

BALANCE OF PAYMENTS

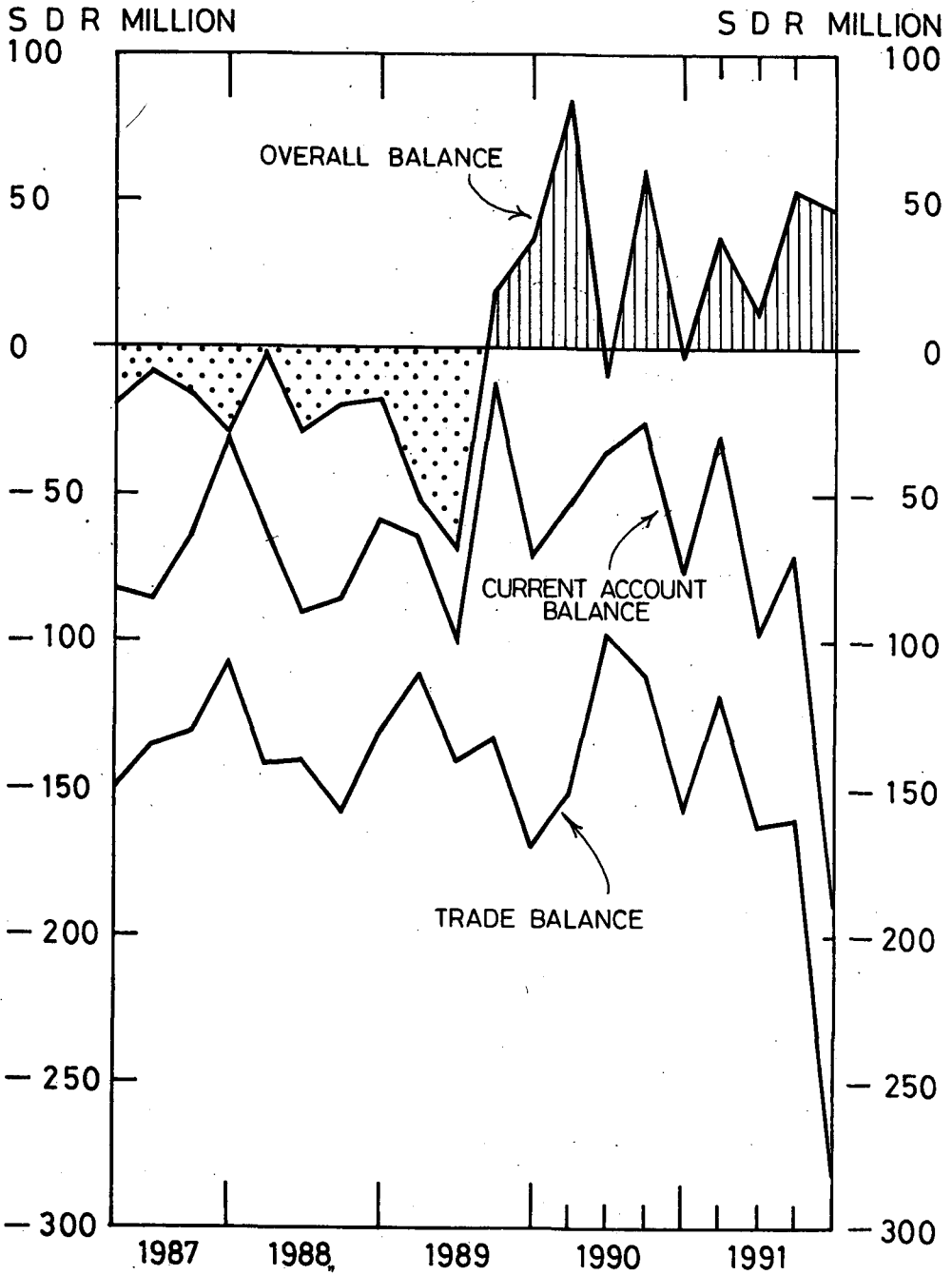
OVERALL TRENDS

Sri Lanka's balance of payments experienced mixed fortunes in 1991, in response to various policy changes and certain adverse developments, both internal and external. The trade deficit increased from SDR 518 million (Rs.28,145 million) in 1990 to SDR 725 million (Rs 41,184 million) in 1991. The deficit in the services account increased by 8 per cent to SDR 78 million (Rs.4,448 million), in comparison to a deficit of SDR 72 million (Rs.3,904 million) in 1990. Meanwhile, gross receipts from private transfers increased from SDR 296 million (Rs.16,054 million) in 1990 to SDR 320 million (Rs. 18,119 million) in 1991. Official transfers, also increased to SDR 143 million (Rs.8,170 million) in 1991, as against SDR 130 million (Rs.7,142 million) in 1990. Mainly due to the considerable deterioration in the merchandise account, the current account deficit increased from SDR 192 million (Rs.10,390 million) in 1990 to SDR 372 million (Rs. 21,127 million) in 1991. As a ratio of GDP, the current account deficit increased from 3.2 per cent to 5.6 per cent between the two years.

