

FISCAL REVIEW REPORT

January - April 2025



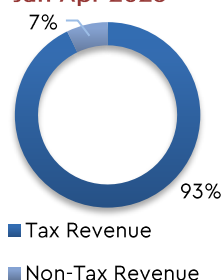
Department of Fiscal Policy
Ministry of Finance, Planning and Economic Development

Highlights...

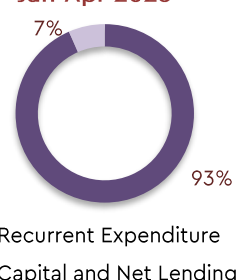
Government Revenue & Grants (a)	<ul style="list-style-type: none"> • Jan - Mar 2025 : Rs. 1,067.4 Bn ↑ • Jan - Mar 2024 : Rs. 916.2 Bn • Jan - Apr 2025 : Rs. 1,454.7 Bn ↑ • Jan - Apr 2024 : Rs. 1,218.1 Bn
Government Expenditure (a)	<ul style="list-style-type: none"> • Jan - Mar 2025 : Rs. 1,301.9 Bn ↑ • Jan - Mar 2024 : Rs. 1,197.6 Bn • Jan - Apr 2025 : Rs. 1,716.3 Bn ↑ • Jan - Apr 2024 : Rs. 1,579.2 Bn
Budget Deficit (a)	<ul style="list-style-type: none"> • Jan - Mar 2025 : Rs. 234.5 Bn ↑ • Jan - Mar 2024 : Rs. 281.3 Bn • Jan - Apr 2025 : Rs. 261.6 Bn ↑ • Jan - Apr 2024 : Rs. 361.1 Bn

(a) Provisional

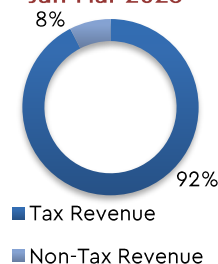
Government Revenue Jan-Apr 2025



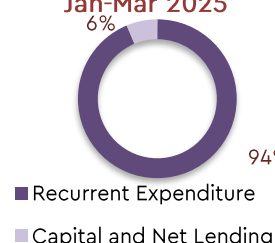
Government Expenditure Jan-Apr 2025



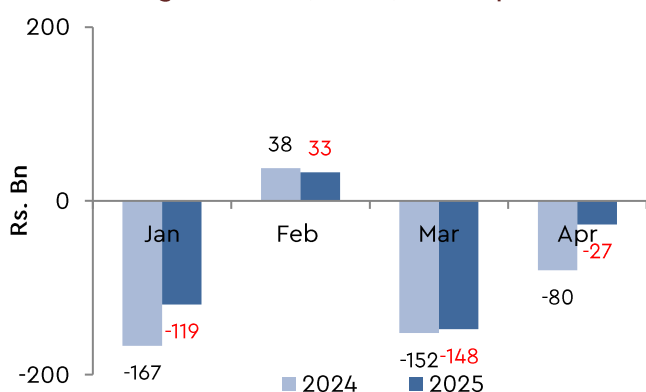
Government Revenue Jan-Mar 2025



Government Expenditure Jan-Mar 2025



Budget Deficit (Rs. Bn) Jan - Apr 2025

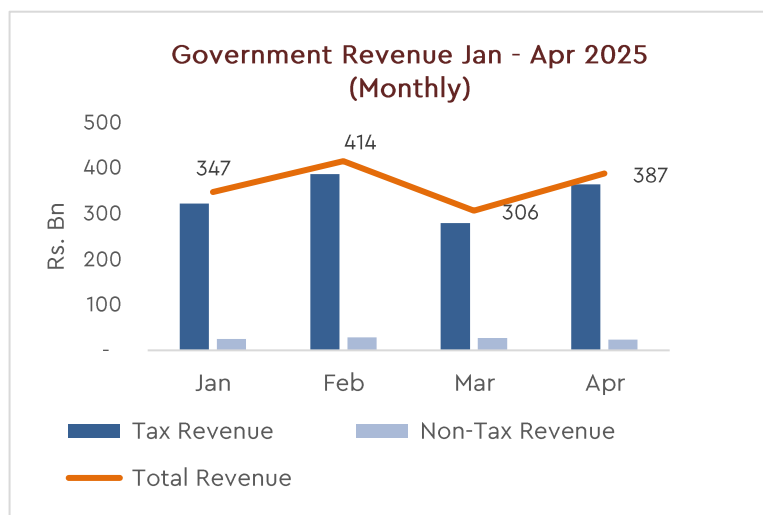


The budget deficit, in nominal terms, declined by 27.6 percent to Rs. 261.6 billion during the first four months of 2025 from Rs. 361.1 billion in the same period of 2024 mainly due to an increase in government revenue including grants by 19.4 percent to Rs. 1,454.7 billion in the first four months of 2025 from Rs. 1,218.1 billion in the same period of 2024.

