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Press Release

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Sri Lanka Prosperity Index 2012

The Sri Lanka Prosperity Index (SLPI) compiled by the Central Bank of Sri Lanka rose by 6.8 per cent to 66.8 in 2012, from 62.5 in 2011 reflecting economic and social developments in the country. It is a multi-dimensional indicator, consisting of three (3) sub-indices, namely the Economy and Business Climate, the Well-Being of the People and the Socio-Economic Infrastructure. Until 2011, the SLPI was measured using twenty six (26) variables at national and provincial levels. In 2012, considering the data availability at national level, the Central Bank has included 16 representative variables into the SLPI in order to more effectively capture the economic changes taking place in the country. The new variables introduced have been in the areas of economy, business climate, health, education and economic infrastructure and have resulted in the index becoming even more representative of the country's conditions than previously. Accordingly, the SLPI of 2012 has been developed using forty two (42) variables (Annex 1).

The SLPI increased during 2012, with an improvement in all three sub-indices. The most marked improvement was observed in the Socio-Economic Infrastructure sub-index, which rose by 8.2 per cent in 2012 from 6.7 per cent in 2011. The Economy and Business Climate sub-index increased by 5.3 per cent, while the Well-Being of the People sub-index increased by 6.9 per cent in 2012. The Prosperity Index and the three sub-indices for 2011 and 2012 are given in Table 1.

Table 1

Sri Lanka Prosperity Index 2011 and 2012

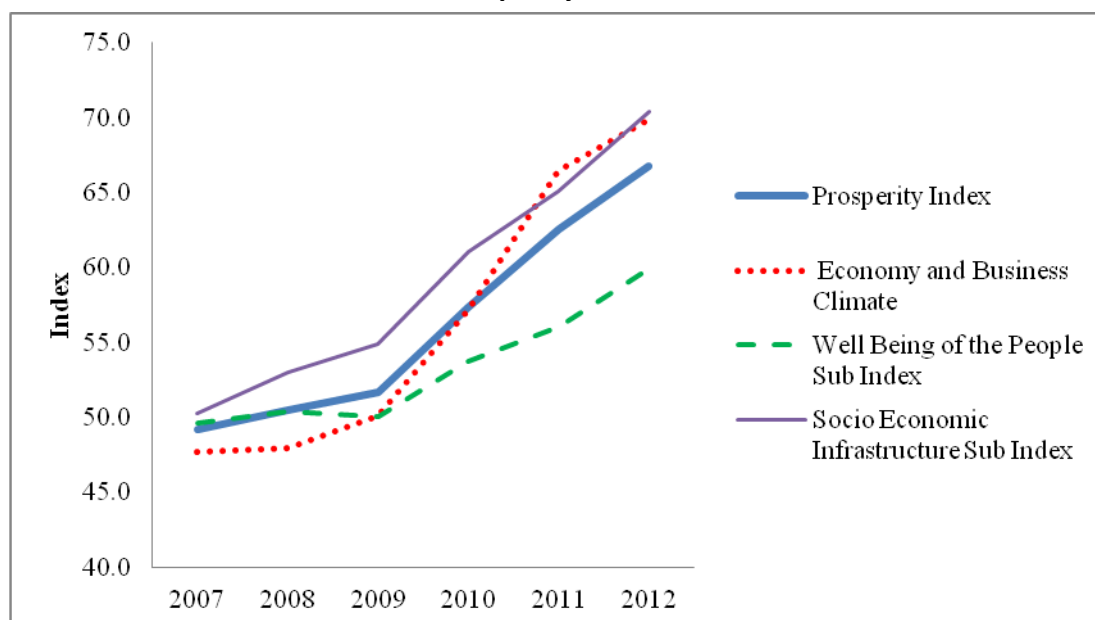
	2011	2012	Growth 2012/11 (%)
Sri Lanka Prosperity Index (SLPI)	62.5	66.8	6.8
Economy and Business Climate	66.4	69.9	5.3
Well-Being of the People	56.1	59.9	6.9
Socio – Economic Infrastructure	65.1	70.4	8.2

The SLPI was introduced in 2008 in order to fulfill the need for a composite indicator to assess the overall status of prosperity in the country as a whole and in each of its provinces. The Prosperity Index enables national policy makers, provincial authorities, and business and community stakeholders to measure the prosperity of provinces in a more holistic manner. This index could also be used to identify strengths and weaknesses of provinces and to formulate policies for attaining higher standards and to reduce regional disparities leading to balanced growth in the country.

The provincial level SLPI for 2012 will be released in due course.

Chart 1

Sri Lanka Prosperity Index 2007 – 2012



Variables of the Sri Lanka Prosperity Index

Sub- Index		No.	Variables
Economy and Business Climate	Economy	1	Per Capita GDP
		2	Employment Rate
		3	Informal Sector Wages
		4	Percentage of Poor Households
		5	All Island/ Provincial CPI
		6	Domestic Savings as a % of GDP*
		7	Foreign Direct Investments*
		8	Workers' Remittances*
	Business Climate	9	Number of Industrial Enterprises per 1,000 Population (Density)
		10	Number of Bank Branches per 100,000 Population (Density)
		11	Doing Business Index*
		12	Non Performing Loans Ratio*
		13	Commercial Banks Loans and Advances to the Agriculture & Fishing, Industry and Services sectors*
Well-Being of the People	Health	14	Government Hospital Beds per 1,000 Population
		15	Government Medical Officers per 100,000 Population
		16	Low Weight Births per 1,000 Live Births
		17	Per capita Expenditure on Health*
	Education	18	Schools per sq km
		19	Pupil Teacher Ratio
		20	Dropouts from Secondary Education (Secondary School Attainment)
		21	G.C.E. O/L Pass Rate and Number of University Admissions per 100,000 Population
		22	Percentage of Schools with English Medium Classes
		23	Per capita Expenditure on Education*
	Wealth	24	Number of Vehicles per 1,000 Population
		25	Number of Supermarkets per 1 Million Population
		26	Percentage Distribution of Households that own Washing machines, Refrigerators, Cookers(Gas, Electric, Kerosene),Electric fans*
		27	Percentage Distribution of Households by Ownership*

Well-Being of the People	Entertainment	28	Average Number of Film-goers per Month as a Percentage of Population
		29	Percentage Distribution of Households that own Radio, TV, VCD and DVD Players*
		30	Average Monthly Household Expenditure on Cultural Activities and Entertainment *
	Quality of Environment	31	Number of Persons Treated for Respiratory Diseases per 1,000 Population
		32	Per Capita Mosquito Coil Usage
		33	Percentage Distribution of Households by Disposal of Garbage (collected by truck, buried/burned, process for fertilizer)*
Socio-Economic Infrastructure	34	Percentage of Households having Electricity	
	35	Number of Telephone Connections per 1,000 Population	
	36	Road Density	
	37	Number of Reported Crimes per 1,000 Population	
	38	Passenger Kilometerage (SLTB, Private Buses, SLRs)*	
	39	Percentage of Households with Safe Drinking Water Facilities	
	40	Percentage of Schools with Computer Facilities/ Percentage of Households with Computer Facilities/Nenasala Centers	
	41	Internet & E-mail Facilities per 1000 population*	
	42	Percentage Distribution of Households by Availability of Toilet Facilities (Exclusive for the HHs)*	

*- Variables included from 2012 onwards