

# **PART I**

## KEY ECONOMIC INDICATORS

	1990	1997	1998	1999	2000	2001(a)
<b>DEMOGRAPHY</b>						
Mid year population ('000 persons) (b)	16,267	17,702	17,935	18,208	18,467	18,732
Growth of mid year population (per cent) (b)	1.1	1.2	1.3	1.5	1.4	1.4
Population density (persons per sq.km.) (b)	259	282	286	290	295	299
Labour force ('000 persons)	6,001	6,924	6,660	6,673	6,827	6,730(c)
Labour force participation rate (per cent)	51.9	48.7	51.7	50.7	50.3	48.3(c)
Unemployment rate (per cent of labour force)	15.9	10.5	9.2	8.9	7.6	7.8(c)
<b>OUTPUT</b>						
GDP at current market prices (Rs. billion)	322	890	1,018	1,106	1,258	1,400
GNP at current market prices (Rs. billion)	319	880	1,002	1,090	1,233	1,377
Per capita GDP at market prices (Rs.) (b)	18,934	50,292	56,780	60,741	68,102	74,760
Per capita GNP at market prices (Rs.) (b)	18,791	49,711	55,863	59,882	66,790	73,528
Per capita GDP at market prices (US \$) (b)	473	853	879	863	899	837
Per capita GNP at market prices (US \$) (b)	469	843	865	851	881	823
<b>REAL OUTPUT (percentage change)</b>						
GNP	6.2	6.8	4.6	3.8	5.8	-1.3
GDP	6.4	6.3	4.7	4.3	6.0	-1.4
Sectoral classification of GDP (d)						
Agriculture	8.5	3.0	2.5	4.5	1.8	-3.0
Industry	7.8	7.7	5.9	4.8	7.5	-2.0
Services	4.2	7.1	5.1	4.0	7.0	-0.5
<b>AGGREGATE DEMAND AND SAVINGS (per cent of GDP)</b>						
Consumption	85.3	82.7	80.9	80.5	82.6	84.7
Private	75.9	72.3	71.1	71.5	72.1	74.6
Government	9.4	10.4	9.8	9.0	10.5	10.1
Investment	22.2	24.4	25.1	27.3	28.0	22.0
Government	4.2	3.4	3.3	3.2	3.3	3.0
Public corporations	4.2	2.9	3.0	3.5	3.2	2.8
Private	14.8	18.1	18.7	20.6	21.5	16.2
Net import of goods & non-factor services	-10.0	-7.1	-6.5	-7.8	-10.6	-6.7
Export of goods & non-factor services	31.3	36.5	36.2	35.5	39.0	37.0
Import of goods & non-factor services	41.3	43.6	42.3	43.3	49.6	43.7
Domestic savings	14.3	17.3	19.1	19.5	17.4	15.3
Net factor income (e)	2.5	4.2	4.3	4.0	4.1	4.2
National savings	16.8	21.5	23.4	23.5	21.5	19.5
<b>PRICES AND WAGES (percentage change)</b>						
Colombo District Consumer Price Index (Oct.1996 - Sep.1997 = 100)	-	7.4	7.3	3.6	3.6	10.3
Colombo Consumers' Price Index (1952 = 100)	21.5	9.6	9.4	4.7	6.2	14.2
Greater Colombo Consumers' Price Index (Jan.-Jun. 1989 = 100)	24.6	7.1	6.9	3.8	3.2	11.0
Wholesale Price Index (1974 = 100)	22.2	6.9	6.1	-0.3	1.7	11.7
GNP deflator	20.0	8.7	8.4	4.4	6.7	13.0
Nominal wage rate index for workers in all wages boards	16.9	5.9	12.3	2.5	2.3	4.9
Nominal wage rate index for central government employees	13.0	10.8	10.5	-	8.3	20.8
<b>GOVERNMENT FINANCE (per cent of GDP)</b>						
Revenue	21.1	18.5	17.2	17.7	16.8	16.5
Expenditure and net lending	31.0	26.4	26.3	25.2	26.7	27.4
o/w Current expenditure	22.3	20.8	19.6	18.7	20.2	21.5
Public investment	8.3	5.8	6.7	6.5	6.4	5.9
Current account deficit(-)/surplus(+)	-1.2	-2.2	-2.4	-1.0	-3.4	-4.9
Overall deficit	-9.9	-7.9	-9.2	-7.5	-9.9	-10.9
Deficit financing	9.9	7.9	9.2	7.5	9.9	10.9
Foreign	5.7	1.9	1.7	0.7	0.4	1.4
Domestic	4.2	3.4	7.0	6.8	9.4	8.8
Privatisation proceeds	-	2.5	0.4	...	...	0.6
Government debt	96.5	85.8	90.8	95.1	96.9	103.6
Foreign	54.9	42.3	45.3	45.9	43.1	45.3
Domestic	41.6	43.5	45.5	49.1	53.8	58.3
<b>EXTERNAL TRADE (Percentage Change) (f)</b>						
Terms of trade	-12.5	6.8	14.2	-5.0	-6.1	-1.7
Export unit value index (1997 = 100)	9.1	9.3	11.6	-8.5	1.5	-5.2
Import unit value index (1997 = 100)	24.7	2.4	-2.2	-3.5	8.1	-3.6
Export volume	29.7	10.6	0.1	5.0	18.3	-8.0
Import volume	7.6	12.3	12.4	0.2	12.9	-10.7

