THE GOVERNMENT OF THE REPUBLIC OF THE UNION OF MYANMAR

MINISTRY OF PLANNING AND FINANCE

BUDGET DEPARTMENT

FISCAL POLICY STATEMENT

2024-2025 FISCAL YEAR

October 23 , 2024

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Introduction

1. The Fiscal Policy Statement for the 2024-2025 fiscal year issued by the Budget Department under the Ministry of Planning and Finance is prepared to elucidate improvements in fiscal transparency, governmental priorities implementation, effective management of public finances to achieve the government's political, economic, and social objectives, and the implementation of the fiscal policy regarding the revenues, expenditures, and domestic and foreign debt conditions.

2. All descriptions, figures, and projects outlined in this statement for implementation based on the budget estimate of the 2024-2025 fiscal year have been prepared according to the National Plan Law and the Union Budget law for that fiscal year. The budget estimates for the 2024-2025 fiscal year may vary depending on the timing of receipt collections, actual revenue being higher or lower than projected under the Union Budget Law, and variations in expenditure, such as appropriations or spending exceeding or falling short of estimates, as governed by the Supplementary Grant.

Purpose

3. During the 2024-2025 fiscal year budget estimate, the focus will be on increasing spending on education and health, expanding social protection programs, and fully implementing the targeted revenues and expenses. This will ensure orderly fund utilization, meet departmental and organizational targets, achieve national policy goals, and enhance public financial management efficiency and effectiveness. Additionally, efforts will be made to strengthen the public financial management system and ensure fiscal transparency.

Fiscal Policy for the 2024-2025 Fiscal Year

4. (a) To mitigate the effects of the COVID-19 pandemic and the global economic downturn and to boost the State's economic recovery while the 2024-2025 fiscal year budget estimate anticipates that revenue will be lower than expenditure, resulting in a budget deficit.

(b) To boost revenue compared to previous years by expanding the tax base without raising tax rates, ensuring systematic collection of taxes, the state's primary revenue source, and increasing government spending relative to past years.

(c) To stimulate the state's economy and drive economic recovery under government leadership by boosting manufacturing through increased public spending, encouraging domestic consumption, creating jobs, and capitalizing on improved trade in goods.

(d) To prioritize spending that is essential for immediate public benefit and those that support national economic growth when implementing government spending.

(e) To lower other expenditures while ensuring the budget deficit to GDP ratio remains within established limits.

Revenue Policy for the Budget Estimate of the 2024-2025 Fiscal Year

5. To systematically collect and oversee tax revenue, which serves as the state's main source of income, the tax policy has been established as follows:

(a) Tax Policy

(1) To prevent from occurring inflation by creating a balanced budget and financial system in the country and correct the currency circulation with an effective tax collection system.

(2) To stabilize the macroeconomy and regulate consumption, investment,and savings for the long-term development of the national economy through the taxation system.

(3) To support the implementation of the economic goals of the state and to develop a tax system in accordance with international standards.

(4) To make efforts by expanding the use of ICT technologies to fully collect the taxes due in accordance with the law.

(5) To create an effective tax collection system and to eliminate corruption, continue to implement measures to transition to a self-assessment system.

Expenditure Policy for the Budget Estimate of the 2024-2025 Fiscal Year

6. To achieve effective expenditure management, it is undertaken the allocation of expenditure on current, capital and financial as follows:

(a) Current Expenditure Policy

(1) To appoint the number of recruitments allowed under state policy and to precisely schedule the timing of these appointments.

(2) To utilize administrative and commercial fuel within the financial framework.

(3) To raise expenditures that bolster domestic manufacturing, aiming to replace imports and promote exports.

(4) To enhance investment in the advancement of the electricity sector.

(5) To increase investment in the enhancement of both education and healthcare sectors.

(6) To allocate funds as required by state policy, ensuring necessary spending on essential public services and initiatives that boost the national economy.

(7) To evaluate and allocate the expenditure for maintaining the currently constructed and operational infrastructures.

(b) Capital Expenditure Policy

(1) To allocate expenditures for prioritized areas on rehabilitating buildings concerning constructing new offices, extending office buildings, constructing training academies and staff housing, as well as completing ongoing construction projects.

