

*KEY ECONOMIC  
INDICATORS*

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INDICATOR	2007	2008	2009	2010	First Half	
					2010 Actual	2011 Provisional
<b>DEMOGRAPHY</b>						
Mid-year population ('000 persons) (a)	20,010	20,217	20,450	20,653		
Growth of mid-year population (per cent) (a)	1.1	1.0	1.1	1.0		
Population density (persons per sq.km.) (a)	319	322	326	329		
Labour force ('000 persons)	7,489 (b)	8,082 (c)	8,074 (c)	8,108 (c)	8,091 (c)	8,221 (c)
Labour force participation rate (per cent)	49.8 (b)	49.5 (c)	48.7 (c)	48.1 (c)	48.1 (c)	48.2 (c)
Unemployment rate (per cent of labour force)	6.0 (b)	5.4 (c)	5.8 (c)	4.9 (c)	5.2 (c)	4.3 (c)
<b>OUTPUT (d)</b>						
GDP at current market prices (Rs. billion)	3,579	4,411	4,835	5,602	2,631	3,094
GNP at current market prices (Rs. billion)	3,540	4,306	4,779	5,530	2,591	3,060
Per capita GDP at market prices (Rs.)	178,845	218,167	236,445	271,259		
Per capita GNP at market prices (Rs.)	176,893	212,972	233,716	267,780		
Per capita GDP at market prices (US\$)	1,617	2,014	2,057	2,399		
Per capita GNP at market prices (US\$)	1,599	1,966	2,033	2,368		
<b>REAL OUTPUT (percentage change) (d)</b>						
GNP	7.1	4.6	4.8	7.9	7.3	8.5
GDP	6.8	6.0	3.5	8.0	7.8	8.0
Sectoral classification of GDP						
Agriculture	3.4	7.5	3.2	7.0	7.8	-1.8
Industry	7.6	5.9	4.2	8.4	8.0	10.3
Services	7.1	5.6	3.3	8.0	7.6	9.1
<b>AGGREGATE DEMAND AND SAVINGS (per cent of GDP) (d)</b>						
Consumption	82.4	86.1	82.1	81.3		
Private	67.2	70.0	64.4	65.8		
Government	15.3	16.2	17.6	15.6		
Investment	28.0	27.6	24.4	27.8		
Private	22.6	21.1	17.9	21.6		
Government	5.4	6.5	6.6	6.2		
Net exports of goods & services	-10.4	-13.7	-6.5	-9.1		
Exports of goods & services	29.1	24.8	21.3	21.7		
Imports of goods & services	39.5	38.5	27.8	30.8		
Domestic savings	17.6	13.9	17.9	18.7		
Net factor income from abroad (e)	5.8	3.9	5.8	6.0		
National savings	23.3	17.8	23.7	24.7		
<b>PRICES AND WAGES (percentage change)</b>						
Colombo Consumers' Price Index (2002 = 100) - annual average	15.8	22.6	3.4	5.9	3.9	6.9 (f)
Colombo Consumers' Price Index (2002 = 100) - year-on-year - end period	18.8	14.4	4.8	6.9	4.8	8.8 (f)
Colombo Consumers' Price Index (2006/07 = 100) - annual average (g)			3.5	6.2	4.3	6.7
Colombo Consumers' Price Index (2006/07 = 100) - year-on-year - end period (g)			5.0	6.8	5.1	7.1
Wholesale Price Index (1974 = 100) - annual average	24.4	24.9	-4.2	11.2	7.6	14.2
GNP deflator (d)	14.0	16.3	5.9	7.3	7.5	8.8
GDP deflator (d)	14.0	16.3	5.9	7.3	7.5	8.8
Nominal wage rate index for workers in all wages boards	21.4	25.6	4.9	32.0	14.8	17.4
Nominal wage rate index for central government employees	21.5	7.5	9.4	3.3	5.5	4.7
<b>EXTERNAL TRADE</b>						
Trade balance (US\$ million)	-3,657	-5,981	-3,122	-4,881	-2,612	-4,257
Exports	7,640	8,111	7,085	8,570	3,742	5,057
Imports	11,296	14,091	10,207	13,451	6,354	9,314
Terms of trade (percentage change)	-1.0	-11.8	24.0	-3.5	-14.4	-3.9
Export unit value index (1997 = 100) (percentage change)	4.8	5.8	-0.4	13.1	7.1	15.8
Import unit value index (1997 = 100) (percentage change)	5.9	20.0	-19.7	17.2	25.2	20.4
Export volume index (1997=100) (percentage change)	7.3	0.4	-12.3	7.0	-1.4	16.7
Import volume index (1997=100) (percentage change)	4.1	4.0	-9.8	13.0	11.5	21.3
<b>EXTERNAL FINANCE</b>						
Services and income account (net) (US\$ million)	-56	-571	-97	133	-61	377
Current private transfers (net) (US\$ million)	2,214	2,565	2,927	3,608	1,797	2,295
Current official transfers (net) (US\$ million)	97	101	77	52	29	17
Current account balance (US\$ million)	-1,402	-3,886	-214	-1,088	-848	-1,569
Overall balance (US\$ million)	531	-1,385	2,725	921	-11	357

