

# FISCAL REVIEW REPORT

January – October 2025



Department of Fiscal Policy

Ministry of Finance, Planning and Economic Development

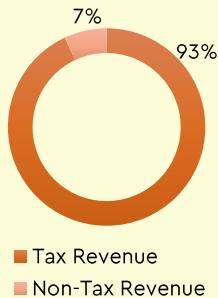
# Highlights of Fiscal Performance

## Government Revenue & Grants

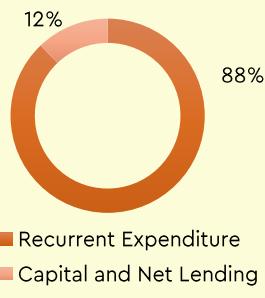
- Jan - Oct 2025 : Rs. 4,350.1 Bn
- Jan - Oct 2024 : Rs. 3,266.9 Bn
- Jan - Oct 2025 : Rs. 4,805.8 Bn
- Jan - Oct 2024 : Rs. 4,327.7 Bn
- Jan - Oct 2025 : Rs. 1,629.0 Bn
- Jan - Oct 2024 : Rs. 830.7 Bn
- Jan - Oct 2025 : Rs. 455.8 Bn
- Jan - Oct 2024 : Rs. 1,060.7 Bn

## Government Expenditure

## Government Revenue Jan-Oct 2025

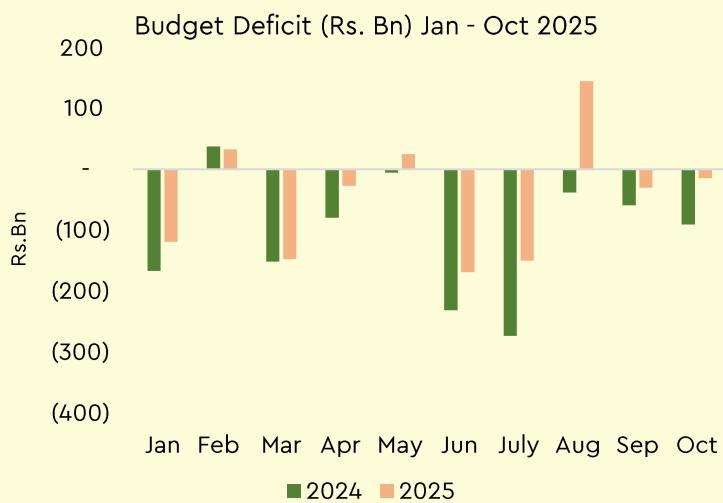


## Government Expenditure Jan-Oct 2025



## Primary Surplus

## Budget Deficit

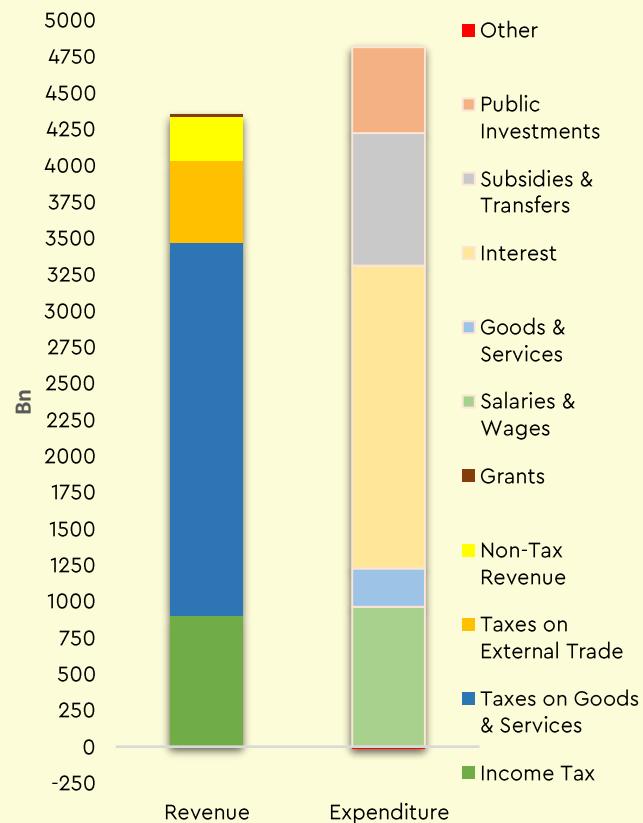


