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SECRETARY TO THE GOVERNOR  
GOVERNOR'S SECRETARIAT (NEP)  
TRINCOMALEE

# PUBLIC INVESTMENT

1993–1997

DEPARTMENT OF NATIONAL PLANNING  
MINISTRY OF POLICY PLANNING & IMPLEMENTATION  
COLOMBO, SHRI LANKA  
MAY 1993





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## INTRODUCTION

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In the programme presented in this document, the target economic growth rate for the period 1993-1997 has been set at an average rate of 6.4 per cent. Given normal weather conditions and political stability, this is an attainable target which would ensure a substantial reduction in unemployment and a considerable increase in the standards of living. The performance of the economy in the past few years, particularly in the spheres of manufacturing, exports, investment and balance of payments has been very encouraging. However, achievement of price stability has so far proved elusive. Therefore the Government will continue its fiscal and monetary policies with greater alertness in the coming years.

Even though increased emphasis is placed on the private sector, there is an important and supportive role to be played by the public investment programme in the emerging labour market. Accordingly, in future public investment will concentrate on building the economic and social infrastructure that is vital to an expanding private sector.

The commitment of the Government to the social welfare programmes will remain unchanged. This will be further reinforced with improved targeting in order to protect the most vulnerable groups from possible short-term ill effects of adjustment. In addition, the social welfare programmes will be further strengthened to help the poorer groups to grasp opportunities that will be thrown up by the growth process.

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## INTRODUCTION

The last issue of Public Investment, released in October 1992, presented the development programme of the Government of Shri Lanka for the period 1992-1996. The perspectives, policies and programmes presented in that document generally remain valid for the remainder of the period. The purpose of the present document, Public Investment 1993-97, is basically to provide an update of the factual information by including more recent data, and a brief description of developments in the area of policy implementation. It also attempts to make consequential revisions to the detailed investment programme and extend it on a tentative basis to 1997.

The Government headed by H.E. D.B. Wijetunga has announced that it will generally work within the policy framework embodied in the Election Manifesto of the United National Party. This means that there will be a continuing commitment to a liberal, market oriented economy. Both local and foreign investment will be encouraged and direct involvement of the state in production and distribution will be minimised. As in the past four years, economic growth with equity will receive emphasis in policy. In addition, the new administration will make a serious effort to eliminate waste, corruption and injustice. In this connection, the need has been emphasised to have a more carefully organised system than in the past, to ensure proper maintenance of the nation's capital assets.

In the programme presented in this document, the target economic growth during the period 1993-1997 has been set at an average rate of 6.4 percent. Given normal weather conditions and political stability, this is an attainable target which would ensure a substantial reduction in unemployment and a considerable increase in the standards of living. The performance of the economy in the past few years, particularly in the spheres of manufacturing, exports, investment and balance of payments has been very encouraging. However, achievement of price stability has so far proved elusive. Therefore the Government will continue its fiscal and monetary policies with greater alertness in the coming years.

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The commitment of the Government to the social welfare programmes will remain unchanged. This will be further rationalised with improved targeting in order to protect the more vulnerable groups from possible short term ill effects of adjustment. In addition, the various special programmes will be further strengthened to help the poorer groups to grasp opportunities that will be thrown up by the growth process.



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## CHAPTER 1

# ECONOMIC PERFORMANCE AND PERSPECTIVES

### REVIEW AND TRENDS

#### Production and Employment

1.01 According to preliminary estimates, the growth rate of the economy in 1992 was 4.3 percent which is slightly lower than anticipated. Thus the average rate of growth for the five years 1988-1992 became 4.00 percent, this being an improvement over that of the previous five years. As expected, the drought in the early part of 1992 depressed agricultural output leading to a negative 1.5 percent growth, even though a number of individual sub-sectors such as rubber and coconut showed positive growth.

1.02 Repeating the pattern observed during the past few years, the manufacturing sector emerged as the most dynamic sector in 1992. Its output increased by an estimated 11 per cent, while the increase in its value added was 9.0 percent. The largest contribution to this increase came from the private sector through a very substantial increase in the output and exports of textiles and wearing apparel. Meanwhile public sector industrial output declined by 19 percent.

1.03 The manufacturing sub sector including export processing of tea, rubber and coconut now constitutes 15.0 percent of GDP, while the industries sector, defined to include mining, quarrying, construction and manufacturing, contributes 25 percent - a share equal to that of agriculture.

1.04 The services sector which includes transport communications, trade, financial services, public administration, defence and other services, constitutes 50 percent of GDP. Its average growth rate during the last five year period was 4.2 percent. A significant contribution to this growth came from the revival of the tourist industry, tourist arrivals in 1992 having increased by about 29 percent.



TABLE 1.1 (a)

## Changes in GDP : 1988 – 1992 at Constant 1982 f.c. Prices

(Rs. Million)

	1987	1988	1989	1990	1991	1992	Contribution to Change Rs. Mn.	% Contribution	Ave. Rate of Growth
1. Tea	2750	2926	2668	3004	3100	2303	-447	-1.8	-3.5
2. Rubber	765	770	697	718	655	662	-103	-0.4	-2.9
3. Coconut	2967	2501	3210	3261	2827	3081	114	0.5	0.8
4. Paddy	5423	6312	5258	6378	6002	5882	459	1.8	1.6
5. Other Agriculture	15504	15475	15833	16650	17986	18184	2680	10.7	3.2
Total Agriculture	27409	27984	27666	30011	30570	30112	2703	10.8	1.9
6. Mining & Quarrying	3112	3392	3576	3901	3511	3300	188	0.8	1.2
7. TRC processing	3340	3273	3257	3530	3332	2959	-381	-1.5	-2.4
8. Factory Industries	13113	14030	15500	17085	18708	21140	8027	32.1	10.0
9. Other Industries	2295	2319	1731	1812	1909	2007	-288	-1.2	-2.6
Total Manufacturing	18748	19622	20488	22427	23949	26106	7358	29.4	6.8
10. Construction	8338	8463	8514	8761	9033	9665	1327	5.3	3.0
Total Industry	30198	31477	32578	35089	36493	39071	8873	35.4	5.3
11. Electr. Gas & Water	1448	1499	1526	1681	1800	1897	449	1.8	5.6
12. Transp. Trade & Communic.	38034	38783	39471	40907	44090	46681	8647	34.5	4.2
13. Financial Services	5490	5819	6168	6556	6831	7241	1751	7.0	5.7
14. Other Services	13343	13488	14320	15000	15420	15958	2615	10.4	3.6
Total Services	58315	59589	61485	64144	68141	71777	13462	53.8	4.2
G.D.P.	115922	119050	121729	129244	135204	140960	25038	100.0	4.0



TABLE 1.1 (b)

## Changes in the Structure of GDP 1985-1991, at Constant Prices

Percentage Composition	1985	1987	1989	1991
1. Agriculture				
Tea	2.5	2.4	2.2	2.3
Rubber	0.8	0.7	0.6	0.5
Coconut	3.5	2.6	2.6	2.1
Process of Tea, Rubber, Coconut	3.0	2.9	2.7	2.8
Total Plantation Agriculture	9.7	8.5	8.1	7.7
Paddy	6.2	4.7	4.3	4.4
Other Agriculture	12.9	13.4	13.0	13.3
Total Agriculture	28.8	26.5	25.4	25.4
2. Mining and Quarrying	2.3	2.7	2.9	2.6
3. Manufacturing	11.8	13.3	14.2	15.2
4. Construction	7.4	7.2	7.0	6.7
Total Industry	21.5	23.2	24.1	24.5
5. Utilities	13.0	12.9	12.7	12.8
6. Trade	20.9	21.1	21.0	21.1
7. Banking, Insur. & Real Est.	4.5	4.7	5.1	5.1
8. Pub. Administr. & Defence	4.0	4.7	5.0	4.7
9. Other Services	7.2	6.8	6.7	6.7
Total Services	49.7	50.3	50.5	50.4
10. G.D.P.	100	100	100	100

Source: Annual Reports and Review of the Economy, Central Bank of Sri Lanka, various issues.

TABLE 1.2

## Key Macroeconomic Indicators 1988 – 1992

	Rs. Million					As percentage of G.D.P.				Average for 1992 Prov.	(1988 – 1992)
	1988	1989	1990	1991	1992 Prov.	1988	1989	1990	1991		
1. Private Consumption	173457	194680	244288	288280	319386	78.14	77.29	75.92	77.37	75.45	76.84
2. Public Consumption	21849	26410	31352	36633	39273	9.84	10.48	9.74	9.83	9.28	9.84
3. Fixed Capital Formation	49961	54249	70417	84206	99507	22.51	21.54	21.89	22.60	23.51	22.41
4. Change in stocks	601	473	1038	950	1000	0.27	0.19	0.32	0.25	0.24	0.25
5. Financing of Investment											
(a) Domestic Savings	26676	30801	46111	47681	64631	12.02	12.23	14.33	12.80	15.27	13.33
(b) External inflow	23886	23921	25344	37475	35876	10.76	9.50	7.88	10.06	8.48	9.33
6. Export of goods & n.f. Services	57885	68666	97117	106965	137135	26.08	27.26	30.18	28.71	32.40	28.93
7. Import of goods & n.f. Services	81771	92587	122461	144440	173011	36.84	36.76	38.06	38.77	40.87	38.26
8. G.D.P. at Market Prices	221982	251891	321751	372594	423290	100.00	100.00	100.00	100.00	100.00	100.00
9. Mid Year Population	16.6	16.8	17.0	17.2	17.4	—	—	—	—	—	—
10. GDP at factor cost constant prices(1982)	119050	121729	129244	135204	140960	—	—	—	—	—	—
11. GDP Per Capita (const. 1982) Rs.	7178	7243	7606	7839	8099	—	—	—	—	—	—
12. Per capita income (const. 1982) US\$	345	348	365	377	389	—	—	—	—	—	—

Sources : Central Bank, Annual Reports and Reviews of the Economy, Relevant Years.



1.05 The positive trends in employment growth observed since 1989 continued during 1992. The increased flow of foreign investment, the revival of the tourist industry, the 200 Garment Factories Programme, and other special programmes of the Government, including the Janasaviya have generated more employment opportunities. During the period reviewed, there has also been an increase in the migration of labour to West Asia and several other countries which also helped to ease the unemployment situation. Thus, the Quarterly Labour Force and Employment Survey shows that in the 4th quarter of 1992, the unemployment rate had declined to 13.3 percent from the average 14.9 percent in 1991.

## Savings and Investment

1.06 Provisional estimates of national income for 1992 suggest a considerable improvement in domestic savings. The Domestic Savings Ratio for 1992 was 15.3 percent as against a five year average of 13.3 percent for 1988-92.

1.07 Total Gross Domestic Capital Formation in 1992 has been estimated to be Rs. 100.5 billion or 23.7 percent of GDP. This appears to be related to a higher level of activities in the private sector where among others, a string of new factories was established in the less developed districts to produce wearing apparel for the export market. These have taken advantage of a number of generous incentives provided by the Government for the purpose of reducing the existing regional disparities in employment opportunities.

TABLE 1.3

### Average Composition of GDFCF 1986 – 1990

	<i>percentages</i>
1. By broad sector	
Agriculture	13.2
Mining and Manufacturing	16.1
Construction and Services	70.7
2. By group of capital asset	
Structures	53.5
Land	8.5
Machinery and Equipment	38.0
TOTAL	100



Imports, Exports and Balance of Payments

1.08 The period 1988-1992, saw a gradual improvement in the current account balance, associated with a continued diversification of merchandise exports and an increase in net earnings from services and private transfers.

1.09 Earnings from goods and services increased at an average rate of 10.4 percent per annum while payments increased at 7.9 percent in SDR terms. The Current Account deficit dropped to a manageable 5.5 percent of GDP in 1992, the average for the 5 year period 1988-92 being 6.9 percent.

1.10 Medium and long term gross inflows including official transfers (grants) grew at an average rate of 4 percent per annum in SDR terms. Of these flows, foreign direct investment emerged as the most buoyant category, its average growth being 17.8 percent during the period. Its contribution to the total however, is still a modest 1.5 percent of GDP (1992). Foreign medium and long term borrowings - the major category of foreign inflow - continued to be available, largely on concessionary terms.

TABLE 18  
Average Composition of GDP 1988-1990

Percentages	
13.2	By broad sector
16.1	Agriculture
70.7	Mining and Manufacturing
	Construction and Services
53.5	By group of capital asset
8.5	Structures
38.0	Land
100	Machinery and Equipment
	TOTAL



1.11 External debt service payments in 1992 amounted to SDR 394 million which is equivalent to 5.7 percent of GDP. The debt service ratio (denominator goods and service earnings) in 1992 was 17.4 percent, the corresponding average for the five year period being 20.9 percent.

1.12 The other main features of the balance of payments situation in the country are shown in Table 1.6a and 1.6b. They indicate a gradual but nevertheless steady progress towards stability. This is largely the result of changes in the real sector where a considerable export orientation has been achieved and export earnings have started to grow faster than import payments. A further reason would have been the continued emphasis on demand management policies, as a part of the economic reform programme.

**Public Finance**

1.13 A steady progress towards lower and sustainable budgetary deficits has been made during the past 5 years. Thus, the overall deficit which stood at 15.7 percent of GDP in 1988, has been gradually reduced over the years to reach 7.4 percent by 1992. This improvement has made possible a considerable reduction of domestic borrowings by the Government, and a virtual elimination of expansionary financing from the banking system.

1.14 The adjustment process would have been more successful if not for the burgeoning current expenditure occasioned, among other things, by increases in defence and security expenditure.

1.15 A number of changes in the structure of government revenue has occurred during the recent period. While the share of export duties has declined, the shares of excise duties, the defence levy, and income taxes, have increased. It is also important to note that privatisation of public enterprises has emerged a new source of capital revenue to the Government.



TABLE 1.4  
Fiscal Performance 1988 – 1992

(Rs. Million at Current Prices)

	1988	1989	1990	1991	1992
1. Revenue	41634	53313	66368	75435	86120
2. Current Expenditure	46017	56218	70175	83012	88726
3. Current a/c Surplus (+)/Deficit(-)	-4383	-2905	-3807	-7577	-2606
4. Capital Expenditure & net lending	30400	25280	28043	35771	28901
of which Advance a/c net out payments	2732	-993	1699	1819	750
5. Overall Surplus (+)/Deficit(-)	-34783	-28185	-31850	-43348	-31507
6. Financing					
6.1 Net foreign financing	13716	12333	18341	27199	16264
6.2 Net domestic non-bank financing	10914	19138	16728	16114	17567
6.3 Borrowing from Monetary System	10153	-3286	258	34	-2321
6.4 Increase (+)/Decrease(-) in arrears			-3478		
7. GDP at Current Market Prices	221982	251891	321783	372594	423290

As percentages of GDP at Current Market Prices

1. Revenue	18.8	21.2	20.6	20.2	20.3
2. Current Expenditure	20.7	22.3	21.8	22.3	21.0
3. Current a/c Surplus (+)/Deficit(-)	-2.0	-1.2	-1.2	-2.0	-0.6
4. Capital Expenditure & net lending	13.7	10.0	8.7	9.6	6.8
of which Advance a/c net out payments	1.2	-0.4	0.5	0.5	0.2
5. Overall Surplus (+)/Deficit(-)	-15.7	-11.2	-9.9	-11.6	-7.4
6. Financing					
6.1 Net foreign financing	6.2	4.9	5.7	7.3	3.8
6.2 Net domestic non-bank financing	4.9	7.6	5.2	4.3	4.2
6.3 Borrowing from Monetary System	4.6	-1.3	0.1	0.0	-0.5
6.4 Increase (+)/Decrease(-) in arrears			-1.1		



TABLE 1.5  
**Details of Budgetary Current Receipts & Expenditure**  
**1988 – 1992**  
*(Rs. Million at Current Prices)*

	1988	1989	1990	1991	1992
1. Government Consumption	21107	24339	28571	35747	39135
2. Interest on Public Debt	12590	14352	20668	22073	25283
3. Subsidies	2231	3496	2116	1111	745
4. Current Transfers	10089	14031	18820	24081	23563
5. Under-expenditure	—	—	—	—	—
6. Total Current Expenditure	46017	56218	70175	83012	88726
7. Total Current Receipts of which	41473	55299	65859	74894	85076
7.1 Income tax	4647	7493	7337	9722	11561
7.2 BTT	12321	14658	20291	21430	28123
7.3 Selective sales taxes	4684	6167	8681	10895	10807
7.4 Export duty	1566	1217	1238	839	593
7.5 Import duty	10671	14923	16792	18617	20721
7.6 Others	7584	10841	11520	13391	13271
8. Budgetary savings	—4544	—919	—4316	—8118	—3650
9. GDP at Current market prices	221982	251891	321751	372594	423290
<b>As percentages of GDP at Current Market Prices</b>					
1. Government Consumption	9.5	9.7	8.9	9.6	9.2
2. Interest on Public Debt	5.7	5.7	6.4	5.9	6.0
3. Subsidies	1.0	1.4	0.7	0.3	0.2
4. Current Transfers	4.5	5.6	5.8	6.5	5.6
5. Under-expenditure	—	—	—	—	—
6. Total Current Expenditure	20.7	22.3	21.8	22.3	21.0
7. Total Current Receipts of which	18.7	22.0	20.5	20.1	20.1
7.1 Income tax	2.1	3.0	2.3	2.6	2.7
7.2 BTT	5.6	5.8	6.3	5.8	6.6
7.3 Selective sales taxes	2.1	2.4	2.7	2.9	2.6
7.4 Export duty	0.7	0.5	0.4	0.2	0.1
7.5 Import duty	4.8	5.9	5.2	5.0	4.9
7.6 Others	3.4	4.3	3.6	3.6	3.1
8. Budgetary savings	—2.0	—0.4	—1.3	—2.2	—0.9



TABLE 1.6 (a)

## Balance of Payments : Selected Years 1978 - 92

(SDR Millions)

	1978	1980	1982	1984	1986	1988	1990	1992 Prov.
1. Trade Balance								
1.1 Exports	-144	-758	-890	-453	-649	-568	-518	-686
1.2 Imports	675	818	918	1427	1029	1098	1456	1782
	819	1576	1808	1880	1678	1666	1974	2468
2. Services (net)	6	40	-13	-66	-109	-114	-72	-20
2.1 Receipts	99	214	304	329	323	306	391	487
2.2 Payments	93	174	317	395	432	420	463	507
3. Goods and Services (net)	-138	-718	-903	-519	-758	-682	-590	-706
4. Private Transfers	17	105	240	270	242	238	268	330
5. Current Account	-121	-613	-663	-249	-516	-444	-322	-376
6. Official Transfers	46	106	147	198	153	154	130	130
7. Non Monetary Capital	133	306	477	335	279	194	344	341
7.1 Direct Investment (net)	1	35	47	36	24	32	31	103
7.2 Other Private (net)	7	150	193	-34	4	-20	15	87
7.3 Government	125	121	237	333	251	182	298	151
8. SDR Allocations	-	-	-	-	-	-	-	-
9. Errors & Omissions	7	23	21	13	19	32	-19	34
10. Overall Balance	65	-178	-18	297	-65	-64	133	129
11. Monetary Movements	-65	178	18	-297	65	64	-133	-129
12. Exchange Rate Rs/SDR	19.58	21.52	22.98	26.08	32.90	42.76	54.42	61.75
13. Current Account Deficit As percentage of GDP	5.6	19.8	15.4	4.2	9.5	8.5	5.4	5.5

Sources: Annual Reports and Review of the Economy - C.Bank; BOP Committee



TABLE 1.6 (b)

## Balance of Payments – Selected Analytical Indicators 1988 – 1992

	SDR Million					Average Gr Rate %					As percentages of GDP					Average 1988 - 92
	1987	1988	1989	1990	1991	1992	1988-92	1988	1989	1990	1991	1992				
1. Exports of Goods	1077	1098	1207	1456	1491	1782	10.6	21.2	23.1	24.6	22.7	26.0	23.5			
2. Imports of Goods	1602	1666	1737	1974	2216	2468	9.0	32.1	33.2	33.4	33.7	36.0	33.7			
3. Trade Balance	-525	-568	-530	-518	-725	-686	-	-10.9	-10.1	-8.8	-11.0	-10.0	-10.2			
4. Exports of Goods & Services	1386	1405	1566	1853	1931	2269	10.4	27.1	30.0	31.3	29.3	33.1	30.2			
5. Imports of Goods & Services	2033	2087	2222	2442	2725	2975	7.9	40.2	42.5	41.3	41.4	43.4	41.8			
6. Goods & Serv. Balance	-646	-682	-656	-589	-793	-706	-	-13.1	-12.6	-10.0	-12.1	-10.3	-11.6			
7. Current Account Balance	-404	-444	-398	-321	-500	-376	-	-8.5	-7.6	-5.4	-7.6	-5.5	-6.9			
8. Medium & Long Term Capital																
a) Gross Inflow	530	532	450	581	744	644	4.0	10.3	8.6	9.8	11.3	9.4	9.9			
b) Of which FDI	45	32	14	31	70	103	17.8	0.6	0.3	0.5	1.1	1.5	0.8			
9. External Debt Outstanding (1)	3063	3531	3642	3828	4252	4630	8.6	68.0	69.7	64.7	64.6	67.5	66.9			
10. Ext Debt Serv Payments (1)	383	403	375	329	356	394	0.5	7.8	7.2	5.6	5.4	5.7	6.3			
a) Of which Amortization	254	259	217	182	201	228	-2.1	5.0	4.2	3.1	3.0	3.3	3.7			
11. Gross Official Ext Reserves	213	207	220	306	503	681	26.2	4.0	4.2	5.2	7.6	9.9	6.2			
12. Exchange Rates																
a) Rs/US Dollar	29.44	31.81	36.04	40.06	41.84	43.83	8.3	-	-	-	-	-	-			
b) Rs/SDR	38.10	42.76	45.19	54.42	56.61	61.75	10.1	-	-	-	-	-	-			
G.D.P. at mp : SDR MI	5163	5191	5227	5913	6582	6855	5.8	100.0	100.0	100.0	100.0	100.0	100.0			

(1) Includes IMF Purchases Source: Central Bank

**TABLE 1.7**  
**Changes in Unit Values of Traded Goods**  
(SDR per Unit)

	1978	1988	1989	1990	1991	1992
<b>Export Unit Values FOB</b>						
Tea (Kg)	1.7	1.31	1.45	1.69	1.49	1.33
Rubber (Kg)	0.75	0.87	0.78	0.65	0.61	0.61
Coconuts (nut)	0.08	0.09	0.07	0.07	0.09	0.11
<b>Import Unit Values CIF</b>						
Rice (Mt)	188	200	236	186	211	195
Sugar (Mt)	180	215	294	315	253	217
Wheat (Mt)	85	114	148	121	87	104
Crude Oil (Barrel)	10.2	11.3	13.7	17.3	14.2	13.1

Sources: Customs Returns, Annual Reports and Review of the Economy: C.Bank, various issues and BOP Committee.