(a) As reported by the Registrar General's Department

(b) Data excluding both Northern and Eastern provinces.

(c) Data excluding Northern province.

(d) Data are based on National Accounts Estimates compiled by the Department of Census and Statistics.

(e) Includes workers' remittances.

(f) Data for May, 2011

(g) CCPI (2002=100) has been replaced since June 2011.

## KEY ECONOMIC INDICATORS (Contd.)

INDICATOR	2007	2008	2009	2010	First Half	
					2010 Actual	2011 Provisional
Current account balance (per cent of GDP) (d)	-4.3	-9.5	-0.5	-2.2	-	-
Total external assets (months of same year imports) (h)	5.3	3.1	8.3	7.7	6.8	6.8
Official external assets (months of same year imports) (h)	3.7	2.0	6.3	6.4	5.7	5.9
Overall debt service ratio						
As a percentage of export of goods and services	13.1	15.1	19.0	14.8	12.7	9.3
As a percentage of current receipts	10.0	11.7	13.7	10.5	8.9	6.5
Total external debt and liabilities (per cent of GDP) (d)	51.0	43.7	49.7	50.1	n.a	n.a
<b>EXCHANGE RATES</b>						
Period average						
Rs/US\$	110.62	108.33	114.94	113.06	114.05	110.32
Rs/SDR (i)	169.37	171.24	177.22	172.50	172.91	174.40
NEER (2010 = 100) (24 - currency basket) (j)	98.96	100.06	99.85	100.00	99.75	99.23
REER (2010 = 100) (24 - currency basket) (j) (k)	80.91	95.50	97.63	100.00	99.13	101.99
Period end						
Rs/US\$	108.72	113.14	114.38	110.95	113.52	109.61
Rs/SDR (i)	171.57	174.27	178.67	170.84	167.88	175.42
<b>GOVERNMENT FINANCE (per cent of GDP) (d)</b>						
Revenue and grants	16.6	15.6	15.0	14.9	6.5	6.7
Revenue	15.8	14.9	14.5	14.6	6.3	6.6
o/w Tax revenue	14.2	13.3	12.8	12.9	5.5	5.8
Grants	0.9	0.7	0.5	0.3	0.1	0.1
Expenditure and net lending	23.5	22.6	24.9	22.9	10.3	10.0
Current expenditure	17.4	16.9	18.2	16.7	8.3	7.5
Capital expenditure and net lending	6.1	5.7	6.7	6.1	2.0	2.4
Current account deficit(-)/surplus(+)	-1.6	-2.0	-3.7	-2.1	-1.9	-1.0
Primary deficit(-)/surplus(+)	-1.8	-2.2	-3.5	-1.7	-0.8	-0.7
Overall deficit(-)/surplus(+)(l)	-6.9	-7.0	-9.9	-8.0	-3.8	-3.3
Deficit financing	6.9	7.0	9.9	8.0	3.8	3.3
Foreign	2.8	-0.1	4.8	4.4	0.9	0.5
Domestic	4.1	7.1	5.1	3.6	3.0	2.8
Government debt	85.0	81.4	86.2	81.9	77.6	74.6
Foreign	37.1	32.8	36.5	36.1	32.2	32.5
Domestic	47.9	48.5	49.8	45.8	45.4	42.0
<b>MONETARY AGGREGATES (year-on-year percentage change)</b>						
Reserve money	10.2	1.5	13.1	18.8	23.0	23.0
Narrow money (M <sub>1</sub> )	2.7	4.0	21.4	20.9	29.5	20.8
Broad money (M <sub>2b</sub> )	16.6	8.5	18.6	15.8	14.3	20.7