(2) To allocate funds for acquiring office equipment and furniture that meet basic requirements.

(3) To prioritize spending that bolsters domestic manufacturing, aiming to replace imports and promote exports.

(4) To prioritize spending on constructing hospitals, schools, universities, vocational training centers, and stadiums based on prioritized areas.

(5) To prioritize construction exclusively for ongoing projects and works.

(6) To implement a systematic review of material purchases, ensuring that items available for purchase with local currency is purchased exclusively with local currency, and to minimize the use of foreign currency as much as possible.

(7) To allocate funds as required by state policy, ensuring necessary spending on essential public services and initiatives that boost the national economy.

(8) To evaluate and allocate the expenditure for maintaining the currently constructed and operational infrastructures.

(c) Financial Expenditure Policy

(1) To prioritize spending on interest and principal repayments due within the financial year.

(2) To secure the loans that have already been acquired or are expected to be acquired.

(3) To select and obtain only concessional loans.

(4) To secure a loan in cash and repay it using only the currency from that loan, while also accounting for risks associated with fluctuations in the exchange rate.

Summary of Economic Condition

7. From 2021 October to 2022 March (provisional actual), the deficit to GDP ratio was 2.2 percent, and the economic growth rate was targeted at 3.8 percent, from 2021 October to 2022 March, however, the actual economic growth rate was 2.4 percent. According to the 2022-2023 fiscal year (provisional actual), the deficit to GDP ratio was 2.8 percent and the economic growth rate was 3.4 percent. According to the fiscal year 2023-2024 (revised estimate), the deficit to GDP ratio was 5.3 percent and the economic growth rate was 3.5 percent.

Table (1) Summary of Economic Condition from 2021-2022 Fiscal Year (6) month to 2024-2025 Fiscal Year

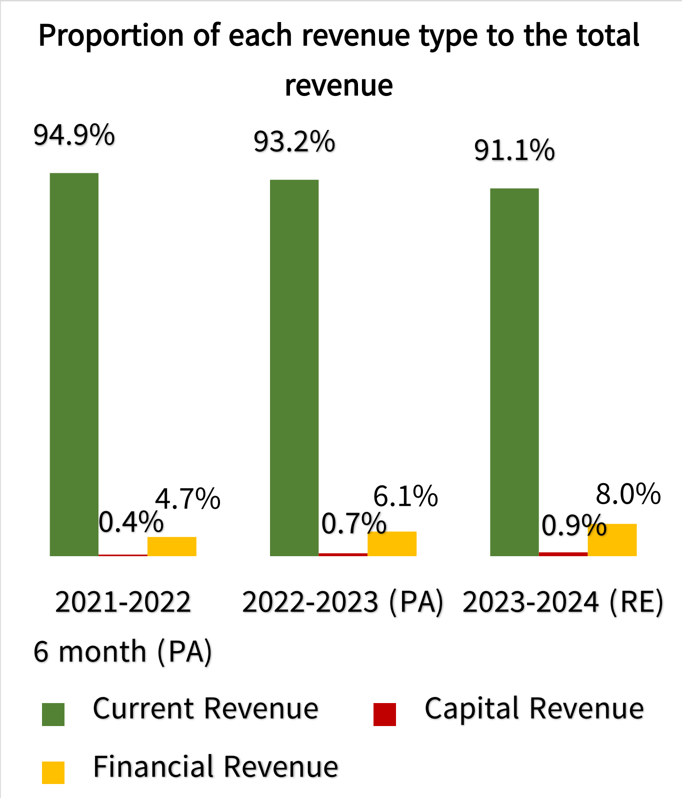
Particular	2021-2022 (6) month (October to March)		2022-2023 (April to March)	2023-2024 (April to March)	2024-2025 (April to March)
	Projection	Actual	Provisional Actual	Temporary	Projection
GDP (Kyats in Billion)	74,893.2	75,044.7	125,339.0	140,191.0	155,543.5
GDP Growth Rate	3.8	2.4	3.4	3.5	3.8
Average Inflation Rate		14.60	24.39	27.53	13.65
Export(USD in Million)		8,308.42	16,621.29	14,639.67	16,700.00
Import (USD in Million)		7,964.99	17,355.47	15,475.21	16,300.00
Trade Surplus/Deficit (USD in Million)		343.43	-734.18	-835.54	400.00

