwhile, the finance cost also witnessed a substantial decline by 94 percent to Rs. 7,454.3 million in 2023, compared to Rs. 119,537 million in 2022. This was due to the transfer of Government

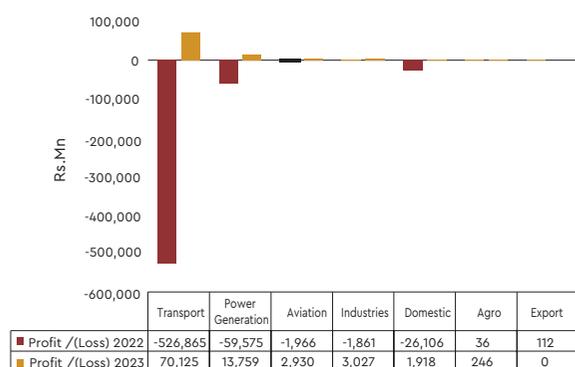
Table 8.6 | Financial Outturn of Ceylon Petroleum Corporation

	2019	2020	2021	2022	2023 ^(a)
	Rs. Million				
Total Revenue	660,646	530,878	613,733	1,193,274	1,343,191
Octane 92	195,216	178,196	215,754	405,061	456,501
Octane 95	26,580	21,085	23,491	23,182	15,578
Diesel	238,967	188,937	218,286	488,831	506,848
Super Diesel	10,877	8,949	10,809	27,096	14,053
HF 800cc	13,438	-	-	-	-
HF 1500cc	16,912	18,525	16,807	62,345	42,584
HF 3500cc/Super Oil	33,652	49,444	19,982	6,662	26,984
LSHF	10,799	1,852	12,387	28,756	57,399
Naptha	16,803	11,260	15,216	6,468	36,436
Kerosene	17,598	15,162	17,928	19,561	26,852
JET- A-1	58,857	19,401	30,721	82,127	121,334
Other Products	6,892	6,060	12,452	4,360	10,258
Other Income	14,055	12,007	19,900	38,825	28,364
Total Expenditure	672,483	528,507	695,549	1,810,862	1,222,845
Cost of Sales	626,599	454,880	588,823	1,108,952	1,101,488
Sales and Distribution	17,981	15,782	29,108	39,495	51,377
Administration	4,886	3,683	6,991	5,106	29,005
Finance Cost	14,699	20,911	25,645	119,537	7,454
Depreciation	984	2,670	2,684	2,647	2,635
Other Cost(Excise Duty & NBT)	15,732	8,740	9,079	5,648	51,226
Exchange Rate Variation	-8,398	21,841	33,220	529,477	-20,340
Profit/(Loss) Before Tax	-11,837	2,371	-81,816	-617,588	120,346
Outstanding debts to Banks	566,225	529,187	693,040	87,749	59,020

Source: Ceylon Petroleum Corporation

^(a) Provisional

Figure 8.2 | Sector wise Financial Performance



Source: Ceylon Petroleum Corporation

guaranteed foreign currency (USD) loans and bills equivalent to Rs. 884 billion to the Government balance sheet at the end of 2022, against which the corresponding equity infusion of Rs. 884 billion was made by the Government to CPC.

On the other hand, CPC imported refined products of 1.92 million metric tons in 2023, compared to 2.7 million metric tons in 2022, a

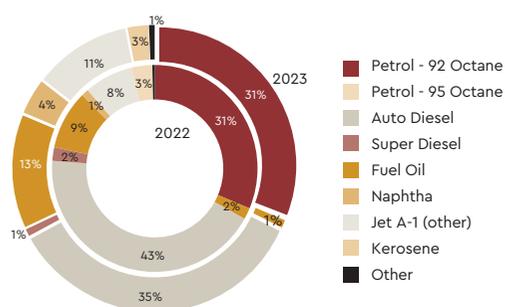
reduction of 28 percent while the import of crude oil was 1.56 million metric tons in 2023, compared to 0.7 million metric tons in 2022. The oil import bill of CPC increased slightly to USD 3.4 billion in 2023, compared to USD 3.3 billion in 2022.

In 2023, CPC demonstrated a significant turnaround in its financial performance, marked by a notable profit due to the implementation of cost reflective pricing and the appreciation of the rupee throughout the financial year. Accordingly, CPC's net loss of Rs. 617.6 billion reported in 2022 converted to a net profit of Rs. 120.3 billion in 2023.

Sector-wise analysis reveals substantial profits in petroleum sales to the transport, power, aviation, industries, and the domestic sector in 2023 amounting to Rs. 70,125 million, Rs. 13,759 million, Rs. 2,930 million, Rs. 3,027 million, and Rs. 1,918 million, respectively, reversing the losses recorded in 2022.

As per the balance sheet restructuring process approved by the Cabinet of Ministers, CPC

Figure 8.3 | Composition of Product Portfolio



Source: Ceylon Petroleum Corporation

obtained a loan from Bank of Ceylon and settled the subsidiary loan obtained from the Government under the Indian Line of Credit amounting to Rs. 228.77 billion. On the same day, CEB and SLA settled the outstanding payments for fuel to CPC amounting to Rs. 126.27 billion and Rs. 102.5 billion, respectively by using the equity contributions made by the Government to those SOEs.

As a result of these policy reforms and increased profitability, CPC effectively transformed its negative net equity position of Rs. 86.7 billion at the end of 2022 to a positive net equity of Rs. 33.5 billion at the end of 2023 and settled Rs. 66 billion of past debts during 2023.

With the improved financial performance during the year 2023, CPC paid a levy of Rs. 5 billion to the Consolidated Fund to support fiscal objectives.

CPC should implement strategies to compete with the new players of the market to sustain its market position and performance by revisiting its business model.

8.3 State Banks

Banking sector demonstrated resilience and adaptability, showcasing moderate growth in 2023 amidst the economic challenges that continued from the previous year. Throughout the year, local banks focused on digital transformation, enhancing their online services to meet evolving customer expectations and regulatory requirements. Despite these advancements, the industry faced persistent challenges, including managing non-performing loans and ensuring sustainable profitability.

State banks in Sri Lanka, particularly Bank of Ceylon and People's Bank, played a significant role in the banking industry in 2023. These banks continued to focus on supporting the government's development agenda and providing financial services to a wide range of customers, including individuals, businesses, and government entities. State banks also faced challenges such as managing non-performing loans (NPL) and adapting to digital transformation trends. Despite these challenges, they remained key players in the Sri Lankan banking sector, contributing to financial inclusion and economic development initiatives.

During 2023, the total profitability of the state banks increased by 12.5 percent to Rs. 64.6 billion, compared to Rs. 57.4 billion in 2022 mainly reflecting the sharp decrease in impairment provisions for loans and other losses during

Table 8.7 | Financial Position and Performance of The Major State Banks

Description	Banking Sector	Bank of Ceylon		People's Bank		National Savings Bank	
		Value	Share (%)	Value	Share (%)	Value	Share (%)
Assets (LKR Bn.)	20,406	4,412	22	3,038	15	1,687	8
Deposits (LKR Bn.)	16,624	3,882	23	2,653	16	1,483	9
Profit before Tax (LKR Bn.)	294	40	14	15	5	6	1
Profit after Tax (LKR Bn.)	189	27	14	10	5	9	4
Tier 1 Capital Adequacy Ratio (%)	-	12.8	-	11.2	-	16.9	-
Total Capital Adequacy Ratio (%)	-	15.8	-	16.1	-	19.2	-
ROA before tax (%)	-	0.92	-	0.5	-	0.26	-
Interest Margin (%)	-	2	-	1.81	-	1.79	-

Sources: State Banks and Central Bank of Sri Lanka

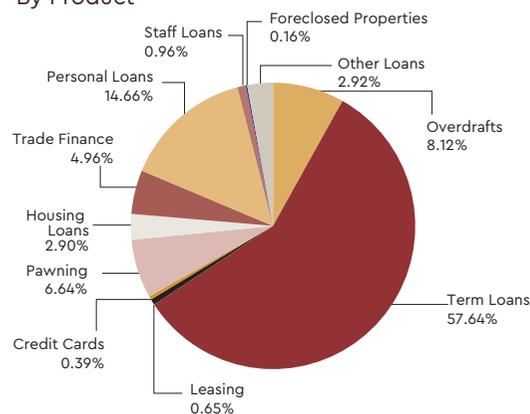
the year. The state banks have contributed to 22 percent of the profit earned by the banking sector of the country in 2023. The state banks having 46.8 percent of the total assets of the banking sector (comprising licensed commercial banks and licensed specialized banks) continued to dominate the banking sector of the country. The total State banks' branch network including the service delivery points has expanded to 1,928 by addition of new 4 branches in 2023 while almost all the banks adopted digital platforms to serve their customers.

Further, it has been identified that direct and indirect exposure to the government and related activities dominated the balance sheets of the state banks, diminishing their ability to serve their expected purposes such as advancing financial inclusion and addressing market failures in the provision of financial services to the productive sectors of the economy. Therefore, the Government has identified several crucial reforms for these entities in the areas of governance, risk management, and oversight, which are to be implemented in 2024 and onwards on a priority basis.

8.3.1 Bank of Ceylon

The Bank of Ceylon (BoC) continued to be the bank with the largest asset base coupled with the largest deposit base. As at the end of 2023, the total assets increased by 1.7 percent, which is below the industry average growth rate of 5.1

Figure 8.4 | Loans and Advances to the Customers – By Product



Source: Bank of Ceylon

percent. Meanwhile, the deposit base of the bank increased by 16.4 percent at the end of 2023, which is comparatively higher than the industry average growth rate of 8.7 percent.

Moreover, BoC's profitability increased by 30.2 percent to Rs. 40.3 billion in 2023, compared to Rs. 31 billion in 2022. Despite the considerable decrease in net interest income by 27.8 percent, the bank was able to increase the profitability for the year under review due to the reversal of the impairment provisions for loans and advances.

The total loans and advances to customers decreased by 5 percent to Rs. 2,209 billion at the end of 2023 from Rs. 2,325.5 billion at the end of

Table 8.8 | Financial Outturn of Bank of Ceylon

	2019	2020	2021	2022	2023 ^(a)
					Rs. Million
Total Income	239,116	247,164	290,362	513,149	542,187
Interest Income	220,477	226,311	260,513	456,267	524,798
Interest Expense	145,331	151,535	149,261	329,921	433,610
Net Interest Income	75,146	74,776	111,252	126,346	91,188
Other Income	18,640	20,853	29,848	57,686	33,002
Total Operating Expenses	64,100	72,077	97,911	153,055	83,848
Personnel Expenses	18,365	18,190	24,982	28,991	29,818
Other Expenses	45,736	53,887	72,929	124,064	54,030
Profit/(Loss) Before Tax	29,685	23,552	43,190	30,977	40,342
Key Performance Indicators					
Investments	650,433	785,832	1,125,018	1,601,082	1,752,179
Deposits	2,005,212	2,474,775	2,866,894	3,334,774	3,882,232
Loans and advances	1,549,805	1,988,409	2,413,762	2,325,594	2,209,062
Non-Performing Advances (Gross)	77,133	98,564	251,158	324,630	311,863
ROA (%)	1.3	0.9	1.27	0.76	0.92
ROE (%)	16.8	11.9	21.03	14.06	10.55
NPL Ratio (%)	4.8	4.8	4.4	-	-
Impaired Loan Ratio (Stage III) (%)	-	-	5.08	5.27	5.07

Source: Bank of Ceylon

^(a) Provisional

2022, despite the industry average decrease was recorded as 2.6 percent.

Despite the pressure on loan recoveries in the banking industry, BoC maintained its Impaired Stage III Loan ratio at 5.07 percent at the end of 2023, while the industry average was 12.8 percent. BoC network consists of 583 branches (including limited-service branches) and 1,400 Automated Teller Machines (ATMs), Cash Recycling Machines (CRMs) and Cash Deposit Machines (CDMs) across the island, supporting financial inclusion in the country. Meanwhile, BoC has been focusing more on expanding the digital and virtual service platforms to cater the emerging needs of the customers.

In November 2023, Fitch Ratings placed BoC's Viability Rating (VR) of 'cc' on Rating Watch Negative (RWN). At the same time, Fitch affirmed BoC's Long-Term Foreign-Currency Issuer Default Rating (IDR) at 'CC'. During the year 2023, BoC named as the No.1 Banking Brand for the 15th consecutive year by Brand Finance Lanka with a Brand value of Rs. 5.2 billion.

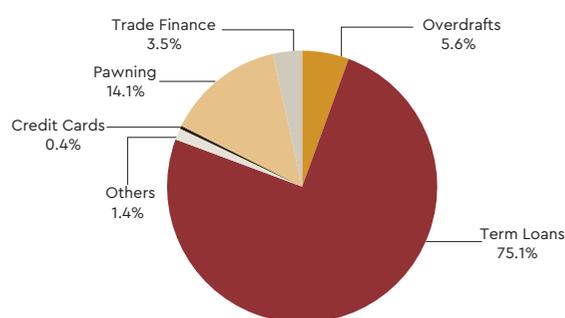
8.3.2 People's Bank

Being the second largest licensed commercial bank of the country in terms of assets and deposits, asset base of the People's Bank's (PB) grew by 2.2 percent to Rs. 3,038.1 billion at the

end of 2023, compared to the industry growth rate of 5.1 percent. The deposit base of the bank increased by 11.9 percent to Rs. 2,653.1 billion at the end of 2023, compared to the industry average of 8.7 percent while the lending to customers decreased by 4.1 percent to Rs. 1,709.4 billion, compared to the industry average decrease of 2.6 percent at the end of 2023.

The net interest income of PB decreased by 28.3 percent to Rs. 54.32 billion in 2023 mainly due to the increase in interest expenses by 38.3 percent as against the 22.6 percent increase in interest income. The sharp rise in interest expenses was due to the lag effect in repricing the time deposits mobilized at higher interest rates, which in turn resulted in a decrease in the net interest income. The bank was able to report a net profit

Figure 8.5 | Loans and Advances to the Customers – By Product



Source: People's Bank

Table 8.9 | Financial Outturn of People's Bank

	2019	2020	2021	2022	2023 ^(a)
					Rs. Million
Total Income	199,729	190,982	207,250	357,229	422,242
Interest Income	186,714	179,717	197,330	321,936	394,795
Interest Expense	125,508	118,784	114,869	246,178	340,473
Net Interest Income	61,207	60,934	82,461	75,758	54,321
Other Income	12,588	10,781	11,265	35,293	27,447
Total Operating Expenses	54,129	50,487	63,339	89,712	66,423
Personnel Expenses	19,494	19,722	22,772	26,603	24,394
Other Expenses	34,635	30,765	40,567	63,109	42,029
Profit/(Loss) Before Tax	19,666	21,227	30,387	21,338	15,345
Key Performance Indicators					
Deposits	1,491,386	1,835,099	2,071,533	2,371,519	2,653,106
Loans and advances (gross)	1,386,481	1,723,466	1,835,697	1,783,107	1,709,458
Non Performing Advances	43,569	53,745	59,995	79,335	81,091
ROA (before tax) (%)	1.1	1.0	1.2	0.8	0.5
ROE (after tax) (%)	13.9	14.4	19.9	12.2	6.6
NPL Ratio (%)	3.3	3.2	3.2	-	-
Impaired Loan Ratio (Stage III) (%)	-	3.5	4.0	12.8	9.0

Source: People's Bank

^(a) Provisional

of Rs. 15.3 billion in 2023, compared to Rs. 21.3 billion in 2022.

The Stage III loan ratio of the PB stood at 9 percent at the end of 2023, compared to the industry average of 12.8 percent. The Capital Adequacy Ratio for Tier -1 capital of PB at the end of 2023 recorded as 16.9 percent, which is above the minimum requirement of 8.5 percent. The branch network of PB consists of 747 branches (including service centers) and 822 ATMs across the country.

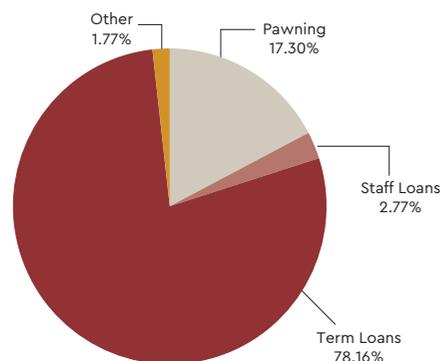
8.3.3 National Savings Bank

National Savings Bank (NSB) operates with a strong branch network of 262 branches and 4,064 post offices/sub post offices across the island. At the end of 2023, the NSB's asset base reached to Rs.1,686.7 billion, 4.0 percent increase compared to the previous year. Moreover, the deposit base and the lending portfolio reported as Rs. 1,482.5 billion and Rs. 526.5 billion, respectively at the end of 2023, recording an increase of 0.4 percent and decrease of 9.0 percent, respectively over 2022.

In 2023, NSB recorded a profit before tax of Rs. 6.1 billion, an increase of 36 percent compared to Rs. 4.5 billion in 2022 mainly due to the increase in other income sources.

Term loans contributed to 78 percent of the NSB's loan portfolio whilst pawning loans are the second largest contributor at the end of 2023.

Figure 8.6 | Loans and Advances to the Customers – By product



Source: National Savings Bank

Table 8.10 | Financial Outturn of National Savings Bank

	2019	2020	2021	2022	2023 ^(a)
					Rs. Million
Total Income	121,929	127,547	134,939	174,638	232,064
Interest Income	118,730	122,512	131,438	173,021	226,967
Interest Expense	89,898	87,622	76,809	140,477	197,402
Net Interest Income	28,832	34,890	54,630	32,544	29,565
Other Income	3,067	4,881	3,293	2,614	4,780
Total Operating Expenses	21,438	24,126	29,368	30,649	28,228
Personnel Expenses	10,158	9,967	12,867	13,791	14,455
Other Expenses	11,280	14,159	16,501	16,858	13,773
Profit Before Tax	10,462	15,645	28,555	4,510	6,117
Key Performance Indicators					
Number of Branches	256	259	261	262	262
Number of Post Offices/Sub Post Offices	4,063	4,063	4,064	4,064	4,064
Investments	647,760	798,811	980,672	978,772	1,030,689
Deposits	1,016,574	1,237,124	1,428,467	1,476,740	1,482,532
Loans and advances	454,395	516,795	538,942	578,648	526,521
Non Performing Advances	7,224	14,532	16,282	22,985	27,120
ROA (%)	0.95	1.24	1.93	0.28	0.26
ROE (%)	14.34	20.67	33.92	3.40	9.36
NPL Ratio (%)	1.57	2.79	2.97	-	-
Impaired Loan Ratio (Stage III) (%)	-	-	2.54	2.83	2.41

Source: National Savings Bank

^(a) Provisional

8.3.4. Housing Development and Finance Corporation Bank

Housing Development and Finance Corporation Bank (HDFC), which is primarily engaged in granting credit facilities for housing purposes, is the only state-owned bank listed in the Colombo Stock Exchange.

HDFC's profit before tax recorded a significant improvement of 713.6 percent to Rs. 2,465 million in 2023 with a slight fall in the net interest margin to 6 percent. This large profit increase primarily stemmed from a net gain of Rs. 2,661 million on de-recognition and disposal of financial assets. This resulted in a return on equity of 19.9 percent

in 2023, compared to 5.0 percent in 2022. Though the net assets per share of the bank increased to Rs. 127.40, the share price at end December, 2023 was recorded as Rs. 31.60.

The lending portfolio of the HDFC Bank dropped by 2 percent to Rs. 41.7 billion at the end of 2023, against the 2.6 percent drop in the industry. However, the Stage III Loan ratio of the bank increased from 38.0 percent at the end of 2022 to 40.5 percent at the end of 2023. The deposit base of the bank also increased by 6.7 percent to Rs. 53.6 billion at the end of 2023, compared to Rs.50.2 billion at the end of 2022, whilst the average growth in the banking industry stood at 8.7 percent.

Table 8.11 | Financial Outturn of Housing Development and Financial Corporation Bank

	2019	2020	2021	2022	Rs. Million 2023 ^(a)
Total Income	8,090	7,856	7,004	8,877	14,607
Interest Income	7,683	7,456	6,612	8,425	11,456
Interest Expense	4,783	4,475	3,556	5,679	8,875
Net Interest Income	2,900	2,981	3,056	2,746	2,581
Other Income	407	400	392	452	3,151
Total Expenses	2,532	2,313	2,570	2,895	3,267
Personnel Expenses	1,164	1,174	1,387	1,544	1,584
Other Expenses	1,368	1,139	1,183	1,351	1,683
Profit/(Loss) Before Tax	775	1,068	878	303	2,465
Key Performance Indicators					
Investments	12,440	17,406	18,709	17,181	7,196
Deposits	42,504	47,947	49,813	50,245	53,613
Loans and advances	41,216	41,192	41,837	42,630	41,670
Non Performing Advances	11,623	13,134	13,190	16,187	16,862
ROA (%)	0.9	2.36	1.93	0.97	5.00
ROE (%)	9.63	12.99	9.02	4.99	19.92
Stage III Loan Ratio including EPF (%)	25.26	33.03	32.44	37.97	40.47

Source :Housing Development and Financial Corporation Bank

^(a) Provisional

8.3.5 State Mortgage and Investment Bank

The State Mortgage and Investment Bank (SMIB), a licensed specialized bank, has been in the mortgage loan business for housing and housing-related purposes since 1931. The bank's deposit base increased to Rs. 52.1 billion at the end of 2023, recording a growth of 6.1 percent over Rs. 49.1 billion at the end of 2022.

Due to the drastic drop in net interest income by Rs. 1,345 million to Rs. 594 million in 2023 over the previous year, SMIB recorded a net loss of Rs.

1,043 million in 2023, compared to the net loss of Rs. 89 million in 2022.

The total assets of the bank increased by 4 percent to Rs. 59 billion at the end of 2023. The Bank's loan portfolio stood at Rs. 38.7 billion at the end of 2023, recording a slight drop of 1.4 percent compared to Rs. 39.3 billion at the end of 2022, which is below the industry negative growth of 2.6 percent. The asset quality of the bank has deteriorated during the year 2023 reflecting an increase in the Stage III Loan ratio from 20.3 percent at the end of 2022 to 23.9 percent at the end of 2023.

Table 8.12 | Financial Outturn of State Mortgage and Investment Bank

	2019	2020	2021	2022	2023 ^(a)
	Rs. Million				
Total Income	6,125	6,260	5,425	7,517	9,601
Interest Income	5,982	6,077	5,253	7,402	9,322
Interest Expense	3,951	3,960	2,951	5,463	8,728
Net Interest Income	2,031	2,117	2,302	1,939	594
Other Income	143	183	172	115	279
Total Expenses	1,674	1,728	2,069	2,143	1,915
Personnel Expenses	882	873	1,084	1,090	1,013
Other Expenses	792	855	985	1,053	902
Profit/(Loss) Before Tax	500	572	405	-89	-1,043
Key Performance Indicators					
Investments	9,729	14,248	13,792	15,577	15,086
Deposits	38,872	45,388	45,738	49,140	52,138
Loans and advances	35,893	36,857	38,102	39,267	38,725
Non Performing Advances	7,544	8,412	7,598	7,954	9,253
ROA (%)	1.11	1.15	0.76	-0.16	-1.79
ROE (%)	7.73	6.10	4.11	3.17	-8.85
Stage III Loan Ratio including EPF (%)	21.21	22.94	19.84	20.26	23.90

Source : State Mortgage and Investment Bank

^(a) Provisional

8.3.6 Pradeshiya Sanwardana Bank

Pradeshiya Sanwardana Bank (PSB) operates with the objective of improving the living standards of the rural community by providing accessible and affordable credit facilities with a branch network of 272.

Gross Loans and Advances recorded a marginal decrease to Rs. 195.8 billion at the end of 2023, compared to Rs. 198 billion at the end of 2022. Deposits of the PSB increased by 7.5 percent to Rs. 226 billion at the end of 2023, compared to Rs. 210.3 billion at the end of 2022.

Table 8.13 | Financial Outturn of Pradeshiya Sanwardana Bank

	2019	2020	2021	2022	2023 ^(a)
	Rs. Million				
Total Income	27,508	24,354	24,497	36,203	47,586
Interest Income	26,357	23,182	23,555	35,273	46,232
Interest Expense	13,904	12,294	9,806	19,640	29,296
Net Interest Income	12,453	10,888	13,749	15,634	16,935
Other Income	872	900	942	929	1,355
Total Expenses	12,104	10,775	13,915	16,204	16,902
Personnel Expenses	5,932	5,983	7,325	8,740	9,554
Other Expenses	6,172	4,792	6,590	7,465	7,348
Profit/(Loss) Before Tax	1,222	1,013	776	359	1,388
Key Performance Indicators					
Investments	55,465	55,400	60,630	71,213	92,970
Deposits	149,600	172,883	184,392	210,301	226,080
Gross Loans and advances	144,694	167,099	187,438	198,008	195,771
Non Performing Advances	13,711	16,658	16,322	14,057	20,698
ROA (%)	1.6	0.21	0.27	0.71	0.12
ROE (%)	3.4	2.72	2.07	5.07	7.39
Stage III Loan Ratio	9.63	10.11	8.71	7.1	10.57

Source : Pradeshiya Sanwardana Bank

^(a) Provisional

With the increase in industry average Stage III loan ratio to 12.8 percent at the end of 2023, NPL ratio of the bank stepped up from 7.1 percent at the end of 2022 to 10.6 percent. The PSB recorded a significant increase in profit to Rs. 1,388 million in 2023, compared to Rs. 359 million in 2022 mainly due to the increase in fee and commission income.

8.3.7 Employees' Trust Fund Board

Employees' Trust Fund Board (ETFB) was established to provide social security by way of multiple benefits to its members. The members of the ETFB are all employees who are not eligible for a government pension scheme but are employed either in the private sector or the semi-government sector. Unlike Employees' Provident Fund, the employer makes a contribution of 3 percent from the gross earnings on behalf of the employee/member, which is a non-contributory benefit to the member. At the end of 2023, the number of members of the ETFB was 2.5 million. Further, the total contribution received from

the employers on behalf of their employees increased by 6.9 percent to Rs. 37.0 billion in 2023, compared to Rs. 34.6 billion in 2022.

There are 8 types of welfare benefit schemes available for ETFB's members including schemes providing assistance with health care, housing requirements and financial assistance for the education of the children of the members. Since the objective of the fund is the betterment of retired life of the employees who are not having any kind of established pension scheme, special consideration is given to increasing the voluntary membership of self-employed persons and migrant workers.

In 2023, Rs. 549.0 million was paid as benefit claims and Rs. 157.0 million was paid under the Death Benefit Scheme. Also, members are paid the balance available in the account along with dividend and interest upon termination/retirement. Accordingly, 240,888 refund claims were processed in 2023 and the total amount paid on refund claims was Rs. 38.0 billion.

Table 8.14 | Financial Outturn of Employees' Trust Fund Board

	2019	2020	2021	2022	2023 ^(a)
	Rs. Million				
Total Income	32,076	34,729	35,490	46,122	67,793
Investment Income (net)	31,647	33,697	35,202	45,677	67,119
Other Income	429	1,032	288	445	674
Total Expenditure	2,315	2,229	2,330	2,694	2,834
Operating Expenses	1,792	1,776	1,836	2,120	2,129
Member Expenses	523	453	494	575	705
Profit/(Loss) Before Tax	29,764	32,345	33,159	43,428	64,959
Profit for Distribution	25,411	28,007	28,569	36,978	55,942
Key Performance Indicators					
Interest on Member Fund 3%	9,423	10,423	11,553	12,679	13,758
Dividend	15,706	17,371	9,627	24,302	27,517
Total Rate of Interest & Dividend (%)	8	8	7.25	8.75	9

Source: Employees' Trust Fund Board

^(a) Provisional

The majority of the investments made by ETFB are placed in government securities ensuring a steady stream of secured returns. The investment portfolio grew up to Rs. 515.2 billion by recording an increase of 12.9 percent, compared to Rs. 456.3 billion in 2022. Moreover, in 2023, ETFB earned a total income of Rs. 67.8 billion which largely consisted of interest income. In 2023, the fund earned a net profit of Rs. 64.9 billion and declared a total dividend plus interest rate of 9.0 percent to all members, which accounted for Rs. 41.2 billion.

8.4 Water

8.4.1 National Water Supply and Drainage Board

The National Water Supply and Drainage Board (NWS&DB) being the principal authority of providing safe drinking water and facilitating the provision of sanitation to the people extended its services by providing nearly 100,000 new connections to the system, which increased the total connections to 3 million at the end of 2023. Accordingly, the percentage of the population

Table 8.15 | Financial Outturn of National Water Supply and Drainage Board

	2019	2020	2021	2022	2023 ^(a)
	Rs. Million				
Revenue	26,079	27,761	28,935	35,464	61,852
Water	23,995	25,608	25,735	33,122	58,549
Water Related Income	2,084	2,154	3,200	2,342	3,303
Cost of Sales	16,614	16,754	19,163	23,145	32,844
Gross Profit	9,465	11,007	9,772	12,319	29,008
Other Income	1,259	1,482	1,796	1,289	4,284
Administrative Expenses	12,059	12,035	13,715	14,052	14,841
Other Operating Expenses	765	839	998	347	1,338
Operating Profit/(Loss)	-2,100	-385	-3,145	-791	17,113
Finance Income	1,454	1,571	843	2,007	3,121
Finance Cost	531	677	752	3,917	14,948
Net Profit/(Loss)	-1,177	509	-3,054	-2,701	5,286
Key Performance Indicators					
Connections (Nos. Million)	2.2	2.6	2.8	2.9	3.0
Water Production (m ³ Million)	746	782	815	818	803
Water Sales (m ³ Million)	590	597	605	614	600
Non-Revenue Water (Percent)	24.88	24.63	25.82	25.24	25.2
Water Supply Projects (Nos.)	348	331	-	-	-
Safe Drinking Water Supply Coverage (Percent)	92	93	94.4	96	97.3

Source : National Water Supply & Drainage Board

^(a) Provisional

with access to piped borne water and safe drinking water supply increased to 61.6 percent and 97.3 percent, respectively during the year 2023.

Due to the upward tariff revision in 2023 with an average increase in tariff of the water by 81 percent, the revenue of the Board increased significantly by 74.4 percent to Rs. 61,852 million in 2023, compared to Rs. 35,464 million in 2022.

Even though the water production declined marginally by 1.8 percent to 803 million cubic meters (m³) in 2023, the cost of production increased significantly by 42 percent to Rs. 32,844 million mainly due to the increase in pumping cost by 90 percent to Rs. 13,785 million in 2023 as a result of the increased electricity tariff during the period under review and the increase in chemical cost by 50 percent to Rs. 2,988 million. However, the Board recorded a gross profit of Rs. 29,008 million, compared to the gross profit of Rs. 12,319 million in 2022. Consequently, the Board recorded a net profit of Rs. 5,286 million, compared to the net loss of Rs. 2,701 million in 2022, despite the significant increase in cost of borrowings in 2023 to Rs. 14,948 million, compared to Rs. 3,917 million in 2022.

The Non-Revenue Water (NRW) percentage continued to reflect a high level at 25.20 percent at the end of 2023, almost similar to 2022.

The budgetary support was continued for various water supply projects in 2023. However, due to the financial constraints and temporary suspension of the projects, slow progress was reported in 2023 while two major water supply projects, Hemmathagama and Orugodawatta were completed during 2023. In addition, the General Treasury contributed Rs. 28,000 million as equity for the repayment of loans of the local and foreign funded projects in 2023.

In order to maintain and improve the water and sanitation infrastructure, the NWS&DB should seek the possibilities of implementing projects through the engagement of private sector while ensuring the sustainability of the water and sanitation system of the country.

8.5 Ports

8.5.1 Sri Lanka Ports Authority

Port of Colombo (POC) which is the busiest port of the Sri Lanka Ports Authority (SLPA) is ranked as the 24th Best Port in the World by the Container Port Performance Index 2022, which was initiated by the World Bank and S&P Global Port Performance Program.

SLPA handled 1,965,131 TEUs in 2023, a 2 percent increase compared to 1,925,895 TEUs handled in

Table 8.16 | Financial Outturn of Sri Lanka Ports Authority

	2019	2020	2021	2022	2023 ^(a)
	Rs. Million				
Total Revenue	51,920	50,245	57,765	90,954	83,791
Navigation	11,567	10,957	10,793	18,395	21,146
Stevedoring	18,582	17,847	20,441	28,901	27,400
Wharf Handling	5,910	5,318	6,260	8,014	8,000
Port Facilities	3,696	3,444	6,176	9,250	4,445
Other	1,015	1,365	1,785	3,848	2,849
Other Income	11,150	11,314	12,310	22,546	19,951
Total Expenditure	37,410	29,716	32,899	43,744	46,882
Operational Expenses	16,517	16,300	16,812	22,338	25,000
Repair and Maintenance Expenses	5,868	5,646	7,048	8,382	9,088
Administrative Expenses	15,025	7,770	9,039	13,024	12,794
Earning before interest and tax	14,510	20,529	24,866	47,210	36,909
Exchange Gain/(Loss) on Transactions	-	-	-	288	-579
Net Finance Income	287	850	2,005	5,626	5,334
Foreign Exchange Gain/(Loss)	1,359	-1,051	-1,270	3,903	-1,305
Profit/(Loss) Before Levy paid to Treasury	16,156	20,328	25,601	57,027	40,359
Contribution to the Consolidated Fund	-600	-	-	-1,000	-8,674
Profit/(Loss) after Levy paid to Treasury	15,556	20,328	25,601	56,027	31,685
Income tax	-3,486	-2,603	-2,676	-13,261	-5,565
Differed tax	-423	1,015	-2,230	-445	-6,181
Profit/(Loss) for the year	11,647	18,740	20,695	42,321	19,939
Outstanding debts to Banks	10,990	9,322	7,355	6,411	2,798
Outstanding debts to Government/Foreign Loan	59,985	55,907	52,896	87,811	71,101
Interest on Loans	2,372	1,532	800	564	-
Key Performance Indicators					
TEU's Handling (Nos. Million)	7.23	6.85	7.25	6.82	6.94
Ship Arrivals (Nos.)	5,458	4,762	4,603	4,537	5,155
Colombo (Nos.)	5,001	4,335	4,411	4,366	4,926
Galle (Nos.)	283	248	54	41	70
Trincomalee (Nos.)	174	179	138	130	159

Source: Sri Lanka Ports Authority

^(a) Provisional

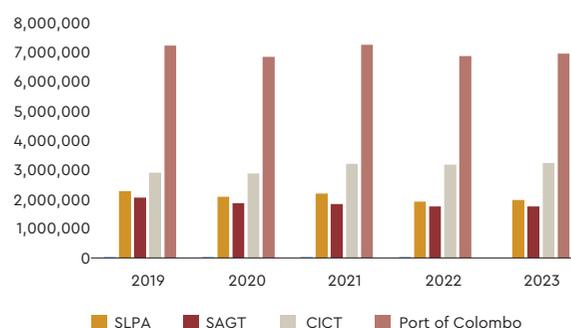
Table 8.17 | Total Handled TEUs by Colombo Port 2022-2023

	SLPA	SAGT	CICT	Port of Colombo(POC)
Total Handled TEU 2023	1,965,131	1,763,863	3,220,918	6,949,912
Total Handled TEU 2022	1,925,895	1,752,236	3,184,053	6,862,184
% Change	2.04	0.66	1.16	1.28

Source: Sri Lanka Ports Authority

2022 while the POC with the two private sector operators handled 6,949,912 TEUs, a marginal growth compared to the 6,862,184 TEUs handled in 2022. In the meantime, 4,926 ships, comprising passenger ships, cargo ships and other vessels arrived at POC in 2023 compared to 4,366 ships in 2022. However, the SLPA's revenue for 2023 is Rs. 83,791 million, a decrease of 7.8 percent, compared to Rs. 90,954 million in 2022. The primary causes of the revenue decline in 2023 compared to 2022 is due to the decline in imports in line with the government external sector restrictions which resulted in the loss of certain types of income such as storage, and port

Figure 8.7 | Total Handled TEUs by Colombo Port



Source: Sri Lanka Ports Authority

facilities and tariff adjustments to be on par with the competition with POC operators.

Total expenditure has increased from Rs. 43,744 million in 2022 to Rs. 46,882 million in 2023 mainly due to the increment of operational expenses by 11.9 percent. Both reduction in revenue as well as increase in the expenditure has resulted in recording a profit after tax of Rs. 19,939 million in 2023 which is a decrease from Rs.42,321 million in 2022 by around 53 percent.

SLPA has recorded the highest levy to the Consolidated Fund of Rs.8,674 million in 2023. This amount comprises set-off amount Rs. 5,156 million against payable amount to the SLPA on behalf of the loan obtained for Hambanthota port, cash payment of Rs. 2,910 million and the provision of Rs. 608 million. Accordingly, the General Treasury was able to settle long outstanding Rs. 5.1 billion loan repayment and stamp duty payable on behalf of Hambanthota port loan by the General Treasury to SLPA during the year as against the accumulated unpaid levy.

After a lengthy analysis by considering the technological advancement over the years and redundant job categories, General Treasury revised the cadre of the SLPA in 2023 and reduced the cadre by 3003 from 9,990 to 6,987.

8.6 Insurance

The insurance industry consists of 22 local insurance companies and 6 foreign-based

companies. The State presence is visible in the insurance sector through the Sri Lanka Insurance Corporation Ltd. (SLIC), Agricultural and Agrarian Insurance Board (AAIB), National Insurance Trust Fund (NITF), and Sri Lanka Export Credit Insurance Corporation (SLECIC).

In 2023, the insurance sector demonstrated mixed performance, with an overall increase in gross written premium (GWP) compared to 2022. Specifically, the long-term insurance sector saw a 12.9 percent growth in GWP, while the general insurance sector experienced a 3.4 percent increase compared to 2022. Due to the larger asset base of the long-term insurance sector, total insurance sector assets grew by 14.7 percent in 2023.

8.6.1 Sri Lanka Insurance Corporation Limited

Being the largest state-owned insurance company in the country, SLIC holds an asset base of Rs. 313 billion and the largest life fund of Rs. 183.8 billion in the insurance industry at the end of 2023.

SLIC recorded a revenue of Rs. 64.7 billion in 2023, a marginal increase compared to Rs. 63.9 billion in 2022. GWP grew to Rs. 44.2 billion in 2023, compared to Rs. 41.3 billion in 2022 in line with the increased GWP recorded by the insurance sector in 2023, compared to 2022. The GWP from the life insurance business increased marginally to Rs. 21.1 billion in 2023 from Rs. 20.9 billion in 2022. SLIC reported a GWP of Rs. 23.1

Table 8.18 | Financial Outturn of Sri Lanka Insurance Corp. Ltd.

	2019	2020	2021	2022	2023 ^(a)
	Rs. Million				
Revenue	48,608	52,614	64,062	63,917	64,711
Gross written premium	33,794	39,421	43,231	41,272	44,225
Net earned premium	29,772	34,206	38,397	37,024	36,862
Benefit, Losses & Expenses	-31,270	-34,888	-42,255	-34,292	-29,260
Investment income	17,671	16,511	23,392	13,794	28,728
Other Income	1,165	1,897	2,273	13,100	-880
Other Operating & Administrative Expenses	-9,134	-9,755	-10,082	-6,131	-6,178
Profit/(Loss) Before Tax	8,205	7,972	11,725	23,494	29,272
Net Profit for the year	7,028	5,788	10,041	21,564	26,346
Key Performance Indicators					
Claims ratio – General (%)	61	51	60	63	61
Capital Adequacy ratio – Life (%)	434	459	490	316	427
Capital Adequacy ratio – General (%)	208	223	240	244	225
Life Fund	118,000	134,013	152,585	156,719	183,804

Source : Sri Lanka Insurance Corporation Ltd.

^(a) Provisional

billion for non-life insurance in 2023, an increase of 13.8 percent compared to Rs. 20.3 billion in 2022. Meanwhile, the declared dividends amounted to Rs. 2.3 billion in 2023.

The overall profitability of SLIC recorded a notable increase of 22.2 percent to Rs. 26.3 billion in 2023, compared to Rs. 21.6 billion in 2022 mainly due to the increase in investment income by Rs. 14.9 billion to Rs. 28.7 billion in 2023.

In adherence to the regulations set forth in the Insurance Industry (Amendment) Act, No. 03 of 2011, the segregation of SLIC's life and general insurance operations into its wholly owned subsidiaries, namely Sri Lanka Insurance Corporation Life Limited and Sri Lanka Insurance Corporation General Limited was completed by the end of 2023.

In line with the Government's SOE restructuring policy as approved by the Cabinet of Ministers, the divestiture process of SLIC was commenced with the issuance of RfQ and the shortlisting of bidders are to be completed.

8.6.2 National Insurance Trust Fund

National Insurance Trust Fund (NITF) engages in the insurance business by offering several

products including, the Agrahara Insurance Scheme, Agricultural Loan Protection Insurance Scheme, Crop Insurance Scheme and General Insurance – (Motor and Non – Motor sector policies). Further, NITF acts as a reinsurer of any liability carried by any person in the insurance industry or any insurer in or outside of Sri Lanka since 2007, and it maintains the Strike, Riot, Civil Commotion and Terrorism (SRCC&T) Fund.

NITF's revenue increased by around 4 percent to Rs. 27 billion in 2023, compared to Rs. 26 billion in 2022 mainly due to the increase in other forms of income such as interest income on government securities by Rs. 1.8 billion. GWP decreased by 6.6 percent to Rs. 11.4 billion in 2023, compared to Rs. 12.2 billion in 2022. However, NITF's net profit increased by 47 percent to Rs. 12.5 billion in 2023, compared to Rs. 8.5 billion in 2022 due to the increase in interest income together with the decrease in expenditure on insurance claims and benefits. Nevertheless, Motor Insurance Scheme, Non-Motor Insurance Scheme and Reinsurance Scheme recorded a loss of Rs. 9 million, Rs. 67 million and 1,899 million, respectively in 2023. NITF's investments in Government securities increased by 46 percent to Rs. 43.3 billion at the end of 2023, compared to Rs. 29.6 billion at the end of 2022. NITF paid Rs. 2.0 billion as levy to the Consolidated Fund in 2023.

Table 8.19 | Financial Outturn of National Insurance Trust Fund

	2019	2020	2021	2022	2023 ^(a)
	Rs. Million				
Total Revenue	17,717	18,862	18,969	25,972	26,925
Gross Written Premium	12,693	9,818	10,631	12,201	11,400
Contribution received for Agrahara	4,839	5,469	6,283	6,809	6,806
Crop insurance levy collected	1,780	1,627	2,194	2,573	2,441
Net earned premium income	16,448	17,475	17,379	20,884	20,078
Other income	1,269	1,387	1,590	5,088	6,847
Reinsurance premium ceded	-1,191	-1,102	-590	-684	7
Insurance Claims & Benefits	-12,079	-7,955	-10,761	-14,693	-11,914
Underwriting & acquisition cost	-2,056	-1,615	-1,864	-2,162	-1,902
Total Expenditure	-574	-427	-408	-587	-562
Staff Related Costs	240	226	225	245	269
Administration & Other Expenses	334	201	183	342	293
Income over Expenditure	3,008	8,866	5,936	8,530	12,547
Key Performance Indicators					
Agrahara Claims received (Nos)	230,029	218,422	226,639	243,812	269,397
Agrahara Claims paid (Nos)	214,381	209,108	212,646	173,820	236,619
Agrahara premium collected	4,839	5,469	6,283	6,809	6,806
Agrahara Claims paid	5,257	4,173	6,380	6,247	7,337

Source: National Insurance Trust Fund

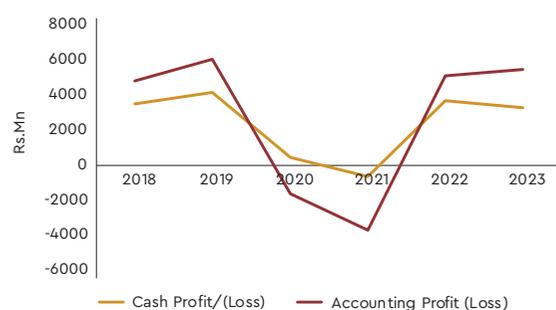
^(a) Provisional

8.7 Commuter Transportation

8.7.1 Sri Lanka Transport Board

As the owner of the biggest bus fleet, Sri Lanka Transport Board (SLTB) provides passenger transport services throughout the island by deploying around 4,564 buses daily. SLTB functions with 107 main depots, 9 sub depots, 12 provincial workshops, 12 regional offices, 21 driving training schools, and employs around 26,000 individuals. The time table requirement allocated by National Transport Commission for SLTB is 40 percent of the total requirement. The present bus fleet is not sufficient for providing all the required time table for passengers. The bus fleet was increased by 500 buses in the first half of 2023 by utilizing the facility of Indian Credit Line. However, SLTB intends to further increase its bus fleet with modern buses to provide comfortable passenger services to the public.

Figure 8.8 | Performance of Sri Lanka Transport Board



Source: Sri Lanka Transport Board

SLTB provides service in uneconomical routes particularly in remote areas through Gemi Seriya, night-time services through Nisi Seriya and providing low-cost transportation services to school children through Sisu Seriya. Operated kilometers of SLTB increased by 7.6 percent to 378 million kilometers using 4,564 buses in 2023,

Table 8.20 | Financial Outturn of Sri Lanka Transport Board

	2019	2020	2021	2022	2023 ^(a)
					Rs. Million
Income	42,938	31,128	26,817	70,379	77,240
Operational Income	29,282	17,996	14,565	58,504	61,859
Other income	13,656	13,132	12,252	11,875	15,381
Expenditure	40,237	31,787	28,686	67,319	75,324
Salary	20,143	18,274	16,174	21,154	21,776
Fuel	13,879	9,535	8,026	37,344	41,465
Other Running Cost	4,794	3,085	2,808	6,868	9,829
Overhead	1,037	629	1,475	1,750	2,132
Finance Cost	384	264	203	203	122
Profit/(Loss) Before Gov. Financial Assistance	2,701	-659	-1,869	3,060	1,916
Gov. Financial Assistance	1,474	1,127	1,217	642	1,391
Cash Profit	4,175	468	-652	3,702	3,307
Depreciation	2,265	2,507	2,355	2,184	1,025
Production Loss	20	66	47	97	93
Profit/(Loss) Before Tax	1,890	-2,105	-3,054	1,421	2,189
Levy paid to the Treasury	-	-	-	-	-145
Profit after levy paid	-	-	-	-	2,044
Key Performance Indicators					
Fuel Cost per km	31.70	30.93	33.01	104.54	106.97
No. of Employees per bus	6	7	8	6	5
Avg. buses operated per day	5,079	3,961	3,232	4,330	4,564
Operated km Mn	431	308	237	351	378
Bus Fleet Age Analysis					
Less than 5 Yrs	2,423	1,001	740	521	857
5 > 10 Yrs	1,134	2,420	2,273	2,467	2,377
10 > 15 Yrs	2,109	2,155	1,830	1,326	1,120
Over 15 Yrs	1,608	1,382	951	2,775	2,760
Total	7,274	6,958	5,794	7,089	7,114

Source: Sri Lanka Transport Board

^(a) Provisional

compared to 351 million kilometers using 4,330 buses in 2022. Total income of SLTB increased by 9.7 percent to Rs. 77,240 million in 2023, compared to Rs. 70,379 million in 2022, mainly due to the increase in season ticket sales, police travel pass, warrants and supported by the subsidy from Government. The General Treasury released Rs. 8,000 million and Rs. 3,960 million in 2023 in order to subsidize the season tickets and uneconomic routes, respectively, compared to Rs. 6,100 million and Rs. 2,700 million, respectively in 2022, which are implemented through the SLTB by the Government as public service obligations.

The total expenses of SLTB increased by 11.9 percent to Rs. 75,324 million in 2023, compared to Rs. 67,319 million in 2022, mainly due to increase of the price of fuel and spare parts. However, SLTB recorded a net profit of Rs. 2,189 million in 2023, an increase of 54 percent compared to Rs. 1,421 million in 2022 due to the improved revenue. SLTB contributed Rs. 145 million to the

Treasury as a levy in 2023 from the profit for the first time of the SLTB's history.

The age analysis of the total bus fleet of SLTB reveals that around 55 percent represents buses over 10 years of age. Therefore, it is important to add new buses to the bus fleet in order to provide an uninterrupted passenger service to the general public.

8.8 Aviation

8.8.1 Airport and Aviation Services (Sri Lanka) (Pvt) Limited

Global passenger traffic is predicted to exceed 9.7 billion by the end of 2024, surpassing the 2019 number for the first time since the COVID-19 pandemic, according to Airports Council International (ACI). From 2023 to 2042, the number of passengers worldwide is expected to increase at a compound annual growth rate (CAGR) of 4.3 percent.

Table 8.21 | Financial Outturn of Airport and Aviation (Sri Lanka) (Pvt) Limited

	2019	2020	2021	2022	Rs. Million 2023 ^(a)
Total Revenue	29,889	11,523	10,792	32,258	48,804
Aeronautical	5,431	2,291	2,299	6,195	7,575
Non Aeronautical	20,221	5,486	5,087	19,812	30,671
Other Income	71.63	81	85	114	130
Interest Income	4,165	3,665	3,321	6,137	10,428
Expenditure	13,489	12,622	11,654	14,941	19,060
Personnel Expenses	8,117	7,415	7,305	10,001	10,993
Admin. & Estab. Expenses	2,053	2,088	1,347	2,097	4,066
Depreciation	2,856	2,853	2,648	2,367	2,121
Repairs and Maintenance Expenses	463	266	354	476	1,880
Earnings before Interest and Tax	16,400	-1,099	-862	17,317	29,744
Exchange Gain/(Loss) on transactions	-8	153	408	1,526	-
Interest Cost	-1,325	-1,289	-1,140	-1,854	-2,225
Exchange Gain/(Loss) on loans and Fixed Deposits Conversion	157	-1,498	634	-10,555	6,121
Net Profit/(Loss) before tax	15,223	-3,733	-960	6,434	33,640
Tax	-4,226	1,228	-1,122	-1,630	-5,517
Net Profit/(Loss) After Tax	10,997	-2,505	-2,082	4,804	28,123
Total Assets	108,274	103,216	126,844	179,530	191,542
Total Liabilities	69,044	66,233	85,530	134,273	123,931
Total Equity	39,231	36,983	41,314	45,257	67,611
Total Borrowings	47,560	46,773	64,725	106,273	89,914
Borrowings during the year	2,150	684	19,833	2,544	321
Key Performance Indicators					
Aircraft Movements (Nos.)	96,812	38,145	47,391	59,451	74,239
Passenger Movements (Nos.)	9,958,688	2,375,056	1,505,479	5,503,198	7,548,646
Cargo Movements (MT)	261,367	151,141	201,680	173,597	158,911

Source: Airport and Aviation (Sri Lanka) (Pvt) Limited

^(a) Provisional

Airport and Aviation Services (Sri Lanka) (Pvt) Limited (AASL) continued to accomplish its role as the sole statutory service provider of the aeronautical services including the Air Traffic Control Service and provision of aeronautical aids for communication, navigation, surveillance to ensure the safety and security of all aircraft and passengers within the entire territory of Sri Lanka.

Total revenue of AASL increased from Rs. 32,258 million in 2022 to Rs. 48,804 million in 2023 by 51.3 percent mainly due to the increase in Aeronautical revenue from Rs. 6,195 million to Rs. 7,575 million and non-Aeronautical revenue from Rs. 19,812 million in 2022 to Rs. 30,671 million in 2023 as a result of increase in aircraft movements by 25 percent and passenger movements by 36 percent due to the development of the tourism industry with the revival of economy.

In addition, the total revenue comprised of an interest income of 21.4 percent, which increased from Rs. 6,137 million in 2022 to Rs. 10,428 million in 2023 by 70 percent mainly because the company has invested surplus cash saved by not servicing the foreign loans obtained by the company due to the temporary debt moratorium policy of the country.

Total Expenditure increased from Rs. 14,941 million in 2022 to Rs.19,060 million in 2023 by 27.6 percent mainly due to the increase in Administration and Establishment expenditure by 93.8 percent with the increase in electricity expenditure, and increase in repair and maintenance cost from Rs. 476 million in 2022 to Rs. 1,880 million in 2023 as a result of the need to preserve unused raw materials brought down by the contractor under the disrupted BIA terminal II project with the debt moratorium.

A sizable portion of AASL's professional staff chose to leave the country in pursuit of better prospects elsewhere, which led to a gradual but noticeable brain drain that had an adverse effect on services and development of the Aviation industry. Considering the significance of air traffic control for the continued existence of airports, the Cabinet of Ministers approved to adopt a separate salary scale for air traffic controllers in 2023.

8.8.2. SriLankan Airlines Ltd.

Following a global air travel disruption caused by the COVID-19 epidemic, the aviation sector has

been gradually recovering. Challenges faced by Sri Lankan aviation sector in the first half of the fiscal year 2022/23 including the shortages of jet fuel, rising fuel prices as a result of the conflicts in oil producing region, high interest rates, inflationary pressures, lower tourism as a result of travel advisories, inadequate Maintenance, Repair, and Overhaul (MRO) capacity, and supply chain limitations. A brain drain of aviation experts seeking better prospects overseas also hampered the business. However, the second half of the fiscal year presented a more favourable operating environment for the aviation sector in Sri Lanka.

The airline reported a total revenue of Rs. 372.5 billion mainly comprising a passenger revenue of Rs. 293.3 billion, which has increased by 276 percent compared to 2021/22, due to the development of the tourism industry with the revival of economy and the increase in SLA flying Revenue Passenger Kilometers (RPK) by 137 percent to 11,793.72 RPK million, compared to 4,968.59 RPK million in 2021/22. The passenger load factor also increased from 48.98 percent to 77.65 percent during the fiscal year.

Earnings before interest and tax improved from Rs. 1.87 billion in 2021/22 to Rs. 41.97 billion in 2022/23. However, due to the increase in interest cost from Rs. 22.3 billion to Rs. 51.4 billion in 2022/23 by 130.5 percent coupled with the exchange loss, the company recorded a net loss after tax of Rs. 73.3 billion, a 56 percent decrease compared to the preceding fiscal year.

The government offered assistance by issuing a USD 11.6 million Treasury Guarantee to the International Air Transport Association (IATA) on behalf of the SLA to support its ongoing cash flow issues during 2022/23.

Further, in order to settle the outstanding balance of Rs. 102.5 billion to the CPC, the General Treasury infused additional equity capital to SLA in December, 2023 as approved by the Cabinet of Ministers.

The impact of the financial constraints of SLA has clearly manifested in the disruptions to operations evident over the recent past. The government's fiscal constraints make it unfeasible to continuously inject equity capital to the airline to ensure its continuity. In this context, the Government made a decision to divest SLA to enable a fresh injection of investor funds to restore financial sustainability of the airline.

International Finance Corporation (IFC) has been tasked with providing transaction advisory on the SLA divestment. RfQs floated in October 2023

and closed on April 22, 2024. Currently, RfQs submitted by 6 potential investors are being evaluated.

Table 8.22 | Financial Outturn of SriLankan Airlines Ltd.

	2019/20	2020/21	2021/22	2022/23	Rs. Million 9 Months 2023/24 ^(a)
Total Revenue	183,514	71,847	134,274	372,533	248,440
Passenger	147,673	16,328	77,999	293,329	205,662
Cargo	15,745	27,328	43,975	51,060	22,671
Excess Baggage	1,166	197	1,157	3,067	1,825
Other Income	18,613	27,469	10,504	23,857	17,793
Finance Income	317	525	639	1,221	489
Expenditure	184,203	74,511	132,398	330,569	223,852
Aircraft fuel cost	55,328	10,569	42,759	155,559	86,302
Employee cost	21,205	16,206	15,970	24,341	22,096
Airport, aeronaut and passenger expenses	29,217	7,440	19,272	48,474	35,394
Aircraft Maintenance and overhaul costs	22,820	13,695	23,088	42,199	34,690
Rentals on Leased Aircraft	1,394	2,265	44	504	4,280
Selling , Marketing and advertising expenses	14,541	2,034	7,180	24,628	15,574
Crew Expenses	6,557	1,680	3,231	7,661	6,779
Other Operating Expenses	14,127	4,325	6,665	12,516	9,383
Depreciation and Amortization	19,014	16,296	14,188	14,685	9,353
Earnings Before Interest and Tax	-689	-2,664	1,877	41,965	24,589
Exchange Gain/(Loss) on transactions	-6,119	-6,895	-37,812	-25,560	-603
Interest Cost	-35,554	-22,339	-22,339	-51,395	-26,020
Exchange Gain/(Loss) on loans and Fixed Deposits Conversion	-4,837	-13,334	-107,621	-38,274	3,158
Net Profit/(Loss) Before Tax	-47,198	-45,231	-165,895	-73,264	1,124
Tax	-	-	-	-357	-
Net Profit/(Loss) After Tax	-47,198	-45,231	-165,895	-73,621	1,124
Total Assets	181,190	154,381	178,144	199,455	192,523
Non Current Assets	150,014	122,471	122,686	132,773	109,282
Current Assets	31,176	31,910	55,459	66,682	83,240
Total Liabilities	666,296	253,219	358,161	708,630	598,073
Non Current Liabilites	211,737	190,428	257,020	210,323	186,150
Current Liabilites	454,559	253,219	358,161	498,307	411,923
Equity	52,972	82,468	100,468	103,201	205,702
Accumulated losses	-326,341	-371,734	-537,505	-612,376	-611,252
Serious Loss of Capital	Yes	Yes	Yes	Yes	Yes
Key performance Indicators					
Passenger Carried (RPK Million)	14,548	748	4,969	11,794	9,111
Aircraft Fleet (Nos.)	25	24	24	23	24
Passenger Capacity (ASK Million)	18,041	3,816	10,144	15,188	11,489
% of Fuel Cost on Total Revenue	31	21	32	43	35
Passenger Load Factor	80.64	19.60	48.98	77.65	79.30

Source: SriLankan Airlines Ltd

^(a) Provisional

8.9 Construction

The Sri Lankan construction industry's contribution to the GDP has shown a declining trend and continued to contract by 260 basis points to 5.1 percent in 2023, compared to the previous year. Total turnover of three main SOEs namely, State Engineering Corporation (SEC), Central Engineering Consultancy Bureau (CECB) and State Development and Construction Corporation (SD&CC) undertaking most of the Government contracts in the construction industry, recorded almost a 5 percent decrease to Rs. 9,853 million in 2023, compared to Rs.10,361 million in 2022.

Due to the liquidity constraints, suspension and termination of government contracts, rapid increase of construction material prices, scarcity of the construction materials, import restrictions imposed to materials, and migration of experienced technical professionals have hindered these three entities to operate in their full capacity.

8.9.1 State Engineering Corporation

SEC has undertaken projects worth of Rs. 9,705 million in 2023 such as construction of housing scheme at Lunawa, Housing Development Project at Tangalle, ward complex at base hospital

Pimburam and new District Secretariat building complex at Kegalle.

Revenue of the SEC decreased by 26 percent to Rs. 1,870 million in 2023, compared to Rs. 2,526 million in 2022. However, total expenditure increased by 14 percent due to the increase in staff cost with the settlement of arrears staff salaries and the Voluntary Retirement Scheme (VRS) implemented in 2023. As a result, the SEC recorded a loss of Rs. 2,458 million in 2023, an increase of 94 percent compared to Rs. 1,269 million loss in 2022. Due to the delays in settlements for the works done, receivable increased by 5 percent to Rs. 6,273 million at the end of 2023, creating a significant liquidity issue for the entity. This has resulted a zero repayment of debt to banks by SEC during the year 2023.

General Treasury made an equity contribution of Rs. 3,958 million to SEC in 2023, of which Rs. 3,764 million was utilized to settle the outstanding statutory dues of 252 employees above the age of 55 years, to pay the compensation and statutory dues of 1,165 employees below the age of 55 years under the VRS and to settle the outstanding statutory dues of 910 employees who have retired, resigned and passed away in SEC and National Equipment and Machinery Organization (NEMO) as per the approval of the Cabinet of Ministers for VRS.

Table 8:23 | Financial Outturn of State Engineering Corporation

	2019	2020 ^(a)	2021 ^(a)	2022 ^(a)	Rs. Million 2023 ^(a)
Revenue	4,427	2,164	2,955	2,526	1,870
Construction	3,768	1,608	2,594	2,088	1,611
Consultancy	192	156	338	413	224
Other Income	467	400	23	25	35
Expenditure	5,606	3,229	4,036	3,795	4,328
Operating Expenditure	2,685	1,147	1,574	1,369	962
Staff Cost	2,192	1,594	1,923	1,773	2,659
Financial Cost	391	406	440	557	500
Other Expenditure	338	82	99	96	207
Profit/(Loss) Before Tax	-1,179	-1,065	-1,081	-1,269	-2,458
Outstanding Debts to Banks	2,450	2,261	2,261	2,868	2,868
Receivables	6,591	5,385	5,928	5,966	6,273

Source: State Engineering Corporation

^(a) Provisional – Except NEMO

8.9.2 Central Engineering Consultancy Bureau

Central Engineering Consultancy Bureau (CECB) has been engaged in consultancy services since 2016 and Central Engineering Services (Pvt) Limited is a fully owned subsidiary of CECB engaged in construction activities.

During the year 2023, CECB has completed Rs. 1,902 million worth of government projects out of the Rs. 3,455 million worth of total completed projects. Work-in-hand projects at the end of 2023 amounts to Rs.17,702 million. Revenue increased by 29 percent to Rs. 6,609 million in 2023 from Rs. 5,105 million in 2022, while the expenditure

Table 8.24 | Financial Outturn of Central Engineering Consultancy Bureau

	2019	2020	2021	2022	Rs. Million 2023 ^(a)
Revenue	8,032	6,557	6,361	5,105	6,609
Construction	5,128	4,124	3,947	2,748	4,009
Consultancy	2,420	2,008	2,117	1,748	1,494
Other Income	170	162	121	228	209
Finance Income	314	263	176	381	897
Total Expenditure	7,691	6,296	6,314	5,035	5,861
Operating Expenditure	6,005	4,548	4,620	3,441	4,494
Staff Cost	1,682	1,743	1,689	1,591	1,363
Financial Cost	4	5	5	4	4
Others	-	-	-	-	-
Profit/(Loss) Before Tax	341	261	48	69	748
Outstanding Debts to Banks	-	-	-	-	-
Receivables	11,741	10,743	9,683	9,446	8,781
Payables (without bank debts)	13,390	12,528	11,278	10,990	10,841
Investments	3,174	3,420	3,223	3,314	4,068

Source: Central Engineering Consultancy Bureau

^(a) Provisional

also increased by 16 percent to Rs. 5,861 million in 2023 from Rs. 5,035 million in 2022. In 2023, CECB recorded a profit of Rs. 748 million which is more than 10 times higher than the profit in 2022, mainly due to the increase in finance income in 2023. The total receivables of CECB stood at Rs. 8,781 million at the end of 2023, compared to Rs. 9,446 million at the end of 2022.

8.9.3 State Development & Construction Corporation

During 2023, State Development & Construction Corporation (SD&CC) completed government projects worth of Rs.113 million and the worth of the projects in hand at the end of 2023 was Rs. 7,325 million. Out of the projects in hand, projects

worth of Rs. 329 million were undertaken during the year 2023.

Total revenue of SD&CC decreased by 50 percent to Rs. 1,374 million in 2023, compared Rs. 2,730 million in 2022, while total expenditure in 2023 decreased only by 28 percent to Rs. 1,953 million in 2023 resulting a net loss of Rs. 579 million, compared to the net profit of Rs. 27 million in 2022. Total receivables of SD&CC at the end of 2023 decreased by 42 percent to Rs. 333 million, compared to Rs. 578 million at the end of 2022. Due to the serious liquidity issues at SD&CC, total outstanding debts to banks decreased marginally by 3.2 percent to Rs. 1,788 million at the end of 2023 from Rs. 1,848 million at the end of 2022.

Table 8.25 | Financial Outturn of State Development & Construction Corporation

	2019	2020	2021	2022	Rs. Million 2023 ^(a)
Revenue	4,318	1,782	4,483	2,730	1,374
Construction	4,192	1,449	4,216	2,546	1,134
Consultancy	40	10	6	9	5
Other Income	86	323	261	176	235
Expenditure	5,162	2,039	4,386	2,704	1,953
Operating Expenditure	4,584	1,338	3,812	2,182	1,183
Staff Cost	177	161	109	214	134
Financial Cost	224	209	259	122	387
Other Expenditure	177	331	206	185	249
Profit/(Loss) Before Tax	-844	-257	96	27	-579
Outstanding Debts to Banks	1,680	1,854	1,989	1,848	1,788
Receivables	559	333	557	578	333

Source: State Development & Construction Corporation

^(a) Provisional

8.10 Lotteries

The National Lotteries Board (NLB) and the Development Lotteries Board (DLB) are the two players in the duopoly lotteries market in Sri Lanka. NLB holds a share of 54.6 percent from the total market, meanwhile DLB holds 45.4 percent in 2023. NLB's product portfolio entails 11 brands of lotteries (9 passive and 2 instant), whereas DLB entails 15 brands of lotteries (11 passive and 4 instant). NLB contributes directly to the Consolidated Fund, whereas DLB is the major contributor for the President's Fund and part of which is remitted to Mahapola Higher Education Trust Fund.

Considering the escalating printing cost and other overhead costs, selling price of a lottery had to be doubled from June 2023. The total lottery sales income was Rs. 58.6 billion in 2023, 43 percent increase compared to the previous year. Even though there was an upward trend in lottery sales income, sales quantity recorded a

contraction of approximately 50 percent as an impact of the increased lottery price. Meanwhile, around Rs. 30 billion valued prizes were declared by both institutions in 2023, a 46 percent improvement compared to the previous year.

Irrespective of the contemporary challenges encountered by the lotteries market, efforts to enhance the contribution to the Consolidated Fund and President's Fund have been continued throughout 2023 by both institutions.

8.10.1 National Lotteries Board

NLB maintains a wide spread network of dealers, agents and SMS dealers in order to reach different geographical market segments across the island and secure its market leadership during the year 2023. In addition to regular dealer channels, passive lotteries are sold through SMS dealers. Revenue of NLB increased by 45.6 percent to Rs. 31.6 billion in 2023, compared to Rs. 21.7 billion in 2022 due to upward revision of lottery prices.

Table 8:26 | Financial Outturn of National Lotteries Board

	2019	2020	2021	2022	2023 ^(a)
	Rs. Million				
Revenue	22,238	18,034	17,299	21,696	31,573
Lottery Sale Income	22,079	18,041	17,292	21,209	32,014
Less Direct Taxes – Excise Duty	–	–	–	–	–
Less Indirect Taxes – VAT	911	430	409	641	1,165
– SSCL	–	–	–	120	598
Other Income	1,070	423	416	1,248	1,322
Expenditure	20,397	16,599	16,295	20,306	30,729
Main Agency and Agency Commission	4,278	3,607	3,458	4,315	6,527
Prizes Declared	10,608	8,668	8,352	10,741	16,671
Tickets Printing Cost	531	443	425	874	1,187
Distribution, Sales & Marketing	1,508	893	1,074	921	1,408
Admin Expenses	809	773	812	840	1,057
Finance Cost	25	10	12	6	37
Contribution to Consolidated Fund and National Kidney Fund	2,638	2,205	2,162	2,609	3,842
Profit/(Loss) Before Tax	1,841	1,435	1,004	1,390	844
Income Tax	862	352	43	305	194
Profit/(Loss) After Tax	979	1,083	961	1,085	650
Key Performance Indicators					
Agency and Dealer network	4279	3607	3257	3145	3182
Contribution to Consolidated Fund as a % of Revenue	12.3	12.0	12.1	12.0	12.0

Source: National Lotteries Board

^(a) Provisional

However, the net profit declined from Rs.1.4 billion in 2022 to Rs. 844 million in 2023 mainly due to the notable increase in declared prizes from Rs. 10.7 billion in 2022 to Rs. 16.7 billion in 2023. Total contribution of the NLB to the Consolidated Fund and the National Kidney Fund as a percentage of lottery sales income remained at around 12 percent in 2023. In order to sustain the lottery business in the long run, NLB should enter into different market segments by diversifying its product portfolio.

8.10.2 Development Lotteries Board

DLB recorded a revenue of Rs. 26.3 billion in 2023, a 32.8 percent growth compared to Rs. 19.8 billion in 2022. As the prominent contributor to the President's Fund, the Board remitted Rs.

3.6 billion in 2023, a 13 percent growth compared to 2022. The upward trend in profit remained steady, recording a net profit of Rs. 3.5 billion in 2023, an increase of 8 percent compared to Rs. 3.3 billion in 2022 and the highest ever profit recorded in the DLB's history. Prizes distributed among winners amounted to Rs. 13.4 billion in 2023, an increase of 36 percent compared to Rs. 9.9 billion in 2022.

The DLB continuously engages in developing strategies to capture different market segments via digital market platforms to boost online lottery sales with the prospect of enhancing its capabilities as the key source of funding for both President's Fund and Mahapola Higher Education Trust Fund to foster societal well-being of marginalized population in the country.

Table 8:27| Financial Outturn of Development Lotteries Board

	2019	2020	2021	2022	2023 ^(a)
	Rs. Million				
Revenue	17,606	15,522	15,816	19,839	26,354
Lottery sale income	17,799	15,400	15,730	19,754	26,608
Less Indirect Taxes – VAT	734	367	366	683	1,166
Other Income	194	158	110	321	435
Prize Write back	347	331	342	447	477
Expenditure	14,709	12,528	12,863	16,572	22,838
Agency Commission	3,428	2,884	2,947	3,701	4,989
Prizes Declared	8,903	7,703	7,866	9,884	13,451
Draw Cost	584	510	542	751	826
Tickets Printing Cost	460	451	434	844	1,148
Distribution, Sales & Marketing	792	473	537	787	1,716
Admin Expenses	542	507	537	605	708
Profit/(Loss) Before Tax	2,897	2,994	2,953	3,267	3,516
Income Tax	-235	-11	-83	-56	106
Profit/(Loss) After Tax	2,662	2,983	2,870	3,211	3,622
Contribution to President Fund	2,428	2,297	2,305	3,211	3,622
Key Performance Indicators					
Agency and Dealers Network	3,000	2,810	2,946	2,605	2,456
Contribution to President Fund as a % of Revenue	14.00	17.90	18.20	16.80	14.00

Source: Development Lotteries Board

^(a) Provisional

8.11 Livestock And Dairy

Livestock plays a diverse role in the Sri Lankan agriculture sector, accounting for around 1.4 percent of the National GDP in 2023. Among the subsectors of livestock, the dairy sector has been identified as a national priority in socioeconomic development. In this context, being state-owned

entities, the National Livestock Development Board (NLDB) and Milco (Pvt) Limited (MILCO) play a vital role in manufacturing and marketing of dairy products.

According to the data from the Department of Animal Production and Health, only around 42 percent of the total milk requirement is met by

domestic production with a decreasing trend of annual milk production in 2023. Sri Lanka produced 315.9 million liters of cow milk and 53.1 million liters of buffalo milk in 2023, while incurring higher import costs for milk and milk-based products during the year. Based on the recommended daily level of milk consumption per person, Sri Lanka requires 510.7 million liters of milk per year to achieve self-sufficiency level.

8.11.1 Milco (Pvt) Ltd

MILCO is a fully Government-owned company being operated to improve the milk-based production while strengthening the livelihoods of the local dairy farmers. In 2023, MILCO collected 10.8 percent of the total milk production of the country.

In the year under review, MILCO's milk production sales revenue increased by 14.7 percent to Rs.

14.9 billion, compared to Rs. 13 billion in 2022, due to the increased prices of the milk products.

As a result, the loss of MILCO decreased by 44 percent to Rs. 216 million in 2023, compared to Rs. 392 million loss in 2022. However, there was a considerable increase in bank debt to Rs. 1,389 million at the end of 2023 coupled with a significant increase in finance cost.

MILCO produced 1,495 metric tons of milk powder in 2023 which is far below the potential of the entity, even though the Ambewela factory has an annual capacity to produce 6 times higher than the quantity produced in 2023, due to the inadequate milk supply chain. However, the company should seek the possibility to increase the milk powder production by identifying new supply chains of raw milk to meet the market requirement while ensuring the sustainability of the business.

Table 8.28 | Financial Outturn of Milco (Pvt) Ltd

	2019	2020	2021 ^(a)	2022 ^(a)	2023 ^(a)
	Rs. Million				
Revenue	10,394	11,191	12,618	13,849	15,191
Sale of Milk Production	10,314	11,105	12,476	13,043	14,967
Other Income	80	86	142	806	224
Expenditure	11,256	10,965	12,583	14,241	15,407
Direct Expenses	9,918	9,703	11,293	12,657	13,386
Selling & Distribution	399	336	427	499	444
Administration	688	799	826	926	1,220
Finance cost	196	120	29	158	325
Other Expenditure	55	7	8	1	32
Profit/(Loss) Before Tax	-862	226	35	-392	-216
Outstanding Debt to Banks	1,289	753	35	1,230	1,389
Key Performance Indicators					
Milk Collection (ltrs. Million)	67	67	68	48	40
Earnings Per Share Rs.	-26.98	7.07	1.08	-12.26	-6.76

Source : Milco Pvt. Ltd

^(a) Provisional

8.11.2 National Livestock Development Board

Being one of the leading suppliers of livestock and dairy products, the National Livestock Development Board (NLDB) manages with 32 livestock and coconut integrated farms aiming to enhance the socio-economic standards of the citizens by producing quality breeding materials, livestock, and agricultural products whilst imparting practical and theoretical knowledge of livestock to the farmers by the training center located at Digana.

NLDB farms are equipped with pure and hybrid breeders of cows, buffaloes, pigs, goats, sheep, rabbits, parent broilers, commercial broilers, ducks, turkeys, quails together with a network of 37 NLDB milk outlets and 18 farm based sales centers. In addition, NLDB has 3,908 hectares of coconut cultivation including 10 farms located in the coconut triangle with a production of 13.7 million coconut nuts in 2023, with part of the production converted to coconut oil for local consumers.

The overall contribution of NLDB to the national milk production is around 1.5 percent in 2023, with the total annual national milk production of 369 million liters. However, NLDB recorded a loss of

Rs. 122 million in 2023, compared to a profit of Rs. 133 million in 2022, mainly due to the significant drop in milk production by 21.3 percent together with the increase in administrative expenditure.

Table 8.29 | Financial Outturn of National Livestock Development Board

	2019	2020 ^(a)	2021 ^(a)	2022 ^(a)	Rs. Million 2023 ^(a)
Revenue	2,860	3,351	3,720	4,606	4,557
Expenditure	3,162	3,348	3,560	4,473	4,679
Direct Expenditure	2,099	2,258	2,452	3,231	3,294
Administrative Expenditure	998	1,022	1,046	1,180	1,304
Distribution Expenditure	15	26	28	26	31
Other Expenditure	18	16	18	24	36
Finance Expenditure	32	26	16	12	14
Profit/(Loss) Before Tax	-302	3	160	133	-122
Outstanding Debt to Banks	257	142	141	94	169
Key Performance Indicators					
Neat Cattle Milk (Liters.'000)	12,432	12,000	9,774	6,433	4,875
Buffaloes Milk (Liters.'000)	649	582	587	629	678
Goat Milk (Liters.'000)	15	15	14	12	10
Curd Production (Liters.'000)	533	420	431	348	401
Yoghurt (80ml Cups) (Nos.'000)	350	415	644	591	614

Source: National Livestock Development Board

^(a) Provisional

8.12 Marketing And Distribution

8.12.1 Lanka Sathosa Limited

Lanka Sathosa Limited (LSL) is the largest Government owned retail store network providing essential items to consumers at affordable prices with 445 outlets and over 4,300 employees. Although, LSL accounts for almost 5 percent of the market share, rapid expansion in private sector super market networks has curtailed the growth of LSL's market share.

Sales income of the LSL increased slightly by 2 percent to Rs. 58 billion in 2023, compared to Rs. 56.9 billion in 2022. The company's gross profit ratio also increased to 12.3 percent in 2023, compared to 11.8 percent in the previous year and recorded an operating profit of Rs. 1,311 million in 2023, an increase of 222 percent over 2022. As a result, LSL shows improved financial performance in 2023 by recording a net profit of Rs. 115 million in 2023, compared to the loss of Rs. 687 million in 2022, amidst higher interest costs of Rs. 1,285 million in 2023.

Table 8.30 | Financial Outturn of Lanka Sathosa Limited

	2019	2020	2021	2022	Rs. Million 2023 ^(a)
Revenue	26,242	36,799	41,458	57,519	59,128
Sales	25,492	35,579	40,473	56,852	58,076
Indirect Income	750	1,220	985	667	1,052
Operational Expenses	27,885	37,682	41,936	57,112	57,817
Cost of Sales	22,263	31,806	36,217	50,157	50,917
Other Expenditure	5,622	5,876	5,719	6,955	6,900
Operational Profit/Loss	-1,643	-883	-478	407	1,311
Finance Expenses (Net)	1,339	503	403	1,094	1,197
Profit/(Loss) Before Tax	-2,982	-1,386	-880	-687	115
No. of Outlets	423	416	437	440	445

Source: Lanka Sathosa Ltd

^(a) Provisional

8.13 Plantation

The plantation sector remains important to Sri Lankan economy in terms of contribution to export revenue and employment creation in particular. The sector has undergone significant transformation over the last several decades, with most estates now operating under private ownership. Nonetheless, the state continues to play a role in the sector with six entities operating under state ownership.

Sri Lanka State Plantations Corporation (SLSPC) and Janatha Estates Development Board (JEDB) were established to strengthen the contribution of the state plantation sector towards the national economy. The majority of estates under their ownership have been leased out to 23 Regional Plantation Companies (RPCs) while allotting the Golden Share of each RPC to the Government. The Government has retained the ownership of Kurunegala Plantations Limited (KPL), Chilaw Plantations Limited (CPL), Elkaduwa Plantations Limited (EPL) and Kalubovitiyana Tea Factory Limited (KTFL) from the above RPCs, in order to strengthen the state plantation sector contribution towards the national economy.

Total revenue of KPL decreased by 5 percent to Rs. 1,010 million in 2023, compared to Rs. 1,065 million in 2022, mainly due to drop in coconut production as a result of unfavorable weather condition and the obstacles in proper application of chemical fertilizer amidst the high net sales average prevailed during the year. Despite the decrease in gross profit ratio from 55.5 percent in 2022 to 52.3 percent in 2023, KPL recorded a net profit of Rs. 534 million in 2023, an increase of 4.5 percent compared to Rs. 511 million in 2022 mainly due to the increase in finance income by 40 percent to Rs. 165 million in 2023.

Total revenue of CPL decreased by 8 percent to Rs. 900 million in 2023, compared to Rs. 975 million in 2022 mainly due to decrease in yield per hectare by 25 percent to 3,368 nuts in 2023

from 4,499 nuts in 2022. However, net profit of the CPL decreased by almost 41 percent to Rs. 303 million in 2023, compared to Rs. 514 million in 2022, mainly due to the significant decrease in gross profit margin to 25.3 percent in 2023 from 46.6 percent in 2022.

EPL recorded a profit before tax of Rs. 309 million in 2023, a significant decrease of 44.1 percent compared to 2022, due to the lower demand for timber sales and reduction in market rate for timber valuation in 2023 than experienced in 2022. Moreover, the total green leaf production and the yield per hectare (green leaf) also decreased in 2023, compared to the previous year due to the shortage of chemical fertilizer.

KTFL's revenue from tea production recorded a significant decrease by 31 percent to Rs. 1,820 million in 2023, compared to Rs. 2,637 million in 2022 primarily due to the decline in net sales average of made tea and the drop in green leaf production due to adverse weather conditions. Accordingly, KTFL recorded a net profit of Rs. 94.6 million in 2023, compared to Rs. 346 million in 2022.

JEDB manages 3,572 hectares of 15 tea estates and 02 rubber estates while the SLSPC covers the management of 4,200 hectares of 15 tea estates and 01 rubber estate. As the main crop, the tea production by JEDB and SLSPC decreased in 2023 to 1,046 metric tons and 1,135 metric tons, respectively, due to drop in tea yield per hectare to 375 kg and 452 kg, respectively in 2023. In 2023, the JEDB and SLSPC made losses of Rs. 156 million and Rs. 92 million, respectively.

As approved by the Cabinet, an expert committee has been appointed to identify unutilized/underutilized lands of JEDB and SLSPC to be leased out to potential investors on a long-term basis to cultivate crops and establishment of livestock farms to strengthen agricultural exports.

Table 8.31 | Financial Outturn of State Owned Plantation Enterprises

	2019	2020	2021	2022 ^(a)	2023 ^(a)	
Kurunegala Plantations Ltd (KPL)	Operational Performance					
	Coconut Production (Nuts Mn)	16	11	15	15	13
	Rubber Production (kg)	107,280	107,088	91,545	95,572	85,350
	Yield per Ha. – Coconut (Nuts)	5,212	3,284	5,142	5,163	4,244
	– Rubber (kg)	677	655	561	626	544
	Financial Performance (Rs.Mn)					
	Total Revenue	499	685	932	1,065	1,010
	Coconut Sales	403	583	798	875	811
	Rubber Sales	29	30	37	54	43
	Total Cost of Sales	386	409	412	549	563
	Net Profit/(Loss) Before Tax	120	214	468	511	534
Dividends	15	50	75	110	115	
Chilaw Plantations Ltd (CPL)	Operational Performance					
	Coconut Production (Nuts Mn)	15	12	15	15	12
	Yield per Ha (Nuts)	5,025	3,854	4,454	4,499	3,368
	Financial Performance (Rs.Mn)					
	Total Revenue	446	673	1,050	975	900
	Coconut Sales	348	592	802	882	757
	Cost of Sales	356	398	521	521	672
	Net Profit/(Loss) Before Tax	64	283	511	514	303
Dividends	10	50	80	125	-	
Elkaduwa Plantations Limited (EPL)	Operational Performance					
	Green Leafs (MT)	2,530	2,519	2,108	1,768	1,685
	Coconut Production (Nuts Mn)	1.18	0.83	1.06	1.36	1.13
	Rubber Production (kg)	87,582	104,231	124,590	109,666	94,112
	Yield per Ha.					
	– Green Leaf (kg)	810	609	595	505	492
	– Coconut (Nuts)	4,128	3,116	3,695	4,768	3,970
	– Rubber (kg)	319	334	454	400	343
	Financial Performance (Rs.Mn)					
	Total Revenue	260	311	324	425	447
	Tea Sales	200	321	209	285	309
	Coconut Sales	28	39	52	62	70
	Rubber Sales	23	31	54	65	50
Total Cost of Sales	379	334	366	348	393	
Net Profit/(Loss) Before Tax	-61	36	318	553	309	
Treasury Grants – Recurrent	-	-	-	-	-	
Sri Lanka Cashew Corporation (SLCC)	Operational Performance					
	Yield per Ha	190	160	140	140	100
	Average Price (Rs/Kg)	390	280	360	450	575
	Financial Performance (Rs.Mn)					
	Total Revenue	100	109	139	135	176
	Net cashew sale	83	109	139	135	176
	Net Profit/(Loss) Before Tax	-30	-11	-20	17	-5
Treasury Grants – Recurrent	60	60	65	78	80	
– Capital	70	85	64	29	47	

Table 8.31 | Financial Outturn of State Owned Plantation Enterprises Contd...

	2019	2020	2021	2022 ^(a)	2023 ^(a)	
Janatha Estates Development Board (JEDB)	Operational Performance					
	Tea Production (MT)	1,371	1,486	1,636	1,210	1,046
	Rubber Production (MT)	363	444	404	364	315
	Yield per Ha. – Tea (kg)	487	535	583	432	375
	– Rubber (kg)	601	826	793	697	595
	Financial Performance (Rs.Mn)					
	Total Revenue	878	1,134	1,480	1,724	1,543
	Cost of Production	1,635	1,484	1,970	1,704	1,700
	Net Profit/(Loss) Before Tax	-757	-350	-490	20	-156
Treasury Grants – Recurrent	468	-	30	-	190	
Sri Lanka State Plantation Corporation (SLSPC)	Operational Performance					
	Tea Production (MT)	1,405	1,742	1,803	1,436	1,135
	Rubber Production (MT)	28	29	19	15	3
	Yield per Ha. – Tea (kg)	478	601	634	536	452
	– Rubber (kg)	432	474	272	363	162
	Financial Performance (Rs.Mn)					
	Total Revenue	536	767	845	1,070	1,012
	Cost of Production	786	865	1,028	935	915
	Net Profit/(Loss) Before Tax	-330	-149	-232	19	-92
Treasury Grants – Recurrent	222	-	-	-	64	
– Capital	-	-	14	178	-	
Kalubowitiyana Tea Factory Ltd (KTFL)	Operational Performance					
	Made Tea Production (MT)	1,454	1,716	1,508	1,548	1,185
	Sales Quantity (MT)	1,401	1,704	1,512	1,539	1,183
	Financial Performance (Rs.Mn)					
	Total Revenue	937	1,175	1,041	2,637	1,820
	Cost of Production	907	1,141	1,036	2,401	1,705
Net Profit/(Loss) Before Tax	43	-15	-3	346	94	
Dividends	-	-	-	-	10	
Lanka Sugar Company Ltd (LSCL)	Operational Performance					
	Sugar Production (MT)	41,175	39,696	48,177	36,738	41,863
	Sprit Production (Liters. '000)	5,212	8,819	13,037	11,790	7,059
	Financial Performance (Rs.Mn)					
	Total Revenue	7,546	8,978	12,284	19,287	16,095
	Sugar Sale	5,458	3,882	5,994	9,326	10,034
	Sprit Sales	2,065	4,739	6,272	9,948	5,618
	Net Profit/(Loss) Before Tax	-1,312	937	1250	6,045	2,828
Dividends	-	-	-	-	1,597	

Sources : SOEs

^(a) Provisional

8.14. Health

8.14.1 State Pharmaceuticals Corporation

State Pharmaceuticals Corporation (SPC) is the main importer which supply 551 varieties of pharmaceuticals in the generic form for the Medical Supplies Division (MSD), ensuring timely and continuous supply of quality assured pharmaceuticals and healthcare items to the government hospitals while spanning its

geographical footprint even in the open market operations through 53 Osusala outlets, 112 franchised Osusala outlets, 11 Authorized retailers and 51 distributors.

Sales to MSD and sales of SPC operations increased by 53.6 percent and 18 percent in 2023, respectively compared to 2022. As a result, SPC's total revenue increased by 46.7 percent to Rs. 74,702 million in 2023, compared to Rs. 50,919 million in 2022 with the price adjustments done

by the SPC in line with the rupee depreciation in 2022. Accordingly, SPC's total cost of sales increased by 46.2 percent to Rs. 67,570 million in 2023, compared to Rs. 46,214 million in 2022. As such, the price hike mainly contributed to the growth of SPC's revenue as its GP margin remained almost same in 2022 and 2023. Despite the increase in interest expenses to Rs. 3,290 million in 2023, compared to Rs. 3,066 million in 2022 due to the enhancement of overdraft facility obtained from BoC and PB, the net loss reported by SPC of Rs. 2,285 million in 2022 converted to a net profit of Rs. 1,272 million in 2023 with the improved sales revenue.

The total dues from MSD were Rs. 38,854 million at the end of 2023, a considerable reduction of 11.6 percent compared to Rs. 43,956 million at the end of 2022. However, due to the limited fiscal space during 2022/23, SPC had to address its liquidity issues through short term financing methods, which led the SPC to incur huge interest cost. Therefore, SPC needs to take actions to resolve its liquidity issues by way of long-term financing methods instead of short-term financing methods. Further, SPC should improve its procurement practices using modern approaches to enhance value for money and transparency.

Table : 8.32 | Financial Outturn of State Pharmaceuticals Corporation

	2019	2020	2021	2022	2023 ^(a)
	Rs. Million				
Revenue	51,885	63,122	80,300	50,919	74,702
MSD	42,960	54,324	70,853	40,973	62,954
SPC	8,925	8,798	9,447	9,946	11,748
Expenditure	49,479	60,173	76,616	50,252	70,749
Operational	46,888	57,457	73,491	46,214	67,570
Administration	1,620	1,754	1,967	2,059	2,421
Other	971	962	1,158	1,979	758
Other Income	91	287	88.5	107	601
Net Finance Income	-321	-690	-573	-3,058	-3,283
Profit/(Loss) Before Tax	2,176	2,546	3,199	-2,285	1,272
Key Performance Indicators					
No of Procurement	7,773	7,269	5,336	3,741	3,079
No of Osusala Outlet	45	45	50	52	53
No of Distributors	49	53	51	51	51
No of Authorized Dealers	4	4	5	5	11
No of Franchised Osusala	103	104	94	111	112

Source: State Pharmaceuticals Corporation

^(a) Provisional

8.14.2 State Pharmaceuticals Manufacturing Corporation

State Pharmaceuticals Manufacturing Corporation (SPMC) has developed formulas for 106 pharmaceutical items applying the international quality standards of British Pharmacopoeia (BP) and the United States Pharmacopoeia (USP). The total production output of 3,559 million units of tablets/capsules was recorded in 2023 as the highest output of SPMC, compared to 3,302 million units of tablets/capsules produced in 2022.

Further, SPMC supplies joint venture products with six joint venture companies through shareholder agreements. SPMC and the local manufacturers play a vital role to fulfill the pharmaceutical

requirements in the Government hospitals and local market at a reasonable price.

Due to the Increase of production volume through its production capacities and joint ventures as well as increase of price level of the produced pharmaceuticals as a result of the rupee depreciation in 2022, SPMC's total revenue increased by 76.5 percent to Rs. 29,332 million in 2023 from Rs. 16,620 million in 2022. It mainly includes sales to MSD amounting to Rs.26,696 million in 2023, an increase of 91.7 percent compared to Rs.13,928 million in 2022. Operating expenditure also increased by 80.3 percent to Rs. 27,743 million in 2023 from Rs. 15,383 million in 2022.

Benefitting from the rupee appreciation during the year 2023 together with the higher interest

Table : 8.33 | Financial Outturn of State Pharmaceuticals Manufacturing Corporation

	2019	2020	2021	2022	2023 ^(a)
	Rs. Million				
Revenue	5,647	7,648	8,539	16,620	29,332
MSD	4,693	6,639	6,963	13,928	26,696
SPC	6	7	94	108	-
Other	948	1,002	1,482	2,584	2,636
Operating Expenditure	5,090	6,588	7,465	15,383	27,743
Cost of Sales	4,743	6,281	7,102	14,559	26,374
Administration	238	247	244	336	407
Selling & Distribution	99	49	109	473	937
Other Operating	10	11	10	19	25
Other Income	7	7	14	16	278
Net Finance Income	28	94	147	333	655
Profit/(Loss) Before Tax	592	1,161	1,235	1,586	2,522
Key Performance Indicators					
No of Production – Tablets/Capsules (Mn)	2,400	3,015	3,043	3,302	3,559

Source: State Pharmaceuticals Manufacturing Corporation

^(a) Provisional

rates on short term investments, SPMC reported an exchange gain of Rs. 264 million and a net finance income of Rs. 655 million in 2023, a 96.7 percent increase compared to the previous year.

Overall, SPMC recorded a 59 percent increase in profit to Rs. 2,522 million in 2023, compared to Rs. 1,586 million in 2022. SPMC paid Rs. 300 million during the year 2023 as levy to the General Treasury.

In line with the government policy directions and priorities, SPMC has already taken steps to establish the new production plant called Lotus Pharma Project to increase production capacities as well as to manufacture high demand, export oriented and high-priced pharmaceuticals with a view to control the greater dependency on the importation of pharmaceuticals while ensuring the international standards.

Table 8.34: Performance of Other State-Owned Enterprises

Description	Core Activities	Performance	Concerns
Insurance			
Sri Lanka Export Credit Insurance Corporation (SLECIC)	Provides support services to the export sector through the provision of export credit insurance and credit guarantee services to the exporters.	The total operating income decreased by 2 percent to Rs. 433.7 million in 2023, compared to Rs. 443.8 million in 2022. However, the net profit increased by 48.4 percent in 2023 to Rs. 1,055.6 million, compared to Rs. 711.2 million in 2022, mainly due to the considerable increase in investment income.	SLECIC should explore new strategies to help the local export industry while strengthening the financial position of the entity.
Agricultural & Agrarian Insurance Board (AAIB)	Operates Agricultural Insurance Scheme, Farmers Pension Scheme and Fishermen Pension Scheme	The net surplus of AAIB has decreased by 60.6 percent to Rs. 1,043.0 million, compared Rs. 2,650.8 million in 2022 mainly due to the considerable increase in payment of indemnity payments in 2023 under the agriculture insurance scheme operated by the entity.	High dependency on National Budget due to mismatch in the inflows and outflows of insurance premium and insurance payments.
Non Renewable Resources			
Lanka Mineral Sands Ltd (LMSL)	Mining, processing and marketing of heavy mineral sands.	LMSL's revenue decreased significantly by 35 percent to Rs. 4,904 million in 2023, compared to Rs. 7,562 million in 2022 due to the decrease in export of heavy minerals. As a result, net profit also significantly decreased to Rs. 4,050 million in 2023 from Rs. 6,160 million in 2022.	LMSL should seek new export markets and mechanisms for value addition than exporting in raw form to harness the demand of international markets to gain more benefits and foreign exchange to the country.

Table 8.34: Performance of Other State-Owned Enterprises Contd...

Description	Core Activities	Performance	Concerns
Lanka Phosphate Ltd (LPL)	Excavate process and sell rock phosphate, which is used as a fertilizer for perennial agricultural crops such as Tea, Rubber and Coconut.	LPL's revenue doubled to Rs. 1,107 million in 2023/24 from Rs. 546 million in 2022/23. Consequently, LPL's profit increased drastically by 469 percent to Rs. 347 million in 2023/24 due to the export of 13,200 MT of rock phosphate during August 2023 to March 2024.	LPL needs to explore the possibilities of new product development through its own investment or through the Public Private Partnerships (PPPs) to capture the local and export market.
Kahatagaha Graphite Lanka Ltd (KGLL)	Excavate process and sell Graphite as industrial raw material.	KGLL's revenue in 2023/24 decreased by 26 percent to Rs. 132 million, compared to Rs. 179 million in 2022/23. As a result, KGLL's net profit decreased to Rs. 38 million in 2023/24, compared to Rs. 57 million in 2022/23.	KGLL should focus on developing value added graphite products through the PPP and explore new markets to improve its sales quantity.
Health			
Sri Lanka Ayurvedic Drugs Corporation (SLADC)	Operates with the prime objective of manufacturing and distributing quality Ayurvedic drugs. It manufactures 178 varieties of drugs and supplies to government hospitals, Ayurvedic physicians and to the private sector.	SLADC's revenue increased by 30 percent to Rs. 1,215 million in 2023, compared to Rs. 936 million in 2022 due to the launch of new marketable products and improvements in manufacturing capacity. With the improved gross profit margin to 37.8 percent in 2023 from 22.7 percent in 2022, SLADC's profit before tax increased to Rs. 218 million in 2023, compared to the net loss of Rs. 25.8 million in 2022.	SLADC should implement new marketing strategies to expand local market share and should seek the possibility to enter into foreign markets by introducing modern processing methods to improve productivity.
Sri Jayawardenapura General Hospital (SJGH)	SJGH is the only fee levying Government owned General Hospital, which offers a comprehensive range of clinical and para-clinical services in the country. SJGH also plays a vital role as a teaching hospital, in training undergraduate and postgraduate medical students and nurses.	Hospital care income increased by 20 percent to Rs. 4,025 million in 2023, compared to Rs. 3,365 million in 2022. With the budgetary support of Rs. 2,443 million in 2023, SJGH has recorded a net profit of Rs. 304 million in 2023, compared to Rs. 247 million in 2022.	SJGH should improve its infrastructure facilities and attract more specialised medical practitioners to provide best international quality care to patients and to compete with the private sector.
Media			
Independent Television Network (ITN)	ITN group is the pioneer television station in Sri Lanka, broadcasts and produces a variety of programs in Sinhala, Tamil, and English languages including news, teledramas, documentaries, educational programmes, children entertainment, reality TV, religious programmes etc. through ITN, Vasantham TV, ITN FM, Vasantham FM.	Revenue for the year 2023 slightly increased to Rs. 1,682 million, compared to Rs. 1,534 million in 2022. Total operational expenditure decreased marginally to Rs. 1,906 million in 2023, compared to Rs. 1,958 million in 2022. As a result, the net loss decreased by 45 percent to Rs. 205 million in 2023. During the year, budgetary support of Rs. 49.5 million was given by the General Treasury as equity to ITN for implementing a Voluntary Retirement Scheme (VRS) for its employees.	ITN should implement strategies to enhance its digital presence in order to attract more viewers and to improve its ratings. Therefore, it is vital to implement the strategies, which are identified in their Strategic Plan effectively in order to compete with the market.
Sri Lanka Rupavahini Corporation (SLRC)	Produces and broadcasts informative, educational and entertaining programmes through channels namely Rupavahini, channel Eye and Nethra TV.	Revenue increased by 11.5 percent to Rs. 1,472 million in 2023, compared to Rs. 1,320 million in 2022. Cost of programmes decreased by 9 percent to Rs. 1,133 million in 2023. As a result, SLRC's net loss reduced by 37 percent to Rs. 342 million in 2023, compared to Rs. 541 million in 2022. General Treasury granted Rs. 131 million in 2023 as equity to SLRC for implementing a VRS for its employees.	SLRC should develop programmes to compete with the private sector as identified in their Strategic Plan, in order to attract more viewers and improve SLRC's ratings.

Table 8.34: Performance of Other State-Owned Enterprises Contd...

Description	Core Activities	Performance	Concerns
Sri Lanka Broadcasting Corporation (SLBC)	As the oldest radio station in Sri Lanka, SLBC engages in broadcasting activities through 6 National channels, (Sinhala National Service, Tamil National Service, Commercial Service, City FM, Thendral Service, English Service), 6 Regional channels (Raja Rata FM, Ruhunu FM, Kandurata FM, Pierei FM, Yal FM, Wayabha Service and 1 community radio channels (Dambhana) with a view to providing its service as the pioneer radio broadcasting network in Sri Lanka.	Revenue decreased slightly by 02 percent to Rs. 1,060 million in 2023, compared to Rs. 1,046 million in 2022. SLBC recorded a net loss of Rs. 532 million in 2023, compared to the net loss of Rs. 235 million in 2022, due to the compensation expenses of Rs. 350 million incurred for VRS for its employees. During the year 2023, General Treasury infused Rs. 300 million as equity to SLBC.	SLBC should revisit their strategies to improve the market share and reach at least the break-even point in the short run.
Marketing & Distribution			
Sri Lanka Handicraft Board (SLHB)	SLHB is the largest chain of traditional souvenir items and gifts retailer of the country with 10 outlets island wide, which reflects the cultural identity of Sri Lanka to the rest of the world. The Board enhances the livelihood of domestic craftsmen and initiates a channel of marketing to their products. Core business operations of the Board is supposed to be complement with the tourism industry where approximately 80 percent of sales income is generated through foreign tourists.	Adverse effects of Easter attack in 2019 and outbreak of COVID-19 pandemic since 2020 had long-term impacts on SLHB's core business operations. However, benefitting from the revival of tourism industry, SLHB recorded a revenue of Rs. 638 million in 2023; an increase of 125 percent compared to Rs. 284 million in 2022. Accordingly, the Board generated a net profit of Rs. 65 million in 2023, compared to the loss of Rs. 99 million in 2022.	SLHB has ample opportunities to enter into the global market by participating in international trade events. Furthermore, SLHB should initiate innovative approaches to reach the international market utilizing its unique product portfolio.
State Timber Corporation (STC)	Extracting and purchasing of timber and converting them into value added products. Sale of logs, sawn timber and finished products. Reforestation.	STC's revenue decreased by 13.7 percent to Rs. 4,092 million in 2023, compared to Rs. 4,743 million in 2022. However, PBT increased by 25.4 percent to Rs. 1,274 million in 2023, compared to Rs. 1,016 million in 2022 due to increase in finance income.	STC should focus on competitive product development with the modern technology to capture the new markets.
STC General Trading (STC)	STC engages with the offering of various products such as retail, supplying chemicals and allied products, office supplies, construction materials, agricultural products, motor cycles, machinery & equipment and automotive tire and services ranging from household equipment to industrial machinery products.	STC recorded a significant increase in net profit to Rs. 735 million in 2022/23, compared to Rs. 473 million in 2021/22 mainly due the improvement in sales of office supplies and essential foods.	STC should continue its business improvement strategies while enhancing its product range according to the current market requirements.
State Printing Corporation (SPC)	SPC primarily engages with the printing of school text books, exercise books and lottery tickets.	SPC's revenue recorded almost a tenfold increase to Rs. 8,323 million in 2023, compared to Rs. 825 million in 2022, mainly due to the printing of all school text books. As a result, SPC recorded a significant improvement in its performance with a net profit of Rs. 2,794 million in 2023, compared to the loss of Rs. 380 million in 2022.	SPC should expand its operations further by investing on printing of exercise books to capture the market.

Table 8.34: Performance of Other State-Owned Enterprises Contd...

Description	Core Activities	Performance	Concerns
Hotel Developers Lanka Ltd (HDL)	HDL engages in the hospitality trading business	HDL recorded a loss of Rs.784 million in 2023 compared to a loss of Rs. 633 million for the previous year mainly due to the increase of operating & finance cost.	HDL is under the broader SOE restructuring program.
Fisheries			
Ceylon Fishery Harbours Corporation (CFHC)	CFHC provides fishing communities with infrastructural facilities and services connected to fishing harbors through its harbors spread around the country.	CFHC recorded a profit of Rs. 636.6 million in 2023 compared to Rs.363.9 million profit accounted in 2022 as a result of increase in revenue and other income by 28 percent and 34.9 percent respectively.	The current contribution to the GDP needs to be increased by making the best use of the resources in the fishing harbors. Additionally, raising the fishing standard, changing the fees and charges that are now in place, and implementing scanning facilities for harboring operations are crucial steps in raising the entity's revenue in the long run.
Ceylon Fisheries Corporation (CFC)	CFC specializes in buying fish from fishermen and selling it to the market to keep the price of fish consistent.	CFC recorded a profit of Rs.4.3 million in 2023 compared to Rs. 193 million losses for the last year, mainly due to increase in revenue in the year under review by 18.7 percent.	Considering possible demand while restructuring and moving the businesses, letting the pricing committee decide the price based on the market factors, and encouraging purchasing officers to buy fish along the shore. The introduction of a centralized banking system and the establishment of a centralized management information system are essential steps in boosting the entity's revenue in the long run.
Fertilizer			
Ceylon Fertilizer Company Ltd. (CFC)	CFC is the largest state-owned fertilizer company which engages in importing, mixing, packing and distributing fertilizer required for major commercial crops island wide through its regional stores and authorized dealer network. It plays a pivotal role in sustaining the food security of the country.	Due to the import restrictions imposed on agrichemicals and the foreign currency crisis prevailed during the period, revenue of CFC declined by around 56 percent to Rs. 536 million in 2022/23, compared to Rs. 1.2 billion in 2021/22. However, the net profit increased by 73 percent to Rs. 113 million in 2022/23, compared to Rs. 65 million in 2021/22, mainly due to the significant increase in interest income on its fixed deposits to Rs. 625 million in 2022/23, compared to Rs. 180 million in 2021/22.	Both companies have imported and distributed fertilizer under the loan schemes provided by the World Bank, Asian Development Bank (ADB) and Indian Credit Line (ICL). Out of the total quantity of 276,011 MT fertilizer imported, 60 percent was handled by CFC and the balance 40 percent was handled by CCFL based on their capacity. The Government is currently in the process of amalgamating the two companies.
Colombo Commercial Fertilizer Company Ltd. (CCFL)	Being the second largest state-owned fertilizer company in terms of revenue, CCFL involves in importing, mixing, and distributing fertilizer required for paddy, tea, coconut, rubber and other crops on seasonal basis.	Revenue of the CCFL also declined notably by 73 percent to Rs. 207 million in 2022/23, compared to Rs. 770 million in 2021/22. Despite the subdued operational performance of the Company due to import restrictions on fertilizer imports and the foreign currency constraints, the net profit increased in 2022/23 by 114 percent to Rs. 501 million, compared to Rs. 234 million in 2021/22. This was mainly due to the increase in interest income.	