Net foreign assets of the banking system	33.2	-65.9	417.2	-6.1	176.0	-20.7
Net domestic assets of the banking system	13.8	22.9	-2.8	22.1	1.2	29.9
Domestic credit from the banking system to						
Government (net)	4.7	55.8	9.9	-2.1	-11.5	7.4
Public corporations	55.8	-4.4	55.8	97.4	141.8	38.8
Private sector	19.3	7.0	-5.8	24.9	5.9	34.3
Money multiplier for M <sub>2b</sub> (end year)	5.31	5.67	5.95	5.80	5.83	5.72
Velocity of M <sub>2b</sub> (average for the year) (d)	2.73	3.01	2.90	2.92		
<b>INTEREST RATES (per cent per annum at year end)</b>						
Repurchase rate (overnight)	10.50	10.50	7.50	7.25	7.50	7.00
Reverse repurchase rate (overnight)	12.00	12.00	9.75	9.00	9.75	8.50
Treasury bill yield rates						
91 days	21.30	17.33	7.73	7.24	8.07	7.12
364 days	19.96	19.12	9.33	7.55	9.29	7.35
Deposit rates						
Commercial banks' average weighted deposit rate (AWDR)	10.31	11.63	8.01	6.23	7.00	6.31
Commercial banks' 12 month fixed deposit rate (max.)	20.00	20.25	19.00	17.00	19.00	10.65
NSB savings rate	5.00	5.00	5.00	5.00	5.00	5.00
NSB 12 month fixed deposit rate	15.00	15.00	9.50	8.50	9.50	8.50
Lending rates						
Commercial banks' average weighted prime lending rate (AWPR)	17.95	18.50	10.91	9.29	10.37	9.41
Commercial banks' average weighted lending rate (AWLR)	18.08	20.13	17.41	14.80	16.08	13.72
<b>CAPITAL MARKET</b>						
All share price index (ASPI) (1985 = 100)	2,541.0	1,503.0	3,385.6	6,635.9	4,612.5	6,825.9
Milanka price index (MPI) (1998 Dec = 1,000)	3,291.9	1,631.3	3,849.4	7,061.5	5,278.4	6,301.0
Value of shares traded (Rs. million)	104,985	110,454	142,463	570,327	209,088	330,623
Net purchases by non nationals (Rs. million)	11,254	13,951	-789	-26,335	16,949	-7,412
Market capitalisation (Rs. billion)	820.7	488.8	1,092.1	2,210.5	1,503.9	2,351.8

(h) Includes Asian Clearing Union balances.

(i) Special Drawing Rights (SDR), the unit of account of the International Monetary Fund.

(j) The exchange rates have been defined in terms of indices so that the appreciation/depreciation of the rupee relative to other currencies is directly reflected by a rise/fall in the value of the effective exchange rates indices.

(k) CCPI is used for the computation of the Real Effective Exchange Rate (REER). The REER is computed by adjusting the Nominal Effective Exchange Rate (NEER) for inflation differentials with the countries whose currencies are included in the basket.

(l) Grants are classified as a revenue item.