
Budget 2004

Contributed by Administrator
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The national Budget for 2004 was presented in the parliament on November 19, 2003. The Budget 2004 was presented in the midst of a sound economy with lower interest rates, lower inflation, reduced budget deficit and curtailed public debt. The prime lending rate dropped to 9.3% in September (from 12% at the end of last year), the Colombo Consumer Price Index dropped to 7.2% in October (from 9.6% during 2002), the budget deficit at the end of this year is expected to be 7.8% of the GDP (declining from 8.9% in 2002), and the total public debt would be 100% of the GDP compared to 103% in 2002. The per capita income at the end of 2003 is expected to be roughly USD 980 (LKR 93,000).
It was quite easy for the government to prepare a good budget in the above favourable circumstances. Overall, the budget was favourable with tight fiscal control over public expenditures. Any government Budget has two components â€“ government expenditures and government revenues. The present government has managed to curb public expenditure and debt, however it has not been able to mobilise the projected revenue through tax and non-tax sources. This is a cause for worry in budgetary planning.

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