The budget deficit, in nominal terms, narrowed by 57.0 percent to Rs. 455.8 billion in the first ten months of 2025 from Rs. 1,060.7 billion in the same period of 2024 mainly due to the increase in government revenue including grants by 33.2 percent to Rs. 4,350.1 billion in the first ten months of 2025 from Rs. 3,266.9 billion in the same period of 2024.

## Jan – Oct 2024 → Jan - Oct 2025

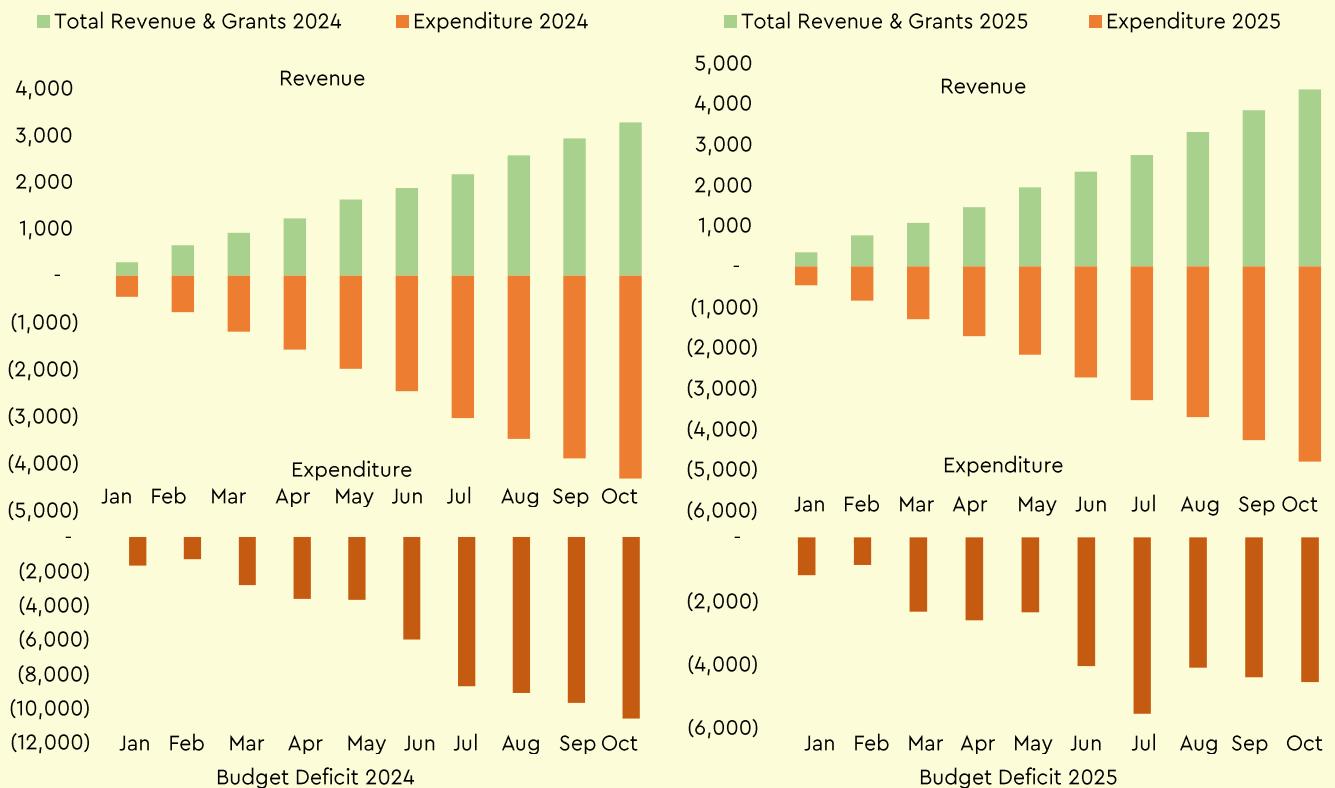
- Total Revenue, including grants increased by 33.2 percent
- Tax Revenue increased by 34.4 percent
- Non-Tax Revenue increased by 18.6 percent
- Recurrent Expenditure increased by 11.3 percent
- Capital and net lending increase by 9.5 percent
- GDP at constant prices was Rs. 6,360.6 billion in the first half of 2025, compared to Rs. 6,068.3 billion in the same period of 2024.
- The economy expanded by 4.8 percent in the first half of 2025 compared to the 4.6 percent expansion recorded in the same period of 2024.

