

**PART I**

**ECONOMIC PERFORMANCE, PROBLEMS AND POLICIES IN 1988**

## BASIC ECONOMIC INDICATORS

		1987	1988			1987	1988
<b>Population</b>				<b>Trade</b>			
Mid-year estimate Mn.		16.4	16.6	Imports	Rs. Mn.	60,528	71,200
Growth rate	%	1.5	1.4		SDR Mn.	1,589	1,665
<b>National Income</b>				Exports	Rs. Mn.	41,133	46,928
Rate of Growth of GDP%					SDR Mn.	1,080	1,097
(In real terms)		1.5	2.7	Tea	„	280	288
Rate of growth of GNP%				Rubber	„	77	87
(In real terms)		1.6	2.5	Coconut	„	56	36
Per Capita GNP				Garments and			
(current prices) Rs.		10,598	11,939	Textiles	„	339	333
US \$		360	375	Petroleum			
				Products	„	68	53
				Other Industrial			
				Exports	„	118	144
<b>Sectoral Growth Rates (%)</b>				<b>Balance of Payments (SDR Mn.)</b>			
Agriculture, Forestry and				Trade Balance		- 525	- 574
Fishing	-	5.8	2.1	Services Account		- 121	- 126
Mining and Quarrying		19.0	9.0	Private Transfers		242	262
Manufacturing		6.8	4.7	Official Transfers		139	142
Construction		1.8	1.5	Current Account Balance	-	265	- 324
Services		2.7	2.2	Overall Balance	-	72	- 101
				Overall Debt Service			
				Ratio %		27.7	28.8
<b>Investment and Savings</b>				<b>Government Finance</b>			
As a percentage of Gross Domestic Product (at current market prices)				As a percentage of Gross Domestic Products			
Investment		23.3	23.1	Government Expenditure		32.5	34.4
Government		5.7	6.3	Government Revenue		21.4	18.9
Domestic Savings		12.8	12.8	Current Account Surplus/			
National Savings		15.3	14.8	Deficit (-)		1.3	- 2.2
				Budget Deficit			
				(before grants)		11.1	15.5
				Budget Deficit			
				(after grants)		8.7	13.0
<b>Prices</b>				<b>Money and Credit</b>			
Colombo Consumers' Price Index				%Change M <sub>1</sub>		18.4	29.1
%Change Dec. - Dec.		10.2	15.0	%Change M <sub>2</sub>		14.7	16.4
Average Annual % Change		7.7	14.0	%Change in Domestic			
%Change in Implicit GNP				Credit		17.9	28.2
Deflator		6.8	11.5	%Change in External			
				Banking Assets (net)		- 5.0	- 44.8
<b>Exchange Rates (Average)</b>							
Rs./US \$		29.44	31.81				
Rs./SDR		38.10	42.76				