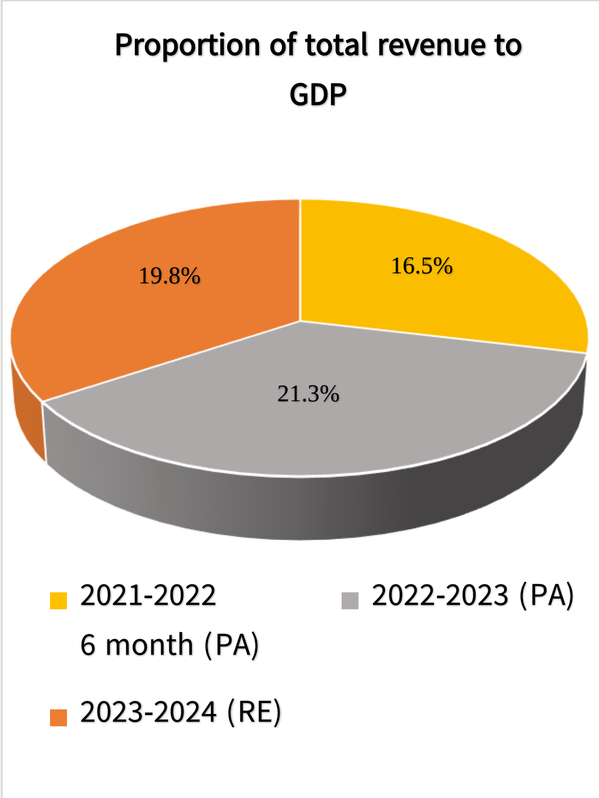
Source: Planning Department, Central Statistical Organization, 2024-2025 Fiscal Year National Plan Law

Fiscal Performance from 2021-2022 Fiscal Year (6) month to 2023-2024 Fiscal Year

(a) Revenue Analysis

Figure (1) The proportion of each revenue type to the total revenue and the proportion of total revenue to GDP from 2021-2022 Fiscal Year (6) month to 2023-2024 Fiscal Year





Source: Budget Department

Table (2) Proportion of each revenue type to total revenue of State Administrative Organizations, Ministries and Departments, and State-owned Economic Enterprises

Revenue Type	2021-2022 (6)month(PA)		2022-2023 (PA)		2023-2024 (RE)	
	SAO, M&D	SEEs	SAO, M&D	SEEs	SAO, M&D	SEEs
Current Revenue	41.8%	53.1%	44.9%	48.3%	45.7%	45.4%
Capital Revenue	0.38%	0.02%	0.6%	0.1%	0.9%	-
Financial Revenue	2.5%	2.2%	4.3%	1.8%	5.8%	2.2%
Total	**44.7%**	**55.3%**	**49.8%**	**50.2%**	**52.4%**	**47.6%**

Source: Budget Department

Remark: PA: Provisional Actual, RE: Revised Estimate, SAO: State Administrative Organizations, M&D: Ministries & Departments, SEEs: State-owned Economic Enterprises

8. According to the 2021-2022 (6) month fiscal year (provisional actual) and 2022-2023 fiscal year (provisional actual) and 2023-2024 fiscal year (revised estimate), the ratio of each revenue type to total revenue is as follows: the current revenue is 94.9 percent, 93.2 percent, and 91.1 percent and the capital revenue is 0.4 percent, 0.7 percent, and 0.9 percent and the financial revenue is 4.7 percent, 6.1 percent, and 8.0 percent. During these three fiscal years, the ratio of total revenue to GDP is 16.5 percent, 21.3 percent, and 19.8 percent respectively.

9. During three fiscal years, including the interim fiscal year, 2021-2022 (6) month (provisional actual), out of the current revenue, the tax revenue composition is 30.97 percent, 34.30 percent, and 34.43 percent. The contribution from State-owned Economic Enterprises is 8.82 percent, 9.75 percent, and 11.45 percent. The revenue from State-owned Economic Enterprises is 55.98 percent, 51.84 percent, and 49.81 percent. The other revenue is 4.23 percent, 4.11 percent, and 4.31 percent. Out of the total revenue, the revenue composition of State Administrative Organizations, Ministries, and Departments is 44.7 percent, 49.8 percent, and 52.4 percent, and the revenue composition of State-owned Economic Enterprises is 55.3 percent, 50.2 percent, and 47.6 percent respectively. The ratio of tax revenue to GDP is 4.9 percent, 6.8 percent, and 6.2 percent respectively.