In contrast, the capital account reflected some favourable trends in 1991. There were substantial inflows of private foreign capital, particularly foreign direct investment and portfolio investments, while disbursements of foreign loans to the government also increased. Accordingly, net non-monetary capital inflows increased by 38 per cent to SDR 475 million in 1991. These inflows were more than sufficient to finance the increased deficit in the current account. The net result was a surplus of SDR 150 million in the overall balance, following the surplus of SDR 133 million in the previous year. Consequently, the country's total gross external assets increased to SDR 809 million at the end of 1991 from SDR 602 million at the end of 1990. This level of gross reserves was sufficient to finance 4.2 months of imports projected for 1992.

The above developments in the balance of payments reflected the combined effect of several policy changes and certain adverse developments. On the policy front, with a view to further liberalising the trade and payments system, several existing exchange control regulations and restrictions on trade and services were relaxed during the course of the year. In addition, there was a concerted effort to increase foreign capital inflows, and towards this end, a newly designed incentive package consisting of simplified and unified procedures for investment approval, tax holidays, concessionary duty rates, exemption from existing exchange controls, etc. was extended to foreign investors. Meanwhile, the tea market faced a decline in prices during the year, while the production of rubber and coconut decreased. Furthermore, in addition to the large volatility of cross rates among key currencies, the Indian Rupee was devalued substantially in mid-1991. In this climate, the merchandise account deteriorated, and was mainly the outcome of the loss of export earnings from tea owing to depressed prices and a surge of imports in the wake of further liberalization of exchange controls and imports associated with increased foreign investment inflows.

BALANCE OF PAYMENTS
QUARTERLY



Central Bank of Sri Lanka.

TABLE 1.43
Balance of Payments - Analytic Presentation 1987 - 1991

Item	SDR Million					Rupees Million				
	1987	1988	1989	1990(a)	1991(b)	1987	1988	1989	1990(a)	1991(b)
1. Merchandise	-525	-568	-530	-518	-725	-20,005	-24,268	-24,050	-28,145	-41,184
Exports	1,077	1,098	1,207	1,456	1,491	41,097	46,985	56,175	79,481	84,378
Imports	1,602	1,666	1,737	1,974	2,216	61,102	71,253	80,225	107,626	125,562
2. Services	-121	-114	-123	-72	-78	-4,625	-4,884	-5,609	-3,904	-4,448
Receipts	307	306	315	391	465	11,721	13,097	14,597	21,363	26,371
Payments	428	420	438	463	543	16,346	17,981	20,207	25,268	30,819
3. GOODS AND SERVICES (1+2)	-646	-682	-653	-590	-803	-24,630	-29,152	-29,660	-32,049	-45,631
4. Transfers (Net)	381	392	405	398	431	14,537	16,775	18,591	21,659	24,504
Private (Net)	242	238	258	268	288	9,226	10,187	11,840	14,518	16,334
Official (Net)	139	154	147	130	143	5,311	6,588	6,751	7,142	8,170
5. CURRENT ACCOUNT										
BALANCE (3+4)	-265	-290	-248	-192	-372	-10,093	-12,377	-11,069	-10,390	-21,127
6. Non-Monetary Capital (Net)	234	194	216	344	475	9,058	8,308	10,566	18,932	27,138
Direct Investment	45	32	14	31	74	1,727	1,382	633	1,684	4,234
Private long-term (Net)	6	-32	-39	-33	-23	213	-1,341	-1,803	-1,835	-1,300
Private short-term (Net)	30	12	72	48	34	1,217	474	3,557	2,685	2,035
Government long-term (Net)	153	182	169	298	367	5,901	7,793	8,179	16,398	20,910
Inflows	265	304	291	392	461	10,162	13,042	13,811	21,497	26,275
Outflows	112	122	122	93	95	4,261	5,249	5,632	5,100	5,366
Government Short-term	-	-	-	-	23	-	-	-	-	1,260
Valuation Adjustments	-	-	-	-	-	1,841	7	-108	751	235
8. SDR Allocations	-	-	-	-	-	-	-	-	-	-
9. Errors and Omissions	-31	+32	-34	-19	+47	-2,030	+723	-1,294	-2,097	+3,723
10. Overall Balance	-62	-64	-67	+130	+150	-1,224	-3,339	-1,905	+7,196	+9,969
11. Monetary Movements (-Surplus)	+62	+64	+67	-130	-150	+1,224	+3,339	+1,905	-7,196	-9,969
Exchange Rate Rs./SDR						38.10	42.76	46.19	54.42	56.61
Ratios to GDP in Percentages										
Trade Account						-10.17	-10.93	-9.58	-8.77	-10.97
Current Account						-5.12	-5.58	-4.41	-3.24	-5.63
Current Account without Grants						-7.81	-8.54	-7.10	-5.46	-7.81

(a) Revised

(b) Provisional

Note: All transactions in the Monetary Sector are converted at the end of year exchange rates.

