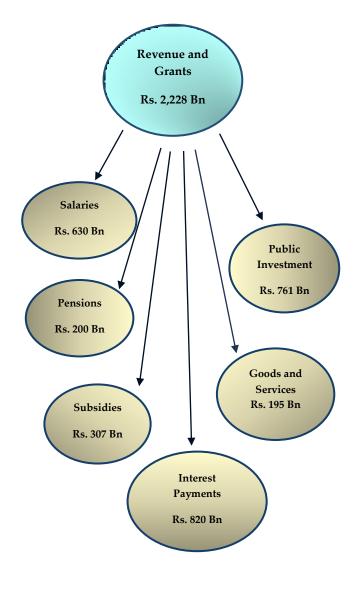
# Budget at a Glance Budget 2018



Ministry of Finance and Mass Media November 09, 2017

# Fiscal Performance and Outlook

2017 2018 Revised **Estimates Revenue and Grants** 1,909 2,228 Revenue 1,901 2,218 Tax 1,749 2,034 Non Tax 152 184 Grants 8 9 Expenditure 2,589 2,903 Recurrent 1,965 2,152 595 Salaries and wages 630 Goods and Services 195 178 **Interest Payments** 725 820 Subsidies and Transfers 467 507 Capital and net lending 624 **751 Public Investment** 633 761 Other (9) (10)**Current Account Balance** (64)66 45 **Primary Balance** 145 **Budget Deficit** (680) (675)



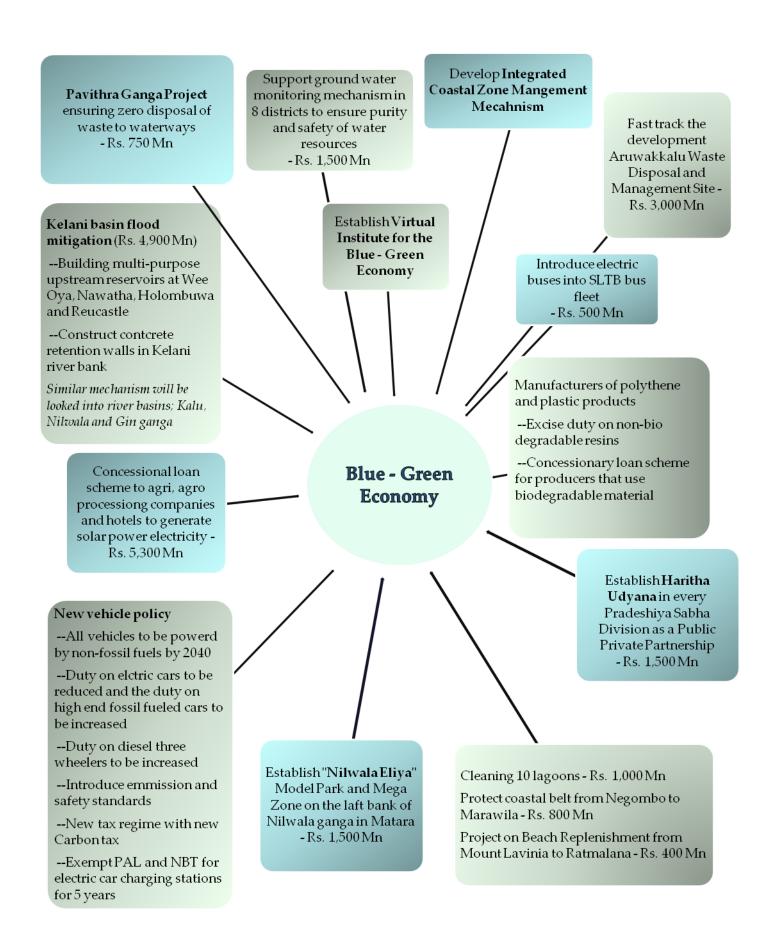
# **Government Expenditure**

(5.2)

