

# FISCAL REVIEW REPORT

January - May 2025



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

# Highlights...

## Government Revenue & Grants (a)

- Jan - May 2025 : Rs. 1,942.4 Bn
- Jan - May 2024 : Rs. 1,619.2 Bn

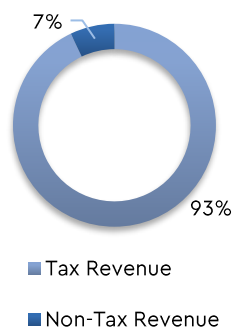
## Government Expenditure (a)

- Jan - May 2025 : Rs. 2,179.0 Bn
- Jan - May 2024 : Rs. 1,986.0 Bn

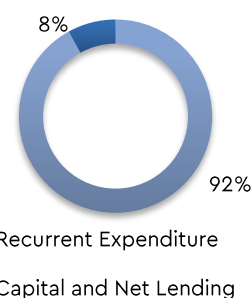
## Budget Deficit (a)

- Jan - May 2025 : Rs. 236.6 Bn
- Jan - May 2024 : Rs. 366.8 Bn

## Government Revenue Jan-May 2025

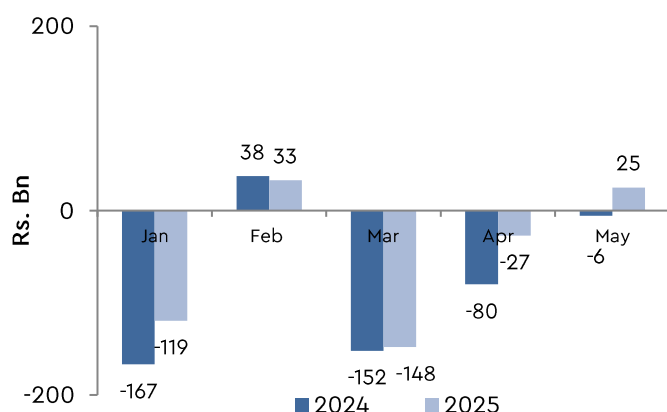


## Government Expenditure Jan-May 2025



(a) Provisional

## Budget Deficit Jan - May 2025



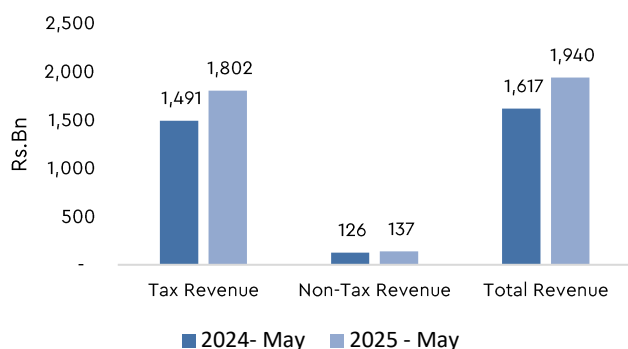
The budget deficit, in nominal terms, declined by 35.5 percent to Rs. 236.6 billion during the first five months of 2025 from Rs. 366.8 billion in the same period of 2024 mainly due to the increase in government revenue including grants by 20.0 percent to Rs. 1,942.4 billion in the first five months of 2025 from Rs. 1,619.2 billion in the same period of 2024.

## Jan - May 2024 → Jan - May 2025

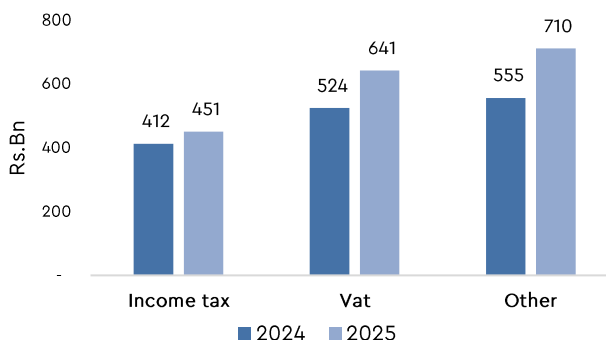
- Total Revenue including grants increased by 20.0 percent
- Tax Revenue increased by 20.9 percent
- Non-Tax Revenue increased by 9.4 percent
- Recurrent Expenditure increased by 11.8 percent
- Capital and net lending declined by 9.2 percent
- GDP at constant prices was increased to Rs. 3,477.1 billion 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.