Jan - Apr 2024 ➡ Jan - Apr 2025

- Total Revenue excluding grants increased by 19.4 percent
- Tax Revenue increased by 20.7 percent
- Non-Tax Revenue increased by 6.1 percent
- Recurrent Expenditure increased by 13 percent
- Capital and net lending declined by 29.4 percent
- GDP at constant prices was Rs. 12,472 billion in 2024, compared to Rs. 11,878 billion in the same period of 2023.
- The economy expanded by 5.0 percent in 2024 compared to the 2.3 percent contraction recorded in 2023.

Government Revenue Jan – Apr 2025



The total revenue increased by 26.6 percent to Rs. 387 billion in April from Rs. 305.7 billion in March 2025. The revenue from income tax significantly increased by 24.4 percent to Rs. 43.0 billion in April from Rs. 34.6 billion in March 2025. Revenue from VAT increased by 28.3 percent to Rs. 143.5 billion in April 2025 from Rs. 111.9 billion in March 2025.

Tax Revenue from 3 Key Revenue Collecting Agencies during Jan-Apr 2025

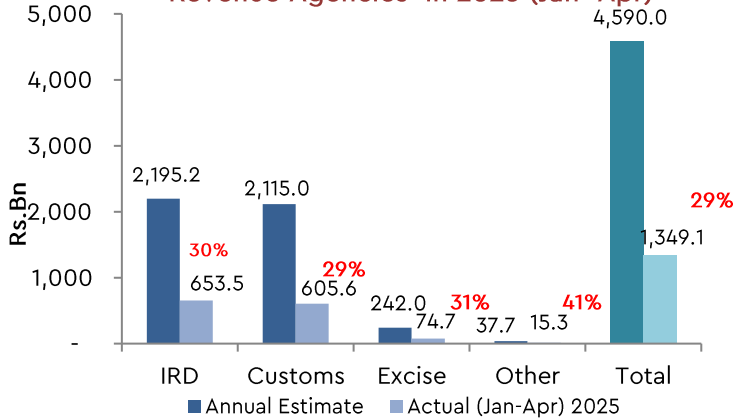
	Annual Estimate (Rs. Bn)	Actual Jan – Apr 2025 (Rs. Bn)	Achievement (%)
IRD	2,195	653	30
Customs	2,115	606	29
Excise	242	75	31
Other	38	15	40
Total	4,590	1,349	29

(a) Provisional

In the first four months of 2025, the revenue collecting agencies achieved 29 percent of their annual estimates. The Inland Revenue Department remains the largest contributor, representing 48 percent of the total revenue. The second largest contributor is the Sri Lanka Customs, representing 45 percent of the total revenue. The third largest revenue is generate the Excise Department.

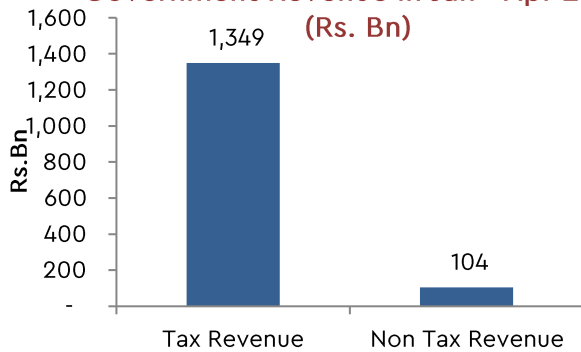
Government Revenue Jan- Apr 2025

Tax Revenue (Estimate vs Actual) from Different Revenue Agencies in 2025 (Jan- Apr)



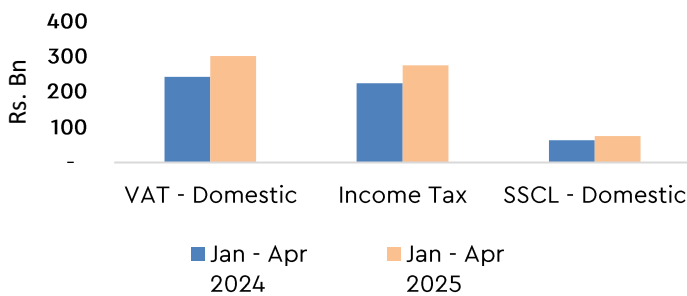
The graph illustrates performance of three key revenue collecting agencies. The IRD exhibits a relatively stronger performance, achieving 30 percent of its annual estimate, contributing around half of the total tax revenue collected in the first four months of 2025.