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

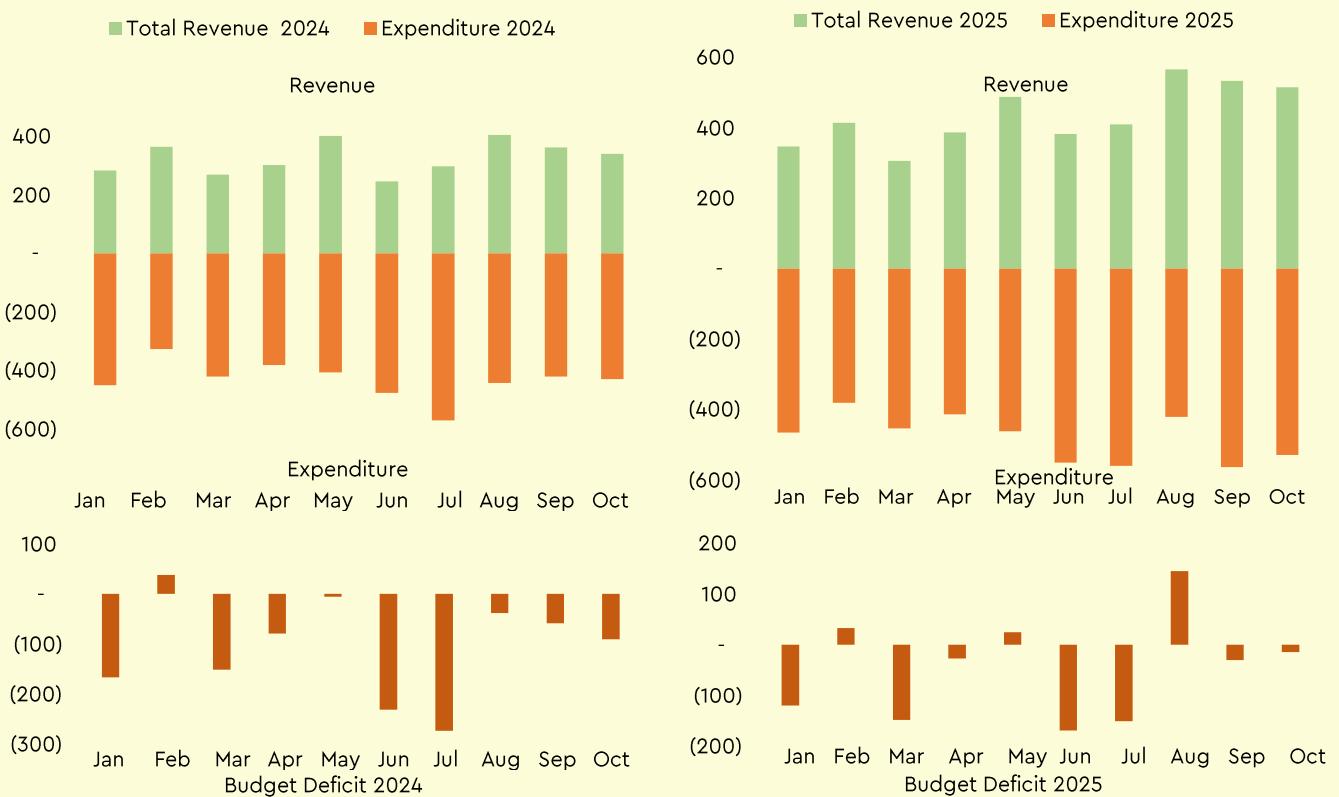


# Performance of Key Fiscal Aggregates

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

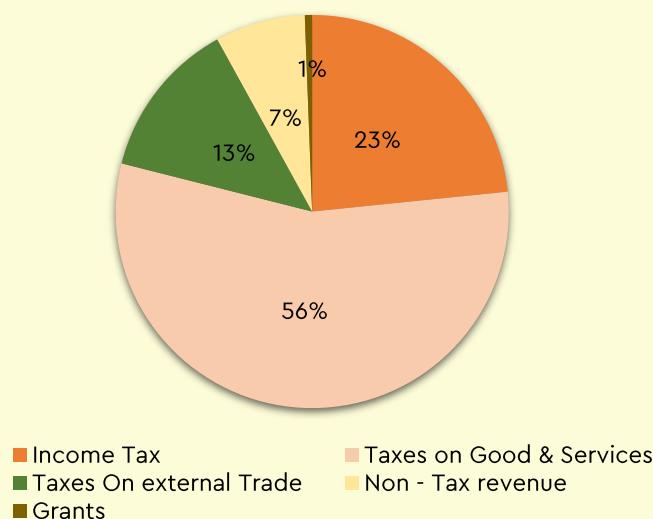


Monthly Revenue, Expenditure and Budget Deficit – January - October 2024/2025 (Rs. Bn)