Annexure 8.1 | Profitability of Key 52 State Owned Enterprises

Rs. Million

	Enterprise	Profit/(Loss) Before Tax			Business Turnover 2023 ^(b)	Budgetary Support 2023	
		2021	2022 ^(b)	2023 ^(b)		Recurrent	Capital
1	Bank of Ceylon	43,190	30,977	40,342	542,187	-	-
2	People's Bank	30,387	21,338	15,345	422,242	-	-
3	National Savings Bank	28,555	4,510	6,117	232,064	-	-
4	State Mortgage & Investment Bank	405	-89	-1,043	9,601	-	-
5	HDFC Bank	878	303	2,465	14,607	-	-
6	Pradeshya Sanwardana Bank	776	359	1,388	47,586	-	-
7	Employees' Trust Fund Board	33,159	43,428	64,959	67,793	-	-
8	Sri Lanka Insurance Corporation Limited	11,725	23,494	29,272	64,711	-	-
9	National Insurance Trust Fund	5,936	8,530	12,547	26,925	-	-
10	Sri Lanka Export Credit Insurance Corporation	334	711	1,056	434	-	120*
11	Agriculture and Agrarian Insurance Board	1,780	2,651	1,043	3,848	4,601	-
12	Ceylon Electricity Board	-34,139	-298,189	61,236	640,436	-	126,271*
13	Ceylon Petroleum Corporation	-81,816	-617,588	120,346	1,343,191	-	-
14	Sri Lanka Ports Authority	25,601	57,027	40,359	83,791	-	-
15	National Water Supply and Drainage Board	-3,054	-2,701	5,286	61,852	-	27,775*
16	Airport and Aviation Services (SL) Ltd	-960	6,434	33,640	48,804	-	-
17	SriLankan Airlines Ltd ^(a)	-165,895	-73,264	1,124	248,440	-	102,500*
18	Sri Lanka Transport Board	-3,054	1,421	2,189	77,240	11,990	916
19	State Engineering Corporation	-1,081	-1,269	-2,458	1,870	-	3,437*
20	Central Engineering Consultancy Bureau	48	69	748	6,609	-	-
21	State Development and Construction Corp.	96	27	-579	1,374	-	-
22	Milco (Pvt) Ltd	35	-392	-216	15,191	-	-
23	National Livestock Development Board	160	133	-122	4,557	-	-
24	Sri Lanka State Plantations Corporation	-232	19	-92	1,012	-	64*
25	Janatha Estates Development Board	-490	20	-156	1,543	-	190*
26	Kurunegala Plantations Ltd	468	511	534	1,010	-	-
27	Chilaw Plantations Ltd	511	514	303	900	-	-
28	Kalubovitiyana Tea Factory Ltd	-3	346	94	1,820	-	-
29	Sri Lanka Cashew Corporation	-20	17	-5	176	80	47
30	Lanka Mineral Sands Ltd	1,387	6,160	4,050	4,904	-	-
31	Lanka Phosphate Ltd. ^(a)	157	61	347	1,107	-	-
32	Kahatagaha Graphite Lanka Ltd	11	57	38	132	-	-
33	Development Lotteries Board	2,953	3,267	3,516	26,354	-	-
34	National Lotteries Board	1,004	1,390	844	31,573	-	-
35	State Pharmaceuticals and Manufacturing Corp.	1,235	1,586	2,522	29,332	-	-
36	Sri Lanka Ayurvedic Drugs Corporation	-15	-26	218	1,215	-	-
37	State Pharmaceuticals Corporation	3,199	-2,285	1,272	74,702	-	-
38	Sri Jayawardenepura General Hospital	-254	247	304	4,025	2,443	100
39	Independent Television Network Ltd	-344	-370	-205	1,682	-	50*
40	Sri Lanka Rupavahini Corporation	-229	-541	-342	1,472	-	131*
41	Sri Lanka Broadcasting Corporation	9	-235	-532	1,060	-	300*
42	Sri Lanka Handicraft Board	-35	-99	65	638	-	-
43	State Timber Corporation	1,136	1,016	1,274	4,092	-	-
44	STC General Trading Company ^(a)	473	735	901	9,704	-	-
45	Lanka Sathosa Ltd	-880	-687	115	59,128	-	-
46	State Printing Corporation	-281	-380	2,794	8,323	-	-
47	Ceylon Fisheries Corporation	-64	-193	4	5,731	-	-
48	Ceylon Fishery Harbour Corporation	-136	364	637	715	644	46
49	Ceylon Fertilizer Company Ltd ^(a)	65	113	61	246	-	-
50	Colombo Commercial Fertilizer Company Ltd ^(a)	234	501	162	47	-	-
51	Hotel Developers Lanka Ltd	-976	-633	-784	4,228	-	-
52	Lanka Sugar Company Ltd	1,250	6,045	2,828	16,095	-	-
	Total	-96,801	-774,560	455,811	4,258,319	19,758	1,109

Sources: SOEs and Department of Public Enterprises

* Equity Investments

^(a) Financial Year end 31 March – (i.e. 2023; For 2023/2024)

^(b) Provisional

Annex 8.2 | Submission of Annual Reports – SOEs

		2018	2019	2020	2021	2022
1	Bank of Ceylon	✓	✓	✓	✓	✓
2	People's Bank	✓	✓	✓	✓	✓
3	National Savings Bank	✓	✓	✓	✓	✓
4	State Mortgage & Investment Bank	✓	✓	✓	✓	X
5	HDFC Bank	✓	✓	✓	✓	X
6	Pradeshiya Sanwardana	✓	✓	X	X	X
7	Employee's Trust Fund Board	✓	✓	✓	✓	✓
8	Sri Lanka Insurance Corporation Ltd	✓	✓	✓	✓	✓
9	National Insurance Trust Fund	✓	✓	✓	✓	X
10	Ceylon Electricity Board	✓	✓	✓	✓	X
11	Ceylon Petroleum Corporation	✓	✓	✓	✓	X
12	Sri Lanka Ports Authority	✓	✓	✓	✓	✓
13	National Water Supply and Drainage Board	✓	✓	✓	✓	✓
14	Airport and Aviation Services (SL) (Pvt) Ltd	✓	✓	✓	✓	✓
15	SriLankan Airlines Ltd	✓	✓	✓	✓	X
16	Sri Lanka Transport Board	✓	✓	✓	✓	✓
17	State Engineering Corporation of Sri Lanka	✓	X	X	X	X
18	Central Engineering Consultancy Bureau	✓	✓	✓	✓	X
19	State Development and Construction Corporation	✓	✓	✓	✓	X
20	Milco (Pvt) Ltd	✓	✓	X	X	X
21	National Livestock Development Board	✓	X	X	X	X
22	Ceylon Fisheries Corporation	X	X	X	X	X
23	Ceylon Fishery Harbour Corporation	✓	✓	X	X	X
24	State Pharmaceuticals and Manufacturing Corporation	✓	✓	✓	✓	✓
25	SL Ayurvedic Drugs Corporation	✓	✓	✓	✓	X
26	State Pharmaceuticals Corporation	✓	✓	✓	✓	✓
27	Sri Jayawardenapura General Hospital	✓	✓	✓	✓	X
28	Independent Television Network Ltd	✓	✓	✓	✓	✓
29	SL Rupavahini Corporation	✓	✓	✓	✓	X
30	Sri Lanka Broadcasting Corporation	✓	✓	✓	X	X
31	Ceylon Fertilizer Company Ltd	✓	✓	X	X	X
32	Colombo Commercial Fertilizer Company Ltd.	✓	✓	✓	X	X
33	State Timber Corporation	✓	✓	✓	✓	X
34	STC General Trading Company	✓	✓	✓	✓	X
35	Hotel Developers Lanka Ltd	✓	✓	✓	✓	✓
36	Lanka Sugar Company Ltd	✓	✓	X	X	X
37	Lanka Sathosa Ltd	✓	✓	✓	✓	X
38	Development Lotteries Board	✓	✓	✓	✓	✓
39	National Lotteries Board	✓	✓	✓	✓	✓
40	Lanka Mineral Sands Ltd	✓	✓	✓	X	X
41	Lanka Phosphate Ltd	✓	✓	✓	✓	X
42	State Printing Corporation	✓	✓	✓	✓	X
43	Sri Lanka Export Credit Insurance Corporation	✓	✓	✓	X	X
44	Agriculture and Agrarian Insurance Board	✓	✓	✓	X	X
45	Sri Lanka State Plantations Corporation	✓	✓	✓	X	X
46	Kurunegala Plantations Ltd	✓	✓	✓	X	X
47	Janatha Estates Development Board	✓	X	X	X	X
48	Chilaw Plantations Ltd	✓	✓	✓	✓	X
49	Kalubovitiyana Tea Factory Ltd	✓	✓	✓	✓	X
50	Sri Lanka Cashew Corporation	X	X	X	X	X
51	Sri Lanka Handicraft Board	✓	✓	✓	✓	X
52	Kahatagaha Graphite Lanka Ltd	✓	✓	✓	X	X

Sources: SOEs and Department of Public Enterprises

09

Public Finance
Management

9.1 Overview

In times of economic crises, the effective Public Finance Management is indispensable for restoring confidence and faster recovery. Good Public Finance Management (PFM) practices play a pivotal role in steering economies towards sustainable growth and stability and also this helps effective management of the public resources. Investigations into the major reasons for the collapse of the country's economy has revealed glaring lapses in the Public Finance Management, particularly in the area of fiscal policy management. Therefore, reforms in Public Finance Management aimed at introducing modern public financial management practices, enhancing transparency and accountability, and achieving greater efficiency and effectiveness in the use of public resources have become a cornerstone of economic resilience and sustainability. Hence, the Government has taken steps to formulate Public Financial Management Bill with the assistance of the International Monetary Fund and other Development Partners as the overarching piece of legislation enhancing reporting requirements, increasing the frequency of disclosures, and improving the quality of information provided which are vital to ensure prudent fiscal discipline.

A reasonable share of public funds amounting to Rupees Billions are being spent on different types of procurement by various ministries, departments and other public agencies. Therefore, achieving efficiency gains in procurement activities can lead to a sizable reduction in government expenditure in procurement activities. Several measures have been taken including the efforts to expand the use of Electronic Government Procurement System (e-GP) to improve procurement processes and ensure effective use of public resources, thereby to provide some cushioning to the limited fiscal space and maximize returns on the public expenditures on socio-economic development.

9.2 New Public Financial Management Reforms

The need for introduction of a new Public Financial Management legislation has remained a long felt need in the public sector in absence of a solid legal base in the form of a law. The unprecedented crisis situation has drawn the attention of the policy makers for public finance scrutiny in a number of new areas, which include

among others clearly defined set of fiscal rules, transparent and responsible investment planning, enhance disclosure requirements, commitment controls and stronger supervision of public funds.

The new PFM Law is expected to cover the areas of fiscal rules, planning, budget formulation and execution, public procurement, debt management, control measures for public expenditure, and measures for assuring transparency and accountability in the system.

This Act will apply to all public entities including Ministries, Departments, District Secretariats, Special Spending Units, Statutory Funds, Trusts and State-Owned Enterprises (SOEs). Meantime, entities such as Provincial Councils and Local Authorities will come under the purview of PFM law to the extent budgetary funds are allocated to these sub national agencies. Further, approved termination funds and welfare funds such as Employees Provident Fund (EPF) have been excluded from the application of PFM Bill to ensure their operational independence and autonomy.

In order to ensure that the Ministry of Finance performs its functions in an efficient and effective manner as a caretaker of the public finance management of the country, more explicit provisions defining the mandate and powers vested with the Ministry of Finance and the Secretary to the Treasury in particular, are included in this proposed Bill.

With the incorporation of fiscal rules framework to the new PFM law, the current Fiscal Management (Responsibility) Act No 03 of 2003 is to be repealed. Among key fiscal rules, a primary balance target which serves as a medium term fiscal anchor, a primary expenditure ceiling fixed at a rate not exceeding 13 percent of the estimated nominal GDP for the relevant financial year and introduction of a Guarantee limit not exceeding 7.5 percent of the average GDP of the relevant financial year and preceding two financial years are important measures that are included in the new PFM law. In addition, a Public Investment Committee (PIC) chaired by the Secretary to the Treasury with a wider representation will be established.

Several identified sections of the Finance Act No. 38 of 1971 has been modified and incorporated in PFM Law to improve good governance practices in operations of SOEs. Application of Treasury

Single Accounts System to be extended to the Statutory Funds to enable public funds to be managed in a consolidated manner which will also facilitate smooth cash flow management.

9.3 Procurement Management

Amidst the consistent efforts to transform the country's economy, ensuring the efficiency and transparency in public procurement process has remained important. In assuring an expeditious and efficient public procurement process that ensures value for money and fair dealing, the adherence to the procurement best practices has been emphasized at every level to safeguard the public interest. In terms of Article 156 B (1) of the Twenty First Amendment to the Constitution, the defunct National Procurement Commission was re-established in 2023 vesting power for policy making and oversight relating to public procurement.

9.4 Electronic Government Procurement (e-GP)

Despite the challenging period encountered in the recent past, the implementation of e-GP system achieved its key milestones of creation of a digital platform ensuring the transparency and value for money in the public procurement process. The revised Contract for Design,

Develop, Implementation and Maintenance of e-GP system has been entered into, between the Secretary of the Ministry of Finance, Economic Stabilization and National Policies and the System Implementation Partner (SIP) effective from July 10, 2023.

Following a series of discussions conducted with key stakeholders, software requirement specifications of e-GP system have been finalized. It was further ensured adhering to the Open Contracting Data Standards requirement in the process of e-GP system development and interfacing with relevant entities including Construction Industry Development Authority (CIDA) and Registrar of Companies. In line with the recommendation provided by the Information and Communication Technology Agency (ICTA) and World Bank, Micro Service Architecture of the e GP system has been developed in order to cater the novel technological enhancements to the system.

Furthermore, European Union (EU) has provided a grant assistance worth USD 4 million under the project of Strengthening Public Finance Management and Accountability in Sri Lanka through World Bank for the implementation of e-GP system during the period from July 2023 to November 2026.

Box 9.1 | Procurement Law and introducing new Procurement Guidelines

Procurement Law

The existing government procurement guidelines have played an important role in overseeing public sector procurement processes. However, given the evolving landscape and increased focus on international best practices, the Ministry of Finance, Economic Stabilization and National Policies has requested the National Procurement Commission (NPC) to introduce a comprehensive procurement law in place of the existing procurement guidelines which were approved by the Cabinet of Ministers. NPC has already taken action to draft a procurement law with the assistance of the Asian Development Bank. Recent incidents of irregularities in procurement in key ministries further underscore the urgent need for such a strong and binding legal framework.

The field of procurement is constantly of evolving nature. Essential goals include prioritizing transparency, providing maximum value for money, and creating fair and open competition between vendors. To achieve these goals, the Ministry of Finance, Economic Stabilization, and National Policies strongly believes in establishing a strong and inclusive procurement law.

Procurement Guidelines

The procurement sector is also constantly undergoing changes in line with global transformations, such as social and technological changes accompanying economic development. Accordingly, the Ministry of Finance, Economic Stabilization and National Policies strongly believes that the existing government procurement guidelines should be improved to prioritized transparency, provide maximum value for money, and create fair and open competition between vendors.

Currently, e-GP system has facilitated to register 463 Procuring Entities and 2,863 vendors to the system while executing 5,658 e-Procurements utilizing the e-GP platform. With the commendable progress achieved in implementation of e-GP platform, procuring entities have been instructed to upload the information pertaining to major procurements made available to public for transparency.

Moreover, the public can access to the procurement notices covering all categories with Total Cost Estimate exceeding Rs. 200 million while the details of contract award exceeding Rs. 200 million are available on the e-GP portal effective from July 01, 2022.

10

Human Resource Management

10.1 Overview

In 2023, Human Resource Management within the government sector reached a critical juncture due to the sustained enforcement of rigorous policy measures concerning public sector recruitments by the government. In the prevailing discourse concerning the widespread discussion of public service contraction, the government endeavored to sustain an optimal workforce level necessary for upholding essential services, while concurrently managing expenditure associated with salaries and wages.

Aligned with the government's policy on expenditure rationalization, measures were taken to maintain a consistent level of the public sector cadre during the year 2023. The initiation of new cadre formations was notably restricted to address paramount and prioritized service necessities. Diverse strategies encompassing the reallocation of approved cadres, business process re-engineering, organizational structural modifications, and digital transformation initiatives are being implemented to optimize the operational efficiency of the public sector as a whole. Internal promotions were advocated as a means to address critical vacancies within numerous public institutions, thereby alleviating the strain induced by stringent limitations on the recruiting of new public servants.

The government has decided to dissolve the Department of Multi-purpose Development Task Force, which started by adding a workforce of approximately 30,000 to provide a solution to the primary level employment problem through the strategic allocation of Multi-purpose Development Assistants to Ministries and Departments confronted with vacancies within primary service categories, a state of equilibrium in staffing was attained, obviating the need for a net expansion in the overarching cadre.

The issuance of circulars granting a five-year no pay leave for public officers to pursue opportunities for employment abroad or within Sri Lanka resulted in a widespread emigration of highly skilled professionals, including doctors, engineers, and IT specialists. The phenomenon of professional emigration has created a clear void in the respective professions and adversely affected the economic growth process thus attention has been focused on revising the relevant circulars with the aim of mitigating this problem.

Expenditure on salaries and wages together with the payment for pensions accounted for more than 43 percent of the government revenue. Such expenditure on salaries and wages declined by nearly 1.7 percent to Rs. 939.5 billion in 2023 from Rs. 956.2 billion in 2022, while the pension bill increased nearly by 20.5 percent to Rs. 372.4 billion in 2023 from Rs. 309.1 billion in 2022. The escalation observed in the pension expenditure primarily arises from the substantial influx of retirees, a phenomenon stemming from the governmental policy amendment which delineates the mandatory retirement age for government employees at 60 years. This necessitates the implementation of effective human resource management strategies within the public sector, among various other imperatives. In light of this, sustaining an expansive public service sector portends unfavorably for the future, particularly in light of constrained fiscal capacities. Consequently, there arises an imperative to institute proficient human resource management strategies within the public sector, amidst a myriad of other exigencies.

Table 10.1 | Actual Expenditure on Salaries, Wages and Pensions – (2022–2023)

Category	Actual Expenditure (Rs. Billion)		Change (%)
	2022	2023	
Salaries & Wages	956	939	-1.7
Pensions	309	372	20.5
Total	1,265	1,311	3.6

Source: Department of Fiscal Policy

10.2 Cadre Management in 2023

At the end of 2023, the total deployed employees in the public sector were 1,353,860, a slight drop of 2.9 percent compared to 2022 due to the suspension of new recruitments, reduction of new cadre positions, and retirements. The cadre utilization rate against the total number of approved cadre positions remained at 77 percent at the end of 2023, with a 4 percent decline compared to 2022. The decline of cadre utilization was mainly due to the restriction imposed on public expenditure by the government.

The aggregate approved cadre within the public sector stood at 1,748,309, exhibiting an augmentation from the preceding year's tally of 1,715,417 as of 2022. The slight increase in the public sector approved cadre was predominantly

Table 10.2 | Public Sector Cadre Composition 2015–2023

Administrative level		2015	2016	2017	2018	2019	2020	2021	2022	2023	Increase/Decrease %
National	App	858,680	874,046	880,971	892,509	906,264	1,006,276	1,013,419	1,018,019	1,030,672	1.2
	Act	722,950	754,548	756,339	742,960	740,574	805,802	792,317	783,238	751,227	-4.1
Provincial Councils and Local Authorities	App	394,812	412,560	428,433	440,560	444,348	444,174	446,025	441,748	463,078	4.8
	Act	374,330	372,033	385,311	392,528	400,897	390,061	389,105	398,528	395,758	-0.7
Total Public Service	App	1,253,492	1,286,606	1,309,404	1,333,069	1,350,612	1,450,450	1,459,444	1,459,767	1,493,750	2.3
	Act	1,097,280	1,126,581	1,141,650	1,135,488	1,141,471	1,195,863	1,181,422	1,181,766	1,146,985	-2.9
State Owned Enterprises	App	244,800	234,220	242,194	248,625	251,419	251,440	255,545	255,650	254,559	-0.4
	Act	219,583	226,695	233,849	235,145	236,293	227,253	219,838	212,117	206,875	-2.5
Total Public Sector	App	1,498,292	1,520,826	1,551,598	1,581,694	1,602,031	1,701,890	1,714,989	1,715,417	1,748,309	1.9
	Act	1,316,863	1,353,276	1,375,499	1,370,633	1,377,764	1,423,116	1,401,260	1,393,883	1,353,860	-2.9
Rate of Utilization of the Approved Cadre (%)		88	89	89	87	86	84	82	81	77	
Cumulative Number of Pensioners		564,472	579,414	585,670	617,386	639,984	660,934	672,196	676,430	704,795	0.63

Source: Department of Management Services

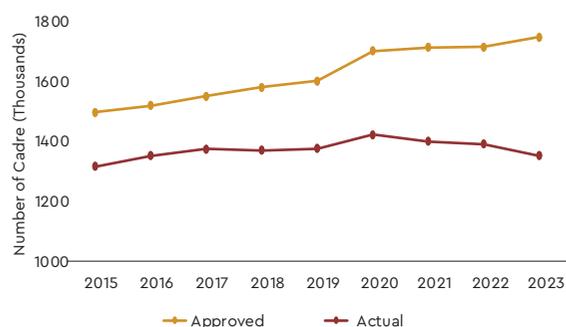
Department of Pensions

App – Approved Cadre

Act – Actual Number of Employees

attributed to the formalization of the development officer cadre and the regularization of both Pirivena and School sector teacher cadre.

Figure 10.1 | The Total Cadre of Public Sector (2015-2023)



Source: Department of Management Services

Table 10.3 | Public Sector Cadre Utilization – 2023

Institutional Category	Approved Cadre	Existing Cadre	Rate of utilization of the approved Cadre
Ministries, Departments, Special Spending Units and Tri-Forces	1,030,672	751,227	0.73
Provincial Councils	463,078	395,758	0.85
State Owned Enterprises	254,559	206,875	0.81
Total	1,748,309	1,353,860	0.77

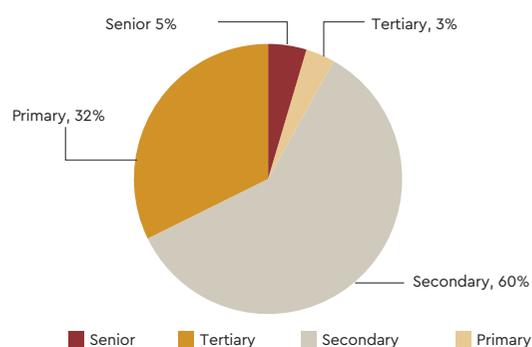
Source: Department of Management Services

10.3 Distribution of Public Service Cadre by Service Level (Excluding Tri – forces and SOEs)

Public Service is delineated into four hierarchical tiers, namely primary, secondary, tertiary, and senior, contingent upon the type of services dispensed. These tiers encompass vocations pertinent to employment classifications encompassing technical, non-technical, professional, managerial and administrative.

Analysis into cadre distribution in line with service levels in the Public Service shows that 60 percent of public servants are concentrated under the secondary service level. Secondary service level mainly represents Teachers, Development Officers as well as Health Workers. In year 2023,

Figure 10.2 | Distribution of Public Service Cadre (Approved Cadre excluding Tri-forces and SOEs)



Source: Department of Management Services

cadre distribution in secondary service level shows an increase of 2 percent compared to year 2022. The increase in the secondary service level was mainly due to the amendment of the school sector academic cadre in accordance with Education Circular No. 06/2021 and the regularization of the Pirivenas cadre, hitherto omitted from the approved cadre. Consequently, a total of 24,384 school teachers and 7,591 Pirivena teachers have been incorporated into the overall approved cadre. The extensive and uneven distribution of the aforementioned category, characterized by a disproportionate allocation of supervisory roles, has led to pervasive underutilization of the secondary level workforce within the governmental sector particularly Development Officers. In response to the identified concern, a policy was enacted to enlist qualified personnel for the educational domain from the pool of existing Development Officers already employed within the government institutions.

10.4 Highlights – 2023

10.4.1 Restructuring of the cadre of Sri Lanka Ports Authority

In 2023, a cadre review of the Sri Lanka Ports Authority was undertaken to assess and potentially revise the staffing framework, positions, and responsibilities with the aim of enhancing efficiency, effectiveness, and alignment with organizational objectives. The procedure engaged the incumbent personnel of both the Sri Lanka Ports Authority and the Ministry of Ports, Shipping, and Aviation.

During the restructuring process, the entirety of the Sri Lanka Port Authority's (SLPA) workforce was categorized as a commercial entity capable of fulfilling service demands with efficiency and cost-effectiveness, while also addressing future developmental needs. In accordance with organizational imperatives and regulatory adherence, the (SLPAs) approved permanent workforce has undergone a reduction of 30 percent decreasing from 9,990 in 2013 to 6,987 by the year 2023. Throughout the cadre review process, 2,146 cadre positions were retained as personal-to-holder appointments, while those positions identified as non-essential or redundant were phased out. Notably, senior manager-level positions experienced a 15 percent reduction, while primary-level positions saw a substantial decrease of 48 percent compared to the approved cadre basis of the Sri Lanka Ports Authority in 2013. Nevertheless, 1,900 primary-

level positions were designated as personal-to-holder, resulting in a more modest immediate reduction of primary-level cadre by only 23 percent in contrast to the 2013 approved cadre.

10.4.2 Dissolution of National Pay Commission

The National Pay Commission (NPC), established by Hon. President in accordance with Article No. 33 of the Constitution of the Democratic Socialist Republic of Sri Lanka, was dissolved at the end of March 2023. As a result, a segment of the National Pay Commission's responsibilities has been assigned to the Director General of the Department of Management Services with effective from April 1, 2023. This assignment entails the direct oversight of tasks pertaining to restructuring, recruitment procedures, and matters concerning salaries and allowances for Corporations and Statutory Boards.

10.4.3 Growing Human Resource Requirements in the Judicial Sector

Among the approaches presently adopted to solve the issue of delays encountered in the mechanism of administration of justice in Sri Lanka, priority is given to the approach of providing adequate human and physical resources for the judicial sector. Statistics show that there are only 15 judges per million population in Sri Lanka at present.

Consequently, initiatives were devised to establish 50 new courts of law by the culmination of 2022 as part of a three-year strategic plan aimed at enhancing the infrastructure of the Judicial Sector. However, the prevailing economic downturn within the nation, coupled with the necessity to adhere to the stipulations outlined in the National Budget Circular pertaining to 'Controlling Government Expenditure', constrained the realization of this plan, permitting the establishment of only 17 new courts of law by the end of 2023. A total of 478 new positions have been approved for deployment within these 17 courts.

10.4.4 Scheme of Recruitments (SOR) for the University Sector

Traditionally, State Universities have conducted recruitment and promotion processes for both academic and non-academic personnel in accordance with the Recruitment Schemes stipulated by the University Grants Commission. In the year 2023, the commencement of the formulation of Schemes of Recruitment (SOR) for university personnel represents a noteworthy

advancement aimed at augmenting transparency, equity, and efficacy within the recruitment procedures within the realm of higher education.

10.4.5 Pirivenas

Presently, the nationwide operational landscape encompasses a total of 825 registered Pirivenas, as established under the Pirivena Education Act, No. 64 of 1979 and the subsequent Pirivena Regulations No. 01 of 1980. These Pirivenas comprises approximately 71,427 individuals, including both lay and clergy students, while the corresponding teaching cadre stands at approximately 7,591 registered teachers. For the fiscal year 2023, the government has earmarked an allocation of approximately Rs. 6 billion to support the operations of these institutions. Notably, to formalize and streamline the functioning of the Pirivena system, a pivotal milestone was achieved with the approval of 7,591 cadre positions designated for the staffing needs of the 825 Pirivenas.

10.4.6 Welfare Programs

Analyzing the human resource needs and determining the optimal workforce composition for the Samurdhi program assumes paramount importance in ensuring its operational efficiency and service effectiveness. The introduction of the "Aswasuma" program, facilitated through the Welfare Benefit Board, has led to a reorientation in the operational focus of the Samurdhi program, pivoting towards the empowerment of beneficiaries enrolled in the Aswasuma initiative. Consequently, in 2023, aligning with contemporary exigencies and programmatic priorities, the previously approved cadre positions for the Samurdhi Development Department were revised downward from 28,060 to 25,731, constituting a reduction of 2,329 positions.

10.4.7 Strengthening the Health Sector

In the year 2023, the actual workforce employed in the healthcare sector, including personnel from both Provincial Council and Health Ministry entities, amounted to 141,765. This figure includes 2,148 Medical Consultants, 22,583 Medical Officers, and 42,095 Nurses. Notably, medical officers and nursing officers collectively constitute approximately 47 percent of the total healthcare workforce.

According to Ministry of Health data, a total of 107 Medical Consultants, nearly 600 Medical Officers, and approximately 1,000 Nursing Officers were migrated in terms of the provisions of the new

Public Administration Circular No. 14/2022. To counteract the exigency of rectifying the dearth of healthcare practitioners and securing the enduring efficacy of the healthcare sector, authorization has been granted to fulfill vacancies exceeding 10,000 positions within the healthcare purview, including 675 medical officers and 2,675 nurses.

Moreover, additional cadre was required in the year 2023 to meet the service requirement of Liver Transplant Unit in teaching hospital of Colombo North, specialized maternal and children's hospital, Kaluthara, and Professorial Unit of the Teaching Hospital, Kurunegala. Thus, 480 new cadre positions were approved to the Ministry of Health to meet the requirements.

During the preceding year, the staffing needs arisen from the projects were satisfactorily met. As the Primary Health Care System Strengthening Project (PSSP) transitioned into its operational phase, a pivotal disbursement-linked indicator was implemented to ascertain the provision of two Medical Officers and one Nursing Officer at each Primary Health Care Institution (PMCI), in accordance with the mutually established framework by stakeholders for PSSP. The feasibility of instituting a new cadre specifically for Primary Health Care Institutions (PMCI) was deemed impracticable owing to fiscal constraints on public spending and the presence of underutilized cadre allocations within distinct healthcare entities operating under the purview of Provincial Councils. Consequently, a strategy involving the redistribution of already approved cadre positions within the provincial health sector was identified as the most suitable approach to confront these challenges.

10.4.8 Right-Sizing the Defence Sector

In the 2022 Interim Budget Speech, it was proposed to review the defense strategy called the "National Security 2030" framework, which aims to be lean, technologically advanced, and capable of addressing a wide array of threats. This strategy includes several core objectives, with one of the key goal being the reduction of the active military size to a more sustainable and efficient level while maintaining operational readiness and capability.

Right-sizing the defence sector is part of a broader strategy to streamline and optimize the country's defense expenditures while ensuring national security. The budget emphasizes the need to adapt the defense sector to current

economic realities and future challenges, aiming to balance fiscal responsibility with effective defense capabilities.

The introduction of this initiatives marks a significant shift in how the government plans

to manage its defense resources, focusing on efficiency and strategic allocation of funds. The specifics of the right-sizing initiative include reducing excess personnel, modernizing equipment, and reallocating resources to more critical areas of defense and security.

Box 10.1 | Cadre Management and Financial Efficiency in Sri Lanka's Road Development Authority

Amid recent macroeconomic challenges faced by the country, highways and transport sector also encountered critical challenges to adequately fulfill the demand and ensure the continuity of development momentum of the sector. One of such major entities that has to endure such challenges is Road Development Authority. (RDA)

RDA is the implementing agency for majority of road development projects in Sri Lanka. Scope of these projects varied from expressway development with financial assistance from multilateral or bilateral donors to repair and maintenance of local roads and bridges with domestic financing.

Nevertheless, given the challenge to continue and maintain vital developments in the infrastructure sector, stringent financial controls have been imposed to channel limited available funds for continuation of development projects. In this context, it has been noted that the scope of the RDA has been restricted due to financial constraints. In view of the above, Management Services Department initiated discussions with the (RDA) to review its cadre in accordance with the present and future requirements of the entity while providing solutions for the prevailed cadre management concerns that RDA had encountered.

The cadre of the RDA was initially approved in 2009. However, additional cadre positions have been periodically established to meet the entity's service requirements, primarily driven by substantial infrastructure investments made over the past 10 to 15 years. During this period, numerous expressways and large-scale development projects, such as the Southern Expressway to Hambanthota, Central Expressway, Outer Circular Project, Port Access Road, New Kelani Bridge, and local road development projects like i-road and steel bridges, were implemented. To support these development projects and maintain RDA roads, the Management Services Department approved a cadre of 11,275 for the RDA by the end of 2022.

The cadre underwent review to align with recent developments in the transport sector and the current needs of the entity, ensuring efficient operation of RDA functions. Effective cadre management is crucial for the RDA, as it relies entirely on the national budget for salaries and wages, amounting to approximately Rs. 10 billion per year. Furthermore, optimizing the utilization of its human resources is essential to minimize overhead costs in road development projects, thereby promoting the development of financially and economically viable projects.

Following a comprehensive review and extensive discussions with all stakeholders, it was agreed to limit the cadre of RDA to 9497 at present and gradually reduce to 8787 with the retirement of employees, while redistributing its cadre for essential and timely important sectors. Additionally, the Management Services Department directed the RDA to take necessary measures to obtain policy decisions aimed at resolving various cadre management issues within the organization. Furthermore, the long overdue Scheme of Recruitments and Promotions for the RDA were approved, ensuring fair and transparent recruitment and promotion procedures. The lack of a proper Scheme of Recruitment (SOR) has hindered the human resources management of the RDA, leading to labor disputes and legal proceedings. Consequently, this has resulted in increased operational costs for the RDA.

Thus, the successful implementation of Scheme of Recruitments and resolving cadre management issues will facilitate the (RDA) to strategize its position to play the expected role in the highways sector.

10.5. Way Forward

The public sector currently confronts several challenges concerning its workforce size, pension commitments, and allocation of budgetary resources for salaries. With a population to public official ratio of 1:16, Sri Lanka exhibits a relatively high number of public servants compared to many nations, suggesting potential inefficiencies in resource management and raising concerns about sustaining such a large workforce.

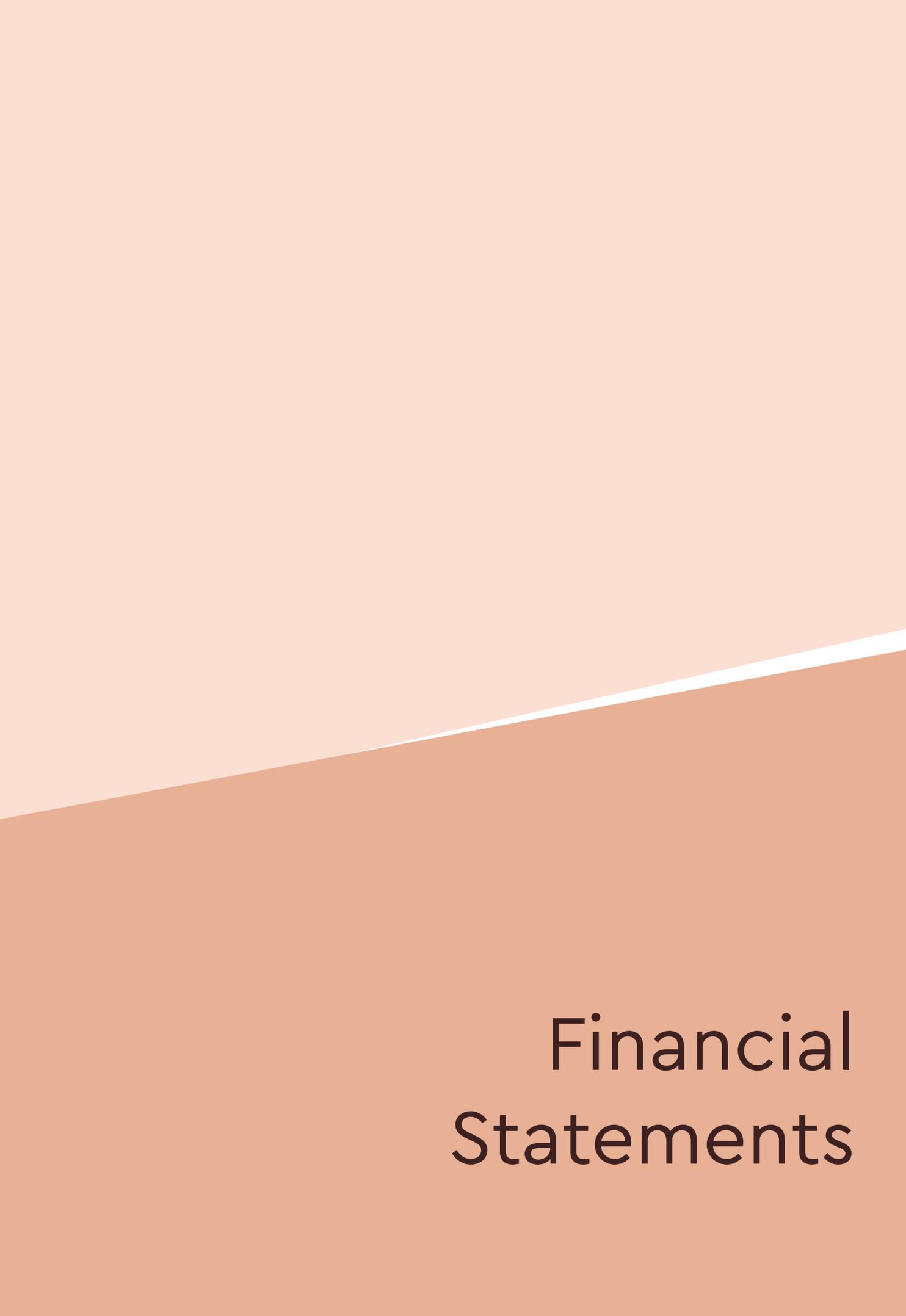
With 700,000 pensioners, the public sector shoulders a significant financial burden in terms of pension disbursements. The distinctive aspect of Sri Lanka's public service lies in its non-contributory pension system, wherein pension benefits are funded directly from government revenue, supported by general taxation. Expenditure on pensions accounted for 7.9 percent of the government's recurrent expenditure and 12.1 percent of its revenue in 2023. Such obligations further strain the budget, constraining resources available for crucial areas

like infrastructure development and service enhancements. Allocations exceeding 43 percent of government revenue for salaries and pensions restrict investments in innovation, training, and technological upgrades, essential for enhancing service efficiency and delivery.

Implementing a gradual rightsizing strategy could aid in resource reallocation and optimizing salary structures, enabling the government to offer competitive wages to retained staff, thereby attracting and retaining high-quality professionals and improving service delivery. Investment in training, technology, and process enhancements remains vital for enhancing service quality despite reduced staffing levels. Automation and digitalization can streamline processes, enhancing efficiency. Reviewing and reforming pension schemes can facilitate more sustainable management of pension commitments, freeing up resources for other priorities. Legislation to introduce a contributory pension scheme, along with the establishment and regulation of a Public Service Pension Fund, is imperative.

PART IV

Financial Statements



Financial Statements

Note to Readers

Financial Statements of the Government for the year ended 31st December 2023 comprising the Statement of Financial Performance, Statement of Financial Position, Statement of Cash Flow, Statement of Changes in Net Assets / Equity, applied Accounting Policies and Notes thereto are forwarded herewith.

The Statement of Financial Position shows the assets and liabilities of the Government whereas Statement of Financial Performance shows government's affairs in relation to revenue collection and use of resources as provided by Appropriation Act No. 43 of 08th December 2022 as amended by Act No. 12 of 21st August 2023 for the year 2023, of nineteen (19) Special Spending Units, twenty nine (29) Government Ministries, one hundred (100) Government Departments and twenty five (25) District Secretariats and the way that fiscal deficit could be financed. Further, in the Financial Statements, it is reflected the financial support provided to fifty one (51) Commercial Public Corporations, ninety eight (98) Government Owned Companies / Plantation Companies / US Dollar Denominated Companies, one (01) Development Bank in the form of capital contribution or shareholding and also information relating to allocation of

financial resources to nine (09) Provincial Councils by the Government.

As per the provisions provided under the Fiscal Management (Responsibility) Act No. 03 of 2003, Financial Statements should be prepared to reflect financial results and Financial Position of the Democratic Socialist Republic of Sri Lanka. Since these Financial Statements should be prepared in accordance with the Article 149 and 150 of the Constitution of Democratic Socialist Republic of Sri Lanka, in addition, Generally Accepted Accounting Principles could not be followed in all the time. However, in such deviations, reasons for deviation and the relevant alternate accounting policies are disclosed in the Financial Statements.

Modified cash basis accounting method is used to prepare the Financial Statements and actions are taken to include the assets and liabilities generated through the cash basis transactions in the Financial Statements whenever possible.

The Computerized Integrated Government Accounting System (CIGAS) has been further developed enabling non-financial assets are recorded in the Financial Statements, starting from the year 2015.

Statement of Responsibility

These Financial Statements have been prepared in keeping with the provisions of the Article 149 and 150 of the Constitution of Democratic Socialist Republic of Sri Lanka, Fiscal Management (Responsibility) Act No 03 of 2003 and National Audit Act No. 19 of 2018. The Financial Statements are in compliance with Generally Accepted Accounting Principles and relevant Treasury Circulars, whereas most appropriate accounting policies are used as disclosed in the Notes to the Financial Statements.

The General Treasury is responsible for establishing and maintaining a system of internal control to provide reasonable assurance that the transactions are effected within statutory authority and use of allocations provided by Appropriation Act or any other Law are properly recorded.

The accompanying "Statement of Accounting Policies" and "Notes to the Financial Statements" form an integral part of these Financial Statements. The designated authority in preparation and presentation of these Financial Statements is Department of State Accounts.



W.A. Samantha Upananda
Director General
Department of State Accounts



K.M. Mahinda Siriwardana
Secretary, Ministry of Finance,
Economic Stabilization and National
Policies, and Secretary to the
Treasury

General Treasury
Colombo - 01
25 March, 2024

Statement of Financial Performance
for the Year Ended 31st December 2023

Budget Estimate 2023	Notes	2023 Rs.	2022 Rs.
Revenue from Non-Exchange Transactions			
1,369,934,000,000	Tax on Domestic Goods & Services 1	1,412,863,124,621	869,951,448,710
359,928,000,000	Tax on International Trade 2	392,449,993,183	344,244,324,703
863,500,000,000	Tax on Income 3	911,355,309,961	534,020,830,117
4,483,000,000	Fines & Forefeits 4	8,310,563,255	6,387,050,559
12,000,000,000	Grants 5	25,501,817,303	33,405,049,463
2,609,845,000,000		2,750,480,808,323	1,788,008,703,551
270,155,000,000	Revenue from Exchange Transactions 6	353,550,136,968	244,184,907,969
		353,550,136,968	244,184,907,969
400,000,000	Other Revenue 7	515,895,718	584,212,972
2,880,400,000,000	Total Revenue	3,104,546,841,008	2,032,777,824,493
Expenses			
696,746,890,937	Employee Cost 8	672,636,369,933	721,455,195,677
516,289,356,606	Other Goods and Services 9	442,050,505,258	258,550,948,068
1,488,381,856,010	Subsidies, Grants and Transfers 10	1,317,698,501,982	1,139,805,294,810
2,754,191,790,376	Finance Costs 11	2,455,771,460,309	1,565,300,950,129
627,926,743,211	Other Recurrent Expenditure 12	388,580,289,347	355,201,095,141
6,083,536,637,140		5,276,737,126,829	4,040,313,483,827
(3,203,136,637,140)	Revenue Deficit	(2,172,190,285,821)	(2,007,535,659,334)

Statement of Financial Position
As at 31st December 2023

	Notes	2023 Rs.	2022 Rs.
Assets			
Property, Plant and Equipment	13	2,537,166,871,940	2,093,287,997,716
Membership Fees	14	2,900,368,322	2,900,368,322
Capital Contributions to State Owned Enterprises	15	2,407,633,120,834	2,165,981,657,905
Stamps Stock Account		2,059,996,426	1,847,282,488
Rent and Work Advance	16	1,202,805,884	1,666,563,995
Advances to Government Departments	17	16,502,219,035	16,093,892,983
On-Lending	18	190,789,890,831	491,552,273,430
Advances to Public Officers	19	30,911,741,726	30,469,406,491
Cash & Cash Equivalents	20	651,550,118,217	69,747,014,274
Total Assets		5,840,717,133,216	4,873,546,457,604
Statutory and Other Funds			
Contingency Fund		500,000,000	500,000,000
Foreign Loan Revolving Funds	21	57,388,881,470	72,489,344,533
Miscellaneous Funds	22	3,245,546,327	2,807,316,389
General Fund	23	(22,860,233,851,636)	(22,553,159,185,495)
Total Funds		(22,799,099,423,840)	(22,477,362,524,574)
Liabilities			
Government Borrowings	24	29,150,389,313,012	27,379,287,617,613
Sundry Accounts	25	(19,144,204,151)	14,510,523,313
Accounts Operating with Government Departments	26	(611,092,931,190)	(478,331,952,972)
Deposits	27	94,412,676,683	101,151,327,336
Advance from the Central Bank	28	-	235,638,700,400
Bank Overdrafts	20	25,251,702,702	98,652,766,487
Total Liabilities		28,639,816,557,056	27,350,908,982,178
Total Funds and Liabilities		5,840,717,133,216	4,873,546,457,604

The Financial Statements are in compliance with Generally Accepted Accounting Principles and relevant Treasury Circulars, whereas most appropriate accounting policies are used as disclosed in the Notes to the Financial Statements.



W.A. Samantha Upananda
Director General
Department of State Accounts



K.M. Mahinda Siriwardana
Secretary, Ministry of Finance, Economic
Stabilization and National Policies, and
Secretary to the Treasury

Statement of Cash Flow
for the Year Ended 31st December 2023

Budget Estimate 2023 Rs.		Actual 2023 Rs.	Actual 2022 Rs.
	Cash Flow from Operating Activities		
2,593,362,000,000	Tax Receipts	2,716,668,427,765	1,751,132,076,743
71,784,000,000	Fees, Fines, Penalties and Licenses	94,272,300,123	65,917,167,274
41,669,457,000	Profits	60,496,772,520	22,004,727,426
137,501,543,000	Other Receipts	165,642,244,381	146,321,290,402
-	Advances to Public Officers	-	886,828,892
-	Deposits	-	18,838,185,112
-	Sundry Accounts	-	41,071,187,837
2,844,317,000,000	Total Cash Flow from Operating Activities (a)	3,037,079,744,790	2,046,171,463,688
	Less - Cash Disbursed for:		
1,840,962,990,754	Personal Emoluments & Operating Payments	1,503,267,164,538	1,335,207,238,887
1,488,381,856,010	Subsidies & Transfer Payments	1,317,698,501,982	1,139,805,294,810
2,754,191,790,376	Finance Costs	2,455,771,460,309	1,565,300,950,129
-	Advances to Government Departments	408,326,052	366,215,630
-	Deposits	6,738,650,653	-
-	Stamps Stock Account	212,713,938	346,036,561
-	Accounts Operating with Government Departments	132,760,978,218	464,194,745,722
-	Advances to Public Officers	442,335,236	-
-	Sundry Accounts	33,654,727,465	-
6,083,536,637,140	Total Cash Disbursed for Operating Activities (b)	5,450,954,858,391	4,505,220,481,739
(3,239,219,637,140)	NET CASH FLOWS FROM OPERATING ACTIVITIES (c)=(a)-(b)	(2,413,875,113,602)	(2,459,049,018,051)
	Cash Flows from Investing Activities		
7,000,000,000	Interest	26,245,034,955	7,325,545,826
6,300,000,000	Dividends	15,204,348,243	6,087,754,385
700,000,000	Divestiture Proceeds & Sale of Physical Assets	515,895,718	584,212,972
271,000,000,000	Recoveries from On Lending	276,274,960,094	60,482,742,905
285,000,000,000	Total Cash flow from Investing Activities (d)	318,240,239,010	74,480,256,089
	Less - Cash disbursed for:		
567,022,362,860	Purchase or Construction of Physical Assets & Acquisition of Other Investment	385,393,946,314	513,216,336,155
567,022,362,860	Total Cash Disbursed for Investing Activities (e)	385,393,946,314	513,216,336,155
(282,022,362,860)	NET CASH FLOW FROM INVESTING ACTIVITIES (f)=(d) - (e)	(67,153,707,305)	(438,736,080,067)
(3,521,242,000,000)	NET CASH FLOW FROM OPERATING & INVESTMENT ACTIVITIES (g)=(c) + (f)	(2,481,028,820,906)	(2,897,785,098,118)
	Cash Flow from Financing Activities		
2,472,242,400,590	Local Borrowings	7,541,281,621,843	4,218,528,886,900
785,083,995,745	Foreign Borrowings	831,951,611,110	783,326,415,649
10,000,000,000	Grants Received	25,501,817,303	33,405,049,463
-	Foreign Loan Revolving Funds	-	23,636,553,442
-	Miscellaneous Funds	438,229,939	381,304,143
-	Advance from the Central Bank	-	85,509,900,000
3,267,326,396,335	Total Cash flow from Financing Activities (h)	8,399,173,280,195	5,144,788,109,597
	Less - Cash disbursed for:		
1,135,470,000,000	Repayment of Local Borrowings	4,674,904,561,952	1,073,950,438,577
375,000,000,000	Repayment of Foreign Borrowings	337,296,566,144	358,504,739,872
-	Foreign Loan Revolving Funds	15,100,463,063	-
-	Advance from the Central Bank	235,638,700,400	-
-	Conversion of Domestic Term Loan Facility to Treasury Bills	-	45,000,000,000
1,510,470,000,000	Total Cash Disbursed for Financing Activities (i)	5,262,940,291,560	1,477,455,178,450
1,756,856,396,335	NET CASH FLOW FROM FINANCING ACTIVITIES (j)=(h) - (i)	3,136,232,988,635	3,667,332,931,147
(1,764,385,603,665)	Net Movement in Cash (k)=(g) + (j)	655,204,167,729	769,547,833,029
	Opening Cash Balance as at 01st January	(28,905,752,213)	(798,453,585,243)
	Closing Cash Balance as at 31st December	626,298,415,515	(28,905,752,213)

**Statement of Changes in Net Assets / Equity
for the Year Ended 31st December 2023**

Description	Attributable to Government Entities			Total Net Assets / Equity
	General Fund	Contingency Fund	Foreign Loan Revolving Fund	
Balance at 31st December 2021	(15,030,789,064,019)	500,000,000	48,852,791,091	(14,979,010,260,682)
Changes in Net Assets/Equity for 2022				
Revenue Deficit	(2,007,535,659,334)			(2,007,535,659,334)
Net Change in Foreign Borrowings	783,326,415,649			783,326,415,649
Net Change in Domestic Borrowings	4,218,528,886,900			4,218,528,886,900
Net Change in Conversion of Term Loan to Treasury Bills	(45,000,000,000)			(45,000,000,000)
Net Change in Impact on Borrowings ¹	(10,552,456,828,747)			(10,552,456,828,747)
Net Change in Recoveries from On Lending	60,482,742,905			60,482,742,905
Net Change in Acquisition of Capital Assets	(74,528,110,798)			(74,528,110,798)
Net Change in Impact on Acquisition of Financial Assets ²	1,723,265,067,563			1,723,265,067,563
Net Change in Impact on Acquisition of Non Financial Assets ³	242,690,768,192			242,690,768,192
Net Change in Foreign Debt Repayment	(358,504,739,872)			(358,504,739,872)
Net Change in Domestic Debt Repayment	(1,073,950,438,577)			(1,073,950,438,577)
Net Change in Equity Contribution and On Lending	(438,688,225,357)			(438,688,225,357)
Net Change in Contingency Fund				
Net Change in Foreign Loan Revolving Fund			23,636,553,442	23,636,553,442
Net Change in Miscellaneous Funds			381,304,143	381,304,143
Balance at 31st December 2022	(22,553,159,185,495)	500,000,000	72,489,344,533	(22,477,362,524,574)
Revenue Deficit	(2,172,190,285,821)		2,807,316,388	(2,172,190,285,821)
Net Change in Foreign Borrowings	831,951,611,110			831,951,611,110
Net Change in Domestic Borrowings	7,541,281,621,843			7,541,281,621,843
Net Change in Impact on Borrowings ⁴	(1,771,101,695,400)			(1,771,101,695,400)
Net Change in Recoveries from On Lending	276,274,960,094			276,274,960,094
Net Change in Acquisition of Capital Assets	(95,729,490,885)			(95,729,490,885)
Net Change in Impact on Acquisition of Financial Assets ⁵	(59,574,677,780)			(59,574,677,780)
Net Change in Impact on Acquisition of Non Financial Assets ⁶	443,878,874,224			443,878,874,224
Net Change in Foreign Debt Repayment	(337,296,566,144)			(337,296,566,144)
Net Change in Domestic Debt Repayment	(4,674,904,561,952)			(4,674,904,561,952)
Net Change in Equity Contribution and On Lending	(289,664,455,430)			(289,664,455,430)
Net Change in Contingency Fund				
Net Change in Foreign Loan Revolving Fund			(15,100,463,063)	(15,100,463,063)
Net Change in Miscellaneous Funds			438,229,938	438,229,938
Balance at 31st December 2023	(22,860,233,851,636)	500,000,000	57,388,881,470	(22,799,099,423,840)
			3,245,546,326	(22,799,099,423,840)

	2022	2021	Change
	Rs.	Rs.	Rs.
<u>¹Net Change in Impact on Borrowings</u>			
Capital Expenditure Investment- Appropriation Loan Account (8341)	(24,088,000,000)	(24,088,000,000)	-
Capital Investment Inland & Foreign Consolidated Loan Account (8342)	(7,665,018,983,130)	(3,779,702,051,390)	(3,885,316,931,740)
Treasury Bond Repayment Account (9103)	(8,692,134,561,000)	(6,937,927,735,500)	(1,754,206,825,500)
SL Development Bond Investment Account (9106)	(391,736,366,541)	(460,077,748,858)	68,341,382,317
Foreign Currency Banking Unit Investment Account (9108)	(131,371,686,555)	(139,301,491,000)	7,929,804,445
Treasury Bills Utilization Account (9109)	(4,126,383,805,527)	(2,270,711,562,156)	(1,855,672,243,371)
Least Asset Investment Account (9183)	(1,865,352,404)	(478,415,689)	(1,386,936,714)
Foreign Currency Term Financing Facility (9191)	(797,588,901,000)	(445,520,567,580)	(352,068,333,420)
International Sovereign Bond Investment Account (9195)	(4,557,030,500,000)	(2,615,661,090,000)	(1,941,369,410,000)
Foreign Currency Banking Unit (Project) Investment Account (9197)	(24,500,433,325)	(20,247,148,867)	(4,253,284,458)
Suhurupaya Investment Account of Ministry of Defence (9199)	(4,551,356,819)	(5,120,276,421)	568,919,602
Treasury Bond Investment Account (Active Liability Management Act) (9203)	(30,000,000,000)	(30,000,000,000)	-
Retirement Gratuity Investment Account (9208)	(48,924,284,835)	(52,994,701,403)	4,070,416,569
Domestic Term Loan Facility Investment Account (9211)	-	(45,000,000,000)	45,000,000,000
Government Guaranteed Ceylon Petroleum Corporation Loan Investment Account (9215)	(884,093,386,477)	-	(884,093,386,477)
	(27,379,287,617,612)	(16,826,830,788,865)	(10,552,456,828,747)
<u>²Net Change in Impact on Acquisition of Financial Assets</u>			
Government Corporations Capital Fund (8467)	1,960,013,642,830	556,278,998,278	1,403,734,644,552
Government Shares Account (8547)	205,968,015,075	204,498,407,100	1,469,607,975
On-lent Loan Investment Account (9117)	491,552,273,430	173,491,458,394	318,060,815,036
	2,657,533,931,335	934,268,863,772	1,723,265,067,563
<u>³Net Change in Impact on Acquisition of Non Financial Assets</u>			
Property Plant & Equipment Reserve Fund Account (9165)	1,783,197,609,905	1,691,898,208,559	91,299,401,346
Work in Progress Reserve Fund Account (9166)	307,165,808,191	156,940,474,795	150,225,333,396
Lease Asset Reserve Fund Account (9182)	2,924,579,620	1,168,658,903	1,755,920,717
Rental & Work Advance Reserve (9189)	1,666,563,995	2,256,451,263	(589,887,268)
	2,094,954,561,711	1,852,263,793,519	242,690,768,192

	2023	2022	Change
	Rs.	Rs.	Rs.
<u>4Net Change in Impact on Borrowings</u>			
Capital Expenditure Investment- Appropriation Loan Account (8341)	-	(24,088,000,000)	24,088,000,000
Capital Investment Inland & Foreign Consolidated Loan Account (8342)	(7,301,756,109,116)	(7,665,018,983,130)	363,262,874,015
Treasury Bond Repayment Account (9103)	(12,021,359,228,911)	(8,692,134,561,000)	(3,329,224,667,911)
SL Development Bond Investment Account (9106)	-	(391,736,366,541)	391,736,366,541
Foreign Currency Banking Unit Investment Account (9108)	(77,741,592,000)	(131,371,686,555)	53,630,094,555
Treasury Bills Utilization Account (9109)	(4,092,454,000,000)	(4,126,383,805,527)	33,929,805,527
Least Asset Investment Account (9183)	(1,313,087,047)	(1,865,352,404)	552,265,357
Foreign Currency Term Financing Facility (9191)	(709,740,572,030)	(797,588,901,000)	87,848,328,970
International Sovereign Bond Investment Account (9195)	(4,065,237,415,000)	(4,557,030,500,000)	491,793,085,000
Foreign Currency Banking Unit (Project) Investment Account (9197)	(20,268,655,774)	(24,500,433,325)	4,231,777,551
Suhurupaya Investment Account of Ministry of Defence (9199)	(3,982,437,216)	(4,551,356,819)	568,919,602
Treasury Bond Investment Account (Active Liability Management Act) (9203)	(23,000,000,000)	(30,000,000,000)	7,000,000,000
Retirement Gratuity Investment Account (9208)	(44,853,868,266)	(48,924,284,835)	4,070,416,569
Government Guaranteed Ceylon Petroleum Corporation Loan Investment Account (9215)	(788,682,347,652)	(884,093,386,477)	95,411,038,825
	(29,150,389,313,012)	(27,379,287,617,612)	(1,771,101,695,400)
<u>5Net Change in Impact on Acquisition of Financial Assets</u>			
Government Corporations Capital Fund (8467)	2,123,973,898,615	1,960,013,642,830	163,960,255,785
Government Shares Account (8547)	283,659,222,219	205,968,015,075	77,691,207,144
On-lent Loan Investment Account (9117)	190,789,890,831	491,552,273,430	(300,762,382,599)
Rental & Work Advance Reserve (9189)	1,202,805,885	1,666,563,995	(463,758,111)
	2,599,625,817,550	2,659,200,495,331	(59,574,677,780)
<u>6Net Change in Impact on Acquisition of Non Financial Assets</u>			
Property Plant & Equipment Reserve Fund Account (9165)	1,990,490,410,770	1,783,197,609,905	207,292,800,865
Work in Progress Reserve Fund Account (9166)	543,737,044,762	307,165,808,191	236,571,236,571
Lease Asset Reserve Fund Account (9182)	2,939,416,408	2,924,579,620	14,836,788
	2,537,166,871,940	2,093,287,997,716	443,878,874,224

General Fund
for the Year Ended 31st December 2021

Opening Balance of the Consolidated Fund as at 1st January 2021	(636,307,917,453)
Add:	
Impact on Borrowings ¹	(16,826,830,788,865)
Foreign Borrowings	516,606,370,092
Domestic Borrowings	2,519,420,543,584
Recoveries from On Lending	15,155,729,205
	(13,775,648,145,985)
Less:	
Impact on Acquisition of Financial & Non Financial Assets ²	2,786,532,657,292
Revenue Deficit	(1,870,407,769,557)
Capital Expenditure	(124,180,533,046)
Foreign Debt Repayment	(530,507,831,086)
Domestic Debt Repayment	(801,708,208,303)
Equity Contribution and On Lending	(78,561,315,880)
	(618,833,000,582)
Net Change in 2021	(14,394,481,146,566)
Closing Balance of the General Fund as at 31st December 2021	(15,030,789,064,019)

¹ Impact on Borrowings

Capital Expenditure Investment- Appropriation Loan Account (8341)	(24,088,000,000)
Capital Investment Inland & Foreign Consolidated Loan Account (8342)	(3,779,702,051,390)
Treasury Bond Repayment Account (9103)	(6,937,927,735,500)
SL Development Bond Investment Account (9106)	(460,077,748,858)
Foreign Currency Banking Unit Investment Account (9108)	(139,301,491,000)
Treasury Bills Utilization Account (9109)	(2,270,711,562,156)
Least Asset Investment Account (9183)	(478,415,689)
Foreign Currency Term Financing Facility (9191)	(445,520,567,580)
International Sovereign Bond Investment Account (9195)	(2,615,661,090,000)
Foreign Currency Banking Unit (Project) Investment Account (9197)	(20,247,148,867)
Suhurupaya Investment Account of Ministry of Defence (9199)	(5,120,276,421)
Treasury Bond Investment Account (Active Liability Management Act) (9203)	(30,000,000,000)
Retirement Gratuity Investment Account (9208)	(52,994,701,403)
Domestic Term Loan Facility Investment Account (9211)	(45,000,000,000)
	(16,826,830,788,865)

² Impact on Acquisition of Financial & Non Financial Assets

Government Corporations Capital Fund (8467)	556,278,998,278
Government Shares Account (8547)	204,498,407,100
On-Lent Loan Investment Account (9117)	173,491,458,394
Property Plant & Equipment Reserve Fund Account (9165)	1,691,898,208,559
Work in Progress Reserve Fund Account (9166)	156,940,474,795
Lease Asset Reserve Fund Account (9182)	1,168,658,903
Rental & Work Advance Reserve (9189)	2,256,451,263
	2,786,532,657,292

Significant Accounting Policies

Reporting Entity

These Financial Statements of the Government encompass the Reporting Entity of the Government comprising of Government Ministries, Departments, Special Spending Units and District Secretariats. However, 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 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 Government over the financial and

operating activities of Provincial Councils.

The Financial Statements of the Government for the year ended 31 December 2023 were authorized for issue by the Department of State Accounts.

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.

The Cash Flow Statement is prepared using the direct method.

All financial information presented in Sri Lankan Rupees has been rounded to the nearest rupee, except where indicated otherwise.

Reporting Period

The reporting period of these Financial Statements is from 1st of January 2023 to 31st December 2023.

Change in Presentation Formats of Financial Statements

Presentation formats of Government Financial Statements for the year 2023 has been changed in order to improve fair presentation. New presentation formats are prepared to serve financial reporting requirements, Constitutional requirements and reporting budget performance. Reconciliations have provided where necessary and comparative figures have restated as applicable.

Presentation formats for Ministries, Departments, Special Spending Units and District Secretariats remain unchanged for the year 2023.

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 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.

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 through corresponding main ledger accounts.

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 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 - 24(I) and 24(II).

Employee Entitlements

Employee entitlements to salaries and wages, 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. Rs. 2,033,587,518,156 was recorded in 2023 and Rs. 1,292,180,874,993 was recorded in 2022. (Schedule I)

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.

Cash & Cash Equivalents / Bank Overdrafts

The Cash & Cash Equivalents comprises of all favorable balances and bank overdrafts comprises all unfavorable balances which include 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. When there is an Over Draft, it is considered for the Borrowing Limit of the respective year.

Non-Financial Assets

All non-financial assets i.e. Property, Plant and Equipment is recognized at cost or grant value. The cost includes expenditure that is directly attributable to the acquisition of the items.

In a situation, where an assets is acquired in a non-exchange transaction on free of charge or nominal consideration, the asset is initially measured at its grant value or cost. The corresponding credit is

recognized as income in the statements of Financial Performance unless there are conditions on the assets' use.

Capital work in progress includes cost of buildings under development as at the Balance Sheet date.

The Government derecognizes items of Property, Plant and Equipment upon disposal.

The sales proceeds received upon disposal of non-financial assets is recognized as revenue.

Leases

The Government as a lessee, finance lease are leases that transfer substantially all the risk and benefits incidental to ownership of the leased asset to the Government. Assets held under a finance lease are capitalized at the commencement of the lease at the value of the leased asset. The Government also recognizes the associated lease liability at the inception of the lease.

Operating leases are leases that do not transfer substantially all the risks and benefits incidental to ownership of the leased item to the Government.

Operating lease made during the year are recognized as an operating expense in the Financial Performance Statement on cash basis over the lease term.

Intangible Assets

Intangible assets which are acquired separately are initially recognized at cost. The cost of intangible assets acquired in a non-exchange transaction is considered at their cost or grant value at the date of exchange and subsequently such intangible assets are carried at cost.

Advances

Advances consist of advances to Public Officers of the Government and provincial councils and to Government Departments through the treasury authorized advance account which is recognized on cash basis.

Sundry Accounts

Sundry Accounts consist of main ledger accounts operated for special purposes.

Advances from the Central Bank

Advances from the Central Bank are consist of advances held by the Government under the Monetary Law Act.

Time of Recording and Measurement for Presenting the Financial Statements of Government

Statement of Financial Performance

Accounting Caption	Presented	Time of Recording	Measurement
Revenue (for current and past years)	Yes	Cash Accounting	Historical Cost Method
Expenditure (for current and past year)	Yes	Cash Accounting	Historical Cost Method
Surplus or Deficit (for current and past year)	Yes	Cash Accounting	Historical Cost Method
Depreciation	N/A	N/A	N/A

Statement of Financial Position

Accounting Caption	Presented	Time of Recording	Measurement
Property, Plant and Equipment	Yes	Modify Cash	Historical Cost Method
Investment Property	N/A	N/A	N/A

Intangible Assets	Yes	Modify Cash	Historical Cost Method
Financial Assets	Yes	Modify Cash	Historical Cost Method
Investment Recognized Using the Equity Method	Yes	Modify Cash	Historical Cost Method
Recoverable	N/A	N/A	N/A
Cash & Cash Equivalents	Yes	Cash Accounting	Historical Cost Method
Financial Liabilities	Yes	Modify Cash	Historical Cost Method
Provisions	N/A	N/A	N/A
Contingent Liabilities	N/A	N/A	N/A
Net Assets/Equity	Yes	Modify Cash	Historical Cost Method

**Notes to the Financial Statements
for the Year Ended 31st December 2023**

	Sub Note	2023 Rs.	2022 Rs.
1 Tax on Domestic Goods & Services			
Value Added Tax	1.1	694,460,229,730	463,071,659,532
Excise (Special Provisions) Duty	1.2	298,348,005,892	177,335,591,602
Excise (Ordinance) Duty	1.3	170,259,621,094	165,187,536,555
Nation Building Tax	1.4	328,081,775	413,427,560
Levies	1.5	235,513,945,671	53,092,997,174
Licence Taxes and Other	1.6	12,920,731,651	10,792,545,942
Goods and Services Tax	1.7	238,255	-
Other Taxes	1.8	1,032,270,554	57,690,344
		1,412,863,124,621	869,951,448,710
2 Tax on International Trade			
Levies	2.1	283,997,902,052	291,106,786,083
Import & Export Duties	2.2	105,147,098,991	50,050,760,211
Import & Export Licences Fees	2.3	3,304,992,140	3,086,778,409
		392,449,993,183	344,244,324,703
3 Tax on Income			
Income Tax	3.1	555,304,408,507	453,905,241,708
Economic Service Charge	3.2	246,675,295	201,752,669
Withholding Tax	3.3	157,910,830,730	19,838,833,378
PAYE	3.4	144,954,798,806	25,546,114,363
Dividend Tax	3.5	46,887,231	250,702,924
Remittance Tax	3.6	1,667,666,088	1,001,848,659
Capital Gain Tax	3.7	2,679,199,097	5,315,389,458
Tax on Voluntary Disclosure	3.8	11,783,867	3,969,890,410
Other	3.9	48,533,060,340	23,991,056,550
		911,355,309,961	534,020,830,117
4 Fines & Forfeits			
Fines and Forfeits - Customs	4.1	5,438,106,419	4,549,141,645
Fines and Forfeits - Other	4.2	2,872,456,836	1,837,908,914
		8,310,563,255	6,387,050,559
5 Grants			
Grants Received in the form of Cash for Projects		5,333,045,314	3,217,665,999
Grant Received through Special Foreign Currency Accounts		4,475,929,923	2,664,450,918
Grants Received in Materials & Equipments		11,208,048,717	19,487,743,093
Direct Payments		3,786,415,343	8,032,543,952
Foreign Grants	5.1	24,803,439,298	33,402,403,963
Domestic Grants	5.2	698,378,005	2,645,500
		25,501,817,303	33,405,049,463

Donor	Actual	
	2023 Rs.	2022 Rs.
5.1 FOREIGN GRANTS		
<u>Grants Received in the form of Cash for Projects</u>		
Asian Development Bank (ADB)	1,506,500	2,385,568
The Government of Japan (JICA)	21,154,120	39,575,240
International Labour Organization (ILO)	13,125,355	6,323,654
United States Agency for International Development (USAID)	55,386,512	20,065,000
United Nations Industrial Development Organization (UNIDO)	591,700	8,049,016
United Kingdom (UK)	68,765,190	103,003,064
United Nations Development Programme (UNDP)	1,808,237,710	400,097,330
United Nations Educational, Scientific Cultural Organization (UNESCO)	8,676,280	16,228,622
United Nations Fund for Population (UNFPA)	66,106,040	29,191,517
United Nations Children's Fund (UNICEF)	1,145,150,807	464,988,113
World Health Organization (WHO)	226,446,549	132,195,712
World Food Programme (WFP)	737,576,965	932,204,815
World Bank (WB)	197,172,921	335,648,442
United Nations Environment Programme (UNEP)	25,922,543	13,005,504
South Asian Association for Regional Cooperation (SAARC)	76,791,636	92,492,218
Food and Agricultural Organization (FAO)	9,715,965	44,960
Government of Korea	599,429,060	551,449,700
Government of Norway (NORAD)	5,548,129	7,692,216
Government of China	14,788,521	2,001,730
Universal Postal Union Head Office	-	105,200
Colombo Plan	840,000	2,000,000
Switzerland (Swiss Confederation)	10,601,723	24,257,449
Canada	1,754,645	-
Australia	58,609,331	2,660,931
South Asia Co-operative Environment Programme (SACEP)	62,891,055	32,000,000
Green Climate Fund (GCF)	26,462,082	-
Nepal	2,406,635	-
German	20,608,763	-
European Union (EU)	65,000,000	-
African Asian Rural Dev.Org. (AARDO)	1,778,579	-
Total (a)	5,333,045,314	3,217,665,999
<u>Grants Received through Special Foreign Currency Accounts</u>		
International Development Association (IDA)	3,114,222,392	2066724993
Asian Development Bank (ADB)	1,361,707,531	597725925.2
Total (b)	4,475,929,923	2,664,450,918
<u>Grants Received in Materials & Equipments</u>		
The Government of Japan (JICA)	110,186,932	12,810
World Food Programme (WFP)	2,601,063,282	5,889,613,818
United States Department of Agriculture USDA (USA)	1,489,528,269	1,656,065,876
Government of China	108,675,356	11,942,050,589

Donor	Actual	
	2023 Rs.	2022 Rs.
Government of German (GIZ)	2,190,834,251	-
Australia	2,159,659,867	-
Government of Korea	354,385,330	-
Government of India	66,416,974	-
United Nations Development Programme (UNDP)	85,589,829	-
Asian Development Programme	22,248,628	-
Netherland	2,019,460,000	-
Total (c)	11,208,048,717	19,487,743,093
Direct Payments		
Government of Japan (JICA)	721,919,011	1,137,388,099
Government of India	78,190,836	218,699,747
Government of German (GIZ)	1,669,620,361	1,398,229,085
Government of China	-	480,977,897
Government of Korea	100,000,000	219,152,963
United States Agency for International Development (USAID)	434,473,253	3,112,355,331
Asian Development Bank (ADB)	213,823,513	226,000,000
France	-	14,936,103
Switzerland (Swiss Confederation)	292,891,190	126,121,982
Australia	193,831,953	1,003,322,459
GFATM	10,401,403	61,119,060
Asian Countries - Reco Asia	4,991,645	34,241,227
Norway (Norad)	3,600,000	-
United Nations Development Programme (UNDP)	62,672,178	-
Total (d)	3,786,415,343	8,032,543,952
Grand Total = (a)+(b)+ (c)+(d)	24,803,439,298	33,402,403,963

5.2 DOMESTIC GRANTS

Domestic Grants Received in the Form of Cash for Projects

Donation for Disaster Recilint Housing Project	289,747,505	-
Donation to 1990 Suwasariya Foundation	407,900,000	-
Donation for Swabbhimani National Festival	530,000	-
Donation for Batticaloa Vocational Training Centre Second Anniversary	50,000	-
Donation for International Sign language Day & White cane Grants	150,500	-
Total (a)	698,378,005	-

Domestic Grants Received in Materials & Equipments

Amount of Material for Eight Storied Building of Borella Ayurveda Teaching Hospital (Donation for D/O Ayurveda)	-	2,645,500.00
Total (b)	-	2,645,500.00
Grand Total = (a)+(b)	698,378,005	2,645,500.00

**Notes to the Financial Statements
for the Year Ended 31st December 2023**

Sub Note	Revenue Code	2023 Rs.	2022 Rs.
1.1 Value Added Tax			
Financial Services	1002.01.01	88,528,786,518	63,468,269,737
Other Services	1002.01.02	200,674,146,441	116,010,177,196
Manufacturing	1002.01.03	179,904,493,067	112,140,773,801
Imports	1002.01.04	225,352,803,704	171,452,438,798
Value Added Tax	1002.01.00	694,460,229,730	463,071,659,532
1.2 Excise (Special Provisions) Duty			
Cigarettes	1002.05.01	117,466,701,553	104,160,061,906
Petroleum Products	1002.05.03	143,642,439,301	53,073,534,123
Motor Vehicles	1002.05.04	32,525,767,540	14,503,582,079
Lottery	1002.05.05	-	-
Other	1002.05.99	4,713,097,498	5,598,413,494
Excise (Special Provisions) Duty	1002.05.00	298,348,005,892	177,335,591,602
1.3 Excise (Ordinance) Duty			
Liquor	1002.04.01	170,259,621,094	165,187,536,555
Excise (Ordinance) Duty	1002.04.00	170,259,621,094	165,187,536,555
1.4 Nation Building Tax			
Services	1002.12.01	44,176,006	332,880,335
Manufacturing	1002.12.02	23,940,015	19,403,725
Imports	1002.12.03	259,965,755	61,143,500
Nation Building Tax	1002.12.00	328,081,775	413,427,560
1.5 Levies			
Telephone Subscribers Levy	1002.11.00	17,304,005,581	14,995,182,044
Teledramas, Films and Commercials Levy	1002.13.00	150,450,000	215,020,000
Cellular Tower Levy	1002.14.00	1,630,777,873	1,540,379,201
SMS Advertising Levy	1002.15.00	247,273,102	220,075,482
Services	1002.03.01	880,259	11,309,942
National Security Levy	1002.03.00	880,259	11,309,942
Social Responsibility Levy	1002.10.00	12,300	-
Services	1002.16.01	112,350,531,382	13,191,134,085
Manufacturing	1002.16.02	52,564,896,761	10,167,031,812
Imports	1002.16.03	51,265,118,412	12,752,864,609
Social Security Contribution Levy		216,180,546,555	36,111,030,506
		235,513,945,671	53,092,997,174
1.6 Licence Taxes and Other			
Luxury Motor Vehicle Tax	1003.01.00	3,021,178,181	1,331,926,748
Betting & Gaming Levy	1003.03.00	7,421,816,561	5,244,762,337.45
Share Transaction Levy	1003.04.00	2,477,736,910	4,215,856,857.08
Licence Taxes and Other		12,920,731,651	10,792,545,942

Sub Note	Revenue Code	2023 Rs.	2022 Rs.
1.7 Goods and Services Tax			
Services	1002.02.01	238,255	-
Goods and Services Tax	1002.02.00	238,255	-
1.8 Other Taxes			
Tobacco Tax	1002.06.00	1,014,034,738	39,488,794
Turnover Tax	1002.09.00	3,885,484	7,473,447
Migrating Tax	1003.10.00	14,350,332	10,728,103
		1,032,270,554	57,690,344
2.1 Levies			
Ports & Airports Development Levy	1001.04.00	175,486,337,460	180,595,424,536
Import Cess Levy	1001.05.01	54,955,605,977	68,075,067,309
Export Cess Levy	1001.05.02	2,228,505,704	2,242,555,084
Special Commodity Levy	1001.08.00	51,327,452,912	40,193,739,154
		283,997,902,052	291,106,786,083
2.2 Import & Export Duties			
Import Duties	1001.01.00	105,120,348,637	50,009,441,350
Export Duties	1001.02.00	26,750,355	41,318,861
		105,147,098,991	50,050,760,211
2.3 Import & Export Licences Fees			
Import & Export Licences Fees	1001.03.00	3,304,992,140	3,086,778,409
		3,304,992,140	3,086,778,409
3.1 Income Tax			
Income Tax	1004.01.01	555,304,408,507	453,905,241,708
		555,304,408,507	453,905,241,708
3.2 Economic Service Charge			
Domestic	1004.04.01	234,523,199	174,028,987
Imports	1004.04.02	12,152,096	27,723,682
Economic Service Charge	1004.04.00	246,675,295	201,752,669
3.3 Withholding Tax			
On Interest	1004.03.01	72,218,110,528	320,626,859
On Fees & Other	1004.03.99	85,692,720,202	19,518,206,519
Withholding Tax	1004.03.00	157,910,830,730	19,838,833,378
3.4 Pay As You Earn (PAYE)			
PAYE	1004.02.01	144,954,798,806	25,546,114,363
		144,954,798,806	25,546,114,363
3.5 Dividend Tax			
Dividend Tax	1004.01.02	46,887,231	250,702,924
		46,887,231	250,702,924

Sub Note	Revenue Code	2023 Rs.	2022 Rs.
3.6 Remittance Tax			
Remittance Tax	1004.01.03	1,667,666,088 1,667,666,088	1,001,848,659 1,001,848,659
3.7 Capital Gain Tax			
Capital Gain Tax	1004.05.00	2,679,199,097 2,679,199,097	5,315,389,458 5,315,389,458
3.8 Other			
Tax on Voluntary Disclosure	1004.06.00	11,783,867 11,783,867	3,969,890,410 3,969,890,410
3.9 Other			
Other	1004.02.99	48,533,060,340 48,533,060,340	23,991,056,550 23,991,056,550
4.1 Fines and Forfeits - Customs			
Fines and Forfeits - Customs	2003.03.01	5,438,106,419 5,438,106,419	4,549,141,645 4,549,141,645
4.2 Fines and Forfeits - Other			
Fines and Forfeits - Other	2003.03.02	2,872,456,836 2,872,456,836	1,837,908,914 1,837,908,914
Grants			
5.1 Foreign Grants	3001.01.00	24,803,439,298	33,402,403,963
5.2 Domestic Grants	3001.02.00	698,378,005 25,501,817,303	2,645,500 33,405,049,463

**Notes to the Financial Statements
for the Year Ended 31st December 2023**

	Sub Note	2023 Rs.	2022 Rs.
6 Revenue from Exchange Transactions			
Administrative Fees & Charges	6.1	108,723,167,422	64,202,561,363
Profits	6.2	60,496,772,520	22,004,727,426
Social Security Contributions	6.3	36,258,424,820	37,415,664,245
Current Transfers	6.4	5,966,176,282	33,898,784,081
Service Revenue	6.5	30,700,710,204	19,916,735,341
Interest	6.6	26,245,034,955	7,325,545,826
Rent	6.7	6,986,315,943	5,861,707,128
Dividends	6.8	15,204,348,243	6,087,754,385
Revenue from the United Nations' Peacekeeping Operations	6.9	10,124,287,627	2,447,153,974
Government Paddy Purchasing Programme	6.10	961,121,370	219,195,182
Treasury Bonds Premium	6.11	19,418,195,594	22,648,682,855
Departmental Sales	6.12	158,732,020	119,168,958
Revenue from Sale of Hydropower	6.13	1,353,731,252	59,974,294
Public Officer's Motor Cycle Premium	6.14	490,386	909,850
Fees Under the Certificate to be Granted Yearly to Notary Registrar of the High Court	6.15	8,939,192	10,182,454
Other Receipts	6.16	27,058,002,760	19,060,869,849
Other Licenses	6.17	3,885,686,378	2,905,290,759
		353,550,136,968	244,184,907,969
7 Other Revenue			
Sale of Assets	7.1	515,895,718	584,212,972
		515,895,718	584,212,972

**Notes to the Financial Statements
for the Year Ended 31st December 2023**

Sub Note	Revenue Code	2023 Rs.	2022 Rs.
6.1	Administrative Fees & Charges		
	Audit Fees	415,611,400	489,581,029
	Fees Under Registration of Persons	1,128,518,400	552,262,863
	Fees of Department of Survey	359,211,368	319,289,778
	Service Charges of Government Press	1,091,284,271	928,554,129
	Fees Under the Fauna & Flora Protection Ordinance	50,026,598	26,791,472
	Fees of Passports, Visas & Dual Citizenship	42,772,537,242	23,834,534,358
	Embarkation Levy	38,828,543,756	22,248,864,840
	Fees of Department of Valuation	244,849,260	234,658,165
	Fees of Registrar of Companies	183,673,278	128,132,962
	Legal Fees from Corporations & Statutory Bodies	124,597,691	108,727,032
	Fees Recovered Under the Public Contract Act	49,895,800	29,066,000
	Examinations & Other Fees	217,794,625	69,225,436
	Fees Under the Motor Traffic Act & Other Receipts	12,197,934,922	6,554,422,058
	Registration Fees on Motor Vehicle Transfers Under the Issuing Motor Vehicle Permits on Concessionary Terms	6,867	77
	Aircraft Rentals	14,705,813	14,591,537
	Fee on Local Sale of Garments	171,682,532	196,200,390
	Fees Relevant to the Department of Agriculture	884,822,691	783,736,614
	Fees Relevant to the Botanical Gardens	833,193,462	388,379,319
	Fees Relevant to the Ministry of Petroleum Industries	1,724,530,475	187,216,484
	Merchant Shipping Secretariat Fees	198,254,438	49,745,845
	Casino License Fees	-	2,000,000,000
	Sundries	7,231,492,534	5,058,580,975
	Administrative Fees & Charges	108,723,167,422	64,202,561,363
6.2	Profits		
	Profits	60,496,772,520	22,004,727,426
		60,496,772,520	22,004,727,426
6.3	Social Security Contributions		
	Central Government	22,713,034,278	23,872,352,903
	Provincial Councils	13,545,390,542	13,543,311,342
	Social Security Contributions	36,258,424,820	37,415,664,245
6.4	Current Transfers		
	Central Bank Profits	1,028,542,891	30,007,245,202
	National Lotteries Board and Other Transfers	4,937,633,391	3,891,538,878
	Current Transfers	5,966,176,282	33,898,784,081
6.5	Service Revenue		
	Railways	16,079,474,196	10,335,603,441
	Postal	13,627,445,761	9,268,542,792
	Stores Advance Accounts (Explosive Items)	900,000,000	247,000,000
	Prisons Industrial and Agricultural Advance Account	93,790,247	65,589,108
		30,700,710,204	19,916,735,341

Sub Note	Revenue Code	2023 Rs.	2022 Rs.
6.6 Interest			
On-Lending	2002.02.01	9,439,025,444	5,597,585,565
Other	2002.02.99	16,806,009,511	1,727,960,261
Interest	2002.02.00	26,245,034,955	7,325,545,826
6.7 Rent			
Rent on Government Building & Housing	2002.01.01	1,634,693,929	1,504,677,796
Rent on Crown Forests	2002.01.02	1,739,394,752	2,081,315,722
Rent from Land and Other	2002.01.03	150,083,569	113,025,610
Lease Rental from Regional Plantation Companies	2002.01.04	1,880,763,681	1,216,494,535
Other Rental	2002.01.99	1,581,380,012	946,193,464
Rent	2002.01.00	6,986,315,943	5,861,707,128
6.8 Dividends			
Dividends	2002.04.00	15,204,348,243	6,087,754,385
		15,204,348,243	6,087,754,385
6.9 Revenue from the United Nations' Peacekeeping Operations			
Revenue from the United Nations' Peacekeeping Operations	2003.06.00	10,124,287,627	2,447,153,974
		10,124,287,627	2,447,153,974
6.10 Government Paddy Purchasing Programme			
Government Paddy Purchasing Programme	2003.07.00	961,121,370	219,195,182
		961,121,370	219,195,182
6.11 Treasury Bonds Premium			
Treasury Bonds Premium	2003.05.00	19,418,195,594	22,648,682,855
		19,418,195,594	22,648,682,855
6.12 Departmental Sales			
Departmental Sales	2003.01.00	158,732,020	119,168,958
		158,732,020	119,168,958
6.13 Revenue from Sale of Hydropower			
Revenue from Sale of Hydropower	2003.08.00	1,353,731,252	59,974,294
		1,353,731,252	59,974,294
6.14 Public Officer's Motor Cycle Premium			
Public Officer's Motor Cycle Premium	2003.04.00	490,386	909,850
		490,386	909,850

Sub Note	Revenue Code	2023 Rs.	2022 Rs.
6.15 Fees Under the Certificate to be Granted Yearly to Notary Registrar of the High Court			
Fees Under the Certificate to be Granted Yearly to Notary Registrar of the High Court	1003.08.00	8,939,192	10,182,454
		8,939,192	10,182,454
6.16 Other Receipts			
Other Receipts	2003.99.00	27,058,002,760	19,060,869,849
		27,058,002,760	19,060,869,849
6.17 Other Licenses			
Registration Fees Relevant to the Department of Registrar General	1003.07.02	2,400,009,636	2,166,590,031
Private Timber Transport	1003.07.03	121,693,246	133,201,789
Tax on Sale of Motor Vehicles	1003.07.04	35,596,226	32,755,603
License Fees Relevant to the Ministry of Defence	1003.07.05	64,116,857	42,416,904
License Fees Relevant to the Dept. of Fisheries & Aquatic Resources	1003.07.06	179,170,315	185,602,364
Vehicle Entitlement Levy	1003.07.10	978,765,002	108,004,802
Debt Repayment Levy	1003.07.11	31,369,964	81,798,840
Other	1003.07.99	156,113,454	145,816,328
Company Registration Levy	1003.07.08	(88,230,000)	-
Carbon Tax	1003.07.09	7,081,679	9,104,097
		3,885,686,378	2,905,290,759
7.1 Sale of Capital Assets-Vehicle	2006.02.01	329,570,816	226,400,016
Sale of Capital Assets-others	2006.02.02	186,324,902	357,812,957
		515,895,718	584,212,972

**Notes to the Financial Statements
for the Year Ended 31st December 2023**

	Sub Note	2023 Rs.	2022 Rs.
8	EMPLOYEE COST		
1001	Salaries and Wages	350,085,070,609	398,594,571,290
1003	Other Allowances	266,646,199,461	269,051,036,660
1002	Overtime and Holiday Payments	47,883,578,288	45,299,117,103
2401	Staff Training	6,070,470,950	6,319,128,207.46
1506	Property Loan Interest to Public Servants	1,951,050,625	2,191,342,417
		672,636,369,933	721,455,195,677
9	OTHER COSTS		
	Supplies	9.1 291,723,229,369	159,309,120,006
	Services	9.2 74,999,808,013	55,884,718,808
	Maintenance Expenditure	9.3 51,076,478,575	27,225,323,173
	Travelling Expenditure	9.4 24,250,989,301	16,131,786,081
		442,050,505,258	258,550,948,068
10	GRANTS AND SUBSIDIES		
1501	Welfare Programmes	301,200,066,032	230,882,212,933
1507	Grants to Provincial Councils	333,566,964,524	298,737,421,000
1502	Retirement Benefits	372,861,600,089	309,766,325,434
1503	Public Institutions	77,490,823,510	75,900,096,872
1504	Development Subsidies	85,038,802,257	74,413,276,928
1505	Subscriptions and Contributions Fee	3,259,659,019	2,387,391,686
1508	Other	3,127,916,934	5,293,149,224
1509	Public Institutions (Other Operational Expenditure)	26,970,731,755	21,483,234,070
2201	Public Institutions	64,232,170,159	72,946,831,126
2202	Development Assistance	37,973,174,932	39,300,549,758
2203	Contribution to Provincial Councils	10,100,000,000	5,846,861,800
2204	Transfers Abroad	1,365,556,140	1,540,006,525
2205	Capital Grants to Non-Public Institution	511,036,632	1,307,937,453
		1,317,698,501,982	1,139,805,294,810
11	FINANCE COSTS		
1601	Interest on Domestic Debt	1,131,300,820,971	837,513,737,610
1602	Interest on Foreign Debt	123,391,434,479	128,621,067,120
1603	Discounts on Treasury Bills and Treasury Bonds	1,200,907,288,888	599,054,822,645
1406	Interest on Leased Assets	171,915,971	111,322,755
		2,455,771,460,309	1,565,300,950,129
12	OTHER RECURRENT EXPENSES		
	Other Expenditure under Public Investments	12.1 388,401,390,495	354,987,658,691
1701	Losses and Write off	131,972,628	164,610,945
1703	Implementation of the Official Languages Policy	46,926,225	48,825,506
		388,580,289,347	355,201,095,141

**Notes to the Financial Statements
for the Year Ended 31st December 2023**

Sub Note	Expense Code	2023 Rs.	2022 Rs.
9.1 Supplies			
Stationery and Office Requisites	1201	6,512,762,502	3,816,094,546
Fuel	1202	45,257,772,707	37,454,639,383
Diets and Uniforms	1203	80,682,779,211	35,167,559,650
Medical Supplies	1204	147,708,158,864	75,718,354,640
Other	1205	11,561,756,085	7,152,471,786
		291,723,229,369	159,309,120,006
9.2 Services			
Transport	1401	7,228,280,563	6,598,423,502
Postal and Communication	1402	4,654,928,847	4,006,425,141
Electricity and Water	1403	25,347,129,523	14,676,308,199
Rents and Local Taxes	1404	8,611,354,562	7,601,652,297
Lease Rental for Vehicles Procured Under Operational Leasing	1408	339,665,696	660,042,333
Other	1409	28,818,448,821	22,341,867,336
		74,999,808,013	55,884,718,808
9.3 Maintenance Expenditure			
Vehicles	1301	5,874,916,687	4,279,738,472
Plant and Machinery	1302	4,797,010,927	2,961,247,396
Buildings and Structures	1303	1,707,371,415	1,156,715,580
<i>Rehabilitation and Improvements of Capital Assets</i>			
Buildings and Structures	2001	17,461,123,370	6,540,846,766
Plant, Machinery and Equipment	2002	12,581,545,586	7,313,395,570
Vehicles	2003	8,654,510,591	4,973,379,389
		51,076,478,575	27,225,323,173
9.4 Travelling Expenditure			
Domestic	1101	22,434,114,110	15,051,113,074
Foreign	1102	1,816,875,191	1,080,673,007
		24,250,989,301	16,131,786,081
12.1 Other Expenditure under Public Investments			
Restructuring	2501	17,119,927	18,317,447
Contribution to Provincial Councils	2504	24,540,266,069	14,134,759,131
Procurement Preparedness	2505	22,780,891	14,549,791
Infrastructure Development	2506	305,202,534,826	271,129,449,783
Research and Development	2507	13,597,142,824	8,993,843,637
Other	2509	45,021,545,958	60,696,738,903
		388,401,390,495	354,987,658,691

NOTE 13 - STATEMENT OF NON-FINANCIAL ASSETS 2023

Building- 9151: 426,118,267,945
Machinery- 9152: 442,971,080,531
Land- 9153: 1,110,853,908,854
Intangible- 9154: 10,425,942,570
Biological- 9155: 121,210,870
WIP- 9160: 543,737,044,762
Lease- 9180: 2,939,416,408
Grand Total: 2,537,166,871,940

Ledger	Category	Item	Code	Closing Balance 2022	Opening Balance Addition During the Year	Opening Balance 2023	Transfer In	Purchases	Disposals	Closing Balance 2023
9151	1.1-Dwellings		61111	40,280,488,816	9,030,954,417	49,311,443,233	107,650,154	705,309,319	357,466,056	49,766,936,650
		House Boats	****611101	32,620,175	-	32,620,175	-	-	-	32,620,175
		Garages	****611102	310,185,837	20,815,000	331,000,837	-	131,580,500	-	462,581,337
		Mobile Home	****611103	5,869,134	11,996,750	17,865,884	3,085,000	-	-	20,950,884
		Housing Schemes/ Flats	****611104	11,010,469,081	5,845,131,042	16,855,600,124	-	107,650,736	-	16,963,230,860
		Rest Houses	****611105	1,412,856,997	7,610,190	1,488,958,897	-	51,909	-	1,489,010,805
		Hotels & Restaurants	****611106	467,657,804	-	467,657,804	4,742,168	79,917,900	-	552,317,872
		Quarters	****611107	24,467,508,042	1,626,549,142	26,094,057,184	94,799,130	346,342,508	125,634,947	26,409,563,876
		Circuit Bungalows	****611108	2,573,321,746	1,450,360,582	4,023,682,328	5,023,856	38,596,766	231,831,109	3,835,471,840
9151	1.2-Non Residential Building		61112	324,529,947,996	34,144,694,902	358,674,642,898	12,149,149,885	11,353,390,361	9,896,044,676	372,281,138,469
		Building for Public	****6111204	3,334,578,164	320,953,487	3,655,531,650	-	74,071,074	-	3,729,602,724
		Entertainment Warehouse	****6111205	6,202,828,738	475,110,037	6,677,938,774	244,732,032	117,519,162	15,600,362	7,024,589,606
		Airport	****6111206	87,575	-	87,575	-	-	-	87,575
		Factories	****6111210	4,209,316,204	4,050,200	4,213,366,404	-	-	-	4,213,366,404
		Crematorium	****6111207	-	-	-	-	143,215	-	143,215
		Schools	****6111202	48,698,637,232	595,942,148	49,294,579,379	46,857,201	1,544,933,289	159,496,766	50,726,873,104
		Laboratories & Research Stations Markets	****6111209	3,454,882,282	13,025,000	3,467,907,282	116,056	47,774,534	37,809,661	3,477,988,211
		Office Building	****6111208	290,281,241	76,570,550	366,851,791	-	6,814,974	-	373,666,765
		Hospitals	****6111201	199,801,193,184	24,142,589,616	223,943,782,800	11,857,444,596	9,523,248,881	6,374,537,887	238,949,938,389
		Highways Street Road	****6111203	58,538,143,377	8,516,453,866	67,054,597,243	-	40,074,233	3,308,600,000	63,786,071,476
9151	1.3-Other Structure		61113	3,300,258,610	539,698,972	3,839,957,582	52,690,836	36,509,081,192	36,331,536,784	4,070,192,826
		Highways Street Road	****6111301	63,403,342	54,671,353	118,074,695	-	32,011,734,222	32,011,734,222	118,074,695

Ledger	Category	Item	Code	Closing Balance 2022	Opening Balance Addition During the Year	Opening Balance 2023	Transfer In	Purchases	Disposals	Closing Balance 2023
		Bridges	***6111302	42,000	5,119,622	5,161,622	-	4,319,787,387	4,319,787,387	5,161,622
		Tunnel	***6111303	4,450,002	-	4,450,002	-	-	-	4,450,002
		Railways Subways	***6111304	518,231,288	384,580,922	902,812,210	-	22,887,793	-	925,700,004
		Air field runways	***6111305	134,000	-	134,000	-	-	-	134,000
		Harbors dams & other water works	***6111306	145,538,611	22,397,459	167,936,071	-	1,416,371	-	169,352,442
		Structures associated with mining subsoil assets	***6111307	49,371,270	347,175	49,718,445	-	145,426,275	15,175	195,129,545
		Communication line power line & pipelines	***6111308	1,264,727,005	52,220,541	1,316,947,546	32,000,000	7,829,144	-	1,356,776,690
		Outdoor sport & recreation facilities	***6111309	531,962,197	-	531,962,197	-	-	-	531,962,197
		Sewerage Treatment Complex	***6111310	301,637,908	857,508	302,495,416	20,690,836	-	-	323,186,252
		Pumping Station	***6111311	258,578,614	5,900,000	264,478,614	-	-	-	264,478,614
		Farms and Agriculture related Assets	***6111312	162,182,373	13,604,392	175,786,764	-	-	-	175,786,764
		9151-Sub Total		368,110,695,422	43,715,348,291	411,826,043,713	12,309,490,876	48,567,780,872	46,585,047,515	426,118,267,945
9160	1.4-WIP-Building & Structure			271,627,374,846	500,025,671,228	771,653,046,073	52,579,657,045	6,296,889,047	286,792,547,404	543,737,044,762
		WIP-Building & Structure	***611140	64,807,423,977	6,372,498,345	71,179,922,322	2,313,404,968	1,734,713,746	2,424,824,913	72,803,216,123
		House Boats	***611141	31,266,231	-	31,266,231	-	-	-	31,266,231
		Hospitals	***6111410	2,611,983,872	-	2,611,983,872	-	192,032,662	-	2,804,016,534
		Building for Public Entertainment Warehouse	***6111411	829,073,609	-	829,073,609	-	29,415,634	11,698,490	846,790,753
		Crematorium	***6111412	1,947,004,337	7,269,875	1,954,274,212	-	14,865,979	16,102,201	1,953,037,989
		Markets	***6111414	83,007	-	83,007	-	-	-	83,007
		Laboratories & Research Stations	***6111415	11,282,470	-	11,282,470	-	999,918	-	12,282,388
		Factories	***6111416	11,148,341	449,504,573	460,652,913	820,493,604	7,641,583	-	1,288,788,101
		Highways Street Road	***6111417	21,513,462	-	21,513,462	-	2,686,986	-	24,200,448
		Bridges	***6111418	143,540,305,597	343,562,800,245	487,103,105,842	47,497,307,720	-	182,476,039,198	352,124,374,364
		Garages	***6111419	9,904,768,467	148,466,779,316	158,371,547,783	1,917,399,555	528,100	99,326,824,775	60,962,650,663
		Railways Subways	***611142	40,747,212	-	40,747,212	-	1,061,892	-	41,809,105
		Air field runways	***6111421	477,900	-	477,900	-	-	-	477,900
		Harbors dams & other water works	***6111422	704,006	-	704,006	-	-	-	704,006
			***6111423	14,547,508	-	14,547,508	-	1,240,592	-	15,788,101

Ledger	Category	Item	Code	Closing Balance 2022	Opening Balance Addition During the Year	Opening Balance 2023	Transfer In	Purchases	Disposals	Closing Balance 2023
		Structures associated with mining subsoil assets	****6111424	4,023,641	-	4,023,641	-	-	-	4,023,641
		Communication line power line & pipelines	****6111425	34,724,650	-	34,724,650	-	4,153,648	-	38,878,298
		Outdoor sport & recreation facilities	****6111426	939,088,604	-	939,088,604	-	88,610	-	939,177,214
		Sewerage Treatment Complex Pumping Station	****6111427	19,301,531	-	19,301,531	-	-	-	19,301,531
		Farms and Agriculture related Assets	****6111428	165,234,794	-	165,234,794	-	1,200,002	-	166,434,796
		Mobile Home	****6111429	3,262,086	-	3,262,086	-	-	-	3,262,086
		Rest Houses	****611143	61,155,297	-	61,155,297	-	415,515	824,550	60,746,261
		Housing Schemes/ Flats	****6111430	2,488,956	-	2,488,956	-	30,000	-	2,518,956
		Hotels & Restaurants	****611144	54,423,613	473,255,348	527,678,961	-	128,143,640	-	655,822,601
		Quarters	****611145	4,937,614	-	4,937,614	-	1,178,825	-	6,116,439
		Circuit Bunglows	****611146	5,074,359,615	463,959,333	5,538,318,948	-	247,286,465	522,690,451	5,262,914,963
		Office Building	****611147	204,077,845	-	204,077,845	-	908,000	-	204,985,845
		Schools	****611148	37,384,933,460	223,696,081	37,608,629,541	31,051,199	3,449,958,630	1,679,810,092	39,409,829,279
		Industrial Vehicle	****611149	3,903,033,147	5,908,112	3,908,941,259	-	478,338,618	333,732,735	4,053,547,142
		Cargo vehicle	****611210	17,038,709,344	6,415,837,878	23,454,547,223	-	129,676,261	1,017,496,307	22,566,727,177
		Railway locomotives	****6112107	38,851,572,114	-	38,851,572,114	-	238,427,994	-	39,090,000,108
		Aircraft	****6112108	53,847,374,223	1,492,897,136	55,340,271,359	874,549,567	539,054,193	16,767,278	56,737,107,840
		Ambulance	****6112105	5,092,120,117	852,680,968	5,944,801,085	-	659,940	84,190,695	5,861,270,330
		Passenger vehicle	****6112101	92,644,134,162	28,931,991,447	121,576,125,609	1,642,335,227	489,920,171	3,024,543,732	120,683,837,275
		Ships	****6112106	29,255,747,657	133,576,670	29,389,324,327	-	-	490,975	29,388,833,352
		Agricultural vehicle	****6112103	3,407,045,682	305,139,681	3,712,185,363	-	726,875	175,468,178	3,537,444,061
		Motor cycle	****6112109	3,297,702,968	697,742,045	3,995,445,014	200,000	1,349,085	60,591,703	3,936,402,396
		Defence Equipment	****6112215	136,154,966,558	8,054,015,961	144,208,982,519	6,141,054,901	8,493,468,572	3,705,486,020	155,138,019,972
		Office Equipment	****6112201	7,807,254,505	165,894,283	7,973,148,788	99,979	361,044,594	3,278,754	8,331,014,606
		Broadcasting Equipment	****6112214	12,485,855,340	451,556,775	12,937,412,115	46,632,243	696,257,606	215,085,983	13,465,215,980
			****6112214	358,624,063	229,375,210	587,999,273	221,377	11,526,713	355,421	599,391,942
9152	2.1-Transport Equipment									
		9160-Sub Total		271,627,374,846	500,025,671,228	771,653,046,073	52,579,657,045	6,296,889,047	286,792,547,404	543,737,044,762
9152	2.2-Other Machinery & Equipment									
				248,662,857,690	39,627,981,721	288,290,839,412	2,522,511,542	1,417,483,359	4,397,773,753	287,833,060,559
				5,228,451,422	798,115,896	6,026,567,318	5,424,747	16,515,750	18,224,885	6,030,284,930
				17,038,709,344	6,415,837,878	23,454,547,223	-	129,676,261	1,017,496,307	22,566,727,177
				38,851,572,114	-	38,851,572,114	-	238,427,994	-	39,090,000,108
				53,847,374,223	1,492,897,136	55,340,271,359	874,549,567	539,054,193	16,767,278	56,737,107,840
				5,092,120,117	852,680,968	5,944,801,085	-	659,940	84,190,695	5,861,270,330
				92,644,134,162	28,931,991,447	121,576,125,609	1,642,335,227	489,920,171	3,024,543,732	120,683,837,275
				29,255,747,657	133,576,670	29,389,324,327	-	-	490,975	29,388,833,352
				3,407,045,682	305,139,681	3,712,185,363	-	726,875	175,468,178	3,537,444,061
				3,297,702,968	697,742,045	3,995,445,014	200,000	1,349,085	60,591,703	3,936,402,396
				136,154,966,558	8,054,015,961	144,208,982,519	6,141,054,901	8,493,468,572	3,705,486,020	155,138,019,972
				7,807,254,505	165,894,283	7,973,148,788	99,979	361,044,594	3,278,754	8,331,014,606
				12,485,855,340	451,556,775	12,937,412,115	46,632,243	696,257,606	215,085,983	13,465,215,980
				358,624,063	229,375,210	587,999,273	221,377	11,526,713	355,421	599,391,942