## Government Expenditure Jan – May 2025

Government Revenue Jan - May 2024/ 2025



Tax Revenue Jan - May 2024/2025



The total revenue increased by 20.0 percent to Rs. 1,940 billion in the five months in 2025 from Rs. 1,617 billion in the same period of 2024. The revenue from income tax increased by 9.4 percent to Rs. 451 billion in the five months of 2025 from Rs. 412 billion compared to the same period of 2024. Revenue from VAT increased by 22.4 percent to Rs. 641 billion in the first five months of 2025 from Rs. 524 billion in the same period of 2024.

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

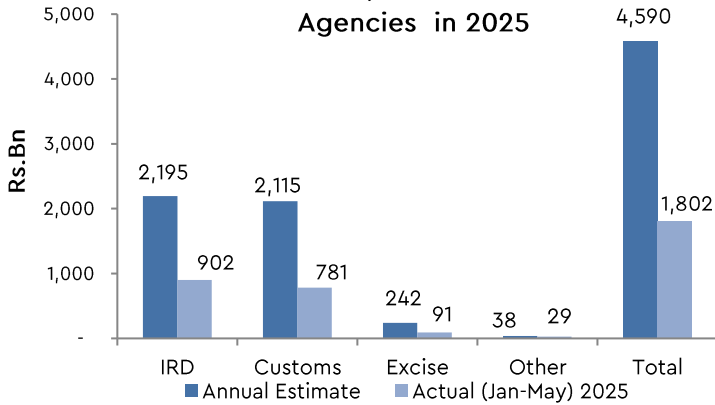
	Annual Estimate (Rs. Bn)	Actual Jan – May 2025 (Rs. Bn)	Achievement (%)
IRD	2,195	902	41.1
Customs	2,115	781	36.9
Excise	242	91	37.4
Other	38	29	75.3
<b>Total</b>	<b>4,590</b>	<b>1,802</b>	<b>39.3</b>

(a) Provisional

In the first five months of 2025, the key revenue collecting agencies achieved 39.3 percent of their annual estimates. The Inland Revenue Department remains the largest contributor, representing 50 percent of the tax revenue collected. The second largest contributor is the Sri Lanka Customs, representing 43.3 percent of the tax revenue collected. The third largest contributor is by the Excise Department.

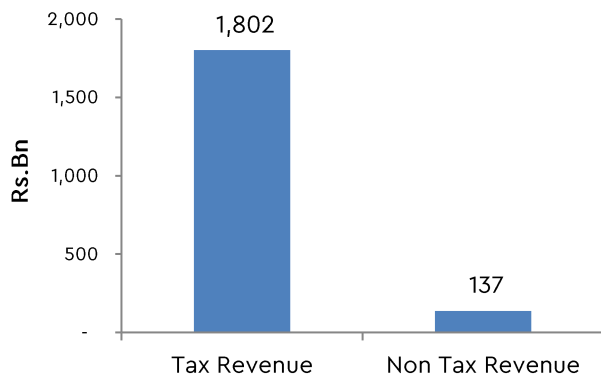
## Government Expenditure Jan – May 2025

**Tax Revenue (Annual Estimate vs Achievement in First Five Months) from Different Revenue Agencies in 2025**



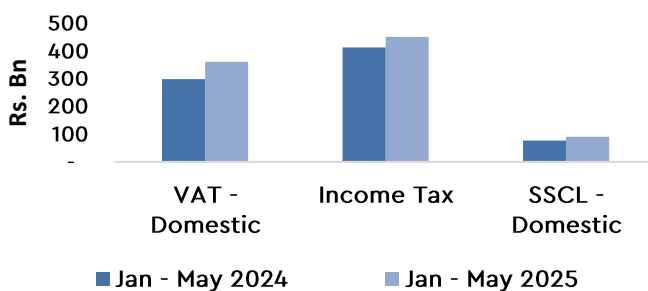
The graph illustrates the performance of three key revenue collecting agencies in the first five month of 2025. The IRD achieved 41.1 percent of its annual estimate, contributing around half of the total tax revenue collected in the first five months of 2025.

**Government Revenue in Jan - May 2025**



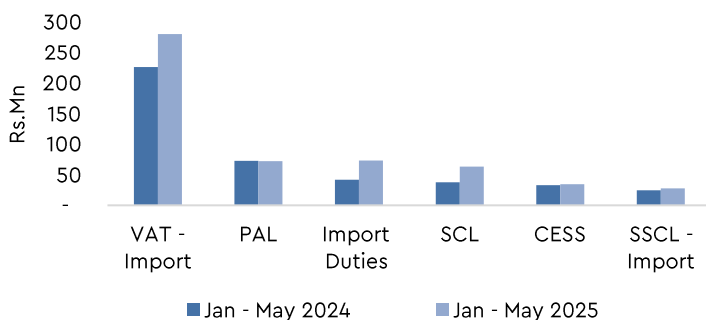
Tax revenue accounted for approximately 92.9 percent of total government revenue in the first five months of 2025. Non-tax revenue remains a marginal contributor to the total revenue with only 7.1 percent contribution.