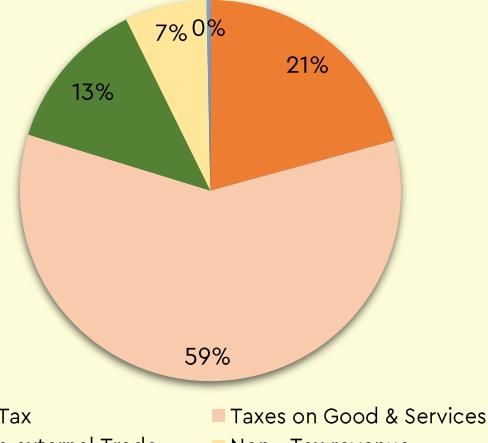


# Revenue Performance

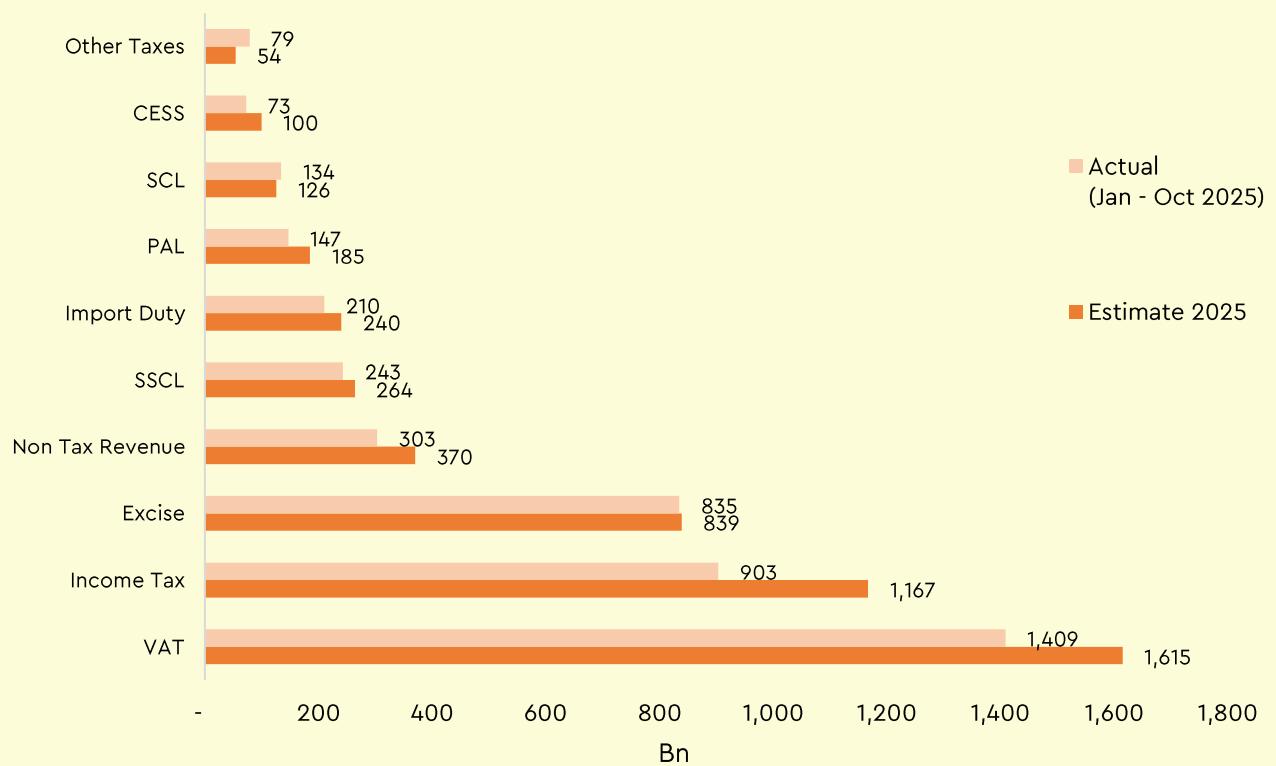
Composition of Annual Revenue Estimate 2025 (%)