Ledger	Category	Item	Code	Closing Balance 2022	Opening Balance Addition During the Year	Opening Balance 2023	Transfer In	Purchases	Disposals	Closing Balance 2023
		Communication Equipment	****6112204	8,529,359,898	2,444,461,485	8,773,821,383	668,634,624	1,181,019,222	2,737,315,207	7,886,160,022
		Construction Equipment	****6112213	2,456,958,648	20,664,072	2,477,622,720	530,108,681	63,530,706	17,312,851	3,053,949,256
		Medical Equipment	****6112207	43,043,438,511	1,303,040,615	44,346,479,126	169,912,428	1,152,547,628	1,859,900	45,667,079,282
		Industrial & Manufacturing Equipment	****6112212	5,487,449,575	29,338,408	5,516,787,983	43,419,171	464,180,363	4,415,808	6,019,971,709
		Computer Equipment	****6112202	15,833,256,699	1,352,984,337	17,186,241,035	748,995,781	1,782,885,834	278,873,757	19,439,248,893
		Laboratory Instruments	****6112211	7,251,327,257	165,936,149	7,417,263,406	710,492,380	517,664,461	7,307,942	8,638,112,305
		Furniture	****6112205	19,293,993,275	2,241,434,928	21,535,428,202	287,552,748	710,385,419	232,844,401	22,300,521,968
		Books Periodical & Journals	****6112210	74,732,421	562,633	75,295,054	-	3,514,941	11,800	78,798,195
		Sports Equipment	****6112208	460,869,271	61,688,684	522,557,955	3,037,201	31,647,050	85,871	557,156,334
		Agricultural & Dairy Farm Equipment	****6112216	558,794,285	49,312,577	608,106,862	92,400	32,718,935	10,010,332	630,907,864
		Musical Instruments	****6112206	711,785,925	66,660,909	778,446,834	2,416,530	116,973,611	302,350	897,534,625
		Fire Protection Equipment	****6112217	621,782,897	169,437,857	791,220,734	15,857,732	378,037,550	57,139,117	1,127,976,899
		Electrical Equipment	****6112203	11,163,537,873	1,491,519,561	12,655,057,434	117,086,447	984,791,434	138,999,726	13,617,935,590
		Paintings Sculptures & other Antiques	****6112209	15,946,114	10,147,500	26,093,614	2,796,495,180	5,895,597	286,800	2,828,197,591
		9152-Sub Total		384,817,824,248	47,681,997,682	432,499,821,930	8,663,566,443	9,910,951,931	8,103,259,773	442,971,080,531
		9180 2.3-Lease Asset	61123	2,923,762,895	50,355,204	2,974,118,099	-	4,819,349	39,521,040	2,939,416,408
		Lease-Passenger vehicle	****6112301	1,555,500,434	50,355,204	1,605,855,638	-	4,749,349	39,521,040	1,571,083,947
		Lease- Cargo vehicle	****6112302	174,900,000	-	174,900,000	-	70,000	-	174,970,000
		Lease-Agricultural vehicle	****6112303	655,974,211	-	655,974,211	-	-	-	655,974,211
		Lease-Ambulance	****6112305	537,388,250	-	537,388,250	-	-	-	537,388,250
		9180-Sub Total		2,923,762,895	50,355,204	2,974,118,099	-	4,819,349	39,521,040	2,939,416,408
		9155 5.2 Other Non Financial-Biological	61132	121,170,370	40,500	121,210,870	-	-	-	121,210,870
		Trees in Forest	****6113201	60,458,670	40,500	60,499,170	-	-	-	60,499,170
		Plants for Harvest	****6113202	44,500	-	44,500	-	-	-	44,500
		Plants for Timber	****6113203	189,000	-	189,000	-	-	-	189,000
		Animal for Dairy	****6113210	60,478,200	-	60,478,200	-	-	-	60,478,200
		9155-Sub Total		121,170,370	40,500	121,210,870	-	-	-	121,210,870

Ledger	Category	Item	Code	Closing Balance 2022	Opening Balance Addition During the Year	Opening Balance 2023	Transfer In	Purchases	Disposals	Closing Balance 2023
9154	5.3 Other Non Financial-Intangible		61133	6,745,125,910	214,693,000	6,959,818,910	117,993,721	3,401,687,233	53,557,294	10,425,942,570
		Computer Software	****6113301	6,669,577,306	201,860,872	6,871,438,178	98,619,578	3,382,424,602	53,557,294	10,298,925,064
		Licenses	****6113302	9,959,653	12,832,128	22,791,781	19,374,143	-	-	42,165,924
		Broadcast Rights	****6113305	917,649	-	917,649	-	477,250	-	1,394,899
		Service Contracts	****6113306	64,671,301	-	64,671,301	-	18,785,381	-	83,456,682
	9154-Sub Total			6,745,125,910	214,693,000	6,959,818,910	117,993,721	3,401,687,233	53,557,294	10,425,942,570
9153	4.1-Land		61410	821,921,099,511	124,128,635,806	946,049,735,317	418,052,725	16,978,239,521	26,224,087,864	937,221,939,699
		Land	****614100	821,921,099,511	124,128,635,806	946,049,735,317	418,052,725	16,978,239,521	26,224,087,864	937,221,939,699
9153	4.1-Urban or Built-Up Land		61411	71,154,653,965	3,259,149,500	74,413,803,465	901,327	-	426,100,000	73,988,604,792
		Commercial and Services Mixed Urban	****6141101 ****6141104	3,204,852,850 67,949,801,115	- 3,259,149,500	3,204,852,850 71,208,950,615	901,327 -	- -	- 426,100,000	3,205,754,177 70,782,850,615
9153	Water		61414	90,020,448,177	5,656,893,908	95,677,342,085	280,751,890	3,243,575,388	-	99,201,669,363
		Streams and Canals	****6141401	15,750,372,071	-	15,750,372,071	-	3,720,881	-	15,754,092,952
		Lakes	****6141402	617,000,000	-	617,000,000	-	-	-	617,000,000
		Reservoirs	****6141403	73,652,066,529	5,656,893,908	79,308,960,437	280,751,890	3,239,854,507	-	82,829,566,833
		Bays and Estuaries	****6141404	1,009,578	-	1,009,578	-	-	-	1,009,578
9153	Barren Land		61416	424,785,000	16,910,000	441,695,000	-	-	-	441,695,000
		Sandy Areas Other than Beaches	****6141603	424,785,000	16,910,000	441,695,000	-	-	-	441,695,000
	9153-Sub Total			983,520,986,653	133,061,589,214	1,116,582,575,868	699,705,942	20,221,814,908	26,650,187,864	1,110,853,908,854
	Grand Total			2,017,866,940,343	724,749,695,119	2,742,616,635,462	74,370,414,027	88,403,943,341	368,224,120,890	2,537,166,871,940

**Notes to the Financial Statements
for the Year Ended 31st December 20223**

	2023	2022
	Rs.	Rs.
14 MEMBERSHIP FEES PAID		
International Monetary Institutions Membership Fees (8234)	1,268,673,389	1,268,673,389
Foreign Aid Counterpart Fund - Grants (8317)	1,631,694,933	1,631,694,933
	2,900,368,322	2,900,368,322

**Notes to the Financial Statements
for the Year Ended 31st December 20223**

15 CAPITAL CONTRIBUTION OR SHAREHOLDINGS IN THE COMMERCIAL PUBLIC CORPORATIONS / STATE OWNED COMPANIES / OTHER COMPANIES / PLANTATION COMPANIES / DEVELOPMENT BANKS (8468 / 8548)

	Balance as at 01.01.2023	Additions/ Adjustments in 2023	Reductions/ Adjustments in 2023	Balance as at 31.12.2023
	Rs.	Rs.	Rs.	Rs.
Note - 15.1 (a) Capital Contribution in Commercial Public Corporations	1,959,998,642,830	163,960,255,785	-	2,123,958,898,615
Note - 15.1 (b) Contribution to the Central Bank of Sri Lanka	15,000,000	-	-	15,000,000
Note - 15.2 Shareholdings in Government Owned or Other	193,563,349,886	105,396,584,427	27,734,985,510	271,224,948,803
Note - 15-3 Shareholdings in Plantation Companies	1,696,237,450	-	-	1,696,237,450
Note - 15.4 Shareholdings in Companies in Dollar Denomination	3,154,688,030	(445,026,410)	-	2,709,661,620
Note - 15.5 Shareholdings in Development Banks	7,553,739,709	474,634,637	-	8,028,374,347
Total	2,165,981,657,905	269,386,448,439	27,734,985,510	2,407,633,120,834

15.1 (a) Capital Contribution in Commercial Public Corporations

	Balance as at 01.01.2023	Additions/ Adjustments in 2023	Reductions/ Adjustments in 2023	Balance as at 31.12.2023
	Rs	Rs	Rs	Rs
1 Agriculture and Agrarian Insurance Board	50,000,000	-	-	50,000,000
2 Bank of Ceylon	25,730,000,000	-	-	25,730,000,000
3 Central Engineering Consultancy Bureau	500,000	-	-	500,000
4 Ceylon Ceramic Corporation	2,640,000	-	-	2,640,000
5 Ceylon Electricity Board	864,144,028,965	127,293,200,166	-	991,437,229,131
6 Ceylon Fisheries Corporation	326,609,805	-	-	326,609,805
7 Ceylon Fishery Harbours Corporation	350,099,843	-	-	350,099,843
8 Ceylon Petroleum Corporation	912,580,511,477	-	-	912,580,511,477
9 Coconut Development Authority	88,943,221	-	-	88,943,221
10 Condominium Management Authority	500,000	-	-	500,000
11 Co-operative Wholesale Establishment	5,488,810,250	1,611,994,807	-	7,100,805,056
12 Export Development Board	10,014,284	-	-	10,014,284
13 Geological Survey and Mines Bureau	98,316,264	-	-	98,316,264
14 Janatha Estates Development Board	3,670,000,000	190,000,000	-	3,860,000,000
15 National Equipment and Machinery Organization	58,400,000	521,600,000	-	580,000,000
16 National Gem & Jewelry Authority	30,000,000	-	-	30,000,000
17 National Transport Medical Institute	62,099,697	-	-	62,099,697
18 National Films Corporation of Sri Lanka	10,000,000	-	-	10,000,000
19 National Institute of Business Management	57,175,766	-	-	57,175,766
20 National Livestock Development Board	6,801,995,542	-	-	6,801,995,542
21 National Lotteries Board	21,263,100	-	-	21,263,100
22 National Savings Bank	9,400,000,000	-	-	9,400,000,000
23 National Water Supply & Drainage Board	94,679,782,681	27,775,141,375	-	122,454,924,056
24 National Housing Development Authority	40,000,000	-	-	40,000,000
25 People's Bank	12,198,133,000	1,700	-	12,198,134,700
26 Paddy Marketing Board	2,807,734,713	-	-	2,807,734,713
27 Sri Jayewardenapura General Hospital	1,016,825,162	-	-	1,016,825,162

		Balance as at 01.01.2023	Additions/ Adjustments in 2023	Reductions/ Adjustments in 2023	Balance as at 31.12.2023
28	Sri Lanka Bureau of Foreign Employment	691,161,789	-	-	691,161,789
29	Sri Lanka Institute of Hotel Management	454,850,952	-	-	454,850,952
30	Sri Lanka Ayurvedic Drugs Corporation	5,000,000	-	-	5,000,000
31	Sri Lanka Broadcasting Corporation	480,239,085	300,000,000	-	780,239,085
32	Sri Lanka Cashew Corporation	427,287,074	-	-	427,287,074
33	Sri Lanka Cement Corporation	966,971,844	-	-	966,971,844
34	Sri Lanka Transport Board	3,944,890,550	-	-	3,944,890,550
35	Sri Lanka Export Credit Insurance Corporation	30,000,000	120,000,000	-	150,000,000
36	Sri Lanka Handicraft Board	69,629,000	-	-	69,629,000
37	Sri Lanka Land Reclamation & Development Corporation	1,000,000	-	-	1,000,000
38	Sri Lanka Ports Authority	7,535,916,027	-	-	7,535,916,027
39	Sri Lanka Rupavahini Corporation	760,743,000	131,443,693	-	892,186,693
40	Sri Lanka Tourism Promotion Bureau	33,069,157	-	-	33,069,157
41	Sri Lanka Tea Board	672,012,202	-	-	672,012,202
42	Sri Lanka State Plantation Corporation	-	63,900,000	-	63,900,000
43	State Development & Construction Corporation	16,671,650	-	-	16,671,650
44	State Engineering Corporation of Sri Lanka	705,500,000	3,436,880,000	-	4,142,380,000
45	State Mortgage & Investment Bank	889,813,000	-	-	889,813,000
46	State Pharmaceuticals Corporation of Sri Lanka	59,055,258	-	-	59,055,258
47	State Pharmaceuticals Manufacturing Corporation	690,079,000	2,416,094,044	-	3,106,173,044
48	State Printing Corporation	15,000,000	-	-	15,000,000
49	State Timber Corporation	41,503,668	-	-	41,503,668
50	Telecommunication Regulatory Commission	526,214,744	-	-	526,214,744
51	Urban Development Authority	1,257,651,060	100,000,000	-	1,357,651,060
	Total	1,959,998,642,830	163,960,255,785	-	2,123,958,898,615

15.1 (b) Contribution to the Central Bank of Sri Lanka

		Balance as at 01.01.2023	Additions/ Adjustments in 2023	Reductions/ Adjustments in 2023	Balance as at 31.12.2023
		Rs.	Rs.	Rs.	Rs.
1	Central Bank of Sri Lanka	15,000,000	-	-	15,000,000

**Notes to the Financial Statements
for the Year Ended 31st December 2023**

15.2 SHAREHOLDING IN GOVERNMENT OWNED OR OTHER COMPANIES

	Company	Number of Shares			Nominal Value per Share Rs.	Value of the Investment as at 01.01.2023 Rs.	Value of the Investment as at 31.12.2023 Rs.	Percentage of Share holdings by the Treasury	
		As at 01.01.2023	Additions/ Adjustments	Deductions/ Adjustments					As at 31.12.2023
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 PLC	254,500	-	-	254,500	10.00	2,545,000	2,545,000	0.54
4	Lanka Building Materials Corporation Ltd.	1,000,000	-	-	1,000,000	10.00	10,000,000	10,000,000	100.00
5	Ceylon Agro-Industries Ltd.	11,903,402	-	-	11,903,402	5.00	59,517,010	59,517,010	5.62
6	Ceylon Fertilizer Co. Ltd.	50,245,608	-	-	50,245,608	10.00	502,456,080	502,456,080	100.00
7	Ceylon Hotels Corporation PLC (Preference Shares Only)	-	-	-	-	-	-	114,508,741	-
8	Ceylon Shipping Corporation Ltd.	1,200,000	-	-	1,200,000	2.00	2,400,000	2,400,000	2.00
9	Cey-Nor Foundation Ltd.	5,000,000	-	-	5,000,000	10.00	50,000,000	50,000,000	100.00
10	Colombo Commercial Fertilizer Ltd.	4,000,000	-	-	4,000,000	10.00	40,000,000	40,000,000	100.00
11	Colombo Lotus Tower Management Company Ltd	10,000,000	-	-	10,000,000	10.00	100,000,000	100,000,000	100.00
12	Commercial Bank of Ceylon PLC	-	50,000,001	-	50,000,001	-	-	500,000,000	100.00
13	Cultural Publication Company Ltd.	32,655	-	-	32,655	5.00	163,275	163,275	0.0037
14	CWG Hambantota 2018	3,164	-	-	3,164	113.60	359,430	359,430	-
15	Distance Learning Center Ltd	600	-	-	600	100.00	60,000	60,000	-
16	Galadari Hotels (Lanka) PLC	10,000,000	-	-	10,000,000	10.00	100,000,000	100,000,000	79.00
17	Hotel Developers (Lanka) PLC	14,206,509	-	-	14,206,509	10.00	142,065,090	142,065,090	99.99
18	Human Resources Services Agency (Guarantee) Ltd.	292,200	-	-	292,200	10.00	2,922,000	2,922,000	0.058
19	Kingsbury PLC (Hotel Services Ltd)	2,046,645,686	-	-	2,046,645,686	10.00	20,466,456,860	20,466,456,860	100.00
20	Hunas Falls Hotels PLC	-	-	-	-	-	5,000,000	5,000,000	100.00
21	Independent Television Network Ltd.	2,263	-	-	2,263	10.00	22,630	22,630	0.0128
22	Information & Communication Technology Agency of Sri Lanka (Pvt) Ltd.	1	-	-	1	10.00	10	10	-
23	Kahatagaha Graphite Lanka Ltd.	9,500,000	-	-	9,500,000	10.00	95,000,000	95,000,000	100.00
24	Kalubowitiyana Tea Factory Ltd.	-	-	-	-	-	-	49,500,000	-
25	Kantale Sugar Industries Ltd.	2	-	-	2	10.00	20	20	100.00
26	Lafarge Mahaweli Cement (Pvt) Ltd.	1,300,000	-	-	1,300,000	10.00	13,000,000	13,000,000	100.00
27	Laxapana Batteries PLC - (Elephant Lite Corporation Ltd) (5% Cumulative Preference Shares)	4,637,500	-	-	4,637,500	10.00	46,375,000	46,375,000	99.90
28	Lanka Canneries Ltd.	2,689,993	-	-	2,689,993	100.00	268,999,300	268,999,300	100.00
29	Lafarge Mahaweli Cement (Pvt) Ltd.	480,000	-	-	480,000	10.00	4,800,000	4,800,000	10.00
30	Laxapana Batteries PLC - (Elephant Lite Corporation Ltd) (5% Cumulative Preference Shares)	1,000	-	-	1,000	10.00	10,000	10,000	5.00
31	Lanka Canneries Ltd.	40,002	-	-	40,002	100.00	4,000,200	4,000,200	9.09

15.2 SHAREHOLDING IN GOVERNMENT OWNED OR OTHER COMPANIES

	Company	Number of Shares			Nominal Value per Share Rs.	Value of the Investment as at 01.01.2023 Rs.	Value of the Investment as at 31.12.2023 Rs.	Percentage of Share holdings by the Treasury	
		As at 01.01.2023	Additions/ Adjustments	Deductions/ Adjustments					As at 31.12.2023
29	Lanka Cement Ltd.	22,246,000	-	-	22,246,000	10.00	222,460,000	222,460,000	13.00
30	Lanka Coal Company (Pvt) Ltd.	400,000	-	-	400,000	10.00	4,000,000	4,000,000	20.00
31	Lanka Electricity Company (Pvt) Ltd.	49,880,000	-	-	49,880,000	10.00	498,800,000	498,800,000	43.56
32	Lakdiwa Engineering Company (Pvt) Ltd.	2	-	-	2	10.00	20	20	100.00
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 (Pvt) Ltd	1,289,900	-	-	1,289,900	6.94	8,951,906	8,951,906	100.00
		860,000	-	-	860,000	0.01	8,600	8,600	
37	Lanka Logistics and Technologies Ltd.	8,000,205	-	-	8,000,205	10.00	80,002,050	80,002,050	100.00
38	Lanka Mineral Sands Ltd.	80,000,000	-	-	80,000,000	10.00	800,000,000	800,000,000	100.00
39	Lanka Phosphate Limited	7,251,000	-	-	7,251,000	10.00	72,510,000	72,510,000	100.00
40	Lanka STC General Trading Co. Ltd.	10,000,000	-	-	10,000,000	10.00	100,000,000	100,000,000	100.00
41	Lanka Textile Mills Emporium Ltd.	700,000	-	-	700,000	10.00	7,000,000	7,000,000	-
42	Lanka Sathosa Ltd.	87,095,381	-	-	87,095,381	10.00	870,953,810	870,953,810	98.00
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	-	-	51,406,108	100.00	14,476,251,900	14,476,251,900	100.00
		-	-	-	-	-	-	713,396,315	
45	MILCO (Pvt) Ltd - Kiriya Milk Industries	31,945,403	-	-	31,945,403	10.00	319,454,030	319,454,030	99.99
		8,169,034,183	-	-	8,169,034,183	1.00	8,169,034,183	8,169,034,183	
46	National Credit Guarantee Trustee Company Ltd	-	10,000	-	10,000	10.00	-	100,000	100.00
47	National Paper Company Ltd	32,300,000	-	-	32,300,000	10.00	323,000,000	323,000,000	100.00
48	National Development Bank PLC	571,433	-	-	571,433	10.00	5,714,330	5,714,330	0.27
		-	-	-	-	-	-	21,759,975	
49	North Sea Company (Pvt) Ltd	-	-	-	-	-	-	22,838,881	100.00
50	Dufry Shops Colombo Ltd.(World Duty Free Group Lanka Ltd.)	1,048	-	-	1,048	10.00	10,480	10,480	0.035
51	Paranthan Chemicals Company Ltd.	4,000,000	-	-	4,000,000	10.00	40,000,000	40,000,000	100.00
52	Rakna Arashana Lanaka Ltd.	500,205	-	-	500,205	10.00	5,002,050	5,002,050	100.00
53	Rajarata Food Grain Ltd.	386,249	-	-	386,249	10.00	3,862,490	3,862,490	-
54	Skills Development Fund Ltd.	10,000,001	-	-	10,000,001	10.00	100,000,010	100,000,010	98.00
55	Sri Lanka Insurance Corporation Ltd.	599,568,144	-	-	599,568,144	10.00	5,995,681,440	5,995,681,440	99.93
56	Sri Lanka Rubber Manufacturing & Export Corporation Ltd.	7,798,000	-	-	7,798,000	10.00	77,980,000	77,980,000	100.00
57	Sri Lanka Telecom PLC	893,405,709	-	-	893,405,709	10.00	8,934,057,090	8,934,057,090	49.50
		-	-	-	-	-	-	1,271,480,516	
58	Sri Lankan Airlines Ltd.	1,236,356,324	1,025,000,000	277,349,855	1,984,006,469	100.00	123,635,632,410	198,400,646,900	99.11
59	State Resource Management Corporation Ltd.	4,100,000	-	-	4,100,000	10.00	41,000,000	41,000,000	100.00
60	Sri Lanka Thripasha Ltd.	30,460,000	-	-	30,460,000	10.00	304,600,000	304,600,000	100.00

15.2 SHAREHOLDING IN GOVERNMENT OWNED OR OTHER COMPANIES

Company	Number of Shares				Nominal Value per Share Rs.	Value of the Investment as at 01.01.2023 Rs.	Value of the Investment as at 31.12.2023 Rs.	Percentage of Share holdings by the Treasury
	As at 01.01.2023	Additions/ Adjustments	Deductions/ Adjustments	As at 31.12.2023				
61 Selinsing PLC (The Selinsing Company Ltd.)	615	-	-	615	10.00	6,150	6,150	0.0108
62 Techno park Development Company						-	22,000,000	
63 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
64 Wakers & Greig Limited	2,850	-	-	2,850	2.00	5,700	5,700	-
65 West Coast Power (Pvt) Ltd (Ordinary)	100	-	-	100	10.00	1,000	1,000	
66 Sri Lanka Institute of Biotechnology (Pvt) Ltd	55,000,000	-	-	55,000,000	112.95	6,212,500,000	6,212,500,000	50.00
67 Sahasya Investments Limited	200,000	-	-	200,000	100.00	20,000,000	20,000,000	100.00
68 Selendiva Investments Limited	200,000	-	-	200,000	100.00	20,000,000	20,000,000	100.00
69 South Asia Center For Teacher Development						-	5,000,000	
70 Sinolanka Hotels & SPA (Pvt) Ltd (Preference Shares)	-	20,705,882	-	20,705,882		-	176,000,000	
71 Center of Excellence Robotics Applications (Pvt) Ltd	200,000	-	-	200,000	100.00	20,000,000	20,000,000	100.00
Total	13,590,408,445	1,095,715,883	277,349,855	14,408,774,473		193,563,349,886	271,224,948,803	

**Notes to the Financial Statements
for the Year Ended 31st December 2023**

15.3 GOVERNMENT SHAREHOLDING IN PLANTATION COMPANIES

Company	Number of Shares				Nominal Value per Share Rs.	Value of the Investment as at 01.01.2023 Rs.	Value of the Investment as at 31.12.2023 Rs.	Percentage of Share holdings by the Treasury
	As at 01.01.2023	Additions/ Adjustments	Deductions/ Adjustments	As at 31.12.2023				
1 Agaraptana Plantations Ltd.	23,284,645	-	-	23,284,645	10.00	232,846,450	232,846,450	9.91
2 Agalawatta Plantations PLC	742	-	-	742	10.00	7,420	7,420	0.003
3 Bogawantalawa Tea Estates PLC	21,664	-	-	21,664	6.67	144,430	144,430	0.026
4 Balangoda Plantations PLC	4,761	-	-	4,761	10.00	47,610	47,610	0.02
5 Chilaw Plantations Ltd.	20,000,001	-	-	20,000,001	10.00	200,000,010	200,000,010	100.00
6 Elkaduwa Plantations Ltd.	18,000,001	-	-	18,000,001	10.00	180,000,010	180,000,010	100.00
7 Elpitiya Plantations PLC	15,613,092	-	-	15,613,092	5.00	78,065,460	78,065,460	21.43
8 Gal-Oya Plantations (Pvt) Ltd.	51,600,000	-	-	51,600,000	10.00	516,000,000	516,000,000	51.00
9 Hapugastenne Plantations PLC	1	-	-	1	10.00	10	10	-
10 Horana Plantations PLC	5,889	-	-	5,889	10.00	58,890	58,890	0.023
11 Kahawatte Plantations PLC	1	-	-	1	10.00	10	10	-
12 Kegalle Plantations PLC	4,387	-	-	4,387	10.00	43,870	43,870	0.02
13 Kelani Valley Plantations PLC	1	-	-	1	10.00	10	10	-
14 Kotagala Plantations PLC	5,700,833	-	-	5,700,833	10.00	57,008,330	57,008,330	7.58
15 Kurunegala Plantations Ltd.	20,000,001	-	-	20,000,001	10.00	200,000,010	200,000,010	100.00
16 Madulsima Plantations PLC	3,805,653	-	-	3,805,653	10.00	38,056,530	38,056,530	2.25
17 Malwatta Valley Plantations PLC	2	-	-	2	10.00	20	20	-
18 Maskeliya Plantations PLC	9,008	-	-	9,008	10.00	90,080	90,080	0.017
19 Maturata Plantations Ltd.	7,806,021	-	-	7,806,021	10.00	78,060,210	78,060,210	22.30
20 Namunukula Plantations PLC	3,763,301	-	-	3,763,301	10.00	37,633,010	37,633,010	15.85
21 Pussellawa Plantations Ltd.	7,816,790	-	-	7,816,790	10.00	78,171,230	78,171,230	32.80
22 Talawakelle Tea Estates PLC	368	-	-	368	10.00	3,680	3,680	0.0015
23 Udapussellawa Plantations PLC	1	-	-	1	10.00	10	10	-
24 Watawala Plantations PLC	151	-	-	151	10.00	160	160	-
Total	177,437,314	-	-	177,437,314		1,696,237,450	1,696,237,450	

15.4 GOVERNMENT SHAREHOLDINGS IN COMPANIES IN DOLLAR DENOMINATION

Company	Number of Shares				Nominal Value per Share Rs.	Value of the Investment as at 01.01.2023 Rs.	Value of the Investment as at 31.12.2023 Rs.	Percentage of Share holdings by the Treasury
	As at 01.01.2023	Additions/ Adjustments	Deductions/ Adjustments	As at 31.12.2023				
1 Asian Reinsurance Corporation	980	-	-	980	US\$1000	364,174,664	312,796,400	
2 Ceylon Shipping Agency	24,500	-	-	24,500	1 (Singapore Dollar)	6,806,828	5,887,840	99.00
3 International Finance Corporation	7,491	-	-	7,491	US\$1000	2,783,706,539	2,390,977,380	
Total	32,971	-	-	32,971		3,154,688,030	2,709,661,620	

**EXCHANGE RATE (BUYING RATE) AS AT 01.01.2023/
31.12.2023**

Currency	01.01.2023 Rate	31.12.2023 Rate
US Dollar	371.61	319.18
Singapore Dollar	277.83	240.32

**Notes to the Financial Statements
for the Year Ended 31st December 2023**

15.5 GOVERNMENT SHAREHOLDINGS IN DEVELOPMENT BANKS

Company	Number of Shares				Nominal Value per Share Rs.	Value of the Investment as at 01.01.2023 Rs.	Value of the Investment as at 31.12.2023 Rs.	Percentage of Share holdings by the Treasury
	As at 01.01.2023	Additions/ Adjustments	Deductions/ Adjustments	As at 31.12.2023				
1 Pradeshiya Sanwardhana Bank	337,744,671	-	-	337,744,671	10.00	3,377,446,710	3,377,446,710	87.00
	158,013,356			158,013,356	26.43	4,176,292,999	4,176,292,999	
		6,183,946	-	6,183,946	28.24	-	174,634,635	
		10,193,680	-	10,193,680	29.43	-	300,000,002	
Total	495,758,027	16,377,626	-	512,135,653		7,553,739,709	8,028,374,347	

NOTES - 15.2, 15.3, 15.4, 15.5 - SUMMARY

Name	Numbers of Shares	Nominal Value of Shares as at 31.12.2023 (Rs.)
1 General	14,408,774,473	271,224,948,803
2 Plantation	177,437,314	1,696,237,450
3 Shares in Dollar	32,971	2,709,661,620
4 Development Banks	512,135,653	8,028,374,347
Total	15,098,380,411	283,659,222,219

Notes to the Financial Statements
for the Year Ended 31st December 2023

16 RENT AND WORK ADVANCE ACCOUNT

Head	Ministry/Department	Account Number	Type	Opening Balance	Additions	Settlements	Closing Balance
110	Ministry of Justice	9188/110/0/2/0/7/0	Mobilization	-	143,679,488	-	143,679,488
	Ministry of Justice	9188/110/0/2/0/8/0	Mobilization	-	29,584,600	-	29,584,600
	Ministry of Justice	9188/110/0/1/0/8/0	Rent	6,515,600	-	-	6,515,600
	Ministry of Justice	9188/110/0/1/0/9/0	Rent	1,350,000	-	-	1,350,000
	Ministry of Justice	9188/110/0/2/0/2/0	Mobilization	185,185,185	-	-	185,185,185
	Ministry of Justice	9188/110/0/2/0/1/0	Mobilization	6,277,648	-	158,974,065	26,211,120
	Ministry of Justice	9188/110/0/1/0/4/0	Rent	6,448,000	-	6,277,648	-
	Ministry of Justice	9188/110/0/1/0/3/0	Rent	6,760,000	-	-	6,448,000
	Ministry of Justice	9188/110/0/1/0/6/0	Rent	2,162,160	-	-	6,760,000
	Ministry of Justice	9188/110/0/1/0/7/0	Rent	236,964	-	236,964	2,162,160
	Ministry of Justice	9188/110/0/2/0/3/0	Mobilization	55,725,926	-	-	55,725,926
	Ministry of Justice	9188/110/0/1/0/5/0	Rent	6,515,600	-	-	6,515,600
	Ministry of Justice	9188/110/0/1/0/1/0	Rent	7,929,180	-	7,929,180	-
	Ministry of Justice	9188/110/0/1/0/2/0	Rent	795,000	-	795,000	-
111	Ministry of Health	9188/111/0/2/0/1/0	Rent	-	1,820,000	-	1,820,000
118	Ministry of Agriculture	9188/118/0/1/0/1/0	Mobilization	-	-	-	-
119	Ministry of Power	9188/119/0/1/0/3/0	Rent	63,000,000	-	-	63,000,000
123	Ministry of Urban Development and Housing	9188/123/0/2/0/2/0	Rent	9,550,000	-	-	9,550,000
	Ministry of Urban Development and Housing	9188/123/0/2/0/3/0	Mobilization	122,941,256	4,765,859	104,489,179	23,217,936
130	Ministry of Urban Development and Housing	9188/123/0/2/0/3/0	Mobilization	50,000,000	-	-	50,000,000
	Ministry of Public Services, Provincial Councils and Local Government	9188/130/0/2/0/18/0	Mobilization	1,635,615	-	-	1,635,615
	Ministry of Public Services, Provincial Councils and Local Government	9188/130/0/2/0/17/0	Mobilization	16,249,539	-	-	16,249,539
149	Ministry of Industries	9188/149/0/1/0/1/0	Rent	15,398,840	-	15,398,840	-
	Ministry of Technology	9188/186/0/1/0/1/0	Rent	-	5,257,440	-	5,257,440
186	Ministry of Youth and Sports	9188/194/0/2/0/5/0	Mobilization	-	6,028,781	-	6,028,781
	Ministry of Youth and Sports	9188/194/0/1/0/1/0	Rent	21,293,616	-	-	21,293,616
194	Ministry of Youth and Sports	9188/194/0/2/0/3/0	Mobilization	15,358,239	-	-	15,358,239
	Ministry of Youth and Sports	9188/194/0/2/0/4/0	Mobilization	5,399,007	-	-	5,399,007
219	Department of Sports Developments	9188/219/0/2/0/18/0	Mobilization	7,186,874	-	-	7,186,874
	Department of Sports Developments	9188/219/0/2/0/22/0	Mobilization	6,816,230	-	-	6,816,230
	Department of Sports Developments	9188/219/0/2/0/23/0	Mobilization	10,519,528	-	-	10,519,528
	Department of Sports Developments	9188/219/0/2/0/24/0	Mobilization	5,000,000	-	-	5,000,000
	Department of Sports Developments	9188/219/0/2/0/25/0	Mobilization	1,398,300	-	-	1,398,300
	Department of Sports Developments	9188/219/0/2/0/27/0	Mobilization	5,000,000	-	-	5,000,000
	Department of Sports Developments	9188/219/0/2/0/28/0	Mobilization	1,623,155	-	-	1,623,155
	Department of Sports Developments	9188/219/0/2/0/28/0	Mobilization	5,000,000	-	-	5,000,000

**Notes to the Financial Statements
for the Year Ended 31st December 2023**

16 RENT AND WORK ADVANCE ACCOUNT

Head	Ministry/Department	Account Number	Type	Opening Balance	Additions	Settlements	Closing Balance
	Department of Sports Developments	9188/219/0/2/0/32/0	Mobilization	3,276,231		3,276,231	-
	Department of Sports Developments	9188/219/0/2/0/33/0	Mobilization	28,529,654		22,848,275	5,681,380
222	Sri Lanka Army	9188/222/0/1/0/17/0	Rent	-	12,000,000	5,000,000	7,000,000
	Sri Lanka Army	9188/222/0/1/0/20/0	Rent	2,813,125	10,500,000	5,438,125	7,875,000
	Sri Lanka Army	9188/222/0/1/0/22/0	Rent	905,625	2,280,000	1,570,625	1,615,000
	Sri Lanka Army	9188/222/0/1/0/27/0	Rent	-	990,000		990,000
	Sri Lanka Army	9188/222/0/1/0/26/0	Rent	4,275,000		4,275,000	-
	Sri Lanka Army	9188/222/0/1/0/23/0	Rent	1,020,000	5,100,000	4,845,000	1,275,000
	Courts Administration	9188/228/0/2/0/80/0	Mobilization	-	7,735,244		7,735,244
	Courts Administration	9188/228/0/2/0/75/0	Mobilization	12,813,520		12,813,520	-
	Courts Administration	9188/228/0/2/0/58/0	Mobilization	7,551,053		7,551,053	-
	Courts Administration	9188/228/0/2/0/50/0	Mobilization	30,000,000			30,000,000
	Courts Administration	9188/228/0/2/0/64/0	Mobilization	1,237,899		1,237,899	-
228	Courts Administration	9188/228/0/2/0/1/0	Mobilization	6,503,989			6,503,989
	Courts Administration	9188/228/0/2/0/54/0	Mobilization	2,892,055		2,892,055	-
	Courts Administration	9188/228/0/2/0/52/0	Mobilization	3,218,135		3,218,135	-
	Courts Administration	9188/228/0/2/0/53/0	Mobilization	4,464,601		1,251,372	3,213,229
	Courts Administration	9188/228/0/2/0/61/0	Mobilization	472,176		472,176	-
	Courts Administration	9188/228/0/2/0/63/0	Mobilization	5,503,350		5,195,899	307,451
	Courts Administration	9188/228/0/2/0/62/0	Mobilization	6,997,066		4,299,485	2,697,581
	Courts Administration	9188/228/0/2/0/67/0	Mobilization	1,908,665		1,768,891	139,774
	Courts Administration	9188/228/0/2/0/65/0	Mobilization	35,079,794			35,079,794
	Courts Administration	9188/228/0/2/0/68/0	Mobilization	6,830,322			6,830,322
	Courts Administration	9188/228/0/2/0/70/0	Mobilization	11,163,922		11,163,922	-
	Courts Administration	9188/228/0/2/0/69/0	Mobilization	9,922,870		9,922,870	-
	Courts Administration	9188/228/0/2/0/57/0	Mobilization	3,276,669		3,276,669	-
	Courts Administration	9188/228/0/2/0/71/0	Mobilization	8,232,043		8,232,043	-
	Courts Administration	9188/228/0/2/0/72/0	Mobilization	4,309,716		4,309,716	-
	Courts Administration	9188/228/0/2/0/73/0	Mobilization	19,406,291			19,406,291
	Courts Administration	9188/228/0/2/0/51/0	Mobilization	81,024,175			81,024,175
	Courts Administration	9188/228/0/2/0/21/0	Mobilization	8,767,072		8,767,072	-
	Courts Administration	9188/228/0/2/0/23/0	Mobilization	987,587		987,587	-
	Courts Administration	9188/228/0/2/0/25/0	Mobilization	19,753,363		19,753,363	-
228	Courts Administration	9188/228/0/2/0/26/0	Mobilization	5,950,811		5,950,811	-
	Courts Administration	9188/228/0/2/0/27/0	Mobilization	22,910,036		5,624,835	17,285,200
	Courts Administration	9188/228/0/2/0/28/0	Mobilization	22,302,074		22,302,074	-
	Courts Administration	9188/228/0/2/0/29/0	Mobilization	82,660,986		82,660,986	-
	Courts Administration	9188/228/0/2/0/30/0	Mobilization	12,095,935			12,095,935
	Courts Administration	9188/228/0/2/0/32/0	Mobilization	25,000,000		25,000,000	-

Rs.

**Notes to the Financial Statements
for the Year Ended 31st December 2023**

16 RENT AND WORK ADVANCE ACCOUNT

Head	Ministry/Department	Account Number	Type	Opening Balance	Additions	Settlements	Closing Balance
				19,219,814		19,219,814	-
	Courts Administration	9188/228/0/2/0/38/0	Mobilization	13,235,874		13,235,874	-
	Courts Administration	9188/228/0/2/0/4/0	Mobilization	4,904,278			4,904,278
	Courts Administration	9188/228/0/2/0/46/0	Mobilization	75,411,113		41,790,211	33,620,902
	Courts Administration	9188/228/0/2/0/47/0	Mobilization	1,899,127		1,899,127	-
	Courts Administration	9188/228/0/2/0/48/0	Mobilization	852,844		852,844	-
	Courts Administration	9188/228/0/2/0/49/0	Mobilization	1,386,266		1,386,266	-
	Courts Administration	9188/228/0/2/0/78/0	Mobilization	47,377,748		557,483	46,820,265
	Courts Administration	9188/228/0/2/0/74/0	Mobilization	8,670,570		8,670,570	-
247	Sri Lanka Customs	9188/247/0/1/0/1/0	Rent	780,000			780,000
256	District Secretariat - Gampaha	9188/256/0/2/0/8/0	Mobilization	9,409,809		6,193,920	3,215,889
	District Secretariat - Galle	9188/261/0/2/0/10/0	Mobilization	62,907,171			62,907,171
261	District Secretariat - Galle	9188/261/0/2/0/11/0	Mobilization	30,393,751			30,393,751
	District Secretariat - Galle	9188/261/0/2/0/12/0	Mobilization	106,648,467			106,648,467
	District Secretariat - Galle	9188/261/0/2/0/6/0	Mobilization	100,000,000			100,000,000
261	District Secretariat - Galle	9188/261/0/2/0/7/0	Mobilization	30,000,000			30,000,000
	District Secretariat - Galle	9188/261/0/2/0/9/0	Mobilization	5,139,892			5,139,892
337	Department of Cinnamon Industry Development	9188/337/0/2/0/1/0	Mobilization	-	21,857,212		21,857,212
	Total			1,666,563,995	251,598,623	715,356,733	1,202,805,884

Rs.

**Notes to the Financial Statements
for the Year Ended 31st December 2023**

	2023	2022
	Rs.	Rs.
17 ADVANCES TO GOVERNMENT DEPARTMENTS		
Treasury Authorized Advance Account (7000)	16,502,219,035	16,093,892,983
	16,502,219,035	16,093,892,983

Notes to the Financial Statements
for the Year Ended 31st December 2023

18 ON LENDING

Institution	Balance as at 01.01.2023		Parity Variance/Adjustment as at 01.01.2023		Revolving Recoveries/Disbursement as at 01.01.2023		Total Balance as at 01.01.2023		New Loan During 2023		Amount Settled During 2023		Equity Conversion During 2023		Balance as at 31.12.2023		Parity Variance as at 31.12.2023		Revolving Recoveries/Disbursement as at 31.12.2023		Adjustments as at 31.12.2023		Total Balance as at 31.12.2023			
	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.	
1 Sri Lanka Ports Authority	46,087,004,058	40,321,328,508	-	8,6408,334,566	-	6,970,833,269	-	79,437,501,296	(9,929,409,784)	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	69,508,091,512	
2 Development Finance Corporation of Ceylon	15,044,229,566	1,126,933,005	(227,324,680)	15,943,837,890	809,565,961	2,856,666,834	-	13,896,737,017	(233,286,671)	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	13,445,251,848	
3 Regional Development Bank (Lankaputhra Dev. Bank)	2,556,743,009	2,275,560,211	-	4,832,303,220	-	306,474,764	-	4,525,828,456	(552,755,280)	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	3,973,073,177	
4 People's Bank National Development Bank	5,164,209,227	-	(52,445,575)	5,111,743,652	1,352,392,950	997,532,820	-	5,466,603,782	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	5,421,760,925	
5 National Development Bank	10,428,960,682	-	(321,969,975)	10,106,990,707	928,245,771	1,054,886,927	-	9,980,349,552	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	9,613,569,839	
6 Colombo Municipal Council	2,172,110,666	-	-	2,172,110,666	216,073,001	201,632,574	-	2,186,551,094	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	2,186,551,094	
7 National Water Supply & Drainage Board	2,847,223,677	-	-	2,847,223,677	1,595,998,185	-	-	4,443,221,863	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	4,443,221,863	
8 Sampath Bank Ltd.	7,130,150,239	-	(196,199,967)	6,933,950,272	756,591,430	1,223,134,699	-	6,467,407,004	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	6,269,581,164	
9 Hattton National Bank PLC	8,248,287,464	-	(46,996,560)	8,221,290,904	1,308,698,454	1,289,738,551	-	8,240,250,806	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	8,158,465,152	
10 Commercial Bank of Ceylon PLC	8,199,395,920	231,751,625	(182,274,322)	8,248,873,223	2,173,690,836	1,302,295,369	-	9,120,268,690	(49,224,044)	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	8,898,211,185	
11 Nations Trust Bank	4,894,922,709	-	-	4,894,922,709	1,182,566,463	943,615,492	-	5,133,873,679	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	5,133,873,679	
12 Seylan Bank PLC	5,323,972,676	(22,800,000)	(203,358,340)	5,097,814,336	1,666,491,810	992,160,513	-	5,772,145,633	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	5,584,328,063	
13 Sri Lanka Savings Bank	254,108,993	-	-	254,108,993	-	-	-	254,108,993	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	254,108,993
14 Sarvodaya Economic & Enterprises Dev. Service	592,395,760	-	-	592,395,760	-	51,000,000	-	541,395,760	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	541,395,760
15 Local Loan Development Fund	4,160,476,145	-	-	4,160,476,145	-	236,814,717	-	3,923,661,428	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	3,923,661,428
16 Bank of Ceylon	6,637,067,606	-	(60,031,255)	6,577,036,351	1,226,779,860	1,091,356,247	-	6,712,459,964	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	6,630,900,963
17 Regional Development Bank	7,476,566,529	3,800,000	(190,801,431)	7,289,565,098	1,061,280,651	1,037,758,655	-	7,313,087,094	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	7,165,600,244
18 Samasa Bank (IFAD 283)	11,114,479	-	-	11,114,479	-	-	-	11,114,479	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	11,114,479

Notes to the Financial Statements
for the Year Ended 31st December 2023

18 ON LENDING

Institution	Balance as at 01.01.2023		Parity Variance/ Adjustment as at 01.01.2023		Revolving Recoveries/ Disbursement as at 01.01.2023		Total Balance as at 01.01.2023		New Loan During 2023		Amount Settled During 2023		Equity Conversion During 2023		Balance as at 31.12.2023		Parity Variance as at 31.12.2023		Revolving Recoveries/ Disbursement as at 31.12.2023		Adjustments as at 31.12.2023		Total Balance as at 31.12.2023		
	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.
19 Sanasa Development Bank	687,235,637	(6,000,000)	(76,120,500)	605,115,137	207,225,223	-	-	812,340,360	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	733,846,560
20 Min.of Agricultural Dev.	2,261,279,249	-	-	2,261,279,249	-	79,913	-	2,261,206,336	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	2,261,206,336
21 Agrarian Services Alliance Finance Company Ltd.	15,356,865	-	-	15,356,865	-	11,555,909	-	3,800,957	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	3,800,957
22 Revolving Funds with Central Bank of Sri Lanka	13,895,038,322	169,289,278	1,557,793,604	15,622,121,204	1,346,252,000	5,208,298,669	-	11,760,074,535	-	-	-	-	-	-	-	-	-	-	-	-	-	257,916,091	-	-	13,595,613,869
23 HDFC / NHDA	86,923,600	-	-	86,923,600	-	12,611,024	-	74,312,576	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	74,312,576
24 Airport & Aviation Services (Sri Lanka) Ltd	7,595,616,344	4,767,686,776	-	12,363,303,120	-	1,475,191,088	-	10,888,112,032	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	8,897,452,417
25 Pan Asia Banking Corporation PLC	247,350,000	-	-	247,350,000	261,718,010	-	-	509,068,010	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	509,068,010
26 Union Bank of Colombo Plc	592,550,000	-	-	592,550,000	871,070,811	-	-	1,463,620,811	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	1,463,620,811
27 Ceylon Petroleum Corporation	228,770,919,566	30,361,398,477	-	259,132,318,043	-	228,770,919,566	-	30,361,398,477	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
28 Ministry of Agriculture - Fertilizer	18,812,921,758	-	-	18,812,921,758	2,114,353,125	20,161,077,487	-	766,197,396	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Based on	410,214,132,748	79,228,947,879	251,000	489,443,331,627	19,078,994,540	276,195,628,088	-	232,326,698,080	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	188,695,682,903
Foreign Aids	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
29 Local Loans & Development Fund	73,095,983	-	-	73,095,983	-	16,023,537	-	57,072,446	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	57,072,446
30 Sri Lanka Rubber Manufacture & Dev. Corporation	767,111,625	-	-	767,111,625	-	3,297,375	-	763,814,250	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	763,814,250
31 AHF Loan Scheme 2004/2005	3,912,499	-	-	3,912,499	-	2,588,833	-	1,323,666	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	1,323,666
32 Petroleum Development Authority of Sri Lanka	243,688,911	-	-	243,688,911	-	5,652,180	-	238,036,731	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	238,036,731
33 Department of Treasury Operations - (PLGF) Regional Development Bank	916,231,000	-	-	916,231,000	-	-	-	916,231,000	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	916,231,000
34 Regional Development Bank	-	-	-	-	50,000,000	-	-	50,000,000	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	50,000,000

Notes to the Financial Statements
for the Year Ended 31st December 2023

18 ON LENDING

Institution	Balance as at	Parity Variance/	Revolving	Total Balance as at	New Loan During	Amount Settled	Equity	Balance as at	Parity Variance as	Revolving	Adjustments as at	Total Balance as at
	01.01.2023	Adjustment as	Recoveries/	01.01.2023	2023	During 2023	Conversion	31.12.2023	at 31.12.2023	Disbursements/	31.12.2023	31.12.2023
	Rs.	at 01.01.2023	as at	Rs.	Rs.	Rs.	During	Rs.	Rs.	as at	Rs.	Rs.
		01.01.2023	01.01.2023				2023			31.12.2023		
35 Central Bank - SEPI Loan Scheme	104,901,916		-	104,901,785	14,598,131	51,770,081	-	67,729,835	-	-	-	67,729,835
On Lending Based on Domestic Funds	2,108,941,934	(131)	-	2,108,941,803	64,598,131	79,332,006	-	2,094,207,928	-	-	-	2,094,207,928
TOTAL	412,323,074,682	79,228,947,748	251,000	491,552,273,430	19,143,592,671	276,274,960,094	-	234,420,904,008	(12,761,335,394)	-	(30,869,679,782)	190,789,890,831

Notes to the Financial Statements
for the Year Ended 31st December 2023

	2023	2022
	Rs.	Rs.
19 ADVANCES TO PUBLIC OFFICERS		
Advances to Public Officers of the Central Government (8493)	30,720,274,816	30,277,939,580
Advances to Public Officers Transferred to Provincial Councils (7004)	191,466,910	191,466,910
	30,911,741,726	30,469,406,491
20 CASH & CASH EQUIVALENT		
Central Bank of Sri Lanka - IDA Special Dollar Accounts (8813)	11,352,350,839	21,188,592,725
Treasury Authorized Imprest Account (7002)	3,782,420,937	3,873,026,057
DST Cash Account (8020) Note - 20(I)	610,700,131,835	-
ADB Loan SLCB Special Dollar Account (8918)	19,961,024,181	36,371,410,685
Special Foreign Currency French Development Agency Account (9125)	234,897,610	1,891,910,633
Treasury Authorized Imprest Account (RFA) (7003)	-	20,000,000
Crown Agent Current Account (8030)	93,306,209	83,233,029
International Fund for Agriculture Development Special Dollar Account (8973)	2,704,553,400	3,931,290,283
Central Bank Special Dollar Account for Asian Infrastructures Investment Bank (9200)	2,721,433,205	2,387,550,860
Central Bank Special Yen Account (9094)	0.18	0.18
	651,550,118,217	69,747,014,274
Bank Overdrafts		
DST Cash Account (8020) Note - 20(I)	-	(71,841,927,200)
Temporary Employed Balances of CBSL (8192)	(25,251,702,702)	(26,810,839,287)
	(25,251,702,702)	(98,652,766,487)
Balance as at 31st December	626,298,415,515	(28,905,752,213)
20(I) Sub Accounts of DST Accounts (8020)		
Bank of Ceylon - 0002026450	(62,709,238,990)	(56,831,697,653)
Peoples Bank - 014100130110432	(17,484,755,375)	(27,432,497,948)
Central Bank of Sri Lanka - 45013	248,714,938,357	991,218,165
Central Bank of Sri Lanka - 50550	2,264,260,804	1,665,606,007
Central Bank of Sri Lanka - 50551	40,013,914	38,760,332
Central Bank of Sri Lanka - 50556	-	1,021,369,344
Central Bank of Sri Lanka - 50557	1,729,368,187	1,526,997,754
Central Bank of Sri Lanka - 50558	106,937,396	89,424,598
Central Bank of Sri Lanka - 50559	7,054,092,547	5,931,143,700
Central Bank of Sri Lanka - 73139	9,430	10,675
Central Bank of Sri Lanka - 50516	1,534,370,223	1,096,210,041
Bank of Ceylon - 89386794	154,898,556	61,527,785
Bank of Ceylon - 90920763	424,402,663,493	-
Peoples Bank - 014200149026649	4,892,573,293	-
	610,700,131,835	(71,841,927,200)

**Notes to the Financial Statements
for the Year Ended 31st December 2023**

	2023	2022
	Rs.	Rs.
21 FOREIGN LOAN REVOLVING FUNDS		
Reimbursable Foreign Aid Revolving Fund (8760)	2,321,073,607	2,350,990,022
IDA Revolving Fund (8814)	25,512,051,895	28,358,765,301
ADB Special Dolor Revolving Fund (8919)	22,517,403,080	25,784,992,942
CBSL Special Dollar Account (International Fund for Agr. Dev. Revolving Fund) (8974)	1,500,684,553	3,655,780,147
CBSL Revolving Fund (Yen) - (9095)	2,445,184,181	2,445,184,181
Special Foreign Currency Revolving Fund (9126)	1,569,341,256	1,865,248,513
Revolving Fund Account for Asian Infrastructures Investment Bank (9201)	1,523,142,898	8,028,383,427
	57,388,881,470	72,489,344,533
22 MISCELLANEOUS FUNDS		
Public Service Provident Fund Account (8098)	(4,763,212)	(4,763,212)
Teachers' Widows & Orphans Pension Fund (8186)	3,250,309,540	2,812,079,601
	3,245,546,327	2,807,316,389
23 GENERAL FUND		
Consolidated Fund	1,153,362,771,885	73,639,939,070
Impact on Borrowings	(29,150,389,313,012)	(27,379,287,617,612)
Impact on Investments	5,136,792,689,490	4,752,488,493,046
	(22,860,233,851,636)	(22,553,159,185,495)
24 GOVERNMENT BORROWINGS		
Domestic		
Treasury Bills (8085)	4,092,454,000,000	4,126,383,805,527
Treasury Bonds (9093)	12,021,359,228,911	8,692,134,561,000
Rupee Loans (8249)	-	24,088,000,000
Sri Lanka Development Bonds (9105)	-	391,736,366,541
Local Loans in Foreign Currency (9107)	77,741,592,000	131,371,686,555
Foreign Currency Banking Units (Projects) (9196) Note 24(I)	20,268,655,774	24,500,433,325
Suhurupaya Loan Account of Ministry of Defence (9198)	3,982,437,216	4,551,356,819
Treasury Bond Account (Active Liability Management Act) (9202)	23,000,000,000	30,000,000,000
Retirement Gratuity Loan Account (9207)	44,853,868,266	48,924,284,835
Lease Creditors (9181)	1,313,087,047	1,865,352,404
Government Guaranteed Ceylon Petroleum Corporation Loan Account (9214)	788,682,347,652	884,093,386,477
Total Borrowings - Domestic (a)	17,073,655,216,866	14,359,649,233,482
Foreign		
Foreign (Projects) (8343) Note 24(II)	7,301,756,109,116	7,665,018,983,131
Foreign Currency Term Financing Facility (9190) Note 24(III)	709,740,572,030	797,588,901,000
International Sovereign Bond (9194) Note 24(IV)	4,065,237,415,000	4,557,030,500,000
Total Foreign Borrowings (b)	12,076,734,096,146	13,019,638,384,131
Total Borrowings = (a)+(b)	29,150,389,313,012	27,379,287,617,613

	2023	2022
	Rs.	Rs.
25 SUNDRY ACCOUNTS		
Parity Variance Account on Crown Agent Account (8029)	133,571,272	138,407,100
Public Service Mutual Guarantee Association (8013)	(758,979)	588,698
Fuel Price Stabilization Account (9209)	-	(1,022,280,600)
Exchange Gain / Loss on DST Accounts Foreign Currency (9206)	-	(190,076)
Foreign Sub Loan Balances Adjustment Account (9213)	(19,277,016,444)	15,393,998,191
	(19,144,204,151)	14,510,523,313
26 ACCOUNTS OPERATING WITH GOVERNMENT DEPARTMENTS		
General Manager - Railway Department (8003)	(260,367,731)	(260,367,731)
Director General of Customs (8005)	30,222,665	184,454,979
Cheques Return from Banks (8657)	-	(3,995,094)
Treasury Operations Department (9092)	300,516,999	307,160,351
Non Operating Accounts (9100)	4,730,128,515	4,730,139,818
Agency Transaction in Postal Department (9184)	(635,387,566)	742,098,094
Value Added Control Account (9185)	199,504,065	190,781,637
Treasury Bond Premium Account (9186)	43,668,690,027	63,086,885,621
Treasury Bill Discount Account (9187)	(509,297,750,052)	(370,341,930,619)
Accrued Interest on Treasury Bond (9192)	12,178,883,786	33,492,191,245
Discount on Treasury Bill Issuance (9193)	(162,007,371,898)	(210,459,371,274)
	(611,092,931,190)	(478,331,952,972)
27 DEPOSITS		
Treasury General Deposit Account (6000)	94,412,676,683	101,161,327,336
Treasury Deposit Account for District Secretaries (6003)	-	(10,000,000)
	94,412,676,683	101,151,327,336
28 ADVANCES FROM CENTRAL BANK OF SRI LANKA		
Advance from CBSL - Monetary Law Act (8176)	-	235,638,700,400
	-	235,638,700,400

Notes to the Financial Statements
for the Year Ended 31st December 2023

24(i) FOREIGN CURRENCY BANKING UNIT LOAN (PROJECT) BALANCES (9196)

Loan Key	Project Name	Loan Currency	Balance as at 01-01-2023		Accounted During the Year		Repayments		Parity / Adjustments	Closing Balance as at 31.12.2023	
			Loan Currency Amount	Rs.	Loan Currency Amount	Rs.	Loan Currency Amount	Rs.		Loan Currency Amount	Rs.
1	2011034 Kolonna - Balangoda Water Supply Project	EUR	3,357,743	1,299,211,490	924,464	321,305,067	321,305,067	(104,979,612)	2,433,279	872,926,811	
2	2012005 Greater Dambulla Water Supply Project I	USD	4,990,417	1,812,070,277	1,425,834	458,963,134	458,963,134	(198,455,567)	3,564,583	1,154,651,576	
3	2012013 Development of Hambantota General Hospital	EUR	2,342,108	906,231,962	585,528	211,007,302	211,007,302	(65,060,192)	1,756,580	630,164,468	
4	2012014 Development of Nuwara Eliya Distric General Hospital	EUR	1,967,243	761,185,195	491,810	177,236,486	177,236,486	(54,646,479)	1,475,433	529,304,230	
5	2013011 Construction of 210 Steel Bridges Project	USD	621,300	225,600,109	621,300	185,837,402	185,837,402	(39,762,707)	(0)	0	
6	2014014 Moneragala - Buttala Integrated Water Supply Scheme	LKR	762,693,208	762,693,208	117,337,416	117,337,416	117,337,416		645,355,792	645,355,792	
7	2015020 Kolonna - Balangoda Water Supply Project - Additional	LKR	186,235,827	186,235,827	29,127,500	29,127,500	29,127,500		157,108,327	157,108,327	
8	2015035 Financing Establishment of Clinical Waste Management Systems in the Needy Hospitals Project	LKR	211,327,511	211,327,511	28,177,002	28,177,002	28,177,002		183,150,509	183,150,509	
9	2016002 Anamaduru Integrated Water Supply Project	LKR	821,676,236	821,676,236	109,556,840	109,556,840	109,556,840		712,119,396	712,119,396	
10	2016042 Southern Expressway Section 02 Bellatta to Wetiya Pilot Project on	LKR	5,078,819,379	5,078,819,379	597,508,200	597,508,200	597,508,200		4,481,311,179	4,481,311,179	
11	2017044 Establishment of a Ground Water Monitoring Network in 03 Selected Districts	LKR	506,877,164	506,877,164	48,274,016	48,274,016	48,274,016		458,603,148	458,603,148	
12	2017045 Procuring of 09 no Diesel Multiple Units	USD	12,028,947	4,367,830,993	332,704	174,538,174	174,538,174	(404,607,189)	11,696,243	3,788,685,630	
13	2018034 Widening & Improvement of 64.31 Km roads & Reconstruction of 13 Bridges in the Central & Uva Province of SL	USD	10,273,360	3,730,359,884	576,363	183,638,333	183,638,333	(405,638,094)	9,696,997	3,141,083,457	
14	2019031 Upgrading Health Facilities in Selected Hospitals in Sri Lanka	LKR	2,054,255,775	2,054,255,775	186,750,526	186,750,526	186,750,526		1,867,505,250	1,867,505,250	
15	2019037 Establishment of National and the Obstetrics Reference Center for the De Zoysa Maternity National Hospital Project	EUR	4,590,128	1,776,058,316	-	-	-	(129,372,314)	4,590,128	1,646,686,002	
Total				24,500,433,325		2,829,255,397	(1,402,522,154)			20,268,655,774	

Notes to the Financial Statements for the Year Ended 31st December 2023

24(ii) STATEMENT OF FOREIGN LOAN BALANCES (8343)

Loan Key	Name of the Project	Loan Currency	Loan Balance as at 01-01-2023		Borrowings Accounted During the Year		Repayments During the Year		Parity Adjustment		Closing Balance as at 31.12.2023	
			Loan Currency Amount	Rs.	Loan Currency Amount	Rs.	Loan Currency Amount	Rs.	Rs.	Loan Currency Amount	Rs.	
1	AB Svensk Ex-Credit Ratmalana & Ja-Ela Wastewater Treatment Facilities Project (Sweden)	USD	34,652,048	12,582,504,876					(1,357,899,380)		34,652,048	11,224,605,496
2	Asian Development Bank (ADB) Special Assistance to Selected Projects	XDR	326,857	157,950,802		326,857		138,163,186	(19,787,615)		-	0
3	1983071 Aquaculture Development Project	XDR	317,352	153,357,580		317,352		154,110,678	(19,246,902)		-	(0)
4	1984018 Walaave Irrigation Improvement Project	XDR	704,582	340,483,122		471,692		201,747,250	(37,522,418)		232,890	101,213,453
5	1985001 Plantation Sector Project	XDR	3,333,822	1,611,040,477		1,673,825		715,910,601	(73,697,999)		1,659,997	721,431,878
6	1985002 Secondary Towns Power Distribution Project	XDR	1,066,652	515,450,299		535,977		229,242,619	(55,577,443)		530,675	230,630,237
7	1985003 Trunk Roads Improvement Project	XDR	2,418,085	1,170,936,624		805,800		346,999,670	(123,240,795)		1,612,285	700,696,159
8	1985004 Development Financing Project	XDR	2,218,465	1,072,053,847		741,008		319,562,158	(110,391,359)		1,477,457	642,100,130
9	1986020 Kinnidoya Irrigation & Settlement Project	XDR	1,994,278	963,717,557		499,479		215,402,170	(98,678,549)		1,494,799	649,636,838
10	1987001 Agricultural Inputs Programme	XDR	4,137,542	1,999,431,180		1,036,009		446,782,441	(204,728,153)		3,101,533	1,347,920,586
11	1987002 Water Supply Sector Project	XDR	3,962,577	1,914,880,861		990,800		426,665,763	(196,686,163)		2,971,777	1,291,528,935
12	1987003 Land Use Planning Project	XDR	961,263	464,521,958		240,200		103,436,756	(47,712,562)		721,063	313,372,660
13	1988002 1st Small & Medium Industries Project	XDR	2,152,399	1,040,128,154		430,400		185,610,528	(106,139,903)		1,721,999	748,377,722
14	1988003 Emergency Road Restoration Project	XDR	1,138,868	550,348,033		254,598		106,282,572	(59,763,168)		884,270	384,302,293
15	1988004 Secondary Towns Power Distribution Project ii	XDR	5,501,218	2,658,415,603		1,100,000		470,457,554	(275,196,750)		4,401,218	1,912,761,299
16	1988005 Second Road Improvement Project	XDR	5,036,557	2,433,872,172		1,124,254		469,323,692	(264,268,736)		3,912,303	1,700,279,744
17	1988008 2nd Technical Education Project	XDR	3,559,786	1,720,235,601		711,600		304,343,269	(178,075,835)		2,848,186	1,237,816,496
18	1988013 Emergency Schools Restoration Project	XDR	2,355,914	1,138,474,944		428,600		194,315,855	(106,551,876)		1,927,314	837,607,213
19	1988062 Perennial Crops Development Project	XDR	2,403,096	1,163,678,332		437,000		188,184,236	(121,032,313)		1,966,096	854,461,783
20	1988063 2nd Development Financing Project	XDR	7,372,847	3,562,864,246		1,134,400		514,306,830	(337,339,510)		6,238,447	2,711,217,906
21	1989011 Smallholder Tea Development Project	XDR	2,932,066	1,416,895,385		489,000		210,576,868	(144,566,415)		2,443,066	1,061,752,102
22	1989067 Agriculture Rehabilitation Project	XDR	3,945,433	1,906,596,172		607,200		275,288,354	(180,517,788)		3,338,233	1,450,790,030
23	1989068 Agriculture Programme	XDR	18,929,124	9,147,334,297		2,704,200		1,156,555,746	(939,455,958)		16,224,924	7,051,322,592
24	1990025 Power System Expansion (Sector Loan) Project	XDR	15,850,503	7,659,617,438		2,113,600		933,576,636	(756,007,699)		13,736,903	5,970,033,103
25	1990046 Second Telecommunication Project	XDR	6,250,449	3,020,475,110		833,600		356,521,289	(309,800,987)		5,416,849	2,354,152,834

24(ii) STATEMENT OF FOREIGN LOAN BALANCES (8343)

Loan Key	Name of the Project	Loan Currency	Loan Balance as at 01-01-2023		Borrowings Accounted During the Year		Repayments During the Year		Parity Adjustment		Closing Balance as at 31.12.2023	
			Loan Currency Amount	Rs.	Loan Currency Amount	Rs.	Loan Currency Amount	Rs.	Rs.	Loan Currency Amount	Rs.	
26	1991051	Financial Sector Programme	XDR	19,532,925	9,439,116,190	2,441,800	1,044,330,233	2,441,800	(967,013,688)	17,091,125	7,427,772,270	
27	1991017	2nd Small & Medium Industries Project	XDR	6,657,022	3,216,947,770	785,200	337,755,962	785,200	(326,459,516)	5,873,822	2,552,752,293	
28	1991029	3rd Development Financing Project	XDR	11,641,885	5,625,839,389	1,293,400	591,953,571	1,293,400	(636,453,089)	10,348,485	4,497,432,729	
29	1991034	Low-Income Housing Development Project	XDR	4,699,851	2,271,162,126	553,000	248,248,560	553,000	(220,699,568)	4,146,851	1,802,213,998	
30	1991055	Second Agriculture Programme	XDR	6,909,568	3,338,988,854	767,800	344,674,945	767,800	(325,112,384)	6,141,768	2,669,201,526	
31	1991056	Southern Province Rural Development Project	XDR	10,113,929	4,887,468,019	1,189,800	496,756,110	1,189,800	(512,301,670)	8,924,129	3,878,410,240	
32	1991061	Special Operation -Merchant Bank	XDR	199,057	96,192,563	24,800	11,743,642	24,800	(9,586,339)	172,257	74,862,582	
33	1992029	N-W Province Water Resources Development Project	XDR	4,849,555	2,343,505,234	484,800	217,632,734	484,800	(228,957,860)	4,364,755	1,896,914,640	
34	1992039	Participatory Forestry Project	XDR	2,420,870	1,169,864,366	220,000	100,687,943	220,000	(112,682,258)	2,200,870	956,494,166	
35	1992040	Second Health & Population Project	XDR	5,899,821	2,851,037,116	621,000	259,275,126	621,000	(297,595,933)	5,278,821	2,294,166,057	
36	1993002	Fisheries Sector Project	XDR	7,119,034	3,440,211,076	719,000	325,769,441	719,000	(329,956,343)	6,407,034	2,784,485,292	
37	1993003	Urban Development Sector Project	XDR	7,493,529	3,621,182,628	749,200	311,295,587	749,200	(378,813,859)	6,744,329	2,931,073,183	
38	1993029	Second Water Supply & Sanitation Project	XDR	11,888,190	5,744,864,405	1,132,400	518,119,825	1,132,400	(652,297,593)	10,755,790	4,674,446,987	
39	1993030	Secondary Education Development Project	XDR	9,767,611	4,720,112,950	888,000	392,229,397	888,000	(468,820,674)	8,879,611	3,859,062,879	
40	1993041	Financial Management Training Project	XDR	3,576,963	1,728,536,250	325,200	143,640,763	325,200	(171,685,117)	3,251,763	1,413,210,370	
41	1994026	Fourth Development Financing Project	XDR	23,801,279	11,501,761,136	2,069,800	929,158,897	2,069,800	(1,128,140,465)	21,731,479	9,444,461,774	
42	1995006	Third Road Improvement Project	XDR	17,244,129	8,333,075,169	1,437,200	645,176,910	1,437,200	(818,235,499)	15,806,929	6,869,662,760	
43	1996001	Plantation Reform Project	XDR	19,277,286	9,315,580,540	1,542,200	643,887,441	1,542,200	(964,056,833)	17,735,086	7,707,636,266	
44	1996002	Second Power System Expansion Project	XDR	27,609,893	13,342,240,654	2,123,800	886,712,580	2,123,800	(1,379,317,870)	25,486,093	11,076,210,204	
45	1996028	Emergency Rehabilitation Petroleum Facilities	XDR	9,129,329	4,411,669,017	702,400	293,260,627	702,400	(456,080,033)	8,426,929	3,642,328,357	
46	1996059	NCP Rural Development Project	XDR	6,498,846	3,140,510,640	481,400	200,990,413	481,400	(324,349,162)	6,017,446	2,615,171,066	
47	1998004	Upper Watershed Management Project	XDR	4,614,455	2,229,895,243	318,200	145,589,658	318,200	(217,160,887)	4,296,255	1,867,144,698	
48	1998005	3rd Water Supply & Sanitation Sector	XDR	33,399,459	16,139,998,207	2,226,600	1,018,761,571	2,226,600	(1,573,568,028)	31,172,859	13,547,668,608	
49	1998006	Southern Provincial Road Improvement Project	XDR	12,640,477	6,108,400,674	842,800	385,615,850	842,800	(595,535,513)	11,797,677	5,127,249,311	
50	1998018	Second Perennial Crops Development Project	XDR	7,707,758	3,724,707,073	514,000	230,740,977	514,000	(367,571,749)	7,193,758	3,126,394,348	
51	1998019	Science & Technology Personals Development Project	XDR	8,017,577	3,874,424,370	553,000	229,773,707	553,000	(400,558,901)	7,464,577	3,244,091,762	
52	1998059	Urban Development & Low-Income Housing Sector	XDR	28,904,371	13,967,785,877	1,864,798	774,831,006	1,864,798	(1,441,605,072)	27,039,573	11,751,349,800	
53	1999002	Coastal Resource Management Project	XDR	9,940,011	4,813,088,610	1,106,670	506,492,387	1,106,670	(458,950,209)	8,853,341	3,847,646,014	
54	1999004	Road Network Improvement Project	XDR	40,766,211	19,699,916,843	2,547,800	1,166,057,911	2,547,800	(1,924,206,266)	38,218,411	16,609,652,666	
55	1999005	Tea Development Project	XDR	14,878,267	7,189,793,169	960,000	420,667,802	960,000	(720,271,507)	13,918,267	6,048,853,860	
56	1999045	Skills Development Project	XDR	4,876,258	2,356,409,144	541,804	247,968,771	541,804	(224,694,567)	4,334,454	1,883,745,806	

24(ii) STATEMENT OF FOREIGN LOAN BALANCES (8343)

Loan Key	Name of the Project	Loan Currency	Loan Balance as at 01-01-2023		Borrowings Accounted During the Year		Repayments During the Year		Parity Adjustment		Closing Balance as at 31.12.2023	
			Loan Currency Amount	Rs.	Loan Currency Amount	Rs.	Loan Currency Amount	Rs.	Rs.	Loan Currency Amount	Rs.	
57	1999057 Southern Transport Development Project	XDR	24,154,128	11,672,272,050			2,683,790	1,155,713,883	(1,185,588,067)		21,470,338	9,330,970,100
58	2000032 Forest Resources Management Sector Project	XDR	6,656,932	3,216,904,516			700,732	292,564,218	(335,786,461)		5,956,200	2,588,533,838
59	2000044 Secondary Education Modernization Project	XDR	14,971,999	7,234,895,017			1,575,958	654,816,832	(758,356,671)		13,395,641	5,821,721,514
60	2000045 Water Resources Management Project	XDR	508,081	245,525,723			53,484	22,330,226	(25,628,463)		454,597	197,567,034
61	2000055 Protected Area Mgt. & Wildlife Conserve. Project	XDR	3,274,348	1,582,300,246			344,668	143,210,930	(165,855,606)		2,929,680	1,273,233,711
62	2001001 Private Sector Development Sub Programme I	XDR	8,295,229	4,008,597,235			4,147,616	1,773,888,436	(432,163,664)		4,147,613	1,802,545,135
63	2001003 Colombo Fort Efficiency and Expansion Project	XDR	2,642,689	1,277,056,468			240,244	103,455,682	(129,502,533)		2,402,445	1,044,098,252
64	2001004 North East Community Restoration & Dev. Project	XDR	8,049,674	3,889,935,039			731,788	315,128,065	(394,466,791)		7,317,886	3,180,340,183
65	2002001 Southern Province Rural Economic Adva. Project	XDR	8,564,155	4,138,553,525			778,558	335,268,515	(419,678,383)		7,785,597	3,383,606,627
66	2002002 Small & Medium Enterpr. Sector Dev. Programme	XDR	2,880,810	1,392,126,234			960,268	410,695,760	(146,766,378)		1,920,542	834,664,096
67	2002003 SME- Business Service Facility Project	XDR	515,458	249,090,579			46,860	20,041,492	(25,397,253)		468,598	203,651,834
68	2002006 Power Sector Development Project	XDR	26,803,321	12,952,471,675			2,233,610	1,012,659,451	(1,261,860,058)		24,569,711	10,677,952,166
69	2002007 Aquatic Resource & Quality Improvement	XDR	4,731,373	2,286,394,810			411,422	177,017,326	(231,934,581)		4,319,951	1,877,442,903
70	2002008 Plantation Development Project	XDR	2,818,987	1,362,250,943			245,128	102,363,949	(141,312,523)		2,573,859	1,118,594,471
71	2003001 Road Sector Development	XDR	20,163,662	9,743,914,151			1,680,304	723,585,174	(987,494,938)		18,483,358	8,032,834,039
72	2003003 Aquatic Resource Dev. & Quality Improvement	JPK	254,794	697,752,780			47,378	108,734,264	(113,807,729)		207,416	475,210,787
73	2003004 Secondary Towns & Rural Community Water /Sanitation	XDR	22,811,010	11,023,221,947			1,900,916	813,000,265	(1,122,732,630)		20,910,094	9,087,489,052
74	2003005 Distance Education Modernization Project	XDR	12,431,183	6,007,261,034			994,496	455,023,042	(581,874,407)		11,436,687	4,970,363,585
75	2004002 Rural Finance Sector Development Programme	USD	4,325,291	1,570,556,303			557,724	188,422,046	(161,731,642)		3,767,567	1,220,402,614
76	2004003 Rural Finance Sector Development Programme	XDR	1,950,819	942,716,310			150,064	67,365,591	(92,745,823)		1,800,755	782,604,896
77	2004004 Conflict Affected Areas Rehabilitation Project	XDR	27,764,661	13,417,031,069			677,200	304,003,482	(1,340,865,620)		27,087,461	11,772,161,967
78	2004005 North East Coastal Community Div. Project	XDR	6,922,402	3,345,190,552			532,492	239,042,263	(329,104,896)		6,389,910	2,777,043,393
79	2004006 TA Loan- Road Project Preparatory Facility	XDR	5,414,264	2,616,396,167			416,482	179,608,375	(264,760,558)		4,997,782	2,172,027,235
80	2004007 North East Community Restoration & Development Project	XDR	4,786,677	2,313,120,035			115,400	51,804,493	(231,186,949)		4,671,277	2,030,128,593
81	2004008 Secondary Education Modernization II	XDR	13,033,535	6,298,342,257			965,446	401,146,661	(652,425,966)		12,068,089	5,244,769,630

24(ii) STATEMENT OF FOREIGN LOAN BALANCES (8343)

Loan Key	Names of the Project	Loan Currency	Loan Balance as at 01-01-2023		Borrowings Accounted During the Year		Repayments During the Year		Parity Adjustment		Closing Balance as at 31.12.2023	
			Loan Currency Amount	Rs.	Loan Currency Amount	Rs.	Loan Currency Amount	Rs.	Rs.	Rs.	Loan Currency Amount	Rs.
82	2004010 Strengthening of the Fiscal Management Institutions Project	XDR	2,714,211	1,311,618,852			193,872	80,554,588	(135,729,447)		2,520,339	1,095,334,816
83	2004011 Modernization of Revenue Administration	USD	6,764,623	2,456,301,945			707,189	22,1708,837	(272,449,434)		6,057,434	1,962,143,674
84	2004012 Conflict Affected Areas Rehabilitation Project	USD	20,579,770	7,472,790,006			825,779	279,023,122	(794,919,325)		19,753,990	6,398,777,559
85	2004013 TA for Financial Markets Programme for Private Sector Development	XDR	173,159	83,677,580			12,368	5,552,150	(8,245,949)		160,791	69,879,481
86	2005001 Tsunami-Affected Areas Rebuilding Project	XDR	3,648,365	1,763,040,645			85,800	39,268,297	(175,488,033)		3,562,565	1,548,284,315
87	2005002 North East Community Restoration & Development Project II	XDR	13,920,183	6,726,807,174			327,600	149,933,503	(669,561,706)		13,592,583	5,907,311,965
88	2006001 Local Government Infrastructure Improvement Project	XDR	16,059,006	7,760,375,027			1,070,602	457,884,362	(788,557,184)		14,988,404	6,515,933,481
89	2006002 Technical Education Development Project	XDR	8,088,653	3,908,771,337			539,242	230,627,703	(397,183,071)		7,549,411	3,280,960,562
90	2006003 National Highways Sector Project AF	USD	95,690,852	34,746,305,731			8,288,661	2,669,456,883	(3,765,242,417)		87,402,191	28,311,606,430
91	2006004 Secondary Towns & Rural Community Water / Sanitation Supp.1	XDR	20,987,336	10,141,947,533			1,311,708	561,002,671	(1,029,952,348)		19,675,628	8,550,992,514
92	2007007 Colombo Port Expansion Project	USD	211,644,166	76,850,112,717			14,215,804	4,840,095,418	(8,058,371,028)		197,428,362	63,951,646,271
93	2007012 Secondary Towns & Rural Community Water / Sanitation (OCR)	USD	8,260,233	2,999,373,285			601,538	193,733,460	(324,810,005)		7,658,695	2,480,829,820
94	2007030 SNE Regional Development Project	XDR	18,428,045	8,905,192,643			1,084,004	463,616,244	(903,887,201)		17,344,041	7,537,689,198
95	2007031 Education for Knowledge Society Project	XDR	29,277,401	14,148,049,131			1,722,200	736,565,457	(1,436,043,089)		27,555,201	11,975,440,585
96	2008003 Southern Transport Development Project - Supplementary	USD	65,485,971	23,778,610,996			4,059,952	1,307,566,758	(2,573,725,496)		61,426,019	19,897,318,742
97	2009006 Clean Energy and Access Improvement Project	USD	89,999,349	32,679,663,785			4,791,524	1,543,179,984	(3,535,683,700)		85,207,825	27,600,800,101
98	2009007 Clean Energy and Access Improvement Project	XDR	12,394,982	5,989,766,893			701,792	300,148,498	(504,663,988)		11,930,455	5,184,954,407
99	2009008 Dry Zone Urban Water and Sanitation Project	XDR	22,824,897	11,029,932,718			1,268,050	542,330,634	(1,119,035,123)		21,556,847	9,368,566,960
100	2009018 Eastern & North Central Provincial Road Project	XDR	33,287,974	16,086,124,059			1,751,998	794,309,360	(1,586,336,088)		31,535,976	13,705,478,611
101	2009028 Greater Colombo Wastewater Management Project (OCR)	USD	62,522,221	22,702,443,101	2,053,827	653,008,968	2,897,657	986,145,791	(2,390,238,783)		61,678,391	19,979,067,495
102	2009029 Greater Colombo Wastewater Management Project (ADF)	XDR	10,096,828	4,879,204,512			531,535	240,987,352	(481,157,747)		9,545,293	4,157,059,413
103	2010019 ADB Funded Fiscal Management Efficiency Project	USD	23,589,171	8,565,463,939			1,013,215	325,022,680	(927,562,945)		22,575,956	7,312,878,315
104	2010020 N-E Community Restoration & Dev. Project II Supplementary	XDR	7,233,042	3,495,304,657			152,200	69,637,793	(348,345,642)		7,080,842	3,077,321,221
105	2010021 Conflict Affected Region Emergency Project	USD	128,929,369	44,815,543,254			2,453,869	770,726,962	(5,076,454,963)		126,475,500	40,968,361,329
106	2010025 Northern Road Connectivity Project (OCR)	USD	105,012,752	38,131,180,484			4,510,564	1,452,692,821	(4,123,487,178)		100,502,188	32,555,000,485

24(ii) STATEMENT OF FOREIGN LOAN BALANCES (8343)

Loan Key	Name of the Project	Loan Currency	Loan Balance as at 01-01-2023		Borrowings Accounted During the Year		Repayments During the Year		Parity Adjustment		Closing Balance as at 31.12.2023	
			Loan Currency Amount	Rs.	Loan Currency Amount	Rs.	Loan Currency Amount	Rs.	Rs.	Rs.	Loan Currency Amount	Rs.
107	2010026 Northern Road Connectivity Project (ADF)	XDR	12,413,737	5,998,830,318			636,602	272,267,473	(608,241,252)		11,777,135	5,118,321,594
108	2010117 Kirindioya Irrigation & Settlement Project	XDR	(1,651)	(797,831)					797,831		-	(0)
109	2010121 Livestock Development Project	XDR	(2,081)	(1,005,625)					1,005,625		-	(0)
110	2010101 Jaffna & Kilinochchi Water Supply & Sanitation Project OCR	USD	11,697,030	4,247,308,542	7,426,409	2,697,725,661	766,875	246,983,983	(751,931,358)		18,356,564	5,946,118,862
111	2010102 Jaffna & Kilinochchi Water Supply & Sanitation Project ADF	XDR	36,904,270	17,833,668,952	(8,279)	(3,634,074)	1,845,250	789,192,545	(1,807,853,403)		35,050,741	15,232,988,929
112	2010102 Sustainable Power Sector Support Project OCR	USD	72,000,572	26,144,127,379			2,887,716	930,031,034	(2,826,832,292)		69,112,856	22,387,264,053
113	2010103 Sustainable Power Sector Support Project ADF	XDR	4,685,917	2,264,428,410			234,296	100,205,749	(229,556,403)		4,451,621	1,934,666,258
114	2010105 Secondary Towns & Rural Com/Based Water Supply Add.	USD	3,260,693	1,183,990,112			122,271	39,378,998	(128,003,081)		3,138,422	1,016,608,033
115	2010106 Secondary Towns & Rural Com/Based Water Supply Add (XDR)	XDR	5,608,562	2,710,288,724			273,588	117,010,487	(274,708,200)		5,334,974	2,318,570,036
116	20101028 Local Government Enhancement Sector Project	XDR	30,961,511	14,261,881,110			1,510,318	645,945,918	(1,516,499,472)		29,451,193	12,799,435,720
117	20101035 National Highways Sector Project AF	USD	68,493,000	24,870,493,339			2,404,186	818,502,899	(2,644,283,590)		66,088,814	21,407,706,850
118	2012029 Northern Road Connectivity Project (ADF)	XDR	39,962,636	19,311,596,453			1,816,484	782,228,034	(1,951,119,166)		38,146,152	16,578,249,254
119	2012030 Northern Road Connectivity Project (ADF)	USD	22,463,823	8,156,838,664			1,603,990	450,320,826	(884,747,278)		21,059,833	6,821,770,561
120	2013015 Clean Energy and Network Efficiency Improvement Project	USD	61,708,262	22,406,887,047			6,170,809	1,979,247,847	(2,437,764,167)		55,537,453	17,989,875,033
121	2013017 Clean Energy and Network Efficiency Improvement Project	XDR	15,880,464	7,674,095,778			721,840	310,844,184	(775,341,150)		15,158,624	6,587,910,444
122	2013021 Dry Zone Urban Water and Sanitation Project (ADF)	XDR	23,690,845	11,448,394,847			1,076,856	463,325,177	(1,157,070,612)		22,613,989	9,827,999,057
123	2013034 Education Sector Development Programme (OCR)	USD	70,723,868	25,680,543,506			4,284,295	1,344,872,861	(2,814,992,949)		66,437,573	21,520,677,696
124	2013035 Education Sector Development Programme (ADF)	XDR	46,444,975	22,444,130,097			2,996,450	1,251,054,675	(2,310,424,665)		43,448,525	18,882,650,757
125	2013042 Greater Colombo Water Wastewater Management Improvement Project 1	USD	56,137,455	20,384,071,076			3,508,591	1,129,204,547	(2,207,149,286)		52,628,864	17,047,715,244
126	2013043 Greater Colombo Water Wastewater Management Improvement Project 1	XDR	8,418,667	4,068,248,069			382,173	164,811,804	(410,766,306)		8,015,284	3,483,428,129
127	2014005 Programme - Results Based Lending Skills Sector Enhancement	USD	40,476,192	14,697,309,525			2,380,952	766,515,119	(1,590,859,167)		38,095,240	12,339,935,240
128	2014006 Programme - Results Based Lending Skills Sector Enhancement	XDR	26,080,000	12,602,933,105			1,630,000	697,132,557	(1,279,874,557)		24,450,000	10,625,925,990
129	2014017 Southern Road Connectivity Project	USD	57,698,451	20,950,884,706			3,496,875	1,125,771,283	(2,267,960,024)		54,201,576	17,557,153,399
130	2014018 Southern Road Connectivity Project	XDR	2,530,714	1,222,945,566			163,200	69,798,795	(124,229,410)		2,367,514	1,028,917,361

24(ii) STATEMENT OF FOREIGN LOAN BALANCES (8343)

Loan Key	Name of the Project	Loan Currency	Loan Balance as at 01-01-2023		Borrowings Accounted During the Year		Repayments During the Year		Parity Adjustment		Closing Balance as at 31.12.2023	
			Loan Currency Amount	Rs.	Loan Currency Amount	Rs.	Loan Currency Amount	Rs.	Rs.	Loan Currency Amount	Rs.	
131	2014029 Greater Colombo Water & Wastewater Management Pro-2	USD	53,384,924	19,384,599,659	4,835,370	1,756,291,472	3,527,974	1,135,446,109	(2,289,328,649)	54,692,319	17,716,116,374	
132	2014030 Greater Colombo Water & Wastewater Management Pro-2	XDR	5,150,450	2,488,910,303	3,621,726	1,696,807,768	591,400	255,041,975	(375,325,357)	8,180,776	3,555,350,740	
133	2014036 Green Power Development & Energy Efficiency Improvement Programme	XDR	6,550,671	3,165,554,606	1,296,796	569,476,231	938,400	391,793,525	(340,569,547)	6,909,067	3,002,667,765	
134	2014037 Green Power Development & Energy Efficiency Improvement Programme	USD	34,693,163	12,597,434,352	24,516,175	8,190,949,366	4,435,595	1,398,529,416	(1,647,362,243)	54,773,743	17,742,492,059	
135	2014041 Integrated Road Investment Programme	XDR	55,051,949	26,603,375,499			3,238,350	1,453,735,488	(2,631,543,063)	51,813,599	22,518,096,947	
136	2015009 Integrated Road Investment Programme-Tranche 2 (ADF)	XDR	5,221,550	2,523,268,419			307,150	137,883,447	(249,595,748)	4,914,400	2,135,789,223	
137	2015010 Integrated Road Investment Programme-Tranche 2 (OCR)	USD	84,037,280	30,514,777,152			4,668,738	1,579,963,666	(3,225,493,013)	79,368,543	25,709,320,473	
138	2015024 Mahaweli Water Security Investment Programme-Tranche 1	XDR	33,529,858	16,203,011,947	1,107,163	475,300,089	2,679,400	1,118,682,406	(1,670,905,351)	31,957,620	13,888,724,280	
139	2015025 Mahaweli Water Security Investment Programme-Tranche 1	USD	43,474,897	15,786,169,991	16,750,784	5,428,306,472	2,716,633	855,461,113	(1,730,494,647)	57,509,048	18,628,520,702	
140	2015036 Integrated Road Investment Programme-Tranche 3	USD	158,885,808	57,693,025,874			8,362,408	2,829,951,504	(6,105,037,954)	150,523,400	48,758,036,416	
141	2015037 Integrated Road Investment Programme-Tranche 3	XDR	15,939,000	7,702,383,081			885,500	397,511,935	(762,647,142)	15,053,500	6,542,224,004	
142	2016014 Small and Medium-Sized Enterprises Line of Credit	USD	100,000,000	36,311,000,000					(3,918,670,000)	100,000,000	32,392,330,000	
143	2016033 Greater Colombo Water and Wastewater Management Imp. Inv. Programme-3	XDR	370,863	179,216,246	1,048,186	450,857,711	179,000	76,556,273	(14,594,738)	1,240,049	538,922,946	
144	2016034 Greater Colombo Water and Wastewater Management Imp. Inv. Programme -3 (OCR)	USD	44,430,270	16,133,075,220	7,781,002	2,728,371,644	2,692,655	867,168,517	(1,954,044,760)	49,518,617	16,040,233,587	
145	2016035 Technical Assistance Loan Agreement	XDR	9,146,015	4,419,732,024	420,479	176,645,791	873,550	376,174,684	(1,404,356,001)	8,692,944	2,815,847,130	
146	2016036 Local Government Enhancement Sector Project (ADF)	USD	47,053,737	17,085,682,420	7,905,209	2,530,478,439	3,000,000	965,809,050	(1,819,638,649)	51,958,946	16,830,713,159	
147	2016038 Capital Market Development Programme	USD	88,541,666	32,150,364,589			10,416,667	3,353,503,644	(3,490,353,128)	78,124,999	25,306,507,817	
148	2017010 Project Design Advance for Northern Province Sustainable Fisheries Development Project	USD	435,657	158,191,457			174,262	56,101,272	(17,418,215)	261,395	84,671,970	
149	2017036 Second Integrated Road Investment Programme Tranche 1	USD	59,860,238	21,735,851,196			2,993,012	959,989,593	(2,355,241,950)	56,867,226	18,420,619,652	
150	2017037 Second Integrated Road Investment Programme Tranche 1	USD	90,000,000	32,679,900,000			-	-	(3,526,803,000)	90,000,000	29,153,097,000	
151	2017038 Jaffna & Kilinochchi Water Supply Project Additional Financing	USD	9,734,481	3,534,687,505	2,467,559	793,276,091	1,250,000	402,420,438	(377,921,990)	10,952,041	5,547,621,169	
152	2017039 Jaffna & Kilinochchi Water Supply Project Additional Financing	USD	12,407,498	4,505,286,556	22,328,884	7,282,107,702	-	-	(635,470,737)	34,736,382	11,251,923,520	

24(ii) STATEMENT OF FOREIGN LOAN BALANCES (8343)

Loan Key	Name of the Project	Loan Currency	Loan Balance as at 01-01-2023		Borrowings Accounted During the Year		Repayments During the Year		Parity Adjustment		Closing Balance as at 31.12.2023	
			Loan Currency Amount	Rs.	Loan Currency Amount	Rs.	Loan Currency Amount	Rs.	Rs.	Loan Currency Amount	Rs.	
153	2017040 Integrated Road Investment Programme - Tranche - 4	USD	148,539,656	53,936,234,312	-	-	-	-	(5,820,778,919)	148,539,656	48,115,455,393	
154	2018005 Small and Medium-Sized Enterprises Line of Credit - Additional Financing	USD	75,000,000	27,233,250,000	-	-	-	-	(2,939,002,500)	75,000,000	24,294,247,500	
155	2018018 Mahaweli Water Security Investment Programme - Tranche 2	USD	145,670,309	52,894,345,810	21,988,306	7,116,213,664	9,856,641	3,173,974,862	(5,720,848,565)	157,801,974	51,115,736,048	
156	2018019 Mahaweli Water Security Investment Programme - Tranche 2	USD	29,430,262	10,686,422,551	1,569,738	502,327,052	1,550,000	499,001,343	(1,150,207,042)	29,450,000	9,539,561,217	
157	2018020 Skill Sector Enhancement Programme A/F	USD	58,030,000	21,071,273,300	1,500,000	485,334,540	3,000,000	965,809,050	(2,279,414,641)	56,530,000	18,311,384,149	
158	2018021 Skill Sector Enhancement Programme A/F	USD	38,690,000	14,048,725,900	1,000,000	323,556,360	2,593,127	834,894,148	(1,520,846,390)	37,096,873	12,016,541,722	
159	2018037 Rooftop Solar Power Generation Project	USD	50,000,000	18,155,500,000	-	-	-	-	(1,959,335,000)	50,000,000	16,196,165,000	
160	2018045 Health System Enhancement Project	USD	23,963,638	8,701,436,572	477,124	152,873,537	937,500	306,743,438	(934,312,464)	23,503,262	7,613,254,207	
161	2019007 Technical Assistance Loan Agreement	USD	3,116,530	1,131,643,291	94,275	31,484,433	250,000	81,798,250	(122,255,664)	2,960,805	959,073,810	
162	2019012 South Asia Sub Regional Economic Cooperation Port Access Elevated Highway Project (SASEC)	USD	112,492,923	40,847,305,358	64,335,216	20,739,249,801	-	-	(4,307,800,663)	176,828,140	57,278,754,496	
163	2019029 Science & Technology Human Resource Development Project	USD	11,574,735	4,202,902,029	4,546,187	1,482,212,781	-	-	(463,172,484)	16,120,922	5,221,942,325	
164	2019030 Science & Technology Human Resource Development Project	USD	47,794,102	17,354,516,406	18,469,642	6,103,855,133	-	-	(1,994,000,805)	66,263,744	21,464,370,734	
165	2019040 Railway Efficiency Improvement Project	USD	24,606,233	8,934,769,309	18,119,487	5,957,740,473	-	-	(1,052,653,598)	42,725,720	13,839,856,185	
166	2019048 Second Integrated Road Investment Programme Tranche 2	USD	150,000,000	54,466,500,000	-	-	-	-	(5,878,005,000)	150,000,000	48,588,495,000	
167	2020017 Small and Medium Sized Enterprises Line of Credit Project	USD	157,000,000	57,008,270,000	8,000,000	2,633,169,340	-	-	(6,194,094,840)	165,000,000	53,447,344,500	
168	2020018 Secondary Education Sector Improvement Programme	USD	216,270,000	78,529,799,700	-	-	-	-	(8,474,907,609)	216,270,000	70,054,892,091	
169	2021009 Second Integrated Road Investment Programme	USD	200,000,000	72,622,000,000	-	-	-	-	(7,837,340,000)	200,000,000	64,784,660,000	
170	2021027 Responsive COVID-19 Vaccines for Recovery Project - Rapid Response Component	USD	84,000,000	30,501,240,000	-	-	-	-	(3,291,682,800)	84,000,000	27,209,557,200	
171	2021028 Responsive COVID-19 Vaccines for Recovery Project - Project Investment Component	USD	21,832,279	7,927,518,948	527,026	167,134,562	-	-	(851,953,535)	22,359,305	7,242,699,976	
172	2021029 Health System Enhancement Project - Additional Financing	USD	15,265,886	5,543,195,978	32,116,002	10,467,170,710	-	-	(662,269,160)	47,381,888	15,348,097,528	
173	2022026 Food Security and Livelihood Recovery Emergency Assistance Project	USD	171,545,119	62,289,748,146	15,113,181	5,004,906,499	-	-	(6,831,682,023)	186,658,300	60,462,872,622	

24(ii) STATEMENT OF FOREIGN LOAN BALANCES (8343)

Loan Key	Name of the Project	Loan Currency	Loan Balance as at 01-01-2023		Borrowings Accounted During the Year		Repayments During the Year		Parity Adjustment		Closing Balance as at 31.12.2023	
			Loan Currency Amount	Rs.	Loan Currency Amount	Rs.	Loan Currency Amount	Rs.	Rs.	Loan Currency Amount	Rs.	
174	2023003 Sri Lanka Resilience Stability and Economic Turnaround (RESET) Development Policy Operation	USD			350,000,000	103,432,385,000			9,940,770,000		350,000,000	113,373,155,000
175	2023017 Financial Sector Stability and Reforms Programme-Sub Programme 1	USD			200,000,000	65,397,120,000			(612,460,000)		200,000,000	64,784,660,000
176	2023016 Second Integrated Road Investment Programme-Tranche-4	USD			28,984,163	9,469,795,861			(81,150,057)		28,984,163	9,388,645,804
177	2005049 Agence Francaise De Development Trincomalee Integrated Infrastructure Project (TIIP)	EUR	21,849,923	8,454,391,309					(615,837,939)		21,849,923	7,838,553,370
178	2007040 Construction Sector Support Project (for Post Tsunami Reconstruction)	EUR	5,000,000	1,934,650,000					(140,924,500)		5,000,000	1,793,725,500
179	2008030 Trincomalee Integrated Infrastructure Project	EUR	8,724,320	3,375,701,292					(245,894,141)		8,724,320	3,129,807,151
180	2014027 Implementation of Ambatale Water Supply System Improvement & Energy Saving Project	USD	38,129,395	13,845,164,485	3,618,819	1,302,460,254			(1,624,405,540)		41,748,214	13,523,219,199
181	2015021 Construction of Four Grid Substations Maliboda, Nawalapitiya, Wewalwatta and Ragala	EUR	21,550,048	8,338,359,910					(607,385,936)		21,550,048	7,730,973,974
182	2015023 Green Power Development & Energy Efficiency Improvement Investment Programme	EUR	19,250,268	7,448,506,097					(542,566,871)		19,250,268	6,905,939,226
183	2016021 Implementation of Sanitation Hygiene Initiative for Towns Project - Phase 1	EUR	4,238,535	1,640,016,494	500,000	117,741,100			(57,831,245)		4,738,535	1,699,926,349
184	2016039 Implementation of Anuradhapura Integrated Urban Development Project	EUR	6,422,836	2,485,187,763					(181,026,978)		6,422,836	2,304,160,785
185	2010023 Aust. & New Zealand Inv. Bank Integrated Water Supply Scheme for the Unserved Areas of Ampara District-Phase III (Australia)	USD	18,073,604	6,562,707,002					(708,244,968)		18,073,604	5,854,462,034
186	2019019 Asian Infrastructure Investment Bank (AIIB) Reduction of Landslide Vulnerable by Mitigation Measures Projects	USD	7,015,660	2,547,456,277	10,918,661	3,728,457,337			(466,566,994)		17,934,321	5,809,344,620
187	2019020 Support to Colombo Urban Regeneration Project	USD	39,670,208	14,404,649,391	34,140,577	11,943,678,175			(2,439,294,451)		73,810,785	23,909,033,114
188	2012015 Banco Bilbao Vizcaya Argentaria S.A. Veyangoda Railway Crossing Flyover Project (Spain)	EUR	503,213	194,708,199					(14,182,994)		503,213	180,525,205
189	2015003 Implementation of the Greater Rathnapura Water Supply Scheme	EUR	7,675,500	2,969,881,215					(216,333,200)		7,675,500	2,753,548,015
190	2015033 Supply of Three Flyovers in Ganemulla, Poigahawela and Rajagiriya (Export Credit)	EUR	9,290,682	3,594,843,497					(261,856,977)		9,290,682	3,332,986,520

24(ii) STATEMENT OF FOREIGN LOAN BALANCES (8343)

Loan Key	Name of the Project	Loan Currency	Loan Balance as at 01-01-2023		Borrowings Accounted During the Year		Repayments During the Year		Parity Adjustment		Closing Balance as at 31.12.2023	
			Loan Currency Amount	Rs.	Loan Currency Amount	Rs.	Loan Currency Amount	Rs.	Rs.	Loan Currency Amount	Rs.	
Bank Austria												
191	2006089	EUR	3,956,250	1,530,791,820					(111,506,511)		3,956,250	1,419,285,309
	Road Infrastructure by Construction of Five Bridges (Austria)											
192	2007003	EUR	3,946,123	1,526,873,257					(111,221,054)		3,946,123	1,415,652,203
	Greater Colombo Sewerage Rehabilitation System II (Austria)											
193	2008021	EUR	1,335,970	516,926,950					(37,654,187)		1,335,970	479,272,763
	Kirindi Oya Water Supply Project (Austria)											
194	2008023	EUR	500,000	193,465,000					(14,092,450)		500,000	179,372,550
	Supply of Modern Medical Equipments for Teaching Hospital Kurunegala (Austria)											
BNP Paribas												
195	2013032	EUR	2,294,486	887,805,310					(64,669,889)		2,294,486	823,135,421
	Reconstruction of (7) Railway Steel Bridges Project											
Co-Op Centrale Raiffeisen (Netherlands)												
196	2011026	USD	1,252,259	454,707,620					(49,071,831)		1,252,259	405,635,789
	Importation of Dairy Animals (Netherlands & Australia)											
197	2012010	EUR	14,771,675	5,715,603,885					(416,338,159)		14,771,675	5,299,265,726
	Development of Hambantota District General Hospital (Netherlands)											
198	2013001	USD	9,708,906	3,525,401,023					(380,460,005)		9,708,906	3,144,941,018
	Upgrading of the National Blood Transfusion Services of SL											
199	2013024	EUR	6,476,034	2,505,772,263					(182,526,402)		6,476,034	2,323,245,861
	Upgrading of Peripheral Blood Bank Coming Under the National Blood Transfusion Services											
200	2014032	USD	6,165,623	2,238,799,693					(241,610,454)		6,165,623	1,997,189,239
	Sri Lankan Dairy Development Project- Ph II											
201	2014035	EUR	46,199,999	17,876,165,892					(1,302,142,372)		46,199,999	16,574,023,520
	Construction of 463 Rural Bridges											
202	2016012	EUR	14,290,084	5,529,262,408	4,059,045	1,457,583,404			(404,185,493)		18,349,129	6,582,640,319
	Development of General Hospital Kalutara											
203	2016040	USD	5,467,316	1,985,237,218					(214,245,909)		5,467,316	1,770,991,309
	Implementation of Importation of 20,000 Dairy Animals Project											
204	2017034	EUR	15,426,045	5,968,799,998	(77,385)	(29,818,329)			(632,724,546)		15,348,661	5,506,257,123
	Pilot Project on Establishment of a Groundwater Monitoring Network in Three Selected District											
205	2018040	EUR	37,477,531	14,501,181,268					(1,056,300,478)		37,477,531	13,444,880,790
	Reconstruction Rural Bridges (EUR 44.3)											
206	2019047	EUR	11,364,027	4,397,083,095	19,379,609	6,772,965,193			(140,919,344)		30,743,636	11,029,128,944
	Constriction of Rural Bridges with Financial Assistance from Netherland											
Calyon Credit Agricole CIB (France)												
207	2008042	USD	8,178,695	2,969,765,947					(320,495,068)		8,178,695	2,649,269,879
	Rehabilitation of Wimalasurendra and New Laxapana Power Stations (France)											
208	2016019	EUR	90,922,572	35,180,670,702	7,028,789	1,619,228,497			(1,660,328,663)		97,951,361	35,159,570,535
	Implementation of Greater Matale Water Supply Project											

