

PART I

KEY ECONOMIC INDICATORS

	1990	1999	2000	2001	2002	2003 (a)
DEMOGRAPHY						
Mid-year population ('000 persons) (b)	16,267	18,208	18,467	18,732	19,007	19,252
Growth of mid-year population (per cent) (b)	1.1	1.5	1.4	1.4	1.5	1.3
Population density (persons per sq. km.) (b)	259	290	295	299	304	307
Labour force ('000 persons)	6,001	6,673	6,827	6,773	7,145	7,609 (c)
Labour force participation rate (per cent)	51.9	50.7	50.3	48.8	50.3	48.6 (c)
Unemployment rate (per cent of labour force)	15.9	8.9	7.6	7.9	8.8	8.4 (c)
OUTPUT						
GDP at current market prices (Rs. billion)	322	1,106	1,258	1,407	1,583	1,760
GNP at current market prices (Rs. billion)	319	1,090	1,233	1,382	1,560	1,737
Per capita GDP at market prices (Rs.) (b)	18,934	60,741	68,102	75,133	83,267	91,434
Per capita GNP at market prices (Rs.) (b)	18,791	59,882	66,790	73,789	82,090	90,244
Per capita GDP at market prices (US \$) (b)	473	863	899	841	870	947
Per capita GNP at market prices (US \$) (b)	469	851	881	826	858	935
REAL OUTPUT (percentage change)						
GNP	6.2	3.8	5.8	-1.3	4.1	6.4
GDP	6.4	4.3	6.0	-1.5	4.0	5.9
Sectoral Classification of GDP (d)						
Agriculture	8.5	4.5	1.8	-3.4	2.5	1.5
Industry	7.8	4.8	7.5	-2.1	1.0	5.5
Services	4.2	4.0	7.0	-0.5	6.1	7.7
AGGREGATE DEMAND AND SAVING (per cent of GDP)						
Consumption	85.3	80.5	82.6	84.2	85.5	84.3
Private	75.9	71.5	72.1	74.0	76.7	76.3
Government	9.4	9.0	10.5	10.3	8.8	7.9
Investment	22.2	27.3	28.0	22.0	21.3	22.3
Government	4.2	3.2	3.3	3.0	2.0	2.3
Public corporations	4.2	3.5	3.3	2.8	2.6	3.0
Private	14.8	20.6	21.5	16.2	16.7	17.0
Net import of goods & non-factor services	-10.0	-7.8	-10.6	-6.2	-6.9	-6.6
Export of goods & non-factor services	31.3	35.5	39.0	37.3	36.1	35.8
Import of goods & non-factor services	41.3	43.3	49.6	43.6	42.9	42.4
Domestic savings	14.3	19.5	17.4	15.8	14.5	15.7
Net factor income (e)	2.5	4.0	4.0	4.6	5.0	5.5
National savings	16.8	23.5	21.5	20.3	19.5	21.3
PRICES AND WAGES (percentage change)						
Colombo Consumers' Price Index (1952 = 100)	21.5	4.7	6.2	14.2	9.6	6.3
Greater Colombo Consumers' Price Index (Jan-Jun 1989 = 100)	24.6	3.8	3.2	11.0	10.6	3.1
Sri Lanka Consumers' Price Index (1995-1997 = 100)	-	4.0	1.5	12.1	10.2	2.6
Wholesale Price Index (1974 = 100)	22.2	-0.3	1.7	11.7	10.7	3.1
GNP deflator	20.0	4.4	6.7	12.3	8.4	5.1
Nominal wage rate index for workers in all wages boards	16.9	2.5	2.3	4.9	7.4	7.0
Nominal wage rate index for central government employees	13.0	0.0	8.3	20.8	16.4	0.0
GOVERNMENT FINANCE (per cent of GDP)						
Revenue	21.1	17.7	16.8	16.7	16.5	15.7
Expenditure and net lending	31.0	25.2	26.7	27.5	25.4	23.7
o/w Current expenditure	22.3	18.7	20.2	21.6	20.9	19.0
Public investment	8.3	6.5	6.4	5.9	4.6	5.0
Current account deficit(-)/surplus(+)	-1.2	-1.0	-3.4	-4.9	-4.4	-3.3
Primary deficit	-3.5	-1.9	-4.2	-4.1	-1.6	-0.9
Overall deficit	-9.9	-7.5	-9.9	-10.8	-8.9	-8.0
Deficit financing	9.9	7.5	9.9	10.8	8.9	8.0
Foreign	5.7	0.7	0.4	1.4	0.5	2.9
Domestic	4.2	6.8	9.4	8.8	8.0	4.5
Privatisation proceeds	-	0.6	0.4	0.6
Government debt	96.5	95.1	96.9	103.2	105.4	105.9
Foreign	54.9	45.9	43.1	45.3	45.6	47.9
Domestic	41.6	49.1	53.8	58.0	59.8	57.9
EXTERNAL TRADE (percentage change) (f)						
Terms of trade	-12.5	-5.0	-6.1	-1.7	4.6	7.4
Export unit value index (1997 = 100)	9.1	-8.5	1.5	-5.2	-4.1	5.5
Import unit value index (1997 = 100)	24.7	-3.5	8.1	-3.6	-8.3	-1.8
Export volume	29.7	5.0	18.3	-8.0	2.2	3.5
Import volume	7.6	0.2	12.9	-10.7	11.4	11.2

(Contd.)