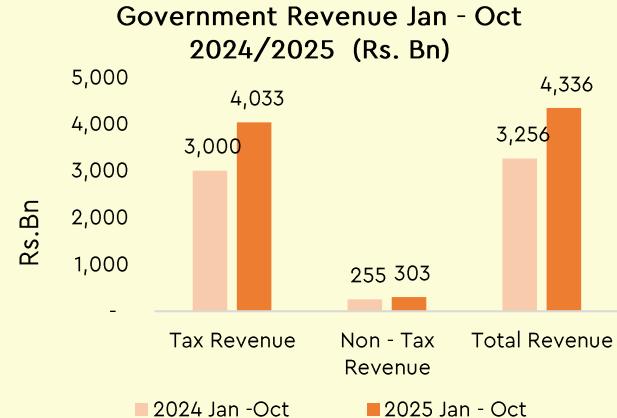
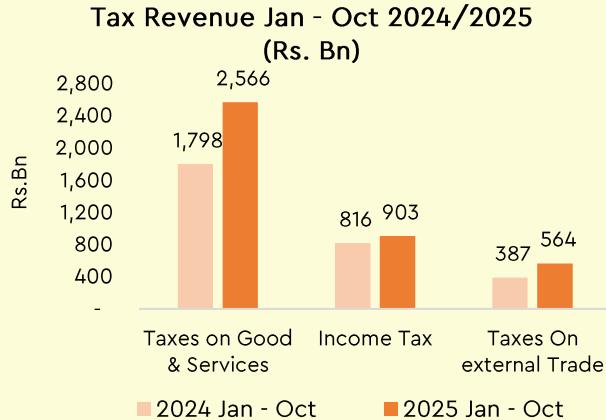
Composition of Actual Revenue 2025 - (Jan - Oct)