**Budget Deficit as % of GDP** 

	Enterprise Sri Lank		
Economy Blue Economy Encouraging Sustainable Agri and Fishery Ventures	Creating the Next Generation Local Enterpreneurs From local Enterpreneurs to Global Leaders Enabling Environment for Foreign Direct Investments	Social Infrastructure	
		University Education Sports Activities	O the
			Creating a Secure Environment for Al Legal Reforms
			Strengthening the Capital Markets
			Heritage and Culture Public Sector
	Harnessing our Young	Urban Hubs	Reconciliation
	Enterpreneurs		Cost of Living Support

(4.8)



- --Mechatronic Enabled Economic Development Initiative (MEDI) to support Product Design Engineering
- --Support boat building industry
- --Provide incentives to industries suchs as spices and concentrates, coconut, poultry and gem and jewelry
- --Upgrade the testing facilities at ITI, SLSI, NARA and NQC to international standards

#### Logistics hub

Amend Sri Lanka Ports Authority Act and Merchants Shipping Laws

Introduce logistics hub regulations and independent regulator

Strengthen
Gramashakthi and
Poverty
Eradication
Programme

Create the Next Generation Local Enterpreneurs and transform Local Entrepreneurs to Global Leaders

#### Eterprise Sri Lanka Credit Scheme

- •50 Agro and fishery companies
- •25 majority women owned companies
- 150 youth centric startups

#### IT Initiative

- Support local startups
- Attract foreign startups
- Support small and medium IT companies
- Provide financial and nonfinancial support
- Collaborate with local universities to acquire and improve skills

-Establish SME
Guarantee Fund
-Establish a
Development
Bank with an
EXIM window
-Erambuma
Credit Scheme

--Introduce ExportMarket Access Programme

- --Abolish para tariffs within next 3 years
- --Introduce Innovators to Industry (I2I) Initiative

"Branding Sri Lankan Cuisine" Initiative

Conversion of Racecourse building into a National Crafts and Design Centre

> Promote Eco Tourism

Interest subsidy to upgarde facilities under **Homestay Programme** 



Establishment of Three Wheeler Regulatory Authority and Tourist Friendly Tuk Tuk Programme

# Development of anchor sites for tourism-

- --Development of six forts in Matara, Baticaloa, Trincomalee, Mannar and Kalpitiya
- --Upgrade railway stations in Nanuoya, Fort, Galle and Ella and declare as archeological sites
- --Develop domestic airports in Sigiriya, Batticaloa, China Bay and Koggala

Introduce an E-local government application system, automated construction permit issuing mecahnism, Integrated Land Registry (eLR) and digitize 45 land registries National Single Window connecting 31 agencies with Sri Lanka Customs Department -Rs. 325 Mn

> Creating the Enabling Environment for Foreign Investments

Provide infrastructure such as electricity, water, access roads, etc, facilities for Rojana Industrial Park in Milleniya - Rs. 2,000 Mn

Establish industrial zones in Bingiriya and Weligama - Rs. 500 Mn Establish **High Tech Innovation Park** in Mahahenawatte, Pitipana - Rs. 100 Mn Restructure National Institute of Education -- Curricula reform

--Provide Math Labs and Math Kits - Rs. 3,500 Mn Introduce Programme for International Student Asssessment (PISA)

#### 13 Years of Education

- -- Increase STEM graduates
- --Modify teaching methodology of STEM
- --Reform examination and assessment methodology

Strengthen "Smart Classroom" Concept, digitalization and development of e-text books - Rs. 755 Mn

Free Education -Rs. 48.660 Mn

- --Free text books
- -- Free tablets
- --Free uniforms
- --Free shoes
- --Free glass of milk
- --Free Meals

Education

Recurrent-Rs. 185,143 Mn Capital- Rs.44,000 Mn Upgrade Special need training facilities - Rs. 465 Mn

#### Scholarships and other

- --Subaga scholarships
- -Rs. 25,000 Mn
- --Grade 5 scholarships
- -Rs. 5,000 Mn
- --Healthinsurance
- -Rs. 600 Mn
- --Season tickets
- -Rs. 6,538 Mn