Table (3) Proportion of revenue compared to total revenue of Union and Regions/States

Revenue Type	**2021-2022 (6) month (PA)**		**2022-2023 (PA)**		**2023-2024 (RE)**	
	Union	**Regions & States**	**Union**	**Regions & States**	**Union**	**Regions & States**
Current Revenue	88.9%	11.1%	89.5%	10.5%	89.4%	10.6%
Capital Revenue	53.7%	46.3%	80.3%	19.7%	65.0%	35.0%
Financial Revenue	98.8%	1.2%	97.0%	3.0%	99.3%	0.7%
Total	**89.1%**	**10.9%**	**89.9%**	**10.1%**	**89.8%**	**10.2%**

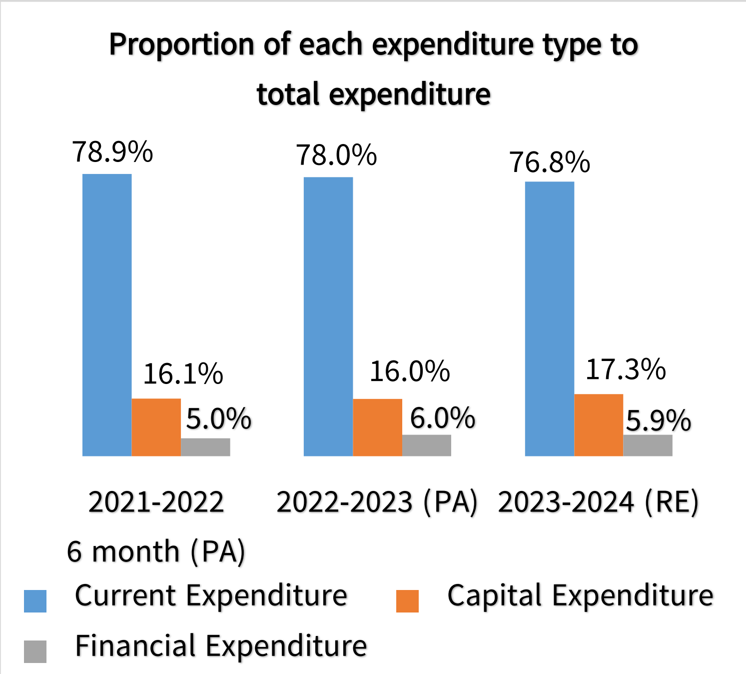
Source: Budget Department

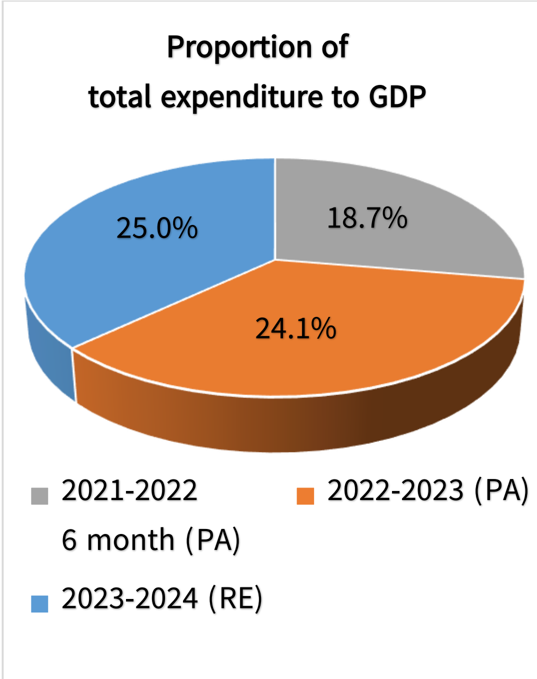
10. According to the 2021-2022 (6) month fiscal year (provisional actual), 2022-2023 fiscal year (provisional actual) and 2023-2024 fiscal year (revised estimate), the ratio of

revenue compared to total revenue of Union and Regions/States is 89.1:10.9, 89.9:10.1 and 89.8: 10.2 respectively.