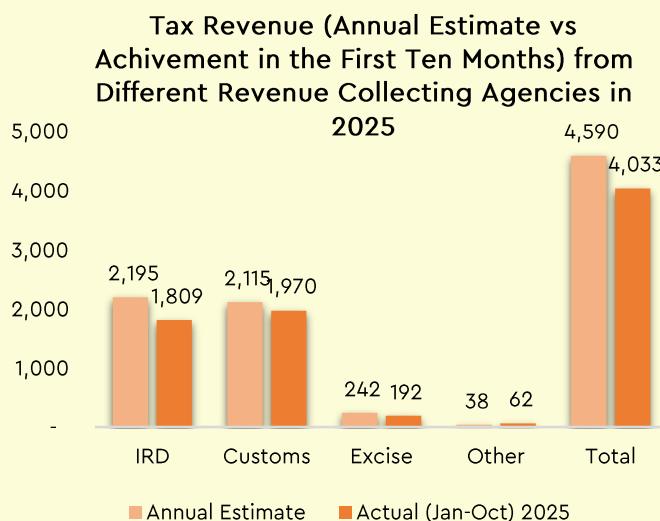
Annual Estimate Vs Revenue by Major Revenue Sources Jan - Oct 2025



# Revenue Performance



The total revenue increased by 33.2 percent to Rs. 4,336 billion in the first ten months of 2025 from Rs. 3,256 billion in the same period of 2024. The revenue from income tax increased by 10.8 percent to Rs. 903 billion in the first ten months of 2025 from Rs. 816 billion compared to the same period of 2024. Revenue from VAT increased by 32 percent to Rs. 1,409 billion in the first ten months of 2025 from Rs. 1,067 billion in the same period of 2024.



The graph illustrates the performance of three key revenue-collecting agencies in the first ten months of 2025. The Custom achieved 93 percent of its annual estimate, contributing to around half of the total tax revenue collected in the first ten months of 2025.

# Revenue Performance

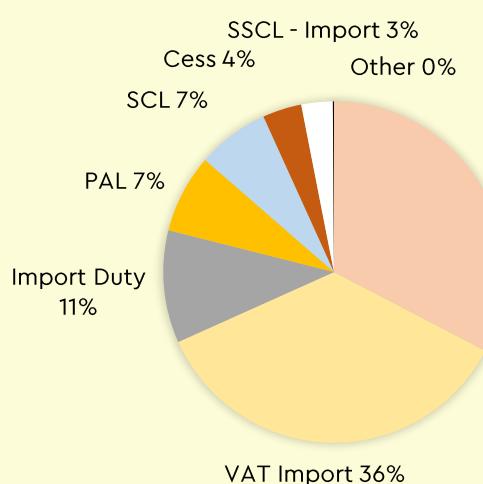
## Tax Revenue from 3 Key Revenue collecting agencies during Jan - Oct 2025

	Annual Estimate (Rs. Bn)	Actual Jan – Oct 2025 (Rs. Bn)	Achievement (%)
IRD	2,195	1,809	82
Customs	2,115	1,970	93
Excise	242	192	79
Other	38	62	165
<b>Total</b>	<b>4,590</b>	<b>4,033</b>	<b>88</b>

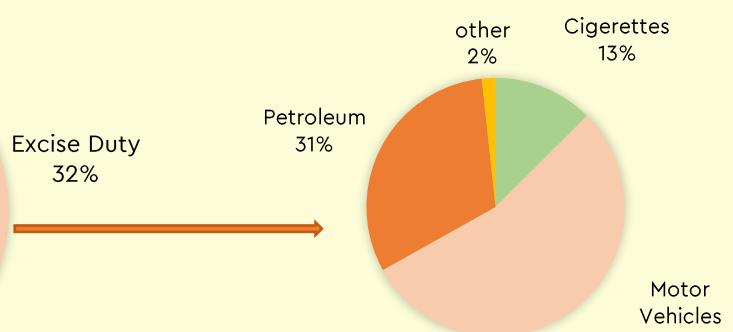
In the first ten months of 2025, the key revenue-collecting agencies achieved 87 percent of their annual estimates. The Customs became the largest contributor, representing 49 percent of the tax revenue collected, and this surpassed the revenue collected from IRD. The second largest contributor is the IRD, representing 48 percent of the tax revenue collected. The third largest contributor is the Excise Department.