**TABLE 1.8**  
**Value of Exports : Selected Years 1978 – 1992**  
(SDR Million)

	1978	1984	1986	1988	1990	1992
1. Agricultural Products	525	866	480	471	531	427
1.1 Tea	327	605	281	288	364	241
1.2 Rubber	103	127	80	87	57	48
1.3 Coconuts	50	59	49	21	51	60
1.4 Minor Agric. Prod.	45	75	70	75	59	78
2. Manufactured Exports	97	495	481	530	762	1228
2.1 Textiles and Garments	97	290	291	333	462	852
2.2 Petroleum Products	—	126	72	53	73	45
2.3 Other	—	79	118	144	227	331
3. Other	44	71	74	97	167	128
3.1 Gems	27	24	23	48	54	40
3.2 Miscellaneous	17	47	51	49	113	88
4. Total	666	1432	1035	1098	1460	1783

Sources: Central Bank: Annual Reports and Reviews of the Economy – Various issues; BOP Committee.



TABLE 1.9

## Value of Imports : Selected Years 1978 – 1992

(SDR Million)

	1978	1984	1986	1988	1990	1992
1. Consumer Goods	287	310	373	408	523	615
2. Intermediate Goods	287	1083	870	943	1025	1242
3. Investment Goods	173	478	321	283	430	609
4. Unclassified	6	22	95	28	3	2
Total	753	1893	1659	1662	1981	2468

Sources: Central Bank: Annual Reports and Reviews of the Economy – Various issues;  
BOP Committee.

TABLE 1.10

**Monetary Survey 1987 – 1992***(Rs. Million)*

	1987	1988	1989	1990	1991	1992
1. Domestic Credit	75565	96868	102321	119864	134226	153347
1.1 Government (net)	27048	36065	36119	39197	41792	42350
1.2 Private Sector (Gross)	48517	60803	66202	80667	92434	110997
1.2.1 Co-operatives	1123	1319	1178	1596	1758	2021
1.2.2 Public Corporations	7366	10787	13862	15636	14077	14750
1.2.3 Other Private	40028	48697	51162	63435	76599	94226
2. External Bank Assets (net)	9291	7059	4732	10206	17305	23758
3. Other Items (net)	-26522	-35980	-30620	-39053	39434	46403
4. Narrow Money	25082	32380	35338	39878	47055	50491
5. Quasi Money	33252	35567	41096	51139	65043	80210
6. Broad Money Supply (M2)	58334	67947	76433	91017	112098	130701
<b>Percentage changes</b>						
7. Increase in Domestic Credit	17.9	28.2	5.6	17.1	12.0	14.2
8. Increase in Credit to Government	20.0	33.3	0.1	8.5	6.6	1.3
9. Increase in Credit to non-Government	16.7	25.3	8.9	21.8	14.6	20.1
10. Increase in Narrow Money	18.4	29.1	9.1	12.8	18.0	7.3
11. Increase in Quasi Money	12.0	7.0	15.5	24.4	27.2	23.3
12. Increase in Broad Money	14.7	16.5	12.5	19.1	23.2	16.6
<b>Velocity of circulation</b>						
13. Narrow Money	7.8	6.9	7.1	8.1	7.9	8.4
14. Broad Money	3.4	3.3	3.3	3.5	3.3	3.2
15. GDP at Market Prices Rs. Mn.	196723	221982	251891	321751	372594	423290

Source: Central Bank.



TABLE 1.11

**Annual Average Price Increase 1988 – 1992**

(percent per annum)

	1988	1989	1990	1991	1992	Ave.(3) 1988-92
1. Colombo Consumers' Price Index	13.9	11.6	21.4	12.2	11.4	13.6
2. Central Bank Wholesale Price Index	17.8	9.0	22.2	9.2	8.8	12.1
3. GDP deflator [1]	9.9	11.0	20.0	11.3	9.0	12.4
4. Min. Wage Rate Index [2]	20.1	15.6	16.9	14.4	13.7	14.2

Notes: [1] Based on Central Bank's Estimates of GDP at Market Prices

[2] The Minimum Wage Rate Index of Employees coming under Wages Boards.

[3] Least squares estimates using 5 observations.

Sources: Dept of Census and Statistics; Central Bank.

## Monetary Developments

1.16 Continued sharp increases in domestic credit to the private sector and the accumulation of external banking assets, led to a somewhat high increase in the Broad Money Supply (M2) in 1992. Thus, the increase in M2 was about 16.6 percent - about 3 percentage points higher than the increases in the nominal GDP. Since the Narrow Money Supply increased only at a reasonable 7.3 percent, there was a substantial increase in the Quasi Money. This is explained by the prevailing high rates of interest in the market. See Table 1.10.

## Economic Policy

1.17 The aim of the economic reform programme of the Government during the period under review has been to stabilize the economy and to move it on to a sustainable growth path. The reform programme was broad based and was concerned with the following objectives.

- a) Achieving price stability and a reasonable balance in the external account.
- b) Improving the effectiveness of the welfare programmes.
- c) Creating an environment suitable for private sector activity and export development.

1.18 Accordingly, the major areas of reform were the following:

- i Restructuring of the Government Budget.
- ii Public Administration reform.
- iii Fiscal Policy and Tariff reform.
- iv Public Enterprise reform.
- v Financial Sector reform and strengthening of monetary policy.
- vi Liberalisation of foreign exchange transactions.



1.19 A number of important measures were implemented under this programme during 1992. These will be continued and consolidated during the next few years. The following have been the most significant measures already implemented:

- i) **Plantations Sector:** Divestiture of the management of 449 estates belonging to the two state plantations corporations to 22 management companies under the Peoplistation Programme.
  - ii) **The Board of Investment:** The Board of Investment was established as the sole authority for private investment approval and promotion.
  - iii) **Public Administration Reform:** A major step was taken to decentralize public administration through the establishment of 206 Divisional Secretariats, throughout the 9 provinces. These would take on the functions hitherto handled by the 25 Government Agents.
- The cadre restructuring programme is moving forward. The attempt now is to re-examine the cadre requirement of each ministry and department in the context of their newly defined functions in a liberalized economy. The specific needs of the education and health related institutions which at present account for 60 percent of the total cadre are also being reviewed separately.
- iv) **Financial Sector Reform:** The Government has approved Amendments to the Acts of Parliament relating to the two state banks. These will be brought before the Parliament soon. Meanwhile interim measures have been adopted to allow a greater degree of autonomy to these banks. These measures include exemption from the provisions of the Finance Act as well as Treasury and Public Administration circulars. It is also proposed to strengthen the capital structure of the two banks to conform to international standards. The government Budget 1992 allocated a sum of Rs. 24,100 Million for this purpose.
  - v) **Public Enterprise Reform:** During 1992 several refinements to the on going procedure for divestment of public enterprises (PE) were introduced. One such refinement concerned the method of transfer of ownership. In the case of several selected PE s, the majority shareholding which has hitherto been sold only by tender began to be offered on the Colombo Stock Exchange for sale on an all-or-none basis. Adjustments to policy were also made to give preference in this sale, to private companies which already held shares in the relevant PEs, provided these companies possessed the requisite credentials.

Tables P1 and P2 show the current position of the Peoplistation (divestiture) programme.



- vi) **Foreign Exchange Transactions:** Further measures aimed at complete liberalisation of current account transactions were adopted this year (1993). Thus in March 1993, the exchange control regulations relating to the surrender requirement of export proceeds by exporters were removed. Simultaneously, all limits and other restrictions placed on obtaining foreign exchange by residents for legitimate purposes including travel on holiday, employment, education and emigration, were also withdrawn.



TABLE P1

Peoplisation of State Owned Enterprises

(Income Received)

Name of SOE	Sale of Majority Shareholding Through Tender			Balance Deferred Payment/ (Rs. Mn.)	Sale of Majority Shares/Balance Shares Through Stock Exchange			Public Share Issue	Total
	Date	Amount			Date	Amount			
		Local (Rs. Mn.)	Foreign (Rs. Mn.)			Local (Rs. Mn.)	Foreign (Rs. Mn.)		
1. United Motors Ltd.	Dec. '89	-	5.00	-	-	Dec. '89	90.00	95.00	
2. Thulhiriya Textile Mills Ltd.	Feb. '90	-	200.00	-	-	-	-	200.00	
3. Pugoda Textile Mills Ltd.	June '90	-	60.00	160.00	Sept. '92	1.06	June '91	30.00	
4. Lanka Oxygen Ltd.	Nov. '90	-	60.00	-	Apr. '92	0.62	Apr. '91	27.00	
5. Dankotuwa Porcelain Ltd.	Dec. '90	-	102.00	-	-	-	-	102.00	
6. Hotel de Buhari	Dec. '90	6.30	-	-	-	-	-	6.30	
7. Ceylon Leather Products Ltd.	July '91	40.00	-	-	-	-	-	40.00	
8. Hunas Falls Hotel	Aug. '91	12.00	-	-	-	-	-	12.00	
9. Lanka Loha Hardware Ltd.	Oct. '91	30.00	-	-	-	-	-	30.00	
10. Lanka Milk Foods Ltd. (QPC)	-	-	-	-	Oct. '91	527.80	-	527.80	
	-	-	-	-	Nov. '91	2.58	-	2.58	
	-	-	-	-	Dec. '91	37.68	-	37.68	
	-	-	-	-	Jan. '92	34.16	-	34.16	
	-	-	-	-	Feb. '92	63.39	-	63.39	
	-	-	-	-	Mar. '92	89.72	-	89.72	
11. Asian Hotels Corporation Ltd. (QPC)	-	-	-	-	Jan. '92	-	597.25	597.25	
	-	-	-	-	Feb. '92	0.26	-	0.26	
	-	-	-	-	Apr. '92	172.00	-	172.00	
	-	-	-	-	May '92	132.38	-	132.38	
	-	-	-	-	July '92	51.74	-	51.74	
12. Ceylon Oils & Fats Ltd.	Jan. '92	6.77	74.45	110.00	-	-	-	81.22	
13. Nylon 6 Plant (Lanka Synthetic Fibre Co. Ltd)	Feb. '92	-	227.70	-	-	-	-	227.70	
14. Kelani Tyres Ltd.	Feb. '92	85.00	40.00	-	-	-	-	125.00	
	Apr. '92	275.00	-	-	-	-	-	275.00	

Source: Commercialisation Division, Ministry of Finance

TABLE P1 (Continued)

**Peoplistation of State Owned Enterprises  
(Income Received)**

Name of SOE	Sale of Majority Shareholding Through Tender				Balance Deferred Payment/ (Rs. Mn.)	Sale of Majority Shares/Balance Shares Through Stock Exchange				Public Share Issue	Total
	Date	Amount		Date		Amount		Date	Realised (Rs. Mn.)		
		Local (Rs. Mn.)	Foreign (Rs. Mn.)			Local (Rs. Mn.)	Foreign (Rs. Mn.)				
B/F		455.07	769.15		270.00		1,113.39	597.25		147.00	3,081.86
15. Veyangoda Textile Mills Ltd.	Mar. '92	270.00	-		-		-	-		-	270.00
16. Distilleries Company of Sri Lanka Ltd.						Mar. '92	883.36	169.36	June '92	495.00	1,548.00
17. Mahaweli Marine Cement Co. Ltd.	June '92	32.00	-		-		-	-		-	32.00
18. Bogala Graphite Lanka Ltd. *									Feb. '92	111.84	111.84
19. Lanka Ceramic Ltd.	June '92	56.25	56.25		-		-	-	April '93	171.27	283.77
20. Sathosa Motors Ltd.	Aug. '92	-	49.50		-		-	-		-	49.50
21. Kahatagaha Graphite Lanka Ltd.	Sep. '92	16.50	-		-		-	-		-	16.50
22. Lanka Porcelain (pvt) Ltd.	Sep. '92	-	95.42		-		-	-		-	95.42
23. Sathosa Computer Services Ltd.	Nov. '92	1.50	-		-		-	-		-	1.50
24. Ceylon Shipping Lines Ltd.	Dec. '92	51.31	-		-		-	-		-	51.31
25. National Development Bank	Mar. '93	-	95.38		-		-	-		-	95.38
26. Hingurana Sugar Industries Ltd.	Mar. '93	25.00	-		103.00		-	-		-	25.00
GRAND TOTAL		907.63	1065.70		373.00		1,997.03	766.61		925.11	5,662.08

\* Only Public Share issue Completed

Source: Commercialisation Division, Ministry of Finance



TABLE P2

## PUBLIC ENTERPRISES TO BE PEOPLEISED

1. Mattegama Textile Mills
2. Acland Insurance Service Ltd.
3. Ceylon Manufacturers & Merchants Ltd.
4. Heavyquip Ltd. & CCC (Engineering) Ltd.
5. CCC (Teas) Ltd.
6. CCC (Fertiliser) Ltd.
7. MILCO Ltd.
8. Sathosa Printers Co.
9. Trans Asia Hotels Ltd.
10. Ceylon Fertilizer Corporation
  - (a) Ceylon Fertilizer Co. Ltd.
  - (b) Wayamba Agro Fertilizer Co. Ltd.
  - (c) Rajarata Agro Fertilizer Co. Ltd.
  - (d) Thamankaduwa Agro Fertilizer Co. Ltd.
  - (e) Ruhunu Agro Fertilizer Co. Ltd.
11. State Trading (Tractor) Corporation
12. Building Materials Corp.
13. Building Materials Manufacturing Corp.
14. Ceylon Steel Corporation
15. Sri Lanka Cement Corp.
  - (a) Ruhunu Cement Works
  - (b) Kankesanturai Cement Works
  - (c) Puttalam Cement Works
16. State Trading (Textile) Corp. (Salu Sala)
17. Lubricant Plant of Ceylon Petroleum Corp.
18. Sevanagala Sugar Co. Ltd.
19. Kantale Sugar Co. Ltd.
20. Sri Lanka State Trading (General) Corp.
21. Consolidated Exports & Trading Co. Ltd.
22. Lanka Canneries Ltd.
23. Cey-Nor Foundation Ltd.
24. Janatha Fertilizer Enterprises Ltd.
25. Sri Lanka Cashew Corporation
26. B. C. C. Lanka Ltd.
27. Sri Lanka (Cey) Rubber Manufacturing Co. Ltd.
28. Tea Smallholder Factories Ltd.
29. People's Merchant Bank Ltd.
30. Lanka Machine Leasers Ltd.



31. Hotel Services (Ceylon) Ltd.
32. Colombo International School (Sri Lanka) Ltd.
33. Colombo Gas Co. Ltd.
34. Silk & Allied Products Development Authority
35. Borwood Ltd.
36. Sri Lanka Insurance Corp. Ltd.
37. National Insurance Corp. Ltd.
38. Ayurveda Drugs Corp. Ltd.
39. Ceylon Plywood Corporation
40. Bogala Graphite Lanka Ltd.
41. Lanka Phosphate Ltd.

## Prospects for 1993-1997

### Domestic Production

1.20 The performance of the economy in spite of a number of adverse exogenous factors during the past five years suggests that economic growth may be further accelerated under more normal conditions, provided the momentum of the adjustment process could be maintained. The projections presented are based on this assumption. One critical factor will be the success of the stabilisation effort. Despite the success achieved in controlling government budget deficits, the rate of inflation (Consumer Price Index) in 1993 appears to exceed the target of 7.5 percent. Data for the first quarter suggest a rate as high as 14.5 percent. The projections presented in Table 1.12 therefore assume a correspondingly high rate for the GDP deflator.

TABLE 1.12

### Growth Rates of GDP by Major Sector at Constant prices

	Percentages						Average
	1992	1993	1994	1995	1996	1997	93/97
1. Plantation Agriculture	-9.2	11.5	5.0	3.9	4.9	5.1	6.0
2. Other Agriculture	0.3	5.2	3.0	3.0	3.0	3.0	4.1
3. Mining, Manuf. & Constr:	8.9	10.0	10.9	11.2	12.0	13.0	8.3
4. Services	5.3	4.4	4.5	4.5	4.5	4.7	6.6
5. GDP	4.3	6.4	6.0	6.0	6.5	7.0	6.4
GDP at (1992) Constant Market prices: Rs. Billion	423.3	450.4	477.4	506.1	539.0	576.7	—
GDP deflator (%)	9.0	10.0	8.0	5.0	5.0	5.0	6.6



1.21 Plantation agriculture is likely to benefit from the improved weather this year as well as the privatisation of management.

Accordingly, the output of tea and coconut will return to their normal levels. The 11.5 percent growth in the value added in 1993 and 5 percent growth in 1994 shown in Table 1.12 reflect basically a recovery from the depressed levels of production that characterised these crops during the earlier years.

1.22 There is likely to be a similar recovery in the case of paddy production due to improved weather and an improvement in the security situation in some of the producing areas. An improvement in the security situation may also lead to a considerable expansion in the output of fisheries. Thus, the agricultural production other than tea, rubber, and coconut may show a sharp increase in the current year leading to a growth rate of at least 5.2 percent. The growth in these sectors will return to more normal levels in the 1994-97 period.

1.23 The industries sector which includes tea, rubber and coconut processing, factory industries, handicrafts, cottage industries as well as construction activities, mining and quarrying is expected to achieve rather high rates of growth during 1993 - 97. Of these, factory industry is likely to be the most dynamic sub sector whose average growth rate for the five year period is taken as 15.4 percent. The progressive improvement in the macro economic policy environment, and the increased flow of foreign investment into industry are the factors that would support this growth.

1.24 As in the past five years the largest contribution to the growth of factory industries will come from textiles and wearing apparel, food, beverages and tobacco, wood, paper, ceramics etc. The construction sector is expected to grow by about 4.5 percent per annum while the 'other' industries consisting of cottage industries, handicrafts will probably reach an average rate of about 3.0 percent.

1.25 The average growth rate of about 4.5 percent is expected from the services sectors during the period 1993-1997. The 'economic' services such as transport, power, communications and financial services needed to support the assumed expansion in industry are likely to grow at rates much higher than this average, while the 'other' services category including public services, community services etc., will naturally grow at more moderate rates. The growth rates assumed for the services sector again assume some improvement in the security situation in the country, one important outcome of which would be a rather sharp increase in earnings from tourism.



## Planning Indicators

1.26 The main planning indicators for the five year period 1993-97 are shown below: See Tables 1.12 to 1.15.

- 1) The Gross Domestic Product (GDP) is expected to increase at an average rate of 6.4 percent per annum. This implies a per capita increase of about 4.9 percent.
- 2) The Gross Domestic Capital Formation is expected to be maintained at 25 percent of GDP, the total for the period being approximately Rs. 802 billion. The larger share of this investment (about 60 percent) is expected to come from the private sector. The share of the public sector will stabilize around 10 percent of GDP.
- 3) The National Savings Ratio is expected to reach an average of 19 percent of GDP during the five year period. Thus the foreign savings will be about 6 percent. This includes foreign investment which is expected to increase from the 1.5 percent of GDP in 1992 to 2.0 percent of GDP by 1997.
- 4) Public Consumption will amount on an average to about 10 percent of GDP. This means that the Government Budget will generate a surplus in the current account in the latter half of the five year period.
- 5) The Current Account Deficit in the Balance of Payments is likely to remain around 6 percent of GDP. This is mainly an outcome of the shift to a higher growth rate, to achieve which a higher level of imports will be required. However, imports are expected to grow at a rate lower than that of exports throughout the period.
- 6) The overall deficit in the government budget will decline from the estimated 7.4 percent of GDP in 1992 to about 6.8 in 1997. This is made possible by a gradual reduction of current expenditure while maintaining capital expenditure at 9.5 percent of GDP.



TABLE 1.13

## Total Resources and their Utilization

(Rs. Billion)

	1992	1993	1994	1997	Total 1993-1997
1. Total Resources	459.2	540.6	615.2	854.9	3457.5
	108%	109%	108%	108%	108%
(a) GDP at market prices	423.3	495.4	567.2	792.3	3192.0
	100%	100%	100%	100%	100%
(b) Net Imports of Goods and non factor services	35.9	45.2	48.0	62.6	265.5
	8%	9%	8%	8%	8%
2. Total Utilization	459.3	541.1	615.1	855.5	3458.6
(a) Consumption	358.8	421.3	475.7	649.7	2656.3
of which	85%	85%	84%	83%	83%
– Private	318.7	375.2	423.5	578.4	2365.8
	75%	76%	75%	74%	74%
– Public	40.1	46.1	52.2	71.3	290.5
	9%	9%	9%	9%	9%
(b) Investment	100.5	119.8	139.4	205.8	802.3
of which	24%	24%	25%	25%	25%
– Private	68.2	70.8	80.5	125.5	477.0
	16%	14%	14%	15%	15%
– Public	32.3	49.0	58.9	80.3	325.3
	8%	10%	10%	10%	10%
3. Financing of Investment					
(a) National savings	77.3	88.1	105.4	158.3	608.8
	18%	18%	19%	19%	19%
(b) Foreign Savings	23.2	31.7	34.0	47.5	193.5
	5%	6%	6%	6%	6%

Note: % indicates percentages of GDP.

TABLE 1.14

**Government Budgetary Operations 1993 – 1997***(Rs. Billion)*

	1993	1994	1995	1996	1997
1. Revenue	101.98	118.54	132.56	148.24	166.39
2. Current Expenditure	97.44	107.36	117.99	130.35	144.83
3. Current a/c Surplus (+)/Deficit(–)	4.54	11.18	14.57	17.88	21.56
4. Capital Expenditure & net Lending	44.48	53.88	59.97	67.06	75.27
5. Overall Surplus (+)/Deficit(–)	–39.94	–42.70	–45.40	–49.18	–53.71
6. Deficit Financing					
6.1 Grants	8.95	9.06	11.07	11.67	12.64
6.2 Net Foreign Borrowing	19.49	19.46	19.81	22.69	25.23
6.3 Net Domestic non-bank financing	13.00	14.18	14.52	14.82	15.85
6.4 Borrowing from Monetary System	–1.50	–	–	–	–
7. GDP at Current Market Prices	495.42	567.16	631.25	705.89	792.33

**As a Percentage of GDP at Current Market Prices**

1. Revenue	20.6	20.9	21.0	21.0	21.0
2. Current Expenditure	19.7	18.9	18.7	18.5	18.3
3. Current a/c Surplus (+)/Deficit(–)	0.9	2.0	2.3	2.5	2.7
4. Capital Expenditure & net Lending	9.0	9.5	9.5	9.5	9.5
5. Overall Surplus (+)/Deficit(–)	–8.1	–7.5	–7.2	–7.0	–6.8
6. Deficit Financing					
6.1 Grants	1.8	1.6	1.8	1.7	1.6
6.2 Net Foreign Borrowing	3.9	3.4	3.1	3.2	3.2
6.3 Net Domestic non-bank financing	2.6	2.5	2.3	2.1	2.0
6.4 Borrowing from Monetary System	–0.3	–	–	–	–



TABLE 1.15  
Balance of Payments 1992 – 1997  
(SDR Million)

	1992	1993	1994	1995	1996	1997
1. Exports of Goods & non-factor Services	2220.9	2498.5	2810.8	3204.3	3701.0	4330.2
2. Imports of Goods & non-factor Services	2801.8	3195.5	3526.5	3961.5	4510.8	5197.5
3. Goods & non-factor Services Balance	-580.9	-697.0	-715.7	-757.2	-809.8	-867.3
4. Factor Services Credits	48.1	51.2	52.5	56.3	61.1	64.9
5. Factor Services Debits	173.0	192.9	215.1	239.8	267.4	298.1
6. Private Transfers (net)	330.3	350.1	371.1	393.4	417.0	442.0
7. Current Account Balance	-375.5	-488.6	-507.2	-547.3	-599.1	-658.5
8. Official Transfers	130.2	137.4	135.2	155.1	169.7	175.6
9. Borrowing (Disbursements)	455.8	443.2	466.2	486.9	514.1	546.9
10. Amortization	218.7	214.2	212.6	213.2	214.6	217.7
11. Borrowing (net)	237.1	229.0	253.6	273.7	299.5	329.2
12. Direct Foreign Inv.	103.0	122.1	152.1	173.3	199.7	219.5
13. Errors and Omissions	33.9	—	—	—	—	—
14. Overall Balance	128.7	-0.1	33.7	54.8	69.8	65.8
15. Monetary Movements	-128.7	0.1	-33.7	-54.8	-69.8	-65.8
Current Account Deficit/GDP(%)	5.5	6.4	6.0	6.0	6.0	6.0
External Debt/GDP (%)	67.5	—	—	—	—	68.2
Debt Service Ratio [1] (%)	14.3	—	—	—	—	—

Notes: [1] Denominator: Exports of Goods, Services + Inward Priv. Transfers.