(b) Expenditure Analysis

Figure (2) Proportion of each expenditure type to total expenditure and proportion of total expenditure to GDP from 2021-2022 Fiscal Year (6) month to 2023-2024 Fiscal Year





Source: Budget Department

Table (4) Proportion of each expenditure type to the total expenditure of State Administrative Organizations, Ministries and Departments, and State-owned Economic Enterprises

Expenditure Type	2021-2022 (6) month (PA)		2022-2023 (PA)		2023-2024 (RE)	
	SAO, M&D	SEEs	SAO, M&D	SEEs	SAO, M&D	SEEs
Current Expenditure	41.4%	37.5%	41.4%	36.6%	41.9%	34.9%
Capital Expenditure	13.5%	2.6%	12.9%	3.1%	13.8%	3.5%
Financial Expenditure	2.5%	2.5%	3.3%	2.7%	3.3%	2.6%
Total	**57.4%**	**42.6%**	**57.6%**	**42.4%**	**59.0%**	**41.0%**

Source: Budget Department

Remark: PA: Provisional Actual, RE: Revised Estimate, SAO: State Administrative Organizations, M&D: Ministries & Departments, SEEs: State-owned Economic Enterprises

11. According to the 2021-2022 (6) month fiscal year (provisional actual), 2022-2023 fiscal year (provisional actual), and 2023-2024 fiscal year (revised estimate), the ratio of each

expenditure type to total expenditure is as follows: the current expenditure is 78.9 percent, 78.0 percent, and 76.8 percent and the capital expenditure is 16.1 percent, 16.0 percent and 17.3 percent, and the financial expenditure is 5.0 percent, 6.0 percent and 5.9 percent. During these three fiscal years, the ratio of total expenditure to GDP is 18.7 percent, 24.1 percent, and 25.0 percent respectively.

12. During three fiscal years, including the interim fiscal year, 2021-2022 (6) month (provisional actual), out of the total expenditure, the expenditure composition of State Administrative Organizations, Ministries, and Departments is 57.4 percent, 57.6 percent, and 59.0 percent and the expenditure composition of State-owned Economic Enterprises is 42.6 percent, 42.4 percent, and 41.0 percent respectively.

Table (5) Proportion of expenditure compared to total expenditure of Union and Regions/States

Expenditure Type	2021-2022 (6) month (PA)		2022-2023 (PA)		2023-2024 (RE)	
	Union	Regions & States	Union	Regions & States	Union	Regions & States
Current Expenditure	95.9%	4.1%	95.9%	4.1%	96.3%	3.7%
Capital Expenditure	71.4%	28.6%	71.3%	28.7%	74.4%	25.6%
Financial Expenditure	100.0%	-	100.0%	-	99.7 %	0.3%
Total	**91.1%**	**8.9%**	**91.1%**	**8.9%**	**91.8%**	**8.2%**

Source: Budget Department

13. According to the 2021-2022 (6) month fiscal year (provisional actual), 2022-2023 fiscal year (provisional actual) and 2023-2024 fiscal year (revised estimate), the ratio of expenditure compared to the total expenditure of Union and Regions/States is 91.1:8.9, 91.1:8.9 and 91.8:8.2 respectively.

(c) Reserve Money, Deficit Financing, and Domestic and External Debt Analysis

14. The Central Bank of Myanmar implements monetary policy by establishing money aggregates target and carrying out monetary activities. To achieve and maintain domestic price stability, it sets a reserve money as a target and broad money as an intermediate target.

15. The reserve money consists of currency in circulation and bank deposit at CBM and the main factors affecting reserve money are (a) net foreign asset, (b) net domestic asset (c) net claims on Union Government, (d) claims on deposit money banks, and (e) other items net. By comparing them with the targeted amount of reserve money, the Central Bank of Myanmar is using methods such as calling a credit auction if it wants to inject money into the economy and calling a deposit auction if it wants to withdraw excess money from the economy.