Government Revenue in Jan - Apr 2025 (Rs. Bn)



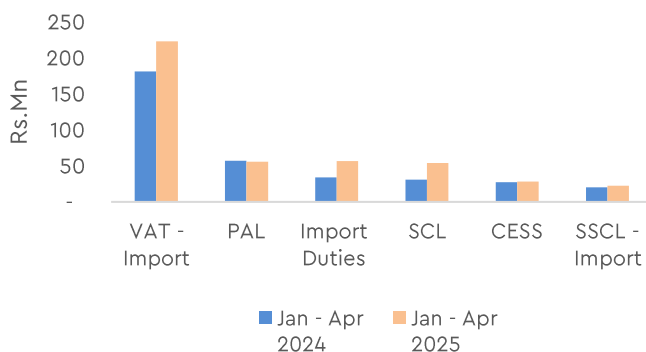
Tax revenue accounted for approximately 92.8 percent of total government revenue in the first four months of 2025. Non-tax revenue remains a marginal contributor to the total revenue with only 7.2 percent contribution.

Revenue Collection from IRD by Major Tax Components



This graph demonstrates revenue collection from IRD. Revenue collection from Income Tax increased by 22.3 percent to Rs. 274.0 billion in Jan-Apr 2025 compared to the same period of 2024. Revenue from VAT on domestic activities and SSCL on domestic activities increased by 24 percent and 17.3 percent, respectively, in Jan-Apr 2025 compared to the same period of 2024.

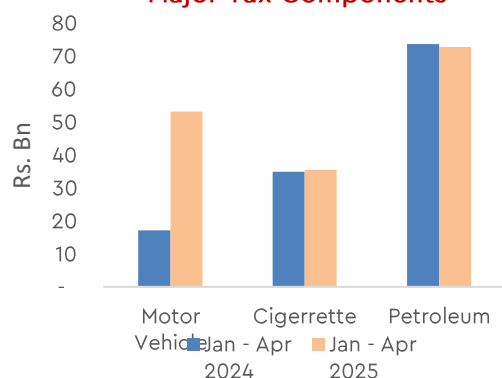
Revenue Collection from Custom By Major Tax Components



Revenue from VAT on imports is the largest revenue component among the Customs' major tax components. The revenue from VAT on imports increased by 23.1 percent to Rs. 222.6 billion in the first four months of 2025 from Rs. 180.8 billion in the same period of 2024. Revenue from SCL increased by 74.4 percent to Rs. 53.8 billion in the first four months of 2025 compared to the same period of 2024.

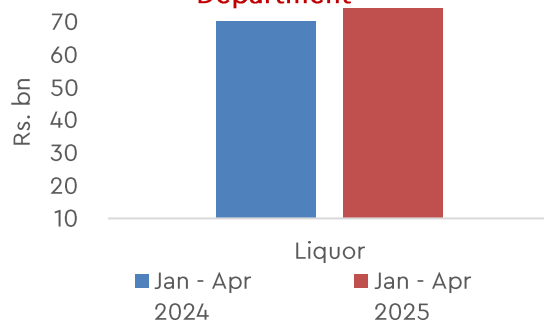
Government Revenue Jan – Feb 2025

Revenue Collection from Custom by Major Tax Components



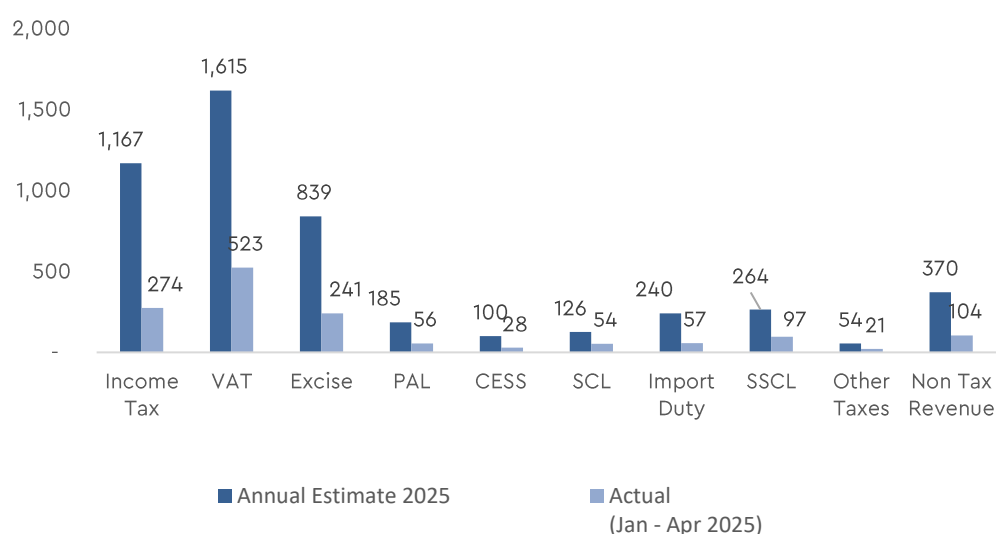
Revenue from Excise Duty on motor vehicles significantly increased by 210.1 percent to Rs. 53.2 billion in the first four months of 2025 from Rs.17.2 billion in the same period of 2024. Excise Duty on Cigarette increased by 1.8 percent to Rs. 35.6 billion in the first four months of 2025 compared to the same period of 2024. However, revenue from Excise Duty on petroleum declined by 1.2 to Rs. 72.9 billion in the first four months of 2025 from Rs. 73.8 billion in the same period of 2024.