## Sri Lanka Customs

Revenue collection from custom by major tax components Jan - Oct 2025



Composition of excise duty collected from customs Jan - Oct 2025



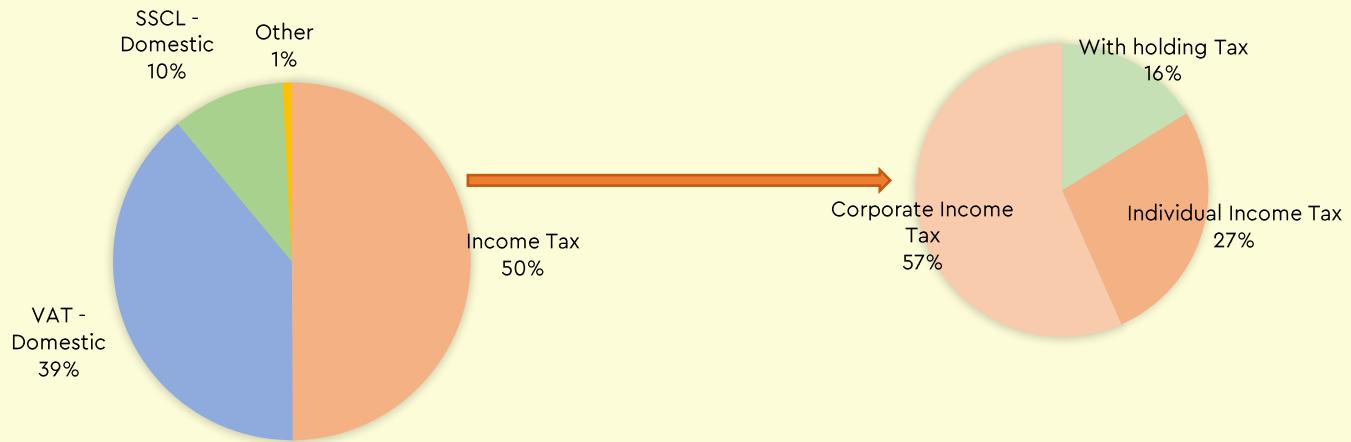
Revenue from VAT on imports is the largest revenue component among the Custom's major tax components. The revenue from VAT on imports increased by 46 percent to Rs. 702 billion in the first ten month of 2025 from Rs. 482 billion in the same period of 2024. Revenue from excise duty increased by 102 percent to Rs. 643 billion in the first ten months of 2025 compared to the same period of 2024.

Revenue from excise duty on motor vehicles significantly increased by Rs.302 billion to Rs. 350 billion in the first ten months of 2025 from Rs. 48 billion in the same period of 2024.

# Revenue Performance

## Inland Revenue Department of Sri Lanka

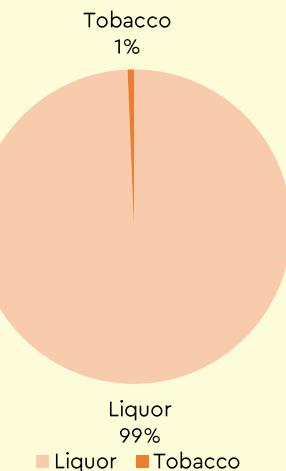
Revenue collection from IRD by major tax components



This graph demonstrates revenue collection from IRD by major tax components. Revenue collection from Income Tax increased by 11 percent to Rs. 903 billion in the first ten months of 2025, compared to the same period of 2024. Revenue from VAT on domestic activities and SSCL on domestic activities increased by 21 percent and 19 percent, respectively, in the first ten months of 2025 compared to the same period of 2024.