Source: Central Bank of Sri Lanka

BALANCE OF PAYMENTS OUTTURN

Merchandise Account

One of the unfavourable features in the balance of payments out-turn in 1991 was the significant deterioration in the merchandise account. Export earnings in 1991, at SDR 1,491 million (Rs.84,378 million), reflected a 2 per cent increase over earnings in 1990. This marginal increase was particularly disappointing, in the context of outlays on imports at SDR 2,216 million (Rs.125,562 million), reflecting a 12 per cent increase over the comparable figure for 1990. The decline in tea prices coupled with reduced earnings from the other traditional agricultural exports were the major factors that adversely affected exports. Meanwhile, considerable liberalisation of exchange and trade controls, in particular the exclusion of imports valued below US \$ 1,000, from the Letters of Credit requirement, the extension of borrowing facilities from FCBUs to exporters to import their raw materials and the withdrawal of requirements to obtain prior Exchange Control approval to establish Letters of Credit for imports on deferred payment terms, all contributed towards a large import flow. Moreover, the devaluation of the Indian Rupee in the middle of the year made the imports from that country relatively cheaper. The combination of all these factors resulted in a substantial deterioration in the merchandise account, from SDR 518 million in 1990 to SDR 725 million in 1991.

Services Account

The services account recorded considerable increases in both receipts and payments in 1991. A major net inflow was reflected in the port, transportation and insurance category, predominantly due to the increase in earnings from passenger fares by Air Lanka and higher port receipts. While receipts in the travel account increased by 21 per cent due to increased tourist arrivals during the year, outflows on account of foreign travel also increased by 31 per cent. Accordingly, the net inflows in the travel account recorded an increase of 8 per cent. Both receipts and payments in the investment income category showed increases, but out-payments exceeded receipts. Increased earnings reflected the improvement in the country's external assets position. While interest payments on loans by the private sector had increased, interest payments on official loans also rose during the year. Meanwhile, earnings in the "other services" category reflected a substantial increase of 25 per cent, mainly due to higher receipts on account of miscellaneous professional services. However, out-payments in this category rose sharply during the year due to the settlement of an arbitration award of SDR 36 million (US \$ 50 Million) to US contractors of the Maduru Oya Project of the Mahaweli Development Programme. When this unanticipated payment is excluded from the services account, it is seen that there was a considerable improvement in the services account in 1991.

Transfers Account

There was an improvement in the transfers account in 1991 in comparison to 1990. Total net receipts on account of both private and official transfers increased to SDR 431 million in 1991 from SDR 398 million in 1990. Net private transfers increased by 7 per cent to SDR 288 million. Worker remittances continued to account for a major share of private transfers. The end of the Gulf war saw an outflow of workers migrating to the Middle East during the second half of 1991, resulting in an increase in remittances from

TABLE 1.44
Services and Transfers 1987 - 1991

Item	SDR Million					Rupees Million				
	1987	1988	1989	1990(a)	1991(b)	1987	1988	1989	1990(a)	1991(b)
1. Port, Transportation & Insurance	2	5	-8	10	18	25	205	-322	522	1,026
Credits	89	95	102	125	142	3,366	4,057	4,710	6,816	8,044
Debits	87	90	109	115	124	3,341	3,852	5,032	6,293	7,018
2. Travel	7	-2	6	40	43	258	-87	278	2,190	2,468
Credits	55	48	59	94	114	2,107	2,072	2,759	5,143	6,463
Debits	48	50	54	54	71	1,849	2,159	2,482	2,953	3,995
3. Investment Income	-123	-122	-124	-123	-129	-4,699	-5,266	-5,738	-6,685	-7,316
Credits	53	52	46	68	77	2,055	2,197	2,106	3,727	4,364
Debits	176	174	170	191	206	6,754	7,463	7,845	10,412	11,680
3.1 Profits and Dividends	-26	-13	-13	-19	-14	-1,025	-581	-608	-1,006	-783
Credits	...	1	2	8	20	18	11	95
Debits	26	14	14	19	16	1,033	601	626	1,017	878
3.2 Interest	-97	-109	-111	-104	-115	-3,674	-4,685	-5,130	-5,679	-6,532
Credits	53	51	46	68	75	2,047	2,177	2,088	3,717	4,269
Debits	150	160	156	172	191	5,721	6,862	7,219	9,396	10,802
4. Government Services	1	1	2	-3	-1	45	68	77	-195	-34
Credits	16	17	17	11	16	609	735	785	586	932
Debits	15	16	15	14	17	564	667	708	781	966
5. Other services	-7	4	2	5	-9	-254	196	96	264	-592
Credits	94	94	91	93	116	3,584	4,036	4,237	5,092	6,569
Debits	101	90	90	88	125	3,828	3,840	4,141	4,829	7,161
6. TOTAL SERVICES	-120	-114	-123	-72	-78	-4,625	-4,884	-5,609	-3,905	-4,448
Credits	307	306	315	391	465	11,721	13,097	14,597	21,363	26,371
Debits	427	420	438	463	543	16,346	17,981	20,207	25,268	30,819
7. Private Transfers	242	238	258	268	288	9,226	10,186	11,840	14,518	16,334
Credits	270	266	279	296	320	10,324	11,386	12,830	16,054	18,119
Debits	28	28	21	28	32	1,098	1,200	990	1,536	1,785
8. Official Transfers	139	154	147	130	143	5,311	6,588	6,751	7,142	8,170
Credits	139	154	147	130	143	5,311	6,588	6,751	7,142	8,170
Debits	-	-	-	-	-	-	-	-	-	-
9. TOTAL TRANSFERS	381	392	405	398	431	14,537	16,774	18,591	21,659	24,504
Credits	409	420	426	426	463	15,635	17,974	19,581	23,195	26,289
Debits	28	28	21	28	32	1,098	1,200	990	1,536	1,785

