

Budget 2024: Sri Lanka Navigates Path to Resilient Future through Fiscal Discipline, Governance Reform, Global Integration

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The President of Sri Lanka presented the Budget for 2024 to the Parliament on 13 November 2023. The budget lays out a plan for economic renewal, adapting to current global trends and reassessing the nation's economic framework. In light of the present economic challenges, the proposals push for a transformative strategy, focusing on economic reforms and organizational restructuring. The primary objective is to embrace a modern era by prioritizing a digital and environmentally friendly economy, which will involve a thorough revamp of existing policies to ensure flexibility in response to changing global economic landscapes, ultimately steering the country towards a more sustainable and contemporary economic trajectory.

In 2023, the government successfully implemented a fiscal stabilization program that significantly curbed inflation, bringing it down to a single digit. Despite this achievement, there were challenges in revenue generation, as the actual government revenue of LKR 2,410 billion fell short of the estimated LKR 3,415 billion, i.e. constituting only 70% of the projected amount. Additionally, notable economic improvements included a substantial reduction in interest rates from 30% to 15%, fostering a more favourable lending environment. The government also achieved stability in medium-term exchange rates, contributing to a more secure economic landscape.

The key tax measures proposed in the Budget for 2024 are summarized as follows:

- [direct taxation and administrative measures](#);
- [indirect taxation measures](#).