TABLE 112

Balance of Payments 1993-1997  
(in million US dollars)

	1993	1994	1995	1996	1997
1. Exports of Goods & non-factor services	2320.9	2810.8	3204.3	3707.0	4330.3
2. Imports of Goods & non-factor services	2801.8	3028.8	3281.3	4010.8	5197.8
3. Goods & non-factor services balance	-480.9	-218.0	-77.0	-303.8	-867.5
4. Factor services credits	48.7	61.3	66.3	64.7	64.9
5. Factor services debits	173.0	182.9	216.4	267.4	398.1
6. Private transfers (net)	550.9	480.1	393.4	417.0	443.0
7. Current Account Balance	-370.8	-587.8	-507.3	-589.1	-888.5
8. Official transfers	180.3	137.4	155.2	169.7	178.6
9. Borrowing (disbursements)	468.8	413.3	488.9	514.1	548.9
10. Amortization	318.7	214.3	212.8	214.8	217.7
11. Borrowing (net)	150.1	200.0	276.1	299.3	331.2
12. Direct foreign inv.	108.0	122.1	189.1	199.7	218.6
13. Errors and Omissions	33.9	-	-	-	-
14. Overall Balance	128.7	-0.1	32.9	60.8	88.8
15. Monetary Movements	-128.7	0.1	-32.9	-60.8	-88.8
16. Current Account (Ratio/GDP%)	6.5	6.4	6.0	6.0	6.0
17. External Debt/GDP (%)	87.8	-	-	-	88.9
18. Debt Service Ratio (R) (%)	14.3	-	-	-	-

Notes: (1) Denominator: Exports of Goods, Services & Inward FDI Transfers



## CHAPTER II

### SECTORAL POLICIES

2.01 Sectoral policies of the Government were discussed quite extensively in the PIP 1992-96. What follows is additional information since there have been no changes in policies since the publication of the document in October last year.

2.02 There will be, however, a greater focus on the agricultural sector than in the past. More than the fact that it covers almost a quarter of Sri Lanka's GDP, agricultural development has to play a pivotal role in holding the cost of living down, enhancing rural incomes and savings, providing raw material to the industrial sector, and reducing pressure on migration to urban areas.

2.03 The industrial sector will be still expected to play the catalytic role and it will have to undergo a very significant structural change moving from a dependence on the garment industry towards "backward integration manufacturing" and towards other areas, mainly agro-based industries.

2.04 Provision of adequate infrastructure to meet the growing demands of industry, agriculture, and an expanding population, will be one of the main concerns of policy making. However, given the financial constraints on the Government, as well as the policy of promoting greater private sector participation in development activity, the main focus in the next few years will be on attracting private capital, mainly foreign investment, to undertake this task.



## **AGRICULTURE**

### **Development of a Water Resources Master Plan**

2.05 While large scale deforestation and erosion of watersheds has reduced the availability of this resource, the demand for water has, at the same time, increased sharply due to population growth and the expanding requirements of industrial growth etc. Water resources need to be allocated on a more rational basis among competing users such as industry, hydro-electric power generation, irrigation, and domestic water supply. Major importance will therefore be given to the formulation of a Water Resources Master Plan. It is expected that such a plan will aid in the identification, planning, allocation, development, management, and conservation of the water resources of the country in a rational and systematic manner, so as to optimise its long term sustainability. The Asian Development Bank and the USAID are providing support for the first phase of the exercise, namely, examining and making recommendations on the existing institutional arrangements for managing water resources.

### **State Plantation Restructuring**

2.06 Under the present restructuring arrangements 22 Public Owned Regional Plantation Companies (RPCs) covering 449 estates are being managed by private Management Agents. The RPCs require investment in the order of Rs.800 million per annum. Government intends to seek financial assistance from multilateral and bilateral donor agencies for priority investment to meet the immediate needs of the plantations. A study will be initiated with ADB technical assistance to identify and plan an investment package of around US \$30 million. Negotiations have also commenced with the Japanese Government for investments amounting to US\$100 million.

2.07 Further restructuring of the plantations will be effected in two steps. Firstly, the management of the 50 estates which were excluded from the RPCs because of poor soil fertility and limited production potential will be handed over for private management before the end of the year. On completion of this transfer state management of the plantations will cease. Secondly, the Managing Agents will be allowed to acquire usufruct rights to the land and other resources for a negotiated fee. They will thereafter be expected to bear all risks associated with agricultural operations instead of bearing merely minimal risks, as at present. They will also be responsible for repayment of borrowed resources invested in the estates.

### **Development of Field Crops**

2.08 Gradual expansion of the production of rice, chillies, red onions, large onions, maize, tur dhal, green gram, and black gram to meet domestic requirements will be achieved by instituting intensive production programmes supported by a helpful trade



environment, especially through tariff adjustments. Processing of raw agricultural commodities will be promoted by a reduction of existing import duties on machinery, equipment, and packaging material required by the processing industry, and also on fiscal levies that have been imposed on the processed products.

## **Dairy Industry Development**

2.09 Shri Lanka imports 70 percent of its milk requirements. Over the next 10 years, the domestic dairy industry will receive the necessary tariff and financial support to correct the present trade imbalance. The industry is to be developed using mainly village based producer cooperatives. Half of the revenues generated by the new tariff policy is to be channeled to field level programmes to assist the dairy farmer through a restructured Dairy Development Foundation. A major breed improvement programme is to be promoted through National Livestock Development Board managed farms and village level based stock improvement programmes.

## **Provincial Agricultural Development Strategies**

2.10 Provincial Agricultural Development Strategies will be prepared as part of the updating of the National Agriculture, Food and Nutrition Strategy published by the Ministry of Finance and Planning in 1984. The establishment of Provincial Councils has had a direct impact on the new strategy, requiring that provincial development initiatives be the building blocks of the new strategy. This will provide the basis for a decentralized development process that will pursue nationally accepted policies and objectives. The proposed Provincial Agricultural Development Strategies will define the action the Provinces intend to take to exploit their comparative advantages in order to achieve higher rates of economic growth and agricultural diversification.

## **INDUSTRY**

2.11 The core objectives of industrial policy continue to be the rapid growth and improved efficiency of the industrial sector in order to substantially increase real incomes and employment. These goals are embodied in the late President's target of achieving NIC status by the turn of the century as set out in The New Vision and New Deal, and the Government remains firmly committed to this goal. The achievement of this goal will require a number of carefully focused measures that will include restructuring the system of industrial incentives; reducing the barriers between the domestic and export sectors to encourage greater competitiveness throughout the economy; improving incentives for the development of efficient backward linkages that will also improve the regional distribution of economic activity; completing the programme of privatisation of industrial enterprises; encouraging the minerals sector; and providing the basis for increased human capital through training and skills development.



2.12 Since 1977, industrial strategy has placed primary reliance on the private sector as the basis for industrial growth and the role of the private sector has expanded accordingly. This makes it more critical that the Government foster a free and open commercial environment favourable to industrial employment, investment, and the adoption of the most efficient means of production. A great deal of progress has been achieved since 1989 with the implementation of a Strategy for Industrialisation in Shri Lanka. However, much more needs to be done if Shri Lanka is to provide full employment for her people and realise the increases in welfare associated with development which reaches the standards of the NICs.

2.13 To encourage more efficient industrial growth, the Government's policies will focus increasingly on reducing structural barriers to the development of an internationally competitive industrial sector. These will include the following areas :

### **Improving Industrial Incentives**

2.14 Existing trade and taxation policies have created wide differences in the incentives being given to different types of industrial activities, irrespective of whether or not they are in areas of Shri Lanka's comparative advantage. This is evident from the most recent Report of the Presidential Tariff Commission. High protection of domestic industries not only creates disincentives to export, but also encourages smuggling. By needlessly sheltering many domestic industries from international competition, these measures also discourage them from taking the steps necessary to improve competitiveness. Therefore, the high levels and wide variations in incentives must be substantially reduced if private sector investment is to be allocated to the most productive uses and real growth rates are to be maximized. To accomplish this, more realistic trade policies will be implemented.

### **Reducing the Dual Structure of the Industrial Sector**

2.15 Very different economic conditions now face exporters and industries supplying mainly the domestic market. It is important not to lose sight of the fact that a dollar saved through internationally competitive local production contributes as much to the economy as a dollar earned through exports. Increases in the growth of industrial employment can best be realised by extending to the rest of the economy the economic environment that has been successful in promoting exports. To accomplish this, the differences that exist in the approach to industries aimed at export and industries aimed at local markets must be substantially reduced or eliminated. For example, a large number of industries are emerging which now produce for local markets, but are capable of developing products for export on a gradual basis. These "evolutionary exporters" need to receive the same encouragement our export oriented industries are now being given.



## Promoting Greater Backward Linkages

2.16 There are at present many areas where the domestic production of raw material and intermediate goods could be undertaken. An important case is the garment industry. The potential for further high rates of growth in the garment industry is declining. However, a very high proportion of the inputs used are now being imported. To realise greater economic returns from this sector, there must be significant growth in the domestic supplies of textiles and other material inputs. Similar situations exist for other export and domestic industries.

2.17 Indeed, if the economic linkages between the industrial and agricultural sectors are to be maximized, it will have to be primarily through the development of efficient production and processing of raw material. But the present policy framework remains stacked against the domestic production and processing of many types of these goods. This arises largely from existing trade policies, notably the tariff rate structure, which tends to encourage assembly type operations or activities that rely more heavily on imported inputs. But there are other barriers as well to developing backward linkages. For example, institutional barriers that limit the ability of domestic industries to compete with duty free imports for the export sector, need to be eliminated.

## Greater Regional Distribution of Industrial Development

2.18 Although the small size of Sri Lanka does not present vast regional disparities, the need to achieve a more balanced regional growth of industry has been recognised. However, if this is to generate sustainable growth in employment and bring real benefits to rural areas, it must be based on economically efficient development. Improvements in the climate for the development of more extensive backward linkages will in itself contribute to more geographically dispersed industrial investment. This will require a more balanced system of industrial incentives that will give greater impetus to mineral, natural resource and agro-based activities. These industries typically have a stronger economic rationale to locate near their sources of raw material than in the cities. This will also tend to reduce the relatively high incentives now given to low value added activities, based on imported inputs, which have strong commercial incentives to locate near the port and in the major market.

2.19 In addition, to encourage greater regional industrial growth, major emphasis will be given to the improvement of infrastructure facilities at the regional level. For this purpose, industrial estates will be established with the assistance of the private sector and donors. Regional Industry Service Committees have already been set up at the provincial level. These will be instrumental in coordinating the development of infrastructure facilities and the removal of constraints on industrialization in the provinces.



## **Privatisation and Investment Promotion**

2.20 The privatisation of industrial enterprises has proceeded steadily in the recent past, resulting in drastically reduced public sector involvement in industrial and commercial activities. It is expected that almost all major industrial ventures will be in the hands of the private sector by the end of 1993. This will restore market incentives and result in the expansion and diversification of individual industries, which will lead to an increase in the efficiency of production by the industrial sector during the period 1994 to 1999.

2.21 The Board of Investment (BOI) has made considerable progress in promoting foreign investment and it now operates effectively as a "one stop shop" for investors. Further steps are now being taken to target its promotional capabilities in most product areas and improve services to investors. In addition, as the artificial barriers between investment for export and for production aimed at the domestic market are reduced, the scope for building upon the BOI's resources will be increased. The main thrust of the Government's industrial policies is to ensure that there is a favourable climate for the most productive investments, in real terms, wherever the goods or services are sold. This will open the way for a broad based investment promotion programme that will benefit all investors and maximize the potential for the growth and development of sectors where Shri Lanka enjoys comparative advantage over other countries.

## **Support for the Minerals Sector**

2.22 The development of the minerals sector is expected to make an increasingly important contribution to industrial growth, particularly through increased high value added exports. The establishment of the Geological Survey and Mines Bureau under the Mines and Minerals Act of 1992 will greatly facilitate the development of mineral-based industries, especially under private ownership. The functions of the Bureau will include the promotion and regulation of mineral extraction and processing. During the next five years, the Bureau will work to encourage mineral based industries with the participation of foreign investors to supplement local capital, technology, and marketing. The planned development of the Apatite Deposits at Eppawela to produce high grade phosphate fertilizer for domestic and regional markets could generate an investment of over Rs. 25 billion and vast infrastructure in the Anuradhapura - Trincomalee corridor.

## **Increased Employment and Human Resource Development**

2.23 One of the key elements defining Shri Lanka's comparative advantage in industry is her people and, in particular, their ability to adapt to different types of employment skills through training. Experience in other Newly Industrialised Countries makes clear the critical importance of improving labour and management skills and in maintaining a flexible, and efficient labour market. In order to rapidly increase employment and incomes, action will be taken to facilitate investment in labour force skills that enhance productivity. Worker training is most effective if undertaken directly by, or with the close



involvement of the private sector. Similarly, middle and high level management skills need to be developed as the economy grows. However, there are strong economic arguments for industry-wide training ventures, which may need to be catalyzed by the Government, with direct participation, where it will be effective.

2.24 The security and welfare of all workers remain the top priority of the Government. Therefore, in conjunction with the steps to remove barriers to efficient investment in industry, barriers that stand in the way of the effective employment of the labour force will be reduced. Many of the regulations that now govern employment evolved at a time where there was extensive Government interference in industry. The result was lower employment and declining wages through widespread under-employment. The Government's efforts to establish a growing, internationally competitive industrial sector will reverse this trend, giving workers greater employment opportunities.

## **TOURISM**

### **Objectives of the Master Plan**

2.25 World Tourism is expected to continue growing during the next decade and Shri Lanka has considerable scope to develop its tourism industry. Shri Lanka has major tourism resources which can be developed into a richer and more varied range of tourism product. It has the potential to create a positive and distinctive image, and to promote and exploit more beneficially this product range to attract discriminating tourists from both existing and new tourist markets.

2.26 Tourism to Shri Lanka grew in excess of 20 percent per annum from 1967 to 1982, after which civil unrest adversely affected the sector. However, since 1990, tourism has recovered significantly. In its major European markets, Shri Lanka has been developing the image of a relatively cheap beach destination. Generally, the hotels are in need of upgrading (some of this work has been/is being undertaken), recreation and other tourist facilities are inadequate, and standards of service are inconsistent. Social, cultural, and environmental problems have also surfaced.

2.27 In order to increase the benefits of tourism to Shri Lanka a Tourism Master Plan, covering the period 1992 - 2001, has been prepared. On the basis of this Plan, a Five Year Development Programme 1992-1996 has been developed.

2.28 The recommended overall strategy for tourism development in Shri Lanka is to diversify the market mix, increase tourist spending by developing and upgrading tourist facilities, increase the emphasis on cultural, natural and other tourist attractions, and create a positive image for Shri Lanka. In this way, Shri Lanka will be able to maximise the benefits of tourism - investment, job creation, and foreign exchange earnings, while minimising the negative effects of too rapid development - environmental degradation and a social



backlash. Such a strategy calls for a steady and carefully planned approach to tourism development.

2.29 The optimal targets set in this Tourism Master Plan (1992 to 2001) are as follows:

- 874,000 international tourist arrivals by air in 2001 - a 175 percent increase over the 317,700 arrivals in 1991;

- a doubling in real terms (i.e. excluding inflation) of the average daily tourist expenditure from US \$43 to US \$86 by 2001;

- a 350 percent increase in real terms in foreign exchange receipts from US \$156 million in 1991 to US \$706 million in 2001, 70 percent of which is retained within the country and stimulates economic growth in other sectors;

- a 155 percent increase in the number of people employed as a result of tourism, from almost 54,000 in 1990 to over 136,000 in 2001.

All targets will be reviewed at the end of year 1994.

2.30 Product Development recommendations have been designed to:

- upgrade the existing attractions and product;

- diversify the product range and expand its capacity;

- develop new circuits and product packages inland, including new tourist areas.

2.31 It is proposed to double the hotel room capacity from 9679 rooms in 1992 to 18,953 rooms in 2001, with an emphasis on high and medium quality hotels.

2.32 The strategy and the recommendations cover 14 tourism zones including Colombo City, Colombo Region, West Coast, South Coast, East Coast, Hill Country, Kandy Region, other Ancient Cities, North, South East, East Inland, South-West Inland and North-West Inland. Product proposals include :

- major integrated developments providing a range of planned and coordinated facilities and services catering to different international and domestic tourist market segments and day visitors;

- rehabilitation and upgrading of existing tourist areas in a comprehensive and coordinated manner;



low density quality developments in proximity to the major cultural, historical and wildlife attractions;

a range of domestic tourism facilities.

2.33 The key elements of the strategies are the planned developments in designated areas and the opening up of new tourist areas.

## **Marketing and Promotion**

2.34 The marketing and promotion strategy concludes that Shri Lanka is a destination which offers the prospect for many different types of holiday, or a wide variety of activities within a holiday, all within a compact land area, and that it has the potential to create a positive, and distinctive image. The marketing programme covers annual programmes over a five year period, differentiating between primary markets (Germany, France, United Kingdom, Japan and India), and secondary and opportunity markets (in Europe, Asia, Australia, North America and the Middle East). The average annual budget required for the marketing programme is US \$4.6 million (at 1991 values). Emphasis is placed on development and promotion of a wider product range including special interests, incentives, and meetings.

## **Air Transport**

2.35 The target for arrivals by air has taken into account Air Lanka's fleet expansion programme, hub and spoke air service network, non-stop air services, encouragement of other scheduled carriers, and charter services. With effective slot allocation, and management and minor improvements, Colombo International Airport, Katunayake, will be able to cope with the requirements in the medium term. However, detailed studies will be carried out and plans drawn up for expansion of the passenger terminal for international traffic, also incorporating domestic terminal facilities when scheduled domestic air services are re-introduced.

## **Other Transport and Infrastructure**

2.36 Critical aspects include the need for a nation-wide survey, data base and coordinated strategy for water supply, distribution and conservation, and the need to promote alternative environmentally friendly energy sources.

## **Economic Enhancement**

2.37 The challenge over the next decade will be to maximise the economic benefit of tourism by increasing the range, quality, and capacity of goods and services for the



development and the operation of the tourism sector. Key areas are construction material, equipment, luxury shopping items, agricultural produce, food supplies, and specialist expertise. Particular attention needs to be paid to the ability of Shri Lanka to produce and distribute adequate food and other supplies to meet growing tourist needs, in addition to the needs of the local population and for export.

## **Human resources**

2.38 There are significant training requirements necessary to meet the existing skills shortfalls and to address the implications of increasing quality expectations and the substantial increase in the numbers employed. Effective planning and co-ordination is required. The Ceylon Hotel School will plan the lead role and undertake or facilitate training for all sectors of the industry.

## **Institutional Co-ordination**

2.39 Tourism is an industry which involves many other sectors. Increased coordination is required, and a key recommendation is that the Ministry of Tourism seek to establish an Inter- Ministerial Council to facilitate an integrated multi-sectoral approach. It is also proposed to establish an Inter-Departmental Tourism Committee to co-ordinate private sector and public sector planning and programming. The provincial administration will be called upon to play a more active role in the planning and development of tourism within the overall national framework and strategy.

## **Social Aspects**

2.40 Planned tourism development benefits the local population through income generation and improved facilities and environment. The Master Plan lays emphasis on Community Tourism, to enable communities to contribute to, and benefit from tourism development. This includes the setting up of Local Tourism Committees in areas of existing or proposed tourism development, and Tourism Community Liaison Officers in socially vulnerable tourist areas. Social vulnerability should be determined by social screening and the introduction of Social Impact Assessment for proposed developments. Increased emphasis also needs to be placed on awareness and involvement programmes to educate the community about tourism.

## **Culture**

2.41 Culture is an important component of Shri Lanka's tourism product development strategy. This includes cultural heritage, handicrafts, performing arts, festivals, ayurvedic medicine, Shri Lankan cuisine, traditions and customs. Recommendations are made for each aspect covering promotion of national pride and cultural awareness,



upgrading the cultural component of the tourism product, conservation and enhancement of traditional arts and crafts, small business development support, and increasing access to tourist markets.

## **Environment**

2.42 Environmental aspects are increasingly influencing tourists' choice of destinations. Environmental protection and enhancement are also increasingly important for the local population. The environmental strategy includes the need for a planned approach to land use and development. Unsustainable economic activities will be discouraged and where appropriate phased out, following income substitution studies. Sewerage and waste water outputs will be monitored and strict measures taken to ensure enforcement of standards covering tourism establishments and also urban and industrial complexes.

## **ECONOMIC INFRASTRUCTURE**

2.43 In order to achieve a higher economic growth and to facilitate the equitable distribution of its benefits, the need for adequate, efficient, and reliable infrastructure facilities is patently evident. These facilities are essential to resuscitate the industrial sector, increase productivity in the agriculture sector, and enhance efficiency in the service sector.

2.44 Economic infrastructure covers facilities such as Transport, Power and Energy, and Telecommunications. Hitherto, the public sector has played a major role in providing these facilities. However, as indicated in the last Public Investment Programme the importance attached to private sector participation in this area is being increasingly recognised. The strategy that has been identified for enlisting private sector participation is the BOO/BOT strategy.

2.45 This strategy has three major variations.

- (a) Build, Own and Operate a facility - BOO
- (b) Build, Operate and Transfer a facility - BOT
- (c) Modernize a facility, Operate it and Transfer it - MOT

2.46 The Secretariat for Infrastructure Development and Investment (SIDI) has prepared a set of guidelines for the implementation of BOO/BOT projects. SIDI was set up under the Ministry of Policy Planning and Implementation with assistance from USAID.



2.47 The following projects under the BOO/BOT strategy are at various stages of progress.

(1) **Coal Fired 2 x 150 MW Power Station - Trincomalee**

A conditional Letter of Intent has been issued to a selected firm. Negotiations are expected to be completed by August, 1993.

(2) **Heavy Fuel 40 MW Power Station - Sapugaskanda**

A conditional Letter of Intent has been issued to a consortium and discussions are expected to be completed by the end of June, 1993.

(3) **Development of the Port of Galle**

Requests for proposals have been forwarded to three short listed firms, and their proposals are expected by 30 June, 1993.

