

# FISCAL REVIEW REPORT

January – July 2025



Department of Fiscal Policy

Ministry of Finance, Planning and Economic Development

# Highlights of Fiscal Performance

## Government Revenue & Grants

- Jan - July 2025 : Rs. 2,734.9 Bn
- Jan - July 2024 : Rs. 2,161.8 Bn

## Government Expenditure

- Jan - July 2025 : Rs. 3,291.0 Bn
- Jan - July 2024 : Rs. 3,034.4 Bn

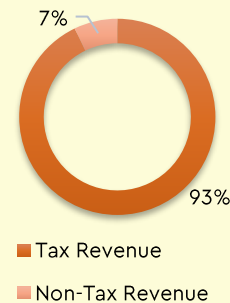
## Primary Surplus

- Jan - July 2025 : Rs. 973.6 Bn
- Jan - July 2024 : Rs. 519.4 Bn

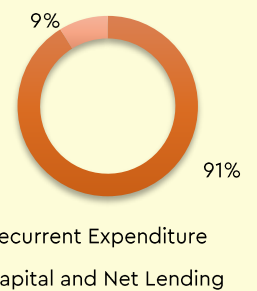
## Budget Deficit

- Jan - July 2025 : Rs. 556.1 Bn
- Jan - July 2024 : Rs. 872.6 Bn

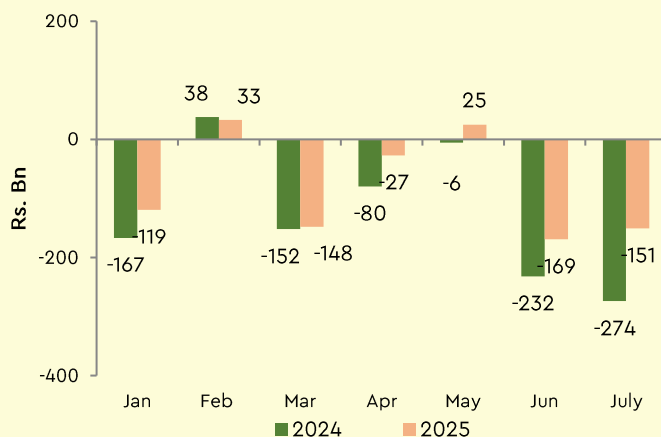
## Government Revenue Jan-July 2025



## Government Expenditure Jan-July 2025



## Budget Deficit (Rs. Bn) Jan - July 2025

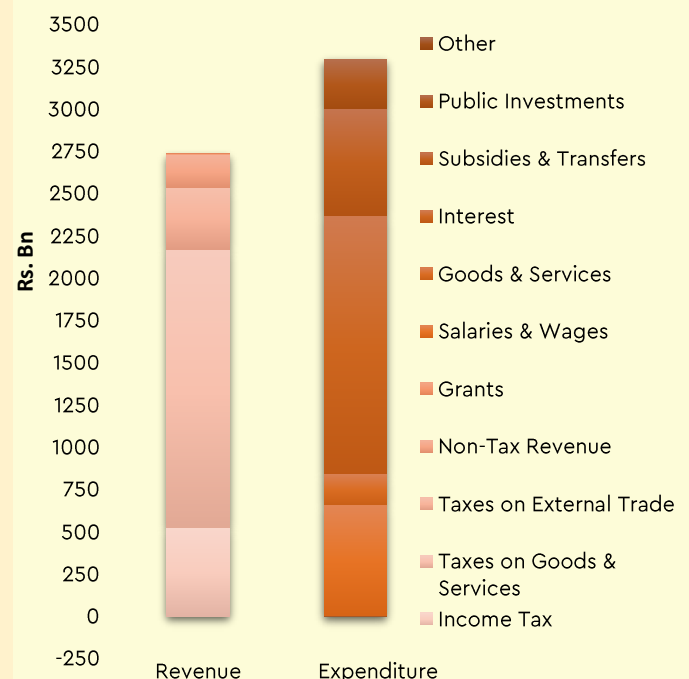


The budget deficit, in nominal terms, narrowed by 36.3 percent to Rs. 556.1 billion in the first seven months of 2025 from Rs. 872.6 billion in the same period of 2024 mainly due to the increase in government revenue including grants by 26.5 percent to Rs. 2,734.9 billion by the seven month of 2025 from Rs. 2,161.8 billion in the same period of 2024.