(a) Revised
(b) Provisional

Source: Central Bank of Sri Lanka

this source. It is also apparent that following the Gulf war and ensuing uncertainty, workers in the Middle East are now remitting their savings to Sri Lanka, rather than retaining them in banks in the Middle East. Meanwhile, official transfers at SDR 143 million, recorded a 10 per cent increase in 1991. Of the total official transfers received, SDR 11 million (US \$ 15 million) was in the form of a grant from the United States Agency for International Development (USAID) towards part-settlement of the arbitration award to a US contractor referred to in the previous section.

Current Account

Despite the satisfactory performances in the services and transfers accounts, a significant deterioration in the trade account resulted in widening the current account deficit from SDR 192 million (Rs.10,390 million) in 1990 to SDR 372 million (Rs.21,127 million) in 1991. While the deficit in 1990 was the lowest recorded in the previous 5 years, the deficit in 1991 was the highest since 1985. As a ratio to GDP, the deficit increased from 3.2 per cent to 5.6 per cent between 1990 and 1991. This ratio excluding grants also increased by 2 percentage points, from 5.5 per cent in 1990 to 7.8 per cent in 1991. This significant increase in the current account deficit was the most negative feature of balance of payments developments in 1991.

Capital Account

In contrast to the developments in the current account, net non-monetary capital inflows in 1991 reflected a 38 per cent increase, from SDR 344 million in 1990 to SDR 475 million in 1991. An outstanding feature of this increase was a very substantial rise in direct investment to SDR 74 million, albeit from a low base of SDR 31 million in 1990. The increase was reflected in both foreign direct investment in GCEC enterprises and portfolio investment through the Colombo Stock Exchange. It reflects a quick response to a considerable number of incentives provided to encourage foreign investment to Sri Lanka and the government's on-going programme of divestiture of its ownership in business enterprises. As in 1990, there was a net outflow on account of private loan capital. However, both inflows and outflows had increased from the previous year. Inflows were mainly due to loans to GCEC enterprises and Air Lanka, while outflows included progress payments by Air Lanka towards its aircraft refueling programme. The net utilisation of short term credits by the private sector decreased from SDR 48 million to SDR 34 million between 1990 and 1991. Again, while inflows had increased, a large net repayment by the Ceylon Petroleum Corporation resulted in an overall decrease in net inflows.

Inflows of net non-monetary capital to the government increased from SDR 298 million in 1990 to SDR 390 million in 1991. While amortization payments remained at around the same level in both years, inflows of long-term capital increased by 18 per cent to SDR 461 million in 1991. The major inflows were in the form of concessional assistance from Japan (SDR 154 million), the International Development Association (IDA) (SDR 138 million) and the Asian Development Bank (ADB) (SDR 105 million), a major share of which was balance of payments support loans towards economic restructuring. In addition, a US government guaranteed short term interim loan of SDR 23 million (US \$ 30 million) was obtained by the government towards part-settlement of the arbitration award of US \$ 50 million.

EXTERNAL ASSETS

Sri Lanka's gross external assets which stood at SDR 809 million at the end of 1991, recorded a 34 per cent increase over the level of SDR 602 million at the end of the previous year. The increase was almost entirely reflected in the foreign assets held by the Central Bank, which rose from SDR 286 million at end-1990 to SDR 476 million at end-1991. Assets held by the government also expanded by SDR 7 million to SDR 27 million, thus raising gross official reserves, comprising foreign assets of the Central Bank and government, from SDR 306 million at end-1990 to SDR 503 million at the end of 1991. Meanwhile, foreign assets of the commercial banks reflected an increase of SDR 10 million between the two years, from SDR 296 million at end-1990 to SDR 306 million at end-1991. Gross external assets at the end of 1991 were sufficient to finance 4.2 months of imports projected for 1992.