## **Higher Education**

- --Establish medical faculties in Wayamba, Sabaragamuwa and Moratuwa Universities
- -Rs. 1,250 Mn
- --Expand Technology stream degree programmes in 7 new Technology faculties
- -Rs. 5,000 Mn
- --Establish Southern Center for Naval Studies and Shipping in University of Ruhuna
- -Rs. 250 Mn
- --Establish Posgraduate Institute of Indegenous Medicine
- --Introduce new streams such as Data Science and Big Data Analytics, Actuarial Studies, Business Analytics, etc in University of Colombo Rs. 250 Mn

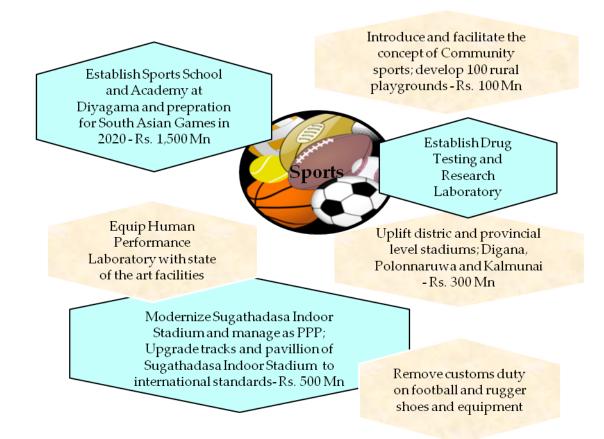
Recurrent - Rs. 32,494 Mn Capital - Rs. 25,000 Mn Education,

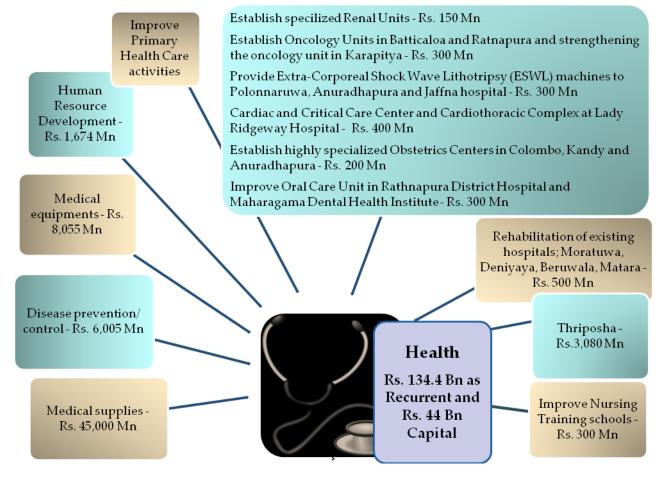
Higher Education,

Skills Development and Vocational Training

#### Skills Development and Vocational Training

- --Transform youth in to dynamic skilled workforce -Rs. 10,882 Mn
- --Rs. 8,621 Mn for seven government skills development and vocational training institutes to train 123,802 students in 2018
- --Support the skill development programmes conducted by the Youth Corp - Rs. 2.000 Mn
- --Establish an **Employment Preparation Fund** at MNPE -
- Rs. 2,500 Mn
- --Establish a University College in Kinniya for advanced training opportunities for youth
- --Establishment of five technical colleges in collaboration with the German Technical School -Rs. 1,000 Mn





Housing for Plantation Sector -Rs. 2,677 Rural Housing Program - Rs. 6,000 Mn Resettlement of internally displaced people in Northern province

Urban Housing Programme Rs. 17,500 Mn



Construct 50,000 brick and mortar type houses in Northern and Eastern provinces

Housing for midle income families with low interest credit scheme by National Savings Bank