24(ii) STATEMENT OF FOREIGN LOAN BALANCES (8343)

Loan Key	Name of the Project	Loan Currency	Loan Balance as at 01-01-2023		Borrowings Accounted During the Year		Repayments During the Year		Parity Adjustment		Closing Balance as at 31.12.2023	
			Loan Currency Amount	Rs.	Loan Currency Amount	Rs.	Loan Currency Amount	Rs.	Rs.	Loan Currency Amount	Rs.	
209	2016020 Implementation of Kelani Right Bank Water Supply Project	EUR	75,766,232	29,316,228,116					(2,135,463,670)	75,766,232	27,180,764,446	
China Development Bank (CDB)												
210	2010051 Rehabilitation and Improvement of Priority Road Project Ph I	USD	47,035,770	17,079,158,481					(1,843,176,612)	47,035,770	15,235,981,869	
211	2011007 Improvement and Rehabilitation of Priority Roads Ph II	USD	173,090,000	62,850,709,867					(6,782,825,899)	173,090,000	56,067,883,968	
212	2012017 Moragahakanda Development Project	USD	80,674,900	29,293,862,913					(3,161,383,101)	80,674,900	26,132,479,812	
213	2014001 Improvement and Rehabilitation of Priority Road Project 3 (Phase I)	USD	172,949,508	62,799,695,719					(6,777,320,471)	172,949,508	56,022,375,248	
214	2014034 Improvement and Rehabilitation of Priority Roads Project 3 (Phase II)	USD	61,417,186	22,301,194,314					(2,406,736,832)	61,417,186	19,894,457,482	
Deutsche Bank AG												
215	2014028 Construction of 537 Steel Beam Bridges	USD	77,160,000	28,017,567,599					(3,023,645,772)	77,160,000	24,993,921,827	
216	2019005 Reconstruction of Rural Bridges USD 12.7Mn (Commercial Facility)	USD	12,729,512	4,622,213,149					(498,827,573)	12,729,512	4,123,385,576	
217	2019006 Reconstruction of Rural Bridges USD 50.9Mn (UKKEF)	USD	42,551,724	15,450,956,193					(1,667,461,610)	42,551,724	13,783,494,583	
European Investment Bank (EIB)												
218	2006093 DFCC Global Loan II	USD	15,355,350	6,252,808,639			3,412,300	1,577,815,626	(626,988,295)	11,943,050	4,048,004,718	
219	2013047 Sri Lanka SME & GREEN Energy Global Loan	EUR	1,750,000	1,250,000			1,250,000	500,000		500,000		
		USD	16,895,954	30,802,077,087			1,408,330	2,177,401,757	(2,496,879,173)	15,491,624	26,127,796,157	
		EUR	63,746,764				4,903,596			58,843,168		
Export Development Bank of Iran (EDBI)												
220	2008027 Uma Oya Hydro Electric and Irrigation Project (Iran)	USD	32,902,548	11,947,244,040					(1,289,342,262)	32,902,548	10,657,901,798	
Export Import Bank of China (EIBC)												
221	2003050 Rural Electrification Project VII	CNY	21,995,834	1,147,914,177					(143,379,843)	21,995,834	1,004,534,334	
222	2007014 Supply of 100 Nos. Railway Passenger Carriages	CNY	7,319,897	382,009,356					(47,714,753)	7,319,897	334,294,603	
223	2007015 Supply of 15 Nos. Diesel Multiple Units	CNY	10,421,151	543,856,990					(67,930,278)	10,421,151	475,926,712	
224	2009009 Bunkering Facility & Tank Farm Project at Hambantota	USD	17,753,047	6,446,309,187					(695,683,358)	17,753,047	5,750,625,829	
225	2009010 Colombo-Katunayake Expressway (CKE) Section A2	USD	18,542,362	6,732,917,275					(726,614,000)	18,542,362	6,006,303,275	
226	2009011 Colombo-Katunayake Expressway (CKE) Section A1	USD	20,428,779	7,417,893,882					(800,536,427)	20,428,779	6,617,357,455	
227	2009012 Colombo-Katunayake Expressway (CKE) Section A3	USD	13,942,058	5,042,500,892					(546,343,267)	13,942,058	4,516,157,625	
228	2009013 Colombo-Katunayake Expressway (CKE) Section A4	USD	19,478,468	7,072,826,031					(763,296,830)	19,478,468	6,309,529,201	
229	2010007 Supply of 13 Nos. Diesel Multiple Units to Sri Lanka Railway Project	CNY	343,703,382	17,937,123,228					(2,240,430,479)	343,703,382	15,696,692,749	
230	2010029 Supply of Two Nos. MA 60 Aircrafts Project	CNY	149,715,286	7,813,311,426					(975,919,095)	149,715,286	6,837,392,331	

24(ii) STATEMENT OF FOREIGN LOAN BALANCES (8343)

Loan Key	Name of the Project	Loan Currency	Loan Balance as at 01-01-2023		Borrowings Accounted During the Year		Repayments During the Year		Parity Adjustment		Closing Balance as at 31.12.2023	
			Loan Currency Amount	Rs.	Loan Currency Amount	Rs.	Loan Currency Amount	Rs.	Rs.	Loan Currency Amount	Rs.	
231	2010030	USD	6,143,097	2,230,619,695					(240,727,671)		6,143,097	1,989,892,024
	Procurement of Material for the Northern Province Power Sector Development Programme											
232	2010031	USD	23,660,316	8,591,297,195					(927,169,689)		23,660,316	7,664,127,506
	Northern Road Rehabilitation Project (A009) from Galkulama to 230Km Post											
233	2010032	USD	15,941,136	5,788,386,438					(624,680,573)		15,941,136	5,163,705,865
	Northern Road Rehabilitation Project-11B											
234	2010033	USD	14,255,892	5,176,457,155					(558,641,386)		14,255,892	4,617,815,769
	Northern Road Rehabilitation Project (Mulativu-Kokkila) - 11A											
235	2010034	USD	24,919,404	9,048,483,976					(976,509,121)		24,919,404	8,071,974,855
	Northern Road Rehabilitation Project- (AB020) (AB032) (AB016) (AB018)											
236	2010035	USD	23,503,556	8,534,376,594					(921,024,838)		23,503,556	7,613,349,756
	Northern Road Rehabilitation Project- A009 (From 230Km Post to Jaffna)											
237	201005	USD	31,855,678	11,567,115,217					(1,248,318,895)		31,855,678	10,318,796,322
	Highway Section from Pinnaduwa to Kodagoda (30Km to 45Km)											
238	201006	USD	23,729,804	8,616,529,050					(929,892,702)		23,729,804	7,686,636,348
	Highway Section from Kodagoda to Godagama (45Km to 61Km)											
239	201008	USD	20,140,519	7,313,223,858					(789,240,476)		20,140,519	6,523,983,382
	Re. & Im. of 67Km Length of Navatkulii-Karaitivu-Mannar Road											
240	201009	USD	31,933,304	11,595,302,636					(1,251,360,871)		31,933,304	10,343,941,765
	Re. & Im. Of 113Km Length of Puttalam-Marichchikade-Mannar Road											
241	201014	USD	4,439,953	1,612,191,501					(73,987,487)		4,439,952	1,438,204,014
	Procurement of Materials for Lighting Uva Province											
242	2012001	USD	14,856,332	5,394,482,640					(582,170,698)		14,856,332	4,812,311,942
	Finance Material Required for Lighting Sri Lanka Eastern Province Project											
243	2013005	USD	169,230,772	61,449,385,621					(6,631,595,493)		169,230,772	54,817,790,128
	Matarata - Belliatta Section of Matarata - Kataragama Railway Extension Project											
244	2013022	CNY	468,923,078	24,472,063,810					(3,056,675,084)		468,923,078	21,415,388,726
	Matarata-Belliatta Section of Matarata - Kataragama Railway Extension Project											
245	2013041	CNY	373,379,547	19,485,857,104					(2,433,874,575)		373,379,547	17,051,982,529
	Greater Kurunegala Water Supply and Sewerage Project											
246	2014024	USD	315,454,610	114,544,723,307					(12,361,625,152)		315,454,610	102,183,098,155
	Construction of Outer Circular Highway Project Phase III from kerawalapitiya to Kadawatha											
247	2014025	CNY	1,789,021,006	93,365,070,451					(11,661,733,427)		1,789,021,006	81,703,337,024
	Construction of Extension of Southern Expressway, Section 4, from Mattala to Hambantota Via Andarawewa Project											
248	2014026	CNY	1,399,054,985	73,013,601,729					(9,119,739,918)		1,399,054,985	63,893,861,811
	Hambantota Hub Development Project											

24(ii) STATEMENT OF FOREIGN LOAN BALANCES (8343)

Loan Key	Name of the Project	Loan Currency	Loan Balance as at 01-01-2023		Borrowings Accounted During the Year		Repayments During the Year		Parity Adjustment		Closing Balance as at 31.12.2023	
			Loan Currency Amount	Rs.	Loan Currency Amount	Rs.	Loan Currency Amount	Rs.	Rs.	Loan Currency Amount	Rs.	
249	2016040 Construction of Extension of Southern Expressway, Section 1 from Matara to Bellatta	USD	597,584,476	216,988,898,870					(23,417,363,563)	597,584,476	193,571,535,307	
250	2016015 Construction of Extension of Southern Expressway, Section 2 from Bellatta to Welisara Project	USD	260,732,075	94,674,424,000					(10,217,229,630)	260,732,075	84,457,194,370	
251	2017041 Kandy North Pathadumbara Integrated Water Supply	CNY	746,601,410	38,963,485,041	8,813,208	414,977,811			(4,879,206,081)	755,414,618	34,499,256,791	
252	2017042 Construction Service for Design Review and Construction Supervision of Civil Works on Extension of Southern Expressway Project	CNY	362,194,397	18,902,128,753					(2,360,964,177)	362,194,397	16,541,164,576	
253	2018022 Widening & Improvement of 64.31 Km of Roads and Reconstruction of 13 Bridges in Central & Uva Provinces in Sri Lanka	USD	69,626,239	25,281,983,408					(2,728,422,514)	69,626,239	22,553,560,894	
254	Export Finance & Insurance Corporation 2015034 Supply and Purchase of Clinical Waste Disposal Systems and Related Equipment	USD	6,882,313	2,499,036,818					(269,695,151)	6,882,313	2,229,341,667	
255	Export Import Bank of India 2017013 Dollar Credit Line 318M of the Development of Railway Sector	USD	154,631,116	56,148,104,523	1,110,017	357,158,767			(6,057,081,631)	155,741,133	50,448,181,660	
256	2018002 Dollar Credit Line on KKS Harbour	USD	905,194	328,685,131					(35,471,581)	905,194	293,213,550	
257	Export Import Bank of USA 2013025 Badulla, Haliela and Ella Integrated Water Supply Project	USD	40,070,773	14,550,098,288					(1,570,241,350)	40,070,773	12,979,856,938	
258	Export Import Bank of Hungary (EIBH) 2015008 Rehabilitation of Kalatuwawa Water Treatment Plant	EUR	15,210,918	5,885,560,401					(428,718,195)	15,210,918	5,456,842,206	
259	2013009 Rehabilitation of Labugama Water Treatment Plant Project	EUR	14,624,789	5,658,769,755					(42,198,226)	14,624,789	5,246,571,529	
260	2021001 Constriction of Flyovers at Kohuwela & Gatabe	EUR	13,852,783	5,340,057,132					(390,439,289)	13,852,783	4,969,617,843	
261	Fortis Bank 2010029 Implementation of Kolonna and Balangoda Water Supply Projects (Belgium)	EUR	1,769,057	684,501,085					(49,860,708)	1,769,057	634,640,377	
262	Government of Canada 1972003 Import of Newsprint & Radio Telecom Equipment	CAD	12,500	3,349,353					(288,043)	12,500	3,061,310	
263	1973003 Purchase of 14 Locomotives	CAD	144,144	38,623,125					(3,321,568)	144,144	35,301,557	
264	1973004 Import of Asbestos, Nylon & TYRE Cord	CAD	60,561	16,227,211					(1,395,531)	60,561	14,831,680	
265	1974005 Import of Commodities	CAD	110,000	29,474,303					(2,534,774)	110,000	26,939,529	
266	1975004 Import of Commodities	CAD	131,250	35,168,202					(3,024,446)	131,250	32,143,756	
267	1975005 Import of Commodities	CAD	1,200,000	321,537,840					(27,652,080)	1,200,000	293,885,760	

24(ii) STATEMENT OF FOREIGN LOAN BALANCES (8343)

Loan Key	Name of the Project	Loan Currency	Loan Balance as at 01-01-2023		Borrowings Accounted During the Year		Repayments During the Year		Parity Adjustment	Closing Balance as at 31.12.2023	
			Loan Currency Amount	Rs.	Loan Currency Amount	Rs.	Loan Currency Amount	Rs.		Loan Currency Amount	Rs.
268	1976002	Agricultural Sector Support Credit	CAD	751,600	201,389,931				(17,319,395)	751,600	184,070,536
269	1977004	Water Supply Project	CAD	675,000	180,865,030				(14,228,865)	525,000	128,575,014
270	1977009	Import of Fertilizer & Commodities	CAD	1,250,000	334,935,251	150,000	38,061,151		(28,804,250)	1,250,000	306,131,001
271	1978005	Import of Fertilizer, Alum, Rods & Asbestos	CAD	3,000,000	803,844,600				(69,130,200)	3,000,000	734,714,400
272	1980014	Maduruoya Reservoir Complex	CAD	14,400,000	3,858,454,053				(331,824,958)	14,400,000	3,526,629,095
273	1983008	Maduruoya Right Bank - Mahaweli System B.	CAD	3,025,000	810,543,187				(70,624,320)	3,021,251	739,918,867
Government of China											
274	2000073	Economic and Technical Cooperation- National Performance Art Theater (Nellum Pokuna)	CNY	20,000,000	1,043,756,000				(130,370,000)	20,000,000	913,386,000
275	2002076	Economic and Technical Cooperation- National Performance Art Theater (Nellum Pokuna)	CNY	30,000,000	1,565,634,000				(195,555,000)	30,000,000	1,370,079,000
276	2003077	Economic and Technical Cooperation- National Performance Art Theater (Nellum Pokuna)	CNY	50,000,000	2,609,390,000				(325,925,000)	50,000,000	2,283,465,000
277	2019015	Central Expressway Project Section 01 Kadawatha to Meerigama	USD	51,569,653	18,725,456,620				(2,020,844,513)	51,569,653	16,704,612,107
Government of France											
278	1997077	Expansion of Telephone Exchanges in Colombo	EUR	492,135	190,421,750				(13,870,773)	492,135	176,550,977
279	1997078	T.A./Mainten. Water Treatment Plant Colombo	EUR	125,451	48,540,647				(3,535,816)	125,451	45,004,831
280	1997080	Cardio Thoracic Equipment for Kandy Hospital	EUR	578,487	223,833,974				(16,304,598)	578,487	207,529,376
281	1997081	Elilhouse & F/S on Colombo North Water Sp	EUR	300,465	116,258,923				(8,468,576)	300,465	107,790,347
282	1997082	Modernization - Colombo Water Distrib. Network	EUR	116,837	45,207,741				(3,293,043)	116,837	41,914,698
283	1997084	Improvement of Government Film Unit	EUR	170,338	65,908,883				(4,800,959)	170,338	61,107,924
284	1998021	Water Treatment Plant at Anuradhapura	EUR	676,366	261,706,297				(19,063,316)	676,366	242,642,981
285	1998083	Modern. Rathmalana Air Traffic Control System	EUR	274,620	106,258,717				(7,740,137)	274,620	98,518,580
286	1998084	Expansion of E 10B Telecom Exchange - 1996	EUR	184,486	71,383,168				(5,199,719)	184,486	66,183,449
287	1998090	Improvement of Government Film Unit	EUR	125,984	48,746,989				(3,550,846)	125,984	45,196,143

24(ii) STATEMENT OF FOREIGN LOAN BALANCES (8343)

Loan Key	Name of the Project	Loan Currency	Loan Balance as at 01-01-2023		Borrowings Accounted During the Year		Repayments During the Year		Parity Adjustment		Closing Balance as at 31.12.2023	
			Loan Currency Amount	Rs.	Loan Currency Amount	Rs.	Loan Currency Amount	Rs.	Rs.	Rs.	Loan Currency Amount	Rs.
288	1999100 Extension of Colombo Telecommunic. Units	EUR	490,347	189,730,027					(13,820,386)		490,347	175,909,641
289	1999102 Ambathale Water Treatment Plant Project	EUR	184,592	71,424,245					(5,202,712)		184,592	66,221,533
290	1999103 Samanalawewa Transmission Project	EUR	45,280	17,520,128					(1,276,208)		45,280	16,243,921
291	1999104 Mixed Credit for Telecomm. & CEB	EUR	159,502	61,716,140					(4,495,550)		159,502	57,220,590
292	2000100 Rehabilitation of Ambatale Water Plant	EUR	794,247	307,317,837					(22,385,730)		794,247	284,932,107
293	2000101 Water Supply Network of Colombo	EUR	541,172	209,395,589					(15,252,872)		541,172	194,142,717
294	2002052 Colombo Airport Telecommunicating Project	EUR	3,284	1,270,844					(92,571)		3,284	1,178,273
295	2002053 Mixed Credit for Airport, Telecom, Iriga., NWSDB	EUR	22,675	8,773,653					(639,094)		22,675	8,134,559
296	2002054 Nilwala Ganga Project	EUR	4,373	1,692,045					(1,688,099)		11	3,946
297	2002055 Mixed Credit for Airport, Telecom, Iriga. NWSDB	EUR	13,011	5,034,415					(762,414)		11,908	4,272,001
298	2005052 Greater Trincomalee Water Supply Project	EUR	11,474,949	4,440,001,846					(323,420,278)		11,474,949	4,116,581,568
299	2007042 Spatial Information Infrastructure for Reconstruction Monitoring Project	EUR	3,982,333	1,540,884,108					(112,241,657)		3,982,333	1,428,642,451
300	2010008 Provision of Oxygen Concentrators, Operating Theaters & Medical Equipment to Tsunami Affected & Remote Hospitals Project	EUR	5,864,108	2,268,999,308					(165,279,298)		5,864,108	2,103,720,010
301	2012028 Widening and Reconstruction of 46 Bridges on National Road Network	EUR	17,885,428	6,920,409,043					(504,099,028)		17,885,428	6,416,310,015
302	2018046 Implementation of Green Power Development & Energy Efficient Improvement Investment Programme - Tranch 2	EUR	15,994,621	6,188,798,851			1,732,921,800		(31,258,005)		21,994,621	7,890,462,646
303	2018047 Development of Mini Dairy Cooperatives with French Soft Loan	EUR	12,540,811	4,860,154,670			425,134,371		(346,775,560)		13,766,079	4,938,515,480
Government of Germany												
304	1997065 Private Sector Infrastructure Development Project	EUR	1,297,656	502,101,912					(36,574,341)		1,297,656	465,527,571
305	1998037 Grid Substation Kelaniya & Rathmalana	EUR	4,019,352	1,555,207,731					(13,285,046)		4,019,352	1,441,922,685
306	1998057 Nawalapitiya Water Supply Project	EUR	2,204,972	853,169,559					(62,146,886)		2,204,972	791,022,673
307	1998058 Ampara Water Supply Project	EUR	1,317,387	509,736,640					(37,130,416)		1,317,387	472,606,244

24(ii) STATEMENT OF FOREIGN LOAN BALANCES (8343)

Loan Key	Name of the Project	Loan Currency	Loan Balance as at 01-01-2023		Borrowings Accounted During the Year		Repayments During the Year		Parity Adjustment		Closing Balance as at 31.12.2023	
			Loan Currency Amount	Rs.	Loan Currency Amount	Rs.	Loan Currency Amount	Rs.	Rs.	Loan Currency Amount	Rs.	
308	1999026 Koggala Water Supply Project	EUR	2,686,772	1,039,592,890					(75,726,426)		2,686,772	963,866,464
309	1999054 NDB IV Project	EUR	4,601,627	1,780,507,511					(129,696,395)		4,601,627	1,650,811,116
310	2000010 DFCC Bank (DFCC II)	EUR	4,653,777	1,800,685,857					(131,166,290)		4,653,777	1,669,519,567
311	2001042 Colombo Grib Substation Project	EUR	6,702,014	2,593,210,284					(188,895,595)		6,702,014	2,404,314,689
312	2001049 Purchase of 16 Locomotives (11 a)	EUR	2,326,377	900,144,883					(65,568,713)		2,326,377	834,576,170
313	2001054 General Commodity Aid 1995 for Potash	EUR	2,692,053	1,041,635,943					(75,875,263)		2,692,053	965,760,680
314	2001058 Import of Commodities	EUR	1,309,930	506,851,386					(36,920,259)		1,309,930	469,931,127
315	2001060 Commodity Aid for Electro. Equip. for CBSL	EUR	260,759	100,895,379					(7,349,470)		260,759	93,545,909
316	2001061 Kirindioya Irrigation & Settlement Project	EUR	1,832,370	708,998,940					(51,645,124)		1,832,370	657,353,816
317	2001063 Railway Wagons for Fertilizer Distribute.	EUR	1,670,904	646,522,962					(47,094,235)		1,670,904	599,428,727
318	2001064 Import of Commodities	EUR	1,973,587	763,640,095					(55,625,323)		1,973,587	708,014,772
319	2001065 Expans of Two 132/11KV Substa. in Colombo	EUR	3,170,011	1,226,572,187					(89,346,431)		3,170,011	1,137,225,756
320	2001067 Import of Commodity Loan XIII	EUR	1,022,583	395,668,133					(28,821,373)		1,022,583	366,846,760
321	2001068 Import of Commodities XVI	EUR	1,725,609	667,689,906					(48,636,082)		1,725,609	619,053,824
322	2001100 Randeniya Dam Project	EUR	51,129,188	19,783,416,603					(1,441,071,043)		51,129,188	18,342,345,560
323	2001101 2nd Ext. of Sapugaskanda Deisal Power Pl	EUR	18,659,086	7,219,760,132					(525,904,472)		18,659,086	6,693,855,660
324	2001102 Rantembe Dam Project	EUR	24,611,542	9,522,944,373					(693,673,881)		24,611,542	8,829,270,492
325	2001103 Railway Bridges Project	EUR	570,604	220,783,651					(16,082,406)		570,604	204,701,246
326	2001104 Small Entrepreneur Promot. Pg. (DFCC II)	EUR	511,804	198,032,245					(14,425,133)		511,804	183,607,112
327	2001105 Kirindioya Irrigation & Settlement	EUR	2,625,997	1,016,077,010					(74,013,449)		2,625,997	942,063,561
328	2001106 Import of Commodities XVII	EUR	2,092,208	809,538,196					(58,968,662)		2,092,208	750,569,534
329	2001108 Import of Commodities XVIII	EUR	2,172,992	840,795,729					(61,245,549)		2,172,992	779,550,180
330	2001110 Supply of a Railway Crane	EUR	586,452	226,915,795					(16,529,071)		586,452	210,386,724
331	2001111 Import of Commodities (I2)	EUR	507,202	196,251,515					(14,295,427)		507,202	181,956,088
332	2001112 Import of Commodities XIX	EUR	1,425,481	551,561,178					(40,177,067)		1,425,481	511,384,111
333	2001113 Import of Commodities X	EUR	824,204	318,909,347					(23,230,085)		824,204	295,679,262
334	2001115 Railway Bridges II	EUR	4,159,872	1,609,579,521					(117,245,594)		4,159,872	1,492,333,927
335	2001116 Import of Commodities (11 b)	EUR	450,960	174,490,123					(12,710,268)		450,960	161,779,855
336	2001117 Small Entrepreneur Promotion Programme by DFCC	EUR	1,698,000	657,007,295					(47,857,994)		1,698,000	609,149,301
337	2001118 Embilipitya Paper Mills Project	EUR	434,599	168,159,252					(12,249,125)		434,599	155,910,127
338	2001122 NDB Small Loan Programme III	EUR	573,670	221,970,032					(16,168,832)		573,670	205,801,200
339	2001123 Import of Commodities IX	EUR	455,561	176,270,222					(12,839,944)		455,561	163,430,278
340	2003047 NDB VI - Small and Micro Enterprises	EUR	1,476,757	571,401,586					(41,622,260)		1,476,757	529,779,326
341	2005043 DFCC IV Private Sector Development Programme	EUR	4,032,919	1,560,457,280					(113,667,414)		4,032,919	1,446,789,866
342	2005044 NDB V - Private Sector Promotion Programme	EUR	4,032,919	1,560,457,275					(113,667,413)		4,032,919	1,446,789,862
343	2005051 Rehabilitation Electricity Supply Jaffna Region (Transmission Line)	EUR	4,546,238	1,759,075,861					(128,135,263)		4,546,238	1,630,940,598

24(ii) STATEMENT OF FOREIGN LOAN BALANCES (8343)

Loan Key	Name of the Project	Loan Currency	Loan Balance as at 01-01-2023		Borrowings Accounted During the Year		Repayments During the Year		Parity Adjustment		Closing Balance as at 31.12.2023	
			Loan Currency Amount	Rs.	Loan Currency Amount	Rs.	Loan Currency Amount	Rs.	Rs.	Loan Currency Amount	Rs.	
344	2006040 DFCC V Credit Line for SME in the North and East	EUR	4,004,000	1,549,267,720					(112,852,340)	4,004,000	1,436,415,380	
345	2010036 Reconstruction of Water Supply Galle District - Phase II	EUR	1,210,204	468,264,280					(34,109,482)	1,210,204	434,154,798	
346	2012022 Construction of Mahamodara Maternity Hospital, Galle	EUR	6,338,339	2,452,493,316					(178,645,437)	6,338,339	2,273,847,879	
Government of India												
347	2001041 Line of Credit	USD	3,955,873	1,436,417,044					(155,017,608)	3,955,873	1,281,399,436	
348	2003049 Indian Line of Credit	USD	7,368,887	2,675,716,559					(288,762,720)	7,368,887	2,386,953,839	
349	2004040 Indian Line of Credit	USD	3,069,103	1,114,421,911					(120,268,010)	3,069,103	994,153,901	
350	2008006 Indian Dollar Credit Line Agreement	USD	18,746,721	6,807,121,589	8,245,357	2,878,985,072			(942,743,866)	26,992,078	8,743,362,795	
351	2008011 Upgrading of Railway Line Colombo Matara	USD	872,131	316,679,516					(34,175,923)	872,131	282,503,593	
352	2010010 Upgrading of Railway Line Colombo Matara phase II	USD	4,433,699	1,609,920,527					(173,742,011)	4,433,699	1,436,178,516	
353	2010052 Railway Line Omanthai - Pallai, Madhullaaimannar & Medawachchiya	USD	284,499,269	103,304,529,163					(11,148,587,461)	284,499,269	92,155,941,702	
354	2012002 Greater Dambulla Water Supply Project I	USD	21,109,565	7,665,094,230					(827,214,200)	21,109,565	6,837,880,030	
355	2012003 Restoration of Northern Railway Services	USD	286,448,564	104,012,338,581	2,135,666	698,973,024			(11,232,154,982)	288,584,231	93,479,156,623	
356	2013046 Procurement of Two Advanced Offshore Patrol Vessels	USD	42,322,648	15,367,776,723					(1,658,484,911)	42,322,648	13,709,291,812	
357	2022009 Short Term Line of Credit USD 500Mn	USD	497,329,343	180,585,257,828			163,509,394,618		(17,075,863,210)	-	-	
358	2022011 Importation of Essential Commodities Under Indian Credit Facility (USD 1000 Mn)	USD	299,565,139	108,775,097,576	133,765,136	46,704,976,980			(15,114,302,951)	433,330,275	140,365,771,605	
359	2022020 Dollar Credit Line for India EXIM Bank for the Procurement of Urea Fertilizer USD 55 Mn	USD	45,559,332	16,543,049,181					(1,785,319,890)	45,559,332	14,757,729,291	
Government of Japan												
360	1993023 Baseline Road Project	JPY	360,453	987,100,541					(161,266,672)	360,453	825,833,869	
361	1993024 Port of Colombo Extension Project IV	JPY	499,623	1,368,217,586					(223,531,330)	499,623	1,144,686,256	
362	1993025 Transmission Sys. Augmentation & Dev. Project	JPY	48,141	131,834,128					(21,538,283)	48,141	110,295,845	
363	1993026 S.Lan.-Jap. Friendship Bridge Widening Project	JPY	158,316	433,548,366					(70,830,578)	158,316	362,717,788	
364	1993027 The Regional Telecommunications Dev. Project	JPY	697,353	1,909,701,191					(311,995,732)	697,353	1,597,705,459	
365	1993028 Greater Colombo Water Sup. Sys. Extension Project	JPY	245,316	671,797,866					(109,754,378)	245,316	562,043,488	
366	1994015 Greater Colombo Flood Control & Env. Project (I)	JPY	432,660	1,184,839,410					(193,572,084)	432,660	991,267,326	
367	1994016 Industrial Estates Development Project	JPY	461,280	1,263,215,280					(204,376,672)	461,280	1,056,838,608	
368	1994017 Kukulie Ganga Hydroelectric Power Project	JPY	2,350,240	6,436,132,240					(1,051,497,382)	2,350,240	5,384,634,858	

24(ii) STATEMENT OF FOREIGN LOAN BALANCES (8343)

Loan Key	Name of the Project	Loan Currency	Loan Balance as at 01-01-2023		Borrowings Accounted During the Year		Repayments During the Year		Parity Adjustment		Closing Balance as at 31.12.2023	
			Loan Currency Amount	Rs.	Loan Currency Amount	Rs.	Loan Currency Amount	Rs.	Rs.	Loan Currency Amount	Rs.	
369	1994018	Port of Colombo North Pier Develop. Project	JPK	594,895	1,629,119,957					(266,156,023)	594,895	1,362,963,934
370	1994019	Walawe L.B. Irrigat . Upgrading & Exp. Project	JPK	46,215	126,559,777					(20,676,591)	46,215	105,883,186
371	1994020	Coal Fired Thermal Development Project	JPK	82,070	224,748,695					(36,718,118)	82,070	188,030,577
372	1995028	Samanalawewa Hydro Electric Power Project	JPK	535,038	1,465,201,563					(239,376,010)	535,038	1,225,825,553
373	1995029	Walawe Left Bank Irriga. Upgr & Exten. Project	JPK	426,020	1,166,655,770					(190,601,348)	426,020	976,054,422
374	1996053	Kelanitissa Combined Cycle Power Plant	JPK	3,269,860	8,954,511,610					(1,462,935,364)	3,269,860	7,491,576,246
375	1996054	Walawe Left Bank Irriga. & Exten Project (I)	JPK	2,101,450	5,754,820,804					(940,188,726)	2,101,450	4,814,632,078
376	1996055	Towns North of Colombo Water Supply Project	JPK	1,248,010	3,417,675,380					(558,359,673)	1,248,010	2,859,315,707
377	1996056	G.C. Flood Control & Enviro. Imp. Project (III)	JPK	1,432,780	3,923,668,044					(641,025,766)	1,432,780	3,282,642,278
378	1996057	Plantation Reform Project	JPK	994,140	2,722,452,390					(444,778,236)	994,140	2,277,674,154
379	1997032	Transmission & Substation Dev. Project	JPK	663,531	1,817,079,643					(295,863,769)	663,531	1,520,215,874
380	1997051	Baseline Road Project (I)	JPK	614,636	1,683,180,685					(274,988,146)	614,636	1,408,192,539
381	1997052	Telecom. Network Expan Project in Colombo	JPK	2,239,314	6,132,361,390					(1,001,869,084)	2,239,314	5,130,492,306
382	1997053	Kalu Ganga Water Supply Project for Greater Colombo	JPK	2,976,226	8,150,394,912					(1,331,563,514)	2,976,226	6,818,831,398
383	1997054	Mahaweli System C. Upgrading Project	JPK	825,913	2,261,762,751					(369,513,474)	825,913	1,892,249,277
384	1997055	Small & Micro Ind. Leader & Entrep. Project	JPK	1,451,483	3,974,886,196					(649,393,494)	1,451,483	3,325,492,702
385	1998053	Transmission & Substation Dev. Project II	JPK	923,216	2,528,227,016					(413,046,838)	923,216	2,115,180,178
386	1998054	Medium Voltage Distribution Network	JPK	1,108,753	3,036,320,092					(496,056,092)	1,108,753	2,540,264,000
387	1998055	Telecom. Network Expansion - Colombo Metro	JPK	92,092	252,193,941					(41,201,961)	92,092	210,991,980
388	1998056	Environmentally Friendly Solution Fund	JPK	1,281,753	3,510,080,592					(573,456,292)	1,281,753	2,936,624,300
389	1999029	Bandarayanake Inter. Airport Dev. Project	JPK	4,650,533	12,735,484,631					(2,080,648,458)	4,650,533	10,654,836,173
390	1999030	Road Network Improvement Project	JPK	1,197,245	3,278,655,448					(535,647,416)	1,197,245	2,743,008,032
391	1999031	Poverty Alleviation Micro Finance Project	JPK	500,430	1,370,427,551					(223,892,381)	500,430	1,146,535,170
392	1999032	Engineer. Service for the S.them Highway	JPK	217,665	596,075,602					(97,383,321)	217,665	498,692,281
393	1999033	Reduction of Non Revenue Water Project	JPK	134,035	367,054,847					(59,967,259)	134,035	307,087,588

24(ii) STATEMENT OF FOREIGN LOAN BALANCES (8343)

Loan Key	Name of the Project	Loan Currency	Loan Balance as at 01-01-2023		Borrowings Accounted During the Year		Repayments During the Year		Parity Adjustment		Closing Balance as at 31.12.2023	
			Loan Currency Amount	Rs.	Loan Currency Amount	Rs.	Loan Currency Amount	Rs.	Rs.	Loan Currency Amount	Rs.	
394	1999034 Urgent Upgrading of Colombo Port Project	JPK	620,280	1,698,636,766					(277,513,270)		620,280	1,421,123,496
395	2000015 Port of Colombo North Pier. Dev. Project II (Modification Agreement)	JPK	1,031,856	2,825,737,657					(461,652,374)		1,031,856	2,364,085,283
396	2001043 Small & Micro Ind. Leader & Entrepr. Project II	JPK	1,880,676	5,150,231,225					(841,414,442)		1,880,676	4,308,816,783
397	2001044 Improv. Nati. Blood Transfusion Services	JPK	604,756	1,656,124,336					(270,567,864)		604,756	1,385,556,471
398	2001045 Southern Highway Construction Project	JPK	8,424,288	23,069,912,659					(3,769,026,446)		8,424,288	19,300,886,213
399	2001046 Greater Kandy Water Supply Project	JPK	2,892,978	7,922,420,238					(1,294,318,355)		2,892,978	6,628,101,883
400	2001051 Colombo City Electricity Distribution Development Project	JPK	3,052,680	8,359,764,180					(1,365,769,080)		3,052,680	6,993,995,100
401	2001052 Lunawa Envir. Improv. & Community Dev. Project	JPK	3,217,120	8,810,083,136					(1,439,339,491)		3,217,120	7,370,743,645
402	2002040 Upper Kotmale Hydro Power Project	JPK	21,407,960	58,625,697,759					(9,577,921,189)		21,407,960	49,047,776,570
403	2003041 Power Sector Restructuring Programme	JPK	1,996,082	5,466,270,557					(893,047,087)		1,996,082	4,573,223,470
404	2003042 Plantation Reform Project II	JPK	910,624	2,493,743,813					(407,413,176)		910,624	2,086,330,637
405	2003043 Provincial Road Improvement Project	JPK	3,105,234	8,503,683,277					(1,389,281,686)		3,105,234	7,114,401,591
406	2003044 Pro-poor Economic Advt. & Commu. Enht. (PEACE)	JPK	3,207,666	8,784,193,347					(1,435,109,769)		3,207,666	7,349,083,578
407	2003045 Power Sector Restructuring Project (Kerawalapitiya)	JPK	1,541,606	4,221,688,034					(689,714,525)		1,541,606	3,531,973,509
408	2003046 Small Scale Infrastructure Rehabilitation & Upgrading	JPK	5,148,286	14,098,581,212					(2,303,343,156)		5,148,286	11,795,238,056
409	2004044 Small Scale Infrastructure Rehabilitation & Upgrading (SIRUP II)	JPK	8,874,642	24,303,207,117					(3,970,514,831)		8,874,642	20,332,692,286
410	2004045 Small And Micro Industries Leader and Entrepreneur Promotion (SMILE III)	JPK	7,104,976	19,456,975,793					(3,178,766,264)		7,104,976	16,278,209,529
411	2004046 Environmentally Friendly Solution Fund (II)	JPK	3,210,478	8,791,894,249					(1,436,367,859)		3,210,478	7,355,526,390
412	2005040 Vavuniya Kilinochchi Transmission Line Project	JPK	966,743	2,647,425,705					(432,520,818)		966,743	2,214,904,887
413	2005041 Sri Lanka Tsunami Affected Area Recovery & Take off (STAART) Project	JPK	7,709,457	21,112,347,996					(3,449,211,062)		7,709,457	17,663,136,934
414	2006042 Pro - Poor Eastern Infrastructure Development Project	JPK	3,509,424	9,610,557,652					(1,570,116,272)		3,509,424	8,040,441,380
415	2006043 Tourism Resources Improvement Project	JPK	689,160	1,887,264,630					(308,330,179)		689,160	1,578,934,451
416	2007004 Greater Colombo Transport Development Project	JPK	16,034,130	43,909,465,014					(7,173,669,763)		16,034,130	36,735,795,251
417	2007005 Pro-Poor Rural Development Project	JPK	2,965,980	8,122,337,372					(1,326,979,633)		2,965,980	6,795,357,739
418	2007006 Water Sector Development Project	JPK	9,681,210	26,511,993,579					(4,331,373,353)		9,681,210	22,180,620,226

24(ii) STATEMENT OF FOREIGN LOAN BALANCES (8343)

Loan Key	Name of the Project	Loan Currency	Loan Balance as at 01-01-2023		Borrowings Accounted During the Year		Repayments During the Year		Parity Adjustment		Closing Balance as at 31.12.2023	
			Loan Currency Amount	Rs.	Loan Currency Amount	Rs.	Loan Currency Amount	Rs.	Rs.	Loan Currency Amount	Rs.	
419	2008012 Greater Colombo Urban Transport Development Project Phase 2(i)	JKP	4,964,298	13,594,730,072					(2,221,026,925)		4,964,298	11,373,703,147
420	2008013 Southern Highway Construction Project (i)	JKP	14,014,770	38,379,447,651					(6,270,208,099)		14,014,770	32,109,239,552
421	2008014 Water Sector Development Project (ii)	JKP	6,655,638	18,226,464,671					(2,977,732,443)		6,655,638	15,248,732,228
422	2008015 Poverty Alleviation Micro Finance Project - i	JKP	2,225,629	6,094,885,015					(995,746,414)		2,225,629	5,099,138,601
423	2008016 Energy Diversification Enhancement Project (Engineering Services)	JKP	391,677	1,072,607,465					(175,236,290)		391,677	897,371,175
424	2010013 Provincial /Rural Road Development Project (Central Province and Sabaragamuwa Province)	JKP	8,028,504	21,986,058,191					(3,591,952,687)		8,028,504	18,394,105,504
425	2010014 Provincial /Rural Road Development Project (Eastern Province)	JKP	3,632,496	9,947,590,288					(1,625,178,709)		3,632,496	8,322,411,579
426	2010015 Eastern Province Water Supply Development Project	JKP	4,449,817	12,185,823,088					(1,990,848,008)		4,449,817	10,194,975,079
427	2010016 Kandy City Wastewater Management Project	JKP	10,287,445	28,172,168,261					(4,602,603,010)		10,287,445	23,569,565,251
428	2010017 Upper Kotmale Hydro Power Project II	JKP	4,175,976	11,435,910,263					(1,868,331,660)		4,175,976	9,567,578,603
429	2011003 Greater Colombo Urban Transport Development Project - Phase II	JKP	28,506,304	78,064,513,503					(12,753,720,410)		28,506,304	65,310,793,093
430	2011004 Vavuniya Kilinochchi Transmission Line Project - Phase II	JKP	1,297,228	3,552,457,947					(580,379,651)		1,297,228	2,972,078,296
431	2011027 Emergency Natural Disaster Rehabilitation Project	JKP	6,758,273	18,507,530,611					(3,023,651,340)		6,758,273	15,483,879,271
432	2012006 Habarana Veyangoda Transmission Line Project	JKP	8,393,922	22,986,756,410					(3,755,440,794)		8,393,922	19,231,315,616
433	2012007 Improvement of Basic Social Services Targeting Emerging Regions	JKP	3,810,360	10,434,669,792					(1,704,755,063)		3,810,360	8,729,914,729
434	2013016 Greater Colombo Transmission and Distribution Loss Reduction Project	JKP	15,594,250	42,704,853,774					(6,976,867,267)		15,594,250	35,727,986,507
435	2013018 Major Bridges Construction Project of the National Road Network	JKP	7,795,288	21,347,397,591					(3,467,612,176)		7,795,288	17,859,785,415
436	2013019 Landslide Disaster Protection Project of the National Road Network	JKP	5,433,984	14,880,965,184					(2,431,164,442)		5,433,984	12,449,800,742
437	2013020 Anuradhapura North Water Supply Project (i)	JKP	3,933,329	10,771,420,587					(1,759,771,217)		3,933,329	9,011,649,370
438	2014003 New Bridge Construction Project Over the Kelani River	JKP	31,782,458	87,036,260,825					(14,219,471,643)		31,782,458	72,816,789,182
439	2015018 National Transmission and Distribution Network Development and Efficiency Improvement Project	JKP	13,833,093	37,881,924,529					(6,188,925,702)		13,833,093	31,692,998,827

24(ii) STATEMENT OF FOREIGN LOAN BALANCES (8343)

Loan Key	Name of the Project	Loan Currency	Loan Balance as at 01-01-2023		Borrowings Accounted During the Year		Repayments During the Year		Parity Adjustment		Closing Balance as at 31.12.2023	
			Loan Currency Amount	Rs.	Loan Currency Amount	Rs.	Loan Currency Amount	Rs.	Rs.	Rs.	Loan Currency Amount	Rs.
440	2016032 Development Policy Loan (Private Sector Development, Governance Improvement & Fiscal Consolidation)	JPK	10,000,000	27,385,000,000					(4,474,000,000)		10,000,000	22,911,000,000
441	2016037 Anuradhapura North Water Supply Project (Phase 2)	JPK	138,459	379,170,958					(61,946,718)		138,459	317,224,240
442	2017015 Rural Infrastructure Development Project in Emerging Regions	JPK	2,643,632	7,239,586,339					(1,182,760,974)		2,643,632	6,056,825,365
443	2017016 Kalu Ganga Water Supply Expansion Project	JPK	342,429	937,742,693					(153,202,883)		342,429	784,539,810
444	2018032 Health and Medical Service Improvement Project	JPK	243,110	665,757,009					(108,767,455)		243,110	556,989,554
445	2019011 Establishment of Light Rail Transit Project System in Colombo (i)	JPK	2,905,813	7,957,569,642					(1,300,060,857)		2,905,813	6,657,508,785
Government of Korea												
446	1996042 Ratnapura-Balangoda Road Rehabilitation	KRK	5,515,191	1,586,168,931					(197,995,357)		5,515,191	1,388,173,574
447	1996043 Housing Project for Public Servants	KRK	1,837,215	528,383,034					(65,956,019)		1,837,215	462,427,015
448	2010048 Greater Galle Water Supply Project	KRK	16,746,467	4,816,283,909					(601,198,165)		16,746,467	4,215,085,744
449	2003048 Balangoda - Bandarawela Road Rehabilitation Project	KRK	10,926,708	3,142,521,361					(392,268,835)		10,926,708	2,750,252,526
450	2005042 Greater Galle Water Supply Project Phase II	KRK	10,461,474	3,008,719,922					(375,566,917)		10,461,474	2,633,153,005
451	2005046 Re-Engineering Government Component of e-Sri Lanka Project	KRK	10,102,848	2,905,579,085					(562,692,243)		10,102,848	2,542,886,842
452	2006044 Administrative Complex in Hambantota Project	KRK	13,767,576	3,959,554,858					(494,255,978)		13,767,576	3,465,298,880
453	2007013 Greater Galle Water Supply Project Phase II (Supplementary)	KRK	5,226,166	1,503,045,341					(187,619,359)		5,226,166	1,315,425,982
454	2007016 Upgrading of Niyaagama National Vocational Training Centre Project	KRK	4,838,358	1,391,511,761					(173,697,052)		4,838,358	1,217,814,709
455	2008040 Lanka Government Network Stage II Project	KRK	7,079,072	2,035,941,107					(254,138,685)		7,079,072	1,781,802,422
456	2008041 Improvement of Padeniya-Anuradhapura Road Project	KRK	64,500,652	18,550,387,515					(2,315,573,407)		64,500,652	16,234,814,108
457	2009004 Ruhunupura Water Supply Development Project	KRK	76,167,245	21,905,699,362					(2,734,404,096)		76,167,245	19,171,295,266
458	2010041 Hatton - Nuwara Eliya Road Improvement Project	KRK	41,486,588	11,931,542,709					(1,489,368,509)		41,486,588	10,442,174,200
459	2012027 Improvement of Padeniya-Anuradhapura Road Project (Supplementary Loan)	KRK	12,923,423	3,716,776,420					(463,950,881)		12,923,423	3,252,825,539
460	2013033 Establishment of Colombo Central Vocational Training Center & Gampaha College of Technology Project in Sri Lanka	KRK	20,356,331	5,854,480,893					(730,792,295)		20,356,331	5,123,688,598
461	2014038 Deduru Oya Water Supply Project	KRK	67,021,640	19,275,423,627					(2,406,076,871)		67,021,640	16,869,346,756

24(ii) STATEMENT OF FOREIGN LOAN BALANCES (8343)

Loan Key	Name of the Project	Loan Currency	Loan Balance as at 01-01-2023		Borrowings Accounted During the Year		Repayments During the Year		Parity Adjustment		Closing Balance as at 31.12.2023	
			Loan Currency Amount	Rs.	Loan Currency Amount	Rs.	Loan Currency Amount	Rs.	Rs.	Loan Currency Amount	Rs.	
462	2014039 Ruwanwalla Water Supply Project	KRK	8,918,400	2,564,931,733					(320,170,547)		8,918,400	2,244,761,186
463	2015011 Hatton-Nuwara Eliya Improvement Project (Supplementary Loan)	KRK	18,826,696	5,414,557,841					(675,878,395)		18,826,696	4,738,679,446
Government of Kuwait												
464	1995013 Bridges Reconstruction & Rehabilitation Project	KWD	246,001	291,788,633					(32,514,530)		246,001	259,274,104
465	1999017 Rehabilitation of Irrigation Schemes - Hambanthota	KWD	240,000	284,671,232					(31,721,425)		240,000	252,949,807
466	2000023 Rural Electrification Project V	KWD	459,800	545,382,624					(60,772,962)		459,800	484,609,662
467	2005048 Strengthening of Tertiary Education & Administrative Infrastructure in Tsunami Affected Areas	KWD	3,097,653	3,674,218,945					(409,424,772)		3,097,653	3,264,794,173
468	2007041 South Eastern University of Sri Lanka Development Project Phase 1 "A"	KWD	1,100,000	1,304,743,110					(145,389,860)		1,100,000	1,159,353,250
469	2009002 Kalu Ganga Development Project	KWD	6,375,000	7,561,578,901					(842,600,325)		6,375,000	6,718,978,576
470	2011030 South Eastern University of Sri Lanka Development Project Phase 1 "B"	KWD	2,214,401	2,626,567,668					(292,683,198)		2,214,401	2,333,884,470
471	2014002 Reconstruction of 25 Bridges Project	KWD	6,160,335	7,306,958,638					(814,227,479)		6,160,335	6,492,731,159
472	2016017 Building Complex for the Faculty of Healthcare Sciences, Eastern University	KWD	5,329,203	6,321,128,314					(704,374,642)		5,329,203	5,616,753,672
473	2017033 Kalu Ganga Development Project (Supplementary)	KWD	4,083,603	4,843,684,498					(539,740,433)		4,083,603	4,303,944,065
Government of Pakistan												
474	1991003 Pakistan Line of Credit (Pakistan)	USD	480,000	174,292,800					(18,809,616)		480,000	155,483,184
475	2006071 Pakistan Line of Credit	USD	1,628,766	591,421,055					(63,825,999)		1,628,766	527,595,056
Government of Russia												
476	2010018 Russian Line of Credit (Russia)	USD	35,415,915	12,859,872,885					(1,387,832,835)		35,415,915	11,472,040,050
Government of Spain												
477	2006087 The Supply & Construction of Pre-Fabricated Metal Bridges	EUR	6,980,000	2,700,771,400					(196,730,602)		6,980,000	2,504,040,798
478	2007001 Design Supply & Setting up of Two Water Treatment Plants at Galle & Negambo	EUR	12,897,325	5,005,839,155					(364,637,211)		12,937,325	4,641,201,944
479	2015032 Supply of Three Flyovers in Ganemulla, Polgahawela and Rajagiriya (Bilateral Portion)	EUR	35,507,940	13,739,087,472					(1,000,787,756)		35,507,940	12,738,299,716
480	2016023 Implementation of Anamadawa Integrated Water Supply Project	EUR	17,352,257	6,714,108,333	1,463,898	326,403,849			(290,309,191)		18,816,155	6,750,202,991
Government of the United States of America												
481	1980028 Jaffna Market Town Water Supply	USD	73,400	26,652,354					(2,876,313)		73,400	23,776,041
482	1980034 Water Management Project	USD	200,486	72,798,523					(7,856,391)		200,486	64,942,132
483	1980115 Reforestation & Watershed Management Project	USD	408,887	148,470,852					(16,022,916)		408,887	132,447,935
484	1981024 Mahaweli Basin Dev. Phase 2	USD	619,115	224,806,830					(24,261,072)		619,115	200,545,757
485	1982018 Supply of Wheat PL.480-Title 1-1983	USD	1,363,609	495,140,187					(53,435,351)		1,363,609	441,704,837

24(ii) STATEMENT OF FOREIGN LOAN BALANCES (8343)

Loan Key	Name of the Project	Loan Currency	Loan Balance as at 01-01-2023		Borrowings Accounted During the Year		Repayments During the Year		Parity Adjustment		Closing Balance as at 31.12.2023	
			Loan Currency Amount	Rs.	Loan Currency Amount	Rs.	Loan Currency Amount	Rs.	Rs.	Loan Currency Amount	Rs.	
486	1982019 Supply of Wheat PL 480-Title 1 -1982	USD	537,397	195,134,210					(21,058,821)	537,397	174,075,389	
487	1982093 Mahaweli Basin Development Phase 2	USD	2,422,099	879,488,355					(94,914,065)	2,422,099	784,574,290	
488	1982094 Mahaweli Sec. Support (Rupee Expenditure)	USD	1,098,016	398,700,626					(43,027,624)	1,098,016	355,673,002	
489	1982100 Mahaweli Development Phase 2 & Maduruoya Project	USD	286,409	103,998,121					(11,223,439)	286,409	92,774,682	
490	1983013 Private Enterprise Promotion Project	USD	143,054	51,944,476					(5,605,829)	143,054	46,338,647	
491	1983016 Supply of Wheat PL 480-Title 1 -1984	USD	2,195,945	797,369,603					(86,051,860)	2,195,945	711,317,743	
492	1983082 Mahaweli Sec. Support	USD	2,307,832	837,996,972					(90,436,312)	2,307,832	747,560,660	
493	1983083 Mahaweli Dev. Phase 2 - Maduruoya Sys.B. Project	USD	2,291,276	831,985,518					(89,787,517)	2,291,276	742,197,801	
494	1983084 Malaria Control Project	USD	687,356	249,585,921					(26,935,233)	687,356	222,650,688	
495	1983089 Water Management Project	USD	185,755	67,449,570					(7,279,131)	185,755	60,170,389	
496	1984006 Mahaweli Dev. Phase 2 - Maduruoya Sys.B. Project	USD	4,041,655	1,467,565,389					(158,579,127)	4,041,655	1,309,186,262	
497	1984007 Malaria Control Project	USD	704,223	255,710,548					(27,596,175)	704,223	228,114,373	
498	1984008 Mahaweli Basin, Dev. Ph-2 (Mad.Oya Sys.B)	USD	1,630,672	592,113,335					(63,900,615)	1,630,672	528,212,720	
499	1984013 Water Supply & Sanitation Project	USD	245,314	89,075,815					(9,613,024)	245,314	79,462,791	
500	1984014 Diversified Agriculture Research Project	USD	476,062	172,863,047					(18,455,303)	476,062	154,207,744	
501	1984016 Supply of Wheat PL 480-Title 1 -1985	USD	2,489,088	903,812,867					(97,539,132)	2,489,088	806,273,735	
502	1984068 Water Supply & Sanitation Project	USD	802,903	291,542,130					(31,463,141)	802,903	260,078,989	
503	1984072 Malaria Control Project	USD	411,021	149,245,766					(16,106,563)	411,021	133,139,203	
504	1984074 Diversified Agriculture Research Project	USD	349,460	126,892,537					(13,694,199)	349,460	113,198,338	
505	1984084 Mahaweli Dev. Phase 2 - Maduruoya Sys.B. Project	USD	42,861	15,563,309					(1,679,587)	42,861	13,883,722	
506	1985009 Supply of Wheat PL 480-Title 1 -1986	USD	4,898,867	1,778,827,751					(191,970,446)	4,898,867	1,586,857,305	
507	1986002 Water Supply & Sanitation Project	USD	343,977	124,901,619					(13,479,335)	343,977	111,422,284	
508	1986004 Supply of Wheat PL 480-Title 1 -1987	USD	4,233,577	1,537,253,983					(165,899,871)	4,233,577	1,371,354,112	
509	1986010 Irrigation System Management Project	USD	2,346,470	852,026,652					(91,950,405)	2,346,470	760,076,247	
510	1986011 Agricultural Planning & Analysis Project	USD	321,617	116,782,476					(12,603,113)	321,617	104,179,363	
511	1987009 Mahaweli Agriculture & Rural Development	USD	1,011,578	367,314,214					(39,640,387)	1,011,578	327,673,827	
512	1987010 Mahaweli Downstream Support Project	USD	1,224,387	444,587,305					(47,979,680)	1,224,387	396,607,625	
513	1987026 Supply of Wheat PL 480-Title 1 -1988	USD	5,582,240	2,026,967,421					(218,749,592)	5,582,240	1,808,217,829	
514	1987027 Irrigation System Management Project	USD	1,260,152	457,573,869					(49,381,180)	1,260,152	408,192,689	
515	1988046 Supply of Wheat PL 480-Title 1 -1989	USD	8,549,995	3,104,588,680					(335,046,173)	8,549,995	2,769,542,507	
516	1988087 Mahaweli Agriculture & Rural Development	USD	204,256	714,167,445					(8,004,124)	204,256	66,163,321	
517	1989019 Water Supply & Sanitation Project	USD	615	223,269					(24,095)	615	199,174	
518	1989054 Supply of Wheat PL 480-Title 1 -1990	USD	10,421,742	3,784,238,353					(408,393,636)	10,421,742	3,375,844,717	

24(ii) STATEMENT OF FOREIGN LOAN BALANCES (8343)

Loan Key	Name of the Project	Loan Currency	Loan Balance as at 01-01-2023		Borrowings Accounted During the Year		Repayments During the Year		Parity Adjustment		Closing Balance as at 31.12.2023	
			Loan Currency Amount	Rs.	Loan Currency Amount	Rs.	Loan Currency Amount	Rs.	Rs.	Loan Currency Amount	Rs.	
519	1992024 Supply of Wheat PL 480-Title 1 -1992	USD	540,408	194,227,367					(21,176,797)	540,408	175,050,570	
520	1993006 Supply of Wheat PL 480-Title 1 -1993	USD	825,252	299,657,079					(32,338,843)	825,252	267,318,236	
521	1994002 Supply of Wheat PL 480-Title 1 -1994	USD	2,240,957	813,713,758					(87,815,654)	2,240,957	725,898,104	
522	1994040 Supply of Wheat PL 480-Title 1 -1995	USD	3,242,897	1,177,528,380					(107,078,484)	3,242,897	1,050,449,896	
523	1995055 Supply of Wheat PL 480-Title 1 -1996	USD	1,990,899	722,915,292					(78,016,757)	1,990,899	644,898,535	
524	1997013 PL 480 Title 1 for FY 1997	USD	2,292,520	832,437,046					(89,836,339)	2,292,520	742,600,707	
525	1998007 PL 480 Title 1 for FY 1998	USD	2,673,869	970,908,434					(104,780,072)	2,673,869	866,128,362	
526	2000031 Import of Wheat - PL 480-Title 1, 2000	USD	1,720,382	624,687,981					(67,416,033)	1,720,382	557,271,948	
527	2001047 Import of Wheat - PL 480 Title 1, FY 2001	USD	2,984,725	1,083,783,596					(116,961,469)	2,984,725	966,822,127	
HSBC (With Guarantee of EKF Denmark)												
528	2015019 Establishment of Daily Processing Plant at Badalgama	EUR	30,284,845	11,718,115,421					(853,575,353)	30,284,845	10,864,540,068	
HSBC Limited (Hong Kong)												
529	2018015 Procurement of 09 Nos Diesel Multiple Unit for Upcountry Line Operation of SLR	USD	70,581,521	25,628,856,237					(2,765,856,905)	70,581,521	22,862,999,332	
HSBC Bank PLC (UK)												
530	2007027 Regional Bridge Project HSBC Bank Plc (UK)	JPY	560,000	1,533,560,000					(250,544,000)	560,000	1,283,016,000	
531	2012023 Construction of 210 Permanent Rural Steel Bridges	USD	19,864,310	7,212,929,213					(778,416,715)	19,864,310	6,434,512,498	
532	2013027 Regional Bridges Project-Phase II- Buyer's Credit Facility	USD	29,755,081	10,804,367,322					(1,166,003,418)	29,755,081	9,638,363,904	
533	2019018 Upgrading Health Facilities in Selected Hospitals of Sri Lanka	USD	52,527,639	19,073,310,914					(2,058,384,822)	52,527,639	17,014,926,092	
IBRD of World Bank												
534	2012011 Metro Colombo Urban Development	USD	152,986,584	55,550,958,691			10,927,988	3,518,116,570	(6,016,752,768)	142,058,596	46,016,089,353	
535	2014013 Disaster Risk Management Dev. Policy Loan with a Catastrophe Differed Draw Down Option CAT-DDC	USD	66,014,400	23,970,488,784			5,997,600	1,930,845,453	(2,598,803,420)	60,016,800	19,440,839,911	
536	2017019 Accelerating Higher Education Expansion and Development Operation (AHEAD) Programme PPF-Programmatic Preparation Advance No - P 4940	USD	51,968,984	18,870,457,882	12,985,274	4,094,822,133			(1,925,082,382)	64,954,258	21,040,197,633	
537	2018036 Primary Health Care System Strengthening Project Framework Development & Infrastructure Financing to Support Public Partnership Project	USD	250,000	90,777,500					(9,796,675)	250,000	80,980,825	
538	2019001 Health System Preparedness Project Covid 19 Emergency Response and Second Additional Financing for the Covid 19 Emergency Response & Health System Preparedness Project	USD	130,001,040	47,204,677,761	41,288,078	13,465,013,301			(5,185,154,657)	171,289,118	55,484,536,405	
539	2019022 Health System Preparedness Project Covid 19 Emergency Response & Health System Preparedness Project	USD	382,103	138,745,514					(14,973,366)	382,103	123,772,148	
540	2020010 Health System Preparedness Project Covid 19 Emergency Response and Second Additional Financing for the Covid 19 Emergency Response & Health System Preparedness Project	USD	27,442,099	9,964,500,565	4,000,000	1,447,680,000			(1,227,352,101)	31,442,099	10,184,828,464	
541	2021012 Health System Preparedness Project Covid 19 Emergency Response & Health System Preparedness Project	USD	53,968,671	19,596,564,203					(2,114,854,128)	53,968,671	17,481,710,075	

24(II) STATEMENT OF FOREIGN LOAN BALANCES (8343)

Loan Key	Name of the Project	Loan Currency	Loan Balance as at 01-01-2023		Borrowings Accounted During the Year		Repayments During the Year		Parity Adjustment		Closing Balance as at 31.12.2023	
			Loan Currency Amount	Rs.	Loan Currency Amount	Rs.	Loan Currency Amount	Rs.	Rs.	Rs.	Loan Currency Amount	Rs.
542	2021025 Climate Resilience Multiphase Programmatic Approach	USD	810,000	294,119,100	3,852,264	1,190,717,416			25,379,557		4,662,264	1,510,216,073
543	2021030 Additional Financing for Water Supply & Sanitation Improvement Project	USD	5,507,435	1,999,804,882	14,578,331	4,696,763,011			(190,320,278)		20,085,766	6,506,247,615
544	2021031 Third Addl. Financing for the COVID-19 Emergency Response & Health Systems Preparedness	USD	86,759,447	31,503,222,757					(3,399,816,417)		86,759,447	28,103,406,340
545	2021032 Inclusive Connectivity & Development Project	USD	298,093,013	108,240,554,005	60,200,405	20,819,687,000			(13,000,654,774)		358,293,418	116,059,586,230
IDA of World Bank												
546	1973001 Fifth Power Project	USD	90,000	32,679,900			90,000	28,719,450	(3,960,450)			
547	1974001 Dairy Development Project	USD	187,514	68,088,201			124,000	38,824,264	(8,690,273)		63,514	20,573,664
548	1974002 Programme Credit Project	USD	675,000	245,099,251			450,000	146,000,205	(26,216,303)		225,000	72,882,743
549	1975001 Private Sector Industrial Project	USD	311,473	115,099,005			124,589	39,091,169	(13,471,695)		186,884	60,536,140
550	1975002 Agricultural Development Project	USD	1,859,554	675,222,617			1,239,702	214,320,265	(59,333,971)		316,828	401,568,381
551	1977001 Tank Irrigation Modernization Project	USD	443,552	161,058,166			126,724	40,645,918	(17,784,274)		1,018,074	102,627,974
552	1977002 Mahaweliganga Development Project (Phase 2)	USD	1,357,414	492,890,576			339,340	110,097,132	(53,015,573)			329,777,870
553	1977003 Water Supply Project	USD	1,242,000	450,982,620			276,000	93,402,112	(44,670,600)		966,000	312,902,908
554	1977005 4th Development Finance Corporation Project	USD	1,018,352	369,773,773			226,300	73,573,785	(39,635,910)		792,052	256,564,078
555	1978001 Tree Crop Rehabilitation (Tea) Project	USD	2,667,411	968,563,608			484,976	167,685,569	(93,936,477)		2,182,435	706,941,563
556	1979001 Kunnegala Rural Development Project	USD	3,340,640	1,213,019,790			513,938	174,385,475	(120,999,686)		2,826,702	915,634,630
557	1979002 Road Maintenance Project	USD	2,916,153	1,058,884,439			448,630	152,965,019	(106,631,117)		2,467,523	799,288,303
558	1979003 Agricultural Extension & Research Project	USD	1,552,131	563,594,218			238,786	76,589,093	(61,582,140)		1,313,345	425,422,984
559	1979004 Small & Medium Industries Project	USD	2,940,335	1,067,665,137			482,350	154,404,785	(105,343,956)		2,487,985	805,916,396
560	1979074 Water Supply Project	DKK	200,070	10,410,782			30,780	1,514,671	(748,336)		169,290	8,147,775
561	1979077 Water Supply Project	GBP	196,972	86,145,271			30,303	12,766,598	(4,608,793)		166,669	68,769,879
562	1980001 Mahaweli Ganga T.A. Project	USD	418,053	151,799,225			55,732	18,673,285	(15,761,735)		362,301	117,364,205
563	1980003 Road Passenger Transport Project	USD	11,617,795	4,218,537,317			1,549,036	519,012,257	(438,019,641)		10,068,759	3,261,505,619
564	1980004 Small Holder Rubber Rehabilitation Project	USD	2,506,562	910,157,728			334,198	111,974,711	(94,503,717)		2,172,364	703,679,300
565	1980005 Telecommunications Project	USD	6,750,000	2,450,992,500			900,000	301,549,500	(254,491,695)		5,850,000	1,894,951,305
566	1980006 Second Water Supply & Sewerage Project	USD	6,750,000	2,450,992,500			900,000	301,549,500	(254,491,695)		5,850,000	1,894,951,305
567	1980007 Sixth Power Project	USD	4,262,804	1,547,866,655			568,366	190,433,870	(160,718,330)		3,694,438	1,196,714,455
568	1980110 Mahaweliganga T.A. Project	DKK	59,220	3,081,555			8,460	416,315	(222,206)		50,760	2,443,034
569	1980120 Mahaweliganga T.A. Project	GBP	56,274	25,486,005			8,325	3,507,303	(1,368,863)		49,950	20,609,839
570	1981001 2nd Rural Development Project	XDR	5,482,604	2,649,420,679			685,318	301,741,695	(262,787,128)		4,797,286	2,084,891,856
571	1981002 Construction Industry Project	XDR	2,578,951	1,246,255,519			303,400	138,539,913	(118,765,340)		2,275,551	988,950,265
572	1981003 Village Irrigation Rehabilitation Project	XDR	4,482,937	2,166,340,264			527,384	224,943,158	(222,320,954)		3,955,553	1,719,076,152
573	1981004 Third Mahaweliganga Development Project	XDR	15,043,225	7,269,507,625			1,697,888	754,861,162	(746,034,617)		13,273,437	5,768,611,846
574	1982001 Second Small & Medium Industries Project	XDR	7,158,758	3,459,407,687			795,414	364,461,288	(329,448,402)		6,363,344	2,765,497,997

24(ii) STATEMENT OF FOREIGN LOAN BALANCES (83/43)

Loan Key	Name of the Project	Loan Currency	Loan Balance as at 01-01-2023			Borrowings Accounted During the Year			Repayments During the Year			Parity Adjustment			Closing Balance as at 31.12.2023		
			Loan Currency Amount	Rs.	Loan Currency Amount	Rs.	Loan Currency Amount	Rs.	Loan Currency Amount	Rs.	Rs.	Rs.	Loan Currency Amount	Rs.			
575	1982002	Seventh Power Project	XDR	8,112,516	3,920,302,600			901,388	375,163,284			(611,196,227)	7,211,128	3,133,943,088			
576	1982003	Tea Rehabilitation & Diversification Project	XDR	3,537,001	1,709,224,964			372,314	170,007,745			(163,850,014)	3,164,687	1,375,367,205			
577	1983001	Forest Resources Development Project	XDR	1,370,748	662,402,012			137,068	57,254,948			(68,991,987)	1,233,680	534,155,077			
578	1983002	Third Rural Development Project	XDR	757,979	366,286,757			72,186	31,011,726			(37,230,646)	685,793	298,044,385			
579	1983003	Industrial Development Project	XDR	7,276,500	3,516,305,319			693,000	289,474,424			(365,653,646)	6,583,500	2,861,171,249			
580	1985005	Major Irrigation Rehabilitation Project	XDR	3,991,174	1,928,700,113			332,596	138,428,523			(200,260,153)	3,658,578	1,590,011,437			
581	1985006	Fourth Tree Crops Project	XDR	21,187,500	10,238,675,044			1,695,000	773,978,767			(993,290,864)	19,492,500	8,471,405,413			
582	1986007	Second Industrial Development Project	XDR	6,917,682	3,342,909,580			512,420	221,435,940			(337,758,360)	6,405,262	2,783,715,279			
583	1986008	Municipal Management Project	XDR	3,560,262	1,720,465,637			263,720	112,483,519			(175,310,877)	3,296,542	1,432,671,241			
584	1986012	Water Supply & Sanitation Rehab. Project	XDR	15,000,500	6,282,378,522			963,000	416,148,501			(634,754,187)	12,037,500	5,231,475,834			
585	1986013	2nd Vocational Training Project	XDR	4,050,053	1,957,152,877			299,998	136,986,479			(190,399,245)	3,750,055	1,629,767,153			
586	1986014	9th Power Project	XDR	14,200,851	6,862,437,679			1,014,344	443,762,795			(687,842,695)	13,186,507	5,730,832,189			
587	1987005	Agricultural Research Project	XDR	5,138,862	2,483,310,353			367,056	152,770,989			(256,721,072)	4,771,806	2,073,818,292			
588	1988001	Third Small & Medium Industries Project	XDR	3,009,777	1,454,448,623			601,950	258,602,880			(149,408,398)	2,407,827	1,046,437,345			
589	1988007	Emergency Reconstruction & Rehabilitation Project	XDR	6,650,895	3,213,986,971			1,330,158	574,811,278			(326,793,128)	5,320,737	2,310,382,565			
590	1988014	Health & Family Planning Project	XDR	1,768,313	854,521,859			321,496	138,930,508			(86,807,300)	1,446,817	628,784,051			
591	1988045	Distribution & Transmission Project	XDR	3,015,537	1,457,232,021			548,276	236,930,672			(148,034,143)	2,467,261	1,072,267,205			
592	1988085	2nd Smallholder Rubber Rehabilitation Project	XDR	2,044,463	987,968,958			371,710	160,629,869			(100,363,627)	1,672,753	726,975,462			
593	1988086	3rd Industrial Development Project	XDR	6,577,063	3,178,308,527			1,195,824	518,362,452			(321,126,924)	5,381,239	2,338,676,850			
594	1989069	Forest Sector Development Project	XDR	2,064,742	997,768,631			317,640	136,460,867			(102,020,359)	1,747,102	759,287,405			
595	1990003	General Education Project	XDR	10,780,000	5,209,341,214			8,470,000	640,957,563			(3,584,461,809)	2,310,000	1,003,921,842			
596	1990009	Economic Restructuring Credit	XDR	23,954,706	11,575,903,373			3,193,678	1,463,353,659			(1,089,844,221)	20,761,028	9,022,705,493			
597	1990047	Public Manufacturing Ent. Adj. Credit	XDR	30,162,559	14,575,794,253			3,770,316	1,713,098,038			(1,392,674,885)	26,392,243	11,470,021,329			
598	1990048	Third Roads Project	XDR	8,667,705	4,188,592,970			1,083,458	465,462,844			(427,030,087)	7,584,267	3,296,100,038			
599	1991009	Poverty Alleviation Project	XDR	8,946,911	4,323,516,734			1,052,568	456,264,241			(436,385,386)	7,894,343	3,430,867,106			
600	1991022	Second Telecommunications Project	XDR	11,733,311	5,670,986,780			1,380,620	598,467,309			(527,389,548)	10,354,691	4,500,129,923			
601	1991023	Fourth Small & Medium Industries Project	XDR	11,136,197	5,381,470,248			1,310,140	567,915,835			(543,167,788)	9,826,057	4,270,386,625			
602	1991030	2nd Power Distribution & Transmission Project	XDR	10,826,543	5,231,832,829			1,273,708	530,125,182			(550,062,647)	9,552,835	4,151,645,000			
603	1991043	National Irrigation Rehabilitation Project	XDR	5,965,243	2,882,651,918			701,780	304,205,638			(290,954,613)	5,263,463	2,287,491,667			
604	1992023	Second Agriculture Extension Project	XDR	2,147,618	1,037,817,727			226,058	97,688,156			(105,023,042)	1,921,560	835,106,529			
605	1992041	Community Water Supply & Sanitation Project	XDR	6,660,712	3,218,731,208			666,068	304,143,061			(309,326,581)	5,994,644	2,605,261,567			
606	1993013	Private Finance Development Project	XDR	16,550,335	7,997,805,241			1,576,218	716,177,626			(773,903,464)	14,974,117	6,507,724,152			
607	1993017	Colombo Urban Transport Project	XDR	4,212,839	2,035,817,752			401,220	171,130,888			(208,164,146)	3,811,619	1,656,522,718			
608	1995023	Colombo Environmental Improvement Project	XDR	8,847,137	4,275,301,908			707,764	295,641,530			(442,303,593)	8,139,373	3,537,356,785			

24(ii) STATEMENT OF FOREIGN LOAN BALANCES (8343)

Loan Key	Name of the Project	Loan Currency	Loan Balance as at 01-01-2023		Borrowings Accounted During the Year		Repayments During the Year		Parity Adjustment		Closing Balance as at 31.12.2023	
			Loan Currency Amount	Rs.	Loan Currency Amount	Rs.	Loan Currency Amount	Rs.	Rs.	Rs.	Loan Currency Amount	Rs.
609	1996011 Telecomm. Regula. & Pub. Enterprise Ref.	XDR	4,079,968	1,971,609,040			302,218	158,477,272	(191,328,451)		3,777,750	1,641,803,318
610	1996033 Teacher Education & Teacher Deployment Project	XDR	23,468,199	11,340,802,785			1,738,384	741,466,530	(1,155,597,957)		21,729,815	9,443,738,298
611	1996035 Private Sector Infrastructure Development Project	XDR	21,320,158	10,302,780,699			1,571,858	673,851,015	(1,046,354,202)		19,748,300	8,582,575,481
612	1997002 Health Services Project	XDR	5,601,546	2,706,898,410			400,106	172,900,839	(273,461,075)		5,201,440	2,260,536,496
613	1997022 Environmental Action I Project	XDR	6,042,055	2,919,770,454			416,692	180,626,486	(294,371,387)		5,625,363	2,444,775,581
614	1997023 Energy Services Delivery Project	XDR	9,795,863	4,733,765,571			675,574	292,845,934	(477,258,295)		9,120,289	3,963,661,342
615	1997064 Second General Education Project	XDR	29,884,707	14,441,524,840			1,992,310	860,952,051	(1,488,587,098)		27,892,397	12,121,985,691
616	1998017 Mahaweli Restructuring & Rehabilitation Project	XDR	25,821,203	12,477,871,903			1,665,882	760,682,770	(1,219,329,928)		24,155,321	10,497,859,205
617	1999001 Year 2000 Emergency Assistance Project	XDR	7,199,591	3,479,139,762			436,334	196,149,630	(343,690,770)		6,765,257	2,939,299,362
618	1999058 North-East Irrigated Agriculture Project	XDR	12,684,175	6,129,516,998			746,126	310,542,273	(630,720,314)		11,938,049	5,188,254,411
619	2000036 Legal & Judicial Reforms Project	XDR	8,264,786	3,993,886,207			472,274	196,563,168	(410,710,893)		7,792,513	3,386,612,145
620	2001020 Distance Learning Project	XDR	764,248	369,316,163			42,456	17,734,379	(37,892,306)		721,792	313,689,478
621	2001021 Land Tiding & Related Services Project	XDR	2,314,286	1,118,358,575			128,570	53,705,235	(114,745,113)		2,185,716	949,908,227
622	2001022 Sri Lanka Central Bank Strengthening Project	XDR	17,491,293	8,452,515,158			945,474	409,841,435	(851,890,577)		16,545,819	7,190,783,146
623	2001024 Mahaweli Ganga T.A.	EUR	144,000	55,717,982			20,523	7,460,564	(3,960,497)		123,477	44,296,921
624	2001025 Water Supply	EUR	704,297	273,287,502			108,498	39,762,230	(19,067,832)		597,799	214,457,440
625	2002022 Renewable Energy for Rural Economic Development Project	XDR	46,247,889	22,348,889,626			2,371,687	990,681,979	(2,289,689,392)		43,876,202	19,068,318,255
626	2003020 Economic Reform Technical Assistance Project	XDR	8,680,702	4,194,873,488			434,035	189,884,867	(421,002,090)		8,246,667	3,583,986,531
627	2003021 Poverty Reduction Support Credit	XDR	73,467,000	35,502,288,588			2,721,000	1,173,951,449	(3,582,252,881)		70,746,000	30,746,084,258
628	2003022 Improving Relevance & Quality of Undergraduate Education	XDR	23,253,837	11,237,214,644			861,253	371,580,115	(1,133,857,733)		22,392,584	9,731,776,795
629	2004020 Second North East Irrigated Agriculture Project (Yali Pabudamu SL)	XDR	34,701,527	16,769,210,541			836,181	345,818,860	(1,685,573,846)		33,865,345	14,777,817,835
630	2004021 E - Sri Lanka Development Project	XDR	25,033,451	12,097,197,632			596,034	262,430,658	(1,214,309,384)		24,437,417	10,620,457,589
631	2005020 North East Housing Reconstruction Project	XDR	42,924,000	20,742,649,559			1,022,000	459,429,992	(2,072,685,792)		41,902,000	18,210,533,775
632	2005021 Tsunami Emergency Recovery Project II	XDR	25,513,297	12,329,079,302			600,312	269,863,891	(1,232,076,113)		24,912,985	10,827,159,298
633	2006020 Road Sector Assistance Project	XDR	59,104,125	28,561,554,679			1,374,514	595,820,736	(2,876,548,729)		57,729,611	25,089,185,214
634	2007021 Puttalam Housing Project	XDR	6,283,011	3,036,210,204			1,570,754	680,885,630	(307,385,979)		4,712,258	2,047,938,595
635	2008020 Renewable Energy for Rural Economic Development Project	XDR	10,519,982	5,083,689,508			2,629,996	1,103,095,686	(551,620,064)		7,889,986	3,428,973,757
636	2008031 Dam Safety & Water Resources Planning	XDR	22,605,000	10,923,669,588			4,170,000	1,781,591,334	(1,104,184,543)		18,495,000	8,037,893,710
637	2008033 Public Sector Capacity Building Project	XDR	4,975,745	2,404,485,282			904,681	392,158,522	(243,049,783)		4,071,064	1,769,276,978

24(ii) STATEMENT OF FOREIGN LOAN BALANCES (8343)

Loan Key	Name of the Project	Loan Balance as at 01-01-2023		Borrowings Accounted During the Year		Repayments During the Year		Parity Adjustment		Closing Balance as at 31.12.2023	
		Loan Currency Amount	Rs.	Loan Currency Amount	Rs.	Loan Currency Amount	Rs.	Rs.	Loan Currency Amount	Rs.	
638	2008034	XDR	14,407,182	6,962,144,882			2,619,487	1,777,564,680	(661,669,801)	11,787,695	5,122,910,402
	Additional Financing for North East Housing Reconstructions Project										
639	2008035	XDR	3,206,429	1,549,478,918			582,988	264,888,890	(144,447,212)	2,623,441	1,140,142,817
	Additional Financing for Education Sector Development Project										
640	2008036	XDR	32,774,327	15,837,908,658			5,958,969	2,583,077,108	(1,600,924,834)	26,815,358	11,653,904,716
	Additional Financing for Road Sector Assistance Project										
641	2009014	XDR	10,021,410	4,842,758,887			1,541,756	706,437,301	(451,079,195)	8,479,654	3,685,242,391
	Additional Financing for Health Sector Development Project										
642	2009020	XDR	31,339,022	15,144,309,672			4,821,388	2,089,961,819	(1,529,831,894)	26,517,634	11,524,515,960
	Seconded Community Development Livelihood Improvement Project										
643	2010001	XDR	44,063,014	21,293,067,863			6,294,716	2,728,616,025	(2,150,417,871)	37,768,298	16,414,033,967
	Provincial Roads Project										
644	2010002	XDR	5,318,190	2,569,969,049			759,742	332,377,433	(256,498,197)	4,558,448	1,981,093,420
	Emergency Additional Financing for Community Livelihoods in Conflict Affected Areas										
645	2010003	XDR	28,626,784	13,833,644,657			4,089,541	1,772,722,693	(1,397,079,877)	24,537,243	10,663,842,088
	Emergency Northern Recovery Project										
646	2010024	XDR	17,307,609	8,363,750,822			2,472,516	1,054,592,883	(861,853,540)	14,835,093	6,447,304,399
	Higher Education for the Twenty First Century Project										
647	2010042	XDR	75,919	36,687,196			10,846	4,625,991	(3,780,598)	65,073	28,280,607
	Sustainable Tourism Development Project										
648	2010043	XDR	24,714,026	11,942,838,541			3,295,204	1,428,395,667	(1,205,860,773)	21,418,822	9,308,582,100
	North East Local Services Improvement Project Pura Neguma										
649	2010044	XDR	25,392,881	12,270,888,630			3,385,718	1,467,631,343	(1,238,983,782)	22,007,163	9,564,273,505
	Small & Medium Enterprise Development Facility Project										
650	201010	XDR	41,478,550	20,044,148,488			5,184,819	2,211,461,654	(2,059,496,508)	36,293,731	15,773,190,326
	Second Additional Financing for Road Sector Assistance Project										
651	2011037	XDR	25,751,666	12,444,317,259			3,029,620	1,292,212,505	(1,277,100,497)	22,722,146	9,875,004,258
	2nd & 3rd Additional Financing for Community Livelihood in Conflict Affected Areas										
652	2012004	XDR	5,691,157	2,750,202,194			234,175	99,881,720	(278,725,755)	5,456,982	2,371,594,719
	Additional Financing for E-Sri Lanka Development Project										
653	2012012	XDR	50,866,234	24,580,665,619			2,093,000	892,719,456	(2,491,185,812)	48,773,234	21,196,760,351
	Transforming the School Education System as the Foundation of a Knowledge Hub Project										
654	2013030	XDR	107,854,008	52,119,511,524			4,242,494	1,841,983,792	(5,256,841,669)	103,591,515	45,020,686,063
	Second Health Sector Development Project										
655	2014010	XDR	61,632,959	29,783,591,694			2,343,189	999,431,600	(3,016,932,174)	59,289,771	25,767,227,920
	Climate Resilience Improvement Management - CRIP										
656	2014019	XDR	40,911,725	19,770,234,426			1,526,384	686,170,954	(1,947,266,003)	39,385,341	17,116,797,469
	Strategic Cities Development Project										
657	2014020	XDR	46,015,322	22,234,504,618			1,716,796	771,788,465	(2,212,675,765)	44,299,327	19,252,060,388
	Additional Financing for Dam Safety & Water Resources Planning Project										
658	2014022	XDR	30,099,621	14,545,379,716			1,122,994	510,248,322	(1,441,941,340)	28,976,628	12,593,190,054
	Skills Development Project - (Portion A)										
659	2015028	XDR	99,532,633	48,098,278,765			3,874,200	1,618,299,880	(4,888,515,105)	103,773,930	45,099,963,124
	Water Supply and Sanitation Improvement Project										
660	2015030	XDR	25,538,804	12,341,404,647			1,106,938	461,651,186	(1,257,510,837)	24,031,010	10,443,833,838
	Early Childhood Development Project										

24(ii) STATEMENT OF FOREIGN LOAN BALANCES (8343)

Loan Key	Name of the Project	Loan Currency	Loan Balance as at 01-01-2023		Borrowings Accounted During the Year		Repayments During the Year		Parity Adjustment		Closing Balance as at 31.12.2023	
			Loan Currency Amount	Rs.	Loan Currency Amount	Rs.	Loan Currency Amount	Rs.	Rs.	Rs.	Loan Currency Amount	Rs.
661	2015031 Additional Financing for North East Local Services Improvement Project (NELSIP)	XDR	13,048,663	6,305,652,586			469,326	196,042,767	(642,652,502)		12,579,337	5,466,957,318
662	2016027 Additional Financing for Strategic Cities Development Project	XDR	13,365,280	6,458,655,336			464,024	197,918,194	(653,874,197)		12,901,256	5,606,862,944
663	2016028 Additional Financing for Climate Resilience Improvement Project	XDR	26,535,819	12,823,203,627			921,286	399,356,333	(1,291,817,250)		25,614,533	11,132,030,044
664	2016029 Ecosystem Conservation and Management Project	XDR	20,184,428	9,753,949,106	3,457,819	1,584,457,065	833,436	358,051,372	(1,067,687,003)		22,808,810	9,912,667,796
665	2016030 Competitiveness Transparency and Fiscal Sustainability Development Policy Financing	USD	100,000,000	36,311,000,000					(3,918,670,000)		100,000,000	32,392,330,000
666	2016043 Social Safety Nets Project	XDR	43,146,902	20,850,365,067	7,699,015	3,261,684,959	2,685,000	1,219,968,888	(1,961,433,060)		48,160,918	20,930,648,078
667	2017001 Agriculture Sector Modernization Project	XDR	45,460,043	21,968,170,287	17,217,499	7,562,806,650	2,810,611	1,172,595,113	(2,340,321,327)		59,866,931	26,018,060,496
668	2017017 Accelerating Higher Education Expansion and Development Operation (AHEAD) Programme	XDR	23,594,800	11,401,981,825			805,200	343,438,990	(1,154,223,697)		22,789,600	9,904,319,138
669	2017023 Transport Connectivity and Asset Management Project	XDR	27,925,261	13,494,639,254	13,848,876	6,109,771,142	1,876,379	810,080,847	(1,454,835,664)		39,897,758	17,339,493,885
670	2017024 Financial Sector Modernization Project	XDR	6,650,615	3,213,851,809	(1,725,965)	(625,343,273)	2,770,000	1,269,223,024	(382,878,313)		2,154,650	936,407,199
671	2018033 General Education Modernization Project	USD	54,261,536	19,702,906,373	9,820,274	3,301,637,108			(2,246,951,989)		64,081,810	20,757,591,492
672	2019021 Climate Smart Irrigated Agriculture Project	USD	37,879,065	13,754,267,423	25,070,274	8,322,632,383			(1,686,141,974)		62,949,340	20,390,757,832
673	2019027 Local Development Support Project	USD	28,949,331	10,311,791,543	8,382,351	2,766,406,896			(1,185,596,950)		37,331,682	12,092,601,489
674	2020009 Covid 19 Emergency Response & Health Systems Preparedness Project	USD	90,001,502	32,680,445,373					(3,526,861,856)		90,001,502	29,153,583,517
675	2020015 Add Financing for the COVID 19 Emergency Response & Health Systems Preparedness (Non Concessional Loan)	XDR	33,049,470	15,970,868,431					(1,607,628,632)		33,049,470	14,363,239,799
676	2020016 Add Financing for the COVID 19 Emergency Response & Health Systems Preparedness (Non Concessional Loan)	USD	38,531,893	13,991,315,555					(1,509,937,719)		38,531,893	12,481,377,836
677	2021007 Sri Lanka Integrated Watershed & Water Resources Management Project - Concessional Loan	XDR	5,733,341	2,770,587,033	4,498,808	1,961,688,600			(285,402,213)		10,232,149	4,446,873,420
678	2021008 Sri Lanka Integrated Watershed & Water Resources Management Project - Non Concessional Loan	USD	392,385	142,479,073					(15,376,290)		392,385	127,102,783
679	2021013 Second Additional Financing for the Covid 19 Emergency Response & Health System Preparedness Project	XDR	18,712,080	9,042,449,865					(910,215,579)		18,712,080	8,132,236,286

24(ii) STATEMENT OF FOREIGN LOAN BALANCES (8343)

Loan Key	Name of the Project	Loan Currency	Loan Balance as at 01-01-2023		Borrowings Accounted During the Year		Repayments During the Year		Parity Adjustment		Closing Balance as at 31.12.2023	
			Loan Currency Amount	Rs.	Loan Currency Amount	Rs.	Loan Currency Amount	Rs.	Rs.	Rs.	Loan Currency Amount	Rs.
680	2021016 Kandy Multimodal Transport Terminal Development Project Non Concessional	USD	472,500	171,569,475					(18,515,716)		472,500	153,053,759
681	2023007 Resilience, Stability, and Economic Turnaround (RESET) Development Policy Financing	XDR			371,200,000	157,552,231,657			3,770,620,183		371,200,000	161,322,851,840
International Fund for Agricultural												
682	1978004 Kirindiya Irrigation & settlement Project	USD	1,500,000	544,665,000			300,000	94,911,135	(61,045,905)		1,200,000	388,707,940
683	1981006 Anuradhapura Dry Zone Agricultural Project	XDR	751,046	365,936,446			93,876	40,420,104	(36,911,423)		657,170	285,604,919
684	1982004 Coconut Development Project	XDR	690,583	333,718,227			76,726	33,035,843	(33,901,244)		613,857	266,781,140
685	1982009 Kirindiya Irrigation & Settlement Project	XDR	879,645	425,080,793			87,964	40,520,846	(40,496,819)		791,681	344,063,128
686	1983004 Badulla, Rural Development Project	XDR	2,607,777	1,260,185,567			260,780	120,128,993	(120,055,885)		2,346,997	1,020,000,689
687	1986026 Kegalle Rural Development Project	XDR	2,010,201	971,412,051			154,630	71,230,714	(93,753,605)		1,855,571	806,627,732
688	1988088 Small Farmers & Landless Credit Project	XDR	1,616,502	781,160,464			104,292	48,042,384	(75,914,385)		1,512,210	657,203,695
689	1991033 2nd Badulla Integrated Rural Development	XDR	4,124,855	1,993,300,146			222,964	96,767,479	(200,777,993)		3,901,891	1,695,754,674
690	1992051 N-W Province Dry Zone Participatory Development Project	XDR	2,275,324	1,099,530,552			113,764	49,374,137	(110,746,308)		2,161,560	939,410,108
691	1995040 North/Cen. Provin. Partici. Rural Development Project	XDR	2,339,584	1,130,583,613			179,968	78,107,005	(113,911,383)		2,159,616	938,565,226
692	1999007 Matale Regional Economic Advancement Project	XDR	4,158,593	2,009,603,907			259,912	112,803,093	(202,441,052)		3,898,681	1,694,359,763
693	2004022 Dry Zne Livelihood Support & Partnership Programme	XDR	10,986,526	5,309,143,300			499,390	214,612,082	(536,840,615)		10,487,136	4,557,690,603
694	2005022 Post Tsunami Coastal Rehabilitation & Resource Mgt Programme	XDR	7,048,925	3,406,331,467			313,300	134,732,232	(344,308,927)		6,735,625	2,927,290,308
695	2005023 Post Tsunami Livelihood Support & Partnership Programme	XDR	1,170,000	565,392,320			52,000	22,362,196	(57,149,337)		1,118,000	485,880,787
696	2007011 Smallholder Plantations Entrepreneurship Dev. Programme	XDR	11,068,717	5,348,861,493			462,104	198,588,483	(540,657,822)		10,606,613	4,609,615,188
697	2008025 Post Tsunami Coastal Rehabilitation & Resource Mgt Programme II	XDR	8,395,077	4,056,847,908			357,240	153,628,287	(409,990,142)		8,037,837	3,493,229,479
698	2008026 Post Tsunami Livelihood Support & Partnership Programme II	XDR	1,254,926	604,432,072			53,402	22,965,114	(61,286,801)		1,201,524	522,180,157
699	2010009 National Agribusines Development Programme	XDR	12,431,237	6,007,287,080			460,416	197,998,324	(606,791,541)		11,970,821	5,202,497,215
700	2012008 Iranamadu Irrigation Development Project	XDR	13,869,479	6,702,304,768			478,334	198,358,727	(684,178,793)		13,391,145	5,819,767,248
701	2016016 Sri Lanka Smallholder Tea and Rubber Revitalization Project (STARR)	XDR	14,514,917	7,014,207,191	1,985,668	821,463,771	922,500	382,548,443	(682,915,088)		15,578,084	6,770,207,431

24(ii) STATEMENT OF FOREIGN LOAN BALANCES (8343)

Loan Key	Name of the Project	Loan Currency	Loan Balance as at 01-01-2023		Borrowings Accounted During the Year		Repayments During the Year		Parity Adjustment		Closing Balance as at 31.12.2023	
			Loan Currency Amount	Rs.	Loan Currency Amount	Rs.	Loan Currency Amount	Rs.	Rs.	Rs.	Loan Currency Amount	Rs.
702	2017014 Implementation of Smallholder Agribusiness Partnership (SAP) Programme Loan No 2000001843	USD	22,927,247	8,325,112,818	10,100,810	3,414,608,587	2,962,000	923,168,762	(1,077,456,077)	30,066,058	9,739,096,567	
703	2019010 Rathmalana-Moratwawa Wastewater Disposal Project- Stage I - Phase II	EUR	6,832,306	2,643,624,168					(192,567,862)	6,832,306	2,451,056,306	
704	2021011	USD			2,000,000	684,935,000			(39,088,400)	2,000,000	647,846,600	
705	2023008 Sri Lanka's 2023-2026 Extended Fund Facility Arrangement from the International Monetary Fund	XDR			508,000,000	219,941,426,591			834,459,009	508,000,000	220,775,885,600	
KBC Bank												
706	2014007 Implementation of Monaragala-Buttala Water Supply Project	EUR	5,088,775	1,968,999,788					(143,426,620)	5,088,775	1,825,573,168	
707	1996008 2 nd Power Dist & Transm. Project (Anuradhapura)	EUR	2,828,342	1,094,370,419			217,564	80,433,209	(77,333,238)	2,610,778	936,603,973	
708	1999055 The Skills Development Project	EUR	4,891,808	1,892,787,171			305,738	113,030,643	(134,526,473)	4,586,070	1,645,230,055	
709	1999056 Southern Transport Development Project	EUR	2,848,209	1,102,057,509			178,013	65,810,991	(78,326,730)	2,670,196	957,919,788	
710	2000032 Secondary Education Modernization Project	EUR	3,815,453	1,476,313,053			218,026	80,603,670	(105,150,187)	3,597,427	1,290,559,196	
711	2019038 Strengthening of Health Delivery Service in the Northern Province under Financial Assistance of the Netherlands	EUR	39,475,928	15,274,420,996					(1,112,625,096)	39,475,928	14,161,795,900	
OPEC Fund for International Development												
712	2003076 Road Sector Development Project	USD	251,667	91,382,804			251,667	80,308,268	(11,074,536)	-	-	
713	2010037 National Highway Sector Project	USD	4,000,100	1,452,476,311			533,320	171,670,989	(157,834,505)	3,466,780	1,122,970,817	
714	2010038 Kalu Ganga Development Project	USD	13,167,743	4,781,339,213			328,418	105,714,886	(516,667,796)	12,839,325	4,158,956,531	
715	2012024 Road Network Development Project	USD	20,346,033	7,387,847,850			2,666,660	858,374,254	(804,118,325)	18,968,765	6,144,424,975	
716	2015023 Colombo National Highways Project	USD	21,416,732	7,776,699,310			3,333,320	1,045,866,316	(872,244,839)	20,311,961	6,579,517,524	
717	2015014 Western Province Road Development Project	USD	10,322,998	3,748,383,637			1,133,320	383,144,269	(376,520,483)	10,748,452	3,481,674,094	
718	2015015 Rehabilitation of the A. 05 Road Corridor from Badulla to Chenkaladi Project	USD	30,107,552	10,932,353,158			4,000,000	1,352,289,800	(1,114,970,277)	31,146,124	10,088,955,061	
719	2019045 Rehabilitation of the A. 17 Road Corridor from Rakwana to Suriyakanda Project	USD	-	-	7,753,606	2,529,190,888			(17,617,080)	7,753,606	2,511,573,808	
720	2017030 Kalu Ganga Development Project (Additional Loan)	USD	16,008,141	5,812,716,064	221,311	80,444,574	1,158,200	372,734,197	(638,498,748)	15,071,252	4,881,929,693	
721	2018023 Technological Education Development Programme	USD	1,930,574	701,010,569	5,173,425	1,638,173,723	1,666,660	523,172,743	(54,730,934)	5,437,338	1,761,280,614	
Raiffeisen Zentral Bank												
722	2008038 Up-grading of Technical Education (SUATE) (Austria)	EUR	5,500,000	2,128,115,012					(155,016,951)	5,500,000	1,973,098,061	

24(ii) STATEMENT OF FOREIGN LOAN BALANCES (83/43)

Loan Key	Loan Currency	Name of the Project	Loan Balance as at 01-01-2023		Borrowings Accounted During the Year		Repayments During the Year		Parity Adjustment		Closing Balance as at 31.12.2023	
			Loan Currency Amount	Rs.	Loan Currency Amount	Rs.	Loan Currency Amount	Rs.	Rs.	Rs.	Loan Currency Amount	Rs.
723	2012009	Development of Nuwara Eliya District General Hospital (Netherlands)	EUR	12,503,325	4,837,911,687					(352,404,975)	12,503,325	4,485,506,712
724	2016001	Implementation of the Kochchikade Bridge	EUR	8,694,412	3,364,128,750					(245,051,127)	8,694,412	3,119,077,623
725	2017025	Enhancement and Upgrading of Technical Training Institute of Engineering Technology at Katunayaka	EUR	9,500,000	3,675,834,999					(267,756,550)	9,500,000	3,408,078,449
726	2017029	Obtaining 100 Ambulance Cars for Government Hospitals	EUR	9,851,393	3,811,799,331					(277,660,515)	9,851,393	3,534,138,816
Riggs National Bank Washington												
727	1994046	Sri Lanka - USAID Housing Guarantee Loan	USD	1,500,000	544,665,000					(58,780,050)	1,500,000	485,884,950
728	1997067	Sri Lanka - USAID Housing Guarantee Loan	USD	4,125,000	1,497,828,751					(161,645,138)	4,125,000	1,336,183,613
729	1998049	US Housing Guarantee Loan for Pvt. Sector	USD	1,892,812	687,298,746					(74,173,008)	1,892,812	613,125,738
Saudi Fund (SF)												
730	2004043	Batcoloa - Trincomalee Road Project	SAR	5,212,630	503,426,478					(53,149,545)	5,212,630	450,276,933
731	2008001	Epilepsy Hospital & Health Centers Project	SAR	40,077,627	3,870,625,105					(408,643,511)	40,077,627	3,461,981,594
732	2008002	Development of Health Facilities in Colombo Project (Additional Loan)	SAR	5,836,315	563,660,834					(59,508,823)	5,836,315	504,152,011
733	2010028	Kalu Ganga Development Project	SAR	97,678,315	9,433,595,799					(995,957,399)	97,678,315	8,437,638,400
734	2010225	Road Network Development Project (Saudi Fund)	SAR	149,238,555	14,413,190,999	2,392,702	211,276,760			(1,526,271,651)	151,651,258	13,098,196,108
735	2015026	Improvement of Peradeniya - Badulla - Chenkaladi Road Project	SAR	113,084,723	10,921,519,004	5,180,735	445,264,892			(1,150,788,837)	118,265,459	10,215,995,060
736	2015027	Epilepsy Hospital & Health Centers Project (Additional Finance)	SAR	34,152,119	3,298,350,144					(348,225,247)	34,152,119	2,950,124,897
737	2017032	Wayaba University Township Development Project	SAR	17,288,614	1,669,703,233	26,781,386	2,293,745,164			(156,598,046)	44,070,000	3,806,850,351
738	2018024	Kalu Ganga Development Project (Additional Finance)	SAR	53,679,417	5,184,261,455	2,319,320	198,533,792			(545,517,862)	55,998,737	4,837,277,285
739	2019043	Constiction of Faculty of Medicine Project at the Sabaragamuwa University	SAR	1,841,643	177,862,582	396,511	33,561,685			(18,088,279)	2,238,154	193,335,988
Standard Chartered Bank (United Kingdom)												
740	2019032	Establishment of Neonatal and Obstetrics Reference Center for the De Soya Maternity Hospital Project	EUR	4,497,663	1,740,280,551					(126,766,168)	4,497,663	1,613,514,383
Uni Credit Bank Austria												
741	2013004	Augmentation of Mahiyangana Water Supply Project	EUR	7,803,715	3,019,491,348					(219,946,920)	7,803,715	2,799,544,428
742	2013006	Supply of 2 Nos Cardiac Catheterization System to Cardiology Dep. of the NHSL	EUR	1,905,600	737,333,809					(63,709,145)	1,905,600	683,624,664

24(ii) STATEMENT OF FOREIGN LOAN BALANCES (8343)

Loan Key	Name of the Project	Loan Currency	Loan Balance as at 01-01-2023		Borrowings Accounted During the Year		Repayments During the Year		Parity Adjustment		Closing Balance as at 31.12.2023	
			Loan Currency Amount	Rs.	Loan Currency Amount	Rs.	Loan Currency Amount	Rs.	Rs.	Rs.	Loan Currency Amount	Rs.
743	2013045	EUR	9,975,000	3,859,626,738					(281,144,377)		9,975,000	3,578,482,361
744	2018003	EUR	9,758,558	3,775,878,735	727,053	222,266,266			(236,483,434)		10,485,611	3,761,661,567
745	2018017	EUR	4,928,000	1,906,791,040					(138,895,187)		4,928,000	1,767,895,853
746	2019008	EUR	10,317,000	3,991,956,810					(290,783,613)		10,317,000	3,701,173,197
ERSTE BANK- AUSTRIA												
747	2018016	EUR	8,620,618	3,335,575,552					(242,971,243)		8,620,618	3,092,604,309
Export Import Bank of China (EIBC)												
748	2005045	USD	100,000,000	36,311,000,000					(3,918,670,000)		100,000,000	32,392,330,000
749	2006045	USD	45,894,728	16,664,834,769					(1,798,462,947)		45,894,728	14,866,371,822
750	2009027	USD	445,500,000	161,765,505,000					(7,457,674,850)		445,500,000	144,307,830,150
751	2007044	USD	69,710,622	25,312,623,870					(2,731,729,222)		69,710,622	22,580,894,648
752	2012032	CNY	673,428,367	35,144,744,957					(4,389,742,814)		673,428,367	30,755,002,143
753	2012033	USD	484,615,385	175,968,692,304					(18,990,477,692)		484,615,385	156,978,214,612
754	2013014	CNY	632,576,921	33,012,797,846					(4,123,452,661)		632,576,921	28,889,345,185
755	2010006	CNY	653,654,787	34,112,805,282					(4,260,848,728)		653,654,787	29,851,956,554
Grand Total				7,665,018,983,151	831,951,611,110	337,296,566,144	(857,977,918,980)	7,501,756,109,116				

**Notes to the Financial Statements
for the Year Ended 31st December 2023**

24(iii) FOREIGN CURRENCY TERM FINANCING FACILITY- (9190)

Loan Key	Project Name	Loan Currency	Balance as at 01-01-2023		Accounted During the Year		Repayments		Parity		Closing Balance as at 31.12.2023	
			Loan Currency Amount	Rs.	Loan Currency Amount	Rs.	Loan Currency Amount	Rs.	Rs.	Rs.	Loan Currency Amount	Rs.
2018044	Foreign Currency Term Financing Facility	USD	909,100,000	330,103,301,000	-	-	-	-	(35,624,628,970)	909,100,000	294,478,672,030	
2020008	Foreign Currency Term Financing Facility	USD	500,000,000	181,555,000,000	-	-	-	-	(19,593,350,000)	500,000,000	161,961,650,000	
2021002	Foreign Currency Term Financing Facility	USD	500,000,000	181,555,000,000	-	-	-	-	(19,593,350,000)	500,000,000	161,961,650,000	
2021026	Foreign Currency Term Financing Facility	CNY	2,000,000,000	104,375,600,000	-	-	-	-	(13,037,000,000)	2,000,000,000	91,338,600,000	
Total			3,909,100,000	797,588,901,000	-	-	-	-	(87,848,328,970)	3,909,100,000	709,740,572,030	

**Notes to the Financial Statements
for the Year Ended 31st December 2023**

24(iv) INTERNATIONAL SOVEREIGN BOND (9194)

Loan Key	Project Name	Loan Currency	Balance as at 01-01-2023		Accounted During the Year		Repayments		Parity		Closing Balance as at 31.12.2023	
			Loan Currency Amount	Rs.	Loan Currency Amount	Rs.	Loan Currency Amount	Rs.	Rs.	Rs.	Loan Currency Amount	Rs.
2012018	International Sovereign Bond	USD	1,000,000,000	363,110,000,000	-	-	-	-	(39,186,700,000)	1,000,000,000	323,923,300,000	
2015008	International Sovereign Bond	USD	650,000,000	236,021,500,000	-	-	-	-	(25,471,355,000)	650,000,000	210,550,145,000	
2015029	International Sovereign Bond	USD	1,500,000,000	544,665,000,000	-	-	-	-	(58,780,050,000)	1,500,000,000	485,884,950,000	
2016024	International Sovereign Bond	USD	1,000,000,000	363,110,000,000	-	-	-	-	(39,186,700,000)	1,000,000,000	323,923,300,000	
2017012	International Sovereign Bond	USD	1,500,000,000	544,665,000,000	-	-	-	-	(58,780,050,000)	1,500,000,000	485,884,950,000	
2018013	International Sovereign Bond	USD	1,250,000,000	453,887,500,000	-	-	-	-	(48,983,375,000)	1,250,000,000	404,904,125,000	
2018014	International Sovereign Bond	USD	1,250,000,000	453,887,500,000	-	-	-	-	(48,983,375,000)	1,250,000,000	404,904,125,000	
2019013	International Sovereign Bond	USD	1,000,000,000	363,110,000,000	-	-	-	-	(39,186,700,000)	1,000,000,000	323,923,300,000	
2019014	International Sovereign Bond	USD	1,400,000,000	508,354,000,000	-	-	-	-	(54,861,380,000)	1,400,000,000	453,492,620,000	
2019033	International Sovereign Bond	USD	500,000,000	181,555,000,000	-	-	-	-	(19,593,350,000)	500,000,000	161,961,650,000	
2019034	International Sovereign Bond	USD	1,500,000,000	544,665,000,000	-	-	-	-	(58,780,050,000)	1,500,000,000	485,884,950,000	
Total			12,550,000,000	4,557,030,500,000	-	-	-	-	(469,793,085,000)	12,550,000,000	4,065,237,415,000	

**Note - 27(I)- DEPOSIT ACCOUNTS BALANCES
AS AT 31ST DECEMBER 2023 (6000 & 6003)**

	Rs.			
Category	Opening Balances as at 01.01.2023	Debits	Credits	Closing Balance as at 31.12.2023
6000/1	9,198,517,381	1,108,680,326	1,712,708,687	9,802,545,743
6000/2	547,812,934	864,996,713	852,165,989	534,982,210
6000/3	(929,023)	-	-	(929,023)
6000/5	1,034	1,034	-	-
6000/6	24,336,438,070	12,433,871,392	17,111,347,702	29,013,914,380
6000/7	1,000,000,000	-	-	1,000,000,000
6000/8	498,721,797	-	76,374,332	575,096,129
6000/10	2,519,446,845	5,427,407,155	6,784,221,950	3,876,261,641
6000/11	4,656,127,908	4,658,127,908	2,000,000	-
6000/13	29,375,337,507	136,582,522,677	125,432,255,854	18,225,070,684
6000/14	1,252,041,291	18,448,127,174	18,161,905,290	965,819,406
6000/16	11,748,149,370	4,644,140,687	3,188,213,609	10,292,222,292
6000/17	2,762,779,868	9,186,464,501	9,194,618,190	2,770,933,557
6000/18	12,787,045,180	39,684,569,921	43,817,172,867	16,919,648,126
6000/19	345,069,579	1,472,875,309	1,356,354,219	228,548,489
6000/20	134,767,597	1,681,139,491	1,754,934,943	208,563,049
Sub Total	101,161,327,336	236,192,924,286	229,444,273,633	94,412,676,683
6003/1	(10,000,000)	-	10,000,000	-
Sub Total	(10,000,000)	-	10,000,000	-
Grand Total	101,151,327,336	236,192,924,286	229,454,273,633	94,412,676,683

Explanatory Notes

Note 13 - Statement of Non-Current Assets

As stated in the Statement of Financial Position as at 31st December 2023, 18 Special Spending Units, 29 Government Ministries, 96 Departments and 25 District Secretariats have reported non-financial assets at cost or revalued amount amounting to Rs. 2,537,166,871,940 Balance part of the non-financial assets of the above mentioned institutes if any, and other Ministries / Departments which have not yet been recorded the non-financial assets will also be bringing to the same system gradually, to be completed by 2024.