## Excise Department of Sri Lanka

Revenue collection from department of Excise by major tax components



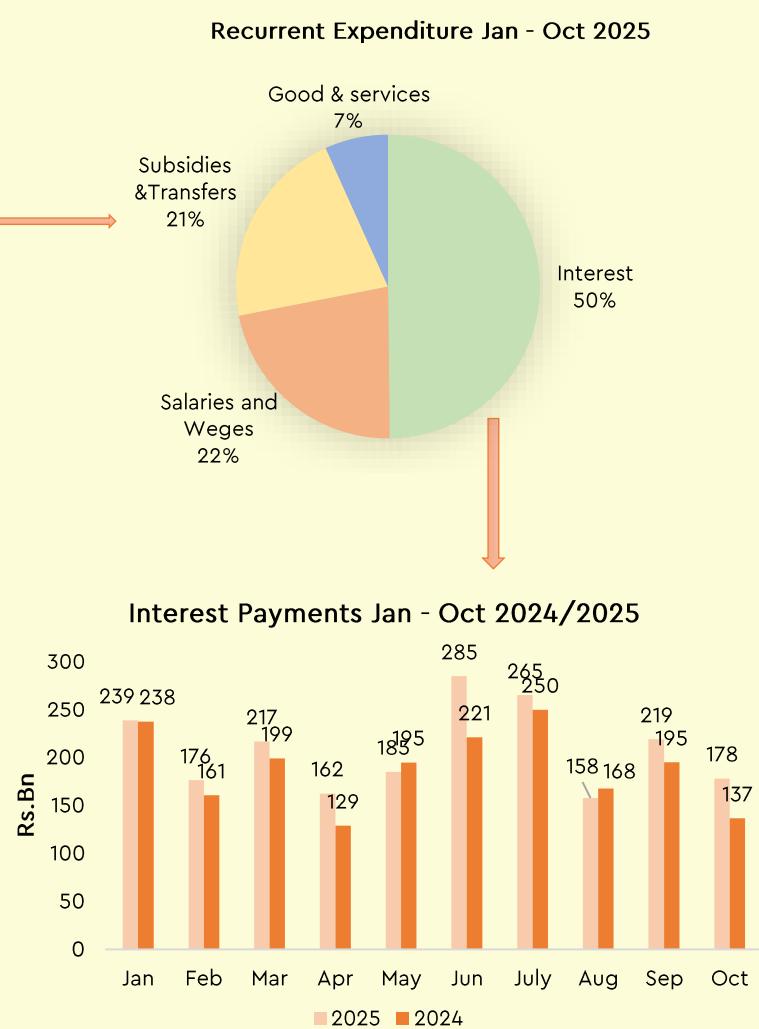
The revenue from excise duty on liquor increased by 14 percent to Rs. 190 billion in the first ten months of 2025 from Rs. 168 billion in the same period of 2024.

# Execution of Expenditure



The total expenditure increased by 11 percent to Rs. 4,806 billion in the first ten months of 2025 from Rs.4,328 billion in the same period of 2024. Following the same trend, recurrent expenditure increased by 11 percent to Rs. 4,224 billion in the first ten months of 2025 from Rs. 3,796 billion in the same period of 2024. However, capital and net lending increased by 9.5 percent to Rs. 582 billion in the first ten months of 2025 from Rs. 532 billion in the same period of 2024.

Total Interest payments increased by 10.2 percent to Rs. 2,085 billion in the first ten months of 2025 compared to Rs. 1,891 billion in the same period of 2024.



# Budget Outturn Jan – Oct 2025

	Annual Estimate 2025 (Rs. Bn)	Jan – Oct 2024 (Rs. Bn)	Jan – Oct 2025 (Rs. Bn) (provisional)
<b>Total Revenue &amp; Grants</b>	<b>4,990</b>	<b>3,267</b>	<b>4,350</b>
Tax Revenue	4,590	3,000	4,033
Non-Tax Revenue	370	255	303
Grants	30	11	14
<b>Total Expenditure</b>	<b>7,190</b>	<b>4,328</b>	<b>4,806</b>
Recurrent Expenditure	5,886	3,796	4,224
Capital and Net Lending	1,304	532	582
Primary Balance (+)/ (-)	750	831	1,629
Budget Balance (+)/ (-)	-2,200	-1,061	-456