

# **PART I**

## KEY ECONOMIC INDICATORS

	1990	1996	1997	1998	1999	2000(a)
<b>DEMOGRAPHY</b>						
Mid year population ('000 persons)	17,015	18,336	18,552	18,774	19,043	19,359
Growth of mid year population (per cent)	1.1	1.1	1.2	1.2	1.4	1.7
Population density (persons per sq.km.)	271	292	296	299	304	309
Labour force ('000 persons)	6,001	6,242	6,266	6,661	6,673(b)	6,867(c)
Labour force participation rate (per cent)	51.9	48.7	48.7	51.7	50.7(b)	50.7(c)
Unemployment rate (per cent of labour force)	15.9	11.3	10.5	9.2	8.9(b)	7.7(c)
<b>OUTPUT</b>						
GDP at current market prices (Rs. billion)	322	768	890	1,018	1,106	1,256
GNP at current market prices (Rs. billion)	319	757	880	1,002	1,090	1,234
Per capita GDP at market prices (Rs.)	18,934	41,940	47,988	54,220	58,077	64,855
Per capita GNP at market prices (Rs.)	18,791	41,349	47,433	53,364	57,256	63,752
Per capita GDP at market prices (US\$)	473	759	814	839	825	856
Per capita GNP at market prices (US\$)	469	748	804	823	813	841
<b>REAL OUTPUT (percentage change)</b>						
GNP	6.2	3.2	6.8	4.6	3.8	5.8
GDP	6.4	3.8	6.3	4.7	4.3	6.0
Agriculture, forestry and fishing	8.8	-4.6	3.0	2.5	4.5	1.8
Mining and quarrying	9.1	8.9	3.8	-5.4	4.1	4.8
Manufacturing	9.4	6.5	9.1	6.3	4.4	9.2
Construction	2.0	3.4	5.4	7.1	4.8	4.8
Services	4.3	5.8	7.1	5.2	4.2	6.9
<b>AGGREGATE DEMAND AND SAVINGS (per cent of GDP)</b>						
Consumption	85.3	84.6	82.7	81.1	80.5	82.7
Private	75.9	74.1	72.3	71.3	71.5	72.2
Government	9.4	10.5	10.4	9.8	9.0	10.5
Investment	22.2	24.2	24.4	25.1	27.3	28.0
Government	4.2	3.1	3.4	3.3	3.2	3.2
Public corporations	4.2	3.1	2.9	3.0	3.5	3.4
Private	14.8	18.0	18.1	18.7	20.6	21.5
Net import of goods & non factor services	-10.0	-8.9	-7.1	-6.5	-7.8	-10.6
Export of goods & non factor services	31.3	35.0	36.5	36.0	35.5	39.1
Import of goods & non factor services	41.3	43.9	43.6	42.4	43.3	49.7
Domestic savings	14.3	15.3	17.3	19.1	19.5	17.3
Net factor income (d)	2.5	3.7	4.2	4.3	4.0	4.1
National savings	16.8	19.0	21.5	23.4	23.5	21.4
<b>PRICES AND WAGES (percentage change)</b>						
Colombo Consumers' Price Index (1952 = 100)	21.5	15.9	9.6	9.4	4.7	6.2
Greater Colombo Consumers' Price Index (Jan.-Jun. 1989 = 100)	24.6	14.7	7.1	6.9	3.8	3.2
Wholesale Price Index (1974 = 100)	22.2	20.5	6.9	6.1	-0.3	1.7
GNP deflator	20.0	12.2	8.7	8.4	4.4	6.7
Nominal wage rate index for workers in all wages boards	16.9	8.3	5.9	12.3	2.5	2.3
Nominal wage rate index for central government employees	13.0	3.2	10.8	10.5	-	8.3
<b>GOVERNMENT FINANCE (per cent of GDP)</b>						
Revenue	21.1	19.0	18.5	17.2	17.7	16.8
Expenditure and net lending	31.0	28.5	26.4	26.3	25.2	26.7
Current	22.3	22.8	20.8	19.6	18.7	20.3
Public investment	8.3	6.0	5.8	6.7	6.5	6.4
Current account deficit(-)/surplus(+)	-1.2	-3.8	-2.2	-2.4	-1.0	-3.4
Overall deficit	-9.9	-9.4	-7.9	-9.2	-7.5	-9.9
Deficit financing	9.9	9.4	7.9	9.2	7.5	9.9
Foreign	5.7	2.3	1.9	1.7	0.7	0.4
Domestic	4.2	6.5	3.4	7.0	6.8	9.4
Privatisation proceeds	-	0.6	2.5	0.4	...	...
Government debt	96.5	93.3	85.8	90.8	95.1	97.1
Foreign	54.9	46.8	42.3	45.3	45.9	43.1
Domestic	41.6	46.4	43.5	45.5	49.1	53.9

(a) Provisional

(b) Average of four quarters

(c) Average of 1st, 2nd and 3rd quarters

(d) Includes workers' remittances.