16. The source of funds in the country is financed by the government revenue, the domestic and foreign aid as well as the domestic and external borrowing. Most of the external borrowing is both multilateral and bilateral. The domestic borrowings are the issuance of government securities and borrowing from the Central Bank of Myanmar. The financing of the Government Deposit Account in the 2023-2024 fiscal year is as follows:

Table (6) Deficit Financing of Government Deposit Account

(Kyats in Billion)

No	Particular	2023-2024 Fiscal Year
1	Treasury Bonds	
	Issued	3,239.597
	Redeemed	2,562.796
	Netting	676.801
2	Treasury Bills	
	Issued	7,703.828
	Redeemed	7,679.465
	Netting	24.363
3	Central Bank of Myanmar Financing	
	Issued	6,880.491
	Redeemed	1,971.072
	Netting	4,909.419
	Total	
	Issued	17,823.916
	Redeemed	12,213.333
	Netting	5,610.583

Source: Treasury Department

Remark: It is up to 31-3-2024.

Table (7) Domestic Debt and External Debt to GDP Ratio as at 31-3-2024

Fiscal Year	Domestic Debt to GDP Ratio	External Debt to GDP Ratio	Total Debt to GDP Ratio
2022-2023 (Up to 31-3-2023)	37.80%	17.75%	55.55%
2023-2024 (Up to 31-3-2024)	37.80%	14.51%	52.31%

Source: Treasury Department

Projections for the Budget Estimate of the 2024-2025 Fiscal Year

(a) Economic Forecasting

17. In the 2024-2025 fiscal year, economic growth by major sectors during the fiscal year is 1.9 percent in the agricultural sector at regular prices, 3.5 percent in the industrial sector, and the services sector is expected to grow by 5.0 percent. In terms of annual prices in the gross domestic product and service value for the 2024-2025 fiscal year, the ratio of the agricultural sector decreases from 22.7 percent to 22.6 percent, the ratio of the industrial sector decreases from 37.6 percent to 37.4 percent and the ratio of the service sector is targeted to increase from 39.7 percent to 40.0 percent respectively. In the 2024 - 2025 fiscal year, the estimated average inflation rate is expected to be 13.65 percent. According to the projection, in the 2024-2025 fiscal year, the export value is USD 16.700 billion and the import value is USD 16.300 billion. The total trade value is USD 33.000 billion and the trade surplus is USD 0.4 billion. The average product and service value per person (Per Capita GDP) is targeted to be MMK 2,742,643 at annual prices.

(b) Estimated Budget

18. In the budget estimate for the 2024 - 2025 fiscal year, the total revenue of the Union and Regions/States is MMK 34,743,024.893 million. The total expenditure is MMK 42,622,312.646 million and the total deficit is MMK 7,879,287.753 million, and the value of GDP is MMK 155,543,534.100 million. In the budget estimate for the 2024-2025 fiscal year, to speed up the economic cycle due to the COVID-19 pandemic and spend expenditures that will immediately benefit the public, the deficit to GDP ratio is projected at 5.07 percent, and economic growth rate is expected to reach 3.8 percent.

Table (8) Estimated Revenue and Expenditure for the budget estimate of the 2024-2025 Fiscal year

(Kyats in Million)

No	Particular	Union	Regions/States	Total	Percentage of GDP
(a)	**Revenues**	**31,793,332.375**	**2,949,692.518**	**34,743,024.893**	**22.34%**
	Current	28,876,661.134	2,804,597.280	31,681,258.414	20.37%
	Capital	461,754.747	138,934.106	600,688.853	0.39%
	Financial	2,454,916.494	6,161.132	2,461,077.626	1.58%
(b)	**Expenditures**	**39,672,620.128**	**2,949,692.518**	**42,622,312.646**	**27.40%**
	Current	31,443,366.579	1,115,930.565	32,559,297.144	20.93%
	Capital	5,811,257.867	1,815,558.047	7,626,815.914	4.90%
	Financial	2,417,995.682	18,203.906	2,436,199.588	1.57%
(c)	Surplus (+)/ Deficit (-)	(-) 7,879,287.753	-	(-) 7,879,287.753	
(d)	**Value of GDP**	**155,543,534.100**			
(e)	**Deficit to GDP Ratio**	**5.07%**			

Source: Budget Department

(c) Budget Priorities

19. Following the objectives and expenditure policy for the 2024-2025 fiscal year, priority will be given to fostering the socio-economic development of the public, promoting the national economy, and enhancing agriculture and livestock to secure domestic oil consumption. The focus will also be on transportation, communication, electricity, and energy for qualified infrastructure development. Investment in education and health, crucial for human resource development, will be a key focus, along with support for micro, small, and medium enterprises to boost local products and create jobs.