EXCHANGE RATE MOVEMENTS

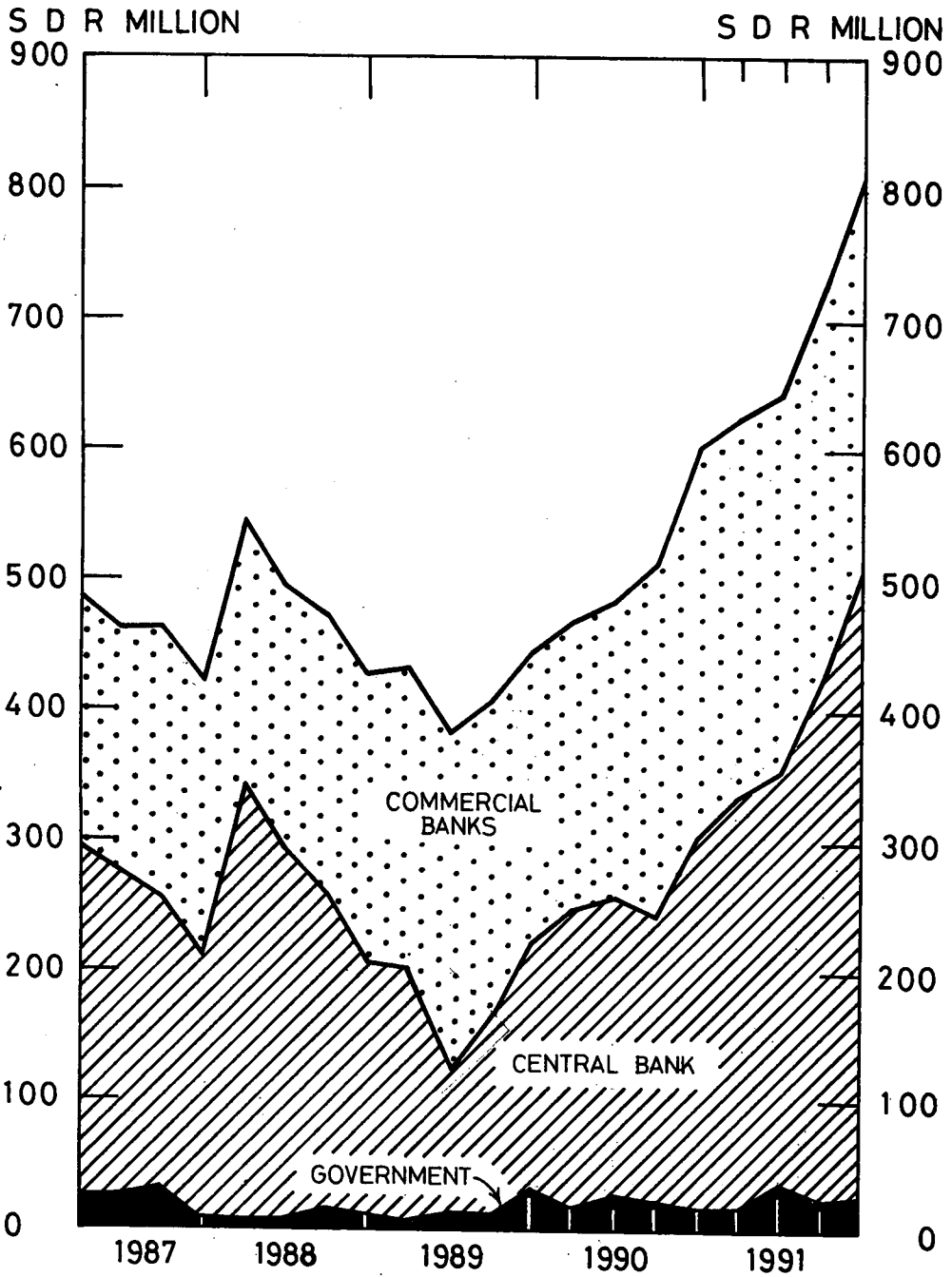
With the exception of the US dollar, the value of the Sri Lanka rupee fluctuated against all other major currencies during 1991. The rupee had depreciated throughout the year against the intervention currency, the US dollar, reflecting a total depreciation of 5.5 per cent from end-1990 to end-1991. Meanwhile, movements against the Pound Sterling, Deutsche Mark, Japanese Yen and French Franc, during the year, first reflected a depreciation upto February, followed by an appreciation along with the US dollar in the aftermath of the Gulf war until July, followed by a continuous depreciation during the latter part of the year. The overall impact of these movements was the depreciation of the Sri Lanka rupee from end-1990 to end-1991 against the Japanese Yen by 13.2 per cent, Deutsche Mark by 6.7 per cent, French Franc by 5.9 per cent and the Pound Sterling by 5.0 per cent. Accordingly, the rupee depreciated against the SDR by 5.9 per cent from end-1990 to end-1991. Meanwhile, with the devaluation of the Indian Rupee in 1991, the Sri Lanka rupee reflected an appreciation of 36.6 per cent against the Indian currency during the period under review.