(4) **The Marine Drive Project Colombo**

Negotiations are being held with a firm to develop a Marine Drive from Dehiwela to Fort.

(5) **Highways - Colombo-Matara Highway (Toll Road)**

A Feasibility Study is scheduled to be carried out soon.

(6) **Combined Cycle - 40 MW Power Plant - Kelanitissa.**

Three offers were received by 15 April, 1993. These three firms have been requested to submit their full proposals by 15 June, 1993.

## **HUMAN RESOURCES DEVELOPMENT**

2.48 During the next two years the main thrust in the area of human resources development will be in the area of skills development for youth. This will include large scale English language training programmes run in every Divisional Secretariat, an expansion of vocational training to utilise to the maximum the capacity of existing institutions, and the provision of facilities for recurring education for youth who have left the formal system prematurely. This training will provide the base for the spurt in economic growth envisaged in the next two years and will be coordinated through the Tertiary and Vocational Training Commission and the Ministry of Education. A Skills Development Fund is also being set up to upgrade skills among those already employed so that there is an accompanying improvement in productivity.



2.49 Provision is also being made to strengthen services in the particular areas highlighted in the Plan of Action for Children. Non formal education will be developed including literacy centres for children who have never been to school. School health services also need to be developed. Maternal and child health programmes are to be strengthened through additional funding in the regular budget, while foreign aid is being sought.

## **Education**

### **Teacher Training**

2.50 Professional development of teachers has been an important policy objective, particularly for upgrading the quality of education in estate schools. This has been done with the opening of the Shri Pada College of Education in 1992 for training Tamil Medium teachers. An accelerated distance training programme has been launched by the National Institute of Education with SIDA assistance to train nearly 3500 trainee teachers recruited recently. This training is expected to be completed by the end of 1993. The National Institute of Education organises post-graduate teacher courses also for graduate teachers. The aim of this programme is to provide professional training to nearly 20,000 untrained graduate teachers.

### **Decentralisation**

2.51 In order to bring educational administration down to the Divisional Secretariat level in keeping with the concept of taking the administration to the people, Educational Divisions have been redemarcated to become co-terminus with the Divisional Secretariat areas. The number of Education Divisions in 1992 was around 110. This increased to 290 in 1993. In the past, School Development Societies and Past Pupils Associations were the organizations that helped the development activities of schools to some extent. School Development Boards which have more powers were established to ensure more fruitful community participation in school development. The School Development Boards will assist the School Principals in managing resources by (a) assuring optimum utilisation of funds provided by the Government; (b) minimising waste; and (c) looking after the assets of the school. In addition to free instruction, text books and the mid-day meal have been provided free to school children. A set of material for uniforms is also given free to all pupils of all schools and Pirivenas from 1993.

### **Improvements in Facilities**

2.52 In order to provide opportunities for further education and skills upgrading, the number of Faculties, Departments, and Courses in the Universities has been increased. A new Medical Faculty has been opened at the Shri Jayawardenepura University. The number of bursaries also has been increased. The Affiliated University Colleges established to provide facilities for University education to more students will admit more than 2500 students from 1993. Steps are now being taken to establish a Technical College in the Trincomalee District.



## **Health**

2.53 Cabinet has appointed a Steering Committee to guide the implementation of the National Health Policy adopted in 1992. This Steering Committee meets at least once a month and identifies issues connected with and constraints on the implementation of health development activities. Matters like the lack of trained personnel in all categories, the effective implementation of foreign aided projects, the preparation of annual work plans for major projects, among other things, have been considered at these meetings. Remedial measures have been identified and action taken, such as, in the first of the problem areas mentioned, the appointment of 350 medical officers and recruitment of additional nurses for training. Major capital projects such as the construction of the Bio-Medical Engineering Division and the bridging phase of the General Hospitals Colombo Project have been completed according to schedule and the 3rd phase of the General Hospital project has commenced. Civil works of the IDA funded Health and Population project have also been more or less completed.

## **Decentralisation**

2.54 Devolution of power to the divisional level has been strengthened by the appointment of Divisional Directors of Health Services in all Divisions. One hospital has been identified in each Division for upgrading in order to strengthen the health care system in rural areas and give maximum coverage.

## **HUMAN SETTLEMENTS**

### **Infrastructure Activities**

2.55 The provision of major infrastructure facilities within regional centres outside the Greater Colombo Area, as a means of attracting industrial investment, has been identified as one of the priorities in economic development. The Government has therefore implemented a programme of strengthening the management capabilities of all urban sector institutions, and also a human resources development programme. The Government is also implementing measures to reactivate the Local Loans and Development Fund, strengthening and streamlining its activities, and to establish a Private Sector Infrastructure Fund to encourage private investment in infrastructure development.

2.56 However, there still are several problems that hinder the further development of the urban sector. These fall into four major categories - organisational defects at Government level, technical weaknesses in the decentralised planning process, lack of 2500 students from 1993. Steps are now being taken to establish a Technical College in the Trincomalee District.

financial discipline in local governments in operating and maintaining infrastructure facilities, and weaknesses in the managerial capabilities of urban local authorities. An Urban Sector Policy Framework has been developed to overcome these deficiencies and, once implemented, it is expected that these problems would be largely overcome.



## **Water Supply and Sanitation**

2.57 A policy framework has also been developed for the continued improvement of water supply and sanitation. Recent financial forecasts for the National Water Supply and Drainage Board (NWSDB) show that its return on net fixed assets in 1993 will be approximately 4 percent, increasing to almost 5.5 per cent in 1994. This level of performance, however, is achieved with considerable support from the Government through the financing of all capital expenditure at subsidised rates.

2.58 The policy framework proposes, among other things, the improvement of the NWSDB's domestic resource mobilisation effort through improving its cost recovery measures and its financial discipline so that a good part of the burden of future investment would be absorbed by the Board itself. With this in mind, steps have been taken, first, for the Board itself to take over the responsibility of investment in the improvement and expansion of ongoing schemes, second, for the NWSDB to generate a predetermined proportion of capital investment in all new schemes, and third, for the maintenance of a debt service coverage ratio of 1.2 : 1 from 1994 onwards. The policy framework also proposes the privatisation of certain operations of the NWSDB including billing and collection, management of unaccounted for water in the Greater Colombo Area, and the implementation of some selected new schemes under BOT terms.

## **Environment**

2.59 The protection of the environment and the management of natural resources have been identified as major elements to be considered in economic development. Steps have already been taken to amend relevant legislation to make environmental impact assessment mandatory in the project planning process and create public awareness of the environmental implications of development. Government is now considering the importance of integrating principles of environmental economics into the national planning process to improve resource accountability in economic development.

## **REHABILITATION AND RECONSTRUCTION**

### **Background**

2.60 The Emergency Reconstruction & Rehabilitation Programme launched in 1988 with international donor support to reconstruct damaged infrastructure and rehabilitate



about 500,000 families that were affected as a result of the conflict that raged in the North and East of Sri Lanka since 1983, has proceeded at a satisfactory pace after a short interruption due to the eruption of fresh violence in June 1990. The rapid improvement in the security conditions, particularly in the Eastern Province and in several parts of the Northern Province, the large scale return of displaced families to their original places, and the normalisation of administration have contributed towards this. Renewed enthusiasm on the part of donors, the extension of life of several donor funded projects and the commitment on the part of the Government to assist the affected population are also further contributory factors. The atmosphere has also paved the way for the repatriation of about 29,000 displaced persons who had sought refuge in India.

## **Progress of Re-settlement**

2.61 About 250,000 families were displaced during the post June 1990 violence in the Northern and Eastern Provinces. Out of this number, about 85,000 families from the Eastern Province have returned to their original places of residence and there are about 30,000 families in welfare centres or with friends and relatives. With a marked improvement in the security conditions in this region the prospects of resettling this residual population are very bright. Resettled families are being assisted with a Settling-in-Allowance of Rs. 2000/-, a Productive Enterprise Grant of Rs.4000/- for resumption of economic activities, and dry rations for 6 months up to the value of a maximum of Rs. 1260/- per family per month. In addition a sum of Rs. 15,000/- is provided as a grant to low income families (income below Rs. 1500/- per month) for reconstruction/ repair of damaged housing. A substantial section of those who have returned to their original places of residence have not been supported due to paucity of funds. Despite enthusiasm on the part of displaced families to return to their original places, resettlement has progressed somewhat slowly for this reason. The main source of funds for supporting resettlement was derived from donors. Since most of these funds are being exhausted and government resources are concentrated on relief, it is imperative that existing sources of donor support are further augmented in order to speed up resettlement.

## **Infrastructure**

2.62 The provision of infrastructure facilities to resettled population is equally important to enable them to resume normal economic activities. Programmes have been launched for the restoration of infrastructure facilities such as irrigation works, roads, telecommunications facilities, and agricultural support services, with existing donor funds. Wherever possible, funds earmarked for uncleared areas, and which remain unutilised, have been diverted to meet the needs of the newly resettled population. Extensions also have been sought on donor funded projects which are due to lapse shortly. Despite these measures several infrastructure projects remain untouched due to inadequacy of funds.



## Requirements

2.63 A working group has been set up to identify the immediate requirements of rehabilitation and the future needs of reconstruction and development in the affected areas. The recent IDA Review Mission has already agreed to support the commissioning of services of consultants to carry out this exercise. A rapid assessment of future reconstruction needs will be carried out shortly. The ADB funded Agricultural Rehabilitation Project which provides support for infrastructure and loans for agri-business is unable to cope with the demand placed on it. In the circumstances, a request is being made for further support through another project for the Agriculture sector. Additional support from bi-lateral donors, if available for resettlement and reconstruction, will also go a long way to augment existing sources of funds and serve as an impetus for normalisation.

2.64 Programme performance during 1992 registered a significant improvement with an expenditure of Rs. 1669 million as against Rs. 1242 million during 1991. The Government remains committed to the programme and has provided a sum of Rs. 1811 million for the current year. Since most donor funded projects are coming to an end, further donor support is necessary to sustain the momentum gathered under this programme.

3.01 The Public Investment Programme, 1993 - 1997, is the 15th in the series of Public Investment Programmes which started in 1979. The concept of a rolling plan which has been followed has enabled the programme to be reviewed and revised every year, taking into consideration changes in the availability of resources and in national policies and objectives.

3.02 Major elements of the Government's capital expenditure programme and its relationship with public investment during the five year period 1993 - 1997 are shown in Table A in summary form. Projected Public Investment for the period concerned amounts to Rs. 325 billion. Out of this sum, about Rs. 314 billion will be financed from the government budget.

3.03 Major ongoing and new projects financed through budgetary resources are in Tables B to D in detail. This list includes projects in the following sectors -

- Agriculture
- Industry
- Trade
- Tourism
- Economic infrastructure
- Social infrastructure

3.04 The Government has concentrated on the completion of projects which had already commenced during the past few years, as against new projects. Due to resource constraints, the Government has been compelled to restrain levels of capital expenditure. Requests made by Ministries for budgetary allocations for the period between 1993 - 1997







## CHAPTER 3

### PUBLIC INVESTMENT 1993-1997

3.01 The Public Investment Programme, 1993 - 1997, is the 15th in the series of Public Investment Programmes which started in 1979. The concept of a rolling plan which has been followed has enabled the programme to be reviewed and revised every year, taking into consideration changes in the availability of resources and in national policies and objectives.

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far exceeded the available budgetary resources, and therefore a number of programmes and projects have had to be pruned down.

**Sectoral Investments 1993 - 1997**

3.05 The priorities laid down in the sector strategies such as the National Agricultural Food and Nutrition Strategy, the Medium Term Investment Programme for the Plantation Sector, Telecommunication Master Plan, Long Term Power Generation Expansion Plan, and the Road Rehabilitation Programme were considered as basic guides for sectorwise investment allocation for the 1993 - 1997 period. Every attempt has been made to reflect national development priorities in determining sectoral allocations, making the maximum utilization of available foreign loans and grants.

3.06 The details of ongoing projects are shown in Table B. Reference to these projects has already been made in the chapter covering the different sectors.

3.07 A brief description of new projects which have been phased in for implementation during 1993 - 1997 is given in Table C. The phasing of the projects has been indicated in the sectorwise breakdown of investments given in Table C. A number of new projects approved by the Government for implementation have been, however, deferred due to resource constraints.



# ALLOCATION OF GOVERNMENT CAPITAL EXPENDITURE 1993 – 1997



to maximize the available budgetary resources, and therefore a number of programmes were being pruned down.

#### General Investment Programmes 1981 - 1987

1.1. The following are the major strategies such as the National Agricultural and Rural Development Strategy, the Medium Term Investment Programme for the period 1981 - 1987, the National Water Master Plan, Long Term Power Generation Expansion Plan and the Road Development Programme were considered as basic guides for investment decisions for the 1981 - 1987 period. Every effort has been made to effect rational investment decisions in order to achieve the maximum utilization of available investment funds.

1.2. The 1981 - 1987 investment programme is of Type B. Reference to these projects was made by the Government in the different sectors.

1.3. Several other projects which have been phased in for implementation during 1981 - 1987 are given in Table C. The timing of the projects has been decided in the light of the availability of resources. A number of new projects which have been proposed for implementation have been, however, deferred.

## ALLOCATION OF GOVERNMENT CAPITAL EXPENDITURE 1981 - 1987



**Government Capital Expenditure 1993 – 1997**

1/ Corresponds to capital expenditure net of repayments in Treasury format



TABLE B

## SECTOR SUMMARY (Rs Million)

## Ongoing Projects

ITEM	1993			1994			1995			1996			1997			1993 - 1997		
	T	FA	T	T	FA	T	T	FA	T	T	FA	T	T	FA	T	FC	LC	FA
<b>TOTAL</b>	45576	19734	54057	27551	55009	23958	46844	14629	43508	11077	244994	133249	111745	96949				
<b>1. Agriculture</b>	7110	3229	7431	3709	8311	3491	7554	2990	6797	2431	37203	12373	24830	15850				
(a) Mahaweli	2666	704	2594	717	3884	808	3869	858	3945	968	16958	5906	11052	4055				
(b) Other Irrigation	1216	761	1209	754	1511	852	1195	675	732	285	5863	1014	4849	3327				
(c) Forestry	322	215	411	325	530	425	574	480	574	480	2411	1618	793	1925				
(d) Land	920	381	874	400	499	18	529	19	557	-	3379	216	3163	818				
(e) Field, Export Crops	927	454	1096	662	677	412	463	256	299	174	3462	1613	1849	1958				
(f) Livestock	36	1	53	6	40	6	34	5	28	1	191	81	110	19				
(g) Fisheries	377	221	555	405	589	509	500	425	366	302	2387	1266	1121	1862				
(h) Plantations	646	492	639	440	581	461	390	272	296	221	2552	659	1893	1886				
<b>2. Industries, Tourism &amp; Trade</b>	1049	90	1047	47	1105	27	1216	33	1338	33	5755	1853	3902	230				
<b>3. Human Settlements</b>	8229	3574	8923	4229	8904	4124	8173	3335	6873	2523	41102	17881	23221	17785				
(a) Housing	555	170	657	174	830	249	588	24	582	24	3212	1523	1689	641				
(b) Urban Infrastructure	1282	536	1594	996	1927	1444	1716	1000	870	580	7389	3897	3492	4556				
(c) Other Construction	227	74	263	68	280	96	292	100	280	84	1342	428	914	422				
(d) Environmental Management	146	115	152	116	274	231	335	244	295	233	1202	893	309	939				
(e) Water Supply & Sanitation	3046	1788	3432	2169	2386	1338	1694	1073	1376	866	11934	6120	5814	7234				
(f) Provincial/Regional Development	2015	90	2019	30	2253	-	2453	-	2551	-	11291	3469	7822	120				
(g) IRDPP	958	801	806	676	954	766	1095	894	919	736	4732	1551	3181	3873				



ITEM	1993			1994			1995			1996			1997			1993 - 1997		
	T	FA	T	T	FA	T	T	FA	T	T	FA	T	T	FA	T	FC	LC	FA
<b>4. Economic Infrastructure</b>	15697	9921	21416	16112	19175	12305	11871	4981	9274	2853	77433	53094	24339	46172				
(a) Transport	6355	1104	8126	3166	10304	3795	9458	2985	7871	1885	42114	22281	19833	12935				
(b) Power & Energy	5030	4897	5375	5317	1539	1495	1451	1400	995	938	14390	14112	278	14047				
(c) Posts & Telecommunications	2114	1780	3965	3751	1840	1606	282	-	292	-	8493	6982	1511	7137				
(d) Ports & Shipping	2198	2140	3950	3878	5492	5409	680	596	116	30	12436	9719	2717	12053				
<b>5. Social Infrastructure</b>	5298	1500	6240	1864	7614	2296	7140	1403	7247	1140	33539	15573	17966	8203				
(a) Education	2932	860	3170	938	3347	987	3527	869	3645	834	16621	4661	11960	4488				
(b) Health	2027	557	2660	807	3769	1164	3087	517	3045	304	14588	10331	4257	3349				
(c) Others	339	83	410	119	498	145	526	17	557	2	2330	581	1749	366				
<b>6. Administrative Overheads</b>	8193	1420	9000	1590	9900	1715	10890	1887	11979	2097	49962	32475	17487	8699				
(a) Administrative Overheads	5337	1420	6716	1580	7387	1715	8126	1887	8939	2097	36505	23728	12777	8699				
(b) Head Miscellaneous	2856	-	2284	-	2513	-	2764	-	3040	-	13457	8747	4710	-				



TABLE C

SECTOR SUMMARY (Rs Million)

New projects

ITEM	1993			1994			1995			1996			1997			1993 - 1997		
	T	FA	T	T	FA	T	T	FA	T	T	FA	T	T	FA	T	FC	LC	FA
<b>TOTAL</b>	1307	1070	1666	1077	6845	5584	7392	6186	4527	3680	21737	274	21463	17597				
<b>1. Agriculture</b>	107	96	106	51	1335	1096	1437	1180	1470	1230	4455	1427	3028	3653				
(a) Mahaweli	10	-	10	5	286	153	369	212	370	222	1045	372	673	592				
(b) Other Irrigation	-	-	-	-	-	-	-	-	-	-	-	-	-	-				
(c) Forestry	47	47	40	20	70	35	80	40	95	60	332	43	289	202				
(d) Land	-	-	-	-	-	-	-	-	-	-	-	-	-	-				
(e) Field, Export Crops	-	-	3	-	3	-	2	-	-	-	8	8	-	-				
(f) Livestock	5	4	28	2	36	8	31	8	25	8	120	46	74	30				
(g) Fisheries	-	-	-	-	80	50	75	50	80	50	235	140	95	150				
(h) Plantations	45	45	25	24	860	850	880	870	900	890	2665	768	1897	2679				
<b>2. Industries, Tourism &amp; Trade</b>	-	-	-	-	-	-	-	-	-	-	-	-	-	-				
<b>3. Human Settlements</b>	-	-	-	-	-	-	-	-	-	-	-	-	-	-				
(a) Housing	-	-	-	-	-	-	-	-	-	-	-	-	-	-				
(b) Urban Infrastructure	-	-	-	-	-	-	-	-	-	-	-	-	-	-				
(c) Other Construction	-	-	-	-	-	-	-	-	-	-	-	-	-	-				
(d) Environmental Management	-	-	-	-	-	-	-	-	-	-	-	-	-	-				
(e) Water Supply & Sanitation	-	-	-	-	-	-	-	-	-	-	-	-	-	-				
(f) Provincial/Regional Development	-	-	-	-	-	-	-	-	-	-	-	-	-	-				
(g) IRDPP	-	-	-	-	-	-	-	-	-	-	-	-	-	-				



ITEM	1993			1994			1995			1996			1997			1993 - 1997		
	T	FA	T	T	FA	T	T	FA	T	T	FA	T	T	FA	T	FC	LC	FA
<b>4. Economic Infrastructure</b>	1200	974	1300	874	5190	4 303	5585	4791	2637	2210	15912	13164	2748	13152				
(a) Transport	275	49	540	139	1100	263	1009	293	644	242	3568	2240	1328	986				
(b) Power & Energy	925	925	175	150	1300	1250	1681	1603	1183	1158	5264	5064	200	5086				
(c) Posts & Telecommunications	-	-	535	535	1160	1160	1635	1635	600	600	3930	3340	590	3930				
(d) Ports & Shipping	-	-	50	50	1630	1630	1260	1260	210	210	3150	2520	630	3150				
<b>5. Social Infrastructure</b>	-	-	260	152	320	185	370	215	420	240	1370	475	895	792				
(a) Education	-	-	260	152	320	185	370	215	420	240	1370	475	895	792				
(b) Health	-	-	-	-	-	-	-	-	-	-	-	-	-	-				
(c) Others	-	-	-	-	-	-	-	-	-	-	-	-	-	-				
<b>6. Administrative Overheads</b>	-	-	-	-	-	-	-	-	-	-	-	-	-	-				
(a) Administrative Overheads	-	-	-	-	-	-	-	-	-	-	-	-	-	-				
(b) Head Miscellaneous	-	-	-	-	-	-	-	-	-	-	-	-	-	-				



TABLE D

SECTOR SUMMARY (Rs Million)

Total

ITEM	1993			1994			1995			1996			1997			1993 - 1997		
	T			T			T			T			T			T		
	FA	LC	FC	FA	LC	FC	FA	LC	FC	FA	LC	FC	FA	LC	FC	FA	LC	FC
<b>TOTAL</b>	46883	20804	55723	28628	61854	29542	54236	20815	48035	14757	266731	133523	133208	114546				
<b>1. Agriculture</b>	7217	3325	7537	3760	9646	4587	8991	4170	8267	3661	41658	13800	27858	19503				
(a) Mahaweli	2676	704	2604	722	4170	961	4238	1070	4315	1190	18003	6278	11725	4647				
(b) Other Irrigation	1216	761	1209	754	1511	852	1195	675	732	285	5863	1014	4849	3327				
(c) Forestry	369	262	451	345	600	460	654	520	669	540	2743	1661	1082	2127				
(d) Land	920	381	874	400	499	18	529	19	557	-	3379	216	3163	818				
(e) Field, Export Crops	927	454	1099	662	680	412	465	256	299	174	3470	1612	1858	1958				
(f) Livestock	41	5	81	8	76	14	66	13	55	9	314	123	196	47				
(g) Fisheries	377	221	555	405	669	559	575	475	446	352	2622	1406	1216	2012				
(h) Plantations	691	537	664	464	1441	1311	1270	1142	1196	1111	5217	1473	3744	4565				
<b>2. Industries Tourism &amp; Trade</b>	1049	90	1047	47	1105	27	1216	33	1338	33	5755	1853	3902	230				
<b>3. Human Settlements</b>	8229	3574	8923	4229	8904	4124	8173	3335	6873	2523	41102	17881	23221	17785				
(a) Housing	555	170	657	174	830	249	588	24	582	24	3212	1523	1689	641				
(b) Urban Infrastructure	1282	536	1594	996	1927	1444	1716	1000	870	580	7389	3897	3492	4556				
(c) Other Construction	227	74	263	68	280	96	292	100	280	84	1342	428	914	422				
(d) Environmental Management	146	115	152	116	274	231	335	244	295	233	1202	893	309	939				
(e) Water Supply & Sanitation	3046	1788	3432	2169	2386	1338	1694	1073	1376	866	11934	6120	5814	7234				
(f) Provincial/Regional Development	2015	90	2019	30	2253	-	2453	-	1751	-	11291	3469	7822	120				
(g) IRDPP	958	801	806	676	954	766	1095	894	919	736	4732	1551	3181	3873				



