

Govt Outstanding bills climb to Over Rs. 200B

By **Ishara Gamage** - October 26, 2022 10:32am



Political will and the readiness to take unpopular decisions are essential to find proper solutions to the current economic crisis, Secretary of the Ministry of Finance Mahinda Siriwardena said.

He claimed that significant crises have emerged in several industries as a result of Over Rs 200 B government's unpaid bills.

He was speaking at the launch of the Institute of Policy Studies (IPS) of Sri Lanka's State of the Economy 2022, Report at IPS headquarters in Colombo.

Political factors have frequently played a significant role in economic decisions in the past, which has contributed to the unsustainable macrostructure we are experiencing today, he said.

"Obviously, one cannot completely ignore political and economic considerations when it comes to managing the economy. Fiscal, monetary, and structural reforms must be put in place immediately, if the economy is to be put on the correct path and have the best chance of regaining access to the world's capital markets ", he said.

Siriwardena claims that the Treasury is required to pay more than 200 billion rupees for the maintenance, fertiliser, and construction industries.

Almost the entire State revenue has to be allocated for mandatory payments of a recurrent nature such as government salaries, pensions and Samurdhi payments, leaving very little for other expenses.

But, given the lack of market access to foreign borrowings, there has been negative net external financing on the budget, he said.

The Government's capital expenditure has virtually come to a halt, creating further complications and implications for current and future economic growth. The domestic market is also limited in its ability to finance the entire budget deficits of the Government.

Ishara Gamage

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