## Jan - July 2024 → Jan - July 2025

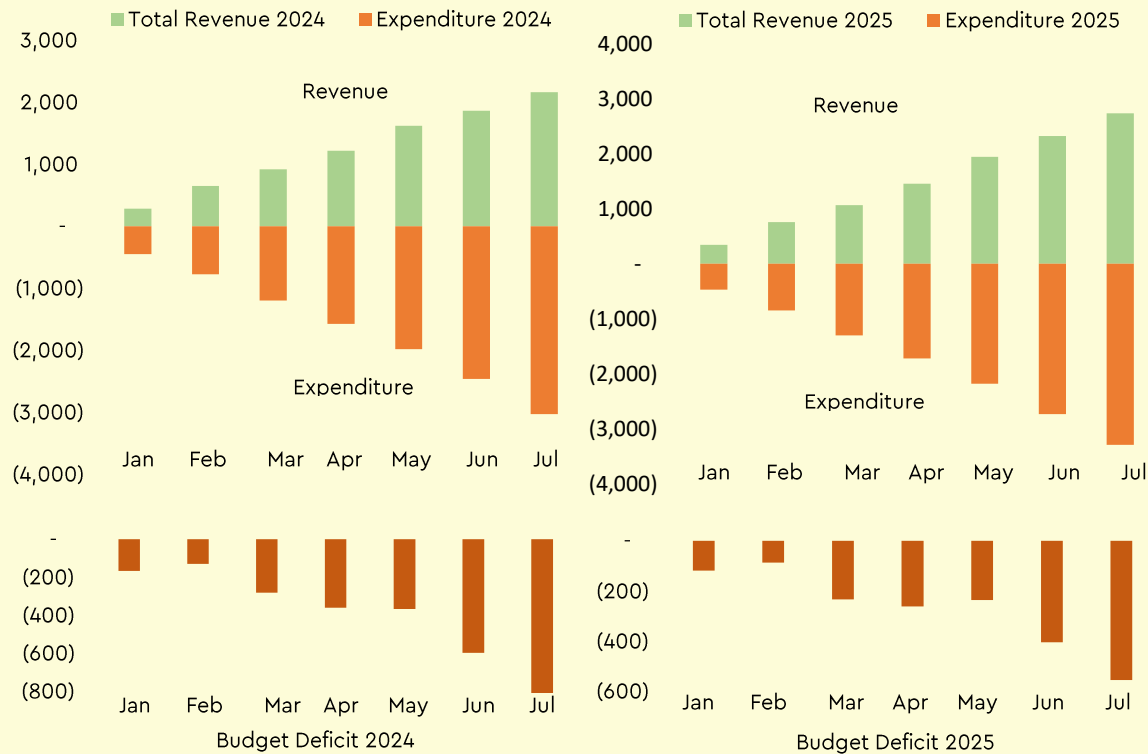
- Total Revenue, including grants increased by 26.5 percent
- Tax Revenue increased by 28.2 percent
- Non-Tax Revenue increased by 9.0 percent
- Recurrent Expenditure increased by 12.3 percent
- Capital and net lending declined by 19.7 percent
- GDP at constant prices was Rs. 3,477.1 billion in the first quarter of 2025, compared to Rs. 3,318.8 billion in the same period of 2024.
- The economy expanded by 5.1 percent in the first quarter of 2025 compared to the 4.8 percent expansion recorded in the first quarter of 2024.