ITEM	1993		1994		1995		1996		1997		1993 - 1997		
	T	FA	T	FA	T	FA	T	FA	T	FA	FC	LC	FA
<b>4. Economic Infrastructure</b>	16897	10895	22716	16986	24365	16608	17456	9772	11911	5063	93345	66258	27087 59324
(a) Transport	6630	1153	8666	3305	11404	4058	10467	3278	8515	2127	45682	24521	21161 13921
(b) Power & Energy	5955	5822	5550	5467	2839	2745	3132	3003	2178	2096	19654	19176	478 19133
(c) Posts & Telecommunications	2114	1780	4500	4286	3000	2766	1917	1635	892	600	12423	10322	2101 11067
(d) Other Eco. Overheads	2198	2140	4000	3928	7122	7039	1940	1856	326	240	15586	12239	3347 15203
<b>5. Social Infrastructure</b>	5298	1500	6500	2016	7934	2481	7510	1618	7667	1380	34909	15048	18861 8995
(a) Education	2932	860	3430	1090	3667	1172	3897	1084	4065	1074	17991	5136	12855 5280
(b) Health	2027	557	2660	807	3769	1164	3087	517	3045	304	14588	10331	4257 3349
(c) Others	339	83	410	119	498	145	526	17	557	2	2330	581	1749 366
<b>6. Administrative Overheads</b>	8193	1420	9000	1590	9900	1715	10890	1887	11979	2097	49962	32475	17487 8699
(a) Administrative Overheads	5337	1420	6716	1590	7387	1715	8126	1887	8939	2097	36505	23728	12777 8699
(b) Head Miscellaneous	2856	-	2284	-	2513	-	2764	-	3040	-	13457	8747	4710 -



I AGRICULTURE

ITEM	1993		1994		1995		1996		1997		1993 – 1997			
	T	FA	T	FA	T	FA	T	FA	T	FA	T	FC	LC	FA
(a). Mahaweli	2676	704	2604	722	4170	961	4238	1070	4315	1190	18003	6274	11729	4647
Ongoing														
1. Rehab. and Improv. of capital Assets	519	-	517	-	728	-	836	-	842	-	3442	1205	2237	-
2. Aquisition of equipment	-	-	17	-	13	-	13	-	17	-	60	21	39	-
3. Construction of buildings	-	-	5	-	4	-	5	-	5	-	19	7	12	-
4. System "C"	579	182	150	100	183	-	112	-	15	-	1039	364	675	282
5. System "B" (Left Bank)	520	240	470	318	595	366	179	-	127	-	1891	655	1236	924
6. Victoria Project	15	-	1	-	-	-	-	-	-	-	16	5	11	-
7. Randenigala Project	50	-	10	-	19	-	-	-	-	-	79	27	52	-
8. Access Roads	15	11	19	15	63	-	51	-	10	-	158	55	103	26
9. Udawalawe Project (Right Bank)	193	103	300	-	246	-	12	-	6	-	757	265	492	103
Water Supply	-	-	30	-	20	-	-	-	-	-	50	17	33	-
10. Stage II	7	-	2	-	4	-	-	-	-	-	13	3	10	-
11. Upper Mahaweli Catch. Dev. Proj.	80	34	150	36	65	-	61	-	34	-	390	136	254	70
12. Emp. Invest. and Enterprise	184	127	180	134	174	126	28	-	30	-	596	209	387	387
13. System "L"	150	-	200	-	666	-	479	-	344	-	1839	644	1195	-
14.Forestry & Environment Project	11	-	25	16	14	-	15	-	2	-	67	20	47	16
15. General Administration	295	-	390	-	465	-	500	-	565	-	2215	775	1440	-
16. Draught Animal & Dairy Dev. Prog.	20	7	28	23	78	-	54	-	100	-	280	98	182	30
17. Udawalawe Project (Left Bank)	15	-	90	75	547	316	1524	858	1848	968	4024	1400	2624	2217
18. Kotmale Project	13	-	10	-	-	-	-	-	-	-	23	5	18	-
New Projects														
19. Kalu Ganga/Moragaha Kanda Project	10	-	t.v.	-	t.v.	-	t.v.	-	t.v.	-	10	1	9	-
20. Mahaweli Consolidation Project	-	-	10	5	286	153	369	212	370	222	1035	362	673	592

t.v. = token vote



ITEM	1993			1994			1995			1996			1997			1993 - 1997		
	T	FA	T	T	FA	T	T	FA	T	T	FA	T	T	FA	FC	LC		
	1216	761	1209	754	1511	852	1195	675	732	285	5863	1024	4849	3327				
<b>(b) Other Irrigation</b>																		
<u>Annually</u>																		
1. Maintenance	148	-	170	-	150	-	150	-	150	-	768	-	768	-	768	-	-	-
2. Investigations	33	-	27	-	20	-	20	-	20	-	120	-	120	-	120	-	-	-
3. Improvements in Water Management	6	-	7	-	5	-	5	-	5	-	28	-	28	-	28	-	-	-
4. Improvements to Major Irrigation Works	5	-	5	-	6	-	5	-	5	-	28	-	28	-	28	-	-	-
5. Flood Damage Repairs	18	-	11	-	15	-	15	-	15	-	74	-	74	-	74	-	-	-
6. Strengthening of Headworks	14	-	18	-	15	-	15	-	15	-	77	-	77	-	77	-	-	-
7. Other Annually	8	-	8	-	10	-	12	-	15	-	53	12	51	-	51	-	-	-
<u>Ongoing</u>																		
1. KOISP Phase I	5	5	-	-	-	-	-	-	-	-	5	1	4	5	4	5	-	-
2. KOISP Phase II	80	75	6	5	-	-	-	-	-	-	86	17	69	80	69	80	-	-
3. MIRP	33	22	-	-	-	-	-	-	-	-	33	7	26	22	26	22	-	-
4. ISMP	114	89	105	80	100	77	-	-	-	-	319	64	255	246	255	246	-	-
5. Minipe Nagadeepa Irrigation	185	160	195	170	22	15	-	-	-	-	402	80	322	345	322	345	-	-
6. Minipe Nagadeepa Rural Dev.	-	-	25	20	200	180	175	150	-	-	400	80	320	350	320	350	-	-
7. Nilwala Flood Protection	5	-	-	-	-	-	-	-	-	-	5	1	4	-	4	-	-	-
8. Restor. of 12 Irrig. Schemes in NWP	122	110	114	104	-	-	-	-	-	-	236	118	118	214	118	214	-	-
9. Bridge Across Kalaoya-Rajangana	2	-	3	-	-	-	-	-	-	-	5	1	4	-	4	-	-	-
10. Restor. of Deegawapi	1	-	1	-	-	-	-	-	-	-	2	-	2	-	2	-	-	-
11. Restor. of Saddhatissa	20	-	10	-	10	-	10	-	-	-	50	8	42	-	42	-	-	-
12. Impts. to Kelani North Bund	10	-	15	-	195	-	5	-	5	-	230	46	184	-	184	-	-	-
13. Ellapathana Anicut across Yanoya	3	-	6	-	-	-	-	-	-	-	9	3	6	-	6	-	-	-
14. Restor. of Sorowwenbindunuwewa	3	-	2	-	-	-	-	-	-	-	5	1	4	-	4	-	-	-
15. NIRP	300	225	300	225	400	350	350	285	350	285	1700	340	1360	1370	1360	1370	-	-
16. Restoration of Mahakanadarawa	5	-	3	-	3	-	3	-	-	-	14	3	11	-	11	-	-	-
17. Augment of Mahawilachchiya	1	-	1	-	-	-	-	-	-	-	2	-	2	-	2	-	-	-
18. Construction of Rambukkan Oya	5	-	2	-	100	-	150	-	150	-	407	82	325	-	325	-	-	-
19. NWP Water Res. Dev Project	90	75	175	150	260	230	280	240	-	-	805	160	645	695	645	695	-	-



(Rs Million)

ITEM	1993		1994		1995		1996		1997		1993 - 1997			
	T	FA	T	FA	T	FA	T	FA	T	FA	T	FC	LC	FA
(c) Forestry	368.6	261.6	450.5	345	600	460	654	520	669	540	2742.6	1660.6	1082	2126.6
<u>Annually</u>	39	-	45.5	-	50	-	54	-	54	-	243	-	243	-
1. Maintenance	13	-	16	-	16	-	16	-	16	-	77	-	77	-
2. Forestry Extension Services	4	-	6	-	6	-	6	-	6	-	28	-	28	-
3. Forestry Research	-	-	0.5	-	2	-	2	-	2	-	7	-	7	-
4. Sinharaja Biosphere Project	2	-	2	-	2	-	2	-	2	-	10	-	10	-
5. Management of Forest Resources	7	-	7	-	8	-	10	-	10	-	42	-	42	-
6. Other Annually	13	-	14	-	16	-	18	-	18	-	79	-	79	-
<u>Ongoing</u>	283	215	365	325	480	425	520	480	520	480	2168	1617.6	550	1925
7. Forest Sector Development Project	249	184	275	245	370	325	380	350	380	350	1654	1488.6	165	1454
8. Participatory Forestry Project	34	31	90	80	110	100	140	130	140	130	514	129	385	471
<u>New</u>	46.6	46.6	40	20	70	35	80	40	95	60	331.6	43	289	201.6
9. Development of Wildlife Conservation	46.6	46.6	40	20	70	35	80	40	95	60	332	43	289	201.6



(Rs Million)

ITEM	1993			1994			1995			1996			1997			1993 - 1997		
	T	FA	LC	T	FA	LC	T	FA	LC	T	FA	LC	T	FA	LC	T	FA	LC
(d) Lands	920	381	874	400	499	18	529	19	557	-	-	-	3379	216	3163	818		
Annually	458	15	442	13	486	15	516	17	546	-	-	-	2448	40	2408	60		
1. Maintenance	34	-	40	-	40	-	40	-	40	-	-	-	194	-	194	-		
2. Water Resources Board	9	-	9	-	9	-	9	-	9	-	-	-	45	-	45	-		
3. Land Reform Commission	100	-	85	-	80	-	80	-	80	-	-	-	425	-	425	-		
4. Acquisition of Lands for State purposes	200	-	200	-	250	-	275	-	300	-	-	-	1225	-	1225	-		
5. Agriculture Development on State Lands	18	15	17	13	20	15	22	17	22	20	-	-	99	40	59	80		
6. Capital Grants to Provincial Councils	45	-	40	-	40	-	40	-	42	-	-	-	207	-	207	-		
7. Upcountry Peasantry Rehabilitation	15	-	15	-	15	-	16	-	17	-	-	-	78	-	78	-		
8. Other Annually	37	-	36	-	32	-	34	-	36	-	-	-	175	-	175	-		
Ongoing	462	366	432	387	13	3	13	2	11	-	-	-	931	176	755	758		
9. Land Use Planning Project	440	360	419	383	-	-	-	-	-	-	-	-	859	172	687	743		
10. Muthukandiya Dry Farming Project	4	3	2	2	-	-	-	-	-	-	-	-	6	-	6	5		
11. Intensification Land Title	15	-	9	-	9	-	10	-	11	-	-	-	54	-	54	-		
12. Sri Lanka/Swiss Satellite Project	3	3	2	2	4	3	3	2	-	-	-	-	12	4	8	10		



ITEM	1993			1994			1995			1996			1997			1993 - 1997		
	T	FA	T	T	FA	T	T	FA	T	T	FA	T	T	FA	T	FC	LC	FA
<b>(e) Field &amp; Export Crops</b>																		
<u>Annals</u>																		
1. Maintenance	927.3	454.4	1099.2	86.3	-	25	-	-	27	-	-	29	-	-	298.8	104.6	194.2	70
2. A.R.T.I.	6	-	6.5	-	-	4	-	-	4	-	-	4	-	-	24.5	17.2	7.3	-
3. A.D.A. & Agricultural Productivity Villages	50.3	-	10	-	-	5	-	-	4	-	-	3	-	-	72.3	36.3	36	-
4 A.I.B.	8	-	2	-	-	2	-	-	2	-	-	2	-	-	16	-	16	-
5. S.L.N.F.H.C.B.	0.9	-	1	-	-	1	-	-	1	-	-	1	-	-	4.9	-	4.9	-
6. Agricultural Trust Fund	15	-	25	-	-	10	-	-	11	-	-	-	-	-	61	-	61	-
7. Construction Of Agro Wells	25	-	25	-	-	10	-	-	-	-	-	-	-	-	60	-	60	-
8. Yield Increase at Small Farmer Level	0.5	0.5	0.3	0.3	0.3	-	-	-	-	-	-	-	-	-	0.8	0.8	-	0.8
9. Capital Grants to Provincial Councils	27	-	30	-	-	30	-	-	30	-	-	-	-	-	117	-	117	-
10. Other Annals	62	-	181.6	164.4	-	25	-	-	25	-	-	25	-	-	318.6	207	111.6	164.4
11. Other Annals (My/F & Co-operatives)	-	-	14.5	-	-	15	-	-	16	-	-	17	-	-	62.5	-	62.4	-
<u>Ongoing</u>	601.1	383.9	714	497.6	412	550	412	412	343	256	218	174	174	2426.1	1246.9	1187.2	1723.5	
12. Agricultural Planning & Analysis Project	31	14	8	1	-	-	-	-	-	-	-	-	-	-	39	32	7	15
13. Perennial Crop Devel. Project	104	84	125	80	130	160	130	100	100	80	50	40	40	539	162	377	414	
14. AGA Level Agricultural Programme	30	-	15	-	15	-	-	-	-	-	-	-	-	60	-	60	-	
15. Second Agricultural Extension Project	50	43	140	122	113	130	113	100	100	87	100	87	87	520	125	395	452	
16. Hadabima Authority (NADSA)	18.7	8.7	20.8	8.8	-	10	-	-	10	-	10	-	-	69.5	59.1	10.4	17.5	
17. Agricultural Research Project	150.1	113.9	200.2	163.8	123	150	123	100	100	82	50	41	41	650.3	522.8	127.5	523.7	
18. Diversified Agricultural Research Project	9.5	4.2	5	-	-	-	-	-	-	-	-	-	-	14.5	10.9	3.6	4.2	
19. Dev. of Small Scale Agricultural Project	14.7	13.1	10	8	9	11	9	9	9	7	8	6	6	52.7	41.1	11.6	43.1	
20. Plant Genetic Resources Centre	3.8	3	4	3	-	-	-	-	-	-	-	-	-	7.8	7	0.8	6	
21. National Plant Quarantine Project	50	100	150	111	37	50	37	-	-	-	-	-	-	350	287	63	248	
22. Rehab. of Massey Ferguson Tractors	0.3	-	-	-	-	-	-	-	-	-	-	-	-	0.3	-	0.3	-	
23. Financial Assist. to Devel. & Produc. of Export Crops	11	-	18	-	-	10	-	-	10	-	-	-	-	49	-	49	-	
24. Block Demonstration Scheme	13	-	10	-	-	8	-	-	8	-	-	-	-	39	-	39	-	
25. Financial Assist. to Ex. Agriculture	15	-	8	-	-	6	-	-	6	-	-	-	-	35	-	35	-	
<u>New Projects</u>																		
26. Soil Conservation Project	-	-	3	-	-	3	-	-	-	2	-	-	-	8	-	-	8	-



(Rs Million)

ITEM	1993		1994		1995		1996		1997		1993 - 1997			
	T	FA	T	FA	T	FA	T	FA	T	FA	T	FC	LC	FA
<b>(f) Livestock</b>														
<u>Annals</u>	41.4	4.3	80.7	8.0	78.0	13.5	66.0	12.5	54.5	9.0	320.7	123.1	197.5	47.3
1. Maintenance	8.6	-	17.1	-	13.0	-	11.0	-	10.0	-	59.8	18.8	41.0	-
2. Other Annals	2.6	-	4.4	-	3.0	-	2.0	-	2.0	-	14.0	-	14.0	-
	6.0	-	12.8	-	10.0	-	9.0	-	8.0	-	45.8	18.8	27.0	-
<u>Ongoing</u>	27.8	0.8	35.6	6.0	29.5	5.5	24.5	4.5	19.5	1.0	136.9	54.8	82.1	17.8
3. Small Farmer Integrated Livestock Proj.	7.0	-	10.0	6.0	7.0	5.0	6.0	4.0	2.0	1.0	32.0	12.8	19.2	16.0
4. Control of Contagious Diseases	4.0	-	7.0	-	7.0	-	6.0	-	6.0	-	30.0	12.0	18.0	-
5. Artificial Breeding Scheme	3.0	-	3.0	-	2.0	-	2.0	-	2.0	-	12.0	4.8	7.2	-
6. Heifer Calf Rearing Scheme	8.0	-	10.0	-	8.0	-	6.0	-	6.0	-	38.0	15.2	22.8	-
7. Fowl Cholera Vaccine Production	.8	.8	.6	-	.5	.5	.5	.5	.5	-	2.9	1.2	1.7	1.8
8. National Livestock Development Board	5.0	-	5.0	-	5.0	-	4.0	-	3.0	-	22.0	8.8	13.2	-
<u>New Projects</u>	5.0	3.5	28.0	2.0	35.5	8.0	30.5	8.0	25.0	8.0	124.0	49.6	74.4	29.5
9. ADB Second Livestock Dev. Project	5.0	3.5	3.0	2.0	10.5	8.0	10.5	8.0	10.0	8.0	39.0	15.6	23.4	29.5
10. Milco Dairy Development Programme	-	-	25.0	-	25.0	-	20.0	-	15.0	-	85.0	34.0	51.0	-



(Rs Million)

ITEM	1993			1994			1995			1996			1997			1993 - 1997		
	T	FA	T	T	FA	T	T	FA	T	T	FA	T	T	FA	T	FC	LC	FA
<b>(g) Fisheries</b>	377.4	221	554.5	404.8	669	558.8	574	475	445.5	352	2620.4	1404	216.4	2011.6				
<b>Annals</b>	123.6	-	111.5	-	77	-	71	-	61	-	444.1	95	349.1	-				
1. Maintenance	6.9	-	8	-	7	-	7	-	7	-	35.9	-	35.9	-				
2. Producer Subsidy for Fishermen	70	-	70	-	45	-	40	-	30	-	255	51	204	-				
3. Welfare of Fisherfolk	5	-	5	-	5	-	5	-	5	-	25	5	20	-				
4. National Aquatic Resources Agency	8	-	10	-	5	-	5	-	5	-	33	23	10	-				
5. Fisheries Harbours Corporation	10	-	12	-	10	-	10	-	10	-	52	16	36	-				
6. Other Annals	23.7	-	6.5	-	5	-	4	-	4	-	43.2	-	43.2	-				
<b>Ongoing</b>	253.8	221	443	404.8	512	508.8	428	425	304.5	302	1941.3	1169	772.3	1861.6				
7. National Hydrographic Office Phase II	57	45	50	45	-	-	-	-	-	-	107	75	32	90				
8. Marine Research Project	17	14	22	19	-	-	-	-	-	-	39	24	15	33				
9. Mollusc Culture Project	1.2	1	-	-	-	-	-	-	-	-	1.2	1	0.2	1				
10. Kirinda Fisheries Harbour	75	70	200	196	-	-	-	-	-	-	275	165	110	266				
11. Development of Demersal Fishing	5	5	-	-	-	-	-	-	-	-	5	-	5	5				
12. Fisheries Sector Development - ADB	50	45	150	125	500	498	420	418	300	298	1420	852	568	1384				
13. Study on Impact of Fishery Assistance	0.4	-	-	-	-	-	-	-	-	-	0.4	-	0.4	-				
14. Trophic Evaluation	2.2	2	2	1.8	2	1.8	-	-	-	-	6.2	2	4.2	5.6				
15. Construction of Negombo D.F.E.O.	4	-	-	-	-	-	-	-	-	-	4	-	4	-				
16. Marine Fisheries Management - UNDP	42	39	19	18	10	9	8	7	4.5	4	83.5	50	33.5	77				
<b>New</b>	-	-	-	-	80	50	75	50	80	50	235	140	95	150				
17. Southern Coast Fisheries Development	-	-	-	-	80	50	75	50	80	50	235	140	95	150				



(Rs Million)

ITEM	1993		1994		1995		1996		1997		1993 - 1997		
	T	FA	T	FA	T	FA	T	FA	T	FA	FC	LC	FA
<b>(h) Plantations</b>	691	537	664	464	1411	1311	1270	1142	1196	1111	5262	1473	3789 4565
<u>Annals</u>	138	9	109	-	53	-	66	-	63	-	429	25	404 9
1. Maintenance	1	-	-	-	2	-	2	-	3	-	8	-	8
2. Coconut Research Board	12	-	14	-	12	-	12	-	12	-	62	-	62
3. Coconut Development Authority	5	-	3	-	7	-	7	-	7	-	29	1	28
4. Coconut Cultivation Board	-	-	4	-	4	-	4	-	1	-	13	-	13
5. Coconut Development Project *	10	9	-	-	-	-	-	-	-	-	10	1	9
6. Sri Lanka Cashew Corporation	8	-	4	-	3	-	3	-	3	-	21	-	21
7. Silk & Allied Products Development Authority	9	-	7	-	10	-	10	-	8	-	44	-	44
8. Sri Lanka Cashew Corporation	4	-	4	-	3	-	3	-	2	-	15	-	15
9. Kitul Development Programme	-	-	1	-	2	-	2	-	2	-	6	-	6
10. Rehabilitation of Degraded Estates													
Lands	70	-	50	-	-	-	-	-	-	-	120	-	120
11. National Institute of Plantation Management	5	-	8	-	-	-	8	-	8	-	29	-	29
12. Palmyrah Development Board	3	-	5	-	2	-	2	-	2	-	14	-	14
13. Other Annals	13	-	9	-	8	-	13	-	15	-	58	23	35



ITEM	1993		1994		1995		1996		1997		1993 - 1997		
	T	FA	T	FA	T	FA	T	FA	T	FA	FC	LC	FA
<u>Ongoing</u>	508	483	530	440	528	461	324	272	233	221	2123	635	1488
14. Small Holder Tea Dev. Project	95	90	120	105	140	125	-	-	-	-	355	106	249
15. Second Rubber Rehabilitation	180	160	190	115	155	115	91	51	-	-	616	185	431
16. State Plantations Corporation	106	106	-	-	-	-	-	-	-	-	106	32	74
17. Janatha Estate Development Board	127	127	-	-	-	-	-	-	-	-	127	36	91
18. Plantation Housing and Social Welfare Trust Fund	-	-	-	-	-	-	-	-	-	-	-	-	-
(Norway and Netherland)	-	-	220	220	233	221	233	221	233	221	919	276	643
883													
<u>New Projects</u>	45	45	25	24	860	850	880	870	900	890	2710	814	1897
2679													
19. Tree Crop Rehabilitation Project	45	45	-	-	-	-	-	-	-	-	45	14	32
a. ADB assistance	-	-	10	10	300	300	300	300	300	300	910	273	637
b. Japan assistance (OECF)	-	-	10	10	500	500	500	500	500	500	1510	453	1057
1510													
20. Coconut Development Project	-	-	5	4	60	50	80	70	100	90	245	74	171
214													

Note \* Implementation of this project could not commence in 1993



## II INDUSTRIES

### (Summary)

(Rs Million)

NAME OF MINISTRY	1993		1994		1995		1996		1997		1993 - 1997			
	T	FA	T	FA	T	FA	T	FA	T	FA	T	FC	LC	FA
1. My. of Trade & Commerce	365.3	-	424.9	3.0	467.4	3.5	514.1	3.5	565.5	3.5	2337.2	148.4	2188.7	13.5
2. Ministry of Handlooms & Textile	54.7	-	*58.0	-	17.6	-	19.4	-	21.3	-	171.0	19.3	151.7	-
3. Ministry of Tourism & Rural Industrial Development	95.7	64.0	57.4	25.7	63.1	-	69.4	-	76.4	-	362.0	194.9	167.0	89.7
4. Ministry of Industries Science & Technology	122.8	25.5	106.7	18.6	117.4	23.5	129.1	2 9.0	142.0	29.0	618.0	321.7	296.3	125.6
5. B.O.I.	410.0	-	400.0	-	440.0	-	484.0	-	532.4	-	2266.4	1167.8	1098.6	-
<b>GRAND TOTAL</b>	<b>1048.5</b>	<b>89.5</b>	<b>1047.0</b>	<b>47.3</b>	<b>1105.5</b>	<b>27.0</b>	<b>1216.0</b>	<b>32.5</b>	<b>1337.6</b>	<b>32.5</b>	<b>5754.6</b>	<b>1852.1</b>	<b>3902.5</b>	<b>228.8</b>
6. I.D.P.	1176.0	1154.0	1115.0	1045.0	909.0	904.0	809.0	804.0	889.9	884.4	4898.9	4801.6	97.3	4791.4

\* 42 Mn. Included as a book value in the Ministry of Handloom & Textile, purchase of Govt. Bonds by Nat. Text.