(d) Contingency Fund

20. In the 2024-2025 fiscal year budget estimate, an unforeseen allocation of MMK 200,000.000 million has been set aside in the Union's contingency fund for natural disaster prevention, relief, and rehabilitation activities. Additionally, MMK 15,000.000 million is designated for the Regions and States, including the Nay Pyi Taw Council, making the total allocation of MMK 215,000.000 million.

Table (9) Contingency Fund for Union, Nay Pyi Taw Council, Regions/States

(Kyats in Million)

Particular	2021-2022 (6) month (PA)	2022-2023 (PA)	2023-2024 (RE)	2024-2025 (BE)
Contingency Fund	39,686.113	68,844.944	115,000.000	215,000.000

Source: Budget Department

Remark: PA: Provisional Actual ၊ RE: Revised Estimate၊ BE: Budget Estimate

(e) Grant from the Union

21. In the budget estimate for the 2024-2025 fiscal year, Union grants to the Regions and States are determined based on the medium-term fiscal framework and calculated using six economic indicators, then distributed proportionally among the Regions and States. In the budget estimate for the 2024-2025 fiscal year, the deficit subsidy from the Union to the Regions/States is MMK 1,921,764.743 million.

Table (10) Grant for the deficit from Union to Regions/States

(Kyats in Million)

Particular	2021-2022 (6) month (PA)	2022-2023 (PA)	2023-2024 (RE)	2024-2025 (BE)
Grant from Union	1,062,987.053	2,010,521.210	1,897,975.973	1,921,764.743

Source: Budget Department

(f) Tax Sharing

22. Regarding the share of taxes distributed by the Union to the Regions/States, all taxes collected by the public sector (excluding levies on imports) with indicators according

to the medium-term fiscal framework, 15% of commercial tax collected in MMK; 15% of commercial tax (excluding levies on imports) from the private and cooperative sectors, 15% of special goods tax, 5% of personal income tax, 2% of stamp duty was allocated based on the revenue collected by the Regions/States. Total sharing for the budget estimate of the 2024-2025 fiscal year is MMK 310,000.000 million.

Table (11) Tax sharing from the Union to Regions/States

(Kyats in Million)

Particular	2021-2022 (6) month (PA)	2022-2023 (PA)	2023-2024 (RE)	2024-2025 (BE)
Tax Sharing	134,952.414	359,840.685	501,773.078	310,000.000

Source: Budget Department, Internal Revenue Department

(g) National Economic Promotion Fund

23. The budget estimate for the 2024-2025 fiscal year is to boost the Agriculture and livestock businesses and to increase domestic consumption with funds that are allowed by the National Economic Promotion Fund in the fiscal year. From 1-9-2022 to 30-6-2024, the Ministry of Agriculture, Livestock, and Irrigation received MMK 319 billion, the oil industry development loan fund was MMK 50 billion, Region or State governments, self-administered division, and self-administered areas received MMK 152 billion and the total was MMK 521 billion.

24. A grant of MMK 170 billion was given to establish the Micro, Small, and Medium Enterprises Development Fund for micro, small, and medium enterprises in the 2022-2023 fiscal year.

Table (12) National Economic Promotion Fund and MSME Fund

(Kyats in Billion)

No	Particular	From the 2022-2023 FY to the 2024-2025 FY (BE)
1	National Economic Promotion Fund	521.0
2	MSME Fund	170.0

Source: Budget Department

(h) State-owned Economic Enterprises

25. In the budget estimate for the 2024 - 2025 fiscal year, the total revenue of State-owned Economic Enterprises operating with Union Funds, State-owned Economic Enterprises operating outside of the Union Fund Program and the Central Bank of Myanmar is MMK 16,462,930.975 million, the total expenditure is MMK 17,446,259.371 million and the deficit is MMK 983,328.396 million.