## Total Revenue and Expenditure (Jan-July 2025)

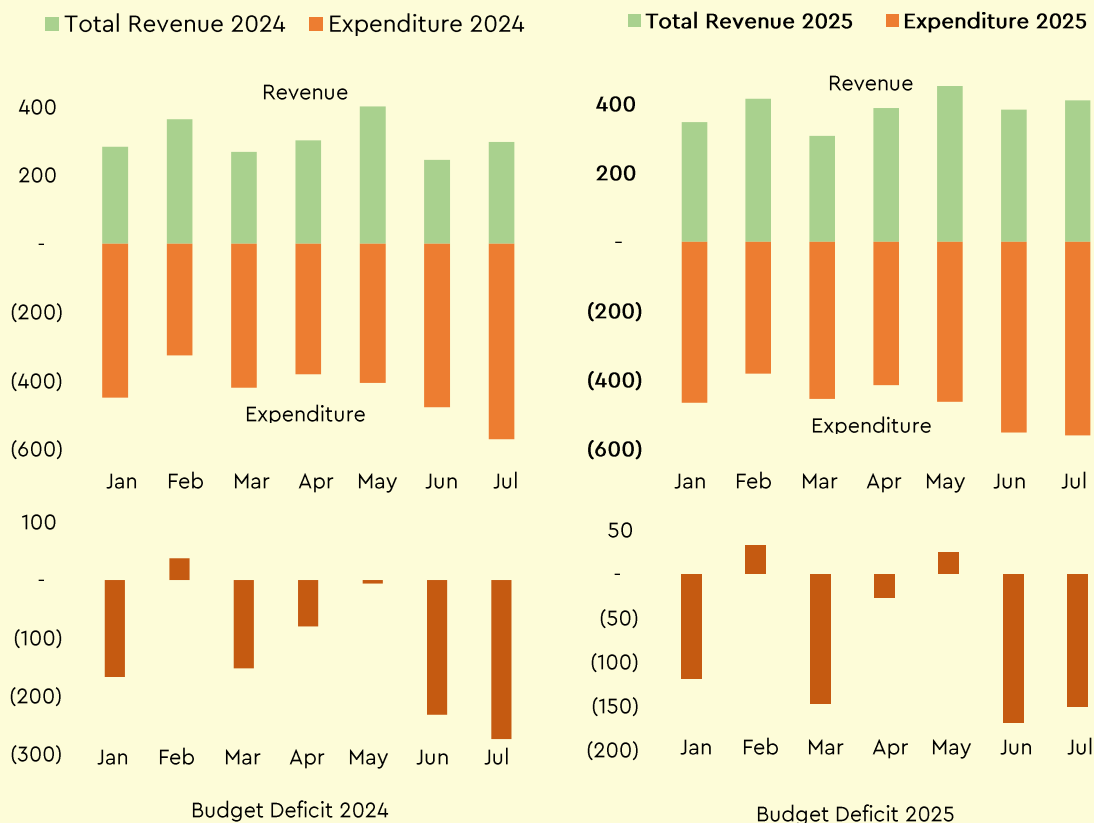


# Performance of Key Fiscal Aggregates

## Cumulative Revenue, Expenditure and Budget Deficit – January-July 2024/2025 (Rs.Bn)

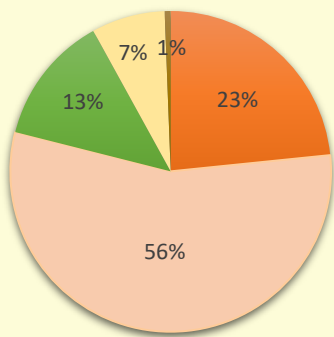


## Monthly Revenue, Expenditure and Budget Deficit – January-July 2024/2025 (Rs.Bn)



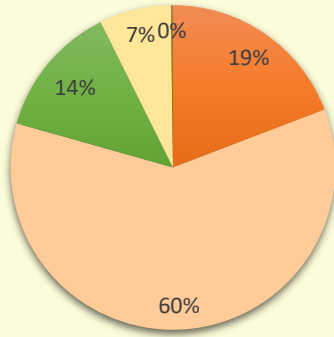
# Revenue Performance

Compisition of Annual Revenue  
Estimate 2025



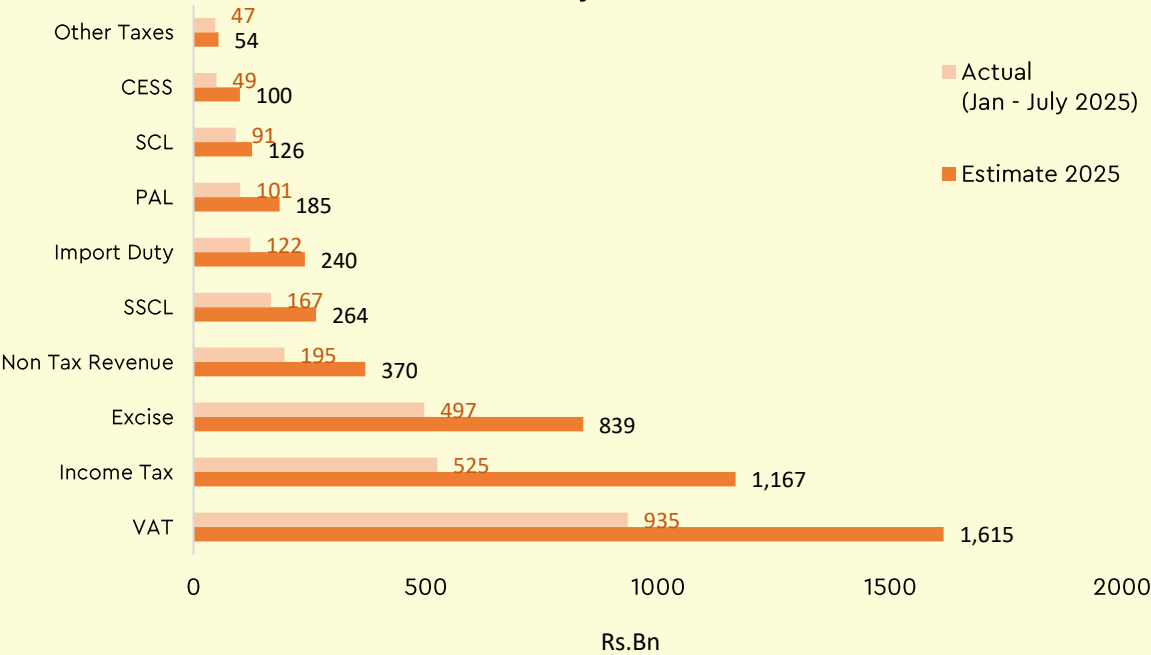
Income Tax  
Taxes on Good & Services  
Taxes On external Trade  
Non - Tax revenue  
Grants

Composition of Actual Revenue 2025  
(Jan-July)

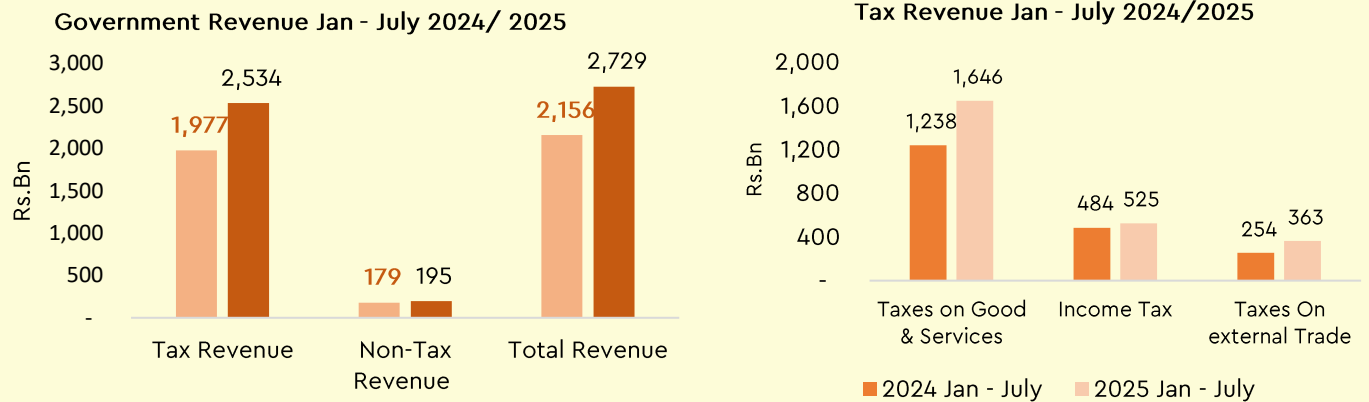


Income Tax  
Taxes on Good & Services  
Taxes On external Trade  
Non - Tax revenue  
Grants

Annual Estimate Vs Revenue by majour Revenue Sources  
Jan - July 2025



# Revenue Performance



The total revenue increased by 26.6 percent to Rs. 2,729 billion in the first seven months of 2025 from Rs. 2,156 billion in the same period of 2024. The revenue from income tax increased by 8.3 percent to Rs. 525 billion in the first seven months of 2025 from Rs. 485 billion compared to the same period of 2024. Revenue from VAT increased by 27.5 percent to Rs. 935 billion in the first seven months of 2025 from Rs. 733 billion in the same period of 2024.