**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 9.4 percent to Rs. 450.6 billion in the first five month of 2025 compared to the same period of 2024. Revenue from VAT on domestic activities and SSCL on domestic activities increased by 21.3 percent and 17.2 percent, respectively, in the first five month of 2025 compared to the same period of 2024.

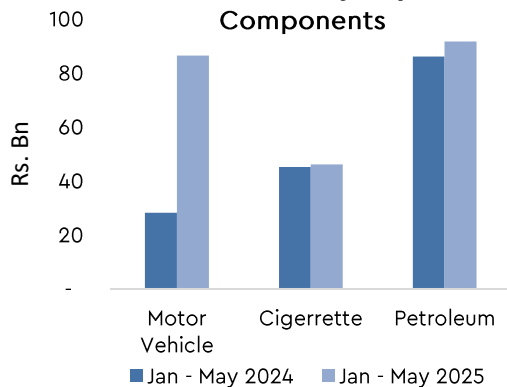
**Revenue Collection from SL Custom By Major Tax Components**



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 24 percent to Rs. 280.5 billion in the first five months of 2025 from Rs. 226.2 billion in the same period of 2024. Revenue from SCL increased by 69.7 percent to Rs. 63.6 billion in the first five months of 2025 compared to the same period of 2024.

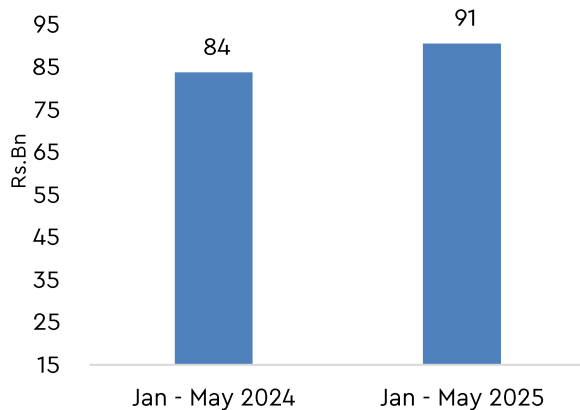
## Government Revenue Jan – May 2025

**Excise Duty Collection from Sri Lanka Customs by Major Tax Components**



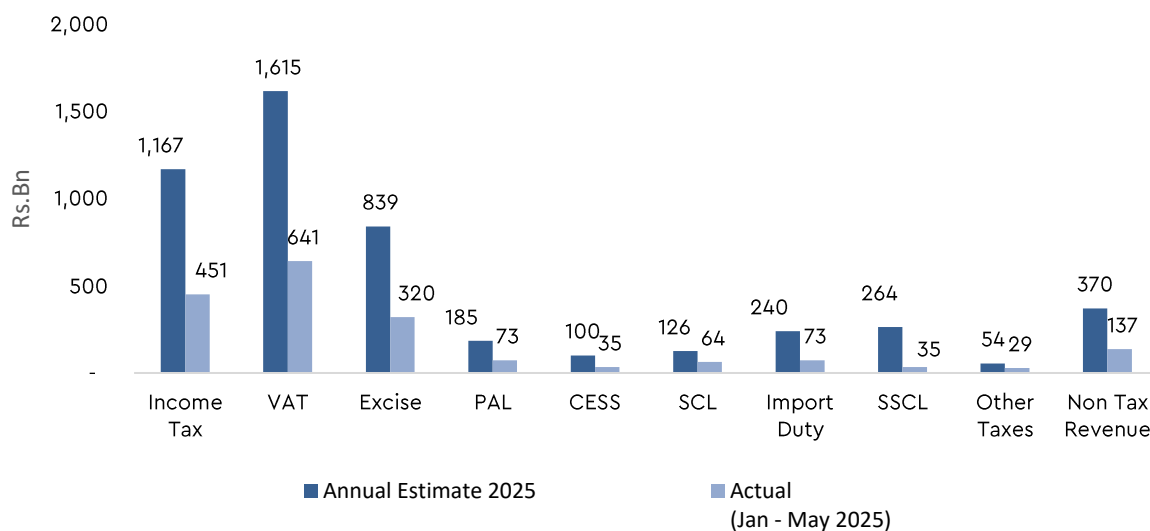
Revenue from Excise Duty on motor vehicles significantly increased by 206.7 percent to Rs. 86.4 billion in the first five months of 2025 from Rs.28.2 billion in the same period of 2024. Excise Duty on Cigarettes increased by 2.1 percent to Rs. 46.1 billion in the first five months of 2025 compared to the same period of 2024. However, revenue from Excise Duty on petroleum increased by 6.4 to Rs. 91.6 billion in the first five months of 2025 from Rs. 86.1 billion in the same period of 2024.