Note 24(II) - Foreign Loan Balances (8343)

- (i) Foreign loans are included the loans outstanding as at 31.12.2023 which were recorded in the CS-DRMS cutoff date 17.01.2024.
- (ii) Following loans are unaccounted as at 31.12.2023

Loan Key	Project Name	Loan Currency	Loan Currency Amount	Rs.
2016035	Technical Assistance Loan Agreement	XDR	80,038.81	36,566,488.86
2016039	Anuradhapura Integrated Urban Development	EUR	100.44	35,874.75

2018016	Upgrading of Operation Theatres ICU Equipment under a Strain Soft Scheme	EUR	966,956.91	192,524,524.62
2022011	Importation of Essential Commodities under Indian Credit Facility (USD 1000 Mn)	USD	47,669,725.01	16,874,110,668.84
Total				17,103,237,557.07

- (iii) In terms of the Government interim policy decision dated 12.04.2022, the repayment of external loans including International Sovereign Bonds, Foreign Currency Term Financing Facility, and all bilateral credits was suspended pending the restructuring of foreign loans.

Schedule V - Total Revenue and Expenditure of Provincial Councils

Total Revenue of Rs. 85,679,959,231 and Total Expenditure of Rs. 440,515,378,301 were reported in respect of 9 Provincial Councils (Provisional figures) during the financial year.

Adopt New Accounting Policies

Previously adopted accounting method on reporting Treasury Bonds was revised from the year 2016. From 2016 and onward Treasury Bonds are recorded on their face value, and required adjustments have been done accordingly. Adjustments were made in the year 2021 for accounting of accumulated discount value of the Treasury bonds issued prior to 2016.

Shareholdings in Government Owned or Other Companies

During the fiscal year 2021 and 2022, capital infusions were injected into the Government Owned Companies through the Equity Vote of the Public Enterprise Department. However, these transactions were not promptly recorded in the main ledger accounts within the same financial year, primarily due to the non-issuance of corresponding share certificates. Despite the absence of share certificates, a deliberate decision has been made to rectify this discrepancy incorporating the aforementioned capital infusions into the main ledger accounts in 2023. The details of which are as follows;

□ Financial Year 2021 & 2022 - Capital Infusion was Made but not Issued the Corresponding Share Certificate

No	Government Owned Companies	Expenditure Incurred Vote Code	Amount in Rs
Financial Year 2021			
01	National Development Bank	241-01-01-0-2301-018	21,759,975.00
02	Mihin Lanka Ltd	241-01-01-0-2301-022	271,935,593.62
03	Ceylon Fertilizer Company Ltd	241-01-01-0-2301-023	114,508,740.57
	Total		18,408,181,585.27
Financial Year 2022			
04	Mihin Lanka	241-01-01-0-2301-022	441,460,721.30
05	Techno Park Development Company (Pvt) Ltd	241-01-01-0-2301-025	22,000,000.00
06	North Sea (Pvt) Ltd	241-01-01-0-2301-027	10,000,000.00
	Total		473,460,721.30

□ Financial Year 2023 - Capital Infusion was Made but not Issued the Corresponding Share Certificate

No	Government Owned Companies	Expenditure Incurred Vote Code	Amount in Rs
Financial Year 2023			
01	Independent Television Network Ltd.	241-01-01-0-2301-28	49,500,000.00
02	North Sea (Pvt) Ltd	241-01-01-0-2301-027	12,838,881.00
03	Sri Lanka Telecom PLC	241-01-01-0-2301-041	1,271,480,515.60

Nature and Purpose of Reserves

The Government creates and maintains reserves in terms of specific local requirements.

Consolidated Fund

The funds of the Republic not allocated by law to specific purposes form the Consolidated Fund into which shall be paid the produce of all taxes, imposts, rates and duties and all other revenues and receipts of the Republic not allocated to specific purposes.

Contingency Fund

A Fund Created by Parliament by law for the purpose of providing for urgent and unforeseen expenditure.

Foreign Loan Revolving Funds

Funds created for recording loan receipts and reimbursements for expenditure incurred.

Public Service Provident Fund Account

A Fund established to afford Provident Fund benefits to those public servants who are not pensionable.

Teachers Widows Orphans Pension Fund

A fund established for the payment of pension to widowers and orphans of teachers who are entitled to the payment of pension under the Minutes of pension.

**SCHEDULE I - STATEMENT OF CONTINGENT LIABILITIES
SCHEDULE I(a) - STATEMENT OF BANK GUARANTEES ISSUED BY THE GENERAL TREASURY AS AT 31.12.2023**

Institution	Project	Bank or Institution	Purpose	Value of the Treasury Guarantees			Date of Issue	Date of Expiry	Outstanding Amount - Capital as at 31.12.2023			
				US\$ Mn.	Euro Mn.	J.Yen Mn.			US\$ Mn.	Euro Mn.	J.Yen Mn.	Rs. Mn.
1	Urban Development Authority	National Savings Bank	Secure the Loan Facility	2,770.00			6-Nov-09	5-Nov-24				212.00
2	Road Development Authority	Commercial Bank	Secure the Loan Facility	829.25			1-Sep-11	31-Mar-30				829.25
3	General Sir John Kotelawala Defence University	Bank of Ceylon	Secure the Loan Facility	85.00			29-Aug-11	31-Dec-26				17.43
4	Road Development Authority	People's Bank	Secure the Loan Facility	1,291.08			14-Mar-12	20-Apr-30				1,291.08
5	Road Development Authority	People's Bank	Secure the Loan Facility	785.39			21-Mar-12	28-Apr-30				785.39
6	Road Development Authority	People's Bank	Secure the Loan Facility	4,647.57			21-Mar-12	02-May-30				4,647.60
7	Road Development Authority	People's Bank	Secure the Loan Facility	1,656.01			21-Mar-12	02-May-30				1,656.01
8	Road Development Authority	Commercial Bank	Secure the Loan Facility	840.62			15-Nov-12	31-Mar-30				840.62
9	Road Development Authority	Commercial Bank	Secure the Loan Facility	873.27			26-Dec-12	31-Mar-30				873.27
10	Road Development Authority	Hatton National Bank	Secure the Loan Facility	1,386.37			28-Dec-12	01-Apr-32				1,386.37
11	Road Development Authority	DFCC Bank	Secure the Loan Facility	367.32			31-Dec-12	31-Mar-30				367.32
12	Road Development Authority	Hatton National Bank	Secure the Loan Facility	2,283.87			14-May-13	01-Apr-32				2,283.87
13	General Sir John Kotelawala Defence University	Bank of Ceylon	Secure the Loan Facility	750.00			7-Jun-13	30-Jun-28				120.66
14	Road Development Authority	Hatton National Bank	Secure the Loan Facility	1,301.55			11-Jul-13	01-Apr-34				1,301.55
15	Road Development Authority	Hatton National Bank	Secure the Loan Facility	1,323.38			11-Jul-13	01-Apr-34				1,323.38
16	Road Development Authority	Hatton National Bank	Secure the Loan Facility	734.21			5-Aug-13	01-Apr-34				734.21
17	Road Development Authority	Hatton National Bank	Secure the Loan Facility	1,769.27			5-Aug-13	01-Apr-34				1,769.27
18	Road Development Authority	Hatton National Bank	Secure the Loan Facility	1,147.84			30-Aug-13	01-Apr-34				1,147.84
19	Road Development Authority	Hatton National Bank	Secure the Loan Facility	838.28			28-Nov-13	01-Apr-34				838.28
20	Road Development Authority	Hatton National Bank	Secure the Loan Facility	1,018.01			28-Nov-13	01-Apr-34				1,018.01
21	Road Development Authority	Hatton National Bank	Secure the Loan Facility	357.14			28-Nov-13	01-Apr-34				357.14
22	Road Development Authority	Hatton National Bank	Secure the Loan Facility	4,786.43			28-Nov-13	01-Apr-34				4,786.43
23	Road Development Authority	Hatton National Bank	Secure the Loan Facility	1,292.84			28-Nov-13	01-Apr-34				1,292.84

**SCHEDULE I - STATEMENT OF CONTINGENT LIABILITIES
 SCHEDULE I(a) - STATEMENT OF BANK GUARANTEES ISSUED BY THE GENERAL TREASURY AS AT 31.12.2023**

Institution	Project	Bank or Institution	Purpose	Value of the Treasury Guarantees			Date of Issue	Date of Expiry	Outstanding Amount - Capital as at 31.12.2023		
				US\$ Mn.	Euro Mn.	J. Yen Mn.			US\$ Mn.	Euro Mn.	J. Yen Mn.
24 National School of Business Management Limited		Bank of Ceylon	Secure the Loan Facility			8,600.00	18-Dec-13	31-Dec-28			6,515.00
25 Road Development Authority		DFCC Bank	Secure the Loan Facility			529.19	27-Dec-13	31-Mar-32			529.19
26 Road Development Authority		Hatton National Bank	Secure the Loan Facility			1,492.31	27-Dec-13	01-Apr-34			1,492.31
27 Road Development Authority		National Development Bank	Secure the Loan Facility			4,282.29	11-Feb-14	01-Apr-34			4,282.92
28 Road Development Authority		National Development Bank	Secure the Loan Facility			560.41	13-Feb-14	01-Apr-34			560.41
29 Road Development Authority		National Development Bank	Secure the Loan Facility			693.93	14-Mar-14	01-Apr-34			693.93
30 Road Development Authority		National Development Bank	Secure the Loan Facility			376.74	25-Mar-14	01-Apr-34			376.74
31 Road Development Authority		Hatton National Bank	Secure the Loan Facility			401.65	25-Mar-14	01-Apr-34			401.65
32 Road Development Authority		Commercial Bank	Secure the Loan Facility			544.11	3-Apr-14	31-Mar-34			544.11
33 Road Development Authority		Commercial Bank	Secure the Term Loan Facility			1,668.68	15-Jul-14	31-Mar-34			1,668.68
34 Road Development Authority		National Development Bank	Secure the Loan Facility			385.83	26-Aug-14	01-Apr-34			385.83
35 Road Development Authority		People's Bank	Secure the Term Loan Facility			-	22-Sep-14	30-Sep-27	15.46		
36 Sri Lanka Land Reclamation & Development Corporation		National Savings Bank	Secure the Loan Facility	44.71		2,000.00	26-Sep-14	31-Oct-28			1,334.30
37 Sri Lanka Land Reclamation & Development Corporation		National Savings Bank	Secure Term Loan Facility			1,500.00	13-Jul-15	31-Oct-28			
38 National Water Supply & Drainage Board		Bank of Ceylon	Secure Term Loan Facility			1,148.06	12-Nov-14	31-May-29			931.24
39 National Water Supply & Drainage Board		Bank of Ceylon	Secure the Loan Facility			2,792.07	14-Nov-14	30-Nov-29			2,386.42
40 National Water Supply & Drainage Board		National Development Bank	Secure Term Loan Facility			2,800.00	9-Dec-14	31-Dec-29			1,898.91
41 National Water Supply & Drainage Board		DFCC Bank	Secure Short Term Loan Facility			2,900.00	30-Dec-14	31-Dec-29			1,966.71
42 National Water Supply & Drainage Board		Bank of Ceylon	Secure Term Loan Facility			3,041.00	30-Dec-14	30-Jun-29			3,678.12
43 National Water Supply & Drainage Board		Bank of Ceylon	Secure the Term Loan Facility			1,870.50	31-May-16	30-Jun-29			
44 Airport & Aviation Services (Sri Lanka) Limited		Japan International Corporation Agency (JICA)	Secure Term Loan Facility	28969		-	28-Mar-12	28-Mar-52			16,020.90
45 National Water Supply & Drainage Board		Bank of Ceylon	Secure Term Loan Facility			1,500.00	28-Jul-14	31-Jan-30			2,146.05

**SCHEDULE I - STATEMENT OF CONTINGENT LIABILITIES
 SCHEDULE I(a) - STATEMENT OF BANK GUARANTEES ISSUED BY THE GENERAL TREASURY AS AT 31.12.2023**

Institution	Project	Bank or Institution	Purpose	Value of the Treasury Guarantees			Date of Issue	Date of Expiry	Outstanding Amount - Capital as at 31.12.2023		
				US\$ Mn.	Euro Mn.	J.Yen Mn.			US\$ Mn.	Euro Mn.	J.Yen Mn.
46 National Water Supply & Drainage Board		Bank of Ceylon	Secure Term Loan Facility			1,500.00	3-Jun-16	31-Jan-30			
47 National Water Supply & Drainage Board		Bank of Ceylon	Loan Facility			3,014.83	29-Sep-15	31-Mar-30			5,991.69
48 National Water Supply & Drainage Board		Bank of Ceylon	Secure Term Loan Facility			3,936.67	24-May-16	31-Mar-30			
49 National Water Supply & Drainage Board		Bank of Ceylon	Secure The Commercial Loan			1,141.36	7-Oct-19	31-Mar-30			
50 National Water Supply & Drainage Board		National Development Bank PLC	Secure Term Loan Facility			1,074.13	29-Sep-15	31-Dec-30			1,397.68
51 National Water Supply & Drainage Board		National Development Bank PLC	Sovereign Guarantee			2,506.30	21-Feb-19	31-Dec-30			
52 National Water Supply & Drainage Board		Bank of Ceylon	Secure the Loan Facility			1,015.00	28-Jan-16	30-Jul-30			1,167.33
53 National Water Supply & Drainage Board		Bank of Ceylon	Secure the Term Loan Facility			485.03	22-Jan-21	30-Jul-30			
54 National Water Supply & Drainage Board		Bank of Ceylon	Secure Term Loan Facility			2,890.00	4-Mar-16	15-Sep-30			2,594.03
55 National Water Supply & Drainage Board		Bank of Ceylon	Secure the Term Loan Facility			847.66	29-Jan-21	15-Sep-30			
56 National Water Supply & Drainage Board		Bank of Ceylon	Secure the Term Loan Facility			948.00	4-Mar-16	15-Sep-30			894.43
57 National Water Supply & Drainage Board		Bank of Ceylon	Sovereign Guarantee			33.00	16-Nov-20	15-Sep-30			
58 Telecommunications Regulatory Commission of Sri Lanka		Exim Bank of China	Secure the Loan Facility	88.66		-	18-May-13	31-Jul-26	14.07		
59 Airport & Aviation Services (Sri Lanka) Limited		Japan International Corporation Agency (JICA)	Secure the Term Loan Facility		45,428.00	-	9-May-16	9-May-56			
60 National Water Supply & Drainage Board		Bank of Ceylon	Secure the Total Term Loan Facility			300.00	29-Jul-16	31-Jan-31			250.52
61 National Water Supply & Drainage Board		Bank of Ceylon	Sovereign Guarantee			454.79	21-Feb-19	31-Jan-31			
62 National Water Supply & Drainage Board		People's Bank	Secure the Loan Facility			397.00	29-Jul-16	31-Jul-31			244.82
63 National Water Supply & Drainage Board		People's Bank	Secure the Term Loan Facility			603.00	21-Feb-19	31-Jul-31			
64 National Water Supply & Drainage Board		DFCC Bank	Secure the Term Loan Facility			937.87	9-Aug-16	11-Jul-31			2,330.75
65 National Water Supply & Drainage Board		DFCC Bank	Secure the Loan Facility			1,358.98	6-Nov-17	11-Jul-31			
66 National Water Supply & Drainage Board		DFCC Bank	Secure the Term Loan Facility			829.40	4-Jan-19	11-Jul-31			
67 National Water Supply & Drainage Board		Bank of Ceylon	Secure Term Loan Facility	29.10		-	31-Aug-16	28-Feb-31			4,154.79
68 National Water Supply & Drainage Board		Bank of Ceylon	Secure the Term Loan Facility	16.20		-	31-Aug-16	28-Feb-31			2,172.94
69 National Water Supply & Drainage Board		Exim Bank of India	Secure Term Loan Facility	164.90		-	28-Sep-16	28-Sep-31	91.57		

**SCHEDULE I - STATEMENT OF CONTINGENT LIABILITIES
SCHEDULE I(a) - STATEMENT OF BANK GUARANTEES ISSUED BY THE GENERAL TREASURY AS AT 31.12.2023**

Institution	Project	Bank or Institution	Purpose	Value of the Treasury Guarantees			Date of Issue	Date of Expiry	Outstanding Amount - Capital as at 31.12.2023			
				US\$ Mn.	Euro Mn.	J.Yen Mn.			US\$ Mn.	Euro Mn.	J.Yen Mn.	Rs. Mn.
70 National Water Supply & Drainage Board		Exim Bank of India	Secure the Loan Facility	91.80	-	-	28-Sep-16	28-Sep-31	60.81	-	-	
71 National Water Supply & Drainage Board		China Development Bank	Secure Term Loan Facility	48.77	-	-	9-Sep-16	20-Mar-32	150.08	-	-	
72 National Water Supply & Drainage Board		Bank of Ceylon	Secure the Loan Facility	34.43	-	-	28-Nov-16	28-Nov-31				4,911.54
73 National Water Supply & Drainage Board		Hatton National Bank	Secure the Term Loan Facility	23.4174	-	-	9-Dec-16	14-Dec-30				2,695.60
74 National Water Supply & Drainage Board		People's Bank	Sovereign Guarantee	44.14	-	-	13-Feb-17	13-Feb-32	29.50	-	-	404.29
75 Airport & Aviation Services (Sri Lanka) Limited		Hong Kong & Shanghai Banking Co.Ltd.	Secure the Term Loan Facility				1-Mar-17	1-Mar-32				
76 National Water Supply & Drainage Board		National Development Bank PLC	Buyers Credit Loan		4,500.00		25-Jul-17	26-Jul-35				13,611.51
77 National Water Supply & Drainage Board		National Development Bank PLC	Secure the Term Loan Facility		6,500.00		18-Feb-19	26-Jul-35				
78 National Water Supply & Drainage Board		National Development Bank PLC	Secure Term Loan Facility		4,000.00		16-Feb-21	26-Jul-35				1,485.50
79 National Water Supply & Drainage Board		Bank of Ceylon	Loan- SLP 114	9.67	-	-	19-Oct-17	23-Oct-32				2,915.96
80 National Water Supply & Drainage Board		Bank of Ceylon	Secure the Loan Facility	18.10	-	-	19-Oct-17	23-Oct-32				
81 National Water Supply & Drainage Board		China Development Bank	Secure the Term Loan Facility	13.70	-	-	21-Aug-17	21-Aug-42	40.41	-	-	
82 Road Development Authority		Sampath Bank	Secure the Term Loan Facility		14,500.00		20-Dec-17	31-Dec-32				11,863.64
83 Ceylon Electricity Board		Asian Development Bank	Secure Term Loan Facility	90.00	-	-	29-Jun-17	15-May-41	57.34	-	-	
84 Ceylon Electricity Board		Asian Development Bank	Secure the Total Term Loan Facility	150.00	-	-	10-Jul-17	15-Nov-41	115.62	-	-	
85 Road Development Authority		Bank of Ceylon	Secure the Term Loan Facility		1,387.00		24-Jan-18	31-Jan-33				838.77
86 National Water Supply & Drainage Board		Uni Credit Bank Austria AG	Secure the Term Loan Facility	50.6	-	-	28-Mar-18	31-Aug-29	40.80	-	-	
87 National Water Supply & Drainage Board		People's Bank	Secure the Term Loan Facility	7.62477	-	-	6-Apr-18	10-Apr-33				1,084.00
88 State Development and Construction Corporation		Bank of Ceylon	Secure the Term Loan Facility		1,126.81		8-Jun-18	11-Jun-33				990.60
89 State Engineering Corporation		Bank of Ceylon	Secure the Term Loan Facility		1,280.26		30-Jun-18	30-Jun-33				1,999.99
90 State Engineering Corporation		Bank of Ceylon	Secure the Term Loan Facility		719.74		22-Oct-18	30-Jun-33				
91 Ceylon Electricity Board		Asian Development Bank	Sovereign Guarantee	160.00	-	-	22-Nov-17	15-Sep-37	133.96	-	-	
92 National Water Supply & Drainage Board		People's Bank	Sovereign Guarantee		128.32		13-Jul-18	31-Jul-33				34.57
93 State Engineering Corporation		Bank of Ceylon	Secure the Term Loan Facility		300.00		6-Aug-18	8-Aug-28				300.00
94 Road Development Authority		Bank of Ceylon	Secure the Term Loan Facility		10,000.00		13-Aug-18	15-Aug-33				20,952.38

**SCHEDULE I - STATEMENT OF CONTINGENT LIABILITIES
SCHEDULE I(a) - STATEMENT OF BANK GUARANTEES ISSUED BY THE GENERAL TREASURY AS AT 31.12.2023**

Institution	Project	Bank or Institution	Purpose	Value of the Treasury Guarantees			Date of Issue	Date of Expiry	Outstanding Amount - Capital as at 31.12.2023		
				US\$ Mn.	Euro Mn.	J.Yen Mn.			US\$ Mn.	Euro Mn.	J.Yen Mn.
95 Road Development Authority	Bank of Ceylon	Secure the Total Term Loan Facility	5,766.52			3-Sep-18	15-Aug-33				
96 Road Development Authority	Bank of Ceylon	Secure the Term Loan Facility	4,150.00			11-Sep-18	15-Aug-33				
97 Road Development Authority	Bank of Ceylon	Term Loan Facility	1,854.99			17-Sep-18	15-Aug-33				
98 Road Development Authority	Bank of Ceylon	Secure the Term Loan Facility	228.49			9-Apr-19	15-Aug-33				
99 Ceylon Petroleum Corporation	People's Bank	Secure the Term Loan Facility	7.73			31-Aug-18	15-Sep-31	6.18			
100 Ceylon Shipping Corporation Ltd	People's Bank	Term Loan Facility	71.91			7-Sep-18	03-Jun-34	50.99			
101 National Water Supply & Drainage Board Corporation Ltd	Bank of Ceylon	Secure the Term Loan Facility			382.24	25-Sep-18	15-Sep-33				382.24
102 Building Materials Corporation Ltd	Bank of Ceylon	Sovereign Guarantee			500.00	22-Oct-18	19-Oct-33				500.00
103 Road Development Authority	Bank of Ceylon	Loan Facility			5,000.00	12-Dec-18	20-Dec-33				8,217.39
104 Road Development Authority	Bank of Ceylon	Secure the Term Loan Facility			4,000.00	28-Dec-18	20-Dec-33				
105 National Water Supply & Drainage Board	ING Bank, NV of Netherlands	Sovereign Guarantee		12.2934		12-Dec-18	4-Jul-23		3.86		
106 National Water Supply & Drainage Board	ING Bank, NV of Netherlands	Secure the Total Term Loan Facility		70.66		12-Dec-18	3-Oct-33		67.46		
107 Road Development Authority	DFCC Bank	Secure the Loan Facility			5,000.00	14-Feb-19	12-Mar-34				4,565.22
108 Airport & Aviation Services (Sri Lanka) Limited	Hatton National Bank	Secure the Term Loan Facility			4,000.00	22-Mar-19	21-Mar-34				4,000.00
109 Road Development Authority	Bank of Ceylon	Secure the Term Loan Facility			10,000.00	4-Apr-19	15-Apr-34				21,874.99
110 Road Development Authority	Bank of Ceylon	Secure the Term Loan Facility			5,000.00	7-May-19	15-Apr-34				
111 Road Development Authority	Bank of Ceylon	Secure the Term Loan Facility			5,000.00	6-Jun-19	15-Apr-34				
112 Road Development Authority	Bank of Ceylon	Secure the Term Loan Facility			5,000.00	21-Jun-19	15-Apr-34				
113 Ceylon Petroleum Corporation	China National Chemical Engineering No.14 Construction Co. Ltd	Secure the Term Loan Facility	43.78			26-Jun-19	31-Jan-31	26.30			
114 Sri Lankan Airlines Limited	DB Trustees (Hong Kong) Limited	Secure the Term Loan Facility	175.00			26-Jun-19	25-Jun-24	175.00			
115 National Electricity Board	Industrial And Commercial Bank of China Limited	Secure the Term Loan Facility	41.97			2-Jul-19	23-Apr-26	26.53			
116 National Water Supply & Drainage Board	National Savings Bank	Secure The Export Credit Facility			15,000.00	30-Jun-20	15-Jul-35				14,375.00
117 National Water Supply & Drainage Board	Bank of Ceylon	Secure the Term Loan Facility			2,500.00	9-Jul-20	15-Jul-35				5,041.77
118 National Water Supply & Drainage Board	Bank of Ceylon	Secure the Term Loan Facility			3,351.94	25-Aug-20	15-Jul-35				

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Institution	Project	Bank or Institution	Purpose	Value of the Treasury Guarantees			Date of Issue	Date of Expiry	Outstanding Amount - Capital as at 31.12.2023			
				US\$ Mn.	Euro Mn.	J.Yen Mn.			US\$ Mn.	Euro Mn.	J.Yen Mn.	
119 General Sir John Kotelawala Defence University		National Savings Bank	Secure the Debenture	44.00			23-Jul-20	17-Sep-33	26,907.85			33,377.22
120 National Water Supply & Drainage Board Corporation		People's Bank	Secure the Term Loan Facility				31-Jul-20	15-Aug-35	2,874.69			1,767.37
121 National Paper Corporation		People's Bank	Secure the Term Loan Facility				22-Oct-20	31-Dec-25	40.00			18.46
122 Road Development Authority		National Savings Bank	Loan Facility				22-Oct-20	30-Jun-35	10,000.00			9,583.33
123 Ceylon Electricity Board		National Savings Bank	Sovereign Guarantee				26-Nov-20	15-Dec-28	5,000.00			5,000.00
124 National Water Supply & Drainage Board		National Savings Bank	Secure the Long Term Loan Facility				9-Dec-20	15-Dec-35	15,000.00			14,375.00
125 Road Development Authority		People's Bank	Secure the Term Loan Facility				30-Dec-20	31-Dec-35	10,000.00			10,000.00
126 Road Development Authority		National Savings Bank	Secure the Term Loan Facility				30-Dec-20	01-Apr-32	1,600.33			1,600.33
127 Road Development Authority		National Savings Bank	Secure the Loan Facility				30-Dec-20	01-Apr-32	891.41			891.41
128 Road Development Authority		National Savings Bank	Secure the Term Loan Facility				30-Dec-20	01-Apr-34	1,541.38			1,541.38
129 Road Development Authority		National Savings Bank	Working Capital Facility				30-Dec-20	01-Apr-32	325.86			325.86
130 Road Development Authority		National Savings Bank	Secure the Term Loan Facility				30-Dec-20	01-Apr-34	1,178.22			1,178.22
131 Road Development Authority		National Savings Bank	Secure the Term Loan Facility				30-Dec-20	01-Apr-34	1,510.58			1,510.58
132 Road Development Authority		National Savings Bank	Secure the Term Loan Facility				30-Dec-20	01-Apr-34	2,538.76			2,538.76
133 Road Development Authority		National Savings Bank	Secure the Term Loan Facility				30-Dec-20	01-Apr-34	1,214.30			1,214.30
134 Road Development Authority		National Savings Bank	Secure the Loan Facility				30-Dec-20	01-Apr-32	1,062.50			1,062.50
135 Road Development Authority		National Savings Bank	Secure the Loan Facility				30-Dec-20	01-Apr-34	1,196.73			1,196.73
136 Road Development Authority		National Savings Bank	Secure the Loan Facility				30-Dec-20	01-Apr-34	2,556.02			2,556.02
137 Road Development Authority		National Savings Bank	Secure the Loan Facility				30-Dec-20	01-Apr-34	2,935.67			2,935.67
138 Road Development Authority		National Savings Bank	Secure the Loan Facility				30-Dec-20	01-Apr-34	5,217.03			5,217.03
139 Road Development Authority		National Savings Bank	Secure the Loan Facility				30-Dec-20	01-Apr-34	1,350.00			1,350.00
140 Road Development Authority		National Savings Bank	Secure the Loan Facility				30-Dec-20	01-Apr-34	2,397.94			2,397.94
141 Road Development Authority		National Savings Bank	Secure the Loan Facility				30-Dec-20	01-Apr-34	677.25			677.25
142 Road Development Authority		National Savings Bank	Secure the Loan Facility				30-Dec-20	01-Apr-34	1,113.19			1,113.19
143 Road Development Authority		National Savings Bank	Secure the Loan Facility				30-Dec-20	01-Apr-34	947.84			947.84

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SCHEDULE I(a) - STATEMENT OF BANK GUARANTEES ISSUED BY THE GENERAL TREASURY AS AT 31.12.2023**

Institution	Project	Bank or Institution	Purpose	Value of the Treasury Guarantees			Date of Issue	Date of Expiry	Outstanding Amount - Capital as at 31.12.2023			
				US\$ Mn.	Euro Mn.	J.Yen Mn.			US\$ Mn.	Euro Mn.	J.Yen Mn.	Rs. Mn.
144 Road Development Authority		National Savings Bank	Secure the Loan Facility	713.50			30-Dec-20	01-Apr-35				713.50
145 Road Development Authority		National Savings Bank	Secure the Loan Facility	1,279.16			30-Dec-20	01-Apr-35				1,279.16
146 Road Development Authority		National Savings Bank	Secure the Loan Facility	1,718.35			30-Dec-20	01-Apr-35				1,718.35
147 Road Development Authority		National Savings Bank	Secure the Loan Facility	1,451.49			30-Dec-20	01-Apr-35				1,451.49
148 Road Development Authority		National Savings Bank	Secure the Loan Facility	319.76			30-Dec-20	01-Apr-35				319.76
149 Road Development Authority		National Savings Bank	Secure the Loan Facility	1,059.03			30-Dec-20	01-Apr-34				1,059.03
150 Road Development Authority		National Savings Bank	Secure the Loan Facility	787.27			30-Dec-20	01-Apr-34				787.27
151 Road Development Authority		National Savings Bank	Secure the Loan Facility	1,229.27			30-Dec-20	1-Apr-35				1,229.27
152 Road Development Authority		National Savings Bank	Secure the Term Loan Facility	744.83			30-Dec-20	1-Apr-34				744.83
153 Road Development Authority		National Savings Bank	Secure the Term Loan Facility	1,108.00			30-Dec-20	1-Apr-35				1,108.00
154 Road Development Authority		National Savings Bank	Secure the Term Loan Facility	11,200.00			30-Dec-20	01-Apr-35				11,200.00
155 Road Development Authority		National Savings Bank	Secure the Term Loan Facility	7,500.00			30-Dec-20	1-Apr-35				7,500.00
156 Road Development Authority		Bank of Ceylon	Secure the Term Loan Facility	10,000.00			5-Jan-21	1-Jan-36				10,000.00
157 National Water Supply & Drainage Board		Commercial Bank	Secure the Term Loan Facility	968.36			20-Jan-21	15-Jul-29				685.89
158 National Water Supply & Drainage Board		Hatton National Bank	Secure the Loan Facility	6,046.03			11-Feb-21	1-Jul-31				5,091.40
159 National Water Supply & Drainage Board		Hatton National Bank	Settle Compensation Payment for Land Acquisition	1,471.36			11-Feb-21	01-Jan-31				1,226.13
160 National Water Supply & Drainage Board		National Savings Bank	Secure the Term Loan Facility	710.61			16-Feb-21	31-May-29				521.11
161 Road Development Authority		National Savings Bank	Secure the Term Loan Facility	5,000.00			19-Feb-21	20-Feb-36				10,000.00
162 Road Development Authority		National Savings Bank	Secure Term Loan Facility	5,000.00			15-Mar-21	20-Feb-36				
163 Ceylon Electricity Board		People's Bank	Secure Term Loan Facility	6,500.00			3-Mar-21	26-Jun-29				5,444.76
164 Bank of Ceylon & People's Bank		Asian Infrastructure Investment Bank (AIIB)	Secure Term Loan Facility	-	180.00		21-Mar-21	21-Mar-27		160.00		
165 Road Development Authority		Bank of Ceylon	Term Loan Facility	10,000.00			9-Jun-21	10-Jun-36				10,000.00
166 National Paper Corporation		People's Bank	Sovereign Guarantee	100.00			25-Jun-21	30-Jun-26				57.41
167 Road Development Authority		National Savings Bank	Secure the Term Loan Facility	3,250.00			15-Jul-21	15-Jul-36				3,250.00

**SCHEDULE I - STATEMENT OF CONTINGENT LIABILITIES
SCHEDULE I(a) - STATEMENT OF BANK GUARANTEES ISSUED BY THE GENERAL TREASURY AS AT 31.12.2023**

Institution	Project	Bank or Institution	Purpose	Value of the Treasury Guarantees			Date of Issue	Date of Expiry	Outstanding Amount - Capital as at 31.12.2023		
				US\$ Mn.	Euro Mn.	J.Yen Mn.			US\$ Mn.	Euro Mn.	J.Yen Mn.
168 Road Development Authority		National Savings Bank	Working Capital Facility	10,000.00			29-Jul-21	30-Jul-36			10,000.00
169 Northsea Limited		Sri Lanka Savings Bank	Secure the Loan Facility	60.00			22-Sep-21	15-May-26			58.93
170 Ceylon Fisheries Corporation		Bank of Ceylon	Secure Term Loan Facility	50.00			28-Sep-21	31-Mar-22			8.62
171 Road Development Authority		National Savings Bank	Secure the Term Loan Facility	10,000.00			13-Oct-21	11-Oct-36			10,000.00
172 Road Development Authority		Bank of Ceylon	Secure the Short Term Loan Facility for Debenture	12,950.38			1-Nov-21	1-Nov-36			360.67
173 Road Development Authority		National Savings Bank	To Secure the Term Loan Facility for Debenture	11,800.00			9-Nov-21	11-Oct-36			11,800.00
174 Road Development Authority		Bank of Ceylon	To Secure the Term Loan Facility for Debenture	11,000.00			12-Nov-21	25-Jun-35			11,000.00
175 Road Development Authority		Bank of Ceylon	To Secure the Term Loan Facility	14,000.00			12-Nov-21	14-Jul-35			14,000.00
176 Road Development Authority		People's Bank	To Secure the Term Loan Facility	17,000.00			12-Nov-21	15-Jul-35			25,000.00
177 Road Development Authority		People's Bank	To Secure the Term Loan Facility	8,000.00			12-Nov-21	25-Aug-35			144.22
178 Janatha Estates Development Board		Bank of Ceylon	To Secure the Term Loan Facility	200.00			25-Nov-21	2-Dec-26			750.00
179 Techno Park Development Company Private Limited		National Savings Bank	To Secure the Term Loan Facility	750.00			30-Nov-21	29-Nov-26			1,920.00
180 National Water Supply & Drainage Board Corporation		National Savings Bank	Working Capital Facility	2,000.00			2-Dec-21	31-May-36			150.00
181 Ceylon Fisheries Corporation		Bank of Ceylon	Secure the Term Loan Facility	100.00			3-Dec-21	15-Aug-22			8.63
182 Ceylon Fisheries Corporation		Bank of Ceylon	Working Capital Facility	100.00			29-Dec-21	15-Oct-22			1,433.67
183 Northsea Limited		Bank of Ceylon	Secure the Term Loan Facility	8.63			4-Jan-22	31-Dec-22			1,604.17
184 Road Development Authority		Bank of Ceylon	Secure the Term Loan Facility	1,784.36			10-Jan-22	31-Mar-30			1,565.50
185 Road Development Authority		Bank of Ceylon	Secure Term Loan Facility	2,063.00			10-Jan-22	31-Mar-30			1,378.00
186 Road Development Authority		Bank of Ceylon	Secure the Loan Facility	2,007.64			10-Jan-22	31-Mar-30			1,473.59
187 Road Development Authority		Bank of Ceylon	Secure the Loan Facility	315.56			10-Jan-22	31-Mar-34			3,061.52
188 Road Development Authority		Bank of Ceylon	Secure the Loan Facility	1,413.16			10-Jan-22	31-Mar-32			
189 Road Development Authority		Bank of Ceylon	Secure the Loan Facility	354.58			10-Jan-22	31-Mar-32			
190 Road Development Authority		Bank of Ceylon	Secure the Loan Facility	1,494.31			10-Jan-22	31-Mar-32			
191 Road Development Authority		Bank of Ceylon	Secure the Loan Facility	670.75			10-Jan-22	31-Mar-32			
192 Road Development Authority		Bank of Ceylon	Secure the Loan Facility	3,139.25			10-Jan-22	31-Mar-32			

**SCHEDULE I - STATEMENT OF CONTINGENT LIABILITIES
 SCHEDULE I(a) - STATEMENT OF BANK GUARANTEES ISSUED BY THE GENERAL TREASURY AS AT 31.12.2023**

Institution	Project	Bank or Institution	Purpose	Value of the Treasury Guarantees			Date of Issue	Date of Expiry	Outstanding Amount - Capital as at 31.12.2023		
				US\$ Mn.	J.Yen Mn.	Rs. Mn.			US\$ Mn.	Euro Mn.	J.Yen Mn.
193 Road Development Authority		Bank of Ceylon	Secure the Loan Facility			385.64	10-Jan-22	31-Mar-32			1,599.96
194 Road Development Authority		Bank of Ceylon	Secure the Loan Facility			1,636.31	10-Jan-22	31-Mar-32			1,330.00
195 Road Development Authority		Bank of Ceylon	Secure the Loan Facility			299.25	10-Jan-22	31-Mar-32			
196 Road Development Authority		Bank of Ceylon	Secure the Loan Facility			1,363.75	10-Jan-22	31-Mar-32			2,716.93
197 Road Development Authority		Bank of Ceylon	Secure the Loan Facility			3,330.95	10-Jan-22	31-Mar-32			
198 Road Development Authority		Bank of Ceylon	Secure the Loan Facility			2,173.92	10-Jan-22	31-Mar-32			1,761.35
199 Road Development Authority		Bank of Ceylon	Secure the Loan Facility			1,253.93	10-Jan-22	31-Mar-34			987.57
200 Road Development Authority		Bank of Ceylon	Secure the Loan Facility			2,249.99	10-Jan-22	31-Mar-34			1,707.99
201 Road Development Authority		Bank of Ceylon	Secure the Loan Facility			1,894.95	10-Jan-22	31-Mar-34			1,671.12
202 Road Development Authority		Bank of Ceylon	Secure the Loan Facility			2,123.65	10-Jan-22	31-Mar-35			1,884.57
203 Road Development Authority		Bank of Ceylon	Secure the Term Loan Facility			242.54	10-Jan-22	31-May-35			1,045.18
204 Road Development Authority		Bank of Ceylon	Secure the Term Loan Facility			1,567.46	10-Jan-22	31-May-35			750.00
205 Techno Park Development Company Private Limited		People's Bank	Secure the Term Loan Facility	50.00		750.00	29-Mar-22	28-Feb-29			
206 Northsea Limited		Bank of Ceylon	Secure the Term Loan Facility			30.00	30-May-22	20-May-24			28.78
207 Regional Development Bank		Asian Development Bank	Secure the Term Loan Facility	50.00		-	14-Jun-19	30-Nov-31	50.00		
208 Ceylon Electricity Board		Hatton National Bank	Short Term Loan Facility	12.30		-	15-Jul-13	-	2.89		
209 Litro Gas Lanka Limited		Bank of Ceylon	Secure the Loan Facility			8,000.00	8-Sep-22	31-Dec-23			
210 State Printing Corporation		People's Bank	Secure the Overdraft Facilities			1,165.00	27-Sep-22	15-Sep-24			133.24
211 National Water Supply & Drainage Board		China Development Bank	Secure the Term Loan Facility	102.54		-	4-Oct-17		35.64		
212 Sri Lankan Airlines Limited		People's Bank	Secure the Term Loan Facility			1,351.90	14-Nov-22	11-Nov-23			1,351.89
213 Sri Lankan Airlines Limited		People's Bank	Secure the Term Loan Facility	5.38		-	14-Nov-22	11-Nov-23	5.38		
214 Sri Lanka State Plantation Corporation		People's Bank	Counter Guarantee (USD 12 Mn)			100.00	4-Jan-23	15-Oct-23			79.31
215 Ceylon Electricity Board		Bank of Ceylon	Working Capital Facility			4,780.00	30-Jan-23	28-Feb-24			4,580.00
216 Ceylon Petroleum Corporation		Bank of Ceylon	Secure the Credit Facilities			100,000.00	20-Mar-23	31-Dec-23			91,737.88
217 Ceylon Electricity Board		People's Bank	*Letter of Undertaking to			9,133.33	27-Apr-23	7-Apr-24			9,058.33
218 Sri Lankan Airlines Limited		People's Bank	Secure the team Loan Facility	7.50		-	27-May-23	7-May-24			1,387.50

SCHEDULE I - STATEMENT OF CONTINGENT LIABILITIES
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Institution	Project	Bank or Institution	Purpose	Value of the Treasury Guarantees			Date of Issue	Date of Expiry	Outstanding Amount - Capital as at 31.12.2023			
				US\$ Mn.	Euro Mn.	J.Yen Mn.			US\$ Mn.	Euro Mn.	J.Yen Mn.	Rs. Mn.
219 Sri Lankan Airlines Limited		Bank of Ceylon	Secure the Term Loan Facility	5.00			27-May-23	15-May-24	5.00			
220 Sri Lanka Rupavahini Corporation		Bank of Ceylon	Short Loan Facility			200.00	10-Jun-20	15-May-26				83.04
221 State Engineering Corporation		Bank of Ceylon	Secure the Loan Facility			100.00	30-Mar-22	15-May-24				100.00
222 Sri Lanka Insurance Corporation		Sri Lanka Insurance Corporation	To Open the Letter's of Credit to Facilitate the Coal Imports	12.00		-	19-Aug-22	24-Sep-24	12.00			
223 Sri Lankan Airlines Limited		People's Bank	To Open the Letter's of Credit to Facilitate the Coal Imports	30.00		-	4-Jul-22	31-Jul-24				2,581.65
224 Lanka Coal Company (Pvt) Ltd		Bank of Ceylon	Secure the Term Loan Facility			22,000.00	4-Jan-23	22-Oct-24				15,969.27
225 Lanka Coal Company (Pvt) Ltd		Bank of Ceylon	Secure the Term Loan Facility			27,500.00	27-Jan-23	27-Jan-25				
226 Sri Lankan Airlines Limited		International Air Transport Association	Secure the Foreign Currency Loans	11.60			4-Oct-23	31-Jul-24	11.60			
227 Central Bank of Sri Lanka		Reserve Bank of India	Secure the Term Loan Facility	2,601.43			17-Oct-23	17-Oct-24	2,451.43			
228 Paddy Marketing Board		Bank of Ceylon	Secure short Term Loan			374.50	2-May-23	30-Apr-24				369.58
229 Paddy Marketing Board		People's Bank	Secure the Loan Facility			760.75	27-Jan-23	14-May-24				759.08
230 Lanka Sathosa Limited		People's Bank	Secure the Loan Facility			2,241.00	29-Dec-23	31-Dec-24				2,204.10
Total in Issued Currency				4,406.30	164.59	74,397.00			3,727.76	112.12	16,020.90	627,275.87
CBSL Exchange Rates As At 31.12.2023				328.7784	365.8211	2.3356			328.78	365.82	2.34	
Total in Rupees				1,448,697	60,212	173,762			1,225,606.97	41,015.86	37,418.41	627,275.87
Grand Total						2,387,407.70						1,931,317.11

**SCHEDULE 1(b) - STATEMENT OF LETTERS OF COMFORT ISSUED TO LOCAL BANKS AND THE LIABILITIES
AS AT 31ST DECEMBER 2023**

Institution	Bank or Institution	US\$ Mn	LC Amount in Rs. Mn.	Date of Issue	Date of Expiry	Outstanding Amount - Capital as at 31.12.2023	
						US\$ Mn.	Rs. Mn.
1	Co-operative Wholesale Establishment		440.00	11-Jan-17	11-Jan-18		440.00
2	Co-operative Wholesale Establishment		440.00	1-Mar-17	22-Feb-18		289.60
3	Bank of Ceylon and Peoples Bank		60.00	29-Mar-18	31-Mar-25		60.00
4	Lanka Sathosa Limited		3,000.00	7-Oct-19	31-Dec-24		600.00
5	Mihin Lanka Limited	2.50	-	9-Dec-21	31-Dec-22	2.50	
6	Mihin Lanka Limited	2.50	-	9-Dec-21	31-Dec-22	2.50	
7	Mihin Lanka Limited		1,650.00	9-Dec-21	31-Dec-22		1,650.00
8	Mihin Lanka Limited		1,650.00	9-Dec-21	31-Dec-22		1,550.92
9	Mihin Lanka Limited	2.50	-	9-Dec-21	31-Dec-22	2.50	
10	Mihin Lanka Limited	2.50	-	9-Dec-21	31-Dec-22	2.50	
11	Sri Lankan Air Lines Limited	32.50	-	30-Dec-22	31-Dec-23	32.50	
12	Sri Lankan Air Lines Limited	32.50	-	30-Dec-22	31-Dec-23	32.50	
13	Sri Lankan Air Lines Limited	25.00	-	17-Feb-23	21-Feb-24	25.00	
14	Sri Lankan Air Lines Limited	25.00	-	17-Feb-23	21-Feb-24	25.00	
15	Sri Lankan Air Lines Limited		12,900.00	30-Jun-23	30-Jun-24		12,900.00
16	Sri Lankan Air Lines Limited		13,350.00	30-Jun-23	30-Jun-24		13,350.00
17	Sri Lankan Air Lines Limited	42.50	-	10-Oct-22	7-Oct-24	42.50	
18	Sri Lankan Air Lines Limited	42.50	-	10-Oct-22	7-Oct-24	42.50	
19	Lanka Sathosa Limited		3,000.00	29-Dec-23	31-Dec-24		2,386.42
	Total in Issued Currency	210.00	36,490.00			210.00	33,226.94
	CBSL Exchange Rates - As at 31.12.2023	328.78				328.78	
	Total in Rupees	69,043.46	36,490.00			69,043.46	33,226.94
	Grand Total		105,533.46				102,270.40

SCHEDULE II - STATEMENT OF CAPITAL INVESTMENT IN DEVELOPMENT PROJECTS - 2023

Head No	Institution	Project Description	Provision (Rs.)	Expenditure (Rs.)	Expenditure as % of Provision
103	Ministry of Defence	Strategic Defence Communication Network	10,000,000.00	535,072.50	5
		Rehabilitation and Reconstruction Activities of the Areas affected by Floods and Liabilities	350,000,000.00	349,609,622.04	100
111	Ministry of Health	Primary Health Care Systems Strengthening Project (PSSP) - (GOSL-WB)	2,998,268.00	2,998,267.25	100
		Health Sector Training	6,000,000.00	3,045,854.96	51
		Kidney Disease	25,000,000.00	520,367.94	2
116	Ministry of Trade, Commerce and Food Security	Establishment of Economics Centers	25,000,000.00	24,190,048.34	97
117	Ministry of Transport and Highways	Greater Colombo Urban Transport Development Project Phase 1-(GOSL - Japan)	200,000,000.00	199,963,900.00	100
		Sahasara Bus Modernization Programme	16,000,000.00	10,792,166.27	67
		Colombo - Rathnapura - Pelmadulla Expressway	25,000,000.00	24,905,105.31	100
		Elevated Highway from New Kelani Bridge to Athurugiriya	31,938,000.00	16,152,178.63	51
		Port Access Elevated Highway Project (GOSL - ADB)	25,000,000,000.00	20,005,132,201.53	80
		Port Access Elevated Highway Project (GOSL - ADB)	20,000,000.00	7,640,714.75	38
		Central Expressway Section 01 (Kadawatha - Meerigama) (GOSL - China Exim Bank)	819,640,000.00	818,690,000.00	100
		Central Expressway Section 02 (Meerigama - Kurunegala)	19,196,400,000.00	19,195,392,494.70	100
		Central Expressway Section 03 (Pothuhera - Galagedera)	2,100,000,000.00	2,099,999,901.79	100
		Central Expressway Section 04 (Kurunegala - Dambulla)	8,787,000.00	4,700,000.00	53
		Extension of Southern Expressway from Matara to Hambantota (GOSL-China)	532,429,000.00	532,428,318.45	100
		Extension of Southern Expressway from Matara to Hambantota (GOSL-China) - Consultancy Services	354,200,000.00	354,106,861.21	100
		Extension of Southern Expressway from Matara to Hambantota (GOSL-China) - Section 01 (Godagama - Beliatta)	3,934,245,000.00	3,934,244,572.07	100
		Infrastructure and Road Safety	33,900,000.00	33,433,967.00	99
		Traffic Management	80,000,000.00	31,138,559.51	39
		Rehabilitation of Peradeniya-Badulla - Chenkalady Road from Badulla to Chenkalady (GOSL - SFD)	1,441,900,000.00	445,264,892.20	31
		Rehabilitation of Peradeniya-Badulla - Chenkalady Road from Badulla to Chenkalady (GOSL - SFD)	182,760,000.00	181,592,987.71	99
		Road Network Development Project (GOSL - SFD)	262,460,000.00	211,276,759.99	80
		Road Network Development Project (GOSL - SFD)	5,000,000.00	280,000.00	6
		Road Network Development Project (GOSL - OPEC)	500,290,000.00	419,069,704.81	84
		Road Network Development Project (GOSL - OPEC)	15,000,000.00	11,160,000.00	74
		Colombo District Road Development Project (GOSL-OFID)	900,000,000.00	720,999,368.90	80
		Colombo District Road Development Project (GOSL- OFID)	75,000,000.00	59,910,000.00	80
		Western Province National Highways (GOSL- OFID)	538,570,000.00	492,955,208.58	92

SCHEDULE II - STATEMENT OF CAPITAL INVESTMENT IN DEVELOPMENT PROJECTS - 2023

Head No	Institution	Project Description	Provision (Rs.)	Expenditure (Rs.)	Expenditure as % of Provision
		Western Province National Highways (GOSL- OFID)	169,000,000.00	163,917,000.00	97
		Rehabilitation of Peradeniya-Badulla - Chenkalady Road from Badulla to Chenkalady (GOSL-OFID)	3,000,000,000.00	1,579,504,381.31	53
		Rehabilitation of Peradeniya-Badulla - Chenkalady Road from Badulla to Chenkalady (GOSL-OFID)	45,000,000.00	41,800,000.00	93
		Rehabilitation of Peradeniya-Badulla - Chenkalady Road from Badulla to Chenkalady (GOSL-OFID)	150,370,000.00	150,370,000.00	100
		Road Network Improvement Project (GOSL- ADB)	743,348,000.00	743,347,480.59	100
		Southern Road Connectivity Project (GOSL - ADB)	318,200,000.00	318,086,745.10	100
		Integrated Road Investment Programme-(I Road) - Phase 1	21,980,000,000.00	5,759,738,750.66	26
		Integrated Road Investment Programme-(I Road) - Phase 1	40,000,000.00	9,036,000.00	23
		Integrated Road Investment Programme-(I Road) - Phase 2	3,600,000,000.00	3,600,000,000.00	100
		Integrated Road Investment Programme -(I Road) - Phase 2	23,694,800,000.00	389,769,551.98	2
		Integrated Road Investment Programme - (I Road) - Phase 2	4,700,000.00	3,078,100.00	65
		Widening and Improvement of Roads and Bridges in Central and Uva Provinces (GOSL - EXIM China)	30,000,000.00	29,881,880.00	100
		Transport Project Preparatory Facility (GOSL-ADB)	10,538,000.00	10,537,496.98	100
		Transport Project Preparatory Facility (GOSL-ADB)	1,591,000.00	1,230,390.04	77
		Transport Connectivity & Asset Management Project (GOSL -WB)	545,829,000.00	409,820,646.96	75
		Transport Connectivity & Asset Management Project (GOSL -WB)	13,205,000.00	13,074,519.58	99
		Marine Drive Extension up to Panadura	169,010,000.00	169,009,945.90	100
		Gap Financing of the Road Development Authority's Commitments	93,552,570,740.00	93,552,570,739.03	100
		Surveys, Investigations and Feasibility Studies	82,300,000.00	65,542,401.61	80
		Kandy Tunnel Construction Project (GOSL- EDCF Korea)	37,000,000.00	27,175,000.00	73
		Rehabilitation of the A 17 Road Corridor from Deniyaya to Rakwana (GOSL - OFID)	2,579,289,000.00	2,529,190,888.39	98
		Rehabilitation of the A 17 Road Corridor from Deniyaya to Rakwana (GOSL - OFID)	30,000,000.00	29,600,000.00	99
		Development of an Alternative Road Network to Access Main Roads and Expressways and to Ease the Traffic Congestion	24,000,000,000.00	23,999,465,594.96	100
		Inclusive Connectivity and Development Project (GOSL-WB)	11,625,155,000.00	7,806,058,422.48	67
		Inclusive Connectivity and Development Project (GOSL-WB)	43,000,000.00	43,000,000.00	100
		Kandy Multimodal Transport Terminal Development Project (GOSL - WB)	5,980,000,000.00	45,462,164.21	1
		Kandy Multimodal Transport Terminal Development Project (GOSL - WB)	120,000,000.00	115,968,247.50	97
		Rural Road Reawakening Programme (Maga Neguma)	4,763,600,000.00	4,058,799,033.88	85

SCHEDULE II - STATEMENT OF CAPITAL INVESTMENT IN DEVELOPMENT PROJECTS - 2023

Head No	Institution	Project Description	Provision (Rs.)	Expenditure (Rs.)	Expenditure as % of Provision
		Widening & Improvements of Roads - Jaffna District	37,000,000.00	25,318,695.49	68
		Widening & Improvements of Roads - Kilinochchi District	81,885,000.00	55,324,422.78	68
		Widening & Improvements of Roads - Colombo District	340,000,000.00	180,751,997.69	53
		Widening & Improvements of Roads - Vavuniya District	80,000,000.00	64,669,662.34	81
		Widening & Improvements of Roads - Batticaloa District	155,000,000.00	111,043,237.30	72
		Widening & Improvements of Roads - Ampara District	75,000,000.00	2,870,580.59	4
		Widening & Improvements of Roads - Trincomalee District	90,000,000.00	37,420,630.74	42
		Widening & Improvements of Roads - Kurunegale District	200,000,000.00	89,111,612.93	45
		Widening & Improvements of Roads - Puttalam District	50,000,000.00	44,360,088.93	89
		Widening & Improvements of Roads - Anuradhapura District	75,000,000.00	32,444,346.67	43
		Widening & Improvements of Roads - Polonnaruwa District	75,000,000.00	75,000,000.00	100
		Widening & Improvements of Roads - Badulla District	38,000,000.00	30,506,316.10	80
		Widening & Improvements of Roads - Gampaha District	295,000,000.00	271,500,864.57	92
		Widening & Improvements of Roads - Monaragala District	100,000,000.00	29,149,619.91	29
		Widening & Improvements of Roads - Kegalle District	150,000,000.00	150,000,000.00	100
		Widening & Improvements of Roads - Rathnapura District	150,000,000.00	63,539,717.08	42
		Widening & Improvements of Roads - Kalutara District	200,000,000.00	119,757,332.42	60
		Widening & Improvements of Roads - Kandy District	100,000,000.00	20,102,597.53	20
		Widening & Improvements of Roads - Matale District	100,000,000.00	66,793,027.76	67
		Widening & Improvements of Roads - Nuwara Eliya District	100,000,000.00	8,088,635.09	8
		Widening & Improvements of Roads - Matara District	60,000,000.00	52,946,050.89	88
		Widening & Improvements of Roads - Galle District	65,000,000.00	65,000,000.00	100
		Widening & Improvements of Roads - Hambantota District	80,000,000.00	32,850,563.19	41
		Construction of Rural Bridges Using Old Bridge Component	536,400,000.00	415,790,095.66	78
		Reconstruction of 25 Bridges on National Highways (GOSL-Kuwait)	22,182,905.00	16,760,368.28	76
		Second New Kelani Bridge Construction Project (GOSL - JICA)	10,500,000.00	10,500,000.00	100
		Design and Construction of Flyovers in Kohuwala and Gatambe (GOSL-Hungary)	30,000,000.00	23,710,000.00	79
		Construction of Flyovers Over the Railway Line at Uttharananda Mawatha and Near the Slave Island Railway Station	1,550,000,000.00	1,520,963,903.22	98
118	Ministry of Agriculture	Climate Smart Irrigated Agriculture Project (CSIAP) (GOSL/WB)	5,380,000,000.00	5,380,000,000.00	100
		Development of Mini Dairy Cooperative Societies	575,340,000.00	425,134,370.50	74
		Development of Mini Dairy Cooperative Societies	10,000,000.00	8,361,212.00	84
		Upgrading the National Fertilizer Secretariat's District Offices	20,000,000.00	7,942,472.10	40
		Upgrading the Fertilizer Testing Laboratory of Ceylon Fertilizer Company	9,000,000.00	9,000,000.00	100

SCHEDULE II - STATEMENT OF CAPITAL INVESTMENT IN DEVELOPMENT PROJECTS - 2023

Head No	Institution	Project Description	Provision (Rs.)	Expenditure (Rs.)	Expenditure as % of Provision
		Development of Small and Medium Scale Livestock Development	50,000,000.00	19,627,992.70	39
123	Ministry of Urban Development and Housing	Reducing Postharvest Crop Losses and Improve storage	136,700,000.00	96,131,565.39	70
		Construction of Houses in Sobitha Thero Village in Anuradhapura - Indian Grant	163,000,000.00	81,002,876.03	50
		Construction of 600 Houses under Model Village Housing Project in 25 Districts of Sri Lanka	103,000,000.00	6,390,000.00	6
		Housing Project (600 Houses) in Southern Province - 2017	103,000,000.00	8,470,000.00	8
		Housing Project (600 Houses) in Northern Province Sri Lanka - 2019	53,000,000.00	100,000.00	0
		Housing Project (600 Houses) in Northern Province Sri Lanka - 2019	153,000,000.00	12,500,000.00	8
		Indian Grant Housing Project Phase II (600 Houses) in Southern Province -2019	23,000,000.00	320,000.00	1
		Indian Grant Housing Project Phase II (600 Houses) in Southern Province -2019	222,000,000.00	26,750,000.00	12
		Renovation of Housing Scheme	50,000,000.00	37,000,000.00	74
		Implementation of UN Habitat Programme	3,000,000.00	1,554,267.50	52
		Middle Income Housing Project	15,000,000.00	2,252,274.35	15
		Construction of 2,000 Housing Units under the Chinese Aid Programme for the Low Income People	500,000,000.00	238,686,555.56	48
		Estate Housing Programme	500,000,000.00	499,994,864.82	100
		Upgrading Vocational Training Centre in Hatton	56,105,379.00	56,105,378.68	100
		Upgrading Vocational Training Centre in Hatton	8,500,000.00	8,453,008.38	99
		Indian Grant Assisted Housing Programme (Stage I)	100,000,000.00	16,800,000.00	17
		Indian Grant Assisted Housing Programme (Stage I)	25,000,000.00	24,772,129.05	99
		Indian Funded 10000 Housing Programme	674,500,000.00	27,953,859.75	4
		Beira Lake Rehabilitation and Redevelopment Project	92,423,900.00	92,423,857.00	100
		Sri Lanka Land Development Corporation	1,000,000,000.00	999,999,400.00	100
		Weras Ganga Storm Water Drainage and Environment Improvement Project	1,283,000,000.00	1,282,870,429.83	100
		Restoration of Water Quality of Beira Lake	61,427,200.00	61,427,200.00	100
		Oliyamulla Storm Water Drainage and Environment	300,000,000.00	249,964,200.00	83
		Kolonnawa Storm Water Drainage and Environment	250,000,000.00	230,440,600.00	92
		Metro Colombo Solid Waste Management Project	3,756,188,820.00	2,971,141,344.56	79
		Development of Strategic Cities - Jaffna - (GOSL-World Bank)	320,200,000.00	257,840,108.46	81
		Development of Strategic Cities - Anuradhapura - (GOSL-AFD)	400,000,000.00	281,929,815.64	70
		Development of Strategic Cities - Anuradhapura - (GOSL-AFD)	275,000,000.00	274,525,794.41	100
		Urban Regeneration Programme	6,372,962,075.00	6,372,961,368.79	100
		Urban Regeneration Programme	6,351,883,980.00	6,351,254,082.13	100
		Urban Regeneration Programme	1,259,500,000.00	1,259,400,389.11	100
		Metro Colombo Urban Development Project - (GOSL-World Bank)	457,000,000.00	52,921,737.13	12
		Urban Project Preparatory Facility (GOSL/ADB)	730,000,000.00	15,304,434.78	2

SCHEDULE II - STATEMENT OF CAPITAL INVESTMENT IN DEVELOPMENT PROJECTS - 2023

Head No	Institution	Project Description	Provision (Rs.)	Expenditure (Rs.)	Expenditure as % of Provision
		Urban Project Preparatory Facility (GOSL/ADB)	140,000,000.00	1,377,470.02	1
		Improvement of Road Infrastructure in the Homagama Region (Tech City)	57,880,000.00	57,203,294.00	99
		Siyak Nagara / Urban Infrastructure and Township Development and Township Development	2,476,734,025.00	1,935,950,477.72	78
		Urban Development Authority	1,000,000,000.00	928,330,000.00	93
		Development of Training Infrastructure at Operator Training Center at Galkulma	20,000,000.00	20,000,000.00	100
		Infrastructure Development in the Plantation Sector	100,000,000.00	63,710,091.62	64
		Preparation of a Master Plan for Development Eastern & Western Provinces and Hambanthota	200,000,000.00	137,068,633.33	69
126	Ministry of Education	Providing Electricity Facilities (Through National Grid or Solar) for the Schools	25,000,000.00	92,670.39	0
130	Ministry of Public Administration, Home Affairs, Provincial Councils and Local Government	Transport Connectivity and Asset Management Project (Provincial Road Development Project) (GOSL/WB)	5,970,000,000.00	5,215,549,590.69	87
		Transport Connectivity and Asset Management Project (Provincial Road Development Project) (GOSL/WB)	59,896,000.00	53,219,198.13	89
		Rural Bridges Project (GOSL/ DRIVE - Netherlands)	6,772,965,192.99	6,772,965,192.99	100
		Rural Bridges Project (GOSL/ DRIVE - Netherlands)	500,000,000.00	460,575,863.79	92
		Greater Colombo Wastewater Management Project (GOSL/ADB)	658,000,000.00	576,400,648.71	88
		Greater Colombo Wastewater Management Project (GOSL/ADB)	202,000,000.00	148,350,000.00	73
		Greater Colombo Water and Wastewater Investment	105,000,000.00	104,992,855.22	100
		Management Programme - Tranche 2 (GOSL/ADB)			
		Greater Colombo Water and Wastewater Investment	22,100,000.00	20,000,000.00	90
		Management Programme - Tranche 2 (GOSL/ADB)			
		Greater Colombo Water and Wastewater Improvement	443,620,000.00	442,229,213.52	100
		Investment Programme - Tranche 3 (GOSL/ADB)			
		Greater Colombo Water and Wastewater Improvement	103,000,000.00	82,000,000.00	80
		Investment Programme - Tranche 3 (GOSL/ADB)			
149	Ministry of Industries	Upgrading and Modernization of Main and Mini Industrial Estates	50,000,000.00	27,468,562.68	55
		Establishment of Table Salt Plant 05	100,000,000.00	100,000,000.00	100
		TPH - Manthai (Improvement in Elephantpass Saltern)			
		Industrial Estates Development Programme	1,000,000,000.00	880,157,579.70	88
		Create Dedicated Zone for Textile Manufacturing and Related	268,000,000.00	268,000,000.00	100
151	Ministry of Fisheries	Improve Fishery Villages in 10 Coastal Districts Including Hambantota, Jaffna and Baticaloa	7,800,000.00	7,800,000.00	100
		Fisheries Sector Infrastructure Development	3,042,200,000.00	2,845,041,031.58	94
		Fisheries and Aquatic Sector Development	173,270,000.00	138,114,229.74	80
161	Ministry of Wildlife and Forest Resources Conservation	Ecosystem Conservation and Management Project	2,300,000,000.00	1,775,146,597.45	77

SCHEDULE II - STATEMENT OF CAPITAL INVESTMENT IN DEVELOPMENT PROJECTS - 2023

Head No	Institution	Project Description	Provision (Rs.)	Expenditure (Rs.)	Expenditure as % of Provision
166	Ministry of Water Supply	Ecosystem Conservation and Management Project	24,000,000.00	23,863,608.26	99
		Implementation of Rain Water Harvesting Programme	50,000,000.00	45,073,828.34	90
		Catchment Protection & Prevention of Pollution at Sources	40,000,000.00	22,753,157.12	57
		South Asia Conference on Sanitation Follow up Action - All Island Sanitation Programme	50,000,000.00	32,352,020.69	65
		Improvement of Rural Water Supply and Sanitation	200,000,000.00	155,921,112.08	78
		Prevention of Water Bone Diseases in Chronic Kidney Diseases Affected Areas	300,000,000.00	217,782,846.38	73
		Water Supply Facilities for Resettlement Village in Kegalle District	50,000,000.00	27,162,695.96	54
		Water Supply and Sanitation Improvement Project (GOSL-WB)	11,000,000,000.00	10,996,698,892.89	100
		Water Supply and Sanitation Improvement Project (GOSL-WB)	310,000,000.00	174,066,700.00	56
		China - Sri Lanka Joint Research and Demonstration Centre for Water Technology (GOSL/China)	60,000,000.00	37,010,195.88	62
176	Ministry of Ports, Shipping and Aviation	WASH Knowledge and Skills Development of Teachers and Frontline Healthcare Workers (UNICEF)	10,000,000.00	7,588,850.66	76
		Rehabilitation of Kankasanthurai Harbour (GOSL - India)	60,000,000.00	6,131,678.87	10
		Port Access Elevated Highway Project (GOSL - ADB)	1,320,000,000.00	1,100,891,481.24	83
		Feasibility Study for Colombo North Port Development Project (GOSL - ADB)	205,000,000.00	179,967,080.04	88
		Feasibility Study for Colombo North Port Development Project (GOSL - ADB)	35,000,000.00	26,658,939.54	76
187	Ministry of Investment Promotion	Colombo Port City Development Project	879,100,000.00	732,859,548.91	83
198	Ministry of Irrigation	Lower Malwathuoya Multisector Development Project	550,000,000.00	255,894,340.80	47
		Gin Nilwala Diversion Project	15,000,000.00	1,211,414.87	8
		Moragahakanda and Kaluganga Reservoir Project (GOSL- China, Kuwait and Saudi)	2,169,553,425.00	2,088,893,981.42	96
		Moragahakanda and Kaluganga Reservoir Project (GOSL- China, Kuwait and Saudi)	80,446,575.00	80,446,573.94	100
		Uma Oya Diversion Project	3,600,000,000.00	2,560,526,521.38	71
		Welioya Integrated Development Project	32,000,000.00	15,080,000.00	47
		Mahaweli Water Security Investment Programme (GOSL-ADB)	40,000,000,000.00	22,207,890,197.24	56
		Mahaweli Water Security Investment Programme (GOSL-ADB)	3,000,000,000.00	2,514,730,716.26	84
		Rambakan Oya Integrated Development Project	43,000,000.00	39,618,646.00	92
		Kivul Oya Reservoir Project	100,000,000.00	1,629,396.81	2
		Barrack Plane Lake Development Project- Nuwara Eliya	30,000,000.00	23,895,995.62	80
		Integrated Watershed and Water Resources Management Project (WB)	3,000,000,000.00	2,424,413,485.79	81
		Integrated Watershed and Water Resources Management Project (WB)	5,000,000.00	1,186,666.68	24
Pilot Farm Land Consolidation Study Project (Japan)	50,000,000.00	31,321,222.49	63		

SCHEDULE II - STATEMENT OF CAPITAL INVESTMENT IN DEVELOPMENT PROJECTS - 2023

Head No	Institution	Project Description	Provision (Rs.)	Expenditure (Rs.)	Expenditure as % of Provision
		Pilot Farm Land Consolidation Study Project (Japan)	9,100,000.00	8,688,696.94	95
		50 Climate Resilience Multi-Phase Programmatic Approach (CResMIPA) - Flood Early Warning and Kelani Climate Resilience (WB)	2,000,000,000.00	600,736,923.95	30
		51 Climate Resilience Multi-Phase Programmatic Approach (CResMIPA) - Flood Early Warning and Kelani Climate Resilience (WB)	25,000,000.00	463,320.88	2
		Project Implements Under "Wari Saubhagya Programme"	500,000,000.00	138,258,288.30	28
		Talpitigala Reservoir	500,000,000.00	61,929,125.68	12
		Agriculture and Livestock Programme Implemented by Sri Lanka Mahaweli Authority	300,000,000.00	118,725,044.26	40
		Rural Tank Development Project	1,782,000,000.00	362,220,527.62	20
		Rehabilitation of Major and Medium Irrigation Schemes including Emergency Infrastructure Rehabilitation Works	250,000,000.00	44,366,841.58	18
202	Department of Muslim Religious and Cultural Affairs	Construction of Islamic Cultural Centres and Improvement of Mosque	10,400,000.00	2,625,000.00	25
204	Department of Hindu Religious and Cultural Affairs	Renovation, Rehabilitation of Infrastructure Facilities of Hindu Temples	31,000,000.00	31,000,000.00	100
209	Department of National Archives	Computerization of Indices at the National Archives of Sri Lanka	3,000,000.00	341,269.00	11
219	Department of National Archives	Other Capital Expenditure	100,000,000.00	64,434,506.74	64
223	Sri Lanka Navy	Other Capital Expenditure	59,873,000.00	59,645,642.09	100
		19 Enhancement of Infrastructure Facilities at SLN Dockyard	18,701,000.00	17,667,230.05	94
		Construction of Quarry at Dockyard - Trincomalee	593,272,000.00	587,264,435.20	99
281	Department of Agrarian Development	Development of Minor Irrigation Systems and Abundant Paddy Lands	3,000,000,000.00	2,621,533,168.53	87
282	Department of Irrigation	Ellewewa Reservoir	100,000,000.00	39,698,256.57	40
		Rehabilitation of Kudawilachchiya Reservoir	5,000,000.00	2,740,248.41	55
		Uma Oya Downstream Development Project (Construction of Alikota Ara Storage Reservoir and Kuda Oya Storage Reservoir)	3,070,000,000.00	3,067,682,671.07	100
		Hibilyakada, Waththegedara Irrigation Infrastructure Development Project	250,000,000.00	231,003,936.50	92
284	Department of Wildlife Conservation	Other Capital Expenditure	5,000,000.00	3,490,125.47	70
		Improvement of Road Network in National Parks	20,000,000.00	8,510,520.00	43
		Habitat Enrichment for Wildlife	80,000,000.00	67,640,018.89	85
285	Department of Agriculture	Agricultural Extension and Training	225,000,000.00	114,633,331.70	51
		Agricultural Extension and Training	4,000,000.00	1,169,364.12	29
289	Department of Export Agriculture	Other Capital Expenditure	8,000,000.00	6,412,909.88	80
290	Department of Fisheries and Aquatic Resources	Habitat Enrichment for Fish Production in Coastal Area	30,000,000.00	20,429,193.33	68
294	Department of National Zoological Gardens	Pinnawala Elephant Orphanage	2,000,000.00	1,332,746.05	67
		Safari Park at Hambantota	5,000,000.00	421,159.00	8

SCHEDULE II - STATEMENT OF CAPITAL INVESTMENT IN DEVELOPMENT PROJECTS - 2023

Head No	Institution	Project Description	Provision (Rs.)	Expenditure (Rs.)	Expenditure as % of Provision
300	Department of Food Commissioner	Loan Facility for Small and Medium Rice Millers to Maintain a Rice Buffer Stock	50,000,000.00	47,693,274.00	95
311	Department of National Physical Planning	Physical Plans and Research Activities	5,055,000.00	2,327,919.55	46
322	Department of National Botanical Gardens	Development of Royal Botanical Garden Project	30,000,000.00	11,016,368.05	37
		Floriculture Development Programme	4,500,000.00	1,888,390.00	42
332	Department of National Community Water Supply	Improvement of Community Water Supply	500,000,000.00	149,769,754.50	30
		Development of Water Safety Plans for Community Managed Water Schemes	10,000,000.00	3,432,919.24	34
		"Praja Jala Abhiman" Water Supply Scheme	1,000,000,000.00	377,660,917.79	38
336	Merchant Shipping Secretariat	System of issuing Certificate of Competencies & Seafarer Continuous Discharge Certificate with Biometric to Comply with Seafarer Identity Document	5,270,000.00	5,269,350.14	100
	Total		398,366,458,484.99	305,202,534,825.93	

Schedule III - HEAD-WISE SUMMARY OF BUDGETARY PROVISION AND EXPENDITURE - 2023

Head	Institution	Total			Recurrent			Capital			Rs.'000		
		Provision	Expenditure	Savings	%	Provision	Expenditure	Savings	%	Provision		Expenditure	Savings
1	His Excellency the President	8,360,000	7,803,085	556,915	7	3,420,600	3,271,529	149,071	96	4,939,400	4,531,556	407,844	8
2	Office of the Prime Minister	1,137,500	1,078,626	58,874	5	889,500	835,127	54,373	94	248,000	243,500	4,500	2
4	Judges of the Superior Courts	497,000	429,119	67,881	14	483,500	423,703	59,797	88	13,500	5,417	8,083	60
5	Office of the Cabinet of Ministers	263,000	167,072	96,228	37	178,300	148,781	29,519	83	85,000	18,290	66,710	78
6	Office of the Public Service Commission	332,200	282,458	49,742	15	319,100	270,902	48,198	85	13,100	11,557	1,543	12
7	Judicial Service Commission	106,000	85,442	20,558	19	105,200	85,325	19,875	81	800	117	683	85
8	National Police Commission	166,550	165,445	1,105	1	156,800	155,849	951	99	9,750	9,595	155	2
9	Administrative Appeals Tribunal	34,000	31,243	2,757	8	33,700	30,951	2,749	92	300	293	7	2
10	Commission to Investigate Allegations of Bribery or Corruption	876,884	644,017	232,866	27	786,300	575,961	210,339	73	90,584	68,057	22,527	25
11	Office of the Finance Commission	113,700	93,242	20,458	18	110,400	90,164	20,236	82	3,300	3,078	222	7
13	Human Rights Commission of Sri Lanka	301,987	273,956	28,030	9	282,300	258,689	23,611	92	19,687	15,267	4,420	22
16	Parliament	3,818,850	3,616,201	202,649	5	3,690,250	3,574,102	116,148	97	128,600	42,099	86,501	67
17	Office of the Leader of the House of Parliament	70,550	65,588	4,962	7	69,850	64,969	4,881	93	700	619	81	12
18	Office of the Chief Govt. Whip of Parliament	160,000	141,711	18,289	11	157,700	139,718	17,982	89	2,300	1,993	307	13
19	Office of the Leader of the Opposition of Parliament	257,700	249,704	7,996	3	237,200	229,404	7,796	97	20,500	20,300	200	1
20	Election Commission	10,995,600	1,677,460	9,318,140	85	10,909,600	1,651,586	9,278,014	15	86,000	45,874	40,126	47
21	National Audit Office	2,559,800	2,259,892	299,908	12	2,507,000	2,224,816	282,184	89	52,800	35,076	17,724	34
22	Office of the Parliamentary Commissioner for Administration	56,200	30,302	25,898	46	55,900	30,132	25,768	54	300	171	130	43
25	Delimitation Commission	27,041	21,294	5,747	21	26,441	20,805	5,636	79	600	489	111	19
101	Ministry of Buddha Sasana, Religious and Cultural Affairs	2,145,172	1,718,742	426,430	20	1,506,765	1,270,517	236,248	84	638,407	448,225	190,182	30
102	Ministry of Finance, Economic Stabilization and National Policies	59,424,318	54,837,785	4,586,533	8	57,152,156	53,608,783	3,543,373	94	2,272,161	1,229,002	1,043,159	46
103	Ministry of Defence	26,852,256	24,651,132	2,201,124	8	14,211,587	13,190,036	1,021,551	93	12,640,669	11,461,096	1,179,573	9
105	Ministry of Mass Media	1,448,000	972,133	475,867	33	923,323	827,215	96,108	90	524,677	144,918	379,759	72
110	Ministry of Justice, Prisons Affairs and Constitutional Reforms	7,042,559	5,182,542	1,860,017	26	4,426,350	3,741,306	685,044	85	2,616,209	1,441,235	1,174,974	45
111	Ministry of Health	377,029,172	319,317,659	57,711,514	15	312,526,050	293,253,525	19,272,525	94	64,503,122	26,064,134	38,438,988	60
112	Ministry of Foreign Affairs	19,000,000	16,977,507	2,022,493	11	18,480,935	16,626,107	1,854,828	90	519,065	351,400	167,665	32
116	Ministry of Trade, Commerce and Food Security	5,059,500	4,745,120	314,380	6	1,091,100	905,649	185,451	83	3,968,400	3,839,471	128,929	3
117	Ministry of Transport and Highways	377,836,766	250,574,634	127,262,131	34	16,857,003	14,410,359	2,446,644	85	360,979,763	236,164,275	124,815,488	35
118	Ministry of Agriculture	93,938,625	85,577,156	8,361,469	9	64,431,125	61,476,763	2,954,362	95	29,507,500	24,100,393	5,407,107	18
119	Ministry of Power & Energy	40,417,140	13,292,973	27,124,167	67	1,011,800	714,272	297,528	71	39,405,340	12,578,700	26,826,640	68

Schedule III - HEAD-WISE SUMMARY OF BUDGETARY PROVISION AND EXPENDITURE - 2023

Head	Institution	Total			Recurrent			Capital			Rs.'000		
		Provision	Expenditure	Savings	%	Provision	Expenditure	Savings	%	Provision	Expenditure	Savings	%
122	Ministry of Tourism and Lands	3,717,694	3,251,715	465,979	13	661,658	625,918	35,740	95	3,056,036	2,625,797	430,239	14
123	Ministry of Urban Development and Housing	46,484,560	32,699,135	13,785,425	30	2,665,535	1,878,056	787,479	70	43,819,025	30,821,079	12,997,946	30
126	Ministry of Education	154,950,907	123,189,956	31,760,951	20	111,349,000	95,732,700	15,616,300	86	43,601,907	27,457,256	16,144,651	37
130	Ministry of Public Administration, Home Affairs, Provincial Councils and Local Government	51,285,000	39,447,327	11,837,673	23	16,620,461	15,179,454	1,441,007	91	34,664,539	24,267,873	10,396,666	30
135	Ministry of Plantation	12,404,594	8,946,300	3,458,294	28	4,377,000	3,876,788	500,212	89	8,027,594	5,069,511	2,958,083	37
149	Ministry of Industries	8,488,600	6,919,919	1,568,681	18	2,673,400	2,166,876	506,524	81	5,815,200	4,753,043	1,062,157	18
151	Ministry of Fisheries	7,511,085	6,612,182	898,903	12	3,769,200	3,324,839	444,361	88	3,741,885	3,287,343	454,542	12
160	Ministry of Environment	2,232,600	1,795,911	436,689	20	1,563,600	1,471,126	92,474	94	669,000	324,785	344,215	51
161	Ministry of Wildlife and Forest Resources Conservation	2,773,800	2,140,621	633,179	23	385,800	281,699	104,101	73	2,388,000	1,858,922	529,078	22
166	Ministry of Water Supply	74,520,850	47,109,088	27,411,762	37	543,568	469,059	74,509	86	73,977,282	46,640,029	27,337,253	37
171	Ministry of Women, Child Affairs and Social Empowerment	53,842,509	42,557,398	11,285,111	21	50,798,620	40,551,704	10,246,916	80	3,043,889	2,005,694	1,038,195	34
176	Ministry of Ports, Shipping and Aviation	3,962,510	3,176,042	786,468	20	1,513,150	1,346,351	166,799	89	2,449,360	1,829,691	619,669	25
186	Ministry of Technology	7,540,000	2,202,331	5,337,669	71	5,697,000	1,872,943	3,824,057	33	1,843,000	329,389	1,513,611	82
187	Ministry of Investment Promotion	2,629,800	1,911,363	718,437	27	929,400	651,736	277,664	70	1,700,400	1,259,627	440,773	26
189	Ministry of Public Security	13,743,735	12,311,849	1,431,886	10	12,098,800	11,289,402	809,398	93	1,644,935	1,022,446	622,489	38
193	Ministry of Labour and Foreign Employment	2,101,000	1,852,080	248,920	12	1,691,100	1,494,048	197,052	88	409,900	358,033	51,867	13
194	Ministry of Youth and Sports	8,032,000	4,959,840	3,072,160	38	4,655,780	3,674,797	980,983	79	3,376,220	1,285,043	2,091,176	62
198	Ministry of Irrigation	69,226,100	41,249,253	27,976,847	40	4,676,000	4,069,953	606,047	87	64,550,100	37,179,300	27,370,800	42
201	Department of Buddhist Affairs	1,644,000	1,414,973	229,027	14	1,541,170	1,344,842	196,328	87	102,830	70,132	32,698	32
202	Department of Muslim Religious and Cultural Affairs	184,000	121,718	62,282	34	165,000	110,715	52,285	68	21,000	11,003	9,997	48
203	Department of Christian Religious Affairs	213,000	160,109	52,891	25	192,000	140,936	51,064	73	21,000	19,173	1,827	9
204	Department of Hindu Religious and Cultural Affairs	294,000	227,698	66,302	23	258,000	192,694	65,306	75	36,000	35,004	996	3
205	Department of Public Trustee	86,000	77,660	8,340	10	80,750	72,968	7,781	90	5,250	4,692	559	11
206	Department of Cultural Affairs	943,500	668,217	275,283	29	781,000	661,003	119,997	85	162,500	7,215	155,285	96
207	Department of Archaeology	1,447,000	1,287,797	159,203	11	1,280,995	1,215,907	65,088	95	166,005	71,890	94,115	57
208	Department of National Museums	3,328,947	3,221,250	107,697	3	300,000	272,690	27,310	91	3,028,947	2,948,560	80,387	3
209	Department of National Archives	508,000	211,402	296,598	58	190,000	163,977	26,023	86	318,000	47,425	270,575	85
210	Department of Information	615,000	332,039	282,961	46	394,000	298,138	95,862	76	221,000	33,902	187,098	85
211	Department of Government Printer	6,077,000	5,151,429	925,571	15	5,842,000	4,998,002	843,998	86	235,000	153,428	81,572	35
212	Department of Examinations	10,813,000	6,574,397	4,238,603	39	10,628,000	6,471,193	4,156,807	61	185,000	103,204	81,796	44

Schedule III - HEAD-WISE SUMMARY OF BUDGETARY PROVISION AND EXPENDITURE - 2023

Head	Institution	Total			Recurrent			Capital			Rs.'000		
		Provision	Expenditure	Savings	%	Provision	Expenditure	Savings	%	Provision	Expenditure	Savings	%
213	Department of Educational Publications	173,000	90,268	82,732	48	87,900	79,592	8,308	91	85,100	10,675	74,425	87
214	University Grants Commission	66,571,000	64,803,440	1,767,560	3	59,871,000	58,288,894	1,582,106	97	6,700,000	6,514,546	185,454	3
215	Department of Technical Education and Training	2,437,000	2,214,960	222,040	9	2,315,861	2,172,473	143,388	94	121,139	42,487	78,651	65
216	Department of Social Services	952,500	904,220	48,280	5	914,781	871,059	43,722	95	37,719	33,161	4,558	12
217	Department of Probation and Child Care Services	449,000	434,183	14,817	3	384,000	379,064	4,936	99	65,000	55,119	9,881	15
219	Department of Sports Development	2,218,000	1,185,825	1,032,175	47	1,394,000	812,933	581,067	58	824,000	372,892	451,108	55
220	Department of Ayurveda	2,040,000	1,993,625	46,375	2	1,975,560	1,942,898	32,662	98	64,440	50,727	13,713	21
221	Department of Labour	4,189,000	2,659,553	1,529,447	37	2,674,800	2,535,808	138,992	95	1,514,200	123,745	1,390,455	92
222	Sri Lanka Army	224,588,001	219,264,207	5,323,794	2	220,439,001	215,622,823	4,816,178	98	4,149,000	3,641,384	507,616	12
223	Sri Lanka Navy	73,912,805	73,810,970	101,835	0	66,710,705	66,662,446	48,259	100	7,202,100	7,148,524	53,576	1
224	Sri Lanka Air Force	58,073,168	44,964,917	13,108,251	23	43,818,300	41,070,327	2,747,973	94	14,254,868	3,894,590	10,360,278	73
225	Department of Police	118,602,380	114,291,361	4,311,019	4	104,512,130	100,704,476	3,807,654	96	14,090,250	13,586,884	503,366	4
226	Department of Immigration and Emigration	5,726,000	5,019,835	706,165	12	2,819,900	2,323,896	496,004	82	2,906,100	2,695,940	210,160	7
227	Department of Registration of Persons	3,020,000	2,049,225	970,775	32	1,750,000	1,547,001	202,999	88	1,270,000	502,224	767,776	60
228	Courts Administration	11,241,000	11,004,942	236,058	2	9,318,863	9,168,972	149,890	98	1,922,137	1,835,970	86,168	4
229	Department of Attorney General	2,086,000	1,794,769	291,231	14	1,968,500	1,726,141	242,359	88	117,500	68,629	48,871	42
230	Department of Legal Draftsman	154,700	137,784	16,916	11	150,600	135,867	14,733	90	4,100	1,917	2,183	53
231	Department of Debt Conciliation Board	77,500	60,974	16,526	21	76,600	60,391	16,209	79	900	583	317	35
232	Department of Prisons	12,571,000	11,470,786	1,100,214	9	11,537,000	10,920,357	616,643	95	1,034,000	550,429	483,571	47
233	Department of Government Analyst	1,030,000	841,783	188,217	18	714,250	666,390	47,860	93	315,750	175,392	140,358	44
234	Registrar of the Supreme Court	375,000	341,913	33,087	9	366,700	334,352	32,348	91	8,300	7,561	739	9
235	Department of Law Commission	22,300	16,529	5,771	26	21,000	16,227	4,773	77	1,300	302	998	77
236	Department of Official Languages	191,000	149,966	41,034	21	186,775	147,049	39,726	79	4,225	2,917	1,308	31
237	Department of National Planning	26,815,489	24,721,067	2,094,422	8	3,090,074	3,084,328	5,746	100	23,725,415	21,636,739	2,088,677	9
238	Department of Fiscal Policy	85,050	73,144	11,906	14	83,800	72,958	10,842	87	1,250	186	1,064	85
239	Department of External Resources	2,561,955	2,395,701	166,254	6	451,280	303,150	148,130	67	2,110,675	2,092,551	18,124	1
240	Department of National Budget	55,066,876	600,862	54,466,014	99	7,128,988	269,358	6,859,630	4	47,937,888	331,504	47,606,384	99
241	Department of Public Enterprises	319,712,160	269,584,258	50,127,902	16	624,550	578,725	45,825	93	319,087,610	269,005,533	50,082,077	16
242	Department of Management Services	110,350	98,027	12,323	11	108,300	97,300	11,000	90	2,050	727	1,323	65
243	Department of Development Finance	87,483,490	33,179,625	54,303,865	62	21,441,290	20,289,474	1,151,816	95	66,042,200	12,890,151	53,152,049	80
244	Department of Trade and Investment Policy	84,070	82,588	1,482	2	82,970	82,588	382	100	1,100	0	1,100	100
245	Department of Public Finance	183,300	103,084	80,216	44	95,325	83,587	11,738	88	87,975	19,497	68,478	78

Schedule III - HEAD-WISE SUMMARY OF BUDGETARY PROVISION AND EXPENDITURE - 2023

Head	Institution	Total			Recurrent			Capital			Rs.'000		
		Provision	Expenditure	Savings	%	Provision	Expenditure	Savings	%	Provision	Expenditure	Savings	%
246	Department of Inland Revenue	14,968,700	7,539,497	7,429,203	50	4,713,300	4,427,204	286,096	94	10,255,400	3,112,294	7,143,106	70
247	Sri Lanka Customs	5,281,815	4,041,058	1,240,757	23	4,798,415	3,800,928	997,487	79	483,400	240,130	243,270	50
248	Department of Excise	3,917,500	3,284,586	632,914	16	3,410,500	3,049,367	361,133	89	507,000	235,219	271,781	54
249	Department of Treasury Operations	13,785,234,282	7,471,982,282	6,313,252,098	46	2,759,782,165	2,459,769,671	300,012,494	89	11,025,452,215	5,012,212,611	6,013,239,604	55
250	Department of State Accounts	145,300	105,268	40,032	28	114,900	103,549	11,351	90	30,400	1,719	28,681	94
251	Department of Valuation	810,007	764,053	45,954	6	736,400	695,938	40,462	95	73,607	68,115	5,492	7
252	Department of Census and Statistics	2,693,097	2,053,014	640,083	24	1,293,300	1,139,851	153,449	88	1,399,797	913,163	486,634	35
253	Department of Pension	418,720,000	416,333,169	2,386,831	1	418,664,000	416,291,420	2,372,580	99	56,000	41,748	14,252	25
254	Department of Registrar General	3,460,000	3,287,426	172,574	5	3,167,000	3,058,950	108,050	97	293,000	228,476	64,524	22
255	District Secretariat, Colombo	1,666,444	1,447,540	218,904	13	1,466,444	1,292,841	173,603	88	200,000	154,699	45,301	23
256	District Secretariat, Gampaha	2,136,953	2,039,770	97,183	5	1,461,653	1,428,835	32,818	98	675,300	610,935	64,365	10
257	District Secretariat, Kalutara	1,600,210	1,423,099	177,111	11	1,407,110	1,363,303	43,807	97	193,100	59,796	133,304	69
258	District Secretariat, Kandy	1,929,638	1,796,011	133,627	7	1,892,638	1,764,718	127,920	93	37,000	31,293	5,707	15
259	District Secretariat, Matale	1,246,290	1,147,620	98,670	8	1,127,290	1,074,901	52,389	95	119,000	72,720	46,280	39
260	District Secretariat, Nuwara-Eliya	720,806	647,939	72,867	10	702,806	633,495	69,311	90	18,000	14,444	3,556	20
261	District Secretariat, Galle	2,158,146	2,018,657	139,489	6	2,065,246	1,971,446	93,800	95	92,900	47,211	45,689	49
262	District Secretariat, Matara	1,870,733	1,608,894	261,839	14	1,730,733	1,557,108	173,625	90	140,000	51,787	88,213	63
263	District Secretariat, Hambantota	3,118,000	2,892,435	225,565	7	2,882,000	2,770,300	111,700	96	236,000	122,136	113,864	48
264	District Secretariat/ Kachcheri - Jaffna	1,630,784	1,572,200	58,584	4	1,579,784	1,521,239	58,545	96	51,000	50,961	39	0
265	District Secretariat/ Kachcheri - Mannar	638,176	469,850	168,326	26	476,536	433,451	43,085	91	161,640	36,399	125,241	77
266	District Secretariat/ Kachcheri - Vavuniya	1,057,000	1,016,512	40,488	4	1,027,095	989,781	37,314	96	29,905	26,731	3,174	11
267	District Secretariat/ Kachcheri - Mullaitivu	938,000	862,418	75,582	8	904,300	839,156	72,144	92	33,700	30,262	3,438	10
268	District Secretariat/ Kachcheri - Killinochchi	605,000	539,658	65,342	11	576,000	524,625	51,375	91	29,000	15,033	13,967	48
269	District Secretariat/ Kachcheri - Batticaloa	2,130,077	2,040,957	89,120	4	1,837,077	1,768,492	68,585	96	293,000	272,465	20,535	7
270	District Secretariat, Ampara	4,782,000	4,583,888	198,112	4	4,711,000	4,523,218	187,782	96	71,000	60,670	10,330	15
271	District Secretariat/ Kachcheri - Trincomalee	1,237,000	1,160,265	76,735	6	1,169,000	1,097,470	71,530	94	68,000	62,795	5,205	8
272	District Secretariat, Kurunegala	3,136,024	2,994,817	141,207	5	3,078,024	2,973,992	104,032	97	58,000	20,825	37,175	64
273	District Secretariat, Puttalam	1,443,484	1,193,737	249,747	17	1,304,484	1,112,762	191,722	85	139,000	80,976	58,024	42
274	District Secretariat, Anuradhapura	2,942,599	2,810,087	132,512	5	2,688,989	2,596,238	92,750	97	253,610	213,849	39,761	16
275	District Secretariat - Polonnaruwa	1,861,000	1,719,664	141,336	8	1,627,000	1,528,853	98,147	94	234,000	190,811	43,189	18
276	District Secretariat - Badulla	1,598,207	1,491,622	106,585	7	1,471,207	1,385,379	85,828	94	127,000	106,243	20,757	16
277	District Secretariat, Monaragala	2,113,768	2,029,178	84,590	4	1,903,768	1,850,040	53,728	97	210,000	179,138	30,862	15
278	District Secretariat, Rathnapura	1,736,193	1,481,141	255,052	15	1,466,663	1,410,197	56,466	96	269,530	70,944	198,586	74

Schedule III - HEAD-WISE SUMMARY OF BUDGETARY PROVISION AND EXPENDITURE - 2023

Head	Institution	Total			Recurrent			Capital			Rs.'000		
		Provision	Expenditure	Savings	%	Provision	Expenditure	Savings	%	Provision	Expenditure	Savings	%
279	District Secretariat, Kegalle	1,948,543	1,716,532	232,011	12	1,690,222	1,586,599	103,623	94	258,321	129,933	128,388	50
280	Department of Project Management and Monitoring	101,760	82,104	19,656	19	101,760	82,104	19,656	81				
281	Department of Agrarian Development	14,179,750	12,023,228	2,156,522	15	9,659,750	9,277,857	381,893	96	4,520,000	2,745,370	1,774,630	39
282	Department of Irrigation	15,433,000	12,429,618	3,003,382	19	4,221,520	3,718,925	502,595	88	11,211,480	8,710,693	2,500,787	22
283	Department of Forests	2,716,100	2,657,736	58,364	2	1,800,100	1,767,612	32,488	98	916,000	890,125	25,875	3
284	Department of Wildlife Conservation	2,417,000	2,294,234	122,766	5	2,157,000	2,078,778	78,222	96	260,000	215,456	44,544	17
285	Department of Agriculture	9,709,514	8,038,529	1,670,985	17	6,319,014	5,440,008	879,006	86	3,390,500	2,598,521	791,979	23
286	Department of Land Commissioner General	651,800	562,045	89,755	14	579,800	518,842	60,958	89	72,000	43,203	28,797	40
287	Department of Land Title Settlement	680,000	663,727	16,273	2	668,000	653,023	14,977	98	12,000	10,704	1,296	11
288	Department of Surveyor General of Sri Lanka	5,000,000	4,251,324	748,676	15	4,431,000	4,049,505	381,495	91	569,000	201,818	367,182	65
289	Department of Export Agriculture	1,304,900	1,260,367	44,533	3	867,900	839,049	28,851	97	437,000	421,319	15,681	4
290	Department of Fisheries and Aquatic Resources	1,690,716	1,598,197	92,519	5	969,836	898,599	71,237	93	720,880	699,597	21,283	3
291	Department of Coast Conservation and Coastal Resource Management	713,350	563,048	150,302	21	325,000	314,458	10,542	97	388,350	248,590	139,760	36
292	Department of Animal Production and Health	1,669,100	1,229,567	439,533	26	802,100	719,743	82,357	90	867,000	509,824	357,176	41
293	Department of Rubber Development	1,204,698	1,085,410	119,288	10	483,698	412,378	71,320	85	721,000	673,032	47,968	7
294	Department of National Zoological Gardens	764,100	682,339	81,761	11	593,100	538,656	54,444	91	171,000	143,683	27,317	16
295	Department of Commerce	265,500	243,667	21,833	8	255,600	239,350	16,250	94	9,900	4,317	5,583	56
296	Department of Import and Export Control	157,340	134,438	22,902	15	132,440	119,378	13,062	90	24,900	15,060	9,840	40
297	Department of Registrar of Companies	91,300	77,734	13,566	15	91,300	77,734	13,566	85	10,000	0	10,000	100
298	Department of Measurement Units, Standards and Services	179,800	169,673	10,127	6	179,800	169,673	10,127	94				
299	National Intellectual Property Office of Sri Lanka	74,500	50,716	23,784	32	64,500	50,716	13,784	79				
300	Department of Food Commissioner	427,700	147,242	280,458	66	102,900	82,137	20,763	80	324,800	65,105	259,695	80
301	Department of Co-operative Development (Registrar of Co-operative Societies)	115,500	64,955	50,545	44	89,500	64,521	24,979	72	26,000	434	25,566	98
302	Co-operative Employees Commission	23,500	19,128	4,372	19	22,900	18,810	4,090	82	600	317	283	47
303	Department of Textile Industries	470,000	382,662	87,338	19	411,000	347,264	63,736	84	59,000	35,398	23,602	40
304	Department of Meteorology	515,100	431,793	83,307	16	396,300	381,574	14,726	96	118,800	50,219	68,581	58
306	Department of Sri Lanka Railways	51,843,300	39,739,891	12,103,409	23	29,600,000	27,842,053	1,757,947	94	22,243,300	11,897,838	10,345,462	47
307	Department of Motor Traffic	3,346,500	2,523,722	822,778	25	2,060,400	1,693,034	367,366	82	1,286,100	830,688	455,412	35

Schedule III - HEAD-WISE SUMMARY OF BUDGETARY PROVISION AND EXPENDITURE - 2023

Head	Institution	Total			Recurrent			Capital			Rs.'000		
		Provision	Expenditure	Savings	%	Provision	Expenditure	Savings	%	Provision	Expenditure	Savings	%
308	Department of Posts	20,000,000	17,569,595	2,430,405	12	18,200,000	16,842,652	1,357,348	93	1,800,000	726,943	1,073,057	60
309	Department of Buildings	558,854	534,896	23,958	4	541,154	517,253	23,901	96	17,700	17,643	57	0
310	Department of Government Factories	341,900	228,074	113,826	33	291,500	202,486	89,014	69	50,400	25,588	24,812	49
311	Department of National Physical Planning	398,250	180,458	217,792	55	192,426	173,631	18,795	90	205,824	6,827	198,997	97
312	Western Provincial Council	68,597,000	62,224,729	6,372,271	9	65,229,000	59,476,659	5,752,341	91	3,368,000	2,748,070	619,930	18
313	Central Provincial Council	48,933,000	45,069,276	3,863,724	8	44,817,000	42,097,626	2,719,374	94	4,116,000	2,971,650	1,144,350	28
314	Southern Provincial Council	51,208,000	48,461,367	2,746,633	5	47,300,000	45,665,167	1,634,833	97	3,908,000	2,796,200	1,111,800	28
315	Northern Provincial Council	39,013,800	35,404,702	3,609,098	9	34,550,000	32,239,696	2,310,304	93	4,463,800	3,165,005	1,298,795	29
316	North Western Provincial Council	47,429,000	42,305,345	5,123,655	11	43,526,000	40,035,795	3,490,205	92	3,903,000	2,269,550	1,633,450	42
317	North Central Provincial Council	32,515,000	27,977,077	4,537,923	14	28,331,000	24,970,427	3,360,573	88	4,184,000	3,006,650	1,177,350	28
318	Uva Provincial Council	37,148,000	33,123,521	4,024,479	11	32,801,000	30,028,071	2,772,929	92	4,347,000	3,095,450	1,251,550	29
319	Sabaragamuwa Provincial Council	47,959,000	38,528,092	9,430,908	20	43,677,000	35,466,592	8,210,408	81	4,282,000	3,061,500	1,220,500	29
320	Department of Civil Security	19,077,100	18,615,375	461,725	2	18,690,600	18,395,237	295,363	98	386,500	220,138	166,362	43
321	Eastern Provincial Council	43,451,000	38,947,460	4,503,540	10	39,019,000	36,000,060	3,018,940	92	4,432,000	2,947,400	1,484,600	33
322	Department of National Botanical Gardens	804,000	711,796	92,204	11	630,500	597,704	32,796	95	173,500	114,092	59,408	34
323	Department of Legal Affairs	22,900	18,625	4,275	19	22,900	18,625	4,275	81			0	
324	Department of Management Audit	67,086	58,332	8,754	13	64,736	56,644	8,092	87	2,350	1,688	662	28
325	Department of Sri Lanka Coast Guard	445,350	293,368	151,982	34	75,850	71,665	4,185	94	369,500	221,703	147,797	40
326	Department of Community Based Corrections	579,850	531,538	48,312	8	569,000	523,030	45,970	92	10,850	8,508	2,342	22
327	Department of Land Use Policy Planning	575,000	506,349	68,651	12	536,300	471,247	65,053	88	38,700	35,102	3,598	9
328	Department of Manpower and Employment	584,500	567,505	16,995	3	548,212	533,352	14,861	97	36,288	34,153	2,134	6
329	Department of Information Technology Management	827,893	439,014	388,879	47	817,923	429,683	388,240	53	9,970	9,331	639	6
331	Department of Samurdhi Development	131,233,245	117,601,863	13,631,381	10	131,067,245	117,579,783	13,487,462	90	166,000	22,081	143,919	87
332	Department of National Community Water Supply	1,959,600	896,968	1,062,632	54	420,600	360,669	59,931	86	1,539,000	536,298	1,002,702	65
333	Comptroller General's Office	47,197	45,655	1,541	3	45,342	43,908	1,434	97	1,855	1,748	107	6
334	Department of Multi-purpose Development Task Force	9,862,550	8,671,718	1,190,832	12	9,807,550	8,643,071	1,164,479	88	55,000	28,647	26,353	48
335	National Education Commission	78,000	67,056	10,944	14	67,000	60,375	6,625	90	11,000	6,680	4,320	39
336	Merchant Shipping Secretariat	127,970	125,417	2,553	2	117,300	115,738	1,562	99	10,670	9,679	991	9
337	Department of Cinnamon Industry Development	200,000	36,462	163,538	82	75,000	6,747	68,253	9	125,000	29,714	95,286	76
	Total	17,675,999,000	10,674,332,201	7,001,666,799		5,200,817,030	4,729,386,148	471,430,882	91	12,475,181,970	5,944,946,053	6,530,235,917	