**KEY ECONOMIC INDICATORS (contd.)**

	1990	1996	1997	1998	1999	2000(a)
<b>EXTERNAL TRADE (percentage change)(e)</b>						
Terms of trade	-12.5	-0.5	6.8	14.2	-5.0	-6.1
Export unit value index (1997 = 100)	9.1	11.6	9.3	11.6	-8.5	1.5
Import unit value index (1997 = 100)	24.7	12.0	2.4	-2.2	-3.5	8.1
Export volume	29.7	4.1	10.6	0.1	5.0	18.3
Import volume	7.6	0.4	12.3	12.4	0.2	12.9
<b>EXTERNAL FINANCE (US\$ million)</b>						
Trade balance	-703	-1,344	-1,225	-1,092	-1,369	-1,798
Exports	1,984	4,095	4,639	4,798	4,610	5,522
Imports	2,686	5,439	5,864	5,889	5,979	7,320
Services and income account (net)	-98	-92	-1	-35	-107	-266
Current private transfers (net)	362	710	788	848	887	974
Current official transfers (net)	62	49	44	52	26	25
Current account balance	-377	-677	-393	-226	-563	-1,065
Overall balance	119	-68	163	37	-263	-516
Current account balance (per cent of GDP)	-4.7	-4.9	-2.6	-1.4	-3.6	-6.4
External assets (months of same year imports)	3.7	6.0	6.4	5.9	5.2	3.5
Overall debt service ratio (per cent of X G & S)	17.8	15.3	13.3	13.3	15.2	14.7
Total external debt and liabilities (per cent of GDP)	72.7(f)	68.6	62.3	61.6	63.5	60.0
<b>EXCHANGE RATES</b>						
Annual average						
Rs/US\$	40.06	55.27	58.99	64.59	70.39	75.78
Rs/SDR	54.42	80.23	81.17	87.66	96.25	99.90
End - year						
Rs/US\$	42.58	56.71	61.29	67.78	72.12	80.06
Rs/SDR	57.25	81.38	82.69	95.44	98.87	104.31
<b>MONETARY AGGREGATES (g) (per cent change Dec. to Dec.)</b>						
Narrow money (M <sub>1</sub> )	12.8	4.0	9.8	12.1	12.8	9.1
Broad money (M <sub>2</sub> )	20.1	11.3	15.6	13.2	13.4	12.9
Net external assets of the banking system	115.7	-2.6	43.5	16.7	-3.4	-31.9
Net domestic assets	13.4	15.9	7.8	11.9	19.9	26.9
Domestic credit from the banking system to						
Government (net)	0.7	21.9	-4.0	42.8	45.3	56.8
Public corporations	12.8	16.4	-5.8	-31.3	30.1	193.2
Private sector	24.3	-9.0	14.5	12.0	10.5	11.8
Reserve money	17.9	8.8	-2.1	10.9	8.2	4.7
Money multiplier for M <sub>2</sub>	2.87	3.38	3.98	4.07	4.26	4.60
Velocity of M <sub>2</sub>	3.55	2.8	2.89	2.88	2.74	2.79
<b>INTEREST RATES (per cent per annum at end year)</b>						
Treasury bill rate						
91 days	17.41	17.45	9.97	12.01	11.79	17.77
364 days	18.36	17.38	10.21	12.59	12.77	18.22
Repurchase rate (overnight)		12.75	11.00	11.25	9.25	17.00
Rediscount rate (overnight) / Reverse repo rate		18.58	12.85	15.00	13.48	20.00
Deposit rates						
Commercial banks' weighted average deposit	12.9	12.3	10.0	9.2	9.1	9.9
Commercial banks' 12 month fixed deposit (max.)	21.0	17.8	15.3	13.0	12.5	15.0
NSB savings	16.2	12.0	10.8	10.5	9.2	8.4
NSB 12 month fixed deposit	18.5	15.0	11.0	11.5	11.5	15.0
Lending rates						
Commercial banks' weighted average prime lending	18.5	20.2	15.2	14.9	15.9	21.46
Bills purchased & discounted	14.5 - 30.0	11.0 - 30.0	11.0 - 30.0	11.0 - 30.0	11.0 - 30.0	11.0 - 25.0
<b>CAPITAL MARKET</b>						
All Share Price Index (1985 = 100)	384.0	603.0	702.2	597.0	573.0	447.6
Sensitive Price Index (1985 = 100)	680.0	897.7	1,068.0	923.0	938(h)	698.5
Value of shares traded (Rs. million)	1,563	7,403	18,315	18,130	14,294	10,624
Net purchases by non nationals (Rs. million)	391.0	351.6	716.0	1,517	-902	-3364
Market capitalisation (Rs. billion)	37.0	104.2	129.4	117.0	113.0	88.8

(e) A new trade indices series has been introduced from 1998. Please refer foot note (a) in the statistical appendix table 75 for a detailed description on the change of methodology. Data for 1990 have been obtained by splicing the previous annual trade indices series.

(f) Excluding commercial bank external liabilities.

(g) Monetary data for 1990 are based only on data of the domestic banking units, while data from 1996 - 2000 are based on the aggregated data pertaining to both domestic banking units and foreign currency banking units.

(h) The Milanka Price Index (MPI) was introduced in January 1999 (1998 December = 1000), to replace the Sensitive Price Index.