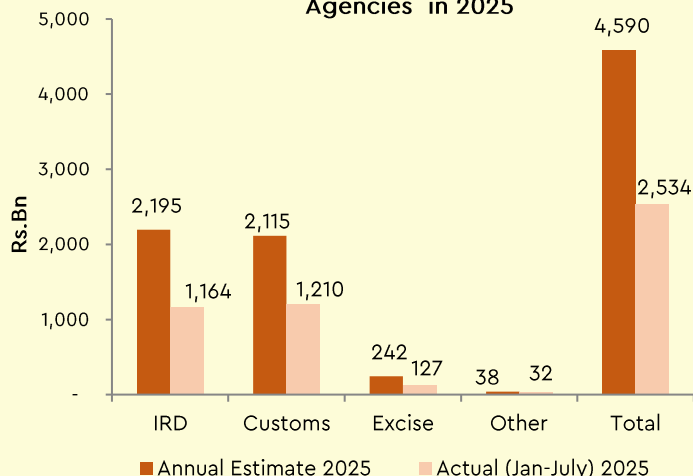
## Tax Revenue from 3 Key Revenue Collecting Agencies during Jan-July 2025

	Annual Estimate (Rs. Bn)	Actual Jan – July 2025 (Rs. Bn)	Achievement (%)
IRD	2,195	1,164	53
Customs	2,115	1,210	57
Excise	242	127	52
Other	38	32	84
Total	4,590	2,534	55

In the first seven months of 2025, the key revenue-collecting agencies achieved 55 percent of their annual estimates. The Customs became the largest contributor, representing 48 percent of the tax revenue collected, and this surpassed the revenue collected from IRD. The second largest contributor is the IRD, representing 46 percent of the tax revenue collected. The third largest contributor is the Excise Department.

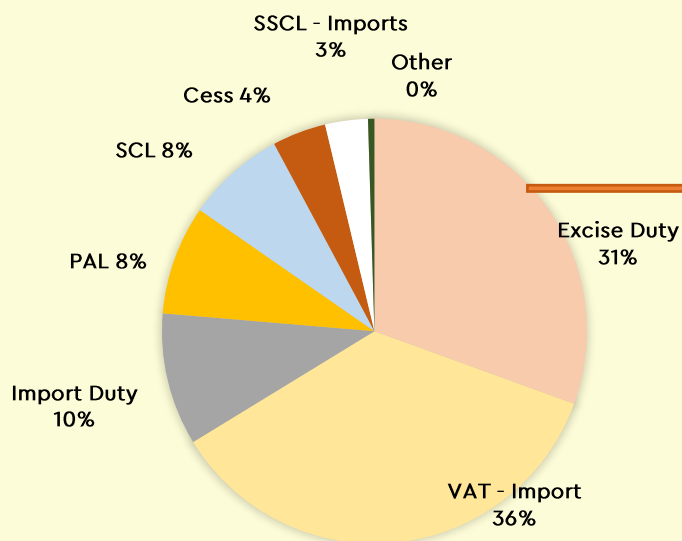
# Revenue Performance

**Tax Revenue (Annual Estimate vs Achivement in first seven months) from Different Revenue collectng Agencies in 2025**

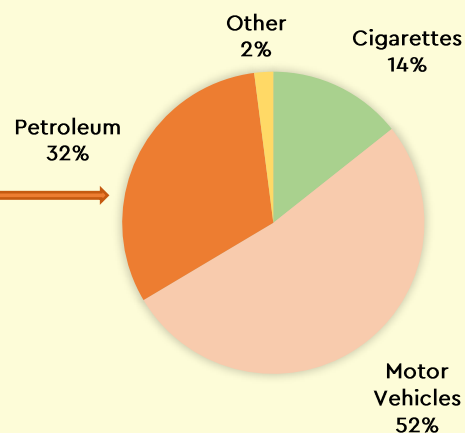


The graph illustrates the performance of three key revenue-collecting agencies in the first seven months of 2025. The Custom achieved 57 percent of its annual estimate, contributing to around half of the total tax revenue collected in the first seven months of 2025.