(i) Deficit Financing

26. The government's deficit is financed by both external and domestic borrowing. The domestic borrowings are the issuance of government securities and borrowing from the Central Bank of Myanmar. In the budget estimate for the 2024-2025 fiscal year, the budget deficit is estimated as MMK 7,879,287.753 million and the financing for the deficit is from domestic and external financing that will not be more than MMK 9,600,000.000 million which includes the actual withdrawals of foreign loans and the net repayments of domestic loans during the fiscal year.

Government Priorities for State Development

27. The budget estimate for the 2024-2025 fiscal year will facilitate the execution of the five-point roadmap and the nine objectives set by the state.

28. To modernize agriculture and livestock tasks and develop rural areas, micro, small, and medium enterprises are being encouraged. Budget allocations support this effort, along with the National Economic Promotion Fund, the COVID-19 Special Loan Fund, and the Micro, Small, and Medium Enterprises Development Fund, all established to meet investment needs.

29. When allocating budget estimates from departmental organizations, the allocation should closely reflect actual implementation capabilities. To manage the budget deficit, efforts are focused on meeting and exceeding revenue targets. Expenditures will be directed towards activities that quickly support the state's economic development and

enhance the socioeconomic well-being of the entire people. All other expenses must be thoroughly scrutinized, adhering to rules and regulations.

30. To develop human resources, the country's primary need, the state has prioritized expenditures on education, health and social protection, sports, religion, and culture based on the needs.

31. In terms of projects, the focus should be on only those that are significant and beneficial to the country and require implementation. It is important to cut back on non-essential projects and reassess those that are unprofitable. The state will prioritize investments in essential areas, particularly in education and healthcare.

32. The national government has been managing public finance transparently, by the existing laws, financial regulations, procedures, and tender rules, while also accepting audits and issuing orders and instructions.

33. The national government is making special efforts for the country's economic development, with the main goals being national prosperity and food security.

Fiscal Challenges

34. There is a need to boost the ratio of tax revenue to GDP. The national government must persist in increasing expenditures to stimulate the economy, though this leads to a continuing budget deficit. According to macroeconomic indicators, the budget deficit as a percentage of GDP should be kept within a manageable level, and sufficient funds are required for national infrastructure projects. Additionally, it is crucial to manage the burden of domestic and foreign debt incurred from national deficits, which are partly due to annual expenses related to natural disasters.

Fiscal Risks

35. Factors such as foreign exchange rate instability, high inflation, elevated general commodity prices, economic sanctions, and the halt of foreign aid and loans also affect economic growth.

Fiscal Strategy

36. Fiscal strategy is categorized into short-term and long-term plans. For the 2024-2025 fiscal year, the ratio of the budget deficit to GDP will be maintained at a level that supports economic stability. The government's expenditure policy aims to boost investments that foster economic growth, create job opportunities, and support socio-economic development and human resource development.

37. The short-term strategy focuses on achieving economic stability by implementing measures to ensure inflation and price stability, thereby mitigating the negative impacts of the COVID-19 pandemic and the global economic recession. This strategy involves enhancing revenue through efficient tax collection and prioritizing spending that directly benefits the public and stimulates national economic growth. It includes boosting manufacturing by increasing aggregate demand, enhancing domestic consumption, creating job opportunities, and improving trade in goods. Its goal is to boost the economy and support the country’s recovery.

38. The long-term strategy focuses on enhancing revenue by broadening the tax base without increasing tax rates, while also boosting spending on education, health, sports, and social protection programs. It aims to modernize agriculture and livestock tasks, and micro, small, and medium enterprises and then prioritizes greater investment in infrastructure, environmental conservation, and strategic budget allocation to promote equitable development across States and Regions. The plan includes ensuring efficient use of funds, securing only concessional loans, and reducing the budget deficit.

Conclusion

39. The state fund represents solely public resources. The government administers this fund on behalf of the public. The goal of utilizing public funds is to provide tangible benefits to the people and advance the nation's economic development. Consequently, departmental organizations and regional and state governments should strive to improve public financial management by boosting revenue and ensuring effective expenditure.

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