KEY ECONOMIC INDICATORS (contd.)

	1990	1999	2000	2001	2002	2003 (a)
EXTERNAL FINANCE (US \$ million)						
Trade balance	-703	-1,369	-1,798	-1,157	-1,406	-1,539
Exports	1,984	4,610	5,522	4,817	4,699	5,133
Imports	2,686	5,979	7,320	5,974	6,105	6,672
Services and income account (net)	-98	-107	-266	-63	42	204
Current private transfers (net)	362	887	974	984	1097	1,205
Current official transfers (net)	62	26	24	22	31	29
Current account balance	-377	-563	-1,066	-215	-237	-101
Overall balance	119	-263	-522	220	338	502
Current account balance (per cent of GDP)	-4.7	-3.6	-6.4	-1.4	-1.4	-0.6
External assets (months of same year imports)	3.7	5.2	3.5	4.5	4.9	5.8
Overall debt service ratio						
As a percentage of export of goods and services	17.8	15.2	14.7	13.2	13.2	11.6
As a percentage of current receipts	15.3	12.4	12.2	10.9	10.8	9.3
Total external debt and liabilities (per cent of GDP)	72.7 (g)	63.5	61.0	60.3	62.4	64.1
EXCHANGE RATES						
Annual average						
Rs./US \$	40.06	70.39	75.78	89.36	95.66	96.52
Rs./SDR	54.42	96.25	99.90	113.75	123.93	135.23
NEER (1999=100) (24 - currency basket)	-	100.00	94.56	85.10	78.87	73.85
REER (1999=100) (24 - currency basket)	-	100.00	98.40	99.19	99.33	97.24
End - year						
Rs./US \$	42.58	72.12	82.65	93.16	96.73	96.74
Rs./SDR	57.25	98.87	104.31	116.97	130.99	143.75
MONETARY AGGREGATES (h) (percentage change Dec. to Dec.)						
Narrow money (M ₁)	12.8	12.8	9.1	3.2	14.0	16.0
Broad money (M _{2b})	20.1	13.4	12.9	13.6	14.1	15.3
Net external assets of the banking system	115.7	-3.4	-31.9	6.6	49.3	51.0
Net domestic assets	13.4	19.9	26.9	14.8	7.8	7.6
Domestic credit from the banking system to						
Government (net)	0.7	45.3	56.8	36.7	-4.1	-8.7
Public corporations	12.8	30.1	193.2	6.7	5.4	-15.9
Private sector	24.3	10.5	11.8	8.9	12.0	16.9
Reserve money	17.9	8.2	4.7	7.0	12.3	11.9
Money multiplier for M _{2b}	2.87	4.26	4.60	4.88	4.92	5.08
Velocity of M _{2b}	3.55	2.74	2.79	2.76	2.69	2.65
INTEREST RATES (per cent per annum at end year)						
Treasury bill rate						
91 days	17.41	11.79	17.77	12.92	9.92	7.35
364 days	18.36	12.77	18.22	13.74	9.91	7.24
Repurchase rate (overnight)	-	9.25	17.00	12.00	9.75	7.00
Reverse repo rate (overnight)	-	13.48	20.00	14.00	11.75	8.50
Deposit rates						
Commercial banks' weighted average deposit rate	12.9	9.1	9.9	10.8	7.5	5.3
Commercial banks 12 month fixed deposit (max.)	21.0	12.5	15.0	14.5	11.0	7.8
NSB savings	16.2	9.2	8.4	8.4	6.0	5.0
NSB 12 month fixed deposit	18.5	11.5	15.0	13.0	10.0	7.0
Lending rates						
Commercial banks' weighted average prime lending rate	18.5	15.9	21.5	14.3	12.2	9.3
Bills purchased & discounted	14.5-30.0	11.0-30.0	11.0-25.0	13.0-24.0	10.0-23.0	7.0-19.0
CAPITAL MARKET						
All Share Price Index (1985 = 100)	384	573	448	621	815	1,062
Sensitive Price Index (1985 = 100)	680	938 (i)	699	1,031	1,375	1,898
Value of shares traded (Rs. million)	1,563	14,294	10,624	13,905	30,183	73,657
Net purchases by non-nationals (Rs. million)	391	-951	-3,365	-1,025	2,442	209
Market capitalisation (Rs. billion)	37.0	113.0	88.8	124.0	162.6	262.8

(a) Provisional based on information available at end March 2004.

(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, 2003. Upto 2002, data excludes both Northern and Eastern Provinces. In 2003, Eastern Province is included and only Northern Province is excluded from the survey.

(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 the statistical appendix table 83 for a detailed description on the change of methodology. Data for 1990 have been obtained by splicing the previous annual trade indices series.

(g) Excluding commercial bank external liabilities.

(h) Monetary data for 1990 are based only on data of the domestic banking units, while data from 1999-2003 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 = 1,000) to replace the Sensitive Price Index.