Corpn. with Treasury advance payment. Proj. 104 - P. Code 2409 - Page 1310.



# II INDUSTRY

(Rs Million)

DESCRIPTION	1993		1994		1995		1996		1997		1993-1997			
	T	FA	T	FA	T	FA	T	FA	T	FA	T	FC	LC	FA
<b>Ministry of Industries, Science &amp; Technology</b>														
1. Rehab. & Imp. of Capital Assets Equipment Outlay	2.0	-	1.8	-	2.0	3.0	2.2	3.0	2.4	3.0	10.4	0.5	9.8	9.0
2. Acquisition of Equipment	12.0	-	5.0	-	5.5	-	6.1	-	6.7	-	35.2	27.0	8.2	-
Contributions to Industries, Scientific, Technological & Business Institutions														
1. CISIR	11.0	-	11.0	-	12.1	-	13.3	-	14.6	-	62.1	31.9	30.2	-
2. NERD	6.0	1.5	5.0	-	5.5	-	6.1	-	6.7	-	29.2	15.1	14.1	1.5
3. NARESA	22.8	17.9	17.3	12.3	19.0	2.5	20.9	3.0	23.0	3.0	103.1	77.1	26.0	38.7
4. Atomic Energy Authority	4.6	1.1	17.0	-	18.7	-	20.6	-	22.6	-	83.5	42.8	40.7	1.1
5. Computer & Information Technology Council (CINTEC)	1.7	-	2.0	-	2.2	-	2.4	-	2.7	-	11.0	6.0	5.0	-
6. Con. to Sri Lanka Standards Institution	9.8	-	10.0	0.3	11.0	-	12.1	-	13.3	-	56.2	29.3	26.9	0.3
7. Con. to Arthur C. Clarke Center	18.0	-	9.9	5.0	10.9	17.0	12.0	22.0	13.2	22.0	63.9	49.9	14.1	66.0
8. Con. to National Institute of Business Management	4.0	-	3.0	-	3.3	-	3.6	-	4.0	-	17.9	0.9	17.0	-
(a) Con. to Language Institute														
(b) Con. to Sri Lanka Business School	3.0	-	-	-	-	-	-	-	-	-	3.0	0.2	2.8	-
(c) Con. to Information Technology School														
(d) I.B.M. Donation of Equ.	-	-	-	-	-	-	-	-	-	-	-	-	-	-
9. Con. to Lanka Salt Ltd. Universal Iodisation of Salt (Unicef)	-	-	-	-	-	-	-	-	-	-	-	-	-	-
10. Land Acquisition	-	-	-	-	-	-	-	-	-	-	-	-	-	-
1. Ministry of Science & Technology	1.2	-	1.2	-	1.3	-	1.5	-	1.6	-	6.8	0.3	6.4	-
2. National Science & Technology Commission (NASTEC))	1.5	-	1.2	-	1.3	-	1.5	-	1.6	-	7.1	0.3	6.7	-
3. Ministry of Minerals & Mineral Based Industries	1.0	-	1.2	-	1.3	-	1.5	-	1.6	-	6.6	0.3	6.2	-
4. Regional Industrial Service Centres	7.4	4.0	1.0	-	1.1	-	1.2	-	1.3	-	12.0	0.6	11.4	4.0
5. Industrialisation Commission	-	-	1.2	-	1.3	-	1.5	-	1.6	-	5.6	0.3	5.3	-
6. Council of Industry	0.2	-	0.9	-	1.0	-	1.1	-	1.2	-	4.4	0.3	4.1	-
7. Payment to Consultant	-	-	-	-	-	-	-	-	-	-	-	-	-	-



(Rs Million)

	1993		1994		1995		1996		1997		1993 - 1997			
	T	FA	T	FA	T	FA	T	FA	T	FA	T	FC	LC	FA
<b>Geological Survey &amp; Mines Bureau</b>														
1. Rehab. & Imp. of Capital Assets	1.4	-	1.2	-	1.3	-	1.5	-	1.6	-	7.0	3.1	3.9	-
2. Acquisition of Equipment	10.0	-	9.3	-	10.2	-	11.3	-	12.4	-	53.2	13.9	39.2	-
<b>Department of Meteorology</b>														
1. Rehab. & Imp. of Capital Assets	0.3	-	0.7	-	0.8	-	0.8	-	0.9	-	3.5	0.2	3.3	-
2. Acquisition of Equipment	4.2	1.0	5.1	1.0	5.6	1.0	6.2	1.0	6.8	1.0	27.9	21.2	6.7	5.0
3. Building Construction	0.7	-	1.7	-	1.9	-	2.1	-	2.3	-	8.6	0.4	8.2	-
Total	122.8	25.5	106.7	18.6	117.4	23.5	129.1	29.0	142.0	29.0	618.0	321.7	296.3	125.6

DESCRIPTION	1993		1994		1995		1996		1997		1993 - 1997			
	T	FA	T	FA	T	FA	T	FA	T	FA	T	FC	LC	FA
<b>Department of Meteorology</b>														
1. Acquisition of Capital Assets	3.3	-	3.8	-	3.5	-	3.2	-	3.8	-	18.1	3.2	8.3	-
2. Acquisition of Equipment	10.0	-	10.2	-	10.3	-	10.1	-	10.8	-	43.4	10.3	8.3	-
3. Building Construction	0.7	-	1.7	-	1.9	-	2.1	-	2.3	-	8.6	0.4	8.2	-
Total	14.0	-	15.7	-	15.7	-	15.6	-	16.9	-	69.9	13.9	24.8	-



DESCRIPTION	1993		1994		1995		1996		1997		1993 - 1997			
	T	FA	T	FA	T	FA	T	FA	T	FA	T	FC	LC	FA
Ministry of Tourism & Rural Industrial Development														
1. Rehabilitation & Improvement to the Ministry Building	0.6	-	0.6	-	0.7	-	0.7	-	0.8	-	3.4	0.2	3.2	-
2. Acquisition of Equipment	2.2	-	2.9	-	3.2	-	3.5	-	3.9	-	15.7	9.5	6.2	-
Contribution to Non-Profit Oriented Public Institutions														
1. Ceylon Tourist Board (On going)	4.5	-	4.0	-	4.4	-	4.8	-	5.3	-	23.1	1.5	21.5	-
2. National Crafts Council (On going)	2.2	-	2.0	-	2.2	-	2.4	-	2.7	-	11.5	0.7	10.8	-
3. National Design Centre	2.0	-	2.5	-	2.8	-	3.0	-	3.3	-	13.6	0.8	12.8	-
4. Sri Lanka Handicrafts Board	2.2	-	6.2	-	6.8	-	7.5	-	8.3	-	31.0	2.2	28.7	-
5. IDB														
(a) Foundry Project	14.7	14.6	4.4	4.4	4.8	-	5.3	-	5.9	-	35.1	34.7	0.5	19.0
(b) On-going projects	4.7	-	6.8	-	7.5	-	8.2	-	9.1	-	36.3	0.9	35.3	-
(c) Expansion of Integrated Entrepreneurship Development	9.1	7.4	-	-	-	-	-	-	-	-	9.1	0.5	8.6	7.4
(d) Development of Extension & Counselling Service	-	-	-	-	-	-	-	-	-	-	-	-	-	-
(e) Upgrading Technology & Industrial Information Service	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Department of National Zoological Gardens														
1. Rehab. & Imp. of Capital Assets	0.5	-	0.5	-	0.5	-	0.6	-	0.6	-	2.7	0.2	2.5	-
2. Acquisition of Equipment	2.3	-	4.0	-	4.4	-	4.8	-	5.3	-	20.8	2.4	18.4	-
3. Permanent Improvements	2.5	-	-	-	-	-	-	-	-	-	2.5	0.1	2.4	-
Department of Small Industries														
1. Rehab. & Imp. of Capital Assets	1.2	-	-	-	-	-	-	-	-	-	1.2	0.1	1.1	-
2. Acquisition of Equipment	2.0	-	-	-	-	-	-	-	-	-	2.0	0.2	1.8	-
Vocational Training Institute (Hatton Pool Bank)	45.0	42.0	23.5	21.3	25.9	-	28.4	-	31.3	-	154.1	141.0	13.1	63.3
TOTAL	95.7	64.0	57.4	25.7	63.1	-	69.4	-	76.4	-	361.9	194.9	167.0	89.7



DESCRIPTION	1993		1994		1995		1996		1997		1993 - 1997			
	T	FA	T	FA	T	FA	T	FA	T	FA	T	FC	LC	FA
<b>Ministry of Trade &amp; Commerce</b>														
1. Acquisition of Equipment	2.2	-	2.0	-	2.2	-	2.4	-	2.7	-	11.5	7.6	3.9	-
2. Cont. to Export Development Board	352.0	-	411.4	3.0	452.5	3.5	497.8	3.5	547.6	3.5	2261.3	115.3	2146.0	13.5
3. Sri Lanka Inventors Commission	1.1	-	0.8	-	0.8	-	0.9	-	1.0	-	4.6	0.1	4.5	-
4. Fair Trading Commission	0.1	-	0.2	-	0.2	-	0.2	-	0.2	-	0.9	0.1	0.8	-
<b>Department of Registrar of Companies</b>														
1. Acquisition of Equipment	1.6	-	2.0	-	2.2	-	2.4	-	2.7	-	10.9	2.4	8.5	-
<b>Department of Controller of Imports &amp; Exports</b>														
1. Acquisition of Equipment	0.3	-	0.3	-	0.4	-	0.4	-	0.4	-	1.8	0.2	1.6	-
<b>Department of Commerce</b>														
1. Acquisition of Equipment	1.8	-	2.0	-	2.2	-	2.4	-	2.7	-	11.1	0.6	10.5	-
<b>Department of Internal Trade</b>														
1. Rehabilitation & Improvement of Capital Assets	1.9	-	0.1	-	0.1	-	0.1	-	0.1	-	2.1	0.5	1.6	-
2. Acquisition of Equipment	3.7	-	5.4	-	5.9	-	6.5	-	7.2	-	28.8	21.2	7.6	-
<b>Department of Commodity Purchase</b>														
1. Rehab. & Imp. of Capital Assets & Acquisition of Equipment	0.6	-	0.8	-	0.8	-	0.9	-	1.0	-	4.2	0.5	3.7	-
<b>TOTAL</b>	<b>365.3</b>	<b>-</b>	<b>424.9</b>	<b>3.0</b>	<b>467.4</b>	<b>3.5</b>	<b>514.1</b>	<b>3.5</b>	<b>565.5</b>	<b>3.5</b>	<b>2337.2</b>	<b>148.4</b>	<b>2188.7</b>	<b>13.5</b>



(Rs Million)

DESCRIPTION	1993		1994		1995		1996		1997		1993 - 1997			
	T	FA	T	FA	T	FA	T	FA	T	FA	T	FC	LC	FA
<b>Ministry of Handlooms &amp; Textiles Industries</b>														
1. Rehabilitation & Improvement of Capital Assets	0.1	-	0.5	-	0.6	-	0.6	-	0.7	-	2.4	0.1	2.3	-
2. Acquisition of Equipment	2.1	-	3.8	-	4.2	-	4.6	-	5.1	-	19.7	13.0	6.7	-
3. Purchasing of Govt. Bond	42.0	-	42.0	-	-	-	-	-	-	-	84.0	-	84.0	-
4. Provincial Councils	2.3	-	2.5	-	2.8	-	3.0	-	3.3	-	13.9	1.2	12.7	-
Contributions to non profit oriented Institution														
T.T.S.C.	2.7	-	3.0	-	3.3	-	3.6	-	4.0	-	16.6	3.0	13.6	-
C.I.T.I.	2.2	-	3.0	-	3.3	-	3.6	-	4.0	-	16.2	0.8	15.3	-
Department of Textile Industries														
1. Powerloom Projects	-	-	-	-	-	-	-	-	-	-	-	-	-	-
2. Handloom Centres	1.0	-	0.9	-	1.0	-	1.1	-	1.2	-	5.2	-	5.2	-
3. Rehabilitation & Improvement of Capital Assets	2.0	-	2.0	-	2.2	-	2.4	-	2.7	-	11.3	0.6	10.7	-
4. Acquisition of Equipment	0.3	-	0.3	-	0.3	-	0.4	-	0.4	-	1.7	0.5	1.2	-
<b>TOTAL</b>	<b>54.7</b>	<b>-</b>	<b>58.0</b>	<b>-</b>	<b>17.6</b>	<b>-</b>	<b>19.4</b>	<b>-</b>	<b>21.3</b>	<b>-</b>	<b>171.0</b>	<b>19.3</b>	<b>151.7</b>	<b>-</b>



III HUMAN SETTLEMENTS

(Rs Million)

NAME OF THE PROJECT	1993		1994		1995		1996		1997		1993 - 1997			
	T	FA	T	FA	T	FA	T	FA	T	FA	T	FC	LC	FA
(a) Housing														
1. Rehab. & Improve. of Capital Assets	17.0	-	22.0	-	23.5	-	25.0	-	25.0	-	112.5	16.9	95.6	-
2. Acquisition of Equipment	2.5	-	3.0	-	3.0	-	3.0	-	3.0	-	14.5	2.9	11.6	-
3. Contributions to NHDA														
(i) Institutional Development	100.0	-	110.0	-	120.0	-	120.0	-	120.0	-	570.0	114.0	456.0	-
(ii) Direct Grant	60.0	-	90.0	-	100.0	-	100.0	-	100.0	-	450.0	90.0	360.0	-
(iii) Bridging Grant	80.0	-	50.0	-	50.0	-	50.0	-	50.0	-	280.0	56.0	224.0	-
(iv) Slum & Shanty Upgrading	27.0	20.0	31.0	24.0	32.0	24.0	32.0	24.0	32.0	24.0	154.0	30.8	123.2	116.0
(v) Interest Payments	110.7	-	191.0	-	261.4	-	257.7	-	252.1	-	-	-	-	-
4. Low Income Housing Finance Programme	158.0	150.0	160.0	150.0	240.0	225.0	-	-	-	-	558.0	139.5	418.5	525.0
Total	555.2	170.0	657.0	174.0	829.9	249.0	587.7	24.0	582.1	24.0	3212.0	1523.0	1688.9	641.0
(b) Urban Infrastructure														
1. Urban Management Project	108.0	86.0	112.0	84.0	80.0	50.0	-	-	-	-	300.0	135.0	165.0	220.0
2. Greater Colombo Flood Control and Drainage Project	502.0	450.0	720.0	672.0	855.0	824.0	812.0	400.0	120.0	-	3009.0	2106.3	902.7	2346.0
3. Muthurajawela Reclamation Project	-	-	96.0	-	120.0	-	64.0	-	-	-	280.0	196.0	84.0	-
4. Pettah Surface Drainage	25.0	-	25.0	-	20.0	-	20.0	-	-	-	90.0	45.0	45.0	-
5. Local Loans & Development Fund	10.0	-	20.0	-	260.0	180.0	240.0	200.0	300.0	280.0	830.0	207.5	622.5	660.0
6. Urban Development Authority														
(i) Redemption of Debentures	172.0	-	100.0	-	100.0	-	100.0	-	100.0	-	572.0	-	572.0	-
(ii) Repayment of Loans	141.0	-	141.0	-	-	-	-	-	-	-	282.0	282.0	-	-
(iii) Others	254.5	-	32.0	-	32.0	-	30.0	-	30.0	-	378.5	113.6	265.0	-
7. Urban Sector Development Project	-	-	316.0	240.0	440.0	390.0	450.0	400.0	320.0	300.0	1526.0	793.5	732.5	1 330.0
8. Resettlement of Families	69.0	-	32.0	-	20.0	-	-	-	-	-	121.0	18.2	102.9	-



(Rs Million)

SUB SECTOR/NAME OF PROJECT	1993		1994		1995		1996		1997		1993 - 1997			
	T	FA	T	FA	T	FA	T	FA	T	FA	T	FC	LC	FA
<b>(c) Other Construction</b>														
1. Contributions to ICTAD	120.0	74.0	128.0	68.0	145.0	96.0	152.0	100.0	140.0	84.0	685.0	239.8	445.3	422.0
2. Town & Country Planning	35.7	-	50.0	-	50.0	-	50.0	-	50.0	-	235.7	70.7	165.0	-
3. Construction of Buildings	20.6	-	22.0	-	15.0	-	12.0	-	12.0	-	81.6	24.5	57.1	-
4. Model Village Community Centres	8.0	-	8.0	-	8.0	-	8.0	-	8.0	-	40.0	10.0	30.0	-
5. Improvement of Canals	35.0	-	45.0	-	52.0	-	60.0	-	60.0	-	252.0	75.6	176.4	-
6. Government Factory	7.4	-	10.0	-	10.0	-	10.0	-	10.0	-	47.4	7.1	40.3	-
Total	226.7	74.0	263.0	68.0	280.0	96.0	292.0	100.0	280.0	84.0	1341.7	427.7	914.1	422.0
<b>(d) Environmental Management</b>														
1. Equipment & Maintenance	3.0	-	5.0	-	5.0	-	6.0	-	6.0	-	25.0	10.0	15.0	-
2. Environmental Management Programme	33.0	30.0	32.0	30.0	34.0	33.0	34.0	33.0	34.0	33.0	167.0	110.2	56.8	159.0
3. Contributions to C.E.A.	13.0	-	12.0	-	15.0	-	15.0	-	15.0	-	70.0	21.0	49.0	-
4. NAREP Project	97.0	85.0	98.0	86.0	100.0	86.0	100.0	86.0	-	-	395.0	316.0	79.0	343.0
5. Environmental Action Plan	-	-	5.0	-	120.0	112.0	180.0	125.0	240.0	200.0	545.0	436.0	109.0	437.0
Total	146.0	115.0	152.0	116.0	274.0	231.0	335.0	244.0	295.0	233.0	1202.0	893.2	308.8	939.0



SUB SECTOR/NAME OF PROJECT	1993			1994			1995			1996			1997			1993 - 1997		
	T	FA	T	FA	T	FA	T	FA	T	FA	T	FA	T	FA	T	FC	LC	FA
<b>(e) Water Supply &amp; Sanitation</b>																		
<u>Ongoing Schemes</u>																		
1. Rehabilitation of WSS																		
(i) IDA Assisted Schemes																		
(ii) ADB Assisted Project - I																		
(iii) Hill Country WSS																		
(iv) Udawalawe WSS																		
2. Sammanthurai WSS																		
3. Amparai WSS																		
4. Ambatale Head Works																		
5. Greater Colombo Sewerage																		
6. Kurunegala Augmentation																		
7. Kurunegala WS & Sanitation																		
8. Kandy District WS & Sanitation																		
9. Puttalam WSS																		
10. Deep Drilling in Hard Rock Area																		
11. Town East of Colombo WSS																		
12. Anuradhapura District WSS																		
13. Ragama WSS																		
14. Water Supply for 1.5 M.H.P.																		
15. Chilaw WSS																		
16. Biyagama WSS																		
17. Ahangama WSS																		
18. Kahawatta CWSS-Stage II																		
19. Other Small Schemes																		
20. Local Authority Area WSS																		
21. Institutional Develop. & Training																		
22. Community WS & S Programme-IDA																		
Total	3045.9	1788.2	3432.3	2168.5	2386.2	1337.6	1694.0	1073.0	1376.0	866.0	11934.4	6120.7	5813.7	7233.3				



