

PART I

KEY ECONOMIC INDICATORS

	1993	1994	1995	1996	1997(a)
DEMOGRAPHY					
Mid-Year Population (million persons)	17.6	17.9	18.1	18.3	18.5
Population Density (persons per sq.km.)	283	287	289	292	296
Population Growth Rate (per cent)	1.2	1.4	1.4	1.1	1.3
Labour Force (million persons) (b)	6.1	6.1	6.2	6.3	6.2
Labour Force Participation Rate (per cent) (b)	49.5	48.1	48.3	48.5	48.3
Unemployment Rate (per cent) (b)	13.8	12.1	12.0	11.1	10.4
OUTPUT					
GDP at Current Market Prices (Rs. billion)	500	579	668	768	890
GNP at Current Market Prices (Rs. billion)	500	576	659	757	880
Per Capita GDP at Market Prices (Rs.)	28,365	32,414	36,869	41,940	47,999
Per Capita GNP at Market Prices (Rs.)	28,357	32,215	36,381	41,348	47,409
Per Capita GDP at Market Prices (US\$)	588	656	719	759	814
Per Capita GNP at Market Prices (US\$)	588	652	710	748	804
REAL OUTPUT (percentage change)					
GNP	7.7	5.3	6.0	3.2	6.9
GDP	6.9	3.6	5.5	3.8	6.4
Agriculture, Forestry and Fishing	4.9	3.3	3.3	-1.6	3.1
Mining and Quarrying	11.9	6.0	3.4	8.9	3.4
Manufacturing	10.5	9.1	9.2	6.5	9.3
Construction	6.5	6.0	4.9	3.4	5.4
Services	6.3	5.2	5.1	5.8	6.8
AGGREGATE DEMAND AND SAVINGS (per cent of GDP)					
Consumption	84.0	84.8	84.7	84.6	82.7
Private	78.4	75.1	73.2	74.1	72.3
Government	9.2	9.7	11.5	10.5	10.4
Investment	25.6	27.0	25.7	24.2	24.4
Government	4.2	3.0	3.5	3.1	3.4
Public Corporations	3.8	4.0	4.4	3.1	2.1
Private	17.6	20.0	17.8	18.0	18.9
Net Impacts of G & NFS	-9.5	-11.8	-10.4	-8.9	-7.0
Exports of G & NFS	33.8	33.8	35.6	35.0	36.5
Imports of G & NFS	43.3	45.6	46.0	43.9	43.5
Domestic Savings	16.0	15.2	15.3	15.3	17.3
Net Factor Income (c)	4.3	3.9	4.2	3.7	4.1
National Savings	20.2	19.1	19.5	19.0	21.4
PRICES AND WAGES (percentage change)					
Colombo Consumers' Price Index (1952 = 100)	11.7	8.4	7.7	15.9	9.6
Greater Colombo Consumers' Price Index (January - June 1989 = 100)	8.4	4.8	3.9	14.7	7.1
Wholesale Price Index (1974 = 100)	7.6	5.0	8.8	20.5	6.9
GNP Deflator	9.5	9.4	8.4	12.2	8.5
Nominal Wage Rate Index for Workers in All Wages Boards	16.2	3.9	3.9	8.3	5.9
Nominal Wage Rate Index for Central Government Employees	21.1	8.9	7.7	3.2	10.8
GOVERNMENT FINANCE (Per cent of GDP)					
Revenue	19.7	19.0	20.4	19.0	18.5
Grants	1.6	1.4	1.4	1.0	0.8
Expenditure and Net Lending	28.1	29.0	30.0	27.8	23.8
Current	20.5	21.9	23.1	22.8	20.7
Capital and Net Lending	7.6	7.1	6.9	5.0	3.1
Budget Deficit before Grants without Privatisation	-8.7	-10.5	-10.1	-9.4	-7.9
Budget Deficit after Grants with Privatisation	-6.8	-8.5	-8.3	-7.8	-4.5
Deficit Financing					
Foreign	2.0	2.0	3.2	1.3	1.1
Domestic	4.9	6.5	5.1	6.5	3.4
Government Debt	96.9	95.1	94.6	92.2	85.2
Foreign	54.1	52.1	51.9	46.8	42.2
Domestic	42.8	43.0	42.8	45.4	43.0

(a) Provisional

(b) 3rd quarter data in 1997 and 4th quarter data for all other years.