## KEY ECONOMIC INDICATORS (contd.)

	1990	1997	1998	1999	2000	2001(a)
<b>EXTERNAL FINANCE (US \$ million)</b>						
Trade balance	-703	-1,225	-1,092	-1,369	-1,798	-1,157
Exports	1,984	4,639	4,798	4,610	5,522	4,817
Imports	2,686	5,864	5,889	5,979	7,320	5,974
Services and income account (net)	-98	-1	-35	-107	-267	-172
Current private transfers (net)	362	788	848	887	974	938
Current official transfers (net)	62	44	52	26	24	22
Current account balance	-377	-393	-226	-563	-1,066	-371
Overall balance	119	163	37	-263	-522	220
Current account balance (per cent of GDP)	-4.7	-2.6	-1.4	-3.6	-6.4	-2.3
External assets (months of same year imports)	3.7	6.4	5.9	5.2	3.5	4.5
Overall debt service ratio (per cent of X G & S)	17.8	13.3	13.3	15.2	14.7	13.3
Total external debt and liabilities (per cent of GDP)	72.7(g)	62.3	61.6	63.5	61.0	61.8
<b>EXCHANGE RATES</b>						
Annual average						
Rs./US \$	40.06	58.99	64.59	70.39	75.78	89.36
Rs./SDR	54.42	81.17	87.66	96.25	99.90	113.75
End - year						
Rs./US \$	42.58	61.29	67.78	72.12	80.06	93.16
Rs./SDR	57.25	82.69	95.44	98.87	104.31	116.97
<b>MONEY AND CREDIT AGGREGATES (h) (percentage change Dec. to Dec.)</b>						
Narrow money (M <sub>1</sub> )	12.8	9.8	12.1	12.8	9.1	3.2
Broad money (M <sub>2b</sub> )	20.1	15.6	13.2	13.4	12.9	13.6
Net external assets of the banking system	115.7	43.5	16.7	-3.4	-31.9	10.9
Net domestic assets	13.4	7.8	11.9	19.9	26.9	14.0
Domestic credit from the banking system to:						
Government (net)	0.7	-4.0	42.8	45.3	56.8	36.7
Public corporations	12.8	-5.8	-31.3	30.1	193.2	6.7
Private sector	24.3	14.5	12.0	10.5	11.8	8.9
Reserve money	17.9	-2.1	10.9	8.2	4.7	7.0
Money multiplier for M <sub>2b</sub>	2.87	3.98	4.07	4.26	4.60	4.88
Velocity of M <sub>2b</sub>	3.55	2.89	2.88	2.74	2.79	2.76
<b>INTEREST RATES (per cent per annum at end year)</b>						
Treasury bill rates:						
91 days	17.41	9.97	12.01	11.79	17.77	12.92
364 days	18.36	10.21	12.59	12.77	18.22	13.74
Repurchase rate (overnight)	-	11.00	11.25	9.25	17.00	12.00
Rediscount rate (overnight) / Reverse repo rate	-	12.85	15.00	13.48	20.00	14.00
Deposit rates:						
Commercial banks' weighted average deposit	12.9	10.0	9.2	9.1	9.9	10.8
Commercial banks' 12 month fixed deposit (max.)	21.0	15.3	12.3	12.5	15.0	14.5
NSB savings	16.2	10.8	10.5	9.2	8.4	8.4
NSB 12 month fixed deposit	18.5	11.0	11.5	11.5	15.0	13.0
Lending rates:						
Commercial banks' weighted average prime lending	18.5	15.2	14.9	15.9	21.5	14.3
Bills purchased and discounted	14.5 - 30.0	11.0 - 30.0	11.0 - 30.0	11.0 - 30.0	11.0 - 25.0	13.0 - 24.0
<b>CAPITAL MARKET</b>						
All Share Price Index (1985 = 100)	384.0	702.2	597.0	573.0	447.6	621.0
Sensitive Price Index (1985 = 100)	680.0	1,068.0	923.0	938.0(i)	698.5	1,031.0
Value of shares traded (Rs. million)	1,563	18,315	18,130	14,294	10,624	13,905
Net purchases by non-nationals (Rs. million)	391	716	-1,517	-902	-3,364	-1,025
Market capitalisation (Rs. billion)	37.0	129.4	117.0	113.0	88.8	124.0

(a) Provisional.

(b) Mid year population, population growth, population density, per capita GDP and per capita GNP data have been revised from 1990 on the basis of provisional estimates from the Census of Population and Housing - 2001.

(c) 3rd quarter, 2001.

(d) The sectoral classification has been revised in accordance with the classification used in the World Bank publication, World Development Indicators, which classifies the International Standard Industrial Classification (ISIC) - Revision 3 as follows: The revised sectoral classification is Agriculture (ISIC division 1-5), Industry (ISIC division 10-45) and Services (ISIC division 50-99). Accordingly, Agriculture includes the Forestry and Fishing sub sectors and Industry comprises the Mining and quarrying, Manufacturing, Electricity, gas

and water supply and Construction sub sectors. All other sub sectors are classified under Services.

(e) Includes workers' remittances.

(f) A series of new trade indices has been introduced from 1998. Please refer footnote (a) in Statistical Appendix Table 75 for a detailed description on the change of methodology. Data for 1990 have been obtained by splicing the previous annual series of trade indices.

(g) Excluding commercial bank external liabilities.

(h) Monetary data for 1990 are based only on data of the domestic banking units, while data from 1997-2001 are based on the aggregated data pertaining to both domestic banking units and foreign currency banking units.

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