Reflecting the combined effect of these exchange rate movements, Sri Lanka's Nominal Effective Exchange Rate (NEER), defined as the trade-weighted nominal exchange rate with respect to major trading partners, depreciated by 0.01 per cent on a point-to-point basis in 1991. The Real Effective Exchange Rate (REER), which is the nominal exchange rate adjusted for inflation differentials between Sri Lanka and her major trading partners, appreciated by 4.4 per cent on the same basis during the year. The annual average NEER depreciated by 1.1 per cent, while the annual average REER appreciated by 5.3 per cent in 1991.

EXTERNAL DEBT

Sri Lanka's total outstanding external debt at the end of 1991 was estimated at SDR 4,598 million, showing an increase of SDR 476 million during the year. The bulk of this increase was reflected in the medium and long term debt of the government, which rose from SDR 3,190 million to SDR 3,601 million. Most of the increase was in the category of long-term concessional loans to the government, mainly from Japan, the IDA and the ADB, while other multilateral and bilateral external debt had not shown much change. Meanwhile, despite the release of the first tranche of SDR 56 million by the International

EXTERNAL ASSETS
QUARTERLY



Central Bank of Sri Lanka.

TABLE 1.45
External Assets of Sri Lanka 1987 -1991

Ownership as at end of	SDR Million (a)					Rupees Million				
	1987	1988	1989	1990	1991	1987	1988	1989	1990	1991
1. Government (b)	8.6	13.3	32.3	19.3	26.7	373.7	589.8	1,696.1	1,104.5	1,631.6
2. Government Agencies	-	-	-	-	-	0.9	0.9	1.0	1.1	1.1
3. Central Bank	202.5	193.0	191.3	286.3	475.9	8,839.8	8,575.0	9,962.5	16,399.2	28,956.9
4. Commercial Banks	212.3	221.8	223.2	296.4	306.2	9,264.9	9,859.7	11,729.9	16,966.8	18,633.4
5. Total	423.4	428.1	446.8	602.0	808.8	18,479.3	19,025.4	23,389.5	34,471.6	49,233.0
6. Gross External Assets in months of										
6.1 Merchandise Imports	3.2	3.1	3.1	3.7	4.4					
6.2 Imports of Goods and Services	2.5	2.5	2.5	3.0	3.5					

(a) Converted at the following end year rates except for certain items in the International Reserve of the Central Bank which were converted at the representative rate agreed with the IMF