Schedule IV - STATEMENT OF LIABILITIES AND COMMITMENTS - 2023

Head	Ministry/Department	Recurrent		Capital		Total	
		Commitment Balance	Liability Balance	Commitment Balance	Liability Balance	Commitment Balance	Liability Balance
1	His Excellency the President	-	1,846,459	5,355	105,694,658	5,355	107,541,116
2	Office of the Prime Minister	-	3,203,772	-	773,335	-	3,977,107
4	Judges of the Superior Courts	-	13,164	-	-	-	13,164
5	Office of the Cabinet of Ministers	-	3,307,037	-	175,000	-	3,482,037
11	Office of the Finance Commission	-	1,038,028	-	-	-	1,038,028
13	Human Rights Commission of Sri Lanka	-	526,545	-	-	-	526,545
16	Parliament	-	22,412,346	-	1,370,465	-	23,782,811
17	Office of the Leader of the House of Parliament	-	30,270	-	2,109,370	-	2,139,640
18	Office of the Chief Govt. Whip of Parliament	-	96,860	-	-	-	96,860
20	Election Commission	-	1,318,915	-	-	-	1,318,915
21	National Audit Office	-	-	4,883,000	-	4,883,000	-
22	Office of the Parliamentary Commissioner for Administration	-	567,502	-	-	-	567,502
25	Delimitation Commission	-	7,895	-	-	-	7,895
101	Ministry of Buddha Sasana, Religious and Cultural Affairs	-	12,537,371	-	25,893,593	-	38,430,964
102	Ministry of Finance, Economic Stabilization and National Policies	-	15,225,821	14,392,010	-	14,392,010	15,225,821
103	Ministry of Defence	-	12,927,426	-	177,851,140	-	190,778,565
105	Ministry of Mass Media	650,769	355,526,307	17,060	34,405,952	667,829	389,932,259
110	Ministry of Justice, Prisons Affairs and Constitutional Reforms	-	790,813	5,536,593	350,137	5,536,593	1,140,950
111	Ministry of Health	5,436,789,839	390,086,794	82,858,148	217,869,766	5,519,647,987	607,956,560
112	Ministry of Foreign Affairs	-	215,210,028	-	8,177,205	-	223,387,233
116	Ministry of Trade, Commerce and Food Security	-	1,780,335	-	12,197	-	1,792,532
117	Ministry of Transport and Highways	255,322	2,095,451	16,305,339,704	70,952,018,413	16,305,595,026	70,954,113,863
118	Ministry of Agriculture	93,773,793	2,521,412,147	1,703,028,723	886,755,843	1,796,802,515	3,408,167,990
119	Ministry of Power & Energy	-	1,755,620	-	-	-	1,755,620
122	Ministry of Tourism and Lands	-	2,104,232	-	54,041,966	-	56,146,198
123	Ministry of Urban Development and Housing	-	10,902,428	17,214,257	698,416,813	17,214,257	709,319,241
126	Ministry of Education	165,409	3,659,948,671	310,026	919,903,959	475,435	4,579,852,630
130	Ministry of Public Administration, Home Affairs, Provincial Councils and Local Government	4,492,985	37,808,130	350,658,620	23,608,011	355,151,605	61,416,142
135	Ministry of Plantation	-	3,498,183	-	1,172,307	-	4,670,491
149	Ministry of Industries	-	5,249,950	-	20,609,743	-	25,859,693

Schedule IV - STATEMENT OF LIABILITIES AND COMMITMENTS - 2023

Head	Ministry/Department	Recurrent		Capital		Total	
		Commitment Balance	Liability Balance	Commitment Balance	Liability Balance	Commitment Balance	Liability Balance
151	Ministry of Fisheries	-	2,005,845	250,000	600,000	250,000	2,605,845
160	Ministry of Environment	-	3,782,001	-	7,703,099	-	11,485,100
161	Ministry of Wildlife and Forest Resources Conservation	-	2,151,258	-	-	-	2,151,258
166	Ministry of Water Supply	-	994,970	-	577,898,120	-	578,893,089
171	Ministry of Women, Child Affairs and Social Empowerment	-	21,709,327	-	582,354	-	22,291,681
176	Ministry of Ports, Shipping and Aviation	1,486,815	-	344,500	-	1,831,315	-
186	Ministry of Technology	-	3,522,107,628	-	31,924,976	-	3,554,032,604
187	Ministry of Investment Promotion	-	1,878,624	-	137,808,819	-	139,687,443
189	Ministry of Public Security	-	190,893,259	-	130,752,913	-	321,646,173
193	Ministry of Labour and Foreign Employment	-	5,003,982	-	3,751,372	-	8,755,354
194	Ministry of Youth and Sports	-	10,122,638	-	74,111,611	-	84,234,250
198	Ministry of Irrigation	-	1,893,361	38,847,287	208,727,951	38,847,287	210,621,312
201	Department of Buddhist Affairs	-	4,137,565	-	969,405	-	5,106,970
202	Department of Muslim Religious and Cultural Affairs	-	-	-	789,330	-	789,330
203	Department of Christian Religious Affairs	-	147,836	-	1,043,379	-	1,191,215
204	Department of Hindu Religious and Cultural Affairs	-	64,190	-	763,131	-	827,321
205	Department of Public Trustee	-	213,624	-	959,060	-	1,172,684
206	Department of Cultural Affairs	-	3,304,638	-	836,434	-	4,141,072
207	Department of Archaeology	-	7,323,481	-	4,155,530	-	11,479,011
208	Department of National Museums	-	-	-	770,368	-	770,368
209	Department of National Archives	-	-	-	808,670	-	808,670
210	Department of Information	28,500	5,476,370	69,474	7,070,876	97,974	12,547,246
211	Department of Government Printer	-	66,175,985	-	7,642,926	-	73,818,911
212	Department of Examinations	-	142,317	-	-	-	142,317
213	Department of Educational Publications	-	316,093	-	8,200,560	-	8,516,653
215	Department of Technical Education and Training	-	4,509,625	-	973,447	-	5,483,072
216	Department of Social Services	-	6,579,796	-	553,982	-	7,133,778
217	Department of Probation and Child Care Services	-	174,000	-	-	-	174,000
219	Department of Sports Development	-	56,274,837	-	57,499,864	-	113,774,701
220	Department of Ayurveda	-	14,023,466	-	849,195	-	14,872,661
221	Department of Labour	-	6,235,461	-	-	-	6,235,461

Schedule IV - STATEMENT OF LIABILITIES AND COMMITMENTS - 2023

Head	Ministry/Department	Recurrent		Capital		Total	
		Commitment Balance	Liability Balance	Commitment Balance	Liability Balance	Commitment Balance	Liability Balance
222	Sri Lanka Army	-	-	-	200,308,694	-	200,308,694
223	Sri Lanka Navy	-	68,715,359	-	30,889,692	-	99,605,051
224	Sri Lanka Air Force	-	1,045,659,298	-	542,063,546	-	1,587,722,844
225	Department of Police	34,401,208	222,922,828	6,269,750	110,160,613	40,670,958	333,083,441
227	Department of Registration of Persons	-	6,912,239	-	-	-	6,912,239
229	Department of Attorney General	-	4,726,263	-	4,500	-	4,730,763
230	Department of Legal Draftsman	-	1,496,095	-	-	-	1,496,095
232	Department of Prisons	343,230	2,343,801,467	112,500	51,559,872	455,730	2,395,361,339
233	Department of Government Analyst	-	23,326,166	-	85,589,829	-	108,915,994
234	Registrar of the Supreme Court	-	571,478	-	-	-	571,478
236	Department of Official Languages	-	11,013,476	-	613,200	-	11,626,676
237	Department of National Planning	-	612,971	4,071,559	70,000	4,071,559	682,971
238	Department of Fiscal Policy	-	1,267,190	-	215,460	-	1,482,650
240	Department of National Budget	-	2,190,848	-	899,000	-	3,089,848
241	Department of Public Enterprises	-	894,401	-	21,300,000	-	22,194,401
242	Department of Management Services	-	574,380	-	-	-	574,380
243	Department of Development Finance	-	273,228,226	-	-	-	273,228,226
244	Department of Trade and Investment Policy	-	129,779	-	-	-	129,779
245	Department of Public Finance	-	83,100	-	-	-	83,100
246	Department of Inland Revenue	-	78,822,395	-	101,877	-	78,924,272
247	Sri Lanka Customs	-	141,397,449	-	1,293,555	-	142,691,004
248	Department of Excise	-	11,946,638	-	95,680	-	12,042,318
249	Department of Treasury Operations	-	84,872	-	-	-	84,872
250	Department of State Accounts	-	228,381	-	-	-	228,381
251	Department of Valuation	-	373,655	-	12,075	-	385,730
252	Department of Census and Statistics	-	2,566,830	-	10,746,960	-	13,313,790
253	Department of Pension	-	125,832,757	-	-	-	125,832,757
254	Department of Registrar General	-	-	-	870,000	-	870,000
255	District Secretariat, Colombo	-	12,600,213	-	-	-	12,600,213
256	District Secretariat, Gampaha	-	9,847,215	-	62,827,410	-	72,674,625
257	District Secretariat, Kalutara	-	647,965	-	-	-	647,965
258	District Secretariat, Kandy	-	2,462,865	-	-	-	2,462,865
259	District Secretariat, Matale	-	355,061	-	-	-	355,061
260	District Secretariat, Nuwara-Eliya	-	4,135,568	-	-	-	4,135,568

Schedule IV - STATEMENT OF LIABILITIES AND COMMITMENTS - 2023

Head	Ministry/Department	Recurrent		Capital		Total	
		Commitment Balance	Liability Balance	Commitment Balance	Liability Balance	Commitment Balance	Liability Balance
261	District Secretariat, Galle	-	4,456,211	-	-	-	4,456,211
262	District Secretariat, Matara	-	15,393	-	2,304,446	-	2,319,839
263	District Secretariat, Hambantota	-	-	-	13,756,934	-	13,756,934
265	District Secretariat/ Kachcheri - Mannar	-	949,567	-	-	-	949,567
266	District Secretariat/ Kachcheri - Vavuniya	-	759,258	-	-	-	759,258
270	District Secretariat, Ampara	-	2,197,915	-	150,900	-	2,348,815
272	District Secretariat, Kurunegala	-	873,328	-	-	-	873,328
273	District Secretariat, Puttalam	-	1,329,213	-	-	-	1,329,213
274	District Secretariat, Anuradhapura	-	1,159,672	-	-	-	1,159,672
277	District Secretariat, Monaragala	-	592,932	-	13,137,952	-	13,730,884
279	District Secretariat, Kegalle	-	585,141	-	-	-	585,141
280	Department of Project Management and Monitoring	-	670,835	-	-	-	670,835
281	Department of Agrarian Development	13,013,566	7,730,512	153,666,596	138,837,094	166,680,163	146,567,606
282	Department of Irrigation	-	4,219,705	421,749	66,334,280	421,749	70,553,985
284	Department of Wildlife Conservation	-	771,251	-	-	-	771,251
285	Department of Agriculture	-	-	-	93,333,500	-	93,333,500
286	Department of Land Commissioner General	-	4,661,114	-	1,564,338	-	6,225,452
287	Department of Land Title Settlement	-	482,278	-	-	-	482,278
288	Department of Surveyor General of Sri Lanka	714,456	7,571,808	12,500	4,030,985	726,956	11,602,793
290	Department of Fisheries and Aquatic Resources	-	2,315,284	-	78,100	-	2,393,384
293	Department of Rubber Development	-	-	-	43,894,480	-	43,894,480
294	Department of National Zoological Gardens	-	935,948	-	2,156,308	-	3,092,256
295	Department of Commerce	-	2,029,922	-	-	-	2,029,922
296	Department of Import and Export Control	-	2,330,979	-	-	-	2,330,979
300	Department of Food Commissioner	-	1,548,546	-	-	-	1,548,546
301	Department of Co-operative Development (Registrar of Co-operative Societies)	-	2,257,649	-	-	-	2,257,649
302	Co-operative Employees Commission	-	22,471	-	-	-	22,471
304	Department of Meteorology	-	610,639	-	88,000	-	698,639
307	Department of Motor Traffic	-	156,572,456	-	64,645,123	-	221,217,579
308	Department of Posts	-	9,545,729	-	21,064,323	-	30,610,052
309	Department of Buildings	-	1,298,754	-	-	-	1,298,754
310	Department of Government Factories	-	3,243,131	-	6,622,875	-	9,866,005
311	Department of National Physical Planning	-	183,700	-	-	-	183,700

Schedule IV - STATEMENT OF LIABILITIES AND COMMITMENTS - 2023

Head	Ministry/Department	Recurrent		Capital		Total	
		Commitment Balance	Liability Balance	Commitment Balance	Liability Balance	Commitment Balance	Liability Balance
320	Department of Civil Security	610,896	123,899,657	337,235	19,776,061	948,131	143,675,718
322	Department of National Botanical Gardens	-	14,223,590	-	-	-	14,223,590
324	Department of Management Audit	-	500,197	-	-	-	500,197
327	Department of Land Use Policy Planning	-	1,922,551	-	11,171	-	1,933,722
328	Department of Manpower and Employment	-	40,675	-	5,912	-	46,587
329	Department of Information Technology Management	-	1,891,142	-	-	-	1,891,142
331	Department of Samurdhi Development	-	11,438,200	-	1,500	-	11,439,700
332	Department of National Community Water Supply	-	-	-	339,700	-	339,700
333	Comptroller General's Office	-	559,295	-	12,000	-	571,295
334	Department of Multi-purpose Development Task Force	-	38,954,322	-	-	-	38,954,322
337	Department of Cinnamon Industry Development	-	176,410	-	4,724,068	-	4,900,478
	Grand Total	5,586,726,786	16,035,825,478	18,688,646,648	77,015,449,258	24,275,373,434	93,051,274,736

Schedule V

STATEMENT OF PROVINCIAL COUNCILS REVENUE AND EXPENDITURE REPORT - 2023

Category	Province						Total
	Western	Central	Southern	Northern	North Western	North Central	
Total Revenue	43,264,129,538	5,692,352,982	8,046,602,005	4,378,279,268	10,141,422,687	3,513,990,729	85,679,959,231
Recurrent Expenditure	87,919,505,369	48,294,914,636	50,575,891,494	34,064,023,753	47,203,660,665	27,550,888,270	407,022,693,090
Capital Expenditure	8,430,359,440	2,737,437,253	2,841,155,674	3,483,204,084	3,733,270,142	4,128,397,683	33,492,685,211
Total Expenditure	96,349,864,809	51,032,351,889	53,417,047,168	37,547,227,838	50,936,930,807	31,679,285,954	440,515,378,301

Rs.

Schedule VI

STATEMENT OF ASSETS GENERATED THROUGH FOREIGN LOANS DISBURSED DURING THE YEAR 2023

Ministry / Department / Provincial Council	Project Name	Expenditure Vote with Finance Code	Total Expenditure for the Year 2023		Loans Provided for Assets Generation		Loans Provided for Projects Where Assets are Not Generated / Programme Loans	
			Rs.	Rs.	Capitalized	Not Capitalized Yet / WIP	Rs.	Rs.
Ministry of Finance, Economic Stabilization and National Policies	Social Safety Nets Project	102-2-3-1-2106-0/12	786,712,391	16,607,288		770,105,104		
	Financial Sector Modernization Project	102-2-3-2-2509-29/12	17,112,467			17,112,467		
		102-2-3-2-2509-30/12	245,192,216			245,192,216		
		102-2-3-2-2509-37/12	2,953,841			2,953,841		
Department of National Planning	Pooled Arrangement of the Contingent (CERC) of the World Bank Funded Investment Projects	237-01-01-18-2509-0/12	4,769,397,086	1,862,522,399		2,906,874,687		
	Contingent Emergency Response Component (ICDP CERC) (CERC) of the World Bank Funded Investment Projects	237-1-1-19-2302-0/12	2,114,353,125			2,114,353,125		
Ministry of Health	Food Security and Livelihood Recovery Emergency Assistance Project Asian Development Bank Funded Investment Projects	237-1-1-19-2202-0/12	10,527,789,787			10,527,789,787		
		237-1-1-20-1501-30/12	1,533,200,000			1,533,200,000		
		237-1-1-20-2202-0/12	105,310			105,310		
		237-1-1-20-1501-32/12	1,424,062,928			1,424,062,928		
Ministry of Health	Health System Enhancement Project ADB	237-1-1-20-2509-0/12	2,640,208,407			2,640,208,407		
		111-2-13-147-2001-0/12	428,485,503			428,485,503		
		111-2-13-147-2103-0/12	60,590,936	60,590,936				
		111-2-13-147-2509-0/12	234,048,076			234,048,076		
Ministry of Health	Sri Lanka Covid-19 Emergency Response and Health System Preparedness Project	111-2-13-168-2102-0/12	38,492,401			38,492,401		
		111-2-13-168-2103-0/12	119,029,556	119,029,556				
		111-2-13-168-2104-0/12	478,175,545	478,175,545				
		111-2-13-168-2509-0/12	323,704,167			323,704,167		
Ministry of Health	Responsive COVID-19 Vaccines for Recovery - ADB	111-2-13-177-2509-0/12	235,671,042			235,671,042		

Schedule VI

STATEMENT OF ASSETS GENERATED THROUGH FOREIGN LOANS DISBURSED DURING THE YEAR 2023

Ministry / Department / Provincial Council	Project Name	Expenditure Vote with Finance Code	Total Expenditure for the Year 2023		Loans Provided for Assets Generation		Loans Provided for Projects Where Assets are Not Generated / Programme Loans
			Rs.	Rs.	Capitalized	Not Capitalized Yet / WIP	
Ministry of Health	Health System Enhancement Project (Additional Financing - ADB)	111-2-13-178-2001-0/12	312,864,570				312,864,570
		111-2-13-178-2103-0/12	858,568,039	858,568,039			
	Primary HealthCare Systems	111-2-13-3-2001-0/12	129,852,308				129,852,308
		111-2-13-3-2102-0/12	108,541,808	108,541,808			
		111-2-13-3-2103-0/12	184,995,163	184,995,163			
		111-2-13-3-2104-0/12	16,634,743	16,634,743			
	Strengthening Project PSSP (GOSL-WB)	111-2-13-3-2106-0/12	4,715,470	4,715,470			
		111-2-13-3-2401-0/12	410,710,124	410,710,124			410,710,124
		111-2-13-3-2506-0/12	2,998,267	2,998,267			2,998,267
		111-2-13-3-2507-0/12	1,706,192	1,706,192			1,706,192
		111-2-13-3-2509-38/12	94,054,194	94,054,194			94,054,194
		111-2-13-3-2509-39/12	117,779,180	117,779,180			117,779,180
Ministry of Transport and Highways	Development of District Hospital Kaluthara as a Specialized Maternal and Children's Hospital	111-2-13-61-2103-0/12	1,457,583,404	1,457,583,404			
		111-2-25-01-1204-0/12	25,545,272,850	25,545,272,850			25,545,272,850
	Inclusive Connectivity and Development Project Children's Hospital	117-2-4-58-2102-0/12	2,271,959	2,271,959			
		117-2-4-58-2506-0/12	7,806,058,422	7,806,058,422			
	Saudi Funded Road Network Development Project	117-2-4-29-2506-0/12	211,276,760	211,276,760			
		117-2-4-31-2506-0/12	419,069,705	419,069,705			
	OPEC Funded Road Network Development Project	117-2-4-32-2506-0/12	720,999,369	720,999,369			
		117-2-4-40-2506-0/12	492,955,209	492,955,209			
	Improvement of Colombo National Highways Project	117-2-4-40-2506-0/12	492,955,209	492,955,209			
		117-2-4-40-2506-0/12	492,955,209	492,955,209			
	OPEC Funded Western Province Road Development Project	117-2-4-40-2506-0/12	492,955,209	492,955,209			
		117-2-4-40-2506-0/12	492,955,209	492,955,209			

Schedule VI

STATEMENT OF ASSETS GENERATED THROUGH FOREIGN LOANS DISBURSED DURING THE YEAR 2023

Ministry / Department / Provincial Council	Project Name	Expenditure Vote with Finance Code	Total Expenditure for the Year 2023		Loans Provided for Assets Generation		Loans Provided for	
			Rs.	Rs.	Capitalized	Not Capitalized Yet / WIP	Projects Where Assets are Not Generated / Programme Loans	Rs.
Ministry of Transport and Highways	OPEC Funded Rehabilitation of A017 Road Corridor Project (Rakwana - Surivakanda)	117-2-4-56-2506-0/12	2,529,190,888			2,529,190,888		
	Port Access Elevated Highway Project(3716 SRI)	117-2-3-16-2106-0/12	18,330,732			18,330,732		
	Port Access Elevated Highway Project(3716 SRI)	117-2-3-16-2506-0/12	20,005,132,202			20,005,132,202		
	Transport Project Preparatory Facility	117-2-4-47-2506-0/12	10,537,497			10,537,497		
	Badulla - Chenkaladi Road Improvement Project	117-2-4-23-2506-0/12	445,264,892			445,264,892		
	Badulla Chenkalai Road Improvement Project	117-2-4-41-2506-0/12	1,579,504,381			1,579,504,381		
	Kandy Multimodal Transport Terminal Development Project	117-2-4-41-2506-0/14	41,800,000			41,800,000		
	Kandy Multimodal Transport Terminal Development Project	117-2-4-60-2102-0/12	6,026,629	6,026,629				
	Integrated Road Investment Programme (I Road I)	117-2-4-60-2506-0/12	45,462,164			45,462,164		
	Second Integrated Road Investment Programme I (Road II)	117-2-4-44-2506-17/12	5,759,738,751			5,759,738,751		
	Transport Connectivity and Asset Management Project	117-2-4-48-2506-0/12	389,769,552			389,769,552		
	Transport Connectivity and Asset Management Project	117-2-4-48-2101-0/12	409,820,647	136,739,108				
	Transport Connectivity and Asset Management Project	117-2-4-48-2102-0/12	3,307,424	3,307,424				
	Transport Connectivity and Asset Management Project	117-2-4-48-2103-0/12	530,108,681	530,108,681				
Transport Connectivity and Asset Management Project	117-2-4-48-2106-0/12	97,193,889	97,193,889					
Ministry of Transport and Highways	Procurement of 600 Buses for SLTB using Balance Funds of the 318 Mn. Indian line of Credit (GOSL)- Indian)	117-2-27-3-2101-0/12	698,973,024	698,973,024				

Schedule VI

STATEMENT OF ASSETS GENERATED THROUGH FOREIGN LOANS DISBURSED DURING THE YEAR 2023

Ministry / Department / Provincial Council	Project Name	Expenditure Vote with Finance Code	Total Expenditure for the Year 2023		Loans Provided for Assets Generation		Loans Provided for Projects Where Assets are Not Generated / Programme Loans
			Rs.	Rs.	Capitalized	Not Capitalized Yet / WIP	
	Colombo Suburban Railway Efficiency Improvement Project - Transport Project Preparatory Facility (GOSL/ADB)	117-2-26-4-2104-0/12	6,041,107,251	6,041,107,251			
	Colombo Suburban Railway Efficiency Improvement Project - Transport Project Preparatory Facility (GOSL/ADB)	117-2-26-3-2104-0/12	45,463,299	45,463,299	45,463,299		
Ministry of Ports, Shipping and Aviation	Port Access Elevated Highway Project - Construction of New Workshop Building Complex	176-2-4-24-2506-0/12	1,100,891,481.24	1,100,891,481.24	1,100,891,481.24		
	Colombo North Port Development Project	176-2-4-25-2506-0/12	179,967,080	179,967,080		179,967,080	
Ministry of Power & Energy	ESIA for Wind and Solar Hybrid Energy Park	119-1-2-5-2201-0/12	12,430,000	12,430,000		12,430,000	
	Green Power Development and Energy Efficiency Improvement Investment Programme Tranche -II	119-1-2-5-2201-0/12	1,732,919,962	1,732,919,962	1,732,919,962		
	Establishment of SCADA- Supported Distribution Control for the Western Province South 1 - Package 09	119-1-2-5-2201-0/12	183,620,000	183,620,000	183,620,000		
Ministry of Power & Energy	Moragolla- Tranche 1- Package 1 Transmission Construction Pr.- Tranche 1- Package 5	119-1-2-5-2201-0/12	5,204,482,000	2,995,560,000	5,204,482,000	2,995,560,000	
	Consultancy Services for the Per-Feasibility- Pumped Storage Hydropower Project	119-1-2-5-2201-0/12	49,040,000	49,040,000			49,040,000
Ministry of Public Administration, Home Affairs, Provincial Councils and Local Government	Greater Colombo Waste Water Management Project	130-2-21-2-2302-0/12	122,266,804	122,266,804	122,266,804		

Schedule VI

STATEMENT OF ASSETS GENERATED THROUGH FOREIGN LOANS DISBURSED DURING THE YEAR 2023

Ministry / Department / Provincial Council	Project Name	Expenditure Vote with Finance Code	Total Expenditure for the Year 2023		Loans Provided for Assets Generation		Loans Provided for Projects Where Assets are Not Generated / Programme Loans	
			Rs.	Rs.	Capitalized	Rs.	Not Capitalized Yet / WIP	Rs.
Ministry of Public Administration, Home Affairs, Provincial Councils and Local Government	Greater Colombo Water and Waste Water Investment Management Programme - Tranche 2	130-2-21-2-2506-0/12	576,400,649	576,400,649		576,400,649		
	Greater Colombo Water and Waste Water Investment Management Programme - Tranche 3	130-2-21-3-2506-0/12	104,992,855	104,992,855		104,992,855		
	Greater Colombo Water and Waste Water Investment Management Programme - Tranche 3	130-2-21-6-2506-0/12	93,806,197	93,806,197		93,806,197		
	Local Government Enhancement Sector Project - Additional Financing	130-2-21-4-2504-0/12	442,229,214	442,229,214		442,229,214		
	Local Development Support Project	130-2-21-11-2504-0/12	2,175,348,967	2,175,348,967				
	Transport Connectivity and Asset Management Project (Provincial Road Development Project)	130-2-21-15-2506-0/12	2,009,122,121	2,009,122,121		2,009,122,121		
	Rural Bridges Project (GOSL/DRIVE-Netherland)	130-2-21-21-2506-0/12	5,215,549,591	5,215,549,591		5,215,549,591		
	General Education Modernization Project	130-2-21-10-2504-0/12	6,772,965,193	6,772,965,193		6,772,965,193		
	Urban Project Preparatory Facility Project	130-2-21-14-2504-0/12	11,920,492	11,920,492		11,920,492		21,351,192
	Department of Sri Lanka Railways	Procurement of 160 Nos. of Passenger Coaches	306-2-4-39-2101-0/12	21,351,192	357,158,767		357,158,767	
Ministry of Urban Development and Housing	Anuradhapura Integrated Urban Development Project	123-2-7-20-2506-0/12	281,929,816	281,929,816		281,929,816		
	Support to Colombo Urban Regeneration Project	123-2-7-29-2506-0/12	6,351,254,082	6,351,254,082		6,351,254,082		
Ministry of Wildlife and Forest Resources Conservation	Urban Project Preparatory Facility	123-2-7-43-2506-0/12	15,304,435	15,304,435		15,304,435		
	Ecosystem Conservation and Management Project	161-1-2-1-2506-0/12	1,775,146,597	1,775,146,597		1,775,146,597		
Ministry of Women, Child Affairs and Social Empowerment	Early Childhood Development Project	171-2-8-4-2509-0/12	1,550,402,565	1,550,402,565				1,550,402,565

Schedule VI
STATEMENT OF ASSETS GENERATED THROUGH FOREIGN LOANS DISBURSED DURING THE YEAR 2023

Ministry / Department / Provincial Council	Project Name	Expenditure Vote with Finance Code	Total Expenditure for the Year 2023		Loans Provided for Assets Generation		Loans Provided for Projects Where Assets are Not Generated / Programme Loans	
			Rs.	Rs.	Capitalized	Not Capitalized Yet / WIP	Rs.	Rs.
Ministry of Water Supply	Water Supply and Sanitation Improvement Project	166-2-3-19-2506-0/12	10,996,698,892		4,265,000,000	6,731,698,892		
	Greater Matale WSP	166-2-5-80-2201-0/12	1,619,228,496		1,619,228,496			
	Jaffna Kilinochchi WSS- ADB 6	166-2-5-81-2201-0/12	12,505,373,429			12,505,373,429		
	Colombo W.S. Services Improvement (ADB 02)	166-2-5-85-2201-0/12	3,424,854,380		2,866,818,568	558,035,812		
Ministry of Water Supply	Colombo W.S. Services Improvement (Adb 03)	166-2-5-86-2201-0/12	1,595,998,185					1,595,998,185
	Colombo W.S. Services Improvement (ADB 03)	166-2-5-86-2302-0/12	1,595,998,185					1,595,998,185
Ministry of Defence	Colombo W.s. Services Improvement Project (Ambatale Energy Saving) (ADB 02)	166-2-5-87-2201-0/12	2,371,860,765		96,782,250	2,275,078,516		
	Anamadua WSP	166-2-5-89-2201-0/12	326,403,848		105,633,745	220,770,103		
	Kandy North Pathadumbara WSP	166-2-5-93-2201-0/12	414,977,810		147,000,000	267,977,810		
	Kirama Katuwana WSP	166-2-5-96-2201-0/12	222,266,266		222,266,266			
	Sanitation And Hygiene Initiative For Towns (Shift)	166-2-7-18-2201-0/12	125,435,710		29,500,000	95,935,710		
	Greater Colombo Waste Water Management Project	166-2-7-19-2201-0/12	57,401,761			57,401,761		
	Phase 2 Stage 1 Ratmalana/Moratuwa	166-2-7-20-2201-0/12	2,080,827					2,080,827
	Waste Water Disposal Project	103-2-19-6-2509-0/12	2,158,897,879			2,158,897,879		
	Reduction of Landslide Vulnerability by mitigation Measures Project	126-2-7-41-2102-0/12	222,856,244		222,856,244			
	Technical Education Development Programme	126-2-7-41-2103-0/12	618,737,147		618,737,147			
Ministry of Education		126-2-7-41-2104-0/12	732,807,475		732,807,475			
		126-2-7-41-2001-0/12	60,543,617					60,543,617
		126-2-7-41-2401-0/12	3,229,240					3,229,240
	AHEAD	126-2-10-8-2102-0/12	1,700,549,683		1,700,549,683			
		126-2-10-8-2104-0/12	979,594,381		979,594,381			
		126-2-10-8-2401-0/12	1,486,257,629					1,486,257,629

Schedule VI

STATEMENT OF ASSETS GENERATED THROUGH FOREIGN LOANS DISBURSED DURING THE YEAR 2023

Ministry / Department / Provincial Council	Project Name	Expenditure Vote with Finance Code	Total Expenditure for the Year 2023	Loans Provided for Assets Generation		Loans Provided for Projects Where Assets are Not Generated / Programme Loans
				Capitalized	Not Capitalized Yet / WIP	
			Rs.	Rs.	Rs.	Rs.
		126-2-10-8-2507-0/12	489,708,485			489,708,485
		126-2-10-8-2509-0/12	199,512,334			199,512,334
	Wayaba University Township	126-2-10-10-2102-0/12	83,654,529	83,654,529		
	Development Project	126-2-10-10-2104-0/12	2,210,090,635	2,210,090,635		
	Science & Technology Human Resources	126-2-10-11-2102-0/12	1,174,032,227	1,174,032,227		
	Development Project	126-2-10-11-2104-0/12	5,780,894,200	5,780,894,200		
		126-2-10-11-2401-0/12	114,226,716			114,226,716
		126-2-10-11-2507-0/12	187,848,834			187,848,834
	GEMP - Component-1	126-2-10-20-2104-0/12	33,561,685	33,561,685		
		126-2-7-35-2102-0/12	81,250,734	81,250,734		
		126-2-7-35-2401-0/12	208,312,956			208,312,956
		126-2-7-35-2509-50/12	137,930,621			137,930,621
		126-2-7-35-2509-99/12	224,267,513			224,267,513
Ministry of Education	GEMP - Component-1					
	NIE	126-11-2-8-2509-0/12	33,548,061			33,548,061
Ministry of Irrigation	Kaluganga Reservoir Project	198-2-3-30-2506-0/12	80,446,574		80,446,574	
	Integrated Watershed And Water Resources Management Project (IWWRMP)	198-2-3-47-2506-0/12	2,424,413,486	229,006,958	2,077,091,500	118,315,027
	Climate Resilience Multi-Phase Programmatic Approach (CResMPA)	198-2-3-50-2506-0/12	600,736,924	183,379,739	417,357,185	
	Mahaweli Water Security	198-2-3-38-2506-0/12	22,207,890,197		22,207,890,197	
Ministry of Agriculture	Agriculture Sector Modernization Project	118-2-3-39-2507-0/12	4,454,261,417			4,454,261,417
	Climate Smart Irrigated Agriculture Project	118-2-3-47-2506-0/12	5,380,000,000	5,192,000,000		188,000,000
		118-2-3-47-2507-0/12	2,100,000,000	1,829,000,000		271,000,000
	Smallholder Agribusiness Partnerships Programme	118-2-3-53-2202-0/12	2,277,560,000	4,610,000		2,272,950,000

Schedule VI

STATEMENT OF ASSETS GENERATED THROUGH FOREIGN LOANS DISBURSED DURING THE YEAR 2023

Ministry / Department / Provincial Council	Project Name	Expenditure Vote with Finance Code	Total Expenditure for the Year 2023		Loans Provided for Assets Generation		Loans Provided for Projects Where Assets are Not Generated / Programme Loans
			Rs.	Rs.	Capitalized	Not Capitalized Yet / WIP	
	Smallholder Agribusiness and Resilience Project	118-2-3-66-2022-0/12	129,428,000	34,540,000	34,540,000		94,888,000
	Development of Mini Dairy Cooperative societies (GOSL/Denmark)	118-2-3-56-2506-0/12	433,490,000			433,490,000	
Ministry of Plantations	Agriculture Sector Modernization Project	135-2-3-49-2202-0/12	1,275,717,814	87,678			1,275,630,136
	Value Chain Development						
Uva Provincial Council	General Education Modernization	318-2-2-7-2504-0/12	380,737,783	152,828,078			227,909,705
	Primary Health Care Strengthening Project	318-2-2-8-2504-0/12	1,423,332,165	1,014,584,587			408,747,578
Department of Education Publications	General Education Modernization Project	213-2-1-3-2509-0/12	5,600,025	1,096,000			4,504,025
Northern Provincial Council	Primary Health Care Strengthening Project - PSSp	315-2-2-14-2504-0/12	1,440,282,844	1,367,269,868			73,012,976
Northern Provincial Council	General Education Modernization Project - GEMP	315-2-2-13-2504-0/12	374,938,895	373,466,899			1,471,996
Department of Development Finance	Small and Medium Sized Enterprises Line of Credit Project- Additional Financing III	243-2-2-18-2302-0/12	3,405,528,362				3,405,528,362
North Central Provincial Council	General Education Modernization Project - GEMP	317-2-2-8-2504-0/12	400,000,000	212,993,135			187,006,865
	Primary Health Care Strengthening Project - PSSp	317-2-2-9-2504-0/12	1,445,000,000	700,240,758			744,759,242
Sri Lanka Airforce	Indian Line of Credit	224-1-1-7-2509-0/12	129,646,389	-			129,646,389
Central Provincial Council	General Education Modernization Project - GEMP	313-2-2-9-2504-0/12	411,795,531	68,870,605			342,924,926
	Primary Health Care Strengthening Project - PSSp	313-2-2-10-2504-0/12	1,368,651,019	418,218,638			950,432,380

Schedule VI

STATEMENT OF ASSETS GENERATED THROUGH FOREIGN LOANS DISBURSED DURING THE YEAR 2023

Ministry / Department / Provincial Council	Project Name	Expenditure Vote with Finance Code	Total Expenditure for the Year 2023		Loans Provided for Assets Generation		Loans Provided for Projects Where Assets are Not Generated / Programme Loans
			Rs.	Rs.	Capitalized	Not Capitalized Yet / WIP	
Sri Lanka Police	Indian Line of Credit Vehicles	225-1-1-23-2101-0/12	2,749,469,438	2,749,469,438			-
Western Provincial Council	General Education Modernization Project - GEMP	312-2-2-6-2504-0/12	301,532,552	58,957,965			242,574,587
	Primary Health Care Strengthening Project - PSSp	312-2-2-7-2504-0/12	1,419,821,292	1,419,821,292			-
Eastern Provincial Council	General Education Modernization Project - GEMP	321-2-2-9-2504-0/12	357,993,037	328,902,997			29,090,040
	Primary Health Care Strengthening Project - PSSp	321-2-2-10-2504-0/12	1,434,774,128	1,347,330,577			87,443,551
Sabaragamuwa Provincial Council	General Education Modernization Project - GEMP	319-2-2-7-2504-0/12	196,050,249	196,050,249			-
	Primary Health Care Strengthening Project - PSSp	319-2-2-8-2504-0/12	871,828,059	871,828,059			-
North Western Provincial Council	General Education Modernization Project - GEMP	316-2-2-8-2504-0/12	450,000,000	210,705,783			239,294,217
	Primary Health Care Strengthening Project - PSSp	316-2-2-7-2504-0/12	800,000,000	282,302,712			517,697,288
	General Education Modernization Project - GEMP	314-3-2-6-2504-0/12	381,662,004	88,716,000		35,194,019	257,751,985
Southern Provincial Council	Primary Health Care Strengthening Project - PSSp	314-3-2-7-2504-0/12	1,379,660,730	1,349,216,423			30,444,307
	Sub Total		258,579,972,402	60,610,362,799		123,242,566,219	74,727,043,383

Schedule VI

STATEMENT OF ASSETS GENERATED THROUGH FOREIGN LOANS DISBURSED DURING THE YEAR 2023

Ministry / Department / Provincial Council	Project Name	Expenditure Vote with Finance Code	Total Expenditure for the Year 2023	Loans Provided for Assets Generation		Loans Provided for Projects Where Assets are Not Generated / Programme Loans
				Capitalized	Not Capitalized Yet / WIP	
			Rs.	Rs.	Rs.	Rs.
Ministry of Finance, Economic Stabilization and National Policies	Sri Lanka's 2023-2026 Extended Fund Facility Arrangement from the International Monetary Fund	Resilience, Stability, and Economic Turnaround (RESET) Development Policy Financing	Budgetary Support			219,941,426,591
			Budgetary Support			157,552,231,657
Ministry of Finance, Economic Stabilization and National Policies	Sri Lanka Resilience Stability and Economic Turnaround (RESET) Development Policy Operation	Financial Sector Stability and Reforms Programme-Sub Programme I				103,432,385,000
						65,397,120,000
	Sub Total			60,610,362,799	123,242,566,219	621,050,206,632
	Grand Total					804,903,135,650

Source: * Details Provided by Ministries / Departments / Provincial Councils

Statement of Budget Performance & Deficit Financing
for the Year Ended 31st December 2023

	Note	2023 Rs.	Actual 2022 Rs.
REVENUE			
Tax Revenue		2,720,563,053,336	1,751,132,076,743
Income Tax	1	911,355,309,961	534,020,830,117
Taxes on Domestic Goods & Services	2	1,416,757,750,191	872,866,921,923
Taxes on International Trade	3	392,449,993,183	344,244,324,703
Non Tax Revenue & Others	4	357,966,074,652	247,656,485,315
TOTAL REVENUE (a)		3,078,529,127,988	1,998,788,562,058
Less : EXPENDITURE			
Salaries, Wages and Other Employment Benefits	5	664,614,848,358	712,944,725,052
Other Goods & Services	6	403,525,241,683	239,834,649,098
Subsidies, Grants and Transfers	7	1,205,467,614,745	1,021,054,450,565
Interest Payments	8	2,455,599,544,338	1,565,189,627,374
Other Recurrent Expenditure	9	178,898,852	213,436,451
Total Recurrent Expenditure (b)		4,729,386,147,977	3,539,236,888,540
REVENUE DEFICIT (a) - (b)		1,650,857,019,989	1,540,448,326,483
Public Investments	10	932,744,925,167	1,014,292,931,441
BUDGET DEFICIT		2,583,601,945,156	2,554,741,257,924
FINANCING THE BUDGET DEFICIT			
Foreign Borrowings	11	831,951,611,110	783,326,415,649
Foreign Debt Repayments		(337,296,566,144)	(358,504,739,872)
NET FOREIGN BORROWINGS		494,655,044,966	424,821,675,777
Foreign Grants	12	24,803,439,298	33,402,403,963
TOTAL FOREIGN FINANCING		519,458,484,263	458,224,079,740
Domestic Borrowings	13	7,541,281,621,843	4,218,528,886,900
Domestic Debt Repayments	14	(4,674,904,561,952)	(1,073,950,438,577)
NET DOMESTIC BORROWINGS		2,866,377,059,891	3,144,578,448,323
Domestic Grants	15	698,378,005	2,645,500
Recoveries from On-Lending	16	276,274,960,094	60,482,742,905
Sale of Capital Assets		515,895,718	584,212,972
Net Change in Deposit Accounts and Liabilities		(424,518,665,086)	(294,583,038,486)
(Increase)/ Decrease in Cash & Cash Equivalents		(655,204,167,729)	(769,547,833,029)
TOTAL FINANCING		2,583,601,945,156	2,554,741,257,924

Notes to the Budget Performance & Deficit Financing

Total Budget Estimate	Revenue Code	Revenue Title	Actual Revenue	
			2023	2022
			Rs.	Rs.
NOTE - 1 INCOME TAX				
513,500,000,000	1004.01.01	Income Tax	555,304,408,507	453,905,241,708
2,000,000,000	1004.01.02	Dividend Tax	46,887,231	250,702,924
4,000,000,000	1004.01.03	Remittance Tax	1,667,666,088	1,001,848,659
519,500,000,000	1004.01.00	Total Corporate Tax (a)	557,018,961,826	455,157,793,290
150,000,000,000	1004.02.01	PAYE	144,954,798,806	25,546,114,363
40,000,000,000	1004.02.99	Other	48,533,060,340	23,991,056,550
150,000,000,000	1004.03.00	Withholding Tax	157,910,830,730	19,838,833,378
64,500,000,000	1004.03.01	On Interest	72,218,110,528	320,626,859
85,500,000,000	1004.03.99	On Fees & Other	85,692,720,202	19,518,206,519
-	1004.04.00	Economic Service Charge	246,675,295	201,752,669
-	1004.04.01	Domestic	234,523,199	174,028,987
-	1004.04.02	Imports	12,152,096	27,723,682
4,000,000,000	1004.05.00	Capital Gain Tax	2,679,199,097	5,315,389,458
-	1004.06.00	Tax on Voluntary Disclosure	11,783,867	3,969,890,410
344,000,000,000	1004.02.00	Total Non-Corporate Tax (b)	354,336,348,135	78,863,036,827
863,500,000,000		Total Income Tax (a+b)	911,355,309,961	534,020,830,117
NOTE - 2 TAXES ON DOMESTIC GOODS & SERVICES				
680,500,000,000	1002.01.00	Value Added Tax	694,460,229,730	463,071,659,532
88,000,000,000	1002.01.01	Financial Services	88,528,786,518	63,468,269,737
228,000,000,000	1002.01.02	Other Services	200,674,146,441	116,010,177,196
144,000,000,000	1002.01.03	Manufacturing	179,904,493,067	112,140,773,801
220,500,000,000	1002.01.04	Imports	225,352,803,704	171,452,438,798
-	1002.02.00	Goods and Services Tax	238,255	-
-	1002.02.01	Services	238,255	-
-	1002.03.00	National Security Levy	880,259	11,309,942
-	1002.03.01	Services	880,259	11,309,942
181,000,000,000	1002.04.00	Excise (Ordinance) Duty	170,259,621,094	165,187,536,555
181,000,000,000	1002.04.01	Liquor	170,259,621,094	165,187,536,555
268,000,000,000	1002.05.00	Excise (Special Provisions) Duty	298,348,005,892	177,335,591,602
120,000,000,000	1002.05.01	Cigarettes	117,466,701,553	104,160,061,906
114,000,000,000	1002.05.03	Petroleum Products	143,642,439,301	53,073,534,123
30,000,000,000	1002.05.04	Motor Vehicles	32,525,767,540	14,503,582,079
4,000,000,000	1002.05.99	Other	4,713,097,498	5,598,413,494
1,000,000,000	1002.06.00	Tobacco Tax	1,014,034,738	39,488,794
-	1002.09.00	Turnover Tax	3,885,484	7,473,447
-	1002.10.00	Social Responsibility Levy	12,300	-
17,500,000,000	1002.11.00	Telecommunication Levy	17,304,005,581	14,995,182,044
-	1002.12.00	Nation Building Tax	328,081,775	413,427,560
-	1002.12.01	Services	44,176,006	332,880,335
-	1002.12.02	Manufacturing	23,940,015	19,403,725
-	1002.12.03	Imports	259,965,755	61,143,500
150,000,000	1002.13.00	Tele dramas, Films and Commercials Levy	150,450,000	215,020,000
1,550,000,000	1002.14.00	Cellular Tower Levy	1,630,777,873	1,540,379,201
250,000,000	1002.15.00	SMS Advertising Levy	247,273,102	220,075,482
210,000,000,000	1002.16.00	Social Security Contribution Levy	216,180,546,555	36,111,030,506

Total Budget Estimate	Revenue Code	Revenue Title	Actual Revenue	
			2023	2022
			Rs.	Rs.
117,000,000,000	1002.16.01	Services	112,350,531,382	13,191,134,085
45,000,000,000	1002.16.02	Manufacturing	52,564,896,761	10,167,031,812
48,000,000,000	1002.16.03	Imports	51,265,118,412	12,752,864,609
9,980,000,000	1003.00.00	License Taxes and Other	12,920,731,651	10,792,545,942
2,500,000,000	1003.01.00	Luxury Motor Vehicle Tax	3,021,178,181	1,331,926,748
5,500,000,000	1003.03.00	Betting & Gaming Levy	7,421,816,561	5,244,762,337
1,980,000,000	1003.04.00	Share Transaction Levy	2,477,736,910	4,215,856,857
2,627,000,000	1003.07.00	Other Licenses	3,885,686,378	2,905,290,759
2,000,000,000	1003.07.02	Registration Fees Relevant to the Department of Registrar General	2,400,009,636	2,166,590,031
100,000,000	1003.07.03	Private Timber Transport	121,693,246	133,201,789
35,000,000	1003.07.04	Tax on Sale of Motor Vehicles	35,596,226	32,755,603
47,000,000	1003.07.05	License Fees Relevant to the Ministry of Defence	64,116,857	42,416,904
180,000,000	1003.07.06	License Fees Relevant to the Dept. of Fisheries & Aquatic Resources	179,170,315	185,602,364
-	1003.07.08	Company Registration Levy	(88,230,000)	-
-	1003.07.09	Carbon Tax	7,081,679	9,104,097
115,000,000	1003.07.10	Vehicle Entitlement Levy	978,765,002	108,004,802
-	1003.07.11	Debt Repayment Levy	31,369,964	81,798,840
150,000,000	1003.07.99	Other	156,113,454	145,816,328
11,000,000	1003.08.00	Fees Under the Certificate to be Granted Yearly to Notary Registrar of the High Court	8,939,192	10,182,454
4,000,000	1003.10.00	Migrating Tax	14,350,332	10,728,103
-	1003.11.00	Remittance Fee	-	-
1,372,572,000,000		Total Taxes on Domestic Goods & Services	1,416,757,750,191	872,866,921,923
NOTE - 3 TAXES ON INTERNATIONAL TRADE				
88,000,000,000	1001.01.00	Import Duties	105,120,348,637	50,009,441,350
28,000,000	1001.02.00	Export Duties	26,750,355	41,318,861
2,900,000,000	1001.03.00	Import & Export Licenses Fees	3,304,992,140	3,086,778,409
166,000,000,000	1001.04.00	Ports & Airports Development Levy	175,486,337,460	180,595,424,536
53,000,000,000	1001.05.00	Cess Levy	57,184,111,680	70,317,622,393
51,000,000,000	1001.05.01	Import Cess Levy	54,955,605,977	68,075,067,309
2,000,000,000	1001.05.02	Export Cess Levy	2,228,505,704	2,242,555,084
50,000,000,000	1001.08.00	Special Commodity Levy	51,327,452,912	40,193,739,154
359,928,000,000		Total Revenue from Taxes on International Trade	392,449,993,183	344,244,324,703
2,596,000,000,000		Total Tax Revenue	2,720,563,053,336	1,751,132,076,743
NOTE - 4 NON-TAX REVENUE AND OTHERS				
29,920,000,000	2001.00.00	Revenue from Departmental Enterprises (a)	30,700,710,204	19,916,735,341
14,500,000,000	2001.01.00	Railways	16,079,474,196	10,335,603,441
14,500,000,000	2001.02.00	Postal	13,627,445,761	9,268,542,792
850,000,000	2001.03.00	Stores Advance Accounts (Explosive Items)	900,000,000	247,000,000
70,000,000	2001.04.00	Prisons Industrial and Agricultural Advance Account	93,790,247	65,589,108
71,752,457,000	2002.00.00	Return on Government Assets (b)	108,932,471,661	41,279,734,766
6,400,000,000	2002.01.00	Rent	6,986,315,943	5,861,707,128
1,600,000,000	2002.01.01	Rent on Government Building & Housing	1,634,693,929	1,504,677,796
1,600,000,000	2002.01.02	Rent on Crown Forests	1,739,394,752	2,081,315,722
100,000,000	2002.01.03	Rent from Land and Other	150,083,569	113,025,610

Total Budget Estimate	Revenue Code	Revenue Title	Actual Revenue	
			2023	2022
			Rs.	Rs.
2,200,000,000	2002.01.04	Lease Rental from Regional Plantation Companies	1,880,763,681	1,216,494,535
900,000,000	2002.01.99	Other Rental	1,581,380,012	946,193,464
14,950,000,000	2002.02.00	Interest	26,245,034,955	7,325,545,826
9,450,000,000	2002.02.01	On-Lending	9,439,025,444	5,597,585,565
5,500,000,000	2002.02.99	Other	16,806,009,511	1,727,960,261
41,669,457,000	2002.03.00	Profits	60,496,772,520	22,004,727,426
8,733,000,000	2002.04.00	Dividends	15,204,348,243	6,087,754,385
126,799,000,000	2003.00.00	Sale Proceeds & Charges (c)	176,108,291,686	115,145,566,883
100,000,000	2003.01.00	Departmental Sales	158,732,020	119,168,958
88,730,000,000	2003.02.00	Administrative Fees & Charges	108,723,167,422	64,202,561,363
300,000,000	2003.02.01	Audit Fees	415,611,400	489,581,029
800,000,000	2003.02.03	Fees Under Registration of Persons	1,128,518,400	552,262,863
300,000,000	2003.02.04	Fees of Department of Survey	359,211,368	319,289,778
1,000,000,000	2003.02.05	Service Charges of Government Press	1,091,284,271	928,554,129
28,000,000	2003.02.06	Fees Under the Fauna & Flora Protection Ordinance	50,026,598	26,791,472
28,100,000,000	2003.02.07	Fees of Passports, Visas & Dual Citizenship	42,772,537,242	23,834,534,358
36,062,000,000	2003.02.08	Embarkation Levy	38,828,543,756	22,248,864,840
200,000,000	2003.02.09	Fees of Department of Valuation	244,849,260	234,658,165
320,000,000	2003.02.10	Fees of Registrar of Companies	183,673,278	128,132,962
72,000,000	2003.02.11	Legal Fees from Corporations & Statutory Bodies	124,597,691	108,727,032
50,000,000	2003.02.12	Fees Recovered Under the Public Contract Act	49,895,800	29,066,000
180,000,000	2003.02.13	Examinations & Other Fees	217,794,625	69,225,436
11,500,000,000	2003.02.14	Fees Under the Motor Traffic Act & Other Receipts	12,197,934,922	6,554,422,058
-	2003.02.15	Registration Fees on Motor Vehicle Transfers Under the Issuing Motor Vehicle Permits on Concessionary Terms	6,867	77
5,000,000	2003.02.16	Air craft Rentals	14,705,813	14,591,537
128,000,000	2003.02.17	Fee on Local Sale of Garments	171,682,532	196,200,390
775,000,000	2003.02.18	Fees Relevant to the Department of Agriculture	884,822,691	783,736,614
750,000,000	2003.02.19	Fees Relevant to the Botanical Gardens	833,193,462	388,379,319
1,500,000,000	2003.02.21	Fees Relevant to the Ministry of Petroleum Industries	1,724,530,475	187,216,484
160,000,000	2003.02.22	Merchant Shipping Secretariat Fees	198,254,438	49,745,845
500,000,000	2003.02.23	Casino Licence Fees	-	2,000,000,000
6,000,000,000	2003.02.99	Sundries	7,231,492,534	5,058,580,975
4,483,000,000	2003.03.00	Fines and Forfeits	8,310,563,255	6,387,050,559
2,783,000,000	2003.03.01	Fines and Forfeits - Customs	5,438,106,419	4,549,141,645
1,700,000,000	2003.03.02	Fines and Forfeits - Other	2,872,456,836	1,837,908,914
-	2003.04.00	Public Officer's Motor Cycle Premium	490,386	909,850
18,000,000,000	2003.05.00	Treasury Bonds Premium	19,418,195,594	22,648,682,855
5,300,000,000	2003.06.00	Revenue from the United Nations' Peacekeeping Operations	10,124,287,627	2,447,153,974
350,000,000	2003.07.00	Programme for Purchasing of Paddy	961,121,370	219,195,182
1,336,000,000	2003.08.00	Sale of Hydro Power	1,353,731,252	59,974,294
8,500,000,000	2003.99.00	Other Receipts	27,058,002,760	19,060,869,849
38,000,000,000	2004.00.00	Social Security Contributions (d)	36,258,424,820	37,415,664,245
24,000,000,000	2004.01.00	Central Government	22,713,034,278	23,872,352,903
14,000,000,000	2004.02.00	Provincial Councils	13,545,390,542	13,543,311,342

Total Budget Estimate	Revenue Code	Revenue Title	Actual Revenue	
			2023	2022
			Rs.	Rs.
5,528,543,000	2005.00.00	Current Transfers (e)	5,966,176,282	33,898,784,081
1,028,543,000	2005.01.00	Central Bank Profits	1,028,542,891	30,007,245,202
4,500,000,000	2005.99.00	National Lotteries Board and Other Transfers	4,937,633,391	3,891,538,878
272,000,000,000		Total Non - Tax Revenue & Other Revenue (a)+(b)+(c)+(d)+(e)	357,966,074,652	247,656,485,315
2,868,000,000,000		Total Revenue (Note 1 - 4)	3,078,529,127,988	1,998,788,562,058

Total Budget Estimate 2023	Object Code	Object Title	Actual	
			2023 Rs	2022 Rs
NOTE-5 OBJECT CODE WISE CLASSIFICATION OF SALARIES, WAGES & OTHER EMPLOYMENT BENEFITS				
Personal Emoluments				
360,748,177,586	1001	Salaries and Wages	350,085,070,609	398,594,571,290
49,075,252,284	1002	Overtime and Holiday Payments	47,883,578,288	45,299,117,103
277,016,285,831	1003	Other Allowances	266,646,199,461	269,051,036,660
686,839,715,701		Total	664,614,848,358	712,944,725,052
NOTE - 6 OBJECT CODE WISE CLASSIFICATION OF OTHER GOODS AND SERVICES				
Travelling Expenditure				
23,281,779,243	1101	Domestic	22,434,114,110	15,051,113,074
2,128,264,521	1102	Foreign	1,816,875,191	1,080,673,007
25,410,043,764		Total (a)	24,250,989,301	16,131,786,081
Supplies				
8,213,924,050	1201	Stationery and Office Requisites	6,512,762,502	3,816,094,546
48,681,105,874	1202	Fuel	45,257,772,707	37,454,639,383
85,354,021,014	1203	Diets and Uniforms	80,682,779,211	35,167,559,650
161,077,067,000	1204	Medical Supplies	147,708,158,864	75,718,354,640
13,373,361,975	1205	Other	11,561,756,085	7,152,471,786
316,699,479,913		Total (b)	291,723,229,369	159,309,120,006
Maintenance Expenditure				
6,970,504,833	1301	Vehicles	5,874,916,687	4,279,738,472
6,106,003,295	1302	Plant and Machinery	4,797,010,927	2,961,247,396
2,157,004,524	1303	Buildings and Structures	1,707,371,415	1,156,715,580
15,233,512,652		Total (c)	12,379,299,029	8,397,701,448
Services				
8,713,596,507	1401	Transport	7,228,280,563	6,598,423,502
5,256,962,525	1402	Postal and Communication	4,654,928,847	4,006,425,141
26,242,914,598	1403	Electricity and Water	25,347,129,523	14,676,308,199
9,279,325,802	1404	Rents and Local Taxes	8,611,354,562	7,601,652,297
191,790,376	1406	Interest Payment for Leased Vehicles	171,915,971	111,322,755
433,474,150	1408	Lease Rental for Vehicles Procured Under Operational	339,665,696	660,042,333
50,205,916,467	1409	Other	28,818,448,821	22,341,867,336
100,323,980,425		Total (d)	75,171,723,984	55,996,041,563
457,667,016,753		TOTAL EXPENDITURE ON OTHER GOODS AND SERVICES (a+b+c+d)	403,525,241,683	239,834,649,098
NOTE - 7 OBJECT CODE WISE CLASSIFICATION OF TRANSFERS, GRANTS & SUBSIDIES				
Transfers				
345,566,733,827	1501	Welfare Programmes	301,200,066,032	230,882,212,933
375,284,723,000	1502	Retirement Benefits	372,861,600,089	309,766,325,434
81,548,185,000	1503	Public Institutions	77,490,823,510	75,900,096,872
89,143,523,728	1504	Development Subsidies	85,038,802,257	74,413,276,928
3,801,574,154	1505	Subscriptions and Contributions Fee	3,259,659,019	2,387,391,686
2,420,351,982	1506	Property Loan Interest to Public Servants	1,951,050,625	2,191,342,417
362,650,000,000	1507	Grants to Provincial Councils	333,566,964,524	298,737,421,000
4,074,997,000	1508	Other	3,127,916,934	5,293,149,224
31,158,956,345	1509	Contribution to Contingencies Fund	26,970,731,755	21,483,234,070
1,295,649,045,036		Total	1,205,467,614,745	1,021,054,450,565
NOTE - 8 OBJECT CODE WISE CLASSIFICATION OF INTEREST PAYMENTS AND DISCOUNTS				
1,325,338,000,000	1601	Domestic Debt	1,131,300,820,971	837,513,737,610
188,662,000,000	1602	Foreign Debt	123,391,434,479	128,621,067,120
1,240,000,000,000	1603	Discounts on Treasury Bills and Treasury Bonds	1,200,907,288,888	599,054,822,645
2,754,000,000,000		Total	2,455,599,544,338	1,565,189,627,374

Total Budget Estimate 2023	Object Code	Object Title	Actual	
			2023 Rs	2022 Rs
NOTE - 9 OBJECT CODE WISE CLASSIFICATION OF OTHER RECURRENT EXPENDITURE				
172,927,063	1701	Losses and Write off	131,972,628	164,610,945
6,422,187,585	1702	Contingency Services	-	-
66,137,820	1703	Implementation of the Official Languages Policy	46,926,225	48,825,506
6,661,252,468		Total	178,898,852	213,436,451
5,200,817,029,958		Grand Total (Notes 5 to 9) Total Recurrent Expenditure	4,729,386,147,977	3,539,236,888,540
NOTE - 10 OBJECT CODE WISE CLASSIFICATION OF PUBLIC INVESTMENT				
Rehabilitation and Improvements of Capital Assets				
30,048,558,029	2001	Buildings and Structures	17,461,123,370	6,540,846,766
18,948,281,120	2002	Plant, Machinery and Equipment	12,581,545,586	7,313,395,570
9,817,291,080	2003	Vehicles	8,654,510,591	4,973,379,389
58,814,130,229		Total (a)	38,697,179,546	18,827,621,725
Acquisition of Capital Assets				
24,039,942,000	2101	Vehicles	15,087,983,972	13,403,761,383
10,061,310,397	2102	Furniture and Office Equipment	5,178,566,439	2,739,938,393
31,688,762,878	2103	Plant, Machinery and Equipment	15,544,365,480	9,346,681,628
63,904,806,048	2104	Buildings and Structures	32,934,621,893	36,754,879,154
24,889,885,500	2105	Lands and Land Improvements	22,061,904,792	7,023,903,138
16,478,980,859	2106	Software Development	4,312,566,199	4,906,080,539
634,951,452	2108	Capital Payment for Leased Vehicles	609,482,109	352,866,563
171,698,639,135		Total (b)	95,729,490,885	74,528,110,798
Capital Transfers				
120,427,461,000	2201	Public Institutions	64,232,170,159	72,946,831,126
51,611,264,979	2202	Development Assistance	37,973,174,932	39,300,549,758
19,900,000,000	2203	Contribution to Provincial Councils	10,100,000,000	5,846,861,800
1,365,556,140	2204	Transfers Abroad	1,365,556,140	1,540,006,525
1,848,880,837	2205	Capital Grants to Non-Public Institution	511,036,632	1,307,937,453
195,153,162,956		Total (c)	114,181,937,862	120,942,186,663
Acquisition of Financial Assets				
320,636,260,600	2301	Equity Contribution	270,520,862,759	139,824,087,785
74,687,463,125	2302	On-Lending	19,143,592,671	298,864,137,572
395,323,723,725		Total (d)	289,664,455,430	438,688,225,357
Capacity Building				
7,486,823,254	2401	Staff Training	6,070,470,950	6,319,128,207
7,486,823,254		Total (e)	6,070,470,950	6,319,128,207
Other Capital Expenditure				
19,494,000	2501	Restructuring	17,119,927	18,317,447
46,929,888,461	2503	Contingency Services	-	-
29,144,455,192	2504	Contribution to Provincial Councils	24,540,266,069	14,134,759,131
30,677,270	2505	Procurement Preparedness	22,780,891	14,549,791
464,041,876,913	2506	Infrastructure Development	305,202,534,826	271,129,449,783
17,034,174,611	2507	Research and Development	13,597,142,824	8,993,843,637
64,064,924,295	2509	Other	45,021,545,958	60,696,738,903
621,265,490,743		Total (f)	388,401,390,495	354,987,658,691
1,449,741,970,042		TOTAL EXPENDITURE ON PUBLIC INVESTMENTS (a+b+c+d+e+f)	932,744,925,167	1,014,292,931,441
6,650,559,000,000		Total Expenditure (Notes 5 to 10)	5,662,131,073,144	4,553,529,819,982

Note 11 - FOREIGN BORROWINGS - 2023

Funding Agency	Project	Loan Key	Loan Currency	2023		2022	
				Amount (Loan Currency)	Amount (Rs.)	Amount (Loan Currency)	Amount (Rs.)
	ASIAN DEVELOPMENT BANK (ADB)				277,217,386,007		228,233,108,367
1	Greater Colombo Wastewater Management Project (OCR)	2009028	USD	2,056,790	653,967,906	2,171,900	733,601,832
2	Jaffna & Kilinochchi Water Supply & Sanitation Project (OCR)	2011001	USD	7,426,409	2,697,725,661	5,929,628	2,023,672,937
3	Jaffna & Kilinochchi Water Supply & Sanitation Project (ADF)	2011002	XDR	730	351,224	1,122,135	431,175,180
4	Greater Colombo Water Wastewater Management Improvement Project	2013043	XDR			125,278	35,451,511
5	Southern Road Connectivity Project	2014017	USD			7,057,726	2,043,325,622
6	Greater Colombo Water and Wastewater Management Programme-2	2014029	USD	4,835,370	1,756,291,472	5,942,377	2,110,973,200
7	Greater Colombo Water and Wastewater Management Programme-3	2014030	XDR	3,804,104	1,696,940,473	2,941,089	1,291,889,997
8	Green Power Development & Energy Efficiency Improvement Programme	2014036	XDR	1,296,796	569,476,231	1,465,416	531,502,309
9	Green Power Development & Energy Efficiency Improvement Programme	2014037	USD	21,516,175	8,190,949,366	16,412,395	4,560,050,010
10	Mahaweli Water Security Investment Programme	2015024	XDR	2,723,184	1,176,909,220		
11	Mahaweli Water Security Investment Programme	2015025	USD	19,877,358	6,450,651,203	9,061,294	2,610,608,369
12	Greater Colombo Water & Wastewater Management Improvement Investment Programme	2016033	XDR	1,164,201	500,607,559	4,415	2,128,295
13	Greater Colombo Water & Wastewater Management Improvement Investment Programme	2016034	USD	7,781,002	2,728,371,644	6,947,030	2,334,381,682
14	Transport Project Preparatory Facility	2016035	XDR	590,580	251,083,472	961,480	435,669,021
15	Local Government Enhancement Sector Project - Additional Financing	2016036	USD	7,905,209	2,530,478,439	5,064,647	1,697,811,746
16	Jaffna & Kilinochchi Water Supply Project - Additional Financing	2017038	USD	2,712,916	872,881,634	333,839	91,482,717
17	Jaffna & Kilinochchi Water Supply Project - Additional Financing	2017039	USD	22,328,884	7,282,107,702	5,185,237	1,612,395,722
18	Integrated Road Investment Programme - Tranche 4	2017040	USD			50,000,000	14,749,215,000
19	Mahaweli Water Security Investment Programme - Tranche 2	2018018	USD	21,988,306	7,116,213,664	87,799,050	29,583,608,470
20	Mahaweli Water Security Investment Programme - Tranche 2	2018019	USD	1,569,738	502,327,052	4,168,308	1,354,479,991
21	Skills Sector Enhancement Programme - Additional Financing	2018020	USD	2,500,000	808,890,900	4,800,000	1,392,870,000
22	Skills Sector Enhancement Programme -Additional Financing	2018021	USD	1,000,000	323,556,360	3,200,000	928,580,000
23	Health System Enhancement Project	2018045	USD	477,124	152,873,537	3,413,066	1,238,970,395
24	Technical Assistance Loan Agreement	2019007	USD	94,275	31,484,433	61,325	17,343,121
25	South Asia Sub Regional Economic Cooperation Port Access Elevated Highway Project (SASEC)	2019012	USD	64,335,216	20,739,249,801	56,695,001	17,680,016,080
26	Science & Technology Human Resource Development Project	2019029	USD	4,546,187	1,482,212,781	19,518,474	5,699,643,464
27	Science & Technology Human Resource Development Project	2019030	USD	18,469,642	6,103,855,133	2,486,091	841,504,512
28	Railway Efficiency Improvement Project	2019040	USD	18,119,487	5,957,740,473	8,155,390	2,858,727,348

Note 11 - FOREIGN BORROWINGS - 2023

Funding Agency	Project	Loan Key	Loan Currency	2023		2022	
				Amount (Loan Currency)	Amount (Rs.)	Amount (Loan Currency)	Amount (Rs.)
29	Small and Medium-Sized Enterprises Line of Credit Project- Additional Financing	2020017	USD	8,000,000	2,633,169,340	36,500,000	12,198,742,900
30	Second Integrated Road Investment Programme - Tranche 3	2021009	USD			77,398,391	18,505,198,051
31	Responsive COVID-19 Vaccines for Recovery Project - Rapid Response Component	2021027	USD			66,000,000	13,325,472,600
32	Responsive COVID-19 Vaccines for Recovery Project - Project Investment Component	2021028	USD	754,704	235,641,259	21,832,279	5,865,305,913
33	Health System Enhancement Project - Additional Financing	2021029	USD	32,116,002	10,467,170,710	3,206,510	1,152,107,833
34	Food Security and Livelihood Recovery Emergency Assistance Project	2022026	USD	15,113,181	5,004,906,499	171,545,119	62,311,650,742
35	Economic Stabilization Programme	2023003	USD	350,000,000	103,432,385,000		
36	Second Integrated Road Investment Programme	2023016	USD	28,984,163	9,469,795,861		
37	Financial Sector Stability and Reforms Programme - Sub Programme	2023017	USD	200,000,000	65,397,120,000		
38	Secondary Education Sector Improvement Programme-Results-Based Lending	2020018	USD			44,010,000	15,983,551,800
	ASIAN INFRASTRUCTURE INVESTMENT BANK				15,672,135,512		4,829,130,318
39	Reduction of Landslide Vulnerable by Mitigation Measures Projects	2019019	USD	10,918,661	3,728,457,337	1,820,447	595,794,572
40	Support to Colombo Urban Regeneration Project	2019020	USD	34,140,577	11,943,678,175	14,154,739	4,233,335,746
	BOERENLEEN BANK				8,230,548,597		2,510,768,457
41	Development of General Hospital Kaluthara	2016012	EUR	4,059,045	1,457,583,404	5,515,174	1,924,713,457
42	Reconstruction Rural Bridges (EUR 44.3)	2018040	EUR			1,279,569	378,789,773
43	Construction of Rural Bridges with Financial Assistance from Netherlands	2019047	EUR	19,379,609	6,772,965,193	571,428	207,265,227
	HSBC BANK PLC (UK)						448,689,024
44	Upgrading Health Facilities in Selected Hospitals of Sri Lanka	2019018	USD			2,382,462	448,689,024
	HSBC (WITH GUARANTEE OF EKF DENMARK)						69,405,816
45	Establishment of Dairy Processing Plant at Badalgama	2015019	EUR			228,454	69,405,816
	INTERNATIONAL MONETARY FUND				219,941,426,591		-
46	Sri Lanka's 2023 -26 Extended Fund Facility Arrangement	2023008	XDR	508,000,000	219,941,426,591		
	INTERNATIONAL DEVELOPMENT ASSOCIATION				196,513,298,780		28,262,784,946
47	Climate Resilience Improvement Management Programme	2014010	XDR			1,266,332	361,678,616
48	Water Supply and Sanitation Improvement Project	2015028	XDR	8,115,497	3,508,499,344	7,436,186	2,863,184,339
49	Early Childhood Development Project	2015030	XDR	372,334	153,199,617	6,440,551	2,397,661,195
50	Ecosystem Conservation and Management Project	2016029	XDR	3,821,063	1,741,502,351	1,502,889	719,500,000
51	Social Safety Nets Project	2016043	XDR	7,753,217	3,285,118,636	359,713	114,117,861
52	Agriculture Sector Modernization Project	2017001	XDR	17,217,499	7,562,806,650	6,248,155	1,788,242,382
53	Accelerating Higher Education Expansion & Development Operation (AHEAD) Programme	2017017	XDR			12,838,400	4,438,440,649
54	Transport Connectivity & Asset Management Project	2017023	XDR	13,848,876	6,109,771,142	10,192,707	3,904,743,516
55	Financial Sector Modernization Project	2017024	XDR	509,471	247,804,398	2,233,332	631,233,378

Note 11 - FOREIGN BORROWINGS - 2023

Funding Agency	Project	Loan Key	Loan Currency	2023		2022	
				Amount (Loan Currency)	Amount (Rs.)	Amount (Loan Currency)	Amount (Rs.)
56	General Education Modernization Project	2018033	USD	9,820,274	3,301,637,108	10,988,592	2,774,083,423
57	Climate Smart Irrigated Agriculture Project	2019021	USD	25,070,274	8,322,632,383	8,150,000	2,819,006,605
58	Local Development Support Project	2019027	USD	8,382,351	2,766,406,896	2,336,103	834,131,976
59	Covid 19 Emergency Response & Health Systems Preparedness Project	2020009	USD			8,624,446	1,732,358,963
60	Sri Lanka Integrated Watershed and Water Resources Management Project- Concessional Loan	2021007	USD	4,498,808	1,961,688,600	5,733,341	1,926,107,300
61	Additional Financing for the COVID 19 Emergency Response & Health Systems Preparedness - Non Concessional Loan	2020016	USD			3,027,967	711,907,261
62	Kandy Multimodal Transport Terminal Development Project - Non Concessional	2021016	USD			472,500	168,106,589
63	Sri Lanka Integrated Watershed and Water Resources Management Project	2021008	USD			392,385	78,280,893
64	Sri Lanka Resilience, Stability and Economic Turnaround (RESET) Development Policy Financing	2023007	XDR	371,200,000	157,552,231,657		
	INTERNATIONAL BANK FOR RECONSTRUCTION AND DEVELOPMENT				47,413,150,277		153,613,874,349
65	Metro Colombo Urban Development Project	2012011	USD			11,291,694	2,845,047,763
66	Accelerating Higher Education Expansion & Development Operation (AHEAD) Programme	2017019	USD	12,985,274	4,094,822,133	14,910,000	3,712,403,546
67	Primary Health Care System Strengthening Project	2019001	USD	41,288,078	13,465,013,301	31,816,125	11,524,040,730
68	Covid 19 Emergency Response and Health System Preparedness Project	2020010	USD	4,000,000	1,447,680,000	26,066,267	7,783,264,859
69	Additional Financing for Water Supply & Sanitation Improvement Project	2021030	USD	14,578,331	4,696,763,011	5,407,435	1,896,865,897
70	Climate Resilience Multiphase Programmatic Approach	2021025	USD	3,852,264	1,190,717,416	810,000	219,972,000
71	Third Addi. Financing for the COVID 19 Emergency Response & Health Systems Preparedness	2021031	USD			86,759,447	17,957,283,429
72	Inclusive Connectivity & Development Project	2021032	USD	65,426,458	22,518,154,417	296,843,013	107,674,996,126
	INTERNATIONAL FUND FOR AGRICULTURAL DEVELOPMENT				4,923,007,357		2,075,814,402
73	Construction of Four Grid Substations Maliboda, Nawalapitiya, Wewalwatta and Ragala	2015021	EUR			46,606	10,974,485
74	Sri Lanka Smallholder Tea and Rubber Revitalization Project (STARR)	2016016	XDR	1,985,668	821,463,771	2,953,352	1,154,245,134
75	Implementation of Smallholder Agribusiness Partnership (SAP) Programme	2017014	USD	10,100,810	3,414,608,587	2,834,078	910,594,782
76	Smallholder Agribusiness Resilience Project (SARP)	2021011	USD	2,000,000	686,935,000		
	NORDEA BANK FINLAND				-		4,228,656,748
77	Strengthening of Health Delivery Service in the Northern Province under Financial Assistance of the Netherland	2019038	EUR			14,063,427	4,228,656,748

Note 11 - FOREIGN BORROWINGS - 2023

Funding Agency	Project	Loan Key	Loan Currency	2023		2022	
				Amount (Loan Currency)	Amount (Rs.)	Amount (Loan Currency)	Amount (Rs.)
ORGANISATION OF PETROLEUM EXPORTING COUNTRIES (OPEC)					5,866,523,725		1,932,997,986
78	Road Network Development Project	2012024	USD	1,289,393	419,069,705	327,180	84,745,574
79	Colombo National Highways Project	2013023	USD	2,228,550	720,999,369	4,556,573	1,067,163,016
80	Western Province Road Development Project	2015014	USD	1,558,775	492,955,209	1,494,745	474,436,438
81	Rehabilitation of the A 05 Road Corridor from Badulla to Chenkaladi Project	2015015	USD	5,038,572	1,623,861,980	759,822	191,628,154
82	Kalu Ganga Development Project (Additional Loan)	2017030	USD	221,311	80,446,574	517,771	115,024,804
83	Rehabilitation of the A 17 Road Corridor Project (Rakwana - Suriyakanda)	2019045	USD	7,753,606	2,529,190,888		
UNICREDIT BANK AUSTRIA AG					222,266,266		265,808,531
84	Implementation of Kirama - Katuwana Integrated Water Supply Scheme	2018003	EUR	727,053	222,266,266	440,557	150,000,000
85	Supply of Freightling Vehicles Equipment For the Colombo Municipal Council	2019008	EUR			515,850	115,808,531
CALYON CREDIT AGRICOLE CIB					1,619,228,497		1,500,000,000
86	Implementation of Greater Matala Water Supply Project	2016019	EUR	7,028,789	1,619,228,497	6,582,828	1,500,000,000
CO-OP CENTRALE RAIFFEISEN-BOERENLEENBANK					-		420,332,434
87	Pilot Project on Establishment of a Groundwater Monitoring Network in Three Selected District	2017034	EUR			1,256,054	420,332,434
GOVERNMENT OF FRANCE					3,578,257,524		7,935,571,646
88	Implementation of Ambathale Water Supply System Improvement & Energy Savings Project	2014027	USD	3,618,819	1,302,460,254	10,766,404	3,632,108,506
89	Green Power Development & Energy Efficiency Improvement Investment Programme	2015023	EUR			1,420,000	326,960,538
90	Implementation of Sanitation Hygiene Initiative for Towns Project Phase I	2016021	EUR	500,000	117,741,100	1,370,476	506,566,188
91	Implementation of Anuradhapura Integrated Urban Development Project	2016039	EUR			2,819,123	1,005,281,161
92	Implementation of Green Power Development & Energy Efficient Improvement Investment Programme -Tranch 2	2018046	EUR	6,000,000	1,732,921,800	8,000,000	1,936,282,400
93	Development of Mini Dairy Cooperatives with French Soft Loan	2018047	EUR	1,205,268	425,134,371	1,593,252	379,875,303
94	Rathmalana-Moratuwa Wastewater Disposal Project- Stage I - Phase II	2019010	EUR			500,000	148,497,550
GOVERNMENT OF GERMANY					-		136,734,494
95	Construction of the Mahamodara Maternity Hospital Galle	2012022	EUR			601,215	136,734,494
GOVERNMENT OF INDIA					3,577,958,095		529,899,937
96	India Dollar Credit Line Agreement	2008006	USD	8,245,357	2,878,985,072		
97	Restoration of Northern Railway Services	2012003	USD	2,135,666	698,973,024	1,338,183	474,714,825
98	Dollar Credit Line on KKS Harbour	2018002	USD			161,949	55,185,112
GOVERNMENT OF KUWAIT					-		2,034,704,159
99	Reconstruction of 25 Bridges Project	2014002	KWD			723,408	633,775,794
100	Building Complex For The Faculty of Healthcare Sciences, Eastern University, Sri Lanka	2016017	KWD			815,097	652,338,883

Note 11 - FOREIGN BORROWINGS - 2023

Funding Agency	Project	Loan Key	Loan Currency	2023		2022	
				Amount (Loan Currency)	Amount (Rs.)	Amount (Loan Currency)	Amount (Rs.)
101	Kalu Ganga Development Project (Supplementary)	2017033	KWD			1,133,283	748,589,482
	SAUDI FUND FOR ARAB ECONOMIC DEVELOPMENT				3,182,382,293		2,446,421,491
102	Road Network Development Project	2012025	SAR	2,392,702	211,276,760	2,121,501	112,565,880
103	Improvement of Peradeniya-Badulla - Chenkaladi Road Project	2015026	SAR	5,180,735	445,264,892	15,169,047	885,845,619
104	Kalu Ganga Development Project (Additional Finance)	2018024	SAR	2,319,320	198,533,792	6,379,381	451,932,348
105	Wayaba University Town Ship Development Project	2017032	SAR	23,934,628	2,293,745,164	15,870,374	910,289,742
106	Construction of Faculty of Medicine Project at the Sabaragamuwa University	2019043	SAR	396,511	33,561,685	1,279,706	85,787,901
	GOVERNMENT OF JAPAN				-		30,448,816,654
107	Kandy City Wastewater Management Project	2010016	JPK			480,994	1,083,509,501
108	Habarana Veyangoda Transmission Line	2012006	JPK			1,706,337	3,086,554,782
109	Anuradhapura North Water Supply Project	2013020	JPK			309,846	626,713,382
110	New Bridges Construction Project Over the Kelani River	2014003	JPK			772,536	1,392,166,800
111	National Transmission and Distribution Network Development and Efficiency Improvement Project	2015018	JPK			10,223,613	22,810,147,553
112	Anuradhapura North Water Supply Project (Phase 2)	2016037	JPK			16,569	30,082,923
113	Rural Infrastructure Development Project in Emerging Regions	2017015	JPK			607,732	1,067,005,203
114	Kalu Ganga Water Supply Expansion Project	2017016	JPK			91,926	183,632,897
115	Health and Medical Service Improvement Project	2018032	JPK			92,417	169,003,612
	GOVERNMENT OF THE REPUBLIC OF KOREA				1,638,173,723		968,126,395
116	Deduru Oya Water Supply Project	2014038	KRK			3,344,465	563,876,787
117	Ruwanwella Water Supply Project	2014039	KRK			370,638	91,621,733
118	Technological Education Development Programme	2018023	KRK	5,173,425	1,638,173,723	1,169,264	312,627,874
	THE EXPORT - IMPORT BANK OF CHINA				414,977,811		16,057,544,486
119	Kandy North Pathadumbara Integrated Water Supply	2017041	EUR	8,813,208	414,977,811	50,798,397	1,619,916,631
120	Widening & Improvement of 64.31Km of Roads and Reconstruction of 13 Bridges in Central & Uva Provinces in Sri Lanka	2018022	USD			5,814,951	1,170,751,504
121	Central Expressway Project Section - I from Kadawatha to Meerigama	2019015	USD			51,569,653	13,266,876,351
	DEUTSCHE BANK AG				-		447,708,842
122	Reconstruction of Rural Bridges USD 50.9Mn (UKEF)	2019006	USD			1,972,574	447,708,842
	THE EXPORT - IMPORT BANK OF INDIA				357,158,767		189,018,446,773
123	Dollar Credit Line 318M of the Development of Railway Sector	2017013	USD	1,110,017	357,158,767	32,552,228	11,570,994,540
124	Dollar Credit Line from Indian EXIM Bank for the Procurement of Urea Fertilizer - USD 55 Million	2022020	USD			45,559,332	16,454,775,052
125	Short-Term Line of Credit USD 500M	2022009	USD			497,329,343	160,992,677,181
	KINGDOM OF SPAIN				326,403,849		530,766,869
126	Implementation of Anamadua Integrated Water Supply Project	2016023	EUR	1,463,898	326,403,849	1,994,043	530,766,869

Note 11 - FOREIGN BORROWINGS - 2023

Funding Agency	Project	Loan Key	Loan Currency	2023		2022	
				Amount (Loan Currency)	Amount (Rs.)	Amount (Loan Currency)	Amount (Rs.)
GOVERNMENT OF PAKISTAN							1,158,123
127	Pakistan Line of Credit	2006071	USD			3,265	1,158,123
STATE BANK OF INDIA					46,704,976,980		104,436,620,931
128	Importation of Essential Commodities for Year 2022 (USD - 1000Mn)	2022011	USD	133,765,136	46,704,976,980	299,565,139	104,436,620,931
EXPORT & IMPORT BANK OF HUNGARY							774,898,947
129	Construction of Flyovers at Kohuwala and Getambe	2021001	EUR			2,653,126	774,898,947
REFUNDS							
ASIAN DEVELOPMENT BANK (ADB)					(2,334,128,761)		(158,476,997)
130	Greater Colombo Wastewater Management Project (OCR)	2009028	USD	(2,963)	(958,938)		
131	Greater Colombo Wastewater Management Project (ADF)	2009029	XDR			(372,620)	(1,742,930)
132	Jaffna & Kilinochchi Water Supply & Sanitation Project (ADF)	2011002	XDR	(9,009)	(3,985,299)		
133	Colombo National Highways Project	2013023	USD	(21,211)	(9,241,829)		
134	Greater Colombo Water Wastewater Management Improvement Project	2013042	USD			(5,095)	(1,848,816)
135	Southern Road Connectivity Project	2014017	USD			(426,135)	(154,760,840)
136	Greater Colombo Water and Wastewater Management Programme-3	2014030	XDR	(305)	(132,705)		
137	Mahaweli Water Security Investment Programme	2015024	XDR	(1,616,021)	(701,609,130)		
138	Mahaweli Water Security Investment Programme	2015025	USD	(3,126,574)	(1,022,344,731)		
139	Integrated Road Investment Programme - Tranch 3	2015036	USD			(291)	(89,560)
140	Greater Colombo Water & Wastewater Management Improvement Investment Programme	2016033	XDR	(116,015)	(49,749,848)		
141	Transport Project Preparatory Facility	2016035	XDR	(170,101)	(74,437,681)	(76)	(34,851)
142	Jaffna & Kilinochchi Water Supply Project - Additional Financing	2017038	USD	(245,357)	(79,605,542)		
143	Skills Sector Enhancement Programme - Additional Financing	2018020	USD	1,000,000	(323,556,360)		
144	Responsive COVID-19 Vaccines for Recovery Project - Project Investment Component	2021028	USD	(227,678)	(68,506,697)		
INTERNATIONAL DEVELOPMENT ASSOCIATION					(1,385,235,036)		(671,089,477)
145	Climate Resilience Improvement Management Programme	2014010	XDR			(109,596)	(22,136,540)
146	Early Childhood Development Project	2015030	XDR	(773,189)	(331,608,403)		
147	Ecosystem Conservation and Management Project	2016029	XDR	(363,244)	(157,045,285)		
148	Social Safety Nets Project	2016043	XDR	(54,202)	(23,433,677)		
149	Financial Sector Modernization Project	2017024	XDR	(2,235,435)	(873,147,670)		
150	Additional Financing for Strategic Cities Development Project	2016027	XDR			(1,362,985)	(648,952,937)
CO-OP CENTRALE RAIFFEISEN-BOERENLEENBANK					(29,818,329)		-
151	Pilot Project on Establishment of a Groundwater Monitoring Network in Three Selected District	2017034	EUR	(77,385)	(29,818,329)		
INTERNATIONAL BANK FOR RECONSTRUCTION AND DEVELOPMENT					(1,698,467,417)		(2,809,002)
152	Metro Colombo Urban Development Project	2012011	USD			(7,807)	(2,809,002)
153	Inclusive Connectivity & Development Project	2021032	USD	(5,226,054)	(1,698,467,417)		
Total					831,951,611,110		783,326,415,649

NOTE - 12 - FOREIGN GRANTS

	Actual	
	2023 Rs.	2022 Rs.
Grants Received in the form of Cash for Projects	5,333,045,314	3,217,665,999
Grant Received through Special Foreign Currency Accounts	4,475,929,923	2,664,450,918
Grants Received in Materials & Equipments	11,208,048,717	19,487,743,093
Direct Payments	3,786,415,343	8,032,543,952
	24,803,439,298	33,402,403,963

	Actual	
	2023	2022
	Rs.	Rs.
<u>NOTE - 13 - DOMESTIC NON BANK BORROWINGS</u>		
Net Borrowings through Treasury Bills - 8085	(33,929,805,527)	1,855,672,243,371
Treasury Bonds - 9093	7,614,523,684,231	2,373,044,861,000
Net Borrowings through Foreign Currency Banking Unit (Non Project) - 9107	(39,656,705,255)	(77,701,206,502)
Sri Lanka Development Bonds - 9105	344,448,394	67,441,067,797
Foreign Currency Banking Unit (Project) 9196	-	71,921,234
	7,541,281,621,843	4,218,528,886,900
Net Borrowings through Treasury Bills - 8085		
Borrowings through Treasury Bills	15,667,082,540,000	9,942,825,710,000
Less: Total Repayments	15,701,012,345,527	8,087,153,466,629
Net of Borrowings/Repayment	(33,929,805,527)	1,855,672,243,371
Net Borrowings through Foreign Currency Banking Unit (Non Project) - 9107		
Borrowings through Foreign Currency Banking Unit	5,091,391,343	339,369,736
Less: Total Repayments	44,748,096,598	78,040,576,238
Net of Borrowings/Repayment	(39,656,705,255)	(77,701,206,502)
<u>NOTE - 14 - DOMESTIC DEBT REPAYMENTS</u>		
Treasury Bonds - 9093	4,285,299,016,320	618,838,035,500
Sri Lanka Development Bonds - 9105	351,048,954,065	447,510,020,205
Rupee Loan - 8249	24,088,000,000	-
Foreign Currency Banking Unit (Project) - 9196	2,829,255,397	2,963,046,701
Ministry of Defence -Suhurupaya Loan - 9198	568,919,602	568,919,602
Retirement Gratuity Loan Account - 9207	4,070,416,569	4,070,416,569
Treasury Bonds ALMA - 9202	7,000,000,000	-
	4,674,904,561,953	1,073,950,438,577
Note: (1) Net Borrowings through Treasury Bills and Foreign Currency Banking Units reflect the difference between borrowings through Treasury Bills and Foreign Currency Banking Units their settlements on maturity taken place during the year.		
<u>NOTE - 15- DOMESTIC GRANTS</u>		
<u>Domestic Grants Received in the Form of Cash for Projects</u>		
<u>DONOR</u>		
Donation for Disaster Recilint Housing Project	289,747,505	-
Donation to 1990 Suwasariya Foundation	407,900,000	-
Donation for Swabhimani National Festival	530,000	-
Donation for Batticaloa Vocational Training Centre Second Anniversary	50,000	-
Donation for International Sign language Day & White cane Grants	150,500	-
Total (a)	698,378,005	-
<u>Domestic Grants Received in Materials & Equipments</u>		
Amount of Material for Eight Storied Building of Borella Ayurveda Teaching Hospital (Donation for D/O Ayurveda)	-	2,645,500
Total (b)	-	2,645,500
Grand Total = (a)+(b)	698,378,005	2,645,500

	Actual	
	2023 Rs	2022 Rs
NOTE - 16- RECOVERIES FROM ON-LENDING		
National Development Bank	1,054,886,927	1,040,464,389
Sri Lanka Ports Authority	6,970,833,269	6,674,775,802
Development Finance Corporation of Ceylon	2,856,666,834	4,939,464,256
Hatton National Bank	1,289,738,551	972,350,794
Colombo Municipal Council	201,632,574	154,793,476
Sampath Bank	1,223,134,699	1,038,290,122
Commercial Bank	1,302,295,369	2,133,750,957
Seylan Bank	992,160,513	666,033,376
Regional Development Bank	1,344,233,418	1,066,460,904
Nations Trust Bank	943,615,492	820,963,026
Ceylon Petroleum Corporation	228,770,919,566	-
Local Loan Development Fund	236,814,717	277,866,430
Bank of Ceylon	1,091,356,247	751,118,027
People's Bank	997,532,820	805,264,456
Revolving Funds of Central Bank with Regional Development Banks	5,208,298,669	753,213,301
Airport & Aviation Service (Ltd)	1,475,191,088	1,255,352,631
Sarvodaya Economic & Enterprises Dev. Service	51,000,000	28,000,000
Litro Gas Lanka Limited	-	25,846,233,846
Ministry of Agriculture	20,161,077,487	10,986,225,637
Other Institutions	24,239,847	37,537,845
Sub Total (a)	276,195,628,088	60,248,159,276
Treasury Funded Lending		
AHF Loan Scheme	2,588,833	10,875,658
Other Loans	76,743,174	223,707,971
Sub Total (b)	79,332,006	234,583,629
Grand Total (a+b)	276,274,960,094	60,482,742,905

**Reconciliation for Revenue Deficit and Budget Deficit
for the Year Ended 31st December 2023**

Revenue Deficit As Per the Performance Statement			(2,172,190,285,821)
Less:			
Sale of Capital Assets		515,895,718	
Grants		25,501,817,303	
Acquisition of Capital Assets			
2101	Vehicles	15,087,983,972	
2102	Furniture and Office Equipment	5,178,566,439	
2103	Plant, Machinery and Equipment	15,544,365,480	
2104	Buildings and Structures	32,934,621,893	
2105	Lands and Land Improvements	22,061,904,792	
2106	Software Development	4,312,566,199	
2108	Capital Payment for Leased Vehicles	609,482,109	95,729,490,885
Acquisition of Financial Assets			
2301	Equity Contribution	270,520,862,759	
2302	On-Lending	19,143,592,671	289,664,455,430
			(411,411,659,335)
Budget Deficit			(2,583,601,945,156)

Current Year Actual vs Budget

	Rs. '000				
	Original Budget	Revised Budget	Actual	Variance	%
Revenue					
Tax Revenue	3,130,000,000	2,596,000,000	2,720,563,053	(124,563,053,336)	-5
Income Tax	912,000,000	863,500,000	911,355,310	(47,855,309,961)	-6
Taxes on Domestic Goods & Services	1,760,347,000	1,372,572,000	1,416,757,750	(44,185,750,191)	-3
Taxes on International Trade	457,653,000	359,928,000	392,449,993	(32,521,993,183)	-9
Non Tax Revenue & Others	303,000,000	272,000,000	357,966,075	(85,966,074,652)	-32
Foreign Grants	6,900,000	11,400,000	24,803,439	(13,403,439,298)	-118
Domestic Grants	100,000	600,000	698,378	(98,378,005)	-16
Recoveries from On-lending	16,000,000	45,300,000	276,274,960	(230,974,960,094)	-510
Sale of Capital Assets	500,000	400,000	515,896	(115,895,718)	-29
Total Revenue	3,456,500,000	2,925,700,000	3,380,821,801	(455,121,801)	-0.0156
Expenditure					
Salaries, Wages and Other Employment Benefits	701,941,171	686,839,716	664,614,848	22,224,867	3
Other Goods & Services	373,403,039	457,667,017	403,525,242	54,141,775	12
Subsidies, Grants and Transfers	1,245,210,399	1,295,649,045	1,205,467,615	90,181,430	7
Interest Payments	2,189,000,000	2,754,000,000	2,455,599,544	298,400,456	11
Other Recurrent Expenditure	124,708,753	6,661,252	178,899	6,482,354	97
Total Recurrent Expenditure	4,634,263,362	5,200,817,030	4,729,386,148	471,430,882	9
Public Investments	1,219,795,638	1,449,741,970	932,744,925	516,997,045	36
Foreign Debt Repayments	439,970,000	2,939,970,000	337,296,566	2,602,673,434	89
Domestic Debt Repayments	1,585,470,000	8,085,470,000	4,674,904,562	3,410,565,438	42
Total Expenditure	7,879,499,000	17,675,999,000	10,674,332,201	7,001,666,799	40

Statement of Receipts & Payments to the Consolidated Fund for the Year 2023

	2023	2022
	Rs.	Rs.
Cash Flow from Operating Activities		
Tax Receipts	2,716,668,427,765	1,748,216,603,529
Fees, Fines, Penalties and Licenses	94,272,300,123	68,832,640,488
Profits	60,496,772,520	22,004,727,426
Other Receipts	165,642,244,381	146,321,290,402
Total Cash Flow from Operating Activities (a)	3,037,079,744,790	1,985,375,261,846
Less - Cash Disbursed for:		
Personal Emoluments & Operating Payments	1,068,140,090,041	952,779,374,151
Subsidies & Transfer Payments	1,205,467,614,745	1,021,054,450,565
Finance Costs	2,455,778,443,191	1,565,403,063,825
Total Cash Disbursed for Operating Activities (b)	4,729,386,147,977	3,539,236,888,541
Net Cash Flow from Operating Activities (c)=(a)-(b)	(1,692,306,403,187)	(1,553,861,626,695)
Cash Flow from Investing Activities		
Interest	26,245,034,955	7,325,545,826
Dividends	15,204,348,243	6,087,754,385
Divestiture Proceeds & Sale of Physical Assets	515,895,718	584,212,972
Recoveries from On Lending	276,274,960,094	60,482,742,905
Total Cash Flow from Investing Activities (d)	318,240,239,010	74,480,256,088
Less - Cash Disbursed for:		
Purchase or Construction of Physical Assets & Acquisition of Other Investment	932,744,925,167	1,014,292,931,441
Total Cash Disbursed for Investing Activities (e)	932,744,925,167	1,014,292,931,441
Net Cash Flow from Investing Activities (f)=(d) - (e)	(614,504,686,157)	(939,812,675,353)
Net Cash Flow from Operating and Investing Activities (g)=(c) + (f)	(2,306,811,089,344)	(2,493,674,302,048)
Cash Flow from Financing Activities		
Local Borrowings	7,541,281,621,843	4,218,528,886,900
Foreign Borrowings	831,951,611,110	783,326,415,649
Grants Received	25,501,817,303	33,405,049,463
Total Cash Flow from Financing Activities (h)	8,398,735,050,256	5,035,260,352,012
Less - Cash Disbursed for:		
Repayment of Local Borrowings	4,674,904,561,952	1,073,950,438,577
Repayment of Foreign Borrowings	337,296,566,144	358,504,739,872
Conversion of Domestic Term Loan to Treasury Bills	-	45,000,000,000
Total Cash Disbursed for Financing Activities (i)	5,012,201,128,097	1,477,455,178,449
Net Cash Flow from Financing Activities (j)=(h) - (i)	3,386,533,922,160	3,557,805,173,563
Net Cash Flow from Operating, Investing and Financing Activities	1,079,722,832,816	1,064,130,871,515
Opening Consolidated Fund Balance as at 01st January	73,639,939,070	(990,490,932,444)
Closing Consolidated Fund Balance as at 31st December	1,153,362,771,885	73,639,939,070

Reconciliation of the Cash Flow Statements & Statement of Receipts & Payments to the Consolidated Fund for the Year 2023

Closing Cash Balance as at 31st December	626,298,415,515	
Net Change in Deposits and Other Liabilities ¹	424,518,665,086	1,050,817,080,602
Opening Cash Balance as at 01st January		28,905,752,213
Net Cash Flow from Operating, Investing and Financing Activities		1,079,722,832,815
Opening Consolidated Fund Balance as at 01 st January		73,639,939,070
Closing Consolidated fund Balance as at 31st December		1,153,362,771,885
 Net Change in Deposits and Other Liabilities ¹		
Add:		
Advances to Government Departments	408,326,052	
Advances to Public Officers	442,335,236	
Deposits	6,738,650,653	
Sundry Accounts	33,654,727,465	
Stamps Stock Account	212,713,938	
Foreign Loan Revolving Funds	15,100,463,063	
Advance from the Central Bank	235,638,700,400	
Accounts Operating with Government Departments	132,760,978,218	424,956,895,025
Less:		
Miscellaneous Funds		438,229,939
		424,518,665,086



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தேசிய கணக்காய்வு அலுவலகம்

NATIONAL AUDIT OFFICE



මගේ අංකය } TPD/A/DSA/IA/FA/2023/01
எனது இல. }
My No. }

ඔබේ අංකය }
உமது இல. }
Your No. }

දිනය } 31 May 2024
திகதி }
Date }

Secretary

Ministry of Finance, Economic Stabilization and National Policies

Report of the Auditor General on the Financial Statements of the Government for the year ended 31 December 2023 in terms of Sections 11 (1) and 15 (1) of the National Audit Act, No. 19 of 2018

1. Financial Statements

1.1 Qualified Opinion

The audit of financial statements of the Government for the year ended 31 December 2023 comprising the statement of financial position as at 31 December 2023 and the statement of financial performance, statement of changes in net assets/equity and cash flow statement of the Government for the year then ended and notes to the financial statements including a summary of significant accounting policies was carried out under my direction in pursuance of provisions in Article 154(3) of the Constitution of the Democratic Socialist Republic of Sri Lanka read in conjunction with provisions in Section 15 of the National Audit Act, No. 19 of 2018. The annual detailed management audit report relating to the financial statements of the Government will be issued to the Chief Accounting Officer in due course in terms of Section 11(2) of the Audit Act, No 19 of 2018. My report to Parliament in pursuance of provisions in Article 154(6) of the Constitution of the Democratic Socialist Republic of Sri Lanka read in conjunction with Section 10 of the National Audit Act, No. 19 of 2018, will be tabled in due course.

In my opinion, except for the effects of the matters described in the Basis for Qualified Audit Opinion Paragraph in this report, the accompanying financial statements of the Government give a true and fair view of the financial position of the Government as at 31 December 2023 and its financial performance and cash flows for the year then ended in accordance with Generally Accepted Accounting Principles.



1.2 Basis for Qualified Opinion

The following observations are made.

- (a) Even though the opening balance of the general fund indicated in the statement of changes in equity/net assets prepared based on accounting principles should include the surplus or deficit of the year under review and other retrospective adjustments, the statement of changes in equity/net assets had been prepared by including variations of the net asset adjustment account during the year under review and by eliminating the balances that should be offset with the consolidated fund, out of that. Due to this, total net foreign exchange gain of Rs.1,572,718 million generated in the conversion of foreign loan balances, local loan balances in foreign currency and balances of on lending to local currency to be adjusted to the statement of financial performance, had been included in the statement of changes in equity/net assets. It was observed that if that exchange variation net profit was adjusted to the statement of financial performance the deficit of revenue of the year under review could have been reduced by Rs.1,572,718 million.

Furthermore, adjustments made to financial and non financial assets and adjustments made to loan balances and rectification made had been adjusted indirectly to the statement of changes in equity/net assets during the year under review as the statement of changes in equity/net assets had been prepared in this way, it was observed that the users of the financial statements could not obtain a clear understanding in this regard.

- (b) The balance of the Consolidated Fund of the statement of financial position in the year 2022 had been included under statutory and other funds, and the General Fund had been indicated under statutory and other funds in the statement of financial position of the year under review, which had been prepared only on the financial reporting requirement. Accordingly, a reconciliation statement had not been prepared and presented for the ease of using the financial statements in a way that the balance of the consolidated

fund is indicated based on the balance of the General Fund existed as at 31 December 2023.

- (c) Although the manner of financing the fiscal deficit had not been indicated in the statement of financial performance for the year under review, which had been prepared for the financial reporting requirement, it had been indicated under the notes to readers in the financial statements of the Government that the manner of financing the fiscal deficit for the year under review had been depicted in the statement of financial performance.
- (d) Although the deficit of Rs.2,172,190,285,821, generated from the statement of financial performance and the deficit of Rs.1,650,857,019,989, generated after deducting the recurrent expenditure from the total income of the statement of budget performance and financing the deficit were different to each other, both the deficits were presented under the same name as revenue deficit.
- (e) Assets and liabilities included in the statement of financial position were not classified as current and non-current. Due to this, users of financial statements and interested parties could not get a clear understanding of the amount of external liabilities to be paid by the Government in the ensuing year.
- (f) Even though the value of Rs. 515,895,718, obtained from the sale of non-financial assets during the year under review should be adjusted with the cost of them and the profit or loss that had arisen there should be adjusted to the statement of financial performance, the total value indicated above had been identified as other revenue in contrary to the accounting principles.
- (g) Provision for depreciation had not been made according to the prudent accounting concept for non-financial assets totaling to Rs. 882,576 million, excluding lands and work in progress in the financial statements of the Government, by systematically allocating the depreciable value of those assets over its useful life. Even though the residual value and useful life of these assets should be reviewed at least at the end of each financial year, this had not been done. Accordingly, the users of the financial statements of the Government had lost the opportunity to get a precise understanding of the

carrying amount after deducting the accumulated depreciation and accumulated impairment losses of these assets, if there are any.

