

## Budget 2002

Friday, 22 March 2002

Last Updated Wednesday, 29 June 2011

The new United National Front (UNF) government of Sri Lanka, which came to power in December 2001, inherited an economy that has recorded negative growth (-1.3%) for the first-time in the post-independence period. The Sri Lankan economy today faces two fundamental problems; one is the structural and institutional weakness in the macro-economy and the other is the civil war-induced economic woe of the country. The much-awaited first budget of the new government presented belatedly on March 22nd has failed to adequately address both of these fundamental problems in the economy.

Firstly, the Budget 2002 has proposed very little structural and institutional reform of the economy, which are long overdue. Secondly, the government has not taken advantage of the ceasefire agreement with the LTTE by infusing public investment in infrastructure like roads, power, and telecommunications in the war-torn areas that could have boosted the overall economic growth.

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