Year	1987	1988	1989	1990	1991
Rs. per SDR	43.64	44.45	52.57	57.25	60.85

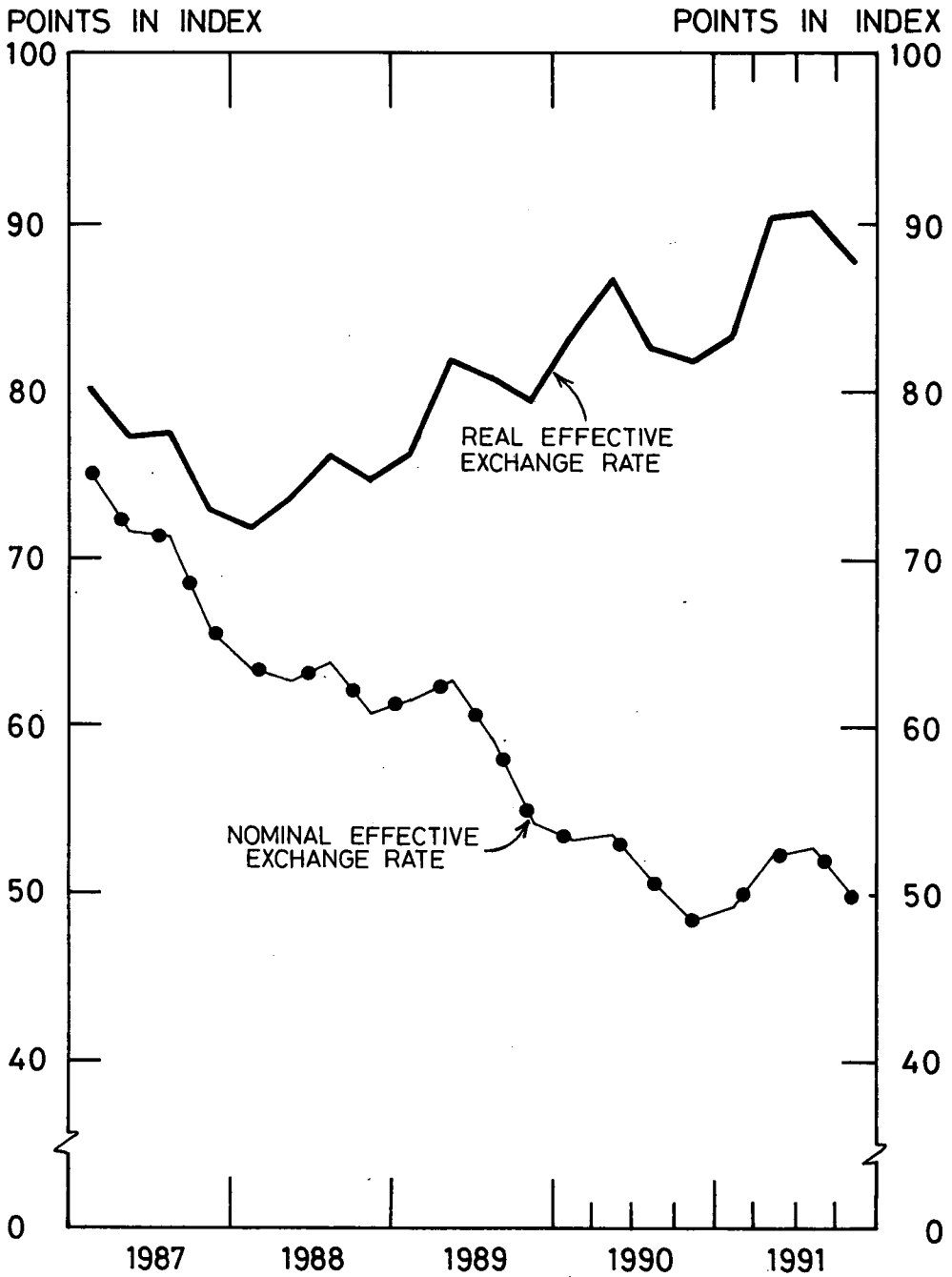
Source: Central Bank of Sri Lanka

(b) Figures since 1985 have been revised to include DST's Special Revolving Credit Balance.

EFFECTIVE EXCHANGE RATES*

QUARTERLY AVERAGES

1985 = 100



* Decline indicates depreciation.

Central Bank of Sri Lanka.

TABLE 1.46
Exchange Rate Movements 1987 - 1991

Currency	End of Year Rates in Rs. per unit of					Percentage Change over Previous Year (a)				
	1987	1988	1989	1990	1991	1987	1988	1989	1990	1991
Deutsche Mark	19.2826	18.4794	23.7002	26.1554	28.0178	-23.91	4.35	-22.03	-9.39	-6.65
French Franc	5.6936	5.4121	6.9354	7.7125	8.1924	-22.13	5.20	-21.96	-10.08	-5.86
Indian Rupee	2.4043	2.1848	2.3603	2.2332	1.6352	-9.97	10.05	-7.44	5.69	36.57
Japanese Yen	0.2491	0.2631	0.2816	0.2943	0.3390	-27.98	-5.32	-6.58	-4.29	-13.19
Pound Sterling	57.1721	59.0786	65.0400	75.5908	79.5820	-26.89	-3.23	-9.17	-13.96	-5.02
U.S. Dollar	30.7625	33.0325	40.0000	40.2400	42.5800	-7.29	-6.87	-17.42	-0.60	-5.50
SDR	43.2684	44.2820	52.9300	57.2479	60.8464	-19.57	-2.29	-16.34	-7.54	-5.91

(a) Changes computed on the basis of foreign currency equivalent of Sri Lanka Rupees.

Source: Central Bank of Sri Lanka

Note: Minus sign indicates depreciation.

TABLE 1.47
Disbursed and Outstanding External Debt 1987 - 1991

Item	SDR Million					Rupees Million				
	1987	1988	1989	1990(a)	1991(b)	1987	1988	1989	1990(a)	1991(b)
1. Medium and Long-term Debt	3,228	3,531	3,642	3,828	4,249	138,740	155,353	190,802	217,151	255,939
1.1 Government (a)	2,615	2,848	2,976	3,190	3,601	113,134	126,230	157,520	182,606	219,098
1.2 Public Corporations with Government Guarantee	224	182	154	136	132	9,703	8,137	8,136	7,781	8,034
1.3 Private Sector with Government Guarantee	96	112	108	108	120	4,139	4,359	6,035	6,185	7,319
1.4 Public Corporations without Government Guarantee	8	7	6	5	3	329	284	341	290	197
1.5 Private Sector without Government Guarantee	120	128	123	101	113	5,209	5,482	6,516	5,802	6,854
1.6 IMF Drawings	165	254	275	288	280	6,226	10,861	12,255	14,488	14,437
2. Short-term Debt	203	179	297	294	349	8,348	7,252	13,210	16,820	20,130
2.1 Government	-	-	-	-	21	-	-	-	-	1,275
2.2 Central Bank Borrowings	41	5	50	-	-	1,801	231	2,632	-	-
2.3 Other (c) (a)	162	174	246	294	328	6,547	7,021	10,578	16,820	18,855
3. Total Debt (1+2)	3,431	3,710	3,939	4,122	4,598	147,088	162,605	204,012	233,971	276,069
MEMORANDUM ITEMS										
Medium and Long-term Debt										
(1) Project Loans	1,697	1,907	2,050	2,179	2,380	73,428	84,427	108,521	124,775	144,810
(2) Non-Project Loans	918	942	926	1,010	1,228	39,706	41,703	48,998	57,832	74,703
(3) Suppliers' Credits	30	25	20	33	37	1,311	1,109	1,046	1,892	2,253
(4) IMF Trust Fund Loans	34	18	9	6	5	1,475	813	479	325	322
(5) IMF Other Loans	165	254	275	288	280	6,226	10,861	12,255	14,488	14,437
(6) Other Loans (d)	384	386	362	312	319	16,594	16,440	19,502	17,840	19,414

(a) Revised

(b) Provisional

(c) Includes Acceptance Credits of the Ceylon Petroleum Corporation, trade credits and short term borrowings from FCBUs.