(c) Includes workers' remittances.

KEY ECONOMIC INDICATORS (contd.)

	1993	1994	1995	1996	1997(a)
EXTERNAL TRADE (percentage change)					
Terms of Trade	4.4	-1.0	-0.6	2.4	4.2
Export Price Index (1990 = 100)	9.8	4.5	15.2	11.9	8.2
Import Price Index (1990 = 100)	5.3	5.6	15.9	9.3	3.8
Export Volume	14.3	9.4	7.1	3.2	11.6
Import Volume	17.1	12.2	2.7	2.2	10.5
EXTERNAL FINANCE (US\$ million)					
Trade Balance	-1147	-1558	-1504	-1344	-1213
Exports	2864	3209	3807	4095	4639
Imports	4011	4767	5311	5439	5852
Services and Income Accounts (net)	39	12	15	-99	-6
Current Private Transfers (net)	557	622	675	710	787
Current Official Transfers (net)	56	59	61	49	44
Current Account Balance	-496	-867	-754	-683	-387
Overall Balance	661	240	52	-68	163
Current Account Balance (per cent. of GDP)	-4.8	-7.4	-5.8	-4.9	-2.5
External Assets (months of same year imports)	6.4	6.6	5.8	5.4	5.8
Overall Debt Service Ratio (per cent. of X G & S)	15.5	13.7	14.5	15.7	13.7
External Debt (per cent. of GDP)	73.4	74.5	72.3	62.2	55.8
EXCHANGE RATES					
Annual Average					
Rs/US\$	48.25	49.42	51.25	55.27	58.99
Rs/SDR	67.39	70.75	77.74	80.23	81.17
End - Year					
Rs/US\$	49.56	49.98	54.05	56.71	61.29
Rs/SDR	68.19	72.76	80.39	81.38	82.69
MONETARY AGGREGATES (percentage change Dec. to Dec.)					
Narrow Money (M1)	18.6	18.7	6.7	4.0	9.8
Broad Money (M2)	23.4	19.7	19.2	10.8	13.8
Net External Assets of the Banking System	129.8	34.0	3.2	-7.0	44.3
Net Domestic Assets	2.9	13.6	27.4	18.1	4.0
Domestic Credit from the Banking System to					
Government (net)	-18.4	6.1	23.8	36.9	-4.5
Public Corporations	-47.3	-33.6	65.2	16.6	4.0
Private Sector	20.5	20.8	28.4	7.8	11.4
Reserve Money	25.9	20.5	15.5	8.8	-2.1
Money Multiplier for M2	2.84	2.82	2.91	2.96	3.44
Velocity of M2	3.47	3.35	3.23	3.19	3.32
INTEREST RATES (Per cent. per annum at end year)					
Treasury Bill Rate					
3 Month	18.09	18.75	19.26	17.45	9.97
12 Month	19.38	19.43	18.97	17.38	10.21
Repurchase Rate (overnight)	16.50	20.00	16.50	12.75	11.00
Rediscount Rate (overnight)	18.12	19.15	20.00	18.58	12.85
Deposits Rates					
Commercial Banks Weighted Average Deposit	13.6	12.6	12.4	12.3	10.0
Commercial Banks 12 Months Fixed Deposit (max)	17.5	17.0	17.5	17.8	15.3
NSB Savings	14.0	14.0	12.0	12.0	10.8
NSB 12 Months Fixed Deposit	16.0	14.0	16.0	15.0	11.0
Lending Rates					
Commercial Bank Weighted Average Prime Lending	20.4	18.5	20.1	20.2	15.2
Bills Purchased and Discounted	14.5-30.0	11.0-30.0	11.0-30.0	11.0-30.0	11.0-30.0
CAPITAL MARKET					
All Share Price Index (1985 = 100)	979	987	664	603	702
Sensitive Price Index (1985 = 100)	1442	1439	991	898	1068
Value of Shares Traded (Rs. million)	18568	34522	11249	7403	18315
Net Purchase by Non Nationals (Rs. million)	3239	1334	-90	352	748
Market Capitalisation (Rs. billion)	124	143	107	104	129