**Excise Duty on Liqueur from Excise Department**



The revenue from Excise Duty on Liquor increased by 8.1 percent to Rs. 90.5 billion in the first five months of 2025 from Rs. 83.7 billion in the same period of 2024.

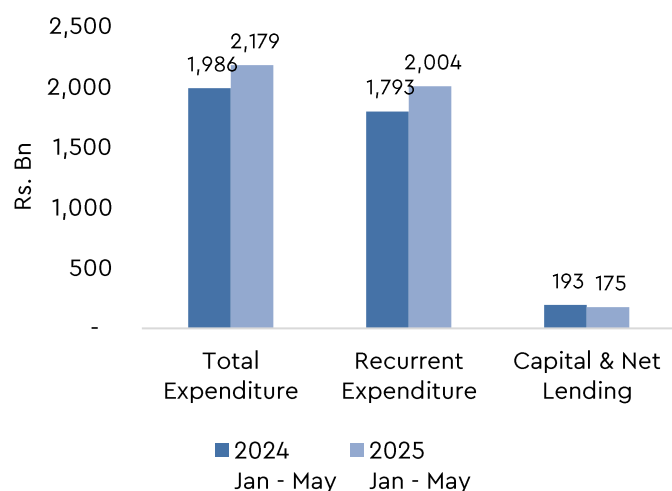
**Annual Estimate Vs Revenue by Major Revenue Sources Jan - May 2025**





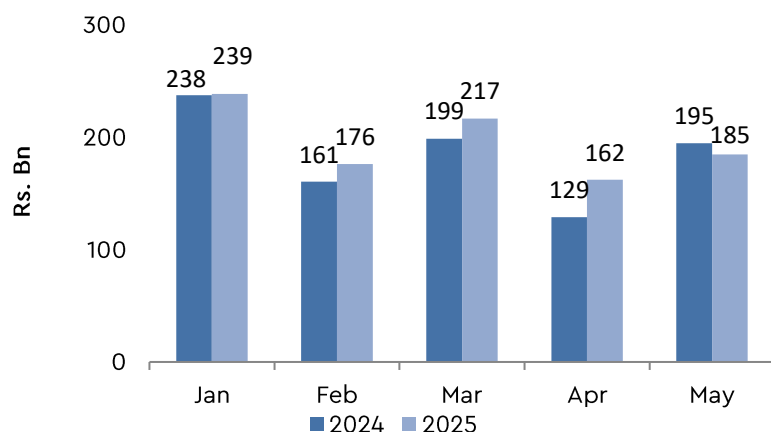
## Government Expenditure Jan – May 2025

Expenditure Jan - May 2025



The total expenditure increased by 9.7 percent to Rs. 2,179 billion in the first five months of 2025 from Rs. 1,986 billion in the same period of 2024. Following the same trend, recurrent expenditure increased by 11.8 percent to Rs. 2,004 billion in the first five months of 2025 from Rs. 1,793 billion in the same period of 2024. However, capital and net lending significantly decreased by 9.2 percent to Rs. 175 billion in the first five months of 2025 from Rs. 193 billion in the same period of 2024.

Interest Payments Jan - May 2025



Total Interest payments increased by 6.4 percent to 979.6 billion in the first five month of 2025 compared to Rs 921 billion in the same period of 2024.

## Budget Outturn Jan – May 2025

	Annual Estimate 2025 (Rs. bn)	Jan – May 2024 (Rs.bn)	Jan –May 2025 (Rs. bn) (provisional)
Total Revenue & Grants	4,990	1,619	1,942
Tax Revenue	4,590	1,491	1,802
Non-Tax Revenue	370	126	137
Grants	30	2	2
Total Expenditure	7,190	1,986	2,179
Recurrent Expenditure	5,886	1,793	2,004
Capital and Net Lending	1,304	193	175
Primary Balance (+)/(-)	750	554	743
Budget Balance (+)/(-)	-2,200	-367	-237