(d) Includes Long-term loans of Public Corporations and private sector companies.

Sources : Central Bank of Sri Lanka;
External Resources Dept.

TABLE 1.48
External Debt Service Payments 1987 - 1991

Item	SDR Million					Rupees Million				
	1987	1988	1989	1990(a)	1991(b)	1987	1988	1989	1990(a)	1991(b)
1. Debt Service Payments	383.3	402.8	374.7	328.5	353.5	14,539	17,207	17,138	17,971	20,010
1.1 Amortization	253.5	258.8	217.3	182.0	197.7	9,623	11,033	9,920	9,975	11,190
(i) To IMF	69.3	64.1	46.0	31.8	63.6	2,566	2,682	2,018	1,731	3,600
(ii) To Others	184.2	194.7	171.3	150.2	134.1	7,057	8,351	7,902	8,244	7,590
1.2 Interest Payments	129.8	144.0	157.4	146.6	155.8	4,916	6,174	7,218	7,997	8,820
(i) To IMF	18.3	18.5	22.7	20.6	14.7	663	772	997	1,121	830
(ii) To Others	111.5	125.5	134.7	126.0	141.1	4,253	5,402	6,221	6,876	7,990
2. Earnings from Merchandise Exports and Services	1,384.4	1,404.0	1,522.4	1,847.3	1,955.7	52,819	60,082	70,772	100,844	110,750
3. Receipts from Merchandise Exports, Services & Private Transfers	1,654.7	1,670.6	1,801.6	2,143.7	2,275.5	63,143	71,468	83,602	116,898	128,868
4. Debt Service Ratios (c)										
4.1 As a percentage of 2 above										
(i) Overall ratio	27.7	28.7	24.6	17.8	18.1	27.5	28.6	24.2	17.8	18.1
(ii) Excluding IMF Transactions	21.4	22.8	20.1	14.9	14.1	21.4	22.9	20.0	15.0	14.1
4.2 As a percentage of 3 above										
(i) Overall ratio	23.2	24.1	20.8	15.3	15.5	23.0	24.1	20.5	15.4	15.5
(ii) Excluding IMF Transactions	17.9	19.2	17.0	12.9	12.1	17.9	19.2	16.9	12.9	12.1
5. Government's share of 1 above (d)	179.0	191.4	196.3	168.0	172.9	6,816	8,214	9,066	9,141	9,786
5.1 As a percentage of 1 above	46.7	47.5	52.4	51.1	48.9	46.9	47.7	52.9	50.9	48.9

(a) Revised

(b) Provisional

(c) Debt Service Ratios calculated on Rupee values and SDR values differ due to variations in exchange rates during the year.

(d) Excludes IMF transactions.

Source: Central Bank of Sri Lanka

Monetary Fund (IMF) under the Enhanced Structural Adjustment Facility arrangement, total outstanding debt to the IMF declined to SDR 280 million, as compared with SDR 288 million at the end of 1990, due to increased repayments on account of IMF loans. The government's short-term debt outstanding amounting to SDR 21 million solely reflected a short-term loan obtained by the government for settlement of an arbitration award. Meanwhile, the outstanding level of other short-term debt increased from SDR 294 million at end-1990 to SDR 328 million in 1991. This was the combined effect of a net repayment of SDR 30 million by the Ceylon Petroleum Corporation, an increase in import credits of GCEC enterprises, and an increase in short term loans from FCBUs after the extension of FCBU borrowing facilities to exporters in August, 1991.

DEBT SERVICE PAYMENTS

Debt service payments, which include amortization of medium and long-term loans and interest payments on all foreign loans, increased by SDR 25 million, from SDR 329 million in 1990 to SDR 354 million in 1991. The increase was reflected in both amortization and interest payments. The entire rise in amortization payments was on account of repayments of IMF loans. Amortization payments on private sector loans decreased while repayment of government debt had essentially remained at the same level in 1991 as in the previous year. Interest payments to the IMF had decreased from SDR 21 million to SDR 15 million between the two years, while interest payments on other loans increased from SDR 126 million to SDR 141 million. Consequently, debt service payments as a ratio of receipts from the export of goods and services was 18.1 per cent in 1991, almost the same level as in 1990. The debt service payments as a ratio of receipts from the export of goods and services and private transfers was 15.5 per cent in 1991, which was again at around the same level as in 1990.