**Revenue Collection From Custom By Major Tax Components Jan - July 2025**



**Composition of Excise Duty Collected from Customs Jan - July 2025**

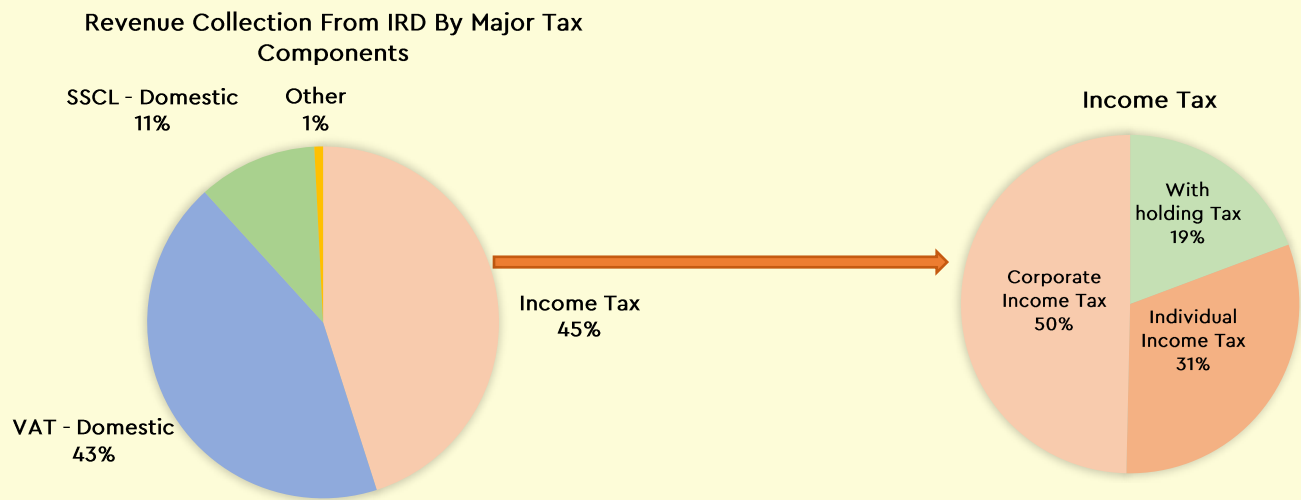


Revenue from VAT on imports is the largest revenue component among the Custom's major tax components. The revenue from VAT on imports increased by 37 percent to Rs. 432 billion in the first seven month of 2025 from Rs. 315 billion in the same period of 2024. Revenue from SCL increased by 64.9 percent to Rs. 91.0 billion by the first seven month of 2025 compared to the same period of 2024.

Revenue from Excise Duty on motor vehicles significantly increased by 528 percent to Rs. 193 billion in the first seven months of 2025 from Rs. 31 billion in the same period of 2024. Excise Duty on Cigarettes decreased by 21.5 percent to Rs. 54 in the first seven months of 2025 compared to the same period of 2024. However, revenue from Excise Duty on petroleum marginally decreased by 0.5 to Rs. 117 billion in the first seven months of 2025.

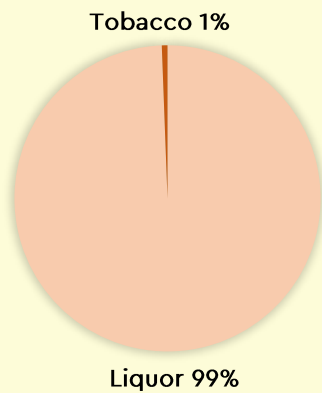


# Revenue Performance



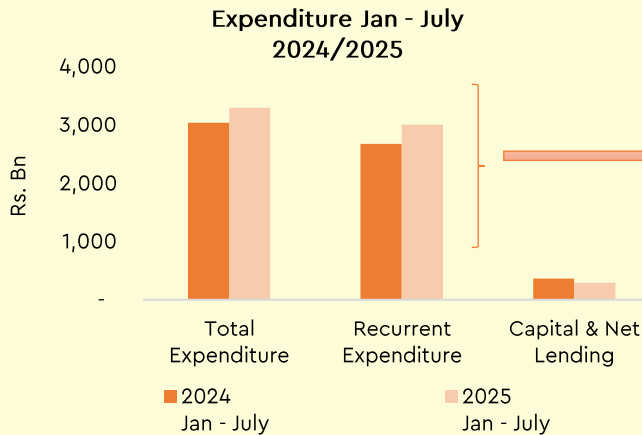
This graph demonstrates revenue collection from IRD by major tax components. Revenue collection from Income Tax increased by 8 percent to Rs. 525 billion in the first seven months of 2025, compared to the same period of 2024. Revenue from VAT on domestic activities and SSCL on domestic activities increased by 20 percent and 18 percent, respectively, in the first seven months of 2025 compared to the same period of 2024.