Resettlement of displaced people due to landslides - Rs. 2,800 Mn

#### Improve Rural Road Networks - Rs. 35 Bn

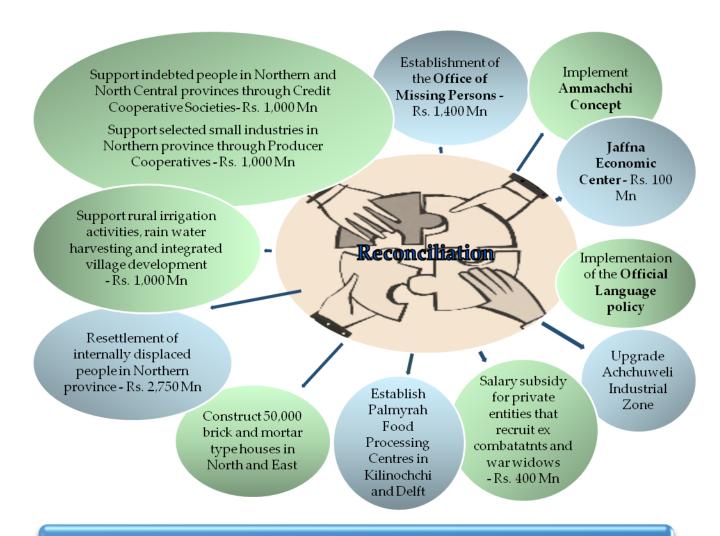
- •Improve the rural road network Rs. 3,000 Mn
- Rehabilitation of roads affected by floods and landslides Rs. 1,000 Mn
- •Welioya Nedunkerny road Rs. 400 Mn
- •Kanthale Medirigiriya road and access roads to Kaluganga Dev. Pr.- Rs. 850 Mn
- •Rural bridges Rs. 2,725 Mn

## Expressways and Bridges - Rs. 46 Bn

- •Central Expressway Rs. 10,000 Mn
- Other expressways Rs. 31,978 Mn
- •Construction of bridges and flyovers Rs. 13,991 Mn

# City Planning and Water Supply

- •Implement the Master Plan for Kalmunai and Samanthurai Rs. 2,000 Mn
- Urban Regeneration Project Rs. 24,000 Mn
- Develop small and medium townships in lagging regions
- •Township and strategic city development programmes; Nilwala Eliya in Matara, Jaffna, Anuradhapura, Galle and Kandy Rs. 12,000 Mn



#### Legal Reforms

- •Establish special high court with audio and visual recording system Rs. 25 Mn
- •Relocating courts in Ratnapura and Welimada and expansion of courts in Kilinochchi, Theldeniya, Pugoda and Kantale Rs. 900 Mn

#### Public Sector Service Delivery

- •ICTA to improve service delivery through infusion of technology and digitalization-Rs. 2,000 Mn
- Strengthening ITMIS

#### Heritage Culture and Wellness

- Establish a Buddhist Library
- Restoration and renovation of *Purana Rajamaha Vihara* of archeological values and other Christian, Hindu and Islamic places of worship
- Racecourse building will be converted into the National Centre for Arts, Crafts and Modern Design
- •State of Art Cultural Center for Moratuwa Rs. 600 Mn

#### Creating a Secure Environment for All

- •Traning and development for Sri Lankan forces in UN peace keeping missions Rs. 750 Mn
- •Establish Police and Criminal Justice University Rs. 125 Mn

# Revenue Proposals - 2018

	Revenue Proposal	Rs. Mn
1	Duty revisions on liquor	10,000
2	Motor vehicles excise duty and luxury tax revisions	25,000
3	Cess Levy & PAL revisions	(5,000)
4	Sugar tax on sweetened beverages	5,000
5	Excise duty on Non-potable alcohol and raw material used for ethanol production	3,000
6	Excise duty on plastic resin	2,000
7	Duty revisions on VAT and NBT	25,000
8	Cellular Tower Levy & SMS-Advertising Levy	15,000
9	Debt Repayment Levy	20,000
10	Carbon Tax on motor vehicles	2,500
11	Revision of Fees & Charges	7,500
	Total	110,000

Note: Revenue impact of budget proposals which will be implemented in November 2017 is already taken into revenue estimates submitted along with budget estimates 2018.

# For more information on budget;

Director General National Budget Department The Secretariat Colombo 01.

**Tele:** 011-2484665 **Fax:** 011-2484639

e-mail: dgnbd@nbd.treasury.gov.lk