SUB SECTOR/NAME OF PROJECT	1993		1994		1995		1996		1997		1993 - 1997			
	T	FA	T	FA	T	FA	T	FA	T	FA	T	FC	LC	FA
<b>(F) Provincial/Regional Development</b>														
1. Rehab. & Imp. of Capital Assets	1.5	-	1.5	-	2.0	-	2.0	-	2.0	-	9.0	1.4	7.7	-
2. Acquisition of Equipment	1.5	-	1.5	-	20.0	-	20.0	-	2.0	-	9.0	2.7	6.3	-
3. Grants to Provincial Councils	1000.0	-	1000.0	-	1200.0	-	1400.0	-	1500.0	-	6100.0	1525.0	4575.0	-
4. District Level Capital Projects	72.5	-	72.5	-	80.0	-	80.0	-	80.0	-	385.0	96.3	288.8	-
5. Loan Repayment - Sewerage Project	54.0	-	52.0	-	49.0	-	47.0	-	45.0	-	247.0	61.8	185.3	-
6. Home Affairs	1.0	-	1.5	-	2.0	-	2.0	-	2.0	-	8.5	2.1	6.4	-
7. District Administration	15.0	-	15.0	-	18.0	-	20.0	-	20.0	-	88.0	22.0	66.0	-
8. Public Sector Restructuring Project	100.0	90.0	35.0	30.0	-	-	-	-	-	-	135.0	33.8	101.3	120.0
9. Divisional Secretariat Office	769.2	-	840.0	-	900.0	-	900.0	-	900.0	-	4309.2	1723.7	2585.5	-
Total	2014.7	90.0	2019.0	30.0	2253.0	-	2453.0	-	2551.0	-	11290.7	3468.6	7822.1	120.0
<b>(g) IRD Projects</b>														
1. Western Province	50.6	39.0	64.0	52.0	5.0	-	5.0	-	5.0	-	129.6	32.4	97.2	91.0
2. Central Province	69.0	65.0	72.0	68.0	75.0	70.0	76.0	70.0	80.0	72.0	372.0	111.6	260.4	345.0
3. Southern Province	205.0	182.0	235.0	205.0	340.0	227.0	460.0	380.0	360.0	280.0	1600.0	480.0	1120.0	1319.0
4. North and East Provinces	0.5	-	0.5	-	-	-	-	-	-	-	1.0	1.0	-	-
5. North Western Province	0.5	-	0.5	-	-	-	-	-	-	-	1.0	1.0	-	-
6. North Central Province	21.6	18.6	12.0	10.0	12.0	10.0	12.0	10.0	12.0	10.0	69.6	10.4	59.2	58.6
7. Uva Province	142.0	126.0	152.0	132.0	240.0	200.0	260.0	220.0	240.0	200.0	1034.0	310.2	723.8	878.0
8. Sabaragamuwa Province	109.0	84.0	28.0	22.0	12.0	11.0	12.0	11.0	12.0	11.0	173.0	26.0	147.1	139.0
9. Human Resource Development Project	23.8	22.1	12.2	11.2	12.0	11.0	12.0	11.0	12.0	11.0	72.0	10.8	61.2	66.3
10. Kurunegala Dry Zone Participatory Development Project	48.0	39.0	212.0	164.0	240.0	180.0	240.0	180.0	180.0	140.0	920.0	322.0	598.0	703.0
11. Puttalam District Integrated Basic Services Project	21.0	14.0	17.5	12.0	18.0	12.0	18.0	12.0	18.0	12.0	92.5	18.5	74.0	62.0
12. Acquisition of Equipment for Divisional Technical Units	266.5	211.5	-	-	-	-	-	-	-	-	266.5	226.5	40.0	211.5
Total	957.5	801.2	805.7	676.2	954.0	766.0	1095.0	894.0	919.0	736.0	4731.2	1550.4	3180.8	3873.4
Grand Total	8227.5	3574.4	8923.0	4228.7	8904.1	4123.6	8172.7	3335.0	6873.1	2523.0	40027.5	16807.7	23219.8	17784.7



IV ECONOMIC INFRASTRUCTURE

(Rs Million)

ITEMS	1993		1994		1995		1996		1997		1993 - 1997			
	Total	FA	Total	FA	Total	FA	Total	FA	Total	FA	Total	FC	LC	FA
(a) Transport														
Highways - On going														
1. Asian Development Bank Project - II	250.0	195.0	400.0	340.0	420.0	240.0	-	-	-	-	1070.0	845.3	224.7	775.0
2. Asian Development Bank Project - I	30.0	23.4	-	-	-	-	-	-	-	-	30.0	24.0	6.0	23.40
3. World Bank Project - III	270.0	200.0	500.0	540.0	750.0	540.0	700.0	542.0	298.0	238.0	2618.0	1911.0	707.0	2060.0
4. World Bank Project - II	2.0	-	-	-	-	-	-	-	-	-	2.0	-	2.0	-
5. Baseline Road Improvement and Extension Project (OECF)	96.1	-	350.0	240.0	550.0	440.0	800.0	640.0	1000.0	800.0	2796.1	1873.4	922.7	2120.0
6. Victoria Bridge - Phase II (OECF)	20.0	-	29.0	24.0	382.0	262.0	497.0	357.0	222.0	168.0	1150.0	816.5	333.5	811.0
7. Procurement of Equipment (OECF)	715.0	285.0	752.0	485.0	822.0	530.0	120.0	77.0	-	-	2409.0	1541.8	867.2	1377.0
8. Construction of Storage Facilities	20.5	15.0	30.0	-	19.0	-	10.0	-	10.0	-	89.5	9.0	80.6	15.0
9. Detail Engineering Design for Katunayake Expressway	10.0	-	-	-	-	-	-	-	-	-	10.0	-	10.0	-
10. Colombo-Katunayake Expressway Project	-	-	175.0	-	440.0	-	-	-	-	-	615.0	61.5	553.5	-
11. Rehabilitation of Colombo-Katunayake Road	-	-	125.0	-	-	-	-	-	-	-	125.0	12.5	112.5	-
12. Construction of Marine Drive & Extension of Duplication Road	-	-	50.0	-	-	-	-	-	-	-	50.0	50.0	-	-
13. Detail Engineering Design for Alternate Trunk Road to the Southern Province	40.0	-	20.0	-	30.0	-	30.0	-	20.0	-	140.0	14.0	126.0	-
14. Periodic Maintenance	370.0	-	400.0	-	1045.0	-	1440.0	-	1358.0	-	4413.0	461.3	4151.7	-
15. Access Roads to Model Villages	80.0	-	140.0	-	150.0	-	150.0	-	150.0	-	670.0	67.0	603.0	-
16. Road Rehabilitation	92.7	-	-	-	-	-	-	-	-	-	92.7	9.3	83.4	-
17. Urgent Rehabilitation (Light & Heavy)	85.0	-	85.0	-	130.0	-	150.0	-	180.0	-	630.0	81.9	548.1	-
18. Improvement Work on National Highways	35.2	-	-	-	-	-	-	-	-	-	35.2	35.2	-	-
19. Approach Roads to Places of National Importance	10.0	-	10.0	-	10.0	-	20.0	-	20.0	-	70.0	7.0	63.0	-
20. Road Development Week	10.0	-	10.0	-	15.0	-	20.0	-	20.0	-	75.0	7.5	67.5	-
21. Rehabilitation of Bridges	277.0	-	85.0	-	-	-	-	-	-	-	362.0	54.3	307.7	-
22. Reconstruction of Bridges and Culverts	30.0	-	175.0	-	250.0	-	300.0	-	325.0	-	1080.0	216.0	864.0	-
23. Repairs to New Kelani Bridge	50.0	-	60.0	-	-	-	-	-	-	-	110.0	11.0	99.0	-
24. Repairs to Flood Damages	80.0	-	85.0	-	90.0	-	100.0	-	110.0	-	465.0	60.5	404.6	-
25. Research and Development	10.0	-	10.0	-	15.0	-	15.0	-	15.0	-	65.0	-	65.0	-
26. Surveys, Investigations, and Feasibility Studies	40.0	-	15.0	-	21.0	-	22.0	-	22.0	-	120.0	-	120.0	-
27. Repairs to Buildings	5.5	-	15.0	-	20.0	-	20.0	-	20.0	-	80.5	12.1	68.4	-
28. Acquisition of Vehicle and Equipment	6.0	-	10.0	-	10.0	-	10.0	-	10.0	-	46.0	13.8	32.2	-
29. Grants to Provincial Councils	82.7	-	90.0	-	-	-	-	-	-	-	172.7	43.2	129.5	-



3333 3194 33310 12330 41010 12150 33600 13020 81380 116123 31814

30 Group 10 Highway Corridor	853	-	400	-	-	-	-	-	1352	-
31 Subnational Corridors and Corridors	90	-	100	-	100	-	100	-	353	-
32 National Corridors	22	-	120	-	300	-	300	-	694	-
33 National Corridors	400	-	120	-	310	-	330	-	1300	-
34 National Corridors	100	-	100	-	100	-	100	-	320	-
35 National Corridors	600	-	620	-	1000	-	1000	-	4046	-
36 National Corridors	900	-	600	-	-	-	-	-	600	-
37 National Corridors	300	-	1320	-	3000	-	3000	-	5840	-
38 National Corridors	3330	-	820	-	-	-	-	-	2412	-
39 National Corridors	100	-	100	-	300	-	300	-	630	-
40 National Corridors	170	-	100	-	100	-	100	-	400	-

(Rs Million)

ITEMS	1993		1994		1995		1996		1997		1993 - 1997	
	Total	FA	Total	FA	Total	FA	Total	FA	Total	FA	Total	FA
Highways - New Projects												
1. Asian Development Bank Project - III	50.0	39.0	200.0	139.0	865.0	263.0	819.0	293.0	454.0	242.0	2388.0	1671.6
2. Road Rehabilitation	75.0	-	120.0	-	-	-	-	-	-	-	195.0	58.5
3. Bridge Rehabilitation	90.0	-	-	-	-	-	-	-	-	-	90.0	27.0
4. Road Safety, Improvements to National Highways by Providing Traffic Signs, Marking, Traffic Signals, etc.	-	-	40.0	-	50.0	-	75.0	-	75.0	-	240.0	96.0
5. Rehabilitation of roads taken over as National Highways	-	-	40.0	-	50.0	-	75.0	-	75.0	-	240.0	48.0
Sub Total	215.0	39.0	400.0	139.0	965.0	263.0	969.0	293.0	604.0	242.0	3153.0	1901.1
Total - Highways	2932.7	757.4	4121.0	1768.0	6134.0	2275.0	5373.0	1909.0	4384.0	1448.0	22944.7	10077.1



## ITEMS

1993

1994

1995

1996

1997

1993 - 1997

ITEMS	TOTAL		1993		1994		1995		1996		1997		1993 - 1997		
	FA	T	FA	T	FA	T	FA	T	FA	T	FA	T	FC	LC	FA
Sri Lanka Railways - Ongoing															
1. Rehabilitation of Track (OECF)	200.0	100.0	900.0	630.0	716.0	500.0	600.0	420.0	274.0	110.0	2690.0	1210.5	1479.5	1760.0	
2. Rehabilitation of Locomotives (OECF)	180.0	100.0	200.0	160.0	250.0	200.0	250.0	200.0	168.0	134.0	1048.0	471.6	576.4	794.0	
3. Rehabilitation of Workshop (OECF)	150.0	100.0	358.0	317.0	350.0	220.0	650.0	410.0	542.0	360.0	2050.0	922.5	1127.5	1407.0	
4. Rehabilitation & Maintenance of Locomotives, Pathways, & Workshops	590.0	-	650.0	-	700.0	-	700.0	-	750.0	-	3390.0	1525.5	1864.5	-	
5. Rehabilitation of Track	300.0	-	300.0	-	350.0	-	400.0	-	400.0	-	1750.0	787.5	962.5	-	
6. Rehabilitation of Wagons	20.0	-	-	-	-	-	-	-	-	-	20.0	9.0	11.0	-	
7. Re-Engining of M 5 class Locomotives	30.0	-	50.0	38.0	-	-	-	-	-	-	80.0	36.0	44.0	38.0	
8. Third Line from Maradana to Ragama	20.0	10.0	-	-	-	-	-	-	-	-	20.0	9.0	11.0	10.0	
9. Broad Gauging of KV Line	150.0	-	50.0	-	-	-	-	-	-	-	200.0	80.0	120.0	-	
10. Extension of Railway Line from Matara to Kataragama	175.0	-	225.0	60.0	325.0	175.0	450.0	-	450.0	-	1625.0	975.0	650.0	235.0	
11. Extension of Railway Line from Batticaloa to Pottuvil	35.0	15.0	180.0	-	565.0	-	565.0	-	705.0	-	2050.0	1230.0	820.0	15.0	
12. Electrification of Suburban Railway	20.0	-	50.0	-	50.0	-	50.0	-	50.0	-	220.0	165.0	55.0	-	
13. Replacement of Panadura and Kalutara Bridges	-	-	32.0	32.0	233.0	185.0	292.0	211.0	-	-	557.0	501.3	55.7	428.0	
14. Renovation of Railway Bridges	20.0	-	50.0	-	80.0	-	80.0	-	90.0	-	320.0	240.0	80.0	-	
15. Development of Bridge Yard	25.0	-	20.0	-	-	-	-	-	-	-	45.0	33.8	11.3	-	
16. Installation of Communication System	35.0	25.0	25.0	-	18.0	-	-	-	-	-	78.0	54.6	23.4	25.0	
17. Concrete Sleeper Production Unit	125.0	-	150.0	-	100.0	-	100.0	-	100.0	-	575.0	345.0	230.0	-	
18. Technical Training Institute	31.0	-	31.0	30.0	31.0	30.0	32.0	30.0	-	-	125.0	118.8	6.3	90.0	
19. Instalment Payment - Romanian Coaches	1333.0	-	750.0	-	750.0	-	750.0	-	447.0	-	4030.0	4030.0	-	-	
20. Purchase of Plant & Machinery for Ratmalana & Maligawatta Workshops	30.0	-	-	-	-	-	-	-	-	-	30.0	20.7	9.3	-	
21. Purchase of Wagons	75.0	-	-	-	-	-	-	-	-	-	75.0	67.5	7.5	-	
22. Purchase of Ticket Printing Machines	30.0	-	-	-	-	-	-	-	-	-	30.0	27.0	3.0	-	
23. Purchase of Furniture, Office and Household Equipment	8.2	-	5.0	-	7.0	-	7.0	-	7.0	-	34.2	20.5	13.7	-	



ITEMS	1993			1994			1995			1996			1997			1993 - 1997		
	Total	FA	T	FA	T	FA	T	FA	T	FA	T	FA	T	FC	LC	FA		
<u>Sri Lanka Railways - New Projects</u>																		
1. Purchase of Computer	25.0	10.0	40.0	-	40.0	-	40.0	-	40.0	-	40.0	-	40.0	185.0	166.5	18.5	10.0	
2. Purchase of Freight Equipment	35.0	-	-	-	95.0	-	-	-	-	-	-	-	-	130.0	117.0	13.0	-	
3. Stabilisation of Hill slope at Watawala	-	-	100.0	-	-	-	-	-	-	-	-	-	-	100.0	55.0	45.0	-	
Sub Total	60.0	10.0	140.0	-	135.0	-	40.0	-	40.0	-	40.0	-	40.0	415.0	338.5	76.5	10.0	
Total - Sri Lanka Railways	3642.2	360.0	4166.0	1267.0	4660.0	1310.0	4966.0	1271.0	4023.0	604.0	21457.2	13219.2	8237.8	4812.0				

ITEMS	1993			1994			1995			1996			1997			1993 - 1997		
	T	FA	T	FA	T	FA	T	FA	T	FA	T	FA	T	FC	LC	FA		
Summary - Transport Sector																		
1. Ministry of Transport & Highways	4.0	-	6.0	-	6.0	-	6.5	-	6.5	-	6.5	-	29.0	17.4	11.6	-		
2. Centre for Transport Studies and Planning (IDA)	40.0	36.0	350.0	260.0	533.0	414.0	107.4	97.6	86.3	75.0	1116.7	670.0	446.7	882.6				
- Do - (UNDP)	-	-	12.0	10.0	59.0	59.0	-	-	-	-	71.0	42.6	28.4	69.0				
3. National Transport Commission	3.0	-	3.0	-	3.0	-	4.0	-	4.0	-	17.0	10.2	6.8	-				
4. Department of Motor Traffic	5.0	-	8.0	-	9.0	-	10.0	-	11.0	-	43.0	25.8	17.2	-				
Sub Total - Ministry	52.0	36.0	379.0	270.0	610.0	473.0	127.9	97.6	107.8	75.0	1276.7	766.0	510.7	951.6				
5. Highways	2932.7	757.4	4121.0	1768.0	6134.0	2275.0	5373.0	1909.0	4384.0	1448.0	22944.7	10077.1	12867.6	-				
6. Sri Lanka Railways	3642.2	360.0	4166.0	1267.0	4660.0	1310.0	4966.0	1271.0	4023.0	604.0	21457.2	13675.2	7782.0	4812.0				



(Rs Million)

ITEMS	1993		1994		1995		1996		1997		1993 - 1997			
	T	FA	T	FA	T	FA	T	FA	T	FA	T	FC	LC	FA
<b>(b) Power and Energy - Ongoing</b>														
<u>Investments on CEB</u>														
1. Power System Expansion Project														
(a) Rural Electrification Phase II	695	597	500	500	-	-	-	-	-	-	1195.0	1075.5	119.5	1097
(b) Additional Diesel Power	550	550	1165	1165	-	-	-	-	-	-	1715.0	1715.0	-	1715
2. Samanalawewa HEP	300	300	854	854	-	-	-	-	-	-	1154.0	1154.0	-	1154
3. Distribution Expansion & Rehab. Project	425	425	50	50	-	-	-	-	-	-	475.0	475.0	-	475
4. Rantambe	78	78	-	-	-	-	-	-	-	-	78.0	78.0	-	78
5. Trans. & Grid Substation Dev. Project	451	451	360	360	276	276	-	-	-	-	1087.0	1087.0	-	1087
6. Secondary Towns Power Distri. Project	67	67	2	2	38	38	-	-	-	-	107.0	107.0	-	107
7. Power Distribution and Transmission Pro.	645	645	606	606	86	86	-	-	-	-	1337.0	1337.0	-	1337
8. Transmission System Augmentation & Development Project	680	680	1106	1106	95	95	-	-	-	-	1881.0	1881.0	-	1881
9. Second Power Distribution & Trans. Proj.	592	592	424	424	600	600	800	800	69	69	2485.0	2485.0	-	2485
10. Uma Oya Trans-Diversion Project Study	70	70	70	80	-	-	-	-	-	-	150.0	150.0	-	150
11. Upper Kotmale Feasibility Study	175	175	150	150	-	-	-	-	-	-	325.0	325.0	-	325
12. Broadlands Power Project Study	20	20	-	-	-	-	-	-	-	-	20.0	20.0	-	20
13. Medium Voltage Distri. & Expansion Proj.	207	207	40	20	400	400	600	600	869	869	2116.0	2096.0	-	2096
14. Wind and Solar Development Project	40	40	-	-	-	-	-	-	-	-	40.0	40.0	-	40
Sub Total - Ongoing	4995	4897	5337	5317	1495	1495	1400	1400	938	938	14165.0	14025.5	119.5	14047



(Rs Million)														
New Projects														
15. 3rd RE Project	645	645	50	25	500	450	678	600	125	100	1998.0	1798.2	199.8	1820
16. Broadlands Power Project	75	75	-	-	-	-	-	-	-	-	75.0	75.0	-	75
17. New Diesel Station	80	80	-	-	-	-	-	-	-	-	80.0	80.0	-	80
18. Thermal Options	25	25	-	-	-	-	-	-	-	-	25.0	25.0	-	25
19. Other Coal Plants	25	25	25	25	50	50	75	75	-	-	175.0	175.0	-	175
20. Gin Ganga Feasibility Study	50	50	-	-	-	-	-	-	-	-	50.0	50.0	-	50
21. Trincomalee Engineering Services	25	25	-	-	-	-	-	-	-	-	25.0	25.0	-	25
22. Kukule Power Project	-	-	50	50	350	350	478	478	788	788	1666.0	1666.0	-	1666
23. Trincomalle/Anuradhapura 220 KV Line	-	-	50	50	400	400	450	450	270	270	1170.0	1170.0	-	1170
Sub Total - New Projects														
	925	925	175	150	1300	1250	1681	1603	1183	1158	5264.0	5642.0	199.8	5086
24. Ministry of Power & Energy														
	2.8	-	5	-	7	-	10	-	12	-	36.8	11.0	25.8	-
25. Energy Conservation Fund														
	24.0	-	23	-	25	-	27	-	29	-	128.0	38.4	89.6	-
26. Electrical Department														
	8.3	-	10	-	12	-	14	-	16	-	60.3	18.1	42.2	-
Sub Total - Annual Prog.														
	35.1	-	38	-	44	-	51	-	57	-	225.1	67.5	157.6	-
Grand Total - Power & Energy														
	5955.1	5822	5550	5467	2839	2745	3132	3003	2178	2096	19654.1	19157.2	476.9	19133



ITEMS	1993		1994		1995		1996		1997		1993 - 1997			
	T	FA	T	FA	T	FA	T	FA	T	FA	T	FC	LC	FA

(Rs Million)

### (c) Telecommunications – Ongoing

1). Improv. Gampaha Project	180	180	520	520	214	214	-	-	-	-	914.0	777.0	137.0	914.0
2). CADS IV	-	-	3	3	-	-	-	-	-	-	3.0	-	3.0	-
3). Improv. Matara Project	160	160	197	197	387	387	-	-	-	-	744.0	632.0	112.0	744.0
4). Greater Colombo-Phase II	500	500	365	365	430	430	-	-	-	-	1295.0	1100.0	195.0	1295.0
5). 2nd Telecom. Project (ADB)	470	470	1120	1120	206	206	-	-	-	-	1796.0	1526.0	270.0	1796.0
6). 2nd Telecom. Project (IDA)	300	300	1468	1468	369	369	-	-	-	-	2137.0	1816.0	321.0	2137.0

### Telecommunications – New

1). Improv. of Tel. Network in Kandy, Matale, Nawalapitiya, Hatton and Kalutara	-	-	520	520	1130	1130	1600	1600	600	600	3850.0	3272.0	578.0	3850.0
Sub Total	1610	1610	4193	4193	2736	2736	1600	1600	600	600	10739.0	9123.0	1616.0	10739.0



(Rs Million)

ITEMS	1993		1994		1995		1996		1997		1993 - 1997			
	T	FA	T	FA	T	FA	T	FA	T	FA	T	FC	LC	FA
<b>Director General of Telecom.</b>														
1). Maintenance of Capital Assets	1.2	-	1.5	-	1.5	-	2	-	2.5	-	8.7	-	8.7	-
2). Acquisition of Equip. and construction of buildings	37	-	28.5	-	20	-	15	-	15	-	115.5	98.0	17.5	-
Sub Total	38.2	-	30	-	21.5	-	17	-	17.5	-	124.2	98.0	26.2	-

(Rs Million)

ITEMS	1993		1994		1995		1996		1997		1993 - 1997			
	T	FA	T	FA	T	FA	T	FA	T	FA	T	FC	LC	FA
<b>Ministry of Posts &amp; Telecommunications</b>														
1). Office Equipment	1.0	-	1	-	1	-	1	-	2	-	6.0	3.0	3.0	-
2). Vehicles	1.8	-	7	-	2	-	2	-	2	-	14.8	13.0	1.8	-
3). Telephones to Sub-Post Offices	15.0	-	-	-	-	-	-	-	-	-	15.0	2.0	13.0	-
4). Improv. of Tel. Network in Matara	43.0	-	-	-	-	-	-	-	-	-	43.0	-	43.0	-
Sub Total	60.8	-	8	-	3	-	3	-	4	-	78.8	18.0	60.8	-



(Rs Million)

ITEMS	1993		1994		1995		1996		1997		1993 - 1997			
	T	FA	T	FA	T	FA	T	FA	T	FA	T	FC	LC	FA
<b>Posts - Ongoing</b>														
1). Rehab. & Improv. of capital Assets	20.3	-	25.0	-	30	-	32	-	35	-	142.3	50.0	92.3	-
2). Maint. of Capital Assets	26	-	27.5	-	25	-	25	-	30	-	133.5	46.5	87.0	-
3). Acquisition of Equipment	55.7	-	4.5	-	5	-	5	-	5	-	75.2	26.2	49.0	-
4). Construction of Buildings	118.1	-	119.0	-	150	-	200	-	200	-	787.0	669.0	118.0	-
5). Central Mail Exchange	185.0	170	78.0	78.0	-	-	-	-	-	-	263.0	223.0	40.0	248.0
<b>Posts - New</b>														
1). Training Centre Nagoda	-	-	15	15	30	30	35	35	-	-	80.0	68.0	12.0	80.0
Sub Total	405.1	170	269.0	93.0	240	30	297	35	270	-	1481.0	1082.7	398.3	328.0
Total	2114.1	1780	4500.0	4286.0	3000	2766	1917	1635	892	600	12423	10321.7	2101.3	11067.0