## Revenue Collection From Department of Excise By Major Revenue Sources

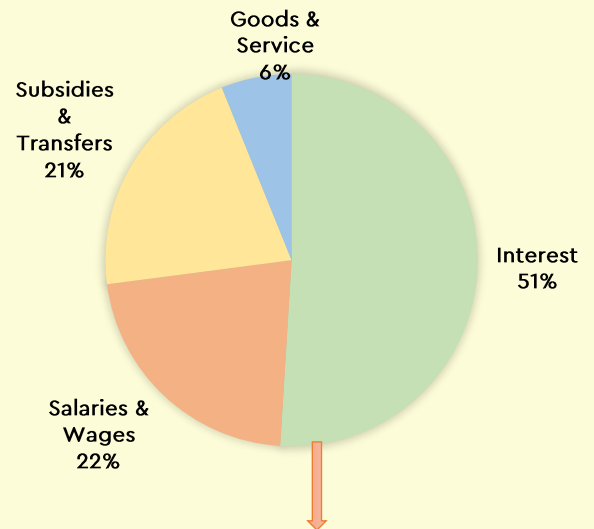


The revenue from Excise Duty on Liquor increased by 10 percent to Rs. 127 billion in the first seven months of 2025 from Rs. 115 billion in the same period of 2024.

# Execution of Expenditure

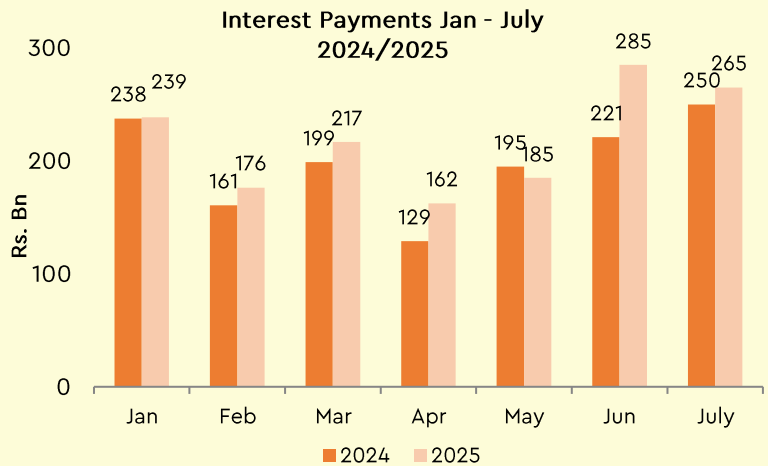


Recurrent Expenditure Jan - July 2025



The total expenditure increased by 8.5 percent to Rs. 3,291 billion in the first seven months of 2025 from Rs. 3,034 billion in the same period of 2024. Following the same trend, recurrent expenditure increased by 12 percent to Rs. 3,001 billion in the first seven months of 2025 from Rs. 2,673 billion in the same period of 2024. However, capital and net lending decreased by 20 percent to Rs. 290 billion in the first seven months of 2025 from Rs. 361 billion in the same period of 2024.

Total Interest payments increased by 10 percent to 1,530 billion in the first seven months of 2025 compared to Rs 1,392 billion in the same period of 2024.



## Budget Outturn Jan – July 2025

	Annual Estimate 2025 (Rs. Bn)	Jan – July 2024 (Rs. Bn)	Jan – July 2025 (Rs. Bn) (provisional)
<b>Total Revenue &amp; Grants</b>	<b>4,990</b>	<b>2,162</b>	<b>2,735</b>
Tax Revenue	4,590	1,977	2,534
Non-Tax Revenue	370	179	195
Grants	30	6	5
<b>Total Expenditure</b>	<b>7,190</b>	<b>3,034</b>	<b>3,291</b>
Recurrent Expenditure	5,886	2,673	3,001
Capital and Net Lending	1,304	361	290
<b>Primary Balance (+)/(-)</b>	<b>750</b>	<b>519</b>	<b>974</b>
<b>Budget Balance (+)/(-)</b>	<b>-2,200</b>	<b>-873</b>	<b>-556</b>