- (h) Although the total value of non-financial assets in the financial statements of the Government as at 31 December 2022 had been Rs.2,093,287,997,716, this balance as at 01 January 2023 related to the year under review had been Rs.2,017,866,940,344. Accordingly, a difference of Rs.75,421,057,372 was observed between the closing balances of non-financial assets in the previous year and the opening balances of them in the year under review.
- (i) Even though a value of Rs.385,393,946,314 had been indicated under the purchase or construction of physical assets and acquisition of other investments in the cash flow statement of the financial statements of the Government, the relevant assets had been increased only by Rs.377,486,249,808 according to the financial statements. Accordingly, a difference of 7,907,696,506 was observed.
- (j) Even though the value of the capital installment payment for leased vehicles in the year under review amounting to Rs.609,482,108 should have been indicated as a cash flow under financing activities in the cash flow statement, it had been indicated as a cash flow under investing activities.
- (k) Even though Rs. 25,501,817,303 had been included as grants in the cash flow generated from financial activities in the cash flow statement contained in the financial statements of the Government, receipts as materials and equipment worth Rs. 11,208,048,717, where there is no cash flow, had been included in that value.
- (l) Even though the foreign currency exchange gain or loss that arises in the conversion of monetary assets in foreign currency in to local currency should be adjusted to the statement of financial performance as per the accounting principles, presenting the cumulative value of Rs.57,388,881,470 that has arisen in that way continuously as a fund account in the statement of financial position without adjusting it to the statement of financial performance in respective years and accounting it to the foreign debt revolving fund was not

complied with the accounting principles and it was observed that it had not been a fund constituted statutorily or non-statutorily.

- (m) The value of Rs. 1,028,542,891 that had not been accounted within the year 2022 and transferred to the Government, out of the profit of the Central Bank of Sri Lanka, had been accounted in the year under review without conforming to the periodical concept.
- (n) Even though a sum of Rs.1,167,945,184 computed based on unutilized loan balances of the loan agreements in relation to 39 foreign loan agreements had been paid during the year under review as commitment fee and though that value should be indicated under the financial cost in the statement of financial performance, that had been indicated under other goods and services.
- (o) Although the balance of advances of the Public officers in the Central Government (8493) had been Rs. 30,720 million according to the financial statements of the Government as at 31 December 2023, the balance had been Rs.30,516 million as per the age analysis submitted to the audit. Accordingly, a difference of Rs. 204 million was observed.
- (p) Although capital contributions under investment activities in the cash flow statement of the financial statements of the Government had been indicated as Rs.270,520,862,758, it was Rs.269,386,448,439 according to note No. 15 of the financial statement, and a discrepancy of Rs.1,134,414,319 was observed.
- (q) Under the domestic debt restructuring during the year under review, Sri Lanka Development Bonds worth of US\$ 788,237,384 and the loan amount of USD 85,943,611 obtained from the People's Bank issued under the domestic Law of the Government in relation to Foreign Currency Banking Unit and Treasury Bonds, which had been Rs. 3,204,461,897,219 had been converted to new treasury bonds. Treasury bills worth Rs.2,368,416,351,609 purchased by the Central Bank of Sri Lanka and the advance amount of Rs.344,728,000,400 that had granted to the Government by the Central Bank of Sri Lanka had been converted to new treasury bonds worth Rs.2,492,347,352,009 and to new

treasury bills worth Rs.220,797,000,000. It was observed that although no cash inflows or outflows occurred in these conversions, the cash flow statement had been prepared considering those conversions as cash inflows and cash outflows.

- (r) The advance amounting to Rs.344,728,000,400 payable to the Central Bank of Sri Lanka during the year under review had been converted to treasury bills or treasury bonds. The amount of advance payable to the Central Bank of Sri Lanka as at 31 December 2022 had been Rs.235,638,700,400 and therefore, the amount of advance received during the year under review amounting to Rs.109,089,300,000 had not been indicated in the cash flow statement.
- (s) Although two reconciliation statements have been submitted with the financial statements for the year under review, namely the reconciliation statement for revenue deficit and budget deficit and cash flow statement and the reconciliation statement for receipts and payments to the consolidated fund, a note had not been submitted with the relevant reconciliation statements to clarify to the users the purpose of preparing the reconciliation statements.
- (t) When comparing the CSDRMS 854-1 report of the computer system used to record foreign public debt and the financial statements of the Government, the total value of such foreign debt not accounted in this way as at 31 December 2023 was Rs.15,823 million. Further, the total value of unaccounted foreign loans as at 31 December 2023 had been stated as Rs. 17,103.2 million in Note No. 24 (II) under the Explanatory Notes of the financial statements of the Government. Since there were loan values that were disbursed, but not accounted in the year under review and the previous years, the value of the statement of financial position as at 31 December 2023 had been understated by Rs. 15,823 million.
- (u) It has been stated that all the expenses have been accounted within the period in which the payments have been made as per the accounting policy relating to the recognition of the expenses under the significant accounting policies of the financial statements of the government. However, any expense has been incurred using foreign borrowings not accounted for, it was further observed

that such expenses can exist without being included in the financial statements of the year under review.

- (v) Rs.10,645.2 million of disbursements related to the 19 types of loans that were disbursed in the year 2022 or previously and maintained outside the statement of financial position had been accounted in the year under review, and no disclosure had been made regarding that in the financial statements of the government. Accordingly, it was further observed that non-accounting of some foreign loans in the respective year continuously happen even if they are disbursed within the relevant year contrary to the periodic concept.
- (w) As an erroneous exchange rate was used in relation to Loan No. 2016035, the said loan value was understated by Rs. 962 million as of 31 December 2023 .
- (x) Even if there is no any disbursement in the CSDRMS 854-1 report for the year 2023 related to the Loan No. 2018003, it had been stated that a sum of EUR 727,053 has been disbursed as per the Note No. 24(II) to the Financial Statements of the Government and Note No. 11 under the Budget Performance and Deficit Financing. According to the information presented by the Department of Treasury Operations, the loan value disbursed within or before the year 2022 and accounted in the year 2023 was only EUR 335,930. Accordingly, there was a difference of EUR 391,123 between the disbursements in the year 2023 related to this loan amount.
- (y) A sum of USD 19,273,240 had been disbursed during the year under review according to the CSDRMS 854-1 report related to Loan No. 2019020, According to the information presented by the Department of Treasury Operations, the loan value disbursed within the previous years and accounted in the year 2023 was USD 829,937. Accordingly, even if the value of the total borrowings accounted in respect of this loan agreement during the year under review was USD 20,103,177, it had been stated as USD 34,140,577 in the Financial Statements of the Government.

- (z) USD 131,000,000 had been disbursed in the year under review according to the CSDRMS 854-1 report related to Loan No. 2022011, and According to the information presented by the Department of Treasury Operations, the loan value disbursed within the previous years and accounted in the year 2023 was USD 434,861. Accordingly, even if the value of the total borrowings accounted in respect of this loan agreement during the year under review was USD 131,434,861, it had been stated as USD 133,765,136 in the Financial Statements of the Government.
- (aa) A difference of Rs. 30,401 million was observed between the balances as at 31 December 2022 and 01 January 2023 in the CSDRMS 854-1 report in relation to 23 loan agreements. Accordingly, it was also observed that the correct value of actual loan disbursements during the year under review was not depicted from the Note No. 24(II) to the Financial Statements of the Government and Note No. 11 under the Budget Performance and Deficit Financing for the year ended 31 December 2023.
- (ab) In accounting the loan balances amounting to Rs.518,293 million relating to 08 types of loans maintained completely outside the statement of financial position of the financial statements of the Government in the year 2022, the investments or a capital grant made by the government corresponding to those loans had not been identified in the financial statements of the government. Further, as per the Cabinet Memorandum No. MF/PE/001/CM/2023/05 dated 20 January 2023, it was informed to refer to the Airport and Aviation Services (Private) Limited to remit an amount equal to the debt service amount to the general treasury in accordance with the said loan repayment schedule related to transfer the loan obtained for Mattala Airport Project included in the above loans to the financial statements of the government. Also, even if the Airport and Aviation Services (Private) Limited should sign a new Memorandum of Understanding (MOU) with the general treasury, such an agreement was not presented to the audit, and the said loan amount; Rs. 29,852 million, had not been accounted as an on lending.

- (ac) Negative loan disbursements totaling Rs. 821,115,454 related to 04 loan agreements were observed in the Financial Statements of the Government in the year under review and CSDRMS 854 -1 report.
- (ad) Although a negative disbursement of EUR 77,385 in respect of the Loan No. 2017034 had been included as per the Note No. 24(II) to the Financial Statements of the Government and Note No. 11 under the Budget Performance and Deficit Financing, no such negative disbursement was found in the CSDRMS 854-1 report.
- (ae) The negative disbursements at a value of Rs. 5,081 million were observed only in Note No. 11 under the Budgetary Performance and Deficit Financing in the Financial Statements of the Government.
- (af) In perusal of CS-DRMS 854-1 report relating to Foreign Currency Banking Unit Loan (Project) Balances presented from the Note No. 24(1) to the Financial Statements of the Government, a difference of USD 227,823 or Rs. 82,724,927 as at 31 December 2022 and 01 January 2023 was observed in the CS-DRMS 854-1 report related to the Loan Agreement No. 2017045. Further, although a difference of USD 227,823 was observed between loan repayments, no difference was observed in its local currency value. Moreover, it was observed that an unusual foreign exchange rate of Rs.524.6050 per USD 1 has been used to convert the repaid amount of USD 332,704 into local currency as per the financial statements of the government.
- (ag) Even though information related to domestic loan repayments had been disclosed by the Note No.14 to the Statement of Budget Performance and Deficit Financing, no such note had been presented in relation to the foreign loan repayment value of Rs. 337,296 million made in the year 2023.
- (ah) When loan balance confirmations sent by the lenders are compared with the financial statements of the government and 854-1 report of the computerized debt management system, it was observed that the loan balances related to 13 types of loan had been overstated by Rs. 4,775 million and the loan balances

related to 14 types of loan had been understated by Rs. 5,126 million in the financial statements of the government.

- (ai) When checking the loan balance confirmation received from the lending institutions, a sum of USD 50,793 as Fee Overdue Amount and a sum of Euro 92,032 as Liquidity Fee had been indicated in some loan balance confirmation letters. Also, the details about giving Collaterals had been provided with the loan balance confirmations presented by the Raiffeisen bank. No accounting or disclosure had been made regarding this matter in the financial statements of the year under review.
- (aj) Although it is stated in the loan balance confirmations presented by the lending institution; that is International Development Association that the amount of XDR 89,037; that should have been paid related to the Loan No. 2021015, has been waived by the said institution, whether the adjustments related thereto were made in the financial statements of the year under review was not confirmed to the audit.
- (ak) According to the loan balance confirmation letters presented by the Embassy of United States of America regarding 18 types of loans of which the payments have been suspended and informing that the installment arrears result in additional late payment interests, the value of the loan balances as at 31 December 2023 was USD 58,784,368 and the value of the suspended loan installments was USD 25,439,860. However, it had not been accounted or disclosed in the financial statements of the year under review.
- (al) Considering the disbursement period, even though the some foreign loans disbursements related to the year 2023 were included in the 814-1 report of the computerized loan management system printed on 07 May 2023, those disbursements had not been included in the report printed on 17 February 2024. Accordingly, it was observed that a foreign loan balance of Rs.1,290 million had been left out without being accounted as disbursed loan in the financial statements of the government.

- (am) The government had provided Rs.1,124,665,353,761 as capital contribution for 13 public enterprises by 31 December 2023, and the said value as at 31 December 2022 was Rs.1,047,966,900,772. According to the financial statements of those institutions, the value of their net assets (total assets - total external liabilities) as at 31 December 2022 was a negative amount totaling Rs. 630,632,144,273. Accordingly, even if these capital contributions are shown under the financial assets in the financial statements of the government, it was observed that its value has been fully impaired and the related institutions have reached a state of being maintained under external liabilities. Further, it was further observed that the main reason for this situation is the negative value of the retained profit due to the losses of the respective institutions.
- (an) The value of net assets of 05 public enterprises having a capital contribution value of Rs.1,019,627,985,708 as at 31 December 2023 and Rs.892,034,785,542 as at 31 December 2022 was only Rs.371,771,137,033 as at 31 December 2022. Accordingly, it was observed that the value of the capital contribution invested in these public enterprises is being subjected to impairment.
- (ao) According to the financial statements of the government as at 31 December 2022, the value of capital contribution to public enterprises was Rs.2,165,981,657,905, and Rs.2,121,653,720,125 out of the said amount had been invested in government corporations, statutory boards and state-owned companies. The total value of the net assets of these business entities owned by the government had been Rs. 1,669,676,388,290. Accordingly, it was observed that the capital contribution of the government related to the above three categories has impaired by 21 percent or Rs. 451,977,331,835 compared to the net assets of those institutions.
- (ap) Even if a net profit of Rs.117,718,706,426 had been earned in relation to 32 statutory boards invested by the government in the year 2022, it was observed that a net loss of Rs.820,798,893,548 has been experienced in relation to these 98 institutions as the 36 state corporations and 30 state-owned companies

experienced the net losses of Rs.804,795,113,607 and Rs.133,722,486,417 respectively. According to the report of the Central Bank of Sri Lanka, the mid-year population in the year 2022 was 22,181,000 and accordingly, it was further observed that the per capita net loss for the year 2022 for 98 government-owned business entities is about Rs.37,000.

- (aq) According to the direct balance confirmations submitted by 8 public enterprises, the government's capital contribution of those entities as at 31 December 2023 was Rs. 10,803 million, and according to the financial statements of the government, the said balance was Rs. 4,323 million. Consequently, the capital contribution in the financial statements of the government as at 31 December 2023 had been understated by Rs. 6,479 million.
- (ar) Even though it had been noted down that the General Treasury had owned 52,472,573 shares of Rs.10 each as per the direct balance confirmations received from Sri Lanka Institute of Biotechnology (Pvt) Ltd, it had been indicated that the capital contribution of 200,000 shares of Rs.100 each had prevailed in the financial statements of the Government. Accordingly, a difference of Rs. 504,725,732 had been observed in the capital contribution in relation to such institute as at 31 December 2023.
- (as) When comparing the financial statements of 04 public enterprises with the financial statements of the Government, the capital contribution was Rs.113,071 million as at 31 December 2023 as per the financial statements of such institutions and since said balance was Rs.123,878 million in accordance with the financial statements of the Government, a difference of Rs.10,806 million had been observed in the capital contribution as at 31 December 2023.
- (at) Even though the share value was Rs.5,141 million as at 31 December 2023 in the calculation of number of shares owned in 02 public enterprises as per its nominal value, said value had been indicated as Rs.14,476 million in the financial statements of the Government. Accordingly, a difference of Rs.9,

336 million had been observed in the financial statements of the Government as at 31 December 2023.

- (au) Even though it had been indicated that the all transactions related to the foreign aids should be performed by the Department of External Resources of the General Treasury in terms of State Accounts Circular No.30/94 dated 20 April 1994, the foreign grants aggregate worth of Rs.22,210 million had been directly received for 11 institutions without being aware of the General Treasury in 2023 as per the information obtained on a sample test and no action had been taken to include such values in the financial statements having gained the provisions.
- (av) Even though it had been entered into agreement on 31 December 2023 , the payment of capital amount of Rs. 1,439,066 million and interest of Rs. 673,964 million included in the loan installment in relation to 401 loan agreements from 13 April 2022 to the end of the year under review had been suspended in accordance with the policy decision for interim suspension of payment of foreign loans issued by the Ministry of Finance, Economic Stabilization and National Policies on 12 April 2022 and no disclosure had been made in the financial statements of the Government.
- (aw) The foreign loan of XDR 148,500,000 that is Rs.63,725 million under loan No.2023015 entered into agreement and not disbursed in the year under review had not been disclosed in the financial statements of the Government.
- (ax) Eventhough the General Fund of Rs.15,030,789,064,018 by adding minus value of Rs.990,490,932,444 in the Consolidated Fund and minus value of Rs.14,040,298,131,574 in net assets adjustment account as at 31 December 2021 had been noted down in the Statement of Changes in Net Assets/Equity, no disclosure had been made in the financial statement on such accounting.
- (ay) It had been mentioned that a value of Rs. 6,053,920,627 had to be paid to the General Treasury with regard to 06 public enterprises when analyzing the financial statements of the public enterprises, it had not been disclosed in the

financial statements of the Government that these balances should be received from relevant institutions.

- (az) The Government equity contribution had not been classified as the investment made in the listed companies and the investment made in the unlisted companies in Colombo Stock Exchange. Furthermore, even though the equity value of the listed companies in Colombo Stock Exchange had been accounted based on its nominal value, its market value had not been disclosed in the financial statements as at 31 December 2023.

1.3 Emphasizing Matters

Under the change in presentation formats of Financial Statements with in the significant accounting policies of the financial statements it had been stated that the formats for presenting the the Financial Statements of the Government have been changed to improve fair presentation and new reporting formats have been developed to meet financial reporting requirements, constitutional requirements and for reporting budget performance, and reconciliation statements have been prepared and provided as and when necessary. However, it had been stated in the significant accounting policies of the financial statements that the comparative figures had been restated as and when applicable although it had not been stated above those values that restatement had been done in the presentation of comparative information of the previous year pertaining to the financial statements of the year under review.

My opinion is not qualified in respect of this matter.

1.4 Responsibility of the Chief Accounting Officer on the Financial Statements

The Accounting Officer is responsible for the preparation of financial statements that give a true and fair view in accordance with Generally Accepted Accounting Principles and provisions in terms of Section 38 of the National Audit Act, No.19 of 2018 and for determination of the internal control that is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error. As per Section 16 (1) of the National Audit Act, No. 19 of 2018,

the Ministry of Finance, Economic Stabilization and National Policies is required to maintain proper books and records of all its income, expenditure, assets and liabilities, to enable annual and periodic financial statements to be prepared.

In terms of Sub-section 38 (1) (c) of the National Audit Act, the Chief Accounting Officer shall ensure that an effective internal control system for the financial control exists and carry out periodic reviews to monitor the effectiveness of such system and accordingly make any alterations as required for such systems to be effectively carried out.

1.5 Auditor's Responsibility for the Audit of the Financial Statements

My objective is to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes my opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with Sri Lanka Auditing Standards will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As part of an audit in accordance with Sri Lanka Auditing Standards, I exercise professional judgment and maintain professional skepticism throughout the audit. I also state the following matters;

- Appropriate audit procedures were designed and performed to identify and assess the risk of material misstatement in financial statements whether due to fraud or errors in providing a basis for the expressed my opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- An understanding of internal control relevant to the audit was obtained in order to design procedures that are appropriate in the circumstances, but not

for the purpose of expressing an opinion on the effectiveness of the internal control.

- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the management.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

I communicate with the Chief Accounting Officer regarding, among other matters significant audit findings, including any significant deficiencies in internal control that I identify during my audit.

2. Operational Review

2.1. Non-compliance with laws, rules and regulations

Non-compliance with the following rules, rules and regulations was observed.

(a) Fiscal Management (Responsibility) (Amendment) Act, No.3 of 2003

- (i) In terms of the Fiscal Management (Responsibility) (Amendment) Act, No. 12 of 2021 and the Fiscal Management (Responsibility) (Amendment) Act, No. 15 of 2013, as amended by the Fiscal Management (Responsibility)/Amendment) Act, No.3 of 2003, although the maximum liabilities that may exist at the end of a particular year should not exceed 80 percent of the estimated GDP for that year, as of December 31, 2023, that limit had been 104.06 percent. The details are as follows.

Liabilities	Value as on 31 December 2023* Rs.Billion
Bank overdraft	80
Central Bank Advances	-
public debt	29,150
Liabilities not accounted for in the financial statements:	
Unaccounted foreign debt	15
Total credits	29,245
Estimated Gross Domestic Product (GDP)	28,103
Total debt as a percentage of estimated GDP (%)	104.06

* According to the statement of liabilities and commitments of ministries, departments and special expenditure units, submitted to the audit, liabilities worth of Rs. 117 billion and the value of the letters of guarantee and comfort letters given to the Banks for the loans taken by the state owned enterprises on the guarantees of the Treasury is Rs. 2,034 billion had not been included in the above credits.

(ii) Section 3 (a) of the Fiscal Management (Responsibility) (Amendment) Act, No. 3 of 2003 states that “Reducing government debt to prudent levels by ensuring that the budget gap at the end of 2006 does not exceed five percent of the estimated GDP for that year and that level is maintained thereafter” is an objective based on responsible financial management to be followed by the government;. However, it is observed that the Ministry of Finance, Economic Stabilization and National Policy has failed to estimate the estimated budget gap of the year under review to not exceed five percent of the estimated GDP and to maintain the actual budget gap at the end of the year under review to not exceed five percent of the estimated GDP. Accordingly, in the year under review, those percentages were 13.46 percent in relation to the estimated budget gap and 9.19 percent in relation to the actual budget gap respectively. Details are given below.

Estimated GDP	Budget Gap		Estimated budget gap, as a percentage of estimated GDP	Actual budget gap, as a percentage of estimated GDP
	Estimated	Actual		
Rs.Billion	Rs.Billion	Rs.Billion	Per cent	per cent
28,103	3,783	2,584	13.46	9.19

(b) **Financial Regulations of the Democratic Socialist Republic of Sri Lanka**

According to F.R.373, as on December 31, 2023, the debit balance of Rs.3,782 million in 99 imprest accounts of ministries and departments remained outstanding. A balance of Rs. 50 million has been there for many years, and even on December 31, 2023, no action had been taken to settle those balances.

3. Management Activities

The following observations are made.

- (a) During the year under review, foreign grants amounting to Rs.73,426,055 had been received from 07 donors in relation to 10 projects but were not used for the relevant purpose and were sent back to the donors.
- (b) A balance of Rs.1,293,506,349 as on 31st December 2023 in 7 government approved treasury advance accounts had been continuously maintained for many years.
- (c) A total of Rs.9,027,522 balance in 14 advance accounts of public officials and a negative balance totaling Rs.408,233 in 2 other advance accounts had been continuously maintained for many years without settlement.
- (d) Pursuant to paragraph 7 of Extraordinary Gazette No. 1550/7 issued by the Ministry of Finance on 22 May 2008 in respect of every passenger ticket issued or sold outside Sri Lanka for flights originating in Sri Lanka

irrespective of the manner of sale and or issue of such tickets, USD 60 or an equivalent amount shall be levied and as per paragraph 8 of the said Gazette, the surcharge so collected shall be credited to the Consolidated Fund as may be prescribed by the Director General of Civil Aviation. Accordingly, from August 1, 2008 to December 31, 2023, the Civil Aviation Authority had collected Rs. 22,113 million as surcharge, but that money had not been credited to the Consolidated Fund. And in this regard, on 12 June, 2017, the Department of Legal Affairs stated that in the opinion of the Attorney General's Department, "This surcharge is capable of being collected further, and there is a legal obligation to credit the said surcharge to the Consolidated Fund" and issued by the Attorney General's Department dated April 07, 2017. Along with the letter, the Director General of the Public Enterprises Department had been informed. However, even as on the date of audit, the Public Enterprises Department had not taken steps to recover this surcharge from the Civil Aviation Authority.

- (e) According to the government's financial statements, there was an outstanding on lending balance of Rs.190,789,890,831 as on December 31, 2023. Due to the non-payment of the related institution as per the on lending agreement, there was an outstanding on lending balance of Rs.1, 316,324,489 for more than 05 years in relation to 03 institutions
- (f) As on December 31, 2023, the amount of interest to be received for the on lending was Rs.9,439,025,443, and the total amount of interest to be received for more than 05 years in relation to 03 institutions had been Rs.912,059,388.
- (g) As of January 01, 2023, the sum of on lending balances under 29 on lending agreements related to 14 institutions amounting to Rs.34,492,805,854 had not been able to recover any arrears during the year under review.
- (h) During the year under review, the domestic debt was restructured under the Domestic Debt Restructuring Program as follows.
 - (i) Treasury bills of Rs.2,368,416,351,609 purchased by the Central Bank of Sri Lanka and advances of Rs.344,728,000,400 given by the Central

Bank of Sri Lanka had been converted in to new treasury bills worth Rs.220,797,000,000 and new Treasury Bonds worth Rs.2,492,347,352,009.

- (ii) The total value of the treasury bonds which was Rs.3,204,461,897,219 had been converted into new treasury bonds on September 14, 2023.
 - (iii) Sri Lanka Development Bonds worth USD 788,237,384 were converted into Treasury Bonds on August 15, 2023.
 - (iv) The loan amount of USD 85,943,611 received from People's Bank in relation to foreign currency banking units issued under the domestic law of the government had been converted into treasury bonds on November 11, 2023 and foreign currency banking unit loan restructuring agreement had been signed on November 02, 2023 regarding the loan of USD 240 million received from the Bank of Ceylon.
- (i) Support Services and Emergency Liability Expenditure as mentioned in Section 6(1) of the Appropriation Act No. 43 of 2022 regarding the damage caused to the personal property of Members of Parliament due to the crisis situation in the country during the period from March 31, 2022 to July 2022. It was observed that Rs.1,050,339,626 was paid as compensation for 41 members of parliament by utilizing the supplementary budget estimate allocations given to the Head 130, the Ministry of Public Administration, Home Affairs, Provincial Councils and Local Government in the year under review.
- (j) The following observations were made in relation to the restructuring of public enterprises.
- (i) In relation to the restructuring of public enterprises, a public enterprises restructuring unit had been established under the Ministry of Finance, Economic Stabilization and National Policy and became operational from 01 December 2022.

(ii) Establishment of a holding company as stated in Principle 02 of the State-Owned Enterprises Reform Policy and in accordance with paragraphs 4.2 and 4.3 of the Cabinet Memorandum No. MF/036/CM/2023/107 dated May 15, 2023 and Cabinet Memorandum dated May 08, 2023 Although 72 entities listed in Annexes 02 and 03 of the Cabinet Memorandum were to be transferred to the Holding Company for Restructuring (HOCO) as its subsidiaries, a Holding Company for Restructuring (HOCO) had not been established as on 31 December 2023.

Furthermore, 08 institutions mentioned in the list of Annex 01 of the above memorandum which were proposed to be transferred to the holding company (HOCO) and restructured without being transferred to the holding company at present, the bidding process for these institutions had been entered into under the support of selected transaction advisors for the divesting process under restructuring.

- (k) Integrated Treasury Management Information System (ITMIS) had been introduced for the Ministry of Finance and Planning to automate treasury operations in 2010 and the estimated cost of the total investment had been 60. USD million equivalent to Rs.7,920 million for this purpose. As on 31 December 2023 approximately 13 years had elapsed and on the basis of audited information Rs. 5,647 million had been spent, but the 13 basic main activity areas expected to implement this system had not been fully developed and implemented. However, according to the information submitted to the audit, as of 31 December, 2023 and in terms of the agreements reached regarding the ITMIS system, and It was observed that an amount of Rs. 43,887,382 as of December 31, 2023, and 989,103 USD had to be paid to the respective companies.
- (l) Further, without establishing and implementing the salary management activity area that was expected to be implemented with the initiation of ITMIS system, some other salary management system namely e-Payroll had been introduced to the Ministry of Finance and a sum of Rs. 5,704,871 had been incurred therefor as at 31 December 2023.

- (m) The total expenditure of the foreign grants No 05 (received in cash) mentioned in the financial statements of the year 2023, received in the year under review amounted to Rs.5,333 million and as per the relevant deposit ledger, the total expenditure thereof amounted to Rs.5,302 million. In this difference, foreign grants totaling Rs.31 million had been credited to the Government Revenue in the year under review without being utilized on the intended purpose.
- (n) Although foreign grants had been received to the Government of Sri Lanka even by 1 January 2023, the value of foreign grants remained idle without being utilized on the intended purpose even by 31 December 2023, amounted to Rs.107.6 million
- (o) As per the age analysis of Government Officers' Advances (8493) presented as at 31 December 2023, the total of the balances remained from 5 to 10 years of the officers left taking transfers to institutions under Provincial Councils, officers released permanently to Corporations, Boards and Provincial Councils, deceased officers, retired officers, officers dismissed from service, officers who have vacated their posts/officers whose services were terminated, officers who have taken transfers on Secondment / gone abroad/ offices on domestic leave and under the category of other, amounted to Rs.112,939,218 and the total of the balances over 10 years amounted to Rs. 277,066,082.
- (p) The current ratio related to 17 public enterprises remained in a weak position by the end of the year 2022. In particular, it was observed that the current ratio of Sri Lankan Airlines was at a very low value a like 0.15. Accordingly, it was further observed that these public enterprises have a high risk of encountering liquidity difficulties.
- (q) A situation of high gearing was observed in respect of 16 public enterprises by the end of the year 2022. In some institutions therein, the long-term debt to be paid was higher than the government's capital. Further, the public enterprises of which the government's capital contribution has got a negative value was also observed, and those institutions had been fully financed by long-term

debt. Accordingly, it was further observed that all these institutions have faced a high financial risk as well as a severe risk of going concern.

- (r) In accordance with the financial statements of the Government, the increase of the capital contribution of the public enterprises was Rs.269,386 million in the year under review and Rs.34,090 million out of that 13 percent had consisted of the money released from the General Treasury for the payment of recurrent expenditure of each institution such as payment of loan and loan interest and the payment of salaries and wages.
- (s) Even though a capital contribution of Rs.176 million had been made for 05 public enterprises in the year under review in accordance with the financial statements of the Government, no difference had occurred in the number of shares owned by the General Treasury on behalf of that.
- (t) Approval had been granted by the Cabinet decision No. CP/17/2383/733/026-1 dated 08 November 2017 for the Proposal No.s (a), (b), and (c) of the Cabinet Memorandum No. MOF/DG/LAD/CO/142/2017 dated 30 October 2017 in relation to the liquidation of Mihin Lanka (Private) Limited. Accordingly, in a situation, where the Secretary to the Treasury had passed a special resolution to liquidate the company and a liquidator had been appointed by the court on 18 March 2018 as per the request made to the Commercial High Court, a total of Rs. 713 million comprised of Rs. 272 million and Rs. 441 million for the years 2021 and 2022 respectively had been provided by the General Treasury in the year under review for that company to pay the loan installments and the interest obtained by the company from the People's Bank.
- (u) The number of shares invested in Sri Lanka Telecom had not been recorded under Notes No. 15 in the financial statements of the Government in the year under review and the value had been recorded as Rs.1,271,480,516. Although the shareholding of the Government of Sri Lanka in Sri Lanka Telecom was 50.23 percent as at 31 December 2023 according to the balance confirmation

letter received from Sri Lanka Telecom, it was stated as 49.5 percent in the financial statement of the Government.

- (v) As per the financial statements of the Government, increase of the capital contribution of the public enterprises in the year under review was Rs.269,386 million and Rs.228,771 million that is 85 percent out of that had been increased due to the equity investments carried out under the restructure of the balance sheets of Ceylon Electricity Board and Sri Lankan Airlines Limited under the cabinet decision No. CP23/1812/604/118-1 dated 26 September 2023.
- (w) Even though the agreements had been entered into from various currencies of aggregate value of Japanese Yen 984,000, Euro 134,810,000, US \$ 58,417,841, Korean Won 400,000, Chinese Yuan 2,000,000,000 and Rs.4,545,750 with 13 foreign grant institutions by the General Treasury in order to obtain the foreign grants from 01 January 2019 to 31 December 2023, no evidences had been submitted to the audit that said foreign grants had been received even up to 31 December 2023.
- (x) Eventhough it had been informed to the audit that the commitment fee on unutilized balance with regard to the above-mentioned loan agreements had not been paid since 12 April 2022 owing to the suspension of loan repayment, it had been further observed that there is a risk of payment of a higher value more than such value due to delay of payment of general commitment fee on unutilized balance in relation to this loan amount in due course.

4. Performance

4.1 Estimation of Revenue

- (a) The Gross Domestic Product of the year 2023 stood at Rs.27,630 billion and the gross domestic product of the year 2022 stood at Rs.24,063 billion. Accordingly, the gross domestic product had recorded an increase of Rs. 3,567 billion or 14.82 per cent as against previous year.

- (b) The revenue of the Government stood at Rs.3,408 billion as per the original annual budget estimate approved by the Parliament in respect of the year 2023, and it stood at Rs. 2,084 billion in the previous year. Accordingly, the revenue had been estimated with an increase of Rs.1, 324 billion or 64 per cent as against the previous year.
- (c) Although the budget deficit had been estimated based on that revenue estimate, the Revenue Accounting Officers had revised the original estimate as Rs. 2,880 billion with a reduction of Rs. 528 billion from the original estimate. Aas per that revised estimate, the Government revenue had stood at 10.4 per cent of the Gross Domestic Product. Although more attention should have been paid towards the increase in the gross domestic product when preparing the revenue estimates, it was observed that over estimation in revenue had been made without paying attention towards the above mentioned fact.
- (d) The revenue collected in the year 2023 stood at Rs. 3,079 billion as per the Statement of Budget Performance and Deficit financing contained in the Government financial statements and it marked an increase of Rs, 199 billion over the revised revenue estimate. Accordingly, there was a reduction of Rs.329 billion when compared to the annual revenue original estimate presented to Parliament. The reduction of the collected revenue over the revenue estimate presented to Parliament each year during the period from 2012 to 2023, ranged from 4.08 per cent to 26.06 per cent and the maximum percentage during that period had been recorded in the year 2021.
- (e) It is stated in terms of Financial Regulations 85(2)(b) that the Accounting Officer should only report to the Department of Fiscal Policy for the purpose of revising the revenue estimaste. However, it was observed that allowing the revision of a revenue estimate approved by the Parliament without obtaining its approval has weakened the accountability for preparinh realistic estimate.

4.2 Revenue Deficit

- (a) As per the Statement of Budget Performance and Deficit financing contained in the financial statements submitted to the audit, the revenue deficit stood at Rs.1,650 billion and it had stood at Rs.1,540 billion in the previous year. The highest deficit in revenue had been reported in the year 2023 during the period from 2006 to 2023. The revenue collected in each year during that period had been insufficient to settle the Government recurrent expenditure. The minimum revenue deficit had been reported in the year 2007 and it had stood at Rs. 43 billion and it represented 7.52 per cent of the collected revenue. The total deficit of the revenue during that time period stood at Rs.7,969 billion. Foreign and domestic debts and foreign grants had been obtained to settle that deficit. Accordingly, a sum totaling Rs.36,614 billion figuring in it Rs.28,025 of domestic loans, Rs.8,318 of foreign loans and Rs.271 billion of foreign grants, had been obtained. The deficit of the revenue had been financed by debts and grants obtained in each year from a percentage ranging from 4.44 per cent to 45.59. Without utilising the money for investment, the debts and grants thus obtained had been utilized for settling recurrent expenditures as 20.25 per cent in 2019, 45.59 per cent in 2020, 42.39 in 2021, 30.59 in 2022 and 19.65 in 2023.
- (b) Interest amount of Rs.2,455 billion had been paid in the year under review and that represented 51.91 per cent of the recurrent expenditure. Payment of interest in the previous year had stood at Rs.1,565 billion or 44.22 per cent of the recurrent expenditure. The payment of interest had increased by Rs.890 billion as compared with the previous year. Ministry of Finance, Economic stabilization and National Policies as per the policy decision of suspending the payment of loans on an interim basis which was issued on 12 April 2022, although the payment of certain loan installments and interest had been suspended, there existed a likelihood of that deficit being further increased in case the relevant payments were made from 13 April 2022 to the last day of the year under review. The interest payment that stood at Rs.151 billion in 2006 had increased by 1,526 per cent to Rs. 2,455 billion by the year 2023. There existed a need to obtain debts to finance the budget deficit and the

payment of interest therefor had increased annually. Out of Rs.3,079 billion collected as per the statement of budget performance and deficit financing in 2023, a sum of Rs. 2,455 billion or 79.73 per cent had been incurred for paying the interest. This situation had been developing annually during the relevant time period and it had taken a turn for the worst since 2019.

- (c) The outstanding revenue balance owing to the main revenue collecting institutions namely; Inland Revenue Department, Sri Lanka Customs, Excise Department and Department of Motor Traffic, stood at Rs.1,127 billion by the last day of the year under review.
- (d) Revenue amounting to Rs.1,066 billion that should have been collected related to 2023 by the Inland Revenue Department, had been outstanding failing the collection thereof. Provided that amount could have been collected in the year 2023, the revenue deficit could have been reduced by Rs.584 billion or 35.39 per cent. That outstanding revenue related to the years 2021 and 2022 stood at Rs. 620 billion and 904 billion respectively. Provided those outstanding amounts could have been collected in those years, the revenue deficit could be reduced by Rs.670 billion or 51.94 per cent and Rs. 636 billion or 41.30 per cent in the years 2021 and 2022 respectively.
- (e) Accordingly, the drawbacks prevailing in the Revenue Administration Management Information System, the lengthy nature of outstanding tax appeal process, non- establishment of special court system for implementation of legal activities related to recovering outstanding taxes, had caused the delays in collecting the outstanding taxes by the Inland Revenue Department.
- (f) The Government had been compelled to obtain debts owing to the reasons such as non-preparation of revenue estimates accurately or non-collection of revenue in accordance with prepared revenue estimates, and due to non-management of expenditure in an economical way. Since the obtaining of those debts had increased annually causing the increase in the loan interest cost, the recurrent expenditure had increased too. The revenue deficit had increased annually due to the failure of collecting the estimated revenue as

expected and increase in the recurrent expenditure due to the revenue being insufficient to annually settle expenditure.

4.3 Budget Deficit

The budget deficit of the year 2023 stood at Rs. 2,584 billion as per the Government financial statements and it was 9.35 per cent of the Gross Domestic Product. The budget deficit of the year 2022 stood at Rs. 2,584 billion and it was 10.62 per cent of the Gross Domestic Product. The budget deficit has been existing throughout the entire period between 2006 to 2023 and such budget deficit has increased from Rs. 300 billion in 2006 to Rs. 2,584 billion by the year 2023. During that period the highest budget deficit has been reported in the year 2023. The budget deficit during the period from 2006 to 2023 had ranged from 5.55 per cent to 14.08 per cent of the Gross Domestic Product. As per the Fiscal Management (Responsibility) Act No 3 of 2003, the actual budget deficit that should have been prevailed at 5 per cent of the actual Gross Domestic Product, had never been maintained at that rate in any of the years during that time period. However, in the years 2016,2017, and 2018, it had been possible to maintain at 5.55 per cent, 5.69 per cent and 5.59 per cent respectively.

4.4 Increase in the Loan Balance

Obtaining of debts had increased with the annual increase in the budget deficit. It had been mentioned in Government financial statements that the loan balance owed by the Government stood as Rs.29,150 billion by the end of the year 2023. That balance consisted of Rs. 17,074 billion as domestic loans and Rs. 12,077 billion as foreign debts. The Government loan balance stood at Rs. 27,379 billion in the year 2022. Accordingly, the loan balance in 2023 as compared with 2022 had increased by Rs.1,771 billion or 5 per cent. The loan balance amounting to Rs. 2,431 billion prevailed in the year 2006 was 82.72 per cent of the Gross Domestic Product and the loan balance as at the end of 2023 stood at Rs. 29,150 billion and it was 105.5 per cent of the Gross Domestic Product. Further, as per section 3(f) of the fiscal Management (Responsibility) (Amendment) Act No 15 of 2013, the Government liabilities should have been less than 80 per cent of the Gross Domestic Product, only the Government debt liability except for other liabilities was reach 105.5 per cent of

the Gross Domestic Product. That situation prevailed in the years 2020, 2021 and 2022.

4.5 Government Investments

Although it was not possible to collect sufficient revenue during the period from 2006 to 2023 to settle the recurrent expenditure, a sum of Rs.10,145 billion had been utilized as Government investments. It was observed at the analysis of the financial statements that the required funds for that utilization had been mostly made through public debts. A sum of Rs.932 billion had been utilized as Government investments in the year 2023. As compared with the previous year's utilized Government investments amounting to Rs.932 billion, a reduction of Rs.82 billion is observed in the year under review. A sum of Rs. 932 billion as Government investment in the year 2023 had been mentioned as construction of physical assets or purchasing thereof and acquisition of other investments under cash flow generated out of investment activities in cash flow statement. A sum totaling Rs. 10,145 billion of Government investments from the year 2006 to 2023, had been mentioned in the cash flow statement as construction of physical assets or purchasing thereof and acquisition of other investments. However, only a sum of Rs.2,537 billion out of that amount had been identified and accounted as non- financial assets in the statement of financial position of 2023. Accordingly, out of the amount totalling Rs. 10,145 billion as construction of physical assets or purchasing thereof and acquisition of other investments mentioned in the in the cash flow statement, assets valued at Rs. 7,608 billion or 75 per cent had not been identified and accounted. Further, the non-financial assets had not been accounted in financial statements during the time period from 2005 to 2014 and accounting thereof had been started since 2015.

4.6 Public debts

As per the performance plan of the year 2023, estimate of disbursement of public debt including grants and actual disbursement value stands as follows.

Development Partner	Disbursement Estimate 2023(USD Millon)	Actual Disbursement Value 2023(USD Millon)	Variance (USD Millon)	Variance, as a percentage of the Disbursement Estimate (percentage)
World Bank	806	753.2	(52.8)	(7)
Asian Development Bank	1,011	856.9	(154.1)	(15)
Republic of China and Asian Infrastructure Investment Bank (AIIB)	21	24.2	3.2	15
Japan	31	39.6	8.6	28
Korea	10	0	(10)	(100)
Middle East Countries	47	28.9	(18.1)	(38)
South Asian Countries	90	142.5	52.5	58
Russia, Australia and Western Countries	30	32.2	2.2	7
United Nations Agencies including IFAD	15	9.7	(5.3)	(35)
International Monetary Fund	682	681.5	(0.5)	0.07
Total	2,743	2,568.7	(174.3)	

The following observations are made in this regard.

- (i) Even though the total value of the disbursement estimate in the year 2023 had been USD 2,743 million, the actual disbursement value had been USD 2,568.7

million. As a result, the actual disbursement value had been decreased by USD 174.3 million, viz, about 6 percent than the disbursement estimate.

- (ii) When compared with the disbursement estimate, the actual disbursement value of loans, obtained from the countries such as, South Asian countries, Japan, China and the Asian Infrastructure Investment Bank and Russia, Australia and Western countries, had been increased by 58, 28, 15 and 7 per cent respectively.
- (iii) Loans expected to be obtained from World Bank, Asian Development Bank, Middle East countries and United Nation agencies including IFAD had been decreased by 7, 15, 38 and 35 percent respectively.
- (i) It was estimated to obtain loans from Korea during the year under review, loan had not been received even by the end of the year.

4.7 Profits and Dividends

The following observations are made.

- (i) The revenue had been estimated at Rs. 41,669 million and Rs. 8,733 million from profit income symbol of 20.02.03.00 and dividend income symbol of 20.02.04.00 respectively for the year ended 31 December 2023. The Department of Public Enterprises had managed to collect Rs. 60,496 million and 15,204 million respectively in the year under review by exceeding the estimate and it had been 145 percent and 174 percent of the estimated profit and dividend income.
- (ii) Although the capital contribution of the Government-owned enterprises had been Rs.2,407,633 million in the financial statements of the Government as at 31 December 2023, only Rs.75,700 million of profits and dividends had been received for those investments in the year under review. It was 3.4 percent of the value of the investment.
- (iii) Although the number of government-owned enterprises and other institutions under the supervision of the Department of Public Enterprises as at 31

December 2023 had been 305, income estimates had been prepared only by 55 institutions of that and only 47 institutions, out of that, had remitted profits and dividends to the General Treasury.

- (iv) Even though all sums remaining out of the net surplus revenue of public corporations should be credited to the consolidated fund according to Section 10 (5) of the Finance Act No. 38 of 1971, instances of not taking sufficient measures by the Department of Public Enterprises to make the surpluses of the public enterprises that had reported surpluses credited to the consolidated fund in accordance with those provisions were observed.

4.8 Treasury Guarantees and Letters of Comfort

The following observations are made.

- (a) The period of validity of 17 treasury guarantees worth Rs. 168,541.48 million and USD 59.88 million and 9 letters of comfort worth Rs. 29,250 million and USD 200 million that had been expired during the year 2023 and prior to that were extended again by 31 December 2023.
- (b) It was observed as per the financial statements of the Government of the year under review that treasury guarantees worth Rs.115,977.35 million issued on 10 occasions to external institutions and letters of comfort worth Rs.28,838.4 million issued on 10 occasions had expired by 31 December 2023, and action had not been taken to extend their period of validity.

Sgd./W.P.C. Wickramaratne
Auditor General

W.P.C. Wickramaratne
Auditor General

Statistical Appendix

Table 1 | Sri Lanka: Demographic and Related Trends

Item	Unit	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023 ^(a)
Mid Year Population	'000	20,450	20,653	20,869	20,328	20,483	20,771	20,966	21,203	21,444	21,670	21,803	21,919	22,156	22,181	22,037
Mid-Year Population by Age Group ^(e)	'000															
0-14 Years		5,378	5,431	5,488	5,132	5,171	5,235	5,288	5,348	5,411	5,470	5,504	5,534	5,596	5,603	5,568
15-64 Years		13,784	13,921	14,065	13,604	13,707	13,901	14,030	14,187	14,349	14,499	14,589	14,665	14,823	14,840	14,742
65 Years and Over		1,288	1,301	1,316	1,592	1,605	1,635	1,648	1,668	1,684	1,701	1,710	1,720	1,737	1,738	1,727
Growth of Population ^(a)	%	1.1	1.0	1.0	0.9	0.8	0.9	0.9	1.1	1.1	1.1	0.6	1	1.1	0.1	-0.7
Density of Population	Persons persq.km	326	329	333	324	327	331	334	338	342	346	348	350	353	354	351
Life Expectancy at Birth	Years	-	-	74.9	75.1	74.3	74.9	75	n.a.	75.5	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.
Crude Birth Rate	Per'000	18.4	17.6	17.4	17.5	17.9	16.9	16.0	15.6	15.2	15.1	14.6	13.8	12.9	12.4	11.2
Crude Death Rate	Per'000	5.9	6.2	5.9	6.0	6.2	6.2	6.3	6.2	6.5	6.4	6.7	6.0	7.4	8.1	8.2
Infant Mortality Rate (IMR)	Per' 000 Live Births	9.7	-	-	n.a.	8.2	n.a.	n.a.	n.a.	8.5	n.a.	n.a.	n.a.	n.a.	7.4	n.a.
Maternal Mortality Rate (MMR)	Per 100,000 Live Births	22.3	22.0	n.a.	n.a.	n.a.	n.a.	23.2	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	22.6 ^(h)	n.a.
Net Migration Rate	Per' 000	-1.4	-1.1	-2.2	-2.6	-2.3	-2.0	0.7	2.1	2.3	0.8	-2.3	-4.3	-4.3	-9.69	-8.10
Dependency Ratio	%	48.36	48.36	48.38	49.40	52.90	49.40	49.10	49.40	49.4	49.4	49.4	49.4	49.4	49.5	49.5
Dependency Ratio-65 years and Over	%	9.34	9.35	9.36	11.70	14.10	11.80	11.50	11.76	11.74	11.73	11.72	11.72	11.72	11.71	11.71
Literacy Rate ^(b)	Overall % of Population	91.4	91.9	92.2	95.7	92.5	93.3	93.20	93.10	92.60	92.60	92.9	93.0	93.00	93.10	n.a.
Computer Literacy Rate ^(c)	% of Population	-	20.3	35.0	37.0	40.0	24.9	27.1	27.60	28.6	29.0	30.8	32.3	35.00	36 ^(f)	39.5 ^(f)
Average Daily Calorie Intake	Kilocalories	-	-	2,094	-	2,111	-	-	-	2,095 ^(d)	2,095 ^(d)	2,120 ^(d)	2,120^{(d)}	2,120^{(d)}	2,120^{(d)}	2,120^{(d)}

Sources: Department of Census and Statistics, Department of Immigration and Emigration and Ministry of Education

(a) Provisional

(b) Based on Quarterly Labour Force Survey conducted by DCS

(c) Computer Literacy Survey 2006/07, 2009, 2014 & 2017

(d) Household Income and Expenditure Survey in 2016 and 2019

(e) Based on Census of Population and Housing 2012, Department of Census and Statistics

(f) First 6 months

(g) As reported by Registrar General's Department

(h) As reported by Registrar General's Department - 2019

n.a. not available

Table 2 | Climate

Item	Unit	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023
Annual Rainfall (Average) Total	mm	1,711	1,992	2,027	1,776	1,687	2,375	2,387	1,351	1,757	1,944	2,054	1,613	2,312	1,966	2,536
Highest Rain fall																
Cities with Highest Rainfall	mm															
Anuradhapura		89.3	98.6	114.4	130.8	145.4	162.5	121.6	192.5	122.4	92.1	172.1	128.8	154.7	156.4	165.3
Badulla		72.6	90.9	131.6	102.9	108.6	195.9	79.4	73.8	78.8	69.7	93.4	70.4	96.6	182.2	215.3
Batticaloa		241.7	145.5	312.2	127.5	229.2	147.8	182.9	210.6	97.4	145.9	127.3	180.3	142.4	185.3	199.6
Colombo		207.0	440.2	81.9	114.6	134.3	102.8	114.4	256.9	95.2	125.9	148.3	150.8	140.6	239.0	339.3
Hambantota		62.6	82.9	100.6	176.5	104.8	112.0	92.2	104.0	75.4	60.3	94.9	40.1	99.3	74.0	204.2
Kandy		93.0	115.6	137.3	181.2	94.8	139.6	80.4	133.5	64.5	74.9	71.6	70.6	99.4	197.3	226.5
Kurunegala		123.2	135.4	144.4	315.5	139.6	162.6	97.9	156.4	85.2	104.8	188.6	100.2	93.1	224.2	240.0
NuwaraEliya		62.8	68.2	94.1	109.5	73.2	77.1	120.0	78.7	73.6	65.2	106.8	62.0	91.9	182.8	215.7
Ratnapura		126.2	139.9	166.9	99.1	114.9	178.1	82.7	136.0	348.5	181.3	184.0	193.3	147.2	437.7	478.1
Vavuniya		104.7	163.9	123.2	225.7	81.8	205.2	136.5	202.5	93.6	88.6	77.6	138.5	77.1	156.0	204.7
Annual Average Minimum Temperature	Oc															
Low Country		24.7	24.9	24.7	24.2	24.3	23.4	24.3	24.7	24.4	24.1	24.6	24.7	24.5	24.3	24.8
Hill Country		16.9	17.5	17.1	16.8	17.1	17.1	16.9	17.2	18.2	16.9	17.2	17.0	17.3	17.1	17.7
Annual Average Maximum Temperature	Oc															
Low Country		31.4	31.4	31.1	32.1	31.7	31.9	32.0	32.6	32.1	31.8	32.2	32.3	31.8	31.6	32.1
Hill Country		26.1	25.9	26.0	26.1	25.3	25.7	25.9	26.5	27.3	25.8	27.7	25.8	26.2	25.6	26.1

Source: Department of Meteorology
 Note: Badulla, Bandarawela, Nuwaraeliya and Katugastota stations have been considered for the calculation of hillcoun trytemperature.

Table 3 | Gross Domestic Product (GDP), Inflation and Exchange Rate

Year	GDP(e)				Share of GDP (at Current Factor Cost Prices)(%)			Inflation			Exchange Rate							
	GDP at Current Market Prices (Rs.Mn.)	GDP at Current Market Prices (USD Mn.)	Per Capita GD Pat Current Market Price	Real GDP Growth (%)	Agriculture	Industry	Services	GDP Deflator (%)	Annual Average Price Change of CCPI (%)	Annual Average Price Change of NCPI (%)	USD	Indian Rs	Euro	Yen	Annual Average			
2008	4,410,682	40,714	217,855	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	42,066	236,144	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	56,726	310,214	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	65,293	345,544	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	68,434	427,538	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	465,976	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	10,361,151	79,359	498,660	5.0	8.0	28.3	56.9	2.9	3.3 ^(d)	-	131.05	1.10	159.42	2.07	130.56	1.24	173.59	2.14
2015	11,566,987	85,110	551,597	5.0	8.2	29.5	54.2	0.6	2.2 ^(f)	3.8 ^(f)	144.06	1.20	157.37	2.17	135.94	1.12	150.84	2.12
2016	12,812,975	87,992	604,129	5.1	7.3	30.5	53.4	5.4	4.0 ^(f)	4.0 ^(f)	149.80	1.29	157.87	2.21	145.60	1.34	161.16	2.17
2017	14,387,319	94,356	670,644	6.5	7.4	31.1	52.2	5.5	6.6 ^(f)	7.7 ^(f)	152.85	1.36	182.49	2.39	152.46	1.36	171.73	2.34
2018	15,351,933	94,749	708,442	2.3	7.6	30.1	53.6	4.3	4.3 ^(f)	2.1 ^(f)	182.75	1.65	208.99	2.61	162.54	1.47	191.71	2.37
2019(a)	15,910,976	88,989	729,761	-0.2	7.3	29.2	55.7	3.9	4.3 ^(f)	3.5 ^(f)	181.63	1.67	203.67	2.55	178.78	1.64	200.14	2.54
2020(a)	15,646,254	84,420	713,822	-4.6	8.3	28.2	57.8	3.1	4.6 ^(f)	6.2 ^(f)	186.40	1.80	229.42	2.55	185.52	1.73	212.06	2.50
2021(a)	17,612,370	88,611	794,926	4.2	8.8	30.0	55.9	8.0	6.0 ^(f)	7.0 ^(f)	200.43	1.74	226.86	2.69	198.88	1.81	235.10	2.69
2022(a)	24,063,762	76,845	1,084,882	-7.3	8.5	29.8	57.0	47.5	46.4 ^(f)	50.4 ^(f)	363.11	2.74	386.93	4.39	324.55	2.44	339.04	4.11
2023(b)	27,629,665	84,403	1,253,785	-2.3	8.3	25.6	59.9	17.5	17.4 ^(g)	16.5 ^(g)	323.92	2.29	358.75	3.90	327.53	2.34	354.11	3.97

Source: Department of Census and Statistics

(a) Revised

(b) Provisional

(c) 2002=100

(d) 2006/07=100

(e) National Accounts data from 2003 on wards based on the GDP estimates of the Department of Census and Statistics with base year 2002. From 2010 on wards, 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

(g) 2021=100

Table 4 | Gross Domestic Product – Sectoral Composition (2015 – 2023) Constant Prices

		Rs. Million									
Sector		2015	2016	2017	2018	2019	2020 ^(a)	2021 ^(a)	2022 ^(a)	2023 ^(b)	
Agriculture, Forestry and Fishing		950,452	906,100	889,557	945,292	949,582	941,046	950,548	910,842	934,248	
1	Growing of Cereals (except rice)	18,063	15,972	14,371	14,676	13,355	21,342	21,949	16,507	16,989	
2	Growing of Rice	116,706	81,151	73,247	106,333	112,919	121,663	107,359	94,730	113,690	
3	Growing of Vegetables	107,241	110,669	104,540	105,072	102,037	111,088	109,147	103,161	106,494	
4	Growing of Sugarcane, Tobacco and other non-perennial crops	3,310	3,892	3,267	3,116	3,275	4,021	3,729	3,797	3,507	
5	Growing of Fruits	60,865	59,191	63,514	70,906	77,200	81,823	72,949	73,310	78,566	
6	Growing of Olea ginous Fruits (Coconut, King Coconut, Oilpalm)	104,257	103,335	85,798	89,706	102,800	92,197	102,490	111,196	107,223	
7	Growing of Tea (Green Leaves)	80,361	70,662	73,767	75,219	72,733	67,971	74,604	62,867	61,912	
8	Growing of other beverage crops (Coffee, Cocoa, etc)	1,396	1,492	1,407	1,748	1,302	1,613	1,352	1,229	1,135	
9	Growing of spices, aromatic, drug and pharmaceutical crops	83,404	86,234	86,727	91,543	90,880	93,776	97,767	101,234	99,559	
10	Growing of Rubber	27,915	24,526	25,583	26,050	24,029	24,081	26,464	23,871	22,025	
11	Growing of other perennia lcrops	26,077	25,438	26,157	27,185	28,751	29,781	26,963	27,533	29,979	
12	Animal Production	76,613	81,672	90,822	94,582	90,284	86,907	94,039	83,322	84,812	
13	Plant propagation	995	849	961	795	772	622	813	964.7	727	
14	Agricultural supporting activities	29,724	23,156	16,811	23,159	22,969	26,102	29,019	33,062	33,569	
15	Forestry & Logging	44,507	46,078	51,611	44,606	43,133	42,587	44,348	50,931	47,221	
16	Marine Fishing and Marine Aquaculture	153,055	154,249	151,558	149,782	141,700	111,307	112,814	95,447	100,099	
17	Fresh water fishing	15,962	17,536	19,417	20,815	21,444	24,166	24,742	27,682	26,739	
Industries		3,416,358	3,670,106	4,145,813	4,101,467	3,933,728	3,724,566	3,937,895	3,308,578	3,003,096	
18	Mining and Quarrying	260,710	296,763	331,386	322,522	318,658	284,079	287,969	198,612	154,291	
19	Manufacture of Food, Beverages and Tobacco Products	827,248	838,355	855,603	896,813	929,371	980,863	1,014,150	869,373	899,777	
20	Manufacture of Textile, Wearing Apparel and Leather Related products	407,635	419,018	441,181	463,618	469,028	416,312	473,911	511,863	450,498	
21	Manufacture of Wood and Products of Wood and Cork, except Furniture	31,874	38,341	38,346	39,879	36,321	32,831	35,579	29,758	23,807	
22	Manufacture of Paper Products, Printing and Reproduction of Media Products	48,578	53,085	56,009	57,716	54,064	51,896	56,811	52,069	47,259	
23	Manufacture of Coke and Refined Petroleum Products	21,739	22,237	21,395	19,846	24,630	22,108	15,492	6,474	21,895	
24	Manufacture of Chemical Products and Basic Pharmaceutical Products	74,478	80,785	84,781	88,399	90,144	92,157	95,793	82,349	82,949	
25	Manufacture of Rubber and Plastic Products	90,681	91,787	102,246	101,890	98,429	81,182	97,436	67,505	56,157	

Table 4 | Gross Domestic Product – Sectoral Composition (2015,2023) Constant Prices Contd...

		2015	2016	2017	2018	2019	2020 ^(a)	2021 ^(a)	2022 ^(a)	2023 ^(b)
	Sector									Rs.Million
26	Manufacture of Other Non-metallic Mineral Products	94,374	87,492	97,743	102,554	107,062	102,685	119,973	85,182	84,671
27	Manufacture of Basic Metals and Fabricated Metal Products	50,239	66,089	76,380	84,102	80,312	77,859	81,174	58,780	60,303
28	Manufacture of Machinery and Equipment	49,144	58,083	63,885	64,638	66,114	65,187	73,090	59,181	50,229
29	Manufacture of Furniture	89,571	91,297	92,650	88,078	95,470	81,651	82,694	60,837	56,089
30	Other Manufacturing and Repair and Installation of Machinery and Equipment	85,625	88,689	97,692	97,155	96,432	87,586	101,048	79,088	66,747
31	Electricity, Gas, Steam and Air Conditioning Supply	150,038	154,072	159,607	175,518	184,041	180,176	188,924	178,057	174,018
32	Water Collection, Treatment and Supply	16,065	17,812	18,948	15,857	14,701	15,908	13,099	14,059	11,590
33	Sewerage, Waste, Treatment and Disposal Activities	19,692	23,196	25,562	27,271	29,253	28,960	27,992	28,070	27,955
34	Construction	1,098,666	1,243,005	1,582,397	1,455,612	1,239,700	1,123,127	1,172,761	927,321	734,859
	Services	6,270,536	6,567,892	6,807,557	7,099,084	7,307,036	7,166,506	7,410,705	7,218,205	7,200,438
35	Whole sale and Retail Trade	1,417,861	1,453,289	1,509,059	1,579,590	1,636,752	1,650,889	1,675,083	1,675,534	1,677,928
36	Transport of Goods and Passenger including Warehousing	1,228,777	1,299,605	1,342,326	1,370,263	1,398,230	1,313,312	1,325,233	1,364,679	1,418,410
37	Postal Courier Activities	15,392	15,957	16,385	16,495	17,099	17,620	18,886	19,780	20,349
38	Accommodation, Food and Beverage Service Activities	200,624	213,001	219,701	230,929	216,976	228,556	130,743	166,030	209,140
39	Programming and Broadcasting Activities and Audio Video Productions	42,535	45,736	45,416	40,839	42,752	43,841	42,161	37,350	36,551
40	Telecommunication	65,274	70,727	79,288	87,840	103,325	118,845	131,952	140,524	137,403
41	IT Programming Consultancy and Related Activities	113,552	124,840	143,360	158,565	175,634	194,893	243,971	238,455	187,341
42	Financial Service Activities and Auxiliary Financial Services	370,616	405,268	439,437	511,418	510,367	557,357	596,106	529,907	477,047
43	Insurance, Reinsurance and Pension Funding	80,879	91,882	95,004	111,838	120,550	117,595	148,658	78,728	99,192
44	Real Estate Activities, Including Ownership of Dwelling	466,486	512,192	549,511	580,367	610,231	604,259	630,570	554,456	521,465
45	Professional Services	261,583	266,733	271,832	282,095	297,462	287,781	301,890	248,468	254,360
46	Public Administration and Defence; Compulsory Social Security	594,840	616,412	589,829	600,932	605,938	616,176	621,834	629,031	618,542
47	Education	240,037	256,481	269,953	267,448	283,605	284,751	290,475	302,435	307,740
48	Human Health Activities, Residential Care and Social Work Activities	201,179	207,484	219,153	228,368	235,136	246,735	260,482	237,677	236,092
49	Other Personal Service Activities	970,902	988,285	1,017,303	1,032,097	1,052,980	983,900	992,662	995,154	998,877
	Gross Value Added (GVA), at basic prices	10,637,346	11,144,098	11,842,927	12,145,842	12,190,346	11,832,118	12,299,149	11,437,626	11,137,782
	(+) Taxes less Subsidies on Products	929,642	1,007,442	1,093,685	1,089,616	1,015,930	763,432	826,356	723,576	743,954
	Gross Domestic Product (GDP), at market prices	11,566,987	12,151,540	12,936,612	13,235,458	13,206,276	12,595,550	13,125,505	12,161,202	11,881,736

Source: Department of Census and Statistics

(a) Revised

(b) Provisional

Note: Rebased GDP estimates (base year 2015) of the Department of Census and Statistics have been used from 2015 on wards.

Table 5 | Savings, Investments and Selected External Sector Indicators

Item	Unit	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020 ^(a)	2021 ^(a)	2022 ^(a)	2023 ^(b)
Investment ^(c)	Rs.Bn	1,181	1,947	2,409	3,411	3,189	3,348	3,415	3,341	4,211	5,842	5,427	5,168	6,467	6,883	6,991
Savings ^{(c)(d)}	Rs.Bn	1,148	1,825	1,897	2,909	2,865	3,088	3,157	3,087	3,860	4,781	4,508	4,202	5,166	6,026	6,578
Savings-Investment Gap ^(c)	Rs.Mn	-33	-121	-511	-502	-324	-259	-259	-254	-351	-1,062	-919	-966	-1,301	-858	-413
Investment ^(c)	% of GDP	24.4	30.4	33.4	39.1	33.2	32.3	29.5	26.1	29.3	38.1	34.1	33.0	36.7	28.6	25.3
Savings ^{(c)(d)}	% of GDP	23.7	28.5	26.3	33.3	29.9	29.8	27.3	24.1	26.8	31.1	28.3	26.9	29.3	25.0	23.8
Savings-Investment Gap ^(c)	% of GDP	-0.7	-1.9	-7.1	-5.7	-3.4	-2.5	-2.2	-2.0	-2.4	-6.9	-5.8	-6.2	-7.4	-3.6	-1.5
Exports of Goods	USD Mn	7,085	8,626	10,559	9,774	10,394	11,130	10,546	10,310	11,360	11,890	11,940	10,047	12,499	13,106	11,911
Imports of Goods	USD Mn	10,207	13,451	20,269	19,190	18,003	19,417	18,935	19,183	20,980	22,233	19,937	16,055	20,637	18,291	16,811
Trade Balance	USD Mn	-3,122	-4,825	-9,710	-9,417	-7,609	-8,287	-8,388	-8,873	-9,620	-10,343	-7,997	-6,008	-8,138	-5,185	-4,900
	% of GDP	-7.4	-8.5	-14.9	-13.8	-10.2	-10.4	-9.9	-10.1	-10.2	-11.0	-9.0	-7.1	-9.2	-7.0	-5.8
Exports of Goods & Services	USD Mn	8,972	11,092	13,644	13,562	15,079	16,735	16,943	17,448	19,084	20,264	19,414	13,083	14,974	16,169	17,327
Imports of Goods & Services	USD Mn	11,704	15,210	22,256	21,678	21,508	23,142	23,006	23,442	25,401	26,841	24,562	18,271	21,526	19,244	18,823
Exports and Imports of Goods & Services	USD Mn	20,676	26,301	35,899	35,239	36,587	39,877	39,949	40,890	44,485	47,105	n.a.	-5,189	-6,552	-3,075	-1,496
Foreign Remittances	USD Mn	3,350	4,116	5,145	5,985	6,407	7,018	6,980	7,242	7,164	7,015	6,717	7,104	5,491	3,789	5,970
Earnings from Tourism	USD Mn	350	576	830	1,039	1,715	2,431	2,981	3,518	3,925	4,381	3,607	682	507	1,136	2,068
Earnings from Computer and Information Services	USD Mn	245	265	355	564	604	628	677	724	786	848	899	971	1,168	1,066	795
Current Account Balance	USD Mn	-214	-1,075	-4,615	-3,982	-2,541	-1,988	-1,883	-1,742	-2,309	-2,799	-1,848	-1,083	-3,284	-1,448	1,559
	% of GDP	-0.5	-1.9	-7.1	-5.8	-3.4	-2.5	-2.2	-2.0	-2.4	-3.0	-2.1	-1.3	-3.7	-1.9	1.8
Foreign Direct Investments including loans	USD Mn	601	516	1,066	1,382	1,438	1,635	1,160	1,078	1,839	2,071	1,112	593	-928	1,151	724
Inflows	USD Mn	404	478	956	941	933	894	680	897	1,373	1,614	743	434	592	884	712
Outflows	USD Mn	20	43	60	64	65	67	53	237	72	68	77	15	17	15	34
Loans&Other	USD Mn	217	81	170	505	571	808	533	418	538	525	445	174	-1,503	282	46
Portfolio Investments	USD Mn	-6	-230	-171	2,126	2,068	2,065	686	993	1,771	129	2,313	2,383	-1,547	370	757
Inflows	USD Mn	375	819	452	2,116	2,068	2,065	686	993	1,771	129	2,313	2,383	-1,547	370	931
Outflows	USD Mn	381	1,049	623	-10	0.0	-0.2	...	...	...	...	...	...	...	...	173
Total Reserves	USD Mn	7,030	8,621	7,991	8,586	8,574	9,884	9,337	8,433	10,436	9,583	10,402	8,521	6,122	5,874	9,373
Gross Official Reserves	USD Mn	5,357	7,197	6,749	7,106	7,495	8,208	7,304	6,019	7,959	6,919	7,642	5,664	3,139	1,898	4,392
Total External Debt	USD Mn	18,662	21,438	32,748	37,098	39,905	42,989	44,839	46,418	51,604	52,412	54,811	49,041	51,775	49,667	54,832

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

...negligible

(a) Revised

(b) Provisional

(c) Rebased GDP estimates (base year 2015) of the Department of Census and Statistics have been used from 2018 on wards.

(d) National Savings

Note: Since 2012, refers, todataan"Computer Services "and" Portfolio Investment" as per BPM6 Presentation Format.

Table 6 | Economic Classification of Government Fiscal Operations

Item	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023 ^(b)
1. Revenue and Grants	834,188	983,003	1,067,533	1,153,306	1,204,621	1,460,892	1,693,557	1,839,562	1,932,459	1,898,808	1,373,308	1,463,810	2,012,589	3,074,324
1.1 Total Revenue	817,279	967,862	1,051,462	1,137,447	1,195,206	1,454,878	1,686,061	1,831,531	1,919,974	1,890,899	1,367,960	1,457,071	1,979,184	3,048,822
Tax	724,747	845,697	908,915	1,005,895	1,050,362	1,355,779	1,463,689	1,670,178	1,712,318	1,734,925	1,216,542	1,298,019	1,751,132	2,720,563
Non-Tax	92,532	122,165	142,547	131,552	144,844	99,099	222,372	161,353	207,656	155,974	151,417	159,052	228,052	328,259
1.2 Grants	16,909	15,141	16,071	15,859	9,415	6,014	7,496	8,031	12,485	7,909	5,348	6,740	33,405	25,502
2. Expenditure and Lending minus Repayments	1,280,206	1,433,182	1,556,497	1,669,396	1,669,396	2,290,394	2,333,883	2,573,056	2,693,228	3,337,896	3,040,996	3,521,735	4,472,556	5,356,591
2.1 Recurrent	937,094	1,024,906	1,131,021	1,205,180	1,205,180	1,701,657	1,757,782	1,927,692	2,089,714	2,424,582	2,548,359	2,747,512	3,519,633	4,699,679
o/w Arrears	-	-	-	-	-	-	-	-	-	123,428	-123,428	-	-	-
2.2 Capital and Net Lending	343,112	408,276	425,476	464,216	464,216	588,737	576,101	645,364	603,514	913,314	492,638	774,223	952,923	656,912
o/w Public Investment	356,519	422,300	443,973	481,204	486,610	602,768	594,012	657,386	624,969	631,235	811,773	789,636	1,014,293	932,745
Arrears	-	-	-	-	-	-	-	-	-	299,178	-299,178	-	-	-
3. Current Account Surplus (+)/ Deficit (-)	-119,815	-57,043	-79,560	-67,733	-9,974	-246,779	-71,721	-96,161	-169,740	-533,683	-1,180,399	-1,290,441	-1,540,448	-1,650,857
4. Budget Deficit	-446,017	-450,180	-488,964	-516,090	-464,774	-829,502	-640,326	-733,494	-760,769	-1,439,088	-1,667,688	-2,057,925	-2,459,967	-2,282,267
5. Financing of Budget Deficit	446,017	450,180	488,964	516,090	591,244	829,502	640,326	733,494	760,769	1,439,088	1,667,688	2,057,925	2,459,967	2,282,267
5.1. Total Foreign Financing (Net)	194,912	193,888	180,760	88,421	315,564	369,257	429,130	381,956	464,593	542,641	-83,199	-13,901	424,822	494,655
Gross Borrowings	270,004	287,060	364,593	183,317	422,543	556,370	574,249	601,306	771,608	935,101	600,888	516,606	783,326	831,952
Repayments	-75,092	-93,172	-183,833	-94,896	-106,979	-187,113	-145,119	-219,350	-307,015	-572,338	-504,209	-550,508	-358,505	-337,297
Arrears	-	-	-	-	-	-	-	-	-	179,878	-179,878	-	-	-
5.2. Total Domestic Financing (Net)	251,104	256,291	308,204	427,669	275,680	460,245	211,196	351,538	296,176	896,448	1,750,887	2,071,826	2,035,145	1,787,611
Non-Bank Financing (Net)	193,891	44,171	70,984	256,942	192,812	196,737	398,575	120,165	279,653	477,221	1,783,764	1,897,760	3,609,879	3,295,295
Gross Borrowings	583,563	484,065	486,425	862,081	652,970	817,741	995,004	2,173,081	2,416,279	2,487,326	3,922,608	5,583,397	12,315,871	23,281,606
Repayments	-389,672	-439,894	-415,441	-605,139	-460,158	-621,004	-596,429	-2,052,916	-2,136,627	-2,010,105	-2,138,844	-3,685,637	-8,705,992	-19,986,311
Sri Lanka Development Bond	48,875	25,068	105,693	140,148	20,971	222,967	-120,516	53,289	-129,461	-49,982	-83,771	-68,324	-380,069	-350,705
Ban kFinancing (Net)	-1,892	191,850	131,527	30,578	61,897	40,541	-66,863	133,407	38,101	166,787	206,395	229,550	-809,630	-957,417
Other Borrowings (Net) ^(c)	10,230	-4,798	-	-	-	-	44,677	107,883	59,694	87,226	12,840	-385,035	-199,562	
Arrears	-	-	-	-	-	-	-	-	-	242,728	-242,728	-	-	-

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) Included arrears

(b) Provisional

(c) Includes domestic grants, divestiture proceeds and other non market borrowings

Table 7 | Economic Classification of Government Fiscal Operations

Item	As a percentage of GDP														
	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023 ^(b)	
1. Revenue and Grants															
1.1 Total Revenue	13.0	13.6	12.2	12.0	11.6	12.6	13.2	12.8	12.6	11.9	8.8	8.3	8.4	11.1	
Tax	12.7	13.4	12.0	11.9	11.5	12.6	13.2	12.7	12.5	11.9	8.7	8.3	8.2	11.0	
Non-Tax	11.3	11.7	10.4	10.5	10.1	11.7	11.4	11.6	11.2	10.9	7.8	7.4	7.3	9.8	
1.2 Grants	1.4	1.7	1.6	1.4	1.4	0.9	1.7	1.1	1.4	1.0	1.0	0.9	0.9	1.2	
2. Expenditure and Lending minus Repayments	0.3	0.2	0.2	0.2	0.1	0.1	0.1	0.1	0.1	0.0	0.03	0.04	0.14	0.1	
2.1 Recurrent	20.0	19.9	17.8	17.4	16.1	19.8	18.2	17.9	17.5	21.0	19.4	20.0	18.6	19.4	
o/w Arrears	14.6	14.2	13.0	12.6	11.6	14.7	13.7	13.4	13.6	15.2	16.3	15.6	14.6	17.0	
2.2 Capital and Lending minus Repayment	-	-	-	-	-	-	-	-	-	0.8	-0.8	-	0.0	0.0	
o/w Public Investment	5.3	5.7	4.9	4.8	4.5	5.1	4.5	4.5	3.9	5.7	3.1	4.4	4.0	2.4	
Arrears	5.6	5.8	5.1	5.0	4.7	5.2	4.6	4.6	4.1	4.0	5.2	4.5	4.2	3.4	
3. Current Account Surplus (+) / deficit (-)	-	-	-	-	-	-	-	-	-	1.9	-1.9	-	0.0	0.0	
4. Budget Deficit	-1.9	-0.8	-0.9	-0.7	-0.1	-2.1	-0.6	-0.7	-1.1	(3.4)	-7.5	-7.3	-6.4	-6.0	
5. Financing of Budget Deficit	-7.0	-6.2	-5.6	-5.4	-4.5	-7.2	-5.0	-5.1	-5.0	-9.0	-10.7	-11.7	-10.2	-8.3	
5.1. Total Foreign Financing (Net)	7.0	6.2	5.6	5.4	5.7	7.2	5.0	5.1	5.0	9.0	10.7	11.7	10.2	8.3	
Gross Borrowings	3.0	2.7	2.4	0.9	3.0	3.2	3.3	2.7	3.0	3.4	-0.5	-0.1	1.8	1.8	
Repayments	4.2	4.0	4.2	1.9	4.1	4.8	4.5	4.2	5.0	5.9	3.8	2.9	3.3	3.0	
Arrears	-1.2	-1.3	-2.1	-1.0	-1.0	-1.6	-1.1	-1.5	-2.0	-3.6	-3.2	-3.0	-1.5	-1.2	
5.2. Total Domestic Financing (Net)	-	-	-	-	-	-	-	-	-	1.1	-1.1	-	0.0	0.0	
Non-Bank Financing (Net)	3.9	3.6	4.5	3.3	2.7	4.0	1.6	2.4	1.9	5.6	11.2	11.8	8.5	6.5	
Gross Borrowings	3.0	0.6	2.2	2.7	1.9	1.7	3.1	0.8	1.8	3.0	11.4	10.8	15.0	11.9	
Repayments	9.1	6.7	5.6	9.0	6.3	7.1	7.8	15.1	15.7	15.6	25.1	31.7	51.2	84.3	
Sri Lanka Development Bonds	-6.1	-6.1	-4.8	-6.3	-4.4	-5.4	-4.7	-14.3	-13.9	-12.6	-13.7	-20.9	-36.2	-72.3	
Bank Financing (Net)	0.8	0.3	1.2	1.5	0.2	1.9	-0.9	0.4	-0.8	-0.3	-0.5	-0.4	-1.6	-1.3	
Other Borrowings (Net) ^(c)	0.0	2.7	0.7	0.6	0.6	0.4	-0.5	0.9	0.2	1.0	1.3	1.3	-3.4	-3.5	
Arrears	0.2	-0.1	1.5	-	-	-	-	0.3	0.7	0.4	0.6	0.1	-1.6	-0.7	
	-	-	-	-	-	-	-	-	-	1.5	-1.6	-	-	0.0	

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) Included arrears

(b) Provisional

(c) Include domestic grants, divestiture proceeds and other non market borrowings.

Note: Rebased GDP estimates (base year 2015) of the Department of Census and Statistics have been used from 2010 on wards.

Table 8 | Economic Classification of Government Revenue

Item	Rs. Million														
	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023 ^(a)
1. Tax Revenue	618,931	724,748	845,697	908,914	1,005,894	1,050,360	1,355,778	1,463,688	1,670,177	1,712,318	1,734,925	1,216,544	1,298,019	1,751,132	2,720,563
Income Tax	139,558	135,624	157,310	172,594	205,666	198,115	262,583	258,857	274,562	310,450	427,699	268,249	302,115	534,021	911,356
Personal and Corporate Income Tax	72,162	78,914	97,814	98,124	121,136	122,343	193,531	182,493	176,508	211,057	322,047	243,310	288,977	513,980	753,198
Corporate & Non Corporate	57,716	62,646	83,016	83,360	102,578	100,046	167,325	154,324	143,588	169,672	272,602	228,336	273,624	488,434	608,243
Pay-As-You-Earn (PAYE)	14,446	16,268	14,798	14,764	18,558	22,297	26,206	28,169	32,920	41,385	49,445	14,973	15,353	25,546	144,955
Economic Service Charge (ESC)	14,207	18,048	21,335	14,864	6,596	6,155	6,148	20,458	44,720	52,979	55,301	14,950	728	202	247
Tax on Interest Income	53,188	38,662	38,160	59,606	77,934	69,617	62,904	55,906	53,334	46,414	50,351	9,989	12,410	19,839	157,911
Value Added Tax (VAT)	171,510	219,990	225,858	229,604	250,757	275,350	219,700	283,470	443,739	461,650	443,877	233,786	308,213	463,072	694,460
Domestic (Net)	103,891	120,412	104,897	109,370	124,440	140,084	130,527	168,134	275,346	282,487	273,963	148,061	185,462	291,619	469,107
Import (net)	67,619	99,578	120,961	120,234	126,317	135,266	89,173	115,336	168,393	179,163	169,914	85,725	122,751	171,452	225,353
Excise Tax	97,604	129,864	204,822	223,960	250,700	256,690	497,623	454,952	469,500	484,242	399,477	321,933	306,861	342,523	469,622
Liquor	28,525	36,654	55,286	60,086	66,008	69,100	105,234	120,238	113,684	113,944	115,443	120,990	138,637	165,188	170,260
Cigarettes / Tobacco	37,602	40,675	49,623	53,563	58,567	57,240	80,015	88,792	86,002	92,198	87,367	94,345	88,539	104,160	118,481
Petroleum	23,018	28,038	22,470	28,466	27,131	28,732	45,092	55,719	73,983	66,318	61,740	53,111	55,339	53,074	143,642
Motor Vehicles	3,192	21,199	71,646	78,509	96,478	98,531	263,470	186,499	189,740	204,081	130,378	48,760	18,113	14,504	32,526
Other	5,268	3,298	5,798	3,336	2,516	3,087	3,812	3,704	6,091	7,701	4,549	4,727	6,234	5,598	4,713
Stamp Duties ^(b)	3,328	4,439	-	-	-	-	-	-	-	-	-	-	-	-	-
Ports & Airports Development Levy (PAL)	36,286	49,632	66,028	70,111	61,987	68,646	58,644	88,823	102,360	113,950	112,174	115,442	154,125	180,595	175,486
Debits Tax ^(c)	8,036	10,843	4,232	-	-	-	-	-	-	-	-	-	-	-	-
Import Duties	79,560	64,165	79,811	80,155	83,123	81,108	132,189	156,487	136,501	96,991	98,427	114,183	64,339	50,009	105,120
Cess Levy	28,520	29,752	29,662	32,741	36,091	38,707	46,289	61,730	59,554	53,369	50,703	49,309	75,543	70,318	57,184
Special Commodity Levy (SCL)	18,965	10,173	15,622	33,666	46,705	47,953	52,276	55,825	71,402	75,807	70,364	82,709	55,828	40,194	51,327
Nation Building Tax (NBT) ^(d)	27,205	46,022	35,667	38,736	40,937	44,583	45,004	57,424	69,035	71,357	70,673	2,351	434	413	328
Domestic	11,594	19,310	19,040	23,076	25,243	28,494	28,044	39,029	49,715	51,192	52,446	2,036	355	352	68
Imports	15,611	26,712	16,627	15,660	15,694	16,089	16,960	18,395	19,320	20,165	18,227	315	79	61	260
Social Security Contribution Levy	-	-	-	-	-	-	-	-	-	-	-	-	-	-	216,181
Telecommunications Levy ^(e)	-	8,869	18,651	22,290	24,445	31,351	33,358	35,976	33,399	28,326	18,261	13,130	12,840	14,995	17,304
License Taxes & Other	8,361	15,376	8,035	5,058	5,485	7,858	8,113	10,145	10,126	16,177	43,269	15,451	17,720	18,881	22,195

Table 8 | Economic Classification of Government Revenue Contd...

Item	Rs. Million														
	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022 ^(b)	2023 ^(a)
2. Non Tax Revenue	80,712	92,532	122,165	142,547	131,552	144,844	99,099	222,372	161,353	207,656	155,974	151,417	159,052	228,052	328,259
Rent	1,425	2,048	3,580	2,197	2,331	5,669	2,823	10,980	4,450	5,591	4,727	12,055	5,090	5,862	6,986
Interest	9,043	8,017	9,847	9,489	9,664	7,978	4,498	4,826	7,395	8,140	13,819	7,297	6,466	7,326	26,245
Profit and Dividends	11,982	31,301	34,351	46,761	35,169	46,814	29,798	108,160	53,998	41,828	27,857	17,624	30,591	28,092	75,701
Fine, fees and Charges	25,387	22,925	37,292	26,019	40,720	38,492	44,632	72,606	66,575	105,202	73,884	47,370	42,645	90,050	146,566
Social Security Contributions	11,165	11,120	12,628	11,738	15,145	14,919	15,213	18,046	22,940	25,214	28,985	32,417	34,619	37,416	36,258
Central Bank Profit Transfers	20,000	15,000	22,000	43,000	26,350	11,500	-	5,000	-	15,000	-	24,009	15,012	30,007	1,029
Other	1,710	2,122	2,468	3,343	2,173	19,472	2,135	2,754	5,995	6,681	6,701	10,646	24,630	29,300	35,474
Total Revenue	699,642	817,279	967,862	1,051,461	1,137,446	1,195,206	1,454,877	1,686,060	1,831,530	1,919,974	1,890,899	1,367,961	1,457,071	1,979,184	3,048,822

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) Undert here venue sharing mechanism introduced in 2011 with the Provincial Councils (PCs), 100 percent of the revenue from stamp duties transferred to PCs. The BTT collected by Provincial Councils was abolished in 2011 and NBT was extended to buy in gandselling activities.

(c) Debit tax was abolished with effect from April 2011.

(d) Data from 2011 represents only two thirds of the total revenue from NBT as the balance one third is transferred to PC under the revenue sharing mechanism with them.

(e) 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	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019 ^(a)	2020 ^(a)	2021	2022	2023 ^(b)
1 Recurrent Expenditure	879,575	937,094	1,024,906	1,131,022	1,205,180	1,322,899	1,701,657	1,757,782	1,927,693	2,089,714	2,424,582	2,548,359	2,747,512	3,519,635	4,699,679
1.1 Expenditure on Goods & Services	379,731	388,286	451,605	487,833	512,624	568,829	746,011	722,054	734,490	764,900	848,279	974,351	1,014,612	1,139,068	1,239,196
Salaries and Wages	271,229	300,558	319,601	347,747	393,228	440,982	561,730	570,761	588,518	626,045	686,452	794,158	845,680	956,211	939,496
Central Government	71,859	75,817	83,072	95,965	113,223	133,584	172,491	184,856	197,914	212,481	240,329	270,521	297,349	367,467	327,290
Provincial Councils	74,634	81,887	90,818	88,217	105,034	121,789	150,796	143,740	149,715	162,086	179,971	239,034	256,142	268,864	300,210
Defence	94,189	110,335	112,703	126,950	134,295	141,138	176,810	180,829	180,998	189,055	189,508	199,474	205,542	222,996	217,868
Police and Public Security	30,547	32,519	33,008	36,615	40,677	44,471	61,633	61,336	59,891	62,423	76,644	85,129	86,646	96,884	94,127
Other Purchases of Goods and Services	108,502	87,728	132,004	140,086	119,396	127,847	184,281	151,293	145,972	138,855	161,827	180,193	168,932	182,857	299,700
Central Government	42,970	38,618	71,741	92,738	74,307	50,767	106,567	60,157	61,705	55,479	62,492	73,447	53,619	55,528	111,332
Provincial Councils	3,110	3,112	3,784	3,676	3,810	4,417	18,959	26,011	16,633	18,010	19,997	26,559	28,460	29,874	33,357
Defence	50,695	33,471	43,400	32,631	31,855	51,463	50,923	47,119	50,908	49,025	59,449	60,251	66,717	74,094	118,678
Police and Public Security	11,727	12,527	13,079	11,040	9,424	21,200	7,832	18,006	16,726	16,341	19,889	19,936	20,136	23,361	36,334
1.2 Interest Payments	309,676	352,592	356,699	408,498	444,007	436,395	527,227	610,895	735,566	852,190	901,352	980,302	1,048,382	1,565,190	2,455,600
Foreign	35,698	55,464	68,565	90,839	100,985	108,461	77,174	101,076	138,546	184,532	233,970	266,679	253,750	128,621	2,332,208
Domestic	273,978	297,127	288,134	317,659	343,022	327,934	450,053	509,819	597,020	667,658	667,383	713,623	794,633	1,436,569	123,391
1.3 Subsidies and Transfers	190,168	196,216	216,601	234,691	248,549	317,674	428,419	424,833	457,636	472,624	551,524	717,133	684,518	815,377	1,004,884
Households	148,993	156,194	171,438	187,895	195,288	249,710	354,484	341,349	372,519	383,659	456,241	610,486	595,696	719,467	912,416
o/w Pensions	85,139	90,995	99,961	111,682	123,293	127,049	156,577	173,152	181,696	194,488	227,670	257,833	269,827	309,067	372,364
Samurdhi	9,267	9,241	9,043	10,553	15,256	15,042	39,994	40,740	39,707	39,239	44,660	52,434	55,400	120,988	90,092
Fertilizer Subsidy	26,935	26,028	29,802	36,456	19,706	31,858	49,571	27,771	30,361	26,979	34,966	36,687	21,235	56,810	52,334
Non Financial Public Enterprises	14,126	12,361	12,999	11,817	13,854	21,387	27,927	29,120	23,438	23,367	26,153	17,711	17,110	28,949	27,133
Institutions and other	27,049	27,661	32,164	34,979	39,407	46,577	46,008	54,364	61,679	65,598	69,130	88,936	71,712	66,961	65,335
1.4 Arrears	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
2 Capital Expenditure	277,416	302,087	377,812	400,082	454,303	459,854	588,176	577,035	638,343	612,561	918,247	496,189	767,606	715,429	913,601
2.1 Acquisition of Fixed Capital Assets	143,590	158,488	208,963	176,562	252,535	252,303	313,260	328,202	348,260	350,034	385,366	483,543	438,753	445,521	647,958
2.2 Capital Transfers	133,826	143,599	168,849	223,520	201,768	207,551	274,916	248,833	290,083	262,527	233,703	311,824	328,854	269,909	265,644
Institutions	90,291	99,151	105,603	145,935	143,504	147,166	197,712	184,689	242,322	221,135	200,172	254,384	265,074	229,425	218,379
Non Financial Public Enterprises	19,750	20,345	35,168	50,860	27,193	28,322	42,473	32,066	13,394	17,911	20,704	34,365	27,801	19,194	12,625
Sub National Governments	23,780	24,101	27,619	25,266	29,692	31,547	34,063	29,887	34,511	23,481	18,812	19,168	33,704	19,982	34,640
Abroad	5	1	459	1,459	1,379	516	668	2,191	-144	-	-5,985	3,907	2,275	1,308	-
2.3 Arrears	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
3 Lending Minus Repayments	44,936	41,025	30,464	25,394	9,913	13,113	561	-934	7,021	-9,047	-4,933	-3,552	6,617	237,495	-256,689
3.1 Net Lending through Advance Accounts	1,932	2,126	854	-2,088	-1,019	1,249	-1,070	708	4,396	4,129	1,172	-529	-257	-887	442
3.2 Lending to Public Enterprises	53,032	54,433	44,488	43,891	26,901	26,756	14,592	16,977	19,043	12,408	12,166	16,405	22,050	298,864	19,144
3.3 Loan Repayments by Public Enterprises	-11,978	-15,535	-14,878	-16,409	-15,969	-14,892	-12,961	-18,619	-16,418	-25,584	-18,271	-19,429	-15,156	-60,483	-276,275
3.4 Restructuring Expenditure	1,950	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Total	1,201,927	1,280,205	1,433,182	1,556,498	1,669,396	1,795,865	2,290,394	2,333,883	2,573,057	2,693,228	3,337,896	3,040,996	3,521,735	4,472,557	5,356,589

Sources: Department of National Budget, Department of State Accounts, Department of Fiscal Policy and Central Bank of Sri Lanka

(a) Included arrears

(b) Provisional

Table 10 | Composition of Government Debt (as at end year)^(a)

Source	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019 ^(a)	2020	2021	2022 ^(c)	2023 ^{(b)(c)}
1. Foreign Debt^{(b)(c)}	1,760,467	2,024,583	2,329,280	2,767,299	2,960,424	3,113,116	3,544,031	4,045,796	4,718,618	5,959,547	6,201,283	6,052,179	6,516,958	12,458,155	11,644,094
1.1 Project Loans	1,362,806	1,461,729	1,640,117	1,846,772	1,938,909	1,904,599	2,180,388	2,361,118	2,610,547	3,149,905	3,231,464	3,458,461	3,789,126	7,347,329	6,893,850
1.2 Non-project Loans	397,661	562,854	689,163	920,527	1,021,515	1,208,516	1,363,643	1,684,678	2,108,071	2,809,642	2,969,819	2,593,718	2,727,832	5,110,826	4,750,244
Commodity	62,304	54,653	53,460	56,599	61,597	69,993	71,470	69,101	62,727	63,267	52,312	43,023	34,904	183,082	208,724
Other	335,357	508,201	635,703	863,928	959,918	1,138,523	1,292,173	1,615,577	2,045,344	2,746,375	2,917,507	2,550,695	2,692,927	4,927,744	4,541,521
2. Domestic Debt^(a)	2,400,955	2,565,662	2,804,085	3,232,813	3,832,825	4,277,783	4,959,197	5,433,073	5,664,214	6,071,001	6,830,260	9,065,068	11,097,223	15,033,876	17,051,854
2.1 Rupee Loans	112,292	87,709	61,961	58,386	55,518	55,518	24,088	24,088	24,088	24,088	24,088	24,088	24,088	24,088	-
2.2 Treasury Bills ^(a)	441,032	514,442	590,885	629,070	700,137	694,767	658,240	779,581	697,154	746,887	873,943	1,620,705	2,270,508	4,113,907	4,017,035
2.3 Treasury Bonds	1,513,512	1,643,887	1,819,251	2,095,054	2,452,360	2,844,054	3,305,248	3,806,353	3,892,408	4,197,323	4,606,232	5,713,300	6,966,218	8,709,057	12,002,337
2.4 Sri Lanka Development Bonds (SLDBs) ^(a)	168,079	173,877	183,845	222,994	369,215	391,083	668,458	572,199	637,886	614,219	559,284	486,870	455,203	382,092	-
2.5 International Sovereign Bonds ^{(a)(b)}	-	-	-	-	-	-	-	-	-	-	202,099	415,756	372,612	635,443	566,866
2.6 Central Bank Provisional Advances	73,881	77,879	94,743	111,292	109,167	143,898	151,132	83,307	199,801	198,633	236,609	153,079	150,129	235,639	-
2.7 Other ^{(b)(c)}	92,160	67,869	53,400	116,017	146,429	148,463	152,031	167,545	212,878	289,851	328,006	651,269	858,466	933,651	465,616
Total	4,161,422	4,590,245	5,133,365	6,000,112	6,793,249	7,390,899	8,503,227	9,478,869	10,382,832	12,030,548	13,031,543	15,117,247	17,614,181	27,492,031	28,695,949
Government Debt to GDP Ratio															
Foreign Debt	36.4	31.6	32.3	31.7	30.9	30.0	30.6	31.6	32.8	38.8	39.0	38.7	37.0	51.8	42.1
Domestic Debt	49.7	40.0	38.8	37.0	40.0	41.3	42.9	42.4	39.4	39.5	42.9	58.0	63.0	62.5	61.7
Total Debt	86.1	71.6	71.1	68.7	70.8	71.3	73.5	74.0	72.2	78.4	81.9	96.6	100.0	114.2	103.9

Sources: Department of Public Debt of the Central Bank of Sri Lanka, Department of External Resources, Department of National Budget, Department of Treasury Operations, Department of State Accounts and Department of Fiscal Policy

(a) As per the guidelines of compiling government debt statistics in the Manual of Government Finance Statistics published by the IMF in 2014, non-resident holdings of outstanding SLDBs have been classified under foreign debt and resident holdings of outstanding ISBs of the Sri Lankan Government have been classified under domestic debt. Further, debt statistics are presented on net basis (net of deposits)

(b) Provisional

(c) The outstanding central government debt excludes several debt service payments that became overdue after 12 April 2022, the date of which the Interim Policy regarding the servicing of Sri Lanka's external public debt was announced by the Ministry of Finance, Economic Stabilization and National Policies. These debt service payments comprise of overdue interest payments of affected debt which deemed to be capitalised as per the Interim Policy. Further, December 2022 balances excluded certain coupon payments pending settlement in relation Sri Lanka Developments Bonds from April 2022 till end 2022.

(d) From 2023 onwards, domestic debt compilation method was change and is based on the data confirmed by the Ministry of Finance, Economic Stabilization and National Policies

(e) Excludes outstanding Treasury bills held by non-resident investors

(f) For data from 2019 to 2022 includes liabilities of the Central Government to commercial banks reported in the Monetary Survey of the Central Bank. Thereafter such liabilities were taken from the data confirmed by the Ministry of Finance, Economic Stabilization and National Policies

(g) Several interest payments that fell overdue after the debt standstill may not be included in the outstanding balance for 2022 since recording of these debt service payments in the debt recording systems is not yet finalised. (Not applicable for SLDBs for 2023)

(h) Represents ISB outstanding owned by the Licensed Commercial Banks

(i) Data for 2022 includes outstanding balance of the government guaranteed foreign currency debt of the Ceylon Petroleum Corporation that was absorbed into central government debt

(j) Foreign loan debt statistics and classification of foreign debt for 2021, 2022 and 2023 are prepared based on the data sourced from the Commonwealth Secretariat Debt Recording and Management System (CS-DRMS) maintained by the Ministry of Finance, Economic Stabilization and National Policies, and extracted on 09 and 10 March 2023 and 26 February 2024

(k) From December 2022 onwards, several outstanding project loan which were previously classified under Ceylon Electricity Board, Airport and Aviation Services Ltd and Sri Lanka Ports Authority were absorbed into central government debt.

Table 11 | Domestic Production of Selected Items

Item	Unit	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023 ^(a)
Plantation Crops																
Tea	(kg Mn)	291.0	331.0	327.5	328.4	340.2	338.0	328.9	292.6	307.7	303.8	300.1	278.9	299.5	251.5	256.0
Rubber	(kg Mn)	136.9	153.0	158.2	152.0	130.4	98.6	88.5	79.1	83.1	82.6	74.8	78.2	76.88	70.9	64.4
Coconut	(Nuts Mn)	2,853	2,584	2,808	2,940	2,513	2,870	3,056	3,011	2,445	2,623	3,086	2,792	3,120	3,391	3,170
Seasonal Crops																
Paddy	(t'000)	3,652.0	4,300.6	3,894.2	3,846.0	4,620.7	3,380.7	4,819.4	4,420.1	2,383.0	3,929.83	4,592.0	5,120.9	5,150.0	3,393.0	4,586.0
Potatoes	(t'000)	61.7	51.9	59.4	72.2	78.8	82.7	94.8	95.8	73.3	88.9	101.6	65.1	75.9	47.6	40.7
Sweet Potatoes	(t'000)	47.3	46.5	47.3	43.6	51.3	50.9	51.9	44.7	40.7	43.3	35.6	44.6	43.4	45.0	53.5
Chilies-Green	(t'000)	46.4	49.0	44.4	61.5	71.0	71.0	62.9	72.3	51.8	79.0	60.6	79.3	68.6	63.0	67.3
Chilies-Dried	(t'000)	11.6	12.3	10.9	15.4	17.8	17.9	15.7	18.1	13	19.8	15.1	n.a.	n.a.	n.a.	n.a.
Big Onions	(t'000)	81.7	58.9	45.7	83.6	69.6	101.2	89.6	65.2	53.6	28.1	18.6	43.0	65.9	17.8	5.0
Red Onions	(t'000)	46.2	61.8	72.3	74.0	55.6	63.1	61.2	63.7	57.7	61.1	58.2	65.9	53.8	49.5	49.3
Maize	(t'000)	129.8	161.7	137.8	202.3	209.0	240.6	261.1	243.9	195.7	270.0	245.6	313.5	472.4	259.0	221.2
Green Gram	(t'000)	9.3	11.7	17.0	12.0	14.1	14.6	15.0	14.5	9.4	9.9	7.4	13.5	18.9	12.5	12.4
Black Gram	(t'000)	7.1	10.0	5.8	10.2	9.4	9.6	11.9	11.2	7.3	11.9	4.9	9.6	14.4	9.9	9.7
Kurakkan	(t'000)	6.4	7.3	5.4	6.0	6.9	8.8	8.9	8.6	5.6	8.1	5.5	6.3	8.1	10.9	9.3
Cowpea	(t'000)	13.5	11.6	10.4	14.8	14.2	15.1	12.3	13.7	8.6	11.2	8.1	13.2	11.9	14.8	12.8
Soya Beans	(t'000)	3.8	7.5	3.8	1.7	13.4	10.7	11.3	9.8	14.4	2.5	2.2	7.9	3.8	3.8	7.8
Gingerly	(t'000)	8.5	16.9	11.3	12.4	14.2	14.2	13.1	12.4	7.8	8.6	6.1	8.2	12.0	10.2	11.3
Ground Nuts	(t'000)	13.1	14.4	16.9	22.0	27.5	25.1	28.5	24.2	22.5	27.6	26.9	36.4	36.9	27.2	29.7
Other Agricultural Crops																
Sugar	(t'000)	32.0	31.0	35.0	36.7	53.0	51.8	56.0	62.0	56.0	51.3	52.0	60.0	81.0	79.0	805.6 ^(b)
Coffee	(t'000)	3.1	3.2	5.3	5.3	5.9	6.5	5.3	5.5	5.4	6.5	4.9	6.7	5.3	4.8	4.7
Cinnamon	(t'000)	15.8	16.4	18.2	16.1	16.0	19.0	23.9	24.5	24.7	24.02	24.8	22.9	23.7	23.8	22.4
Pepper	(t'000)	15.8	17.3	10.8	25.6	27.0	28.4	35.4	32.1	35.1	48.3	41.4	43.6	42.5	44.1	45.2
Cloves	(t'000)	3.0	9.6	5.5	4.0	4.0	6.3	8.2	8.2	7.3	5.5	4.4	6.7	5.7	5.7	5.9
Livestock and Fish																
Milk	(Ltr Mn)	233.4	247.6	258.3	299.2	329.2	333.9	374.4	384.0	396.2	467.7	447.6	491.5	513.3	506.4	504.2
Fish	(t'000)	339.7	384.7	444.8	486.2	512.8	535.1	520.2	530.9	531.3	527.06	505.8	428.7	435.9	397.2	407.1

Sources: Department of Census and Statistics, Ministry of Irrigation and Agriculture, Department of Export Agriculture and Central Bank of Sri Lanka

(a) Provisional

(b) Production of Sugar Cane

n.a. - not available

Table 12 | Value of Exports

Category	USD Million														
	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022 ^(a)	2023 ^(b)
Agricultural Exports	1,835	2,306	2,528	2,332	2,581	2,794	2,481	2,326	2,767	2,579	2,462	2,336	2,729	2,568	2,567
Tea	1,185	1,441	1,491	1,412	1,542	1,628	1,340	1,269	1,530	1,429	1,346	1,241	1,324	1,259	1,310
Black Tea	1,072	1,383	1,430	1,354	1,471	1,555	1,280	1,208	1,462	1,359	1,270	1,173	1,246	1,184	1,225
Bulk	616	567	534	512	561	563	504	473	605	553	490	479	491	487	471
Packets	301	607	667	640	693	754	593	547	669	620	590	523	555	517	550
Bags	156	209	229	203	217	238	183	188	188	185	191	172	199	180	204
Instant	10	13	15	11	15	19	16	17	17	20	23	22	26	25	29
Green Tea	29	44	46	47	56	55	45	44	50	50	53	45	52	50	55
Other	74	-	-	-	-	-	-	-	-	-	-	-	-	-	1
Rubber	99	173	206	125	71	45	26	33	39	32	24	30	42	41	28
Crepe Rubber	30	73	116	64	47	35	23	26	23	24	16	15	28	29	17
Smoked Sheets	42	69	63	38	14	4	2	3	6	2	3	7	7	7	7
Natural Rubber Latex	11	15	8	8	2	2	0	2	8	3	1	4	5	2	1
TSNR (f)	9	8	14	12	6	2	1	2	2	1	2	2	1	2	1
Other Natural Rubber	7	9	5	2	3	1	1	1	1	1	2	2	2	2	2
Coconut	166	166	266	209	205	356	352	366	348	311	330	345	425	400	337
Kernal Product	58	56	136	80	86	214	222	216	190	149	161	163	201	180	148
Other	108	110	130	129	119	142	130	150	158	162	168	182	224	220	188
Other Agricultural Exports	215	335	379	388	529	511	600	489	610	542	762	720	938	868	892
Vegetables	11.7	23.4	16.9	13.3	24.9	40.1	30.5	26.5	28.5	28.2	32.0	36.6	29.0	27.0	27.7
Fruits (Fresh or Dry)	12.1	14.5	17.1	18.1	29.1	44.2	38.0	34.7	41.5	39.2	41.1	33.1	38.0	38.0	41.7
Arecanut	1.4	2.2	2.5	3.7	15.9	63.6	67.5	34.1	37.7	17.9	21.3	45.3	43.0	63.0	62.1
Coffee	0.1	0.3	0.1	0.1	0.1	0.2	0.2	0.1	0.2	0.3	0.4	0.3	0.3	0.3	0.3
Pepper	20.6	42.7	32.1	70.2	128.3	72.4	149.0	76.4	88.0	77.7	50.4	52.2	119.0	81.0	94.0
Cinnamon ^(c)	74.1	82.9	128.9	135.5	138.6	139.8	139.6	171.4	218.4	228.5	187.5	227.3	251.0	227.0	213.8
Cloves ^(d)	12.0	37.4	35.4	18.5	49.7	14.0	48.3	13.8	47.7	16.8	30.6	16.2	35.0	21.0	44.1
Nutmeg and Maize	8.1	16.0	28.2	23.0	31.2	29.8	33.3	39.9	35.2	28.8	35.8	29.0	40.0	33.0	31.2
Cardamoms	0.2	0.3	0.6	0.2	0.2	0.3	1.1	5.8	5.7	1.0	0.2	0.1	0.3	0.1	1.4
Other Oil Seeds ^(e)	0.1	...	0.1	5.2	0.4	1.2	0.1	0.1	0.2	0.1	0.2	0.3	0.1	0.1	0.1
Betel Leaves	6.0	5.1	6.9	5.0	10.6	10.5	9.1	7.7	20.7	16.2	19.0	16.0	15.0	15.0	14.8
Cocoa	0.2	4.1	21.3	13.1	0.3	1.1	0.2	0.1	0.5	0.7	1.1	0.7	0.3	0.1	0.1
Un manufactured Tobacco	33.5	32.6	38.4	42.2	47.6	41.3	31.8	31.2	36.5	35.6	34.7	25.5	32.0	24.0	28.1
Sesame Seeds	1.6	8.9	0.5	2.5	10.4	6.2	4.7	4.4	2.0	4.9	0.1	0.0	3.7	11.0	3.8
Cashew Nuts	1.1	2.2	2.6	1.3	0.6	1.4	1.4	0.8	0.9	0.8	0.7	0.5	0.6	0.8	1.1

Table 12 | Value of Exports contd...