PROJECT	1993			1994			1995			1996			1997			1993 - 1997		
	T	FA	T	FA	T	FA	T	FA	T	FA	T	FA	T	FA	T	FC	LC	FA
<b>(d) Ports &amp; Shipping Ministry</b>																		
1. Ministry of Ports and Shipping	6.2	-	4.0	-	9.0	-	10.0	-	12.0	-	70.0	15.0	55.0	-				
Total	6.2	-	4.0	-	9.0	-	10.0	-	12.0	-	70.0	15.0	55.0	-				
<b>Dept. of Coast Conservation</b>																		
1. Maintenance	7.1	-	10.0	-	11.0	-	11.0	-	11.0	-	50.1	10.0	40.1	-				
2. Construct. of Protective Struct.	16.5	-	24.0	-	26.0	-	26.0	-	26.0	-	118.5	35.6	82.9	-				
3. Coastal Eng. Investigations	1.0	-	1.5	-	1.5	-	1.5	-	1.5	-	7.0	2.0	5.0	-				
4. Other Annuals	3.5	-	6.0	-	9.0	-	9.0	-	9.0	-	36.5	11.0	25.5	-				
5. Coastal Zone Management Plan	2.0	-	3.0	-	3.0	-	3.0	-	3.0	-	14.0	4.0	10.0	-				
6. Coast protect/strengthen of the Dept. of conservation																		
(German Technical Assistance)	19.0	16.0	33.0	30.0	33.0	30.0	33.0	30.0	33.0	30.0	151.0	120.8	30.2	136.0				
7. Acq. of Equipment	14.0	-	18.0	-	20.0	-	20.0	-	20.0	-	92.0	14.0	78.0	-				
8. Acq. Of Land (Galle, Colombo) (Galle & Moratuwa)	4.5	-	2.0	-	-	-	-	-	-	-	6.5	1.5	5.0	-				
9. Wave Buoy measurement (German TA)	-	-	0.5	-	0.6	-	0.7	-	0.7	-	2.5	0.5	2.0	-				
10. Danida Stage II	0.2	-	-	-	-	-	-	-	-	-	0.2	-	0.2	-				
Total	67.8	16.0	98.0	30.0	104.1	30.0	104.2	30.0	104.2	30.0	478.3	199.3	278.9	136.0				
Grand Total (On-Going)	2197.5	2139.5	3949.8	3877.8	5492.4	5409.3	679.9	595.7	116.2	30.0	12435.8	9747.4	2717.2	12052.3				
<b>Sri Lanka Ports Authority</b>																		
1. New Port Access Road	158.5	158.5	12.8	12.8	-	-	-	-	-	-	171.3	137.0	34.3	171.3				
2. JAYE Container Terminal III	1200.0	1200.0	1835.0	1835.0	1094.8	1094.8	-	-	-	-	4129.8	3303.8	826.0	4129.8				
3. JAYE Container Terminal IV	765.0	765.0	2000.0	2000.0	4284.5	4284.5	565.7	565.7	-	-	7615.2	6092.2	1523.0	7615.2				
Total	2123.5	2123.5	3847.8	3847.8	5379.3	5379.3	565.7	565.7	-	-	11916.3	9533.0	2383.3	11916.3				



PROJECT	1993			1994			1995			1996			1997			1993 - 1997		
	T			T			T			T			T			T		
	FA	LC	FA	FA	LC	FA	FA	LC	FA	FA	LC	FA	FA	LC	FA	FA	LC	FA
<b>New Project</b>																		
1. North Pier Development																		
widening the port entrances																		
for shippers	-	-	-	50.0	50.0	50.0	1630.0	1630.0	1630.0	1260.0	1260.0	1260.0	210.0	210.0	210.0	3150.0	2520.0	630.0
Total	-	-	-	50.0	50.0	50.0	1630.0	1630.0	1630.0	1260.0	1260.0	1260.0	210.0	210.0	210.0	3150.0	2520.0	630.0
Total On-Going + New Projects	2197.5	2139.5	3999.8	3929.8	7112.4	7039.3	1939.9	1855.7	326.2	240.0	15585.8	12267.4	3347.2	15202.3				

\* Cabinet approval has to be obtained for TEC revision



# V HUMAN RESOURCES DEVELOPMENT

ITEMS	(Rs Million)											
	1993			1994			1995			1996		
	T	FA	T	T	FA	T	T	FA	T	T	FA	1993 - 1997
<b>Education</b>												
General Administration												
Rehabilitation and Maintenance	9	-	9	-	-	10	14	-	-	54	-	54
Construction of Buildings	2	-	2	-	-	3	5	-	-	16	4	12
Purchase of Furniture and Equipment	6	-	7	-	-	8	10	-	-	40	10	30
Building for the Library Services Board	1	-	1	-	-	1	3	-	-	8	3	5
Furniture and Equipment for L.S.B.	6	-	6	-	-	6	8	-	-	33	10	23
SUB TOTAL	24	-	25	-	-	28	40	-	-	151	27	124
<b>General Education (National Schools)</b>												
Rehabilitation and Maintenance	35	-	40	-	-	50	70	-	-	255	-	255
Construction of Buildings	40	-	45	-	-	50	70	-	-	265	50	215
Purchase of Furniture and Equipment	40	-	45	-	-	50	70	-	-	265	100	165
SUB TOTAL	115	-	130	-	-	150	210	-	-	785	150	635



ITEMS	(Rs Million)											
	1993		1994		1995		1996		1997		1993 - 1997	
	T	FA	T	FA	T	FA	T	FA	T	FA	T	FC LC FA
<b>Other Schools</b>												
Youth Commission Recommendations												
Construction of Buildings	257	-	260	-	280	-	300	-	310	-	1407	280 1127 -
Purchase of Furniture and Equipment	45	-	45	-	55	-	60	-	75	-	280	50 230 -
World Bank Funded												
General Education Project												
Construction of Buildings	290	270	290	260	300	270	300	270	300	280	1480	300 1180 1350
Purchase of Furniture and Equipment	165	140	200	170	200	185	200	185	200	190	965	386 579 870
S.I.D.A. Funded General												
Education Project												
Construction of Buildings	80	80	80	74	80	75	80	75	80	75	400	80 320 379
Purchase of Furniture and Equipment	15	15	15	14	18	17	20	19	20	19	88	18 70 84
Purchase of Science Equipment	25	-	25	-	26	-	27	-	30	-	133	33 100 -
School Buildings for National Requirements	5	-	5	-	6	-	6	-	7	-	29	5 24 -
<b>SUB TOTAL (OTHER SCHOOLS)</b>	<b>882</b>	<b>505</b>	<b>920</b>	<b>518</b>	<b>965</b>	<b>547</b>	<b>993</b>	<b>549</b>	<b>1022</b>	<b>564</b>	<b>4782</b>	<b>1152 3630 2683</b>



ITEMS	(Rs Million)											
	1993			1994			1995			1996		
	T	FA	T	T	FA	T	T	FA	T	T	FA	FA
<u>National Institute of Education</u>												
Rehabilitation & Maintenance	5	-	5	5	-	6	6	-	7	29	-	29
Construction of Buildings	18	-	18	-	-	5	5	-	5	51	10	41
Purchase of Furniture and Equipment	30	7	30	5	-	32	34	-	35	161	60	101
SUB TOTAL (N.I.E.)	53	7	53	5	-	43	45	-	47	241	70	171
<u>Provincial Councils Sub Total</u>												
	600	-	630	-	-	650	670	-	700	3250	650	2600
<u>Teacher Education</u>												
Rehabilitation & Maintenance	15	-	15	-	-	17	19	-	22	88	-	88
Construction of Buildings	43	8	43	5	-	45	47	-	50	228	45	183
Purchase of Furniture and Equipment	8	-	8	-	-	10	12	-	14	52	20	32
SUB TOTAL	66	8	66	5	-	72	78	-	86	368	65	303
<u>Project Ministry of Higher Education</u>												
Rehabilitation & Maintenance	2	-	2	-	-	2	3	-	3	12	-	12
Purchase of Furniture and Equipment	9	-	9	-	-	10	12	-	13	53	21	32
SUB TOTAL	11	-	11	-	-	12	15	-	16	65	21	44







ITEMS	1993		1994		1995		1996		1997		1993 - 1997			
	T	FA	T	FA	T	FA	T	FA	T	FA	T	FC	LC	FA
Total (Ministry of Education & Higher Education)	2107	721	2195	838	2296	867	2397	869	2449	834	11444	2835	8609	4156
<u>Department of Examinations</u>														
Rehabilitation & Maintenance	3	-	4	-	10	-	15	-	18	-	50	-	50	-
Construction of Buildings	-	-	20	-	10	-	12	-	15	-	57	12	45	-
Purchase of Furniture and Equipment	36	-	36	-	40	-	42	-	45	-	199	80	119	-
Total (Dept. of Examinations)	39	-	60	-	60	-	69	-	78	-	306	92	214	-
<u>Department of Educational Publications</u>														
Rehabilitation & Maintenance	1	-	2	-	2	-	2	-	3	-	10	-	10	-
Purchase of Furniture and Equipment	3	-	3	-	4	-	4	-	5	-	19	8	11	-
Total (Dept. of Publications)	4	-	5	-	6	-	6	-	8	-	29	8	21	-
<u>University Grants Commission</u>														
Rehabilitation & Maintenance	120	-	160	-	200	-	225	-	250	-	955	-	955	-
Construction of Buildings	332	-	400	-	425	-	450	-	460	-	2067	826	1241	-
Purchase of Furniture and Equipment	330	100	350	100	360	120	380	-	400	-	1820	910	910	220
Total (U.G.C.)	782	100	910	100	985	120	1055	-	1110	-	4842	1736	3106	220
Total (Ongoing Projects, Education Sector)	2932	860	3170	938	3347	987	3527	869	3645	834	16621	4671	11960	4376
<u>New Projects</u>														
ADB General Education Project	-	-	190	152	230	185	270	215	300	240	990	400	590	792
Implementation of Plan of Action for Children	-	-	70	-	90	-	100	-	120	-	380	75	305	-
Total (New Projects)	-	-	260	152	320	185	370	215	420	240	1370	475	895	792
Grand Total (Education Sector)	2932	860	3430	1090	3667	1172	3897	1084	4065	1074	17991	5146	12845	5168



Item	1993			1994			1995			1996			1997			1993 - 1997		
	T	FA	T	T	FA	T	T	FA	T	T	FA	T	T	FA	T	FC	LC	FA
<b>Health</b>																		
Rehabilitation & Improvement of Capital Assets	237.3	-	302.0	-	-	440.0	-	-	496.0	-	-	534.0	-	-	2009.3	1225.0	784.3	-
Furniture Fix. & Household Equipment	27.6	-	35.0	-	-	42.0	-	-	48.0	-	-	52.0	-	-	204.6	54.0	150.6	-
Vehicles	47.9	-	55.0	-	-	108.0	-	-	93.0	-	-	85.0	-	-	388.9	350.0	38.9	-
Plant, Machinery, Equipment & Tools	321.5	-	420.0	-	-	567.0	-	-	632.0	-	-	696.0	-	-	2632.5	2036.0	600.5	-
Communication Outlay	5.0	-	6.0	-	-	17.0	-	-	21.0	-	-	30.0	-	-	79.0	52.0	27.0	-
Staff Quarters	71.0	-	78.0	-	-	160.0	-	-	180.0	-	-	210.0	-	-	699.0	390.0	309.0	-
Water Supply & Sewerage Scheme	31.5	-	35.0	-	-	100.0	-	-	97.0	-	-	98.0	-	-	361.5	225.0	136.5	-
Dev. of General Hospital Colombo	281.5	210.0	82.0	75.0	-	15.0	5.0	5.0	15.0	5.0	5.0	15.0	5.0	5.0	408.5	400.0	8.5	300.0
Constr. of Bio-Medi. Eng. Ser Project	65.0	15.0	30.0	-	-	400.0	300.0	25.0	25.0	5.0	5.0	25.0	5.0	5.0	545.0	520.0	25.0	325.0
Constr. of Dental Institute Project	25.0	20.0	90.0	80.0	-	25.0	20.0	15.0	15.0	15.0	15.0	15.0	15.0	15.0	170.0	150.0	20.0	150.0
Development of LR Hospital	55.0	25.0	65.0	60.0	-	65.0	60.0	50.0	60.0	50.0	50.0	60.0	50.0	50.0	305.0	205.0	100.0	245.0
Kandy Water Supply & Sanit. Project	20.0	16.0	30.0	25.0	-	12.0	7.0	2.0	10.0	2.0	2.0	10.0	2.0	2.0	82.0	72.0	10.0	52.0
Build. for STD/AIDS Programme	10.0	-	40.0	30.0	-	350.0	275.0	200.0	200.0	200.0	200.0	20.0	5.0	5.0	620.0	580.0	40.0	510.0
Health & Family Planning Project IDA	121.3	114.8	230.0	226.5	-	215.0	204.0	-	10.0	-	-	10.0	-	-	586.3	460.0	126.3	545.3
Other Permanent Improvements	106.5	-	150.0	-	-	160.0	-	-	152.0	-	-	155.0	-	-	723.5	375.0	348.5	-
Environmental Sanitation Project	3.0	-	3.0	-	-	3.0	-	-	3.0	-	-	3.0	-	-	15.0	5.0	10.0	-
2nd Health & Population Project (ADB)	146.7	141.7	330.0	250.0	-	271.0	154.0	140.0	200.0	140.0	158.0	122.0	-	-	1105.7	900.0	205.7	807.1
Grants to Children's Secretariat	2.0	1.6	2.0	1.5	-	3.0	2.0	-	2.0	-	-	2.0	-	-	11.0	-	11.0	5.1
Women's Bureau	13.8	11.5	17.0	7.2	-	10.0	5.0	-	10.0	-	-	10.0	-	-	60.8	32.0	28.8	23.7
Grants to Provincial Councils	350.0	-	400.0	-	-	547.0	-	-	560.0	-	-	600.0	-	-	2457.0	1550.0	907.0	-
Implementation of Action Plan for Children	-	-	200.0	50.0	-	200.0	100.0	100.0	200.0	100.0	200.0	100.0	-	-	800.0	500.0	300.0	350.0
Indigenous Medicine	35.8	1.5	30.0	1.5	-	29.0	2.0	-	28.0	-	-	28.0	-	-	149.8	80.0	69.8	35.0
BTT	50.0	-	30.0	-	-	30.0	-	-	30.0	-	-	30.0	-	-	170.0	170.0	-	-
<b>Total</b>	<b>2027.4</b>	<b>557.1</b>	<b>2660.0</b>	<b>806.7</b>	<b>1134.0</b>	<b>3769.0</b>	<b>3087.0</b>	<b>517.0</b>	<b>3045.0</b>	<b>304.0</b>	<b>14588.4</b>	<b>10331.0</b>	<b>4257.4</b>	<b>3348.2</b>				



ITEMS	1993		1994		1995		1996		1997		1993 - 1997				(Rs Million)
	T	FA	T	FA	T	FA	T	FA	T	FA	T	FC	LC	FA	
<b>Ministry of Labour</b>															
Ministry of Labour															
Annual Expenditure	2.8	-	3.1	-	4.0	-	4.3	-	5.0	-	19.2	8.6	10.6	-	-
Department of Labour															
Annual Expenditure	29.0	-	31.9	-	36.8	-	38.6	-	42.8	-	179.1	71.6	107.5	-	-
<b>Total</b>	31.8	-	35.0	-	40.8	-	42.9	-	47.8	-	198.3	80.2	118.1	-	-



ITEMS	(Rs Million)																
	1993			1994			1995			1996			1997				
	T	FA	T	T	FA	T	T	FA	T	T	FA	T	T	FA	FC	LC	FA
Youth Affairs and Sports																	
Ministry Office	3.0	-	1.5	-	-	2.5	3.0	-	3.5	-	-	13.5	-	-	13.5	-	-
Co-ord. Sec. for Voc. & Tech. Training	0.1	-	0.3	-	-	1.0	1.5	-	2.0	-	-	4.9	-	-	4.9	-	-
Human Res. Mobilization	1.8	-	2.0	-	-	3.5	3.0	-	4.0	-	-	14.3	-	-	14.3	-	-
NYSC	30.0	-	20.5	-	-	26.0	28.0	-	30.0	-	-	134.5	53.8	-	80.7	-	-
NAITA	116.0	75.0	123.0	100.0	100.0	130.0	133.0	-	136.0	-	-	638.0	255.2	-	382.8	275.0	-
TVEC	9.9	6.5	15.0	17.0	17.0	20.0	25.0	15.0	28.0	-	-	97.9	-	-	97.9	82.0	-
Small Enter. Devp. Division	1.5	1.0	2.4	2.0	2.0	3.5	4.0	2.0	5.0	2.0	-	16.4	-	-	16.4	9.0	-
Human Res. Development	0.1	-	0.1	-	-	1.0	2.0	-	2.5	-	-	5.7	-	-	5.7	-	-
Sport Promotion	13.0	-	13.0	-	-	18.0	20.0	-	22.0	-	-	86.0	-	-	86.0	-	-
Commissioner of Rehabilitation	-	-	0.1	-	-	1.0	2.0	-	2.5	-	-	5.6	-	-	5.6	-	-
Youth Emp. Planning	1.1	-	2.5	-	-	4.0	5.0	-	5.5	-	-	18.1	-	-	18.1	-	-
Total	176.6	82.5	180.4	119.0	119.0	210.0	227.0	17.0	241.0	2.0	-	1035.0	309.0	-	726.0	366.0	-



(Rs Million)

PROJECT	1993		1994		1995		1996		1997		1993 - 1997			
	T	FA	T	FA	T	FA	T	FA	T	FA	T	FC	LC	FA
<b>Buddhasasana</b>														
Rehabilitation & Improvement of Cap. Ass.	0.9	-	1.4	-	2.0	-	2.2	-	2.4	-	8.9	-	8.9	-
Furniture household equipment	1.7	-	2.0	-	2.5	-	2.5	-	2.7	-	11.4	-	11.4	-
Capital contribution of Buddhist & Pali University	7.2	-	7.5	-	8.0	-	8.5	-	8.5	-	39.7	-	39.7	-
Head Office & Charicaramaya	1.2	-	2.0	-	2.1	-	3.0	-	3.0	-	11.3	-	11.3	-
Household equipment & Vehicles	2.0	-	2.1	-	2.1	-	2.2	-	2.2	-	10.6	-	10.6	-
Contribution of Buildings	-	-	-	-	2.0	-	2.0	-	2.0	-	6.0	-	6.0	-
Grand Total	13.0	-	15.0	-	18.7	-	20.4	-	20.8	-	87.9	-	87.9	-



(Rs Million)

ITEMS	1993			1994			1995			1996			1997			1993 - 1997		
	T	FA	T	T	FA	T	T	FA	T	T	FA	T	T	FA	T	FC	LC	FA
<b>Cultural Affairs</b>																		
Ministry of Cultural Affairs	7.0	-	6.5	-	-	10.0	-	-	12.0	-	-	14.0	-	-	49.5	-	49.5	-
Cultural Triangle	25.0	-	50.0	-	-	46.0	-	-	48.0	-	-	50.0	-	-	219.0	-	219.0	-
Dept. of Cultural Affairs	14.0	-	14.0	-	-	20.0	-	-	22.0	-	-	24.0	-	-	94.0	-	94.0	-
Archaeological Dept.	33.0	-	33.0	-	-	39.0	-	-	41.0	-	-	45.0	-	-	191.0	-	191.0	-
Dept. of National Museums	9.5	-	9.5	-	-	14.0	-	-	15.0	-	-	17.0	-	-	65.0	-	65.0	-
Dept. of Archives	7.6	-	7.6	-	-	12.0	-	-	14.0	-	-	16.0	-	-	57.2	-	57.2	-
Dept. of Hindu Religion	4.1	-	4.1	-	-	6.0	-	-	7.0	-	-	8.0	-	-	29.2	-	29.2	-
Dept. of Muslim Religion	0.3	-	0.3	-	-	1.0	-	-	1.0	-	-	2.0	-	-	4.6	-	4.6	-
Total	100.5	-	125.0	-	-	148.0	-	-	160.0	-	-	176.0	-	-	709.5	-	709.5	-



PROJECT	(Rs Million)													
	1993		1994		1995		1996		1997		1993 - 1997			
	T	FA	T	FA	T	FA	T	FA	T	FA	F	L	T	FA
<b>Social Welfare</b>														
Poor Relief Services	2.4	-	4.8	-	5	-	5.3	-	5.3	-	7.8	15	22.8	-
Sri Lanka School of Social Work	1.8	-	8	-	10.2	-	10	-	10	-	20	20	40	-
Department of Social Services	11.2	-	22.1	-	48.5	-	45.5	-	44.5	-	82	89.8	171.8	-
Department of Probation & Child Care	0.5	-	20.1	-	16	-	15.5	-	12	-	30	34.1	64.1	-
<b>Total</b>	15.9	-	55	-	79.7	-	76.3	-	71.8	-	139.8	158.9	298.7	-



## VI ADMINISTRATIVE OVERHEADS

ITEMS	(Rs Million)													
	1993		1994		1995		1996		1997		1993 - 1997			
	T	FA	T	FA	T	FA	T	FA	T	FA	T	FC	LC	FA
<b>Administrative Overheads - Ongoing</b>														
Head 201-216	211.5	-	212.6	-	234	-	257	-	283	-	1198	779	434	-
Ministry of Defence	2617.1	-	3177.5	-	3495	-	3845	-	4229	-	17364	11287	6564	-
Ministry of Policy Planning & Implementation	98.2	-	521.0	230.0	573	230	630	240	693	300	2516	1636	881	1000
Ministry of Foreign Affairs	125.0	-	190.0	-	209	-	230	-	253	-	1007	654	353	-
Dept. of Information	9.0	-	1.2	-	1	-	1	-	2	-	15	9	5	-
Dept. of Government Printing	16.0	-	20.0	-	22	-	24	-	27	-	109	71	38	-
Ministry of Public Administration	16.7	-	26.9	9.2	30	-	33	-	36	-	142	92	40	9
Ministry of Justice	93.8	-	172.4	-	190	-	209	-	229	-	801	581	313	-
Ministry of Finance	324.0	-	486.8	-	535	-	589	-	648	-	2553	1879	879	-
Ministry of Env. & Parliamentary Affairs	6.2	-	7.5	-	8	-	9	-	10	-	41	27	14	-
Ministry of Reconstruction & Rehabilitation	1818.8	1419.8	1900.0	1350.0	2090	1485	2299	1647	2529	1797	10637	6314	3723	7685
<b>TOTAL</b>	<b>5336.3</b>	<b>1419.8</b>	<b>6715.9</b>	<b>1589.2</b>	<b>7387</b>	<b>1715</b>	<b>8126</b>	<b>1887</b>	<b>8939</b>	<b>2097</b>	<b>36505</b>	<b>23728</b>	<b>12777</b>	<b>8694</b>





S. AMIRTHALINGAM  
SECRETARY TO THE GOVERNOR  
GOVERNOR'S SECRETARIAT (NEP)  
TRINCOMALEE