Revenue Collection from Excise Department



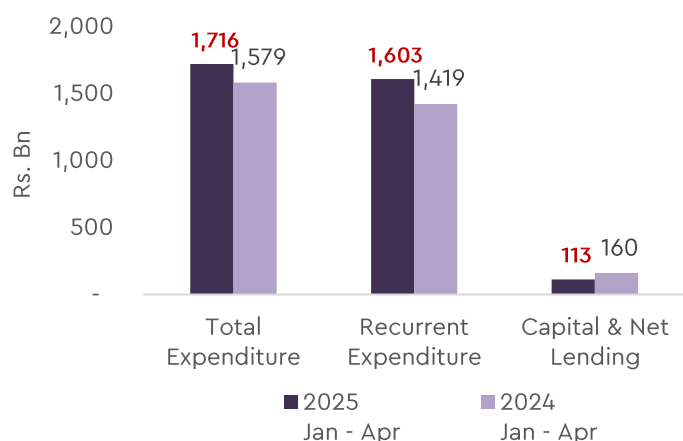
The revenue from Excise Duty on Liquor increased by 6.0 percent to Rs. 74.4 billion in the first four months of 2025 from Rs. 70.2 billion in the same period of 2024.

Annual Estimate Vs Revenue by Major Revenue Sources Jan - Apr 2025 (Rs. Bn)



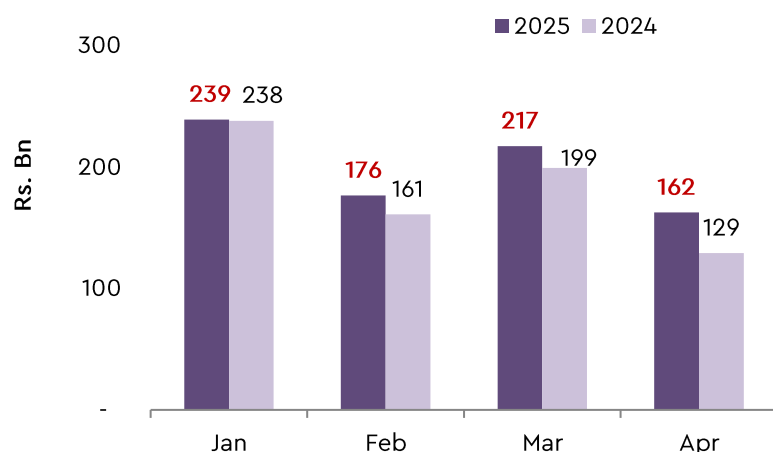
Government Expenditure Jan – Apr 2025

Expenditure Jan - Apr 2025 (Rs. Bn)



The total expenditure increased by 8.7 percent to Rs. 1,716 billion in the first four months of 2025 from Rs. 1,579 billion in the same period of 2024. Following the same trend, recurrent expenditure increased by 13 percent to Rs. 1,603 billion in the first four months of 2025 from Rs. 1,419 billion in the same period of 2024. However, capital and net lending significantly decreased by 29.4 percent to Rs. 113 billion in the first four months of 2025 from Rs. 160 billion in the same period of 2024.

Interest Payments Jan - Apr 2025



Total Interest payments increased by 9.4 percent to 794 billion in Jan-Apr 2025 compared to Rs 726 billion in the same period of 2024.

Budget Outturn Jan – Apr 2025

	Annual Estimate 2025 (Rs. bn)	Jan – Apr 2024 (Rs.bn)	Jan –Apr 2025 (Rs. bn) (provisional)
Total Revenue & Grants	4,990	1,218	1,455
Tax Revenue	4,590	1,216	1,349
Non-Tax Revenue	370	98	104
Grants	30	2	1
Total Expenditure	7,190	1,579	1,716
Recurrent Expenditure	5,886	1,419	1,603
Capital and Net Lending	1,304	160	113
Primary Balance (+)/(-)	750	365	534
Budget Balance (+)/(-)	-2,200	-361	-262