Category	USD Million														
	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022 ^(a)	2023 ^(b)
Essential Oils	2.4	5.0	1.1	0.9	1.3	4.5	2.4	4.7	4.8	3.9	3.5	4.7	5.5	5.0	8.0
Cinnamon Bark Oil	2.4	4.4	7.7	5.8	6.2	7.6	8.4	12.3	16.2	15.2	11.9	21.0	20.0	10.0	4.3
Clove Oil	0.1	0.4	0.4	0.3	0.3	0.2	0.4	0.4	0.6	0.8	0.6	1.0	0.5	0.5	0.5
Other Minor Agricultural Crops	27.6	52.4	38.4	28.7	33.5	32.9	34.1	24.5	24.6	25.8	303.1	232.4	325.0	322.0	319.6
Seafood	171	192	185	198	234	253	163	170	241	266	262	190	274	269	262
Industrial Exports	5,228	6,097	7,992	7,371	7,749	8,262	8,017	7,940	8,541	9,258	9,426	7,672	9,702	10,465	9,278
Food, Beverages and Tobacco	183	245	348	284	235	289	307	324	393	462	447	464	587	520	539
Milling Industry Products	40	71	142	90	37	43	31	26	29	30	43	44	47	46	44
Vegetable, Fruit and Nut Preparations	55	51	61	59	63	80	87	100	129	147	143	185	232	208	203
Cereal Preparations	9	11	19	20	25	22	21	19	20	20	19	22	24	26	28
Fish Preparations	1	1	...	...	1	1	0	0	1	10	19	12	21	11	13
Manufactured Tobacco	24	26	41	47	49	56	58	73	73	93	78	60	80	65	66
Other	54	85	85	67	61	88	109	105	141	162	145	141	183	164	185
Textile and Garments	3,261	3,356	4,191	3,991	4,508	4,930	4,820	4,884	5,032	5,318	5,596	4,423	5,435	5,952	4,879
Garments	3,120	3,178	3,986	3,784	4,265	4,682	4,556	4,603	4,739	4,961	5,206	3939	4952	5483	4,441
Woven Fabrics	55	70	85	92	124	90	102	107	119	148	162	122	234	230	211
Yarn	42	50	57	58	58	68	63	70	69	83	92	76	93	100	88
Other Made Up Textile Articles	44	57	64	56	61	90	100	105	104	126	137	286	157	139	140
Petroleum Products	134	263	553	463	428	338	374	287	434	622	521	374	506	568	539
Bunkers and Aviation Fuel	133	259	524	457	423	327	364	271	404	559	485	323	369	537	533
Other Petroleum Products	2	4	28	6	5	11	10	16	30	63	36	51	137	31	6
Ceramic Products	36	40	38	36	40	41	35	34	34	31	30	24	37	38	34
Tiles	8	8	6	7	8	9	8	7	7	6	5	5	9	6	6
Tableware, Household Items and Sanitary ware	24	27	28	25	29	29	25	23	23	21	21	15	25	29	25
Other	4	5	5	4	3	3	3	4	4	4	4	3	4	3	2
Rubber Products	385	558	885	860	888	890	761	768	835	875	866	786	1,050	977	902
Rubber Tyres	213	336	569	540	551	564	467	476	510	545	512	421	591	593	589
Surgical Gloves and Other Gloves	114	137	181	177	195	176	165	176	198	188	207	248	365	296	226
Other Rubber Products	58	85	135	143	141	150	130	116	128	143	147	117	94	88	88
Leather, Travel Goods and Footwear	47	60	65	55	77	139	136	166	158	148	103	54	59	86	71
Footwear	17	20	17	12	29	87	86	118	108	89	52	16	15	24	20
Travel Goods	20	27	31	27	28	31	29	29	33	35	35	27	34	47	31
Other	10	13	17	16	19	21	21	19	17	23	16	11	10	15	20

Table 12 | Value of Exports contd...

Category	USD Million														
	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022 ^(a)	2023 ^(b)
Machinery and Mechanical Appliances	187	259	312	297	312	343	294	318	371	435	400	338	501	581	598
Gems, Diamonds and Jewellery	402	409	532	559	446	394	332	274	257	278	306	181	277	451	500
Gems	69	70	95	118	130	173	164	149	145	142	155	78	121	218	206
Diamonds	317	322	414	417	295	198	148	105	94	120	134	95	144	216	277
Jewellery	17	17	22	24	21	22	19	20	18	15	17	8	12	16	17
Transport Equipment	127	144	225	165	146	152	244	131	162	120	146	71	148	129	150
Road Vehicles	50	58	49	86	32	39	40	42	39	57	54	47	77	71	34
Ships, Boats and Floating Structures	58	59	149	57	82	86	182	65	97	27	65	2	38	17	79
Other	20	28	27	22	33	27	22	25	27	37	26	23	33	41	37
Printing Industry Products	48	246	235	42	36	52	46	42	49	32	48	48	50	53	55
Other Industrial Exports	418	517	608	619	633	694	669	712	816	937	963	909	1,052	887	1,011
Chemical Products	74	93	118	117	120	134	126	126	146	167	176	173	223	223	194
Mineral Exports	20	24	33	61	52	59	28	29	34	34	34	25	45	50	39
Unclassified Exports	-	199	7	10	12	15	20	15	17	18	18	14	23	23	28
Total Exports	7,085	8,626	10,559	9,774	10,394	11,130	10,547	10,310	11,360	11,890	11,940	10,047	12,499	13,106	11,911

Sources: Department of Customs, Central Bank of Sri Lanka

(a) Revised

(b) Provisional

(c) Includes Cinnamon Oil

(d) Includes Clove Oil

(e) Includes Soya beans, Mustard Seeds and Oil Seeds

(f) Technically Specified Natural Rubber

... negligible

Table 13 | Value of Imports

Category	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023 ^(a)
Consumer Goods	1,565	2,410	3,654	2,995	3,182	3,853	4,713	4,319	4,503	4,980	3,957	3,402	3,849	2,811	3,044
Food and Beverages	933	1,256	1,567	1,304	1,368	1,634	1,627	1,627	1,841	1,606	1,427	1,554	1,666	1,606	1,693
Sugar	218	363	426	345	289	255	253	343	256	248	200	276,0001	288	256	435
Milk and Milk Products	165	259	345	307	291	339	251	249	316	332	312	334	318	225	274
Rice	23	59	18	24	18	282	135	13	301	107	13	11	73	292	17
Flour	1	1	14	5	2	2	2	2	2	3	3	7	5	113	76
Fish	119	128	147	134	162	141	218	234	214	197	215	189	122	66	79
Other Food and Beverages	407	446	617	489	607	614	768	787	752	719	685	739	861	654	812
Potatoes	23.0	36.9	35.7	22.7	28.5	35.8	35.5	31.5	35.7	32.6	33.9	39.8	37.3	38.7	34.1
Chilies	42.5	44.2	82.4	46.4	49.3	59.6	77.3	92.7	51.8	68.7	82.9	94.8	92.7	112.5	96.2
Onions	60.0	96.0	86.0	51.9	100.1	65.3	122.0	100.0	123.0	108.9	124.3	148.7	154.9	112.9	115.8
Lentils	113.0	129.0	116.8	68.9	104.1	121.2	148.0	139.4	114.4	78.6	79.9	96.9	143.0	116.9	146.2
Green Gram	10.7	15.6	13.8	7.3	11.2	13.6	27.2	15.6	14.9	13.8	12.2	10.5	...	-	-
Peas	12.9	14.9	18.5	19.0	19.9	21.8	31.8	25.6	23.0	25.2	23.8	24.9	19.4	24.0	20.8
Chick Peas	17.7	17.8	26.9	25.6	20.5	20.0	23.7	30.1	32.7	26.0	20.5	24.4	21.8	17.3	30.8
Kurakkan	0.6	0.6	0.6	0.4	...	0.2	0.1	0.6	1.3	0.8	1.7	0.4	-	-	-
Oil and Fat	14.0	19.0	25.9	20.0	59.2	20.1	33.5	35.9	46.0	47.0	29.4	106.9	184.1	43.9	133.9
Spices ^(c)	65.0	72.0	111.0	68.0	79.9	98.2	113.3	132.0	92.8	114.0	115.4	126.9	127.2	136.6	133.4
Other	47.4	99.3	99.3	158.7	134.1	157.9	156.7	183.2	216.0	203.1	244.2	159.3	173.1	163.5	101.1
Non-food Consumables	632	1,154	2,087	1,691	1,814	2,219	3,086	2,692	2,662	3,374	2,550	1,847	2,182	1,205	1,351
Vehicles	93	455	881	495	582	897	1,360	795	773	1,574	816	283	13	12	27.7
Home appliances-Radio and Television Sets	24	45	118	118	103	86	120	136	141	124	102	84	126	29	31.9
Rubber Products	46	72	83	80	88	90	114	112	94	95	83	58	102	61	59.2
Medical and Pharmaceutical Products	202	217	348	372	378	381	460	526	520	532	553	596	883	533	667.0
Household and Furniture Items	61	88	127	117	125	134	150	182	186	169	172	147	161	116	122.1
Other	206	277	530	509	538	632	882	941	948	880	805	680	897	454	443.0
Garments	98.9	94.4	112.0	131.9	157.6	227.0	321.4	290.9	292.3	237.3	215.1	159.6	167.5	171.0	133.7
Other Articles of Plastics ^(b)	18.3	20.7	33.0	35.4	33.2	34.0	52.8	28.9	24.3	20.4	26.4	18.8	21.5	23.4	19.8
Printed Books	21.5	19.8	15.0	14.1	11.9	10.4	10.7	13.0	17.3	18.4	14.6	8.5	10.3	7.4	8.4
Fans	7.0	12.3	23.1	23.4	27.4	24.4	33.5	41.8	34.9	29.5	33.5	27.9	32.5	15.7	13.6
Washing Preparations	11.0	10.6	6.0	6.0	5.6	4.3	4.0	5.0	4.4	2.7	3.0	1.9	3.3	1.8	1.3
Powders, Makeup	4.8	5.6	10.7	6.8	8.1	6.7	9.0	13.5	12.5	12.5	10.6	6.4	8.1	3.4	4.5
Cookers	3.7	5.0	9.4	6.4	6.8	5.7	9.2	11.6	10.8	10.0	8.5	7.0	8.8	4.4	2.4
Intermediate Goods	6,159	8,054	12,274	11,578	10,554	11,398	9,638	9,869	11,435	12,488	11,370	9,077	12,309	12,439	11,007
Fertilizer	182	240	407	311	239	272	290	137	103	262	221	259	158	276	235
Petroleum	2,184	3,041	4,795	5,045	4,308	4,597	2,700	2,481	3,428	4,152	3,892	2,543	3,743	4,897	4,703
Chemical Products	432	520	702	670	734	808	870	856	835	904	831	831	1074	966	815
Paper and Paper Boards	264	350	427	363	380	490	477	487	485	529	457	383	469	466	412

USD Million

Table 13 | Value of Imports contd...

Category	USD Million														
	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023 ^(a)
Wheat and Maize	269	265	429	364	323	405	357	249	357	374	346	384	418	303	338
Textile	1,529	1,812	2,321	2,266	2,046	2,328	2,296	2,705	2,724	2,859	2,909	2,335	3,067	3,065	2,371
Diamond and Precious Metals	277	378	1,076	588	483	175	162	514	772	573	201	117	144	204	268
Base Metal	167	239	354	440	406	478	471	456	629	683	563	460	866	323	314
Vehicle and Machinery Parts	127	176	223	211	210	228	264	281	295	296	270	239	349	255	233
Other Intermediate Goods	728	1,033	1,540	1,320	1,425	1,616	1,752	1,703	1,809	1,857	1,678	1,524	2,020	1,684	1,318
Semi Finished Products of Iron	72	91	157	256	238	168	151	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.
Polymer of Ethylene	76	103	109	99	106	142	147	144	134	149	126	116	144	128	86
Unmanufactured Tobacco	39	31	52	71	62	70	83	68	68	79	62	68	57	62	62
Palm Oil (Refined ^(c))	35	68	161	67	81	123	111	84	148	146	92	90	84	28	24
Investment Goods	2,093	2,758	4,286	4,590	4,253	4,152	4,567	4,981	4,895	4,690	4,603	3,563	4,463	3,031	2,745
Machinery and Equipment	1,077	1,339	2,141	2,356	2,222	2,131	2,278	2,741	2,621	2,492	2,490	2,176	2,810	1,969	1,868
Recorders and Primary Batteries	107	87	124	138	152	n.a.	17	17	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.
Medical Instrument and Appliance – Used	54	63	81	87	92	104	117	137	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.
Wire Cables (Electrical)	11	38	33	32	34	33	37	31	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.
Gas Cylinders (For Industries)	3	6	12	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.
Transport Equipment	357	593	1,065	992	668	707	931	663	675	668	597	348	399	132	99
Building Material	656	822	1,076	1,237	1,357	1,309	1,352	1,569	1,591	1,525	1,509	1,036	1,249	926	775
Iron Pipe & Tube	88	108	85	84	70	56	79	79	103	115	132	64	55	47	34
Other Investment Goods	3	4	4	5	6	5	6	8	8	6	8	3	6	3	3
Unclassified Imports	390	162	54	28	14	14	16	13	147	75	8	14	17	9	16
Total Imports	10,207	13,385	20,269	19,190	18,003	19,417	18,935	19,183	20,980	22,233	19,937	16,055	20,638	18,291	16,811

Sources: Department of Customs, Central Bank of Sri Lanka

(a) Provisional

(b) Includes Plastic kitchenware, plastic furniture, plastic ornamental articles, plastic clothing articles and plastic stationary articles

(c) Includes Chillies

n.a. – not available

... negligible

Table 14 | Import Quantities of Selected Items

Item	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023 ^(a)
Sugar	460.7	539.2	596.6	559.0	539.0	509.5	624.0	638.7	483.2	624.3	537.5	682.6	582.0	446.7	641.7
Milk Powder	62.4	72.4	84.1	79.5	66.0	67.2	81.8	94.0	93.1	99.0	93.7	97.3	83.0	49.5	67.5
Potatoes	99.6	129.9	130.5	112.8	123.2	118.2	142.2	148.1	151.4	158.7	142.1	126.8	116.7	153.8	168.2
Chilies - Red	36.0	37.7	42.2	40.7	44.1	47.8	49.9	51.0	51.7	52.8	52.6	50.8	50.1	47.7	40.1
Big Onions	143.2	158.1	170.7	145.9	168.9	150.5	210.3	215.6	232.3	246.2	240.1	265.9	257.4	263.8	294.4
Red Onions	16.2	11.9	6.8	7.0	15.4	11.8	15.2	19.8	10.9	15.3	6.0	6.2	12.8	14.4	11.5
Dhal	108.0	134.3	151.3	114.0	150.9	153.4	160.9	154.3	165.9	162.6	176.9	178.4	205.3	132.6	198.3
Rice	51.7	125.8	27.8	36.2	22.9	599.7	285.6	29.5	748.0	248.9	24.2	15.8	147.1	783.4	29.6
Maize	27.2	9.6	7.0	1.0	0.5	86.8	67.2	41.9	179.6	120.6	102.5	43.5	8.2	178.6	197.2
Green Gram	14.2	11.5	10.5	7.9	7.1	5.2	11.5	13.9	15.5	16.4	13.3	10.8	...	...	...
Black Gram	3.3	1.5	7.1	3.2	4.2	6.3	8.1	12.0	12.8	12.4	7.7	0.5	...	0.0	200.0
Peas	26.7	33.0	36.1	31.9	30.8	35.9	45.4	35.6	36.7	47.8	39.4	44.3	38.0	35.5	36.1
Chick Peas	20.0	19.1	19.9	18.7	25.3	25.7	27.7	27.0	26.5	27.3	25.6	29.9	22.2	16.3	23.4
Kurakkan	3.3	2.1	2.2	3.6	12.0	0.7	0.8	2.2	2.9	3.1	4.0	0.8	0.0	0.0	0.0
Cowpea	0.4	0.6	0.9	0.7	1.1	1.0	5.6	6.1	7.3	8.1	8.5	4.0	0.1	0.0	0.0
Soya Bean	1.8	1.6	...	0.1	1.1	...	7.3	7.1	3.2	6.4	8.2	9.2	2.1	3.6	5.0
Coriander	10.9	12.1	13.3	10.1	15.3	13.8	12.3	15.0	12.2	18.0	13.3	19.6	18.5	10.5	16.8
Turmeric	3.9	3.9	4.1	3.8	4.1	4.2	4.9	4.7	4.9	5.4	5.3	0.8	...	n.a.	0.0
Turmeric (Powder)	0.3	0.3	0.2	...	...	...	...	1.0	12.0	25.0	18.0	0.0	...	n.a.	n.a.
Tamarind	0.1	0.9	0.7	...	...	...	1.1	0.1	0.4	0.5	0.03	0.0	...	0.0	0.0
Garlic	21.2	20.4	23.8	23.1	24.4	27.0	28.2	26.0	27.5	32.9	31.8	35.8	36.7	33.9	36.2
Apples	20.1	22.4	21.2	21.1	20.1	15.9	20.2	25.3	26.7	27.3	23.4	17.2	15.3	5.6	5.1
Grapes	3.4	4.3	6.9	6.6	6.2	3.8	6.9	6.2	7.3	10	7.2	4.9	8.1	4.2	4.9
Orange	4.3	4.5	7.0	6.0	7.6	6.5	7.5	8.1	8.7	8.4	7.8	4.7	4.8	2.4	1.4
Mandarin	7.4	10.9	10.5	10.6	9.5	7.1	8.9	10.6	6.0	11.0	n.a.	7.0	8.8	5.7	6.5
Melon	0.1	...	...	...	...	...	...	...	...	0.3	0.05	0.0	...	...	1.0
Canned Fish	13.6	16.7	20.7	19.6	22.2	19.7	49	37.1	40.6	28.1	36.8	26.0	8.8	3.4	7.9
Maldive Fish	3.2	2.9	2.8	1.4	1.4	1.3	2.2	2.7	2.7	2.3	2.5	2.5	2.2	1.5	1.7
Sprats	25.4	27.3	27.6	25.2	23.5	24.9	24.6	24.5	22.8	23.2	24.8	31.1	25.1	23.7	22.8
Other Dry Fish	20.1	18.5	19.6	14.2	14.0	10.0	7.9	9.8	9.1	4.2	4.9	11.6	1.7	0.8	1.0
Palm Oil	497	74.3	135.5	51.1	45.3	142.0	161.8	120.5	195.3	217.7	156.0	120.1	80.9	21.0	21.6
Coconut Oil	2.4	3.5	3.6	5.2	2.2	3.9	3.4	1.2	0.9	9.9	1.5	79.1	98.9	12.319	95.4

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

(a) Provisional

n.a. - not available

... negligible

Table 15 | Value of Food Imports

Item	USD Million														
	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023 ^(a)
Sugar	218.0	363.0	426.0	345.0	288.9	255.5	252.5	342.5	256.0	248.0	199.7	276.0	273.9	240.0	421.1
Milk Powder and Milk Products	165.0	259.0	345.0	307.0	291.0	339.4	250.9	249.3	315.8	332.3	311.9	333.8	316.1	210.0	269.8
Flour	1.0	1.0	14.0	4.9	1.8	2.1	2.0	1.8	2.0	3.0	2.7	6.8	4.9	120.1	76.6
Potatoes	23.0	36.9	35.7	22.7	28.4	35.8	35.5	31.5	36.0	32.6	33.9	39.8	37.1	36.1	34.1
Chilies - Red	42.5	44.2	82.4	46.4	49.3	59.6	77.3	92.7	52.0	68.7	82.9	94.8	92.5	109.7	96.4
Big Onions	40.8	58.8	59.3	29.5	71.1	42.0	79.8	46.7	79.0	79.4	84.6	104.7	99.2	71.5	73.6
Red Onions	9.4	5.7	4.2	3.0	10.7	5.0	8.8	9.0	8.0	9.3	4.2	6.8	11.5	5.9	5.4
Dhal	113.0	129.0	116.8	68.9	104.1	121.2	148.0	139.4	114.4	78.6	79.9	96.9	142.7	119.1	144.0
Rice	22.9	59.0	18.4	24.2	17.9	281.7	135.1	12.8	300.9	106.8	12.8	10.5	73.8	269.4	17.1
Maize	0.6	2.5	2.3	0.4	0.3	23.9	16.1	10.8	53.0	39.4	34.8	19.3	8.7	72.3	58.6
Green Gram	10.7	15.6	13.8	7.3	7.6	6.8	15.0	15.6	15.0	13.8	12.2	10.5	...	...	...
Black Gram	2.7	1.7	7.2	3.0	3.5	6.9	11.3	22.4	13.0	8.4	6.6	0.5	...	...	0.2
Peas	12.9	14.9	18.5	19.0	19.9	20.4	31.8	25.6	23.0	25.2	23.8	24.9	19.2	24.1	20.8
Chick Peas	17.7	17.8	26.9	25.6	20.5	20.0	23.7	30.1	33.0	26.0	20.5	24.4	21.8	17.3	30.8
Kurakkan	0.6	0.6	0.6	0.4	...	0.2	0.1	0.6	1.0	0.8	1.7	0.4	...	...	...
Cowpea	0.3	...	0.7	0.6	0.9	0.9	4.1	4.5	6.5	6.2	6.0	3.2	...	...	...
Soya Bean	0.7	0.8	...	0.1	...	...	3.4	3.0	8.0	2.8	3.7	4.7	1.6	2.6	3.8
Coriander	9.5	9.5	9.9	6.5	14.8	19.2	14.0	10.0	6.0	10.8	11.8	17.5	18.7	9.9	13.5
Turmeric	4.2	8.2	7.0	3.7	4.6	4.6	6.5	7.1	7.0	7.2	6.4	1.0	...	...	...
Turmeric (Powder)	0.5	0.6	0.2	...	...	...	...	...	...	...	...	...	...	...	...
Tamarind	...	0.2	0.2	...	...	...	0.4	...	0.2	0.1	0.1	0.0	...	...	...
Garlic	9.9	31.2	22.0	19.1	18.0	18.2	25.5	44.3	36.0	20.0	35.3	36.9	43.9	28.4	36.6
Apples	7.7	9.6	9.7	14.4	19.8	17.2	18.3	24.0	24.0	26.5	22.6	15.7	16.6	5.2	5.9
Grapes	4.4	5.6	6.8	10.5	11.2	8.4	13.4	15.9	15.0	15.0	14.0	9.4	14.7	5.8	7.6
Orange	2.0	2.3	3.7	4.0	5.2	4.7	4.6	5.9	6.0	5.8	5.3	3.6	3.7	1.5	1.1
Mandarin	2.1	3.2	3.3	3.8	2.8	2.1	2.7	3.5	2.0	3.7	3.1	2.3	4.5	2.0	3.6
Melon	0.2	...	-	...	...	-	...	0.4	0.6	0.2	0.2	0.0	...	...	...
Canned Fish	32.1	38.6	50.7	43.6	47.5	39.5	81.9	66.2	63.0	53.3	76.6	57.8	24.6	8.2	18.8
Maldivo Fish	14.1	11.5	12.3	7.5	6.6	5.0	11.4	13.7	11.0	9.4	9.3	10.4	7.3	2.9	2.8
Sprats	31.4	35.1	39.1	40.0	55.2	44.9	49.1	62.1	59.0	58.2	53.3	58.7	45.9	30.7	27.5
Other Dry Fish	37.0	32.0	36.8	30.0	25.3	18.1	15.4	22.5	25.0	26.4	29.6	34.3	24.6	...	1.4
Palm Oil	35.3	68.1	160.6	67.2	81.4	123.0	103.5	84.1	148.0	146.2	92.5	89.7	83.3	26.7	23.5
Coconut Oil	1.8	3.6	6.6	4.8	2.2	0.2	5.8	3.7	16.0	20.1	4.7	90.3	165.2	22.5	115.4

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

... negligible

(a) Provisional

Table 16 | Motor Vehicles

Item	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022 ^(a)	2023 ^(b)
Motor Vehicle Imports															
Total	169,493	383,099	533,056	374,175	308,398	482,003	655,086	469,305	460,261	494,488	345,703	105,987	21,832	7,490	9,206
Motor Bicycles	117,913	221,832	252,036	186,372	159,791	322,257	349,523	329,978	364,346	354,998	266,659	71,306	1,861	2,826	5,025
Three-Wheelers	30,356	92,207	137,389	93,284	80,586	83,233	132,779	47,976	19,021	20,782	16,997	4,864	2,094	226	13
Tractors	12,874	18,617	26,870	18,967	13,247	5,511	14,234	13,185	10,295	6,992	5,132	6,560	13,520	3,455	2,394
Transport Vehicles (goods)	5,639	20,655	55,786	45,560	25,655	25,664	44,287	32,161	25,964	25,077	18,591	6,925	2,067	235	197
Passenger Vans and Buses	649	2,766	3,836	3,245	1,627	3,906	4,690	2,849	3,732	2,581	1,458	470	52	177	455
Motor Cars	1,852	26,745	56,370	26,312	27,084	41,030	109,059	42,208	36,125	82,627	34,800	15,785	1,979	523	1,113
Quadricycle	-	-	-	-	-	-	-	-	6	642	1,644	n.a.	n.a.	n.a.	n.a.
Other	210	277	769	435	408	402	514	948	772	789	422	77	259	48	9
New Registration of Motor Vehicles															
Total	204,075	359,243	525,421	397,295	326,651	429,556	668,907	491,036	451,653	480,799	367,303	202,628	33,850	20,511	27,890
Motor Cars	5,762	23,072	57,886	31,546	28,380	38,780	105,628	45,172	39,182	80,776	38,232	21,021	3,495	1,489	1,816
Three Wheelers	37,364	85,648	138,426	98,815	83,673	79,038	129,547	56,945	23,537	20,063	15,490	7,150	2,093	36	60
Motor Cycles	135,421	204,811	253,331	192,284	169,280	272,885	370,889	340,129	344,380	339,763	284,301	151,634	8,011	9,060	20,200
Buses	739	2,491	4,248	3,095	1,805	3,851	4,140	2,685	3,331	2,957	1,613	578	281	404	685
Dual Purpose Vehicles	1,280	11,712	33,518	37,397	24,603	20,799	39,456	26,887	16,742	16,931	13,459	9,532	771	760	586
Goods Transport Vehicles - Lorries	8,225	11,845	14,818	12,266	5,872	5,121	7,142	5,271	11,432	9,371	5,223	3,941	4,432	1,833	523
Land Vehicles - Tractors	13,951	17,363	20,073	18,450	10,772	7,070	9,977	10,285	8,821	7,460	5,696	6,025	10,420	4,369	2,784
Land Vehicles - Trailers	1,333	2,301	3,121	3,442	2,266	2,012	2,128	3,662	4,228	2,822	1,970	2,277	4,344	2,560	1,236
Other	-	-	-	-	-	-	-	-	-	656	1,319	470	3	-	-
Total Vehicle Fleet *	3,595,068	3,954,311	4,479,732	4,877,027	5,203,678	5,633,234	6,302,141	6,793,177	7,247,122	7,727,921	8,095,224	8,297,852	8,331,702	8,352,213	8,380,103
Motor Cars	387,210	410,282	468,168	499,714	528,094	566,874	672,502	717,674	756,856	837,632	875,864	896,885	900,380	901,869	903,685
Three Wheelers	443,895	529,543	667,969	766,784	850,457	929,495	1,059,042	1,115,987	1,139,524	1,159,587	1,175,077	1,182,227	1,184,320	1,184,356	1,184,416
Motor Cycles	1,896,021	2,100,832	2,354,163	2,546,447	2,715,727	2,988,612	3,359,501	3,699,630	4,044,010	4,383,773	4,668,074	4,819,708	4,827,719	4,836,779	4,856,979
Buses	81,789	84,280	88,528	91,623	93,428	97,279	101,419	104,104	107,435	110,392	112,005	112,583	112,864	113,268	113,953
Dual Purpose Vehicles	197,516	209,228	242,746	280,143	304,746	325,545	365,001	391,888	408,630	425,561	439,020	448,552	449,323	450,083	450,669
Goods Transport Vehicles - Lorries	284,847	296,692	311,510	323,776	329,648	334,769	341,911	347,182	360,906	370,277	375,500	379,441	383,873	385,706	386,229
Land Vehicles - Tractors	259,634	276,997	297,070	315,520	326,292	333,362	343,339	353,624	362,445	369,905	375,601	381,626	392,046	396,415	399,199
Land Vehicles - Trailers	44,156	46,457	49,578	53,020	55,286	57,298	59,426	63,088	67,316	70,138	72,108	74,385	78,729	81,289	82,525
Other	-	-	-	-	-	-	-	-	-	656	1,975	2,445	2,448	2,448	2,448

Sources: Department of Customs and Department of Motor Traffic

(a) Revised

(b) Provisional

* Cumulative number of all vehicles registered in Sri Lanka

n.a. - not available

Table 17 | Power Sector

Item	Unit	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022 ^(a)	2023 ^(b)	
Installed Capacity	MW	2,684	2,818	3,146	3,312	3,356	3,932	3,847	4,018	4,086	4,046	3,807	4,265	4,186	4,084	4,381	
Hydro Power		1,379	1,383	1,401	1,584	1,625	1,665	1,680	1,726	1,745	1,793	1,399	1,793	1,797	1,827	1,832	
Thermal		1,290	1,390	1,396	1,338	1,335	1,215	1,115	1,215	1,233	1,137	1,282	1,268	1,087	924	1,188	
Coal		-	-	300	300	300	900	900	900	900	900	900	900	900	900	900	
Wind*		3	3	3	3	3	3	3	3	3	128	128	179	252	252	267	
Other ^(c)		12	42	46	87	93	150	149	174	205	88	98	125	565	181	194	
Maximum Demand	MW	1,868	1,955	2,163	2,146	2,164	2,152	2,283	2,453	2,523	2,616	2,669	2,717	2,802	2,708	2,415	
Total sales by CEB	GWh	8,441	9,268	10,023	10,474	10,621	11,063	11,786	12,785	13,431	14,091	14,611	14,286	15,214	14,520	14,153	
Generation **	GWh	9,882	10,714	11,528	11,800	11,898	12,357	13,090	14,149	14,671	15,286	15,922	15,714	16,716	15,942	15,588	
Average Electricity Price	Rs	13.10	13.03	13.21	15.56	17.93	18.50	15.93	16.18	16.26	16.29	16.63	16.72	16.37	21.24	21.24	42.86
Average Cost of Electricity	Rs	14.93	13.03	15.59	23.66	16.94	19.97	15.06	18.10	20.34	19.13	23.29	21.67	18.63	36.15	40.92	40.92
Access to Electricity	000'	4,158	4,327	4,611	4,979	5,211	5,418	5,649	5,964	6,193	6,354	6,501	6,636	6,810	6,937	7,025	
Access to Electricity	%	85.4	88.0	91.0	94.0	96.0	98.0	99.0	99.3	99.3	99.3	99.3	99.3	99.3	99.3	94.8	65.3

Source: Ceylon Electricity Board

(a) Revised

(b) Provisional

(c) Including Solar, Dendro and BioMass

*Wind capacity installed under CEB only

** Net Generation considered

Note: Installed capacity of Thermal includes hired plants from 2000-2004

n.a. - not available

Table 18 | Roads

Item	Unit	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022 ^(a)	2023 ^(b)
Total Road Length	km	113,674	114,272	114,768	115,272	115,383	117,012	116,407	118,059	119,480	119,490	100,638	155,996	144,937	144,937	144,967
National Roads		11,922	12,019	12,019	12,258	12,289	12,369	12,380	12,380	12,380	12,390	12,438	12,496	12,537	12,537	12,567
Class A		4,219	4,219	4,219	4,219	4,219	4,215	4,215	4,215	4,215	4,215	4,215	4,217	4,217	4,217	4,217
Class B		7,703	7,800	7,800	7,944	7,949	7,993	7,995	7,995	7,995	8,005	8,005	8,007	8,007	8,007	8,038
Expressways		-	-	95	95	121	161	170	170	170	170	218	272	313	313	312
Provincial Roads		16,532	16,973	17,429	17,614	17,614	19,083	18,397	18,353	18,900	18,900	n.a	18,924	18,400	18,400	18,400
Rural Roads		85,220	85,280	85,320	85,400	85,480	85,560	85,630	87,326	88,200	88,200	88,200	124,576	114,000	114,000	114,000
Total Roads Density	km/km²	1.73	1.74	1.75	1.76	1.76	1.78	1.77	1.80	1.82	1.82	1.53	2.38	2.21	2.21	0.19
National Roads Density		0.18	0.18	0.18	0.19	0.19	0.19	0.19	0.19	0.19	0.19	0.19	0.19	0.19	0.19	0.19
Provincial Roads Density		0.25	0.26	0.27	0.27	0.27	0.29	0.28	0.28	0.29	0.29	n.a	0.29	0.28	0.28	n.a
Rural Roads Density		1.30	1.30	1.30	1.30	1.30	1.30	1.31	1.33	1.34	1.34	1.34	1.90	1.74	1.74	n.a
Road Condition of National Roads as per IRI*																
Excellent	%	11	16	23	24	29	27	27	35	36	n.a	39	42	46	46	48
Good	%	24	27	23	29	36	27	28	29	30	n.a	26	27	29	29	30
Fair	%	17	13	10	10	8	9	9	10	13	n.a	9	9	7	7	6
Poor	%	37	33	26	17	13	16	16	11	10	n.a	10	9	8	8	6
Bad	%	11	11	18	20	14	22	20	15	11	n.a	16	14	11	11	9

Sources: Road Development Authority and Department of National Planning

*IRI = International Roughness Index

(a) Revised

(b) Provisional

n.a. - not available

Table 19 | Port Services

Item	Unit	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022 ^(a)	2023 ^(b)
Vessels Arrived *	No.	4,592	4,075	4,358	4,178	4,024	4,298	4,760	5,023	4,942	4,933	4,708	4,337	3,685	4,073	4,823
Colombo		4,114	3,910	4,124	3,870	3,667	3,742	4,197	4,405	4,329	4,331	4,198	3,806	3,180	3,648	4,237
Sri Lanka Ports Authority		2,939	2,928	3,040	2,750	2,600	2,424	2,169	2,061	1,998	1,934	1,948	1,777	1,286	1,664	1,867
South Asia Gateway Terminal		1,175	982	1,084	1,120	1,011	855	1,026	1,087	1,073	1,152	1,016	926	867	838	1,001
Colombo International Container Terminal		-	-	-	-	56	463	1,002	1,257	1,258	1,245	1,234	1,103	1,027	1,146	1,369
Galle		32	48	73	69	36	60	72	96	87	84	43	22	14	7	23
Trincomalee		310	109	126	161	134	127	164	216	233	189	142	135	117	95	102
Magam Ruhunupura Mahinda Rajapaksa Port		-	-	9	34	139	335	295	281	230	270	314	374	374	323	447
KKS, Myliddy, Point Pedro & Karainagar		136	8	26	44	48	34	32	25	63	59	11	-	-	-	14
Total Cargo Handled	t '000	48,778	61,240	65,097	65,030	66,292	74,431	77,611	86,546	93,879	104,952	106,982	102,907	109,358	100,372	103,791
Colombo		46,373	58,768	62,016	61,669	63,482	70,794	73,718	81,879	89,034	100,151	101,926	97,681	103,826	96,168	99,672
Sri Lanka Ports Authority		27,281	33,775	36,019	36,867	39,186	39,998	36,668	35,172	35,001	39,216	38,322	35,493	37,362	31,721	34,257
South Asia Gateway Terminal		19,092	24,993	25,997	24,802	23,551	22,148	16,893	21,196	23,622	27,042	26,515	24,878	24,062	22,731	22,812
Colombo International Container Terminal		-	-	-	-	745	8,648	20,157	25,511	30,411	33,893	37,089	37,310	42,402	41,716	42,603
Galle		167	318	464	422	207	394	542	771	712	729	510	404	106	1	1
Trincomalee		2,238	2,154	2,574	2,859	2,435	2,748	3,027	3,514	3,897	3,560	3,304	3,072	3,177	2,088	2,013
Magam Ruhunupura Mahinda Rajapaksa Port		-	-	15	20	119	474	292	355	213	494	1,239	1,750	2,249	2,115	2,105
KKS, Myliddy, Point Pedro & Karainagar		246	11	28	60	49	21	32	27	23	18	3	-	-	-	-
Total Container Traffic (c)	TEUs '000	3,464	4,137	4,263	4,187	4,306	4,908	5,185	5,735	6,209	7,047	7,228	6,855	7,249	6,862	6,950
Sri Lanka Ports Authority		1,714	2,167	2,299	2,317	2,502	2,559	2,252	2,100	2,011	2,304	2,283	2,098	2,198	1,926	1,965
South Asia Gateway Terminal		1,750	1,970	1,963	1,870	1,747	1,662	1,371	1,632	1,810	2,067	2,052	1,872	1,839	1,752	1,764
Colombo International Container Terminal		-	-	-	-	57	687	1,562	2,003	2,388	2,676	2,893	2,885	3,212	3,184	3,221
Transshipment Container **	TEUs '000	2,712	3,205	3,216	3,167	3,274	3,781	3,967	4,435	4,826	5,704	5,955	5,765	6,050	5,832	5,960
Sri Lanka Ports Authority		1,301	1,604	1,652	1,652	1,825	1,916	1,711	1,617	1,623	1,976	2,008	1,867	1,877	1,670	1,757
South Asia Gateway Terminal		1,411	1,601	1,564	1,515	1,405	1,325	1,043	1,314	1,434	1,687	1,651	1,607	1,573	1,523	1,571
Colombo International Container Terminal		-	-	-	-	44	540	1,213	1,504	1,769	2,041	2,296	2,291	2,600	2,640	2,632
Employment (Sri Lanka Ports Authority) ***	No.	13,367	12,828	11,008	10,200	9,886	9,598	9,550	9,651	9,414	9,748	9,937	9,484	9,203	8,706	8,243
Colombo		12,263	11,681	10,059	9,325	9,014	8,747	8,725	8,856	8,625	8,948	8,975	8,567	8,285	7,838	7,433
Galle		513	500	433	391	378	373	355	348	351	362	384	339	331	315	276
Trincomalee		591	598	466	436	426	419	417	402	401	400	400	387	381	363	341
Magam Ruhunupura Mahinda Rajapaksa Port		-	49	50	48	68	59	53	45	37	38	178	191	206	190	193
Revenue (Sri Lanka Ports Authority) ***	Rs Mn	23,331	28,279	31,086	38,098	37,252	37,492	40,805	44,080	43,963	52,283	54,636	52,657	60,606	99,362	92,821

Source: Sri Lanka Ports Authority, Central Bank of Sri Lanka

(a) Revised

(b) Provisional

(c) TEUs=Twenty-foot Equivalent Container Units

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

**Including Re-Stowing

*** For the comparison purpose Port of Hambantota has been removed from the 2017 actual values.

The South Asia Gateway Terminal commenced its operations in 1999.

n.a.- not available

Table 20 | Water Supply and Sewerage

Item	Unit	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022 ^(a)	2023 ^(b)
Access to Pipe Borne Water **	% Household	37.0	40.0	42.4	43.5	43.7	44.3	45.9	47.7	49.2	50.5	51.8	53.1	54.2	60.2	61.6
Access to Safe Drinking Water **	% Household	80.0	81.0	82.9	84.1	88.7	84.6	86.0	87.8	89.3	90.6	91.9	93.2	94.3	96	97.3
Access to Piped Sewerage *	% Total population	1.8	1.8	1.8	1.9	1.9	2.0	2.0	2.0	2.1	2.1	2.1	2.1	2.1	2.1	2.1
Average Cost (per month)	Rs.000'	946,918	1,066,353	1,160,719	1,331,254	1,440,848	1,607,839	1,774,605	1,934,313	2,077,083	2,334,333	2,413,636	2,439,912	2,897,250	3,455,083	5,331,000
Average Household Bill (per month)	Rs	412.7	438.2	437.7	473.9	557.0	570.7	547.9	632.5	610.6	615.26	625.3	668.94	610.66	810.29	1,451.6
Water Supply Connections	No.	1,266,328	1,353,573	1,449,301	1,587,663	1,707,742	1,831,998	1,953,721	2,092,471	2,219,172	2,328,654	2,437,504	2,560,237	2,752,324	2,905,541	3,021,050
Water Production	Mn m3	449	470	490	525	547	575	600	649	686	707	746	782	815	818	803
Water Consumption	Mn m3	309	322	342	368	381	411	436	483	508	531	560	589	605	612	600
Water Sales (Bill Revenue)	Rs Mn	11,119	12,409	13,343	13,209	18,167	19,969	20,472	23,975	24,846	26,164	23,579	25,218	25,258	32,533	57,537
Non- Revenue Water																
Colombo City	%	53.1	52.0	50.0	49.2	47.7	46.6	46.2	45.7	43.1	41.7	40.6	39.2	34.75	24.11	19.25
Island wide	%	31.1	31.6	30.4	29.9	30.2	28.5	27.3	25.6	26.0	24.9	24.9	24.6	25.8	25.2	25.3
Employees	No.	9,063	9,018	9,199	9,670	9,953	10,483	10,245	10,352	10,338	10,046	9,716	9,358	9,296	9,059	8,471
Employees	Per 1000 connections	7.2	6.7	6.4	6.1	5.8	5.7	5.2	5.0	4.7	4.3	4.0	3.7	3.4	3.12	2.8
Collection Efficiency (Collection/Billing)		0.94	1.00	0.99	0.98	1.01	1.00	1.11	1.00	1.03	1.05	1.04	0.93	1.1	0.99	0.9

Source: National Water Supply and Drainage Board

(a) Revised

(b) Provisional

*The number of sewerage connections provided is not comparable with the population increase to show improvements

**Correcction has been made in "unit"

Table 21 | Communications

Item	Unit	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022 ^(a)	2023 ^(b)
Telecommunication																
Fixed Access Services	No.	3,435,958	3,534,575	3,608,392	3,449,391	2,706,787	2,709,848	2,601,196	2,550,432	2,603,178	2,484,616	2,299,767	2,613,140	2,851,589	2,651,287	2,307,741
Wireline in Service		872,120	896,710	941,780	999,354	1,062,065	1,123,126	1,128,291	1,166,348	1,198,483	1,215,967	1,244,549	1,246,045	1,264,196	1,263,068	1,145,238
Wireless Access (c)		2,563,838	2,637,865	2,666,612	2,450,037	1,644,722	1,586,722	1,472,905	1,384,084	1,404,695	1,268,649	1,055,218	1,367,095	1,587,393	1,388,219	1,162,503
Cellular Phones (c)	No.	14,264,442	17,246,567	18,319,447	20,324,070	20,315,150	22,123,000	24,384,544	26,227,631	28,199,083	32,528,104	32,884,099	28,739,277	29,958,852	28,838,038	28,986,361
Telephone Density (Including Cellular Phones)	per 100 persons	86.6	100.8	105.1	116.9	112.4	119.6	128.7	135.7	143.6	161.5	161.4	141.0	147.9	142.0	137.0
Public Pay Phones	No. of Booths	7,378	7,054	6,458	6,983	6,788	6,642	5,809	5,297	5,137	2,135	476	461	-	-	-
Internet and Email Subscribers (Fixed)	No.	249,756	280,000	359,216	423,194	507,845	604,100	682,512	929,089	1,221,960	1,530,099	1,654,174	1,956,383	2,684,307	2,686,955	2,556,911
Mobile Broadband Subscribers*	No.	91,356	200,000	485,533	942,461	1,501,611	2,790,195	3,408,408	3,991,465	4,682,300	5,733,062	11,754,166	15,567,665	19,422,091	18,980,661	20,307,262
Internet Service Providers	No.	8	9	20	19	15	15	15	13	8	7	12	12	12	11	11
Postal																
Public Post Offices	No.	4,057	4,059	4,058	4,062	4,061	4,063	4,063	4,062	4,062	4,063	4,062	4,062	4,064	3,995	4,006
Main Post Offices		647	649	648	651	651	653	653	652	653	653	653	653	654	653	652
Sub Post Offices		3,410	3,410	3,410	3,411	3,410	3,410	3,410	3,410	3,409	3,410	3,409	3,409	3,410	3,342	3,354
Private Post Offices	No.	657	606	675	676	602	629	629	629	628	412	412	134	130	140	139
Private Agency Post Offices		494	491	512	516	497	524	524	524	523	307	307	n.a.	n.a.	n.a.	n.a.
Rural Agency Post Offices		159	111	156	156	101	101	101	101	101	101	101	n.a.	n.a.	n.a.	n.a.
Estate Agency Post Offices**		4	4	7	4	4	4	4	4	4	4	4	n.a.	n.a.	n.a.	n.a.

Sources: Department of Posts, Sri Lanka Telecom and Telecommunications Regulatory Commission of Sri Lanka

(a) Revised

(b) Provisional

(c) 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 Infrastructure and Livestock Development to the Agents of the Estate Agency Post Offices"

n.a. - not available

Table 22 | Crude Oil and Petroleum Products

Item	Unit	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022 ^(a)	2023 ^(b)
International Prices (End Year)																
Crude Oil																
Brent	USD(bbl)	74.67	91.80	107.97	109.64	110.63	62.16	53.61	45.03	54.95	71.76	64.04	51.38	70.80	82.26	78.39
WTI	USD(bbl)	74.49	89.22	98.61	88.19	97.90	59.10	49.28	54.76	51.30	64.99	56.96	48.34	67.94	78.73	71.92
Dubai	USD(bbl)	75.49	89.18	106.20	105.67	107.94	60.39	50.91	41.27	53.18	69.65	63.20	51.10	68.80	97.00	n.a
Oman*	USD(bbl)	62.02	78.22	106.64	109.55	109.98	96.95	51.18	41.81	53.41	69.92	n.a	51.24	77.10	n.a	n.a
Refined Products (Singapore Plattes)																
(Annual Avg)																
Petrol	USD(bbl)	68.18	86.23	117.33	120.29	116.30	108.14	66.08	53.32	65.42	77.88	69.45	45.09	78.49	111.34	93.83
Diesel	USD(bbl)	69.77	89.97	125.34	127.37	121.50	112.10	64.58	52.05	64.64	82.88	77.28	48.417	76.72	127.77	104.39
Kerosene	USD(bbl)	70.14	90.18	125.29	126.84	122.98	112.49	64.80	52.83	65.28	85.00	77.24	44.82	75.25	128.38	98.73
Domestic Prices (End Year)																
Petrol (92 Octane)**	Rs/ltr	115.00	115.00	137.00	159.00	162.00	150.00	117.00	117.00	117.00	125.00	137.00	137.00	177.00	370.00	346.00
Petrol (95 Octane)	Rs/ltr	133.00	133.00	155.00	167.00	170.00	158.00	128.00	128.00	128.00	149.00	161.00	161.00	207.00	510.00	426.00
Auto Diesel (d)	Rs/ltr	73.00	73.00	84.00	115.00	121.00	111.00	95.00	95.00	95.00	101.00	104.00	104.00	121.00	420.00	329.00
Super Diesel	Rs/ltr	88.30	88.30	106.30	142.00	145.00	133.00	110.00	110.00	110.00	121.00	132.00	132.00	159.00	510.00	434.00
Kerosene	Rs/ltr	51.00	51.00	71.00	106.00	106.00	81.00	49.00	49.00	59.00	101.00	70.00	70.00	87.00	365.00	247.00
Furnace Oil – 800 Sec	Rs/ltr	32.90	42.20	52.20	92.20	92.20	92.20	82.20	82.20	82.20	92.00	96.00	70.00	110.00	320.00	207.00
Furnace Oil – 1000 Sec	Rs/ltr	52.70	48.70	48.70	-	-	-	-	80.00	80.00	n.a	n.a	n.a	n.a	n.a	n.a
Furnace Oil – 1500 Sec	Rs/ltr	32.70	40.00	50.00	90.00	90.00	90.00	80.00	80.00	80.00	92.00	96.00	70.00	110.00	320.00	207.00
Furnace Oil – 3500 Sec	Rs/ltr	26.00	40.00	50.00	90.00	90.00	-	80.00	80.00	80.00	n.a	n.a	n.a	n.a	n.a	n.a
Quantity Imported																
Crude Oil	t 000'	2,066	1,819	2,070	1,486	1,743	1,824	1,763	1,685	1,591	1,674	1,842	1,667	1,182	649	1,663
Refined Products (c)	t 000'	2,264	2,991	4,283	4,891	4,376	4,993	5,204	3,885	4,895	4,959	4,740	4,028	4,553	3,927	3,779
L.P. Gas	t 000'	146	163	180	199	197	198	277	345	387	413	430	437	422	265	356
Domestic Production																
L.P. Gas	t 000'	24	23	24	17	22	28	10	9	19	22	27	25	17	6	24
Local Sales																
Petrol (92 Octane)**	t 000'	518	573	676	726	733	767	911	1,036	1,109	1,179	1,269	1,139	1,238	1,119	1,233
Petrol (95 Octane)	t 000'	22	22	35	40	55	69	100	137	168	189	158	120	116	69	45
Auto Diesel (d)	t 000'	1,681	1,663	1,985	2,054	1,705	1,947	1,779	2,143	2,194	1,987	2,139	1,750	1,875	1,693	1,535
Super Diesel	t 000'	9	12	15	42	50	61	74	75	92	101	85	69	75	78	39
Kerosene	t 000'	151	165	169	143	126	122	130	137	161	210	206	176	185	104	81
Furnace Oil	t 000'	1,110	1,117	1,222	1,322	827	915	630	817	1,040	949	1,011	971	720	496	682
L.P. Gas	t 000'	194	210	228	228	218	232	293	356	412	435	474	189	457	294	394
Petroleum Tax Revenue	Rs Mn.	32,287	39,434	32,725	39,556	76,775	64,128	89,303	158,370	172,302	140,823	132,309	148,942	99,901	128,491	231,896
o/w Excise Duty	Rs Mn.	23,018	28,038	22,470	28,466	27,131	28,732	45,092	55,719	73,983	66,318	61,740	53,111	55,339	53,074	143,642

 Sources: Ceylon Petroleum Corporation, Central Bank of Sri Lanka and Energy Statistics on Index Mundi (www.indexmundi.com/commodities)

(a) Revised

(b) Provisional

(c) Including Coal Imports

(d) Including Xtra Mile Diesel

*Annual Average

**Including Xtra Premium Euro 3

n.a. - not available

Table 23 | Petroleum Products Tax Structure

Item	Unit	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023
Petrol																
Value Added Tax (VAT)	%	5	Ex	Ex	Ex	Ex	Ex	Ex	Ex	Ex	Ex	Ex	Ex	Ex	Ex	Ex
Import Duty	Rs. per ltr	16	Rs. 35 Duty waived	Rs. 35 Duty waived	Rs. 35 (Rs. 23 duty waived)	Rs. 35 (Rs. 23 duty waived)	35	35	35	35 (Rs. 23 duty waived)	35	Rs. 18 - Petrol 92 Octane, Rs. 42- Petrol 95 Octane ^(a)	Rs. 21- Petrol 92 Octane, Rs. 42- Petrol 95 Octane ^(a)	Rs. 21- Petrol 92 Octane, Rs. 42- Petrol 95 Octane ^(a)	Rs. 5- Petrol 92 Octane, Rs. 26- Petrol 95 Octane ^(a)	Rs. 5- Petrol 92 Octane, Rs. 26- Petrol 95 Octane ^(a)
Excise Duty	Rs. per ltr	25	25	25	25	27	27	27	27	27	27	27	27	27	27	27
Ports and Airports Development Levy (PAL)	%	3	3	5	5	5	5	5	7.5	7.5	7.5	7.5	7.5	7.5	7.5	7.5
Nation Building Tax (NBT)	%	Ex	Ex	Ex	Ex	Ex	Ex	Ex	Ex	Ex	1	-	-	-	-	-
Social Responsibility Levy (SRL)	%	1.5	1.5	-	-	-	-	-	-	-	-	-	-	-	-	-
Surcharge	%	15	Free	-	-	-	-	-	-	-	-	-	-	-	-	-
Provincial Turnover Tax (TT)	%	1	1	-	-	-	-	-	-	-	-	-	-	-	-	-
Diesel																
Value Added Tax (VAT)	%	Ex	Ex	Ex	Ex	Ex	Ex	Ex	Ex	Ex	Ex	Ex	Ex	Ex	Ex	Ex
Import Duty	Rs. per ltr	Free	Rs. 15 Duty waived	Rs. 15 Duty waived	Rs. 15 (Rs. 13 duty waived)	Rs. 15 (Rs. 13 duty waived)	Rs. 15 (Rs. 6 duty waived)	Rs. 15 (Rs. 6 duty waived)	15	15 (Rs. 11 duty waived)	Rs. 5.85 - Auto Diesel - Super Diesel	Rs. 5.85 - Auto Diesel - Super Diesel	Rs. 11 - Auto Diesel - Super Diesel	Rs. 11 - Auto Diesel - Super Diesel	Rs. 11 - Auto Diesel - Super Diesel	Rs. 11 - Auto Diesel - Super Diesel
Excise Duty	Rs. per ltr	2.5	2.5	2.5	2.5	3	3	3	3	13	13	Rs. 6 - Auto Diesel	Rs. 6 - Auto Diesel	Rs. 6 - Auto Diesel	Rs. 6 - Auto Diesel	Rs. 6 - Auto Diesel
Ports and Airports Development Levy (PAL)	%	3	3	5	5	5	5	5	7.5	7.5	7.5	7.5	7.5	7.5	7.5	7.5
Nation Building Tax (NBT)	%	Ex	Ex	Ex	Ex	Ex	Ex	Ex	Ex	Ex	1	-	-	-	-	-
Social Responsibility Levy (SRL)	%	1.5	1.5	-	-	-	-	-	-	-	-	-	-	-	-	-
Surcharge	%	15	Free	-	-	-	-	-	-	-	-	-	-	-	-	-
Provincial Turnover Tax (PTT)	%	1	1	-	-	-	-	-	-	-	-	-	-	-	-	-
Kerosene																
Value Added Tax (VAT)	%	Ex	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	Free
Excise Duty	Rs. per ltr	Ex	Ex	Ex	Ex	Ex	Ex	Ex	Ex	Ex	Ex	Ex	Ex	Ex	Ex	Ex
Ports and Airports Development Levy (PAL)	%	3	3	5	5	5	5	5	7.5	7.5	7.5	7.5	7.5	7.5	7.5	7.5
Nation Building Tax (NBT)	%	Ex	Ex	Ex	Ex	Ex	Ex	Ex	Ex	Ex	Ex	Ex	Ex	Ex	Ex	Ex

Table 23 | Petroleum Products Tax Structure Contd...

Item	Unit	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023
Social Responsibility Levy (SRL)	%	1.5	1.5	-	-	-	-	-	-	-	-	Ex	Ex	Ex	Ex	Ex
Surcharge	%	15	Free	-	-	-	-	-	-	-	-	Ex	Ex	Ex	Ex	Ex
Provincial Turnover Tax (PTT)	%	1	1	-	-	-	-	-	-	-	-	Ex	Ex	Ex	Ex	Ex
L.P.Gas																
Value Added Tax (VAT)	%	Ex														
Import Duty	Rs. per ltr	Free														
Excise Duty	Rs. per ltr 5% or Rs. 14 ltr	Ex														
Ports and Airports Development Levy (PAL)	%	3	5	5	5	5	5	5	7.5	7.5	7.5	7.5	7.5	7.5	2.5	2.5
Nation Building Tax (NBT)	%	Ex														
Social Responsibility Levy (SRL)	%	1.5	1.5	-	-	-	-	-	-	-	-	-	-	-	-	-
Surcharge	%	15	Free	-	-	-	-	-	-	-	-	-	-	-	-	-
Provincial Turnover Tax (PTT)	%	1	1	-	-	-	-	-	-	-	-	-	-	-	-	-

Source: Department of Fiscal Policy

(a) Rs. 29 duty waive for Petrol 92 Octane and Rs.8 duty waive for Petrol 95 Octane

(b) Rs. 14 duty waive for Auto Diesel and No waive for Super Diesel

Note: EX – Exempted

All prices considered as at 31st December 2023

Table 24 | Health Services

Item	Unit	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022 ^(a)	2023 ^(b)
Hospitals	No.	716	740	778	790	809	811	831	835	769	803	812	826	861	901	619
Public		555	568	592	593	603	601	610	610(d)	612	612	603	609	618	651	n.a
Private		161	172	186	197	206	210	221	225(e)	141	209	209	217	243	250	n.a
Central Dispensaries	No	461	476	475	480	481	484	475	475(d)	496 ^(f)	n.a	499	514	542	545	545 ^(f)
Beds	No	68,905	69,501	69,731	73,437	79,945 ^(c)	82,604 ^(c)	76,781	76,781 ^(d)	83,275 ^(f)	76,824	77,964	77,121 ^(f)	78,228 ^(f)	89,903 ^(f)	89,786 ^(f)
Doctors	No.	15,165	15,503	16,464	17,190	18,486	19,873	20,280	21,168	22,091 ^(f)	n.a	18,130 ^(f)	19,615 ^(f)	20,209 ^(f)	21,045 ^(f)	21,796 ^(f)
Administrative MOO		136	138	240	211	143**	128	203	84	204	n.a	2,415	n.a	113	264	n.a
Specialist MOO		1,135	1,216	1,264	1,458	1,566	1,493	1,836	1,703	2,221	n.a	75	n.a	1,860	2,726	n.a
Medical Officers		11,684	11,782	12,630	13,329	14,584	15,873	15,833	16,934	17,375	n.a	18,131	n.a	11,557	23,416 ^(f)	n.a
Dental Surgeons		1,022	1,209	1,230	1,110	1,279	1,324	1,391	1,416	1,473	n.a	1,348	n.a	821	1,689	n.a
RMO/AMO		1,188	1,158	1,100	1,082	1,057	1,055	1,017	1,031	818	895	756	n.a	n.a	591	n.a
Nurses	No.	26,351	27,494	29,234	30,217	30,928	31,527	32,272	32,499	34,221	34,714	38,276	37,634	39,091	50,516 ^(f)	39,257 ^(f)
Public Health Nursing Sisters (PHNS)	No.	328	365	326	364	331	n.a.	299	241	328	n.a	297	n.a	n.a	340	n.a
Public Health Midwives (PHM)	No.	8,276	8,276	8,385	8,703	9,120	9,164	9,021	8,842	6,086	n.a	8,078	n.a	n.a	6,427	n.a
Public Health Inspectors (PHI)	No.	1,691	1,689	1,718	1,644	1,713	1,867	1,664	1,729	1,981	n.a	1,570	n.a	n.a	2,272	n.a
Health Education Officers (HEOO)	No.	51	50	56	47	48	40	47	44	-	n.a	43	n.a	n.a	n.a	n.a
Professions Supplementary to Medicine (PSM)	No.	3,251	3,509	3,553	3,694	3,699	3,773	3,995	2,848	4,715 ^(f)	n.a	5,089	n.a	n.a	n.a	n.a
Medical Lab Technicians (MLTT)		1,332	1,422	1,415	1,399	1,421	1,423	1,448	1,067	1,724	n.a	1,857	n.a	1,374	2,239	n.a
Physiotherapists		268	322	328	339	319	340	400	367	618	n.a	656	n.a	584	762	n.a
Radiographers		464	477	485	534	536	531	551	421	610	n.a	617	n.a	502	727	n.a
Occupational Therapists		75	92	100	105	94	93	101	98	137	n.a	140	n.a	141	177	n.a
Pharmacists		1,112	1,196	1,225	1,317	1,329	1,386	1,495	895	1,626	n.a	1,819	n.a	1,217	2,059	n.a
Attendants	No.	8,358	8,189	8,403	8,375	8,091	8,096	8,689	8,268(d)	9,218	8,614	8,531	8,384	8,334	8,354	7,740 ^(f)

Sources: Ministry of Health and Indigenous Medicine, Central Bank of Sri Lanka

(a) Revised

(b) Provisional

(c) Private and Public Hospitals

(d) Including line Ministry

(e) Including PGIM Trainees

(f) Government Only

(g) Including Administrative & Specialists

(h) Including pupil nurses

(i) End of June 2023

*Excluding Specialist MOO attached to Anti-Filaria Campaign, Blood Bank Colombo, Faculty Staff Colombo, Fever HS Colombo, Rehabilitation HS Ragama, NIHS, STD Clinic Katugastota, BH Kalmunai South, BH Dehiattakandiya, DH Madirigiriya & BH Nikaweratiya

** Permanently employed

n.a. - not available

Table 25 | Education

Item	Unit	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022 ^(a)	2023 ^(b)
General Education																
Schools	No.	10,205	10,502	10,549	10,737	10,849	10,971	10,997	11,021	11,053	11,044	11,084	11,091	11,088	11,074	11,052
Government		9,410	9,685	9,731	9,905	10,012	10,121	10,144	10,162	10,194	10,175	10,165	10,155	10,146	10,126	10,104
o/w National		334	340	342	342	350	352	352	353	353	353	373	373	396	396	396
Private**		98	98	98	98	103	103	104	105	106	106	118	120	123	126	126
Pirivenas		697	719	720	734	734	747	749	754	753	763	801	816	819	822	822
Students	000'	4,038	4,119	4,159	4,195	4,234	4,272	4,330	4,345	4,365	4,418	4,268	4,273	4,259	4,180	4,099
Government		3,865	3,940	3,974	4,004	4,037	4,078	4,129	4,143	4,166	4,215	4,062	4,064	4,049	3,970	3,888
National		759	785	800	793	797	797	806	803	811	839	798	n.a.	n.a.	835	833
Provincial		3,106	3,155	3,174	3,211	3,240	3,281	3,324	3,340	3,355	3,376	3,263	n.a.	n.a.	3,135	3,055
Private**		115	117	122	126	130	131	136	136	136	142	138	139	141	142	142
Pirivenas		58	62	63	65	66	63	65	66	63	61	68	70	70	69	69
Teachers	No.	224,672	226,646	231,819	235,533	236,131	245,922	250,850	249,374	254,560	260,995	261,803	265,394	256,716	251,417	255,464
Government		213,126	214,562	219,886	223,333	223,752	232,990	236,999	235,999	241,591	247,334	246,592	249,494	241,054	236,738	241,114
Private**		5,701	5,994	5,804	6,114	6,317	6,471	7,075	6,872	6,555	6,829	8,011	8,564	8,315	7,551	7,300
Pirivenas		5,845	6,090	6,129	6,086	6,062	6,461	6,776	6,503	6,414	6,832	7,200	7,336	7,347	7,128	7,050
University Education																
Universities	No.	17	17	17	17	17	17	17	17	17	17	17	17	17	17	17
UGC ^(a)		15	15	15	15	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
Students	No.	82,822	86,592	92,963	86,197	94,492	105,084	109,870	111,065	117,029	118,993	126,109	132,896	146,315	166,215	176,702
UGC ^(b)		71,471	73,398	77,657	70,222	77,126	83,539	87,085	87,741	91,905	93,787	100,944	106,641	119,068	136,270	147,947
OUSL		10,904	12,818	14,915	15,418	16,739	20,916	22,097	22,546	24,346	24,453	25,165	26,255	26,255	28,824	27,715
MoHE		447	376	391	557	627	629	688	778	778	753	n.a.	n.a.	992	1,121	1,040
New Admissions	No.	20,846	21,547	22,016	29,009	24,444	25,200	25,676	29,337	30,953	31,451	31,902	41,669	43,927	43,546	43,209
Employees	No.	15,412	15,670	15,905	16,301	16,971	17,641	16,007	16,783	17,581	18,653	19,350	19,346	22,921	23,417	23,082
Academic																
Lecturers		4,790	5,032	5,117	5,242	5,508	5,688	5,281	5,533	5,762	6,003	6,321	6,525	9,573	10,257	10,328
UGC ^(a)		4,735	4,984	5,064	5,176	5,439	5,610	5,199	5,440	5,669	5,940	n.a.	n.a.	9,462	7,155	7,163
MoHE		55	48	53	66	69	78	82	93	93	114	n.a.	n.a.	n.a.	114	116
Non Academic		10,622	10,638	10,788	11,059	11,463	11,953	10,726	11,250	11,819	12,650	13,029	12,821	13,348	13,160	12,754
Graduate Output																
First Degree	No.	20,931	20,357	23,167	11,788*	20,880	28,357	29,545	29,035	26,179	26,024	24,890	24,565	24,810	26,074	30,916
Postgraduate		6,518	6,330	5,614	8,054	8,636	8,141	7,513	7,697	10,437	10,959	9,991	7,501	7,564	10,124	10,454

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 Buddhavaraka Bhiksu University under Ministry of Higher Education

* 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.

** Included government approved private schools only

(a) Revised

(b) Provisional

n.a. - not available

Table 26 | Access to Banking and Finance

Category	Unit	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022 ^(a)	2023 ^(b)	
Domestic Commercial Banks	No.	11	11	12	12	12	13	13									
State		2	2	2	2	2	2	2	2	2	2	2	2	2	2	2	2
Private		9	9	10	10	10	11	11	11	11	11	11	11	11	11	11	11
Branches		1,333	1,417	1,567	1,627	2,582**	2,672**	2,705**	2,788	2,803	2,826	2,857	2,869	2,871	2,882	2,882	2,886
State		640	640	654	675	1,356	1,361	1,366	1,377	1,373	1,376	1,392	1,397	1,400	1,410	1,410	1,415
Private		693	777	913	952	1,226	1,311	1,339	1,411	1,430	1,450	1,465	1,472	1,471	1,472	1,472	1,471
Other offices		3,452	3,523	3,610	3,727	2,864***	2,871***	2,870***	2,556***	2,639***	3,309***	3,783	3,787	3,793	3,794	3,794	3,882
State		3,077	3,101	3,160	3,265	2,610	2,610	2,610	2,303	2,386	3,055	3,525	3,525	3,531	3,531	3,531	3,618
Private		375	422	450	462	254	261	260	253	253	254	258	262	262	262	263	264
Automated Teller Machines (ATMs)		1,710	1,815	2,035	2,187	2,316	2,406	3,188	3,475	4,029	4,584	5,334	5,687	5,920	6,175	6,175	6,391
State		625	664	740	787	871	894	1,033	1,181	1,561	1,891	2,414	2,635	2,770	2,911	2,911	3,020
Private		1,085	1,151	1,295	1,400	1,445	1,512	2,155	2,294	2,468	2,693	2,920	3,052	3,150	3,264	3,264	3,371
Foreign Commercial Banks	No.	11	11	12	13	13	11	11	11	11							
Branches		44	46	49	49	221	221	220	53	52	51	50	46	46	46	43	
Other Offices		170	170	171	171	-	-	-	-	-	-	-	-	-	-	-	
Automated Teller Machines (ATMs)		47	47	44	48	48	49	57	56	57	60	59	57	52	53	47	
Specialized Banks ^(c)	No.	14	9	9	9	9	9	7	7	7	7	6	6	6	6	6	
State		8	8	8	8	8	6	6	6	6	6	5	5	5	5	5	
Private		6	1	1	1	1	3	1	1	1	1	1	1	1	1	1	
Branches		465	500	515	527	645**	652**	624**	683	691	696	700	704	705	706	706	
State		239	270	280	287	390	541	546	595	600	602	606	609	611	612	612	
Private		226	230	235	240	255	111	78	88	91	94	94	94	94	94	94	
Other Offices		233	257	272	273	175***	175***	175***	27***	28***	-	-	-	-	-	-	
State		215	236	251	251	167	175	175	27	28	-	-	-	-	-	-	
Private		18	21	21	22	8	-	-	-	-	-	-	-	-	-	-	
Automated Teller Machines (ATMs)		119	158	158	180	180	180	295	320	333	376	401	432	466	474	505	
Insurance Companies		18	19	22	22	22	21	28	29	27	26	28	28	27	28	28	
Registered Finance Companies		35	36	39	47	48	48	46	46	45	43	42	40	39	36	33	
Specialized Leasing Companies		21	21	16	13	10	8	7	7	6	5	4	3	3	1	1	
Credit Cards Issued		68,430	90,489	148,481	167,424	166,181	176,750	198,843	264,058	290,264	338,692	353,826	235,310	285,888	240,653	199,124	
Credit Cards in Use		840,905	778,544	862,352	891,170	951,625	1,032,833	1,145,055	1,315,915	1,486,545	1,710,671	1,854,103	1,984,525	2,054,985	2,054,896	1,987,857	

Sources: Central Bank of Sri Lanka and Insurance Regulatory Commission of Sri Lanka

(a) Revised

(b) Provisional

(c) Up to 2013, specialized banks were classified as National level and regional level banks.

* During 2010, business of 6 Regional Development Banks was vested with a new level bank, i.e. Pradeshiya Sanwardhana Bank

**All outlets excluding Student Savings Units

***This includes Student Savings Units only.

Note: with effect from 01.01.2013 Banking Outlets were reclassified into two categories namely branches and student savings units.

Table 27 | Labour Force and Unemployment

Item	Unit	2009 ^(a)	2010 ^(a)	2011 ^(c)	2012 ^(c)	2013 ^(c)	2014 ^(c)	2015 ^(c)	2016 ^(c)	2017 ^(c)	2018 ^(c)	2019 ^(c)	2020 ^(c)	2021 ^(c)	2022 ^(c)	2023 ^{(c)(e)}
Labour Force																
Total Labour Force	000'	8,051	8,096	7,936	7,808	8,034	8,048	8,214	8,311	8,567	8,388	8,592	8,467	8,553	8,547	8,408
Labour Force Participation Rate	%	48.7	48.1	52.9	52.5	53.7	53.2	53.8	53.8	54.1	51.8	52.3	50.6	49.9	49.8	48.6
Employed Population by Industry																
Agriculture	000'	2,460	2,513	2,519	2,338	2,321	2,223	2,245	2,154	2,140	2,044	2,072	2,170	2,213	2,159	2,088
Industry	000'	1,905	1,865	1,820	1,942	1,997	2,027	2,018	2,098	2,331	2,239	2,258	2,153	2,110	2,158	2,043
Services	000'	3,215	3,319	3,262	3,217	3,363	3,450	3,568	3,696	3,737	3,732	3,850	3,677	3,791	3,831	3,878
Unemployment																
Unemployment No.	000'	471	400	335	310	353	348	383	363	359	373	411	468	440	399	398
By Gender																
Male	000'	223	185	142	147	164	165	158	154	156	164	185	339	316	316	198
Female	000'	248	215	193	163	189	183	225	209	203	209	226	720	676	555.5	200
By Age Group																
15-19 years	000'	68	59	43	43	48	49	56	58	46	53	54	n.a.	n.a.	n.a.	n.a.
20-29 years	000'	277	240	211	184	208	206	222	221	215	229	242	n.a.	n.a.	n.a.	n.a.
30-39 years	000'	71	59	53	49	53	54	61	48	53	56	59	n.a.	n.a.	n.a.	56
Over 40 years	000'	55	42	28	34	43	39	45	36	45	35	57	n.a.	n.a.	n.a.	60
By Level of Education																
Grade 5 & Below	000'	20	11	10	8	14	11	10	10	11	8	12	n.a.	n.a.	n.a.	n.a.
Grade 6 - 10	000'	188	140	128	116	129	131	132	129	108	113	129	n.a.	n.a.	n.a.	n.a.
GCE O/L	000'	109	91	66	84	78	78	94	80	89	80	98	n.a.	n.a.	n.a.	9.4
GCE A/L & Above	000'	154	159	131	102	132	128	148	144	151	171	172	n.a.	n.a.	n.a.	17.4
Unemployment Rate	%	5.9	4.9	4.2	4.0	4.4	4.3	4.7	4.4	4.2	4.4	4.8	5.5	5.1	4.7	4.7

Source: Department of Census and Statistics

(a) Data including Eastern provinces but excluding Northern Province

(b) Excluding Mullativu and Killinochchi districts

(c) All the districts are included

(d) Excluding Northern and Eastern provinces

(e) Provisional

Note: From year 2013 lower bound of working age has changed and therefore age 15 and above population is considered as working age population. Hence, this table provides 2011, 2012 and 2013 statistics considering the new lower bound (for the purpose of comparison)

n.a. - not available

Table 28 | Average Daily Wages and Strikes

Item	Unit	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022 ^(a)	2023 ^(b)
Paddy Cultivation	Rs. per day															
Male		615.00	658.00	704.00	787.00	882.00	937.00	1,056.00	1,148.00	1,245.00	1,383.00	1,492.00	1,542.00	1,640.00	2,156.00	2,441.00
Female		423.00	454.00	530.00	599.00	667.00	678.00	765.00	810.00	854.00	994.00	1,190.00	1,273.00	1,208.00	1,662.00	1,892.00
Tea Cultivation	Rs. per day															
Male		496.00	543.00	617.00	691.00	764.00	819.00	887.00	952.00	1,085.00	1,242.00	1,321.00	1,354.00	1,401.00	1,723.00	1,905.00
Female		356.00	391.00	438.00	512.00	565.00	598.00	656.00	673.00	766.00	895.00	947.00	999.00	1,004.00	1,250.00	1,353.00
Rubber Cultivation	Rs. per day															
Male		532.00	588.00	658.00	741.00	853.00	881.00	931.00	978.00	1,113.00	1,216.00	1,294.00	1,336.00	1,270.00	1,866.00	1,972.00
Female		416.00	463.00	490.00	585.00	652.00	702.00	742.00	786.00	870.00	955.00	995.00	1,074.00	1,172.00	1,410.00	1,483.00
Coconut Cultivation	Rs. per day															
Male		652.00	699.00	783.00	887.00	997.00	1,061.00	1,114.00	1,182.00	1,284.00	1,374.00	1,451.00	1,498.00	1,633.00	2,199.00	2,433.00
Carpentry	Rs. per day															
Master Carpenter		932.00	1,002.00	1,115.00	1,248.00	1,334.00	1,406.00	1,486.00	1,622.00	1,795.00	1,990.00	2,092.00	2,281.00	2,525.00	3,027.00	3,288.00
Skilled and Unskilled		617.00	657.00	729.00	824.00	903.00	958.00	1,034.00	1,131.00	1,249.00	1,335.00	1,388.00	1,489.00	1,631.00	2,036.00	2,240.00
Masonry	Rs. per day															
Master Mason		935.00	995.00	1,093.00	1,216.00	1,304.00	1,376.00	1,450.00	1,596.00	1,785.00	1,994.00	2,091.00	2,279.00	2,537.00	3,077.00	3,317.00
Skilled and Unskilled		627.00	669.00	729.00	823.00	900.00	955.00	1,029.00	1,131.00	1,257.00	1,350.00	1,396.00	1,500.00	1,654.00	2,054.00	2,274.00
Strikes																
No. of Strikes		8	15	27	34	42	38	51	41	33	51	25	28	21	22	8

Sources: Department of Labour and Central Bank of Sri Lanka

(a) Revised

(b) Provisional

Table 29 | Poverty and Inequality

Index	Unit	2002	2006/07	2009/10	2012/13	2016	2019 ^(a)
		Poverty Head Count Index					
Sri Lanka	%	22.7	15.2	8.9	6.7	4.1	14.3
Sector							
Urban	%	7.9	6.7	5.3	2.1	1.9	6.0
Rural	%	24.7	15.7	9.4	7.6	4.3	15.0
Estate	%	30.0	32.0	11.4	10.9	8.8	33.8
District							
Colombo	%	6.4	5.4	3.6	1.4	0.9	2.3
Gampaha	%	10.7	8.7	3.9	2.1	2.0	5.7
Kalutara	%	20.0	13.0	6.0	3.1	2.9	12.2
Kandy	%	24.9	17.0	10.3	6.2	5.5	14.3
Matale	%	29.6	18.9	11.5	7.8	3.9	19.6
Nuwara Eliya	%	22.6	33.8	7.6	6.6	6.3	26.3
Galle	%	25.8	13.7	10.3	9.9	2.9	13.2
Matara	%	27.5	14.7	11.2	7.1	4.4	11.1
Hambantota	%	32.2	12.7	6.9	4.9	1.2	13.6
Jaffna	%	-	-	16.1	8.3	7.7	25.8
Mannar	%	-	-	-	20.1	1.0	8.0
Vavunia	%	-	-	2.3	3.4	2.0	13.9
Mullaitivu	%	-	-	-	28.8	12.7	44.5
Killinochchi	%	-	-	-	12.7	18.2	26.4
Batticaloa	%	-	10.7	20.3	19.4	11.3	20.8
Ampara	%	-	10.9	11.8	5.4	2.6	17.2
Trincomalee	%	-	-	11.7	9.0	10.0	18.3
Kurunegala	%	25.4	15.4	11.7	6.5	2.9	12.5
Puttlum	%	31.3	13.1	10.5	5.1	2.1	10.5
Anuradapura	%	20.4	14.9	5.7	7.6	3.8	8.1
Polonnaruwa	%	23.7	12.7	5.8	6.7	2.2	17.0
Badulla	%	37.3	23.7	13.3	12.3	6.8	32.3
Monaragala	%	37.2	33.2	14.5	20.8	5.8	21.0
Rathnapura	%	34.4	26.6	10.5	10.4	6.5	24.9
Kegalle	%	32.5	21.1	10.8	6.7	7.1	20.8
Poverty Gap	%	5.1	3.1	1.0	1.2	0.6	2.8
Squared Poverty Gap	%	1.6	0.9	0.5	0.30	0.10	0.90
Poverty Shortfall	Average (Rs./Month)	317	448	587	607	620	729
Gini Coefficient of Per Capita Expenditure		0.40	0.40	0.36	0.39	0.40	n.a.
Gini Coefficient of Household Expenditure		0.41	0.41	0.37	0.40	0.41	n.a.
Gini Coefficient of Household Income		0.47	0.49	0.49	0.48	0.45	n.a.
Quintile Ratio	%	6.9	6.7	5.7	12.0	11.8	n.a.

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)

Household Income and Expenditure Survey 2016 (covered all districts)

Household Income and Expenditure Survey 2019 (covered all districts)

(a) Based on Updated poverty line (based 2012/13 on NCPI)

Table 30 | Remittances and Departures for Foreign Employment

Item	Unit	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022 ^(a)	2023 ^(b)
Total Remittances	USD mn	3,330	4,116	5,145	5,985	6,407	7,018	6,980	7,242	7,164	7,015	6,717	7,104	5,490	3,789	5,970
By Country																
Middle East		1,995	2,474	3,030	3,358	3,562	3,902	3,769	3,889	3,711	3,592	3,459	3,673	2,834	1,936	2,606
European Union		603	724	885	1,071	1,160	1,270	1,222	1,282	1,311	1,312	1,263	1,350	1,032	705	537
Europe, Other		148	177	232	275	308	337	307	739	330	309	282	305	231	155	394
East Asia		203	247	401	509	557	611	698	333	824	849	826	870	686	481	484
North America		127	140	154	174	186	204	209	210	208	182	161	178	126	91	524
South and Central America		28	35	41	48	58	63	63	398	50	35	27	21	16	15	23
South East Asia		100	144	206	263	288	316	391	174	394	407	376	408	324	220	119
South Asia		40	58	51	90	83	91	98	109	107	154	134	114	93	76	134
Australia and New Zealand		57	82	103	132	147	161	161	51	172	154	175	178	143	102	117
Other		30	35	41	66	58	63	63	58	57	21	13	7	5	8	1,031
Total Departures	No.	24,7126	267,507	262,961	282,447	293,218	300,703	263,443	242,816	211,992	211,211	203,087	53,713	122,887	311,056	297,656
Skilled		196,953	207,085	199,281	219,540	222,241	221,184	185,458	171,160	150,938	159,508	151,899	39,719	91,006	205,547	208,586
Professional		2,832	3,057	3,844	4,448	5,151	5,372	6,251	6,578	6,379	9,005	9,861	2,929	8,575	14,512	n.a
Middle Level		6,388	6,884	6,134	9,280	16,510	20,778	6,951	8,234	7,127	6,530	5,725	1,480	4,267	8,130	n.a
Clerical and Related		6,719	7,923	9,906	16,184	26,561	29,267	12,501	10,862	9,271	9,434	9,163	2,484	6,570	12,135	n.a
Skilled		61,321	71,537	67,726	67,150	73,707	73,162	81,682	76,545	68,980	67,013	62,711	16,690	40,390	92,673	n.a
Semi Skilled		6,015	4,932	4,180	3,467	3,412	3,977	4,847	3,926	3,297	2,769	2,950	748	1,938	4,132	n.a
Housemaid Female		113,678	112,752	107,491	119,011	96,900	88,628	73,226	65,015	55,884	64,757	61,489	15,388	29,266	73,965	n.a
Unskilled		50,173	60,422	63,680	62,907	70,977	79,519	77,985	71,656	61,054	51,703	51,188	13,994	31,881	105,472	89,070

Sources: Sri Lanka Bureau of Foreign Employment and Central Bank of Sri Lanka

(a) Revised

(b) Provisional

Table 31 | Welfare Payments and Development Subsidies

Description	Rs. Million															
	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021 ^(a)	2022 ^(a)	2023 ^(b)	
Healthcare																
Pharmaceuticals (free medicine)	12,149	13,544	16,617	16,740	27,269	34,805	31,703	38,028	38,596	43,440	54,068	85,545	77,001	75,718	143,740	
Empowering the Vulnerable and Needy																
Samurdhi	9,267	9,241	9,044	10,553	15,256	15,042	39,994	40,740	39,707	39,239	44,660	52,434	55,400	36,823	90,092	
Aswasuma Programme	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	172,032
No. of Ben fisheries (Families Mn)	1.6	1.6	1.5	1.5	1.4	1.5	1.4	1.4	1.4	1.4	1.8	1.8	1.8	1.8	2.4	
Assistance to Elderly (Over 70yrs age)	960	650	950	554	2,045	2,655	8,039	9,060	9,008	9,590	9,856	9,893	9,805	4,830		
Daily Allowance for Differently Abled Students	74	71	80	80	123	138	220	247	195	31	26	-	10	21	51	
Allowance for Disable People	74	75	394	403	513	479	936	1,114	1,083	43	41	4,293	4,311	2,153	43,098	
Financial Supports for kidney patients	-	-	-	-	-	-	-	487	869	1,318	1,451	1,776	2,326	1,154	n.a	
Empowering Government Security Forces																
Allowance for the Third Child of Soldiers	-	-	297	313	458	46	-	-	-	-	-	-	-	-	-	-
Death and Disabled Soldiers Compensation	9,796	10,500	13,316	14,779	16,152	18,244	23,433	26,772	27,808	30,359	33,637	37,460	37,907	40,244	n.a	
Agriculture Development																
Fertilizer Subsidy	26,935	23,028	29,802	36,456	19,706	31,858	49,571	27,771	30,361	26,879	34,966	36,687	21,235	62,477	53,782	
Paddy Purchasing (To Stabilize the Paddy Prices)	1,060	1,805	1,629	1,440	1,789	228	7,480	242	-	-	-	119	814	-	-	
Commercial Crop Development																
Crop Subsidy																
Tea	211	191	171	182	272	331	7,292	549	445	615	588	737	1,177	462	686	
Rubber	200	371	485	435	587	763	2,871	713	703	542	564	823	897	652	655	
Coconut	237	269	293	353	403	485	471	709	598	653	641	734	322	213	450	
Cashew	34	25	29	27	49	40	35	40	54	67	70	85	64	29	-	
Minor Crops - (Cinnamon, Cocoa, Coffee, Pepper)	175	180	220	185	207	254	360	380	336	440	256	529	361	241	388	
School Children and University Students																
School Uniforms	1,260	950	1,364	2,218	2,300	3,574	2,261	2,157	2,479	1,073	3,789	2,877	2,492	1,993	2,539	
Season Tickets	1,384	1,369	1,359	1,233	1,430	1,695	1,800	1,998	4,923	5,000	5,450	5,400	5,300	3,407	8,270	
School and Dharma School Text books	2,196	2,056	2,337	2,127	2,583	2,773	3,979	5,599	4,476	157	4,807	4,669	2,814	836	23,123	
Grade 5 Scholarships, Mahapola and Bursary	578	645	777	790	801	852	1,390	1,914	1,344	2,136	2,571	2,125	2,791	1,695	3,132	
Nutrition Program	2,251	2,475	2,631	2,790	3,077	3,725	3,938	3,916	4,434	5,325	5,063	2,299	1,685	3,308	12,501	
Thripasa for Children and Expectant Mothers	1,155	865	1,336	1,189	1,396	1,787	1,956	1,351	1,692	1,982	2,187	1,122	1,231	716	2,370	
Poshana Malla for Expectant Mothers	505	388	360	249	203	279	2,422	5,746	5,408	5,490	5,279	4,751	5,248	3,690	5,999	
Morning Milk for Pre-school and school Children	167	178	249	205	250	197	189	106	167	256	327	297	n.a.	n.a.	707	

Table 31 | Welfare Payments and Development Subsidies Contd...

Description	Rs.Million															
	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021 ^(a)	2022 ^(a)	2023 ^(b)	
Poshana Manpetha and Lama Saviya	30	30	18	17	19	21	49	30	-	-	-	76	110	148	4	
Disaster Assistance																
Flood and Drought Relief	738	264	649	153	148	521	271	132	5,854	5,279	406	235	303	83	141	
Cooked Meals and Dry Rations	2,859	1,000	199	54	32	28	118	111	-	-	-	-	n.a.	-	-	
Assistance to Religious Places																
Water for Religious Places	144	42	46	49	47	50	50	-	-	-	-	-	n.a.	-	-	
(Losses) / Profit of Public Enterprises																
Petroleum (Ceylon Petroleum Corporation)	7,717	20,295	-94,508	-97,310	-7,770	1,633	-19,886	-14,735	3,504	-10,6143	-11,836	2,371	-81,816	-617,588	120,346	
Kerosene	-	-	-	-	-	-	-	-	-	14,735	7,697	n.a.	n.a.	n.a.	n.a.	
Electricity (Ceylon Electricity Board)	7,440	-	-19,266	-61,572	22,945	-13,303	20,955	34,640	-46,242	-30,458	-97,359	-60,486	-34,139	-298,189	61,236	
Water	1,417	5,955	421	408	-	-	1,030	-2,915	1,817	-517	-1,111	509	-3,054	2,701	5,286	
Railway	4,768	3,173	4,060	3,796	5,163	11,034	7,714	6,773	7,595	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	
Sri Lanka Transport Board	8,026	827	-3,490	-5,610	-10,640	-9,407	-4,129	-481	1,616	1,295	1,890	-2,105	-3,054	1,421	2,189	
Transport Facilities																
SLTB Transport Facilities – Uneconomical Routes	2,332	2,460	1,922	2,184	2,335	4,770	4,975	4,999	5,000	5,004	5,500	6,000	5,300	2,400	3,690	
Transportation Facilities for Armed Forces	598	208	257	182	169	276	300	289	321	219	262	218	142	33	196	
Common Facilities																
Street Lighting	204	360	123	n.a.	25	6	333	1,580								
Total	106,941	103,489	198,751	255,421	117,063	159,037	228,766	272,686	243,425	336,692	324,308	326,761	340,326	737,941	915,354	

Source: Department of National Budget, Department of Treasury Operations and Department of Public Enterprises

(a) Revised

(b) Provisional

n.a. - not available

Table 32 | Tourism

Item	Unit	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023 ^(a)
Tourist Arrivals by Country of Nationality	No.	447,890	654,476	855,975	1,005,605	1,274,593	1,527,153	1,798,380	2,050,832	2,116,407	2,333,796	1,913,702	507,704	194,495	719,979	1,487,303
North America		25,044	40,552	53,658	59,236	65,616	72,653	91,956	98,376	105,297	129,492	119,681	31,617	11,281	49,410	91,080
Latin America & the Caribbean		666	594	1,167	1,626	3,166	3,202	5,698	5,625	5,560	8,134	7,742	226	478	2,019	4,183
Western Europe		170,186	255,172	320,431	373,063	421,037	498,758	599,415	643,333	680,901	840,956	690,716	157,375	27,269	128,279	233,297
Eastern Europe		26,177	35,630	51,922	72,401	125,695	141,984	125,284	161,171	161,967	176,905	196,856	124,221	66,227	303,947	524,030
Middle East		23,821	37,501	36,376	56,169	80,509	88,654	101,676	107,635	95,581	71,636	44,143	10,231	4,452	18,107	27,830
Africa		1,591	2,249	6,736	5,045	8,081	10,674	14,473	12,144	12,703	14,873	15,094	2,880	862	4,679	9,950
Asia		174,382	245,753	334,274	380,289	509,653	640,045	787,483	938,697	962,395	966,731	734,056	158,448	79,159	179,661	75,635
Australasia		26,023	37,025	51,411	57,776	60,836	71,183	72,395	83,851	92,003	125,069	105,414	22,706	4,767	33,876	521,298
Tourist Arrivals by Purpose of Visit *	No.															
Leisure		358,188	516,538	687,830	748,436	915,158	1,037,644	1,198,240	1,710,027	1,744,149	1,979,819	1,592,212	444,328	151,803	428,838	851,976
Private & Official Business		38,473	83,270	68,436	90,040	67,553	4,616	6,705	37,121	77,086	76,702	70,269	13,946	4,619	30,057	67,328
Convention & Meetings		6,262	6,350	14,681	22,220	26,766	4,495	5,240	16,652	27,455	29,048	18,865	5,750	1,006	15,888	81,796
Visiting Friends & Relations		23,122	35,386	70,531	117,520	164,422	419,266	458,411	236,127	237,874	223,916	200,496	38,650	32,336	164,109	215,395
Religious & Cultural		9,127	5,150	2,321	22,371	65,004	200	1,202	390	281	168	484	53	22	299	-
Sports & Health		-	-	-	-	-	-	-	-	27,580	22,799	-	-	-	-	-
Other		12,718	7,782	12,178	5,018	35,689	60,932	128,582	50,515	1,982	1,334	31,376 (b)	4,969	4,709	81,086	270,808
Official Tourist Receipts *	USD Mn	349	575	830	1,038	1,715	2,431	2,981	3,519	3,925	4,381	3,610	682	507	1,136	2,068
Receipt Per Tourist Per Day *	USD Mn	81.8	88.0	98.0	103.0	156.5	160.8	164.1	168.2	170.1	173.8	181.2	158.1	172.6	164.4	164.4
Average Duration (Nights)*	No.	9	10	10	10	9	10	10	10	11	11	10	9	15	9	8
Accommodation Capacity Hotels (Classified/ unclassified and Boutique Hotels)	No.															
Rooms		14,461	14,714	14,653	15,510	16,223	18,510	19,377	22,336	23,477	24,757	24,831	25,407	25,958	25,597	26,422
Beds*		28,344	28,978	28,844	30,880	32,284	36,883	38,479	45,509	48,550	52,237	52,393	53,269	54,512	53,757	n.a
Foreign Travel by Sri Lankans (Departures)		962,786	1,122,212	1,239,290	1,268,792	1,261,711	1,311,063	1,356,411	1,447,786	1,439,429	1,471,481	1,441,462	305,143	309,220	1,127,512	n.a
Revenue from Tourism																
Tourism Development Levy	Rs. Mn	405.2	516.9	653.5	809.4	1,044.2	1,005.6	1,014.8	1,276.8	1,541.5	1,482.1	924.2	537.8	n.a.	n.a.	n.a
Embarkation Tax on Foreign Tourists	Rs. Mn	76.3	1,000.1	1,041.7	1,161.6	1,604.9	1,779.8	1,968.5	2,355.4	2,378.8	2,824.9	2,089.2	489.5	n.a.	n.a.	n.a
Museums																
Number of Foreign Visitors		10,244	22,061	31,096	37,305	44,751	454,053	558,521	59,982	68,107	8,551	64,877	16,731	2,394	12,585	47,339
Revenue from Sale of Tickets	Rs. '000	4,636.4	9,868.6	14,200.0	16,842.5	14,982.0	831,587.0	1,011,585	33,636	50,210	76,035	56,472	14,116	1,884	2,236	51,195

Table 32 | Tourism Contd...

Item	Unit	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023 ^(a)
Cultural Triangle																
Number of Foreign Visitors		109,404	197,947	239,920	592,980	504,699	627,136	722,676	905,333	978,606	980,096	730,854	185,115	33,390	216,847	477,978
Revenue from Sale of Tickets	Rs. Mn	402.8	743.5	998.2	1,330.7	1,727.0	2,178.0	2,496	3,363.3	3,774.4	4,200.1	3,288.1	830.7	173.0	1,544.05	3,490.1
Zoological Gardens																
Number of Foreign Visitors		149,833	249,556	284,898	287,485	305,860	348,842	393,064	415,776	369,685	373,106	226,651	5,058	13,777	57,596	150,300
Revenue from Sale of Tickets	Rs. Mn	201.7	410.1	470.2	480.7	550.9	745.7	813.9	841.1	729.0	698.8	477.8	9.7	25.3	133.1	528.8
Botanical Gardens																
Number of Foreign Visitors		123,425	210,949	237,763	259,572	293,454	345,468	407,553	465,405	440,270	463,695	331,888	93,385	18,412	103,322	227,729
Revenue from Sale of Tickets	Rs. '000	72,267	123,162	253,896	279,045	314,871	369,858	435,151	594,297	640,043	673,428	537,092	181,825	35,785	200,183	568,651
Wild Life Parks																
Number of Foreign Visitors		70,688	143,198	198,536	254,052	325,153	454,053	558,521	783,203	934,633	1,100,435	856,804	219,828	53,519	301,464	583,703
Revenue from Sale of Tickets	Rs. '000	103,993	227,249	301,009	468,098	578,459	831,388	1,011,583	1,445,966	1,730,718	2,138,490	1,827,751	494,987	135,599	1,219,166	3,779,521

Source: Sri Lanka Tourism Development Authority

(a) Provisional

(b) Including Sports, Health & Ayurvedic

* Estimated

Note: Since 2014, data on "tourist arrivals by purpose of visit" as per the new classification

Table 33 | Livestock Sector

Item	Unit	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022 ^(a)	2023 ^(b)
Total Livestock Population		15,591	16,076	16,262	16,191	18,619	18,468	18,542	39,108	43,513	43,279	22,211	25,040	25,105	23,530	18,858
Cattle	No. '000	1,137	1,170	1,192	1,254	1,169	1,105	1,088	1,366	1,400	1,463	1,086	1,104	1,131	1,128	1,122
Buffalo	No. '000	372	423	405	415	381	321	323	426	445	458	298	323	333	285	327
Goat/Sheep	No. '000	385	381	384	394	341	307	317	470	513	523	325	346	362	378	364
Swine	No. '000	81	84	82	89	81	105	70	125	155	190	91	93	99	100	102
Chicken	No. '000	13,615	14,018	14,199	14,039	16,647	16,630	16,744	36,720	41,000	40,645	20,411	24,278	24,311	22,767	18,065
Total Production																
Milk	Mn Lt.	233	248	258	299	329	334	374	454	483	495	448	415	513	506	504
Chicken meat	t '000	99	104	117	137	145	150	164	174	201	214	224	216	237	228	236
Eggs	Mn	1,099	941	1,185	2,279	1,637	1,721	1,899	2,201	2,856	2,853	2,084	2,436	1,954	1,849	1,604
Mutton	t	1,500	1,700	1,790	1,600	1,840	1,340	1,350	1,400	1,740	1,630	1,810	1,610	2,500	2,683	2,745
Pork	t	10,120	10,435	9,800	7,030	7,040	7,080	7,018	7,280	7,890	10,470	9,000	8,580	9,820	9,302	9,375
Domestic Demand																
Domestic Demand - Milk																
Milk Requirement	Mn. Ltrs per Year	746	754	767	742	740	938	1,035	1,166	1,207	1,264	1,139	1,157	n.a.	797	799
Domestic Production	Mn Ltrs.	233	248	258	299	329	334	374	454	483	495	424	415	513	506	504
Domestic Production / Total Req. Ratio	%	31	33	34	40	44	36	36	35	40	39	37	36	n.a.	63	63
Production Gap	Mn Ltrs.	513	506	509	443	411	604	632	713	724	769	715	743	n.a.	291	295
Domestic Demand - Chicken																
Chicken Requirement	t'000 per year	261	264	267	260	262	149	165	174	201	214	n.a.	n.a.	n.a.	228	235
Domestic Production	t'000	99	104	117	137	145	150	165	174	201	214	224	216	237	228	236
Production Gap	t'000	162	160	150	122	117	-	-	-	0	0	n.a.	n.a.	n.a.	-0.4	-1.6
Domestic Demand - Egg																
Egg Requirement	Mn. per Year	3,732	3,769	3,809	3,710	3,738	2,231	2,203	2,201	2,861	2,858	n.a.	n.a.	n.a.	2,212	2,520
Domestic Production	Mn.	1,099	941	1,185	2,279	1,637	1,721	1,899	2,201	2,856	2,853	2,631	2,435	1,954	1,849	1,604
Production Gap	Mn.	2,633	2,828	2,624	1,431	2,101	510	304	0	5	6	n.a.	n.a.	n.a.	363	916
Per Capita Availability																
Milk	LME L per Year	11	12	12	15	16	16	18	21	23	23	21	22	23	23	23
Chicken Meat	kg per Year	5	5	6	7	7	7	8	8	9	10	10	10	11	10	11

Table 33 | Livestock Sector Contd...

Item	Unit	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022 ^(a)	2023 ^(b)
Eggs	No. per Year	54	46	82	113	103	108	109	105	133	132	96	85	88	83	73
Mutton	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	0.1	0.1
Pork	kg per Year	0.1	0.1	0.3	0.4	0.3	0.3	0.3	0.4	0.4	0.5	0.4	0.4	0.4	0.4	0.4
Beef	kg per Year	1.1	1.1	1.7	1.7	1.8	1.6	1.5	1.5	1.4	1.3	1.4	0.6	1.4	1.0	1.2
Imports																
Milk and Milk Products	t	63,874	75,483	88,129	83,818	69,452	71,027	86,327	99,593	98,864	104,862	98,838	102,356	88,484	54,299	71,182
	Rs. Mn	18,609	29,029	38,192	39,023	37,572	44,308	34,088	36,338	48,145	54,002	55,647	61,933	63,094	68,332	88,624
Poultry and Poultry Products	t	990	1,236	1,952	845	353	354	592	253	280	301	235	156	55	190	237
	Rs. Mn	85	150	300	148	112	99	129	100	167	162	121	84	19	222	234
Mutton and Mutton Products	t	270	285	169	338	386	350	503	485	545	517	907	933	680	152	145
	Rs. Mn	58	82	73	200	173	166	219	214	236	218	369	423	396	101	131
Pork and Pork Products	t	1	0	0	1	0	3	...	1	50	118	144	84	68	245	57
	Rs. Mn	0	1	0	1	0	1	0	0	31	73	103	55	53	289	72
Beef and Beef Products	t	22	29	61	28	36	36	51	72	151	139	121	81	37	62	55
	Rs. Mn	17	13	52	24	29	29	40	80	141	174	111	65	36	177	131

Source: Department of Animal Production and Health, Central Bank of Sri Lanka and Department of Census and Statistics

(a) Revised

(b) Provisional

n.a. not available

... negligible

Table 34 | Fisheries Sector

Item	Unit	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022 ^(a)	2023 ^(c)
Fishing Fleet Capacity (Total Boats)	No.	40,245	48,134	53,476	54,310	52,301	62,524	61,354	68,618	46,890	51,892	48,976	59,376	59,716	58,594	60,176
High Seas Boats		19	26	29	130	-	-	1,576	1,455	1,417	1,281	1,189	927	1,194	1,459	1,971
Multi Day Boats		2,604	2,679	3,843	3,950	4,111*	4,447*	3,456	3,833	2,779	4,601	3,696	4,228	4,170	3,603	3,615
One Day Boats		1,135	1,160	1,120	890	802	876	789	835	868	918	948	895	860	831	782
Out Board 6-8 m FRP		15,016	15,016	22,890	23,160	23,134	23,982	24,882	26,136	22,394	24,132	23,404	24,074	24,389	24,530	25,232
Motorized Traditional Boats		2,238	2,263	2,960	2,340	2,514	2,720	2,179	2,248	2,185	2,206	2,140	2,310	2,398	2,374	2,619
Non-Motorized Traditional Boats ^(b)		18,243	24,000	21,650	22,800	20,566	29,325	26,859	32,291	16,035	17,434	16,312	16,006	25,635	24,817	24,969
Beach Scene Boats		990	990	984	1,040	1,174	1,174	1,613	1,820	1,212	1,320	1,287	1,056	1,070	980	988
Annual Fish Production	t	339,730	384,670	444,830	484,810	512,840	535,050	520,190	530,920	531,310	527,060	505,830	428,740	435,910	397,230	407,070
Marine Fish Catch		293,170	352,260	385,270	417,220	445,930	459,300	452,890	456,990	449,440	439,370	415,490	326,930	331,675	280,610	293,945
Coastal		180,410	202,420	222,350	257,540	267,980	278,850	269,020	274,160	259,720	249,020	242,580	182,560	178,260	149,440	164,995
Offshore and Deep Sea		112,760	129,840	162,920	159,680	177,950	180,450	183,870	182,830	189,720	190,350	172,910	144,370	153,415	131,170	128,950
Inland and Aquaculture		46,560	52,410	59,560	67,590	66,910	75,750	67,300	73,930	81,870	87,690	90,340	101,810	104,235	116,620	113,125
Fish for Dry or Smoking	t	97,690	100,120	112,295	61,320	146,630	157,982	126,390	145,620	138,430	141,080	114,900	132,100	112,630	51,660	50,380

Source: Ministry of Fisheries and Aquatic Resources

(a) Revised

(b) from 2014 number of nonmotorized Traditional Boats includes both marine and fresh water driven boats.

(c) Provisional

* Including High Sea Boats

ISBN 978-624-5674-19-0



Designed and Printed by
M.D.GUNASENA AND COMPANY PRINTERS (PRIVATE) LIMITED

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