

# **PART I**

## KEY ECONOMIC INDICATORS

	1990	2000	2001	2002	2003	2004 (a)
<b>DEMOGRAPHY</b>						
Mid year population ('000 persons) (b)	16,267	18,467	18,732	19,007	19,252	19,462
Growth of mid year population (per cent) (b)	1.1	1.4	1.4	1.5	1.3	1.1
Population density (persons per sq.km.) (b)	259	295	299	304	307	310
Labour force ('000 persons)	6,001	6,827	6,773	7,145	7,654	7,984(c)
Labour force participation rate (per cent)	51.9	50.3	48.8	50.3	48.9	47.8(c)
Unemployment rate (per cent of labour force)	15.9	7.6	7.9	8.8	8.4	8.5(c)
<b>OUTPUT</b>						
GDP at current market prices (Rs. billion)	322	1,258	1,407	1,582	1,761	2,029
GNP at current market prices (Rs. billion)	319	1,233	1,382	1,560	1,742	2,016
Per capita GDP at market prices (Rs.) (b)	18,934	68,102	75,133	83,226	91,479	104,347
Per capita GNP at market prices (Rs.) (b)	18,791	66,790	73,789	82,068	90,472	103,679
Per capita GDP at market prices (US \$) (b)	473	899	841	870	948	1,031
Per capita GNP at market prices (US \$) (b)	469	881	826	858	937	1,025
<b>REAL OUTPUT (percentage change)</b>						
GNP	6.2	5.8	-1.3	4.1	6.6	5.2
GDP	6.4	6.0	-1.5	4.0	6.0	5.4
Sectoral Classification of GDP						
Agriculture	8.5	1.8	-3.4	2.5	1.6	-0.7
Industry	7.8	7.5	-2.1	1.0	5.5	5.2
Services	4.2	7.0	-0.5	6.1	7.9	7.6
<b>AGGREGATE DEMAND AND SAVING (per cent of GDP)</b>						
Consumption	85.3	82.6	84.2	85.6	84.1	84.1
Private	75.9	72.1	74.0	76.8	76.2	76.0
Government	9.4	10.5	10.3	8.8	7.9	8.1
Investment	22.2	28.0	22.0	21.2	22.1	25.0
Government	4.2	3.3	3.0	2.0	2.3	2.2
Public corporations	4.2	3.3	2.8	2.6	3.0	2.9
Private	13.8	21.5	16.2	16.5	16.8	19.8
Net import of goods & non-factor services	-10.0	-10.6	-6.2	-6.7	-6.2	-9.1
Export of goods & non-factor services	31.3	39.0	37.3	36.1	35.9	36.4
Import of goods & non-factor services	41.3	49.6	43.6	42.8	42.1	45.5
Domestic savings	14.3	17.4	15.8	14.4	15.9	15.9
Net factor income (d)	2.5	4.0	4.6	5.1	5.7	5.7
National savings	16.8	21.5	20.3	19.5	21.6	21.6
<b>PRICES AND WAGES (percentage change)</b>						
Colombo District Consumer Price Index						
(Oct. 1996 – Sep. 1997 = 100)	-	3.6	10.3	6.8	2.1	5.0
Colombo Consumers' Price Index (1952 = 100)	21.5	6.2	14.2	9.6	6.3	7.6
Sri Lanka Consumers' Price Index (1995-1997 = 100)	-	1.5	12.1	10.2	2.6	7.9
Wholesale Price Index (1974 = 100)	22.2	1.7	11.7	10.7	3.1	12.5
GNP deflator	20.0	6.7	12.3	8.4	5.1	9.2
GDP deflator	20.0	6.7	12.4	8.4	5.0	9.2
Nominal wage rate index for workers in all wages boards	16.9	2.3	4.9	7.4	7.0	2.3
Nominal wage rate index for central government employees	13.0	8.3	20.8	16.3	0.0	22.8
<b>GOVERNMENT FINANCE (per cent of GDP)</b>						
Revenue	21.1	16.8	16.7	16.5	15.7	15.4
o/w Tax Revenue	19.0	14.5	14.8	14.0	13.2	13.9
Expenditure and net lending	31.0	26.7	27.5	25.4	23.7	23.5
o/w Current expenditure	22.3	20.2	21.6	20.9	19.0	19.2
Public investment	8.3	6.4	5.9	4.6	5.0	4.8
Current account deficit (-) / surplus (+)	-1.2	-3.4	-4.9	-4.4	-3.3	-3.9
Primary deficit	-3.5	-4.2	-4.1	-1.6	-0.9	-2.2
Overall deficit	-9.9	-9.9	-10.8	-8.9	-8.0	-8.2
Deficit financing	9.9	9.9	10.8	8.9	8.0	8.2
Foreign	5.7	0.4	1.4	0.5	2.9	2.2
Domestic	4.2	9.4	8.8	8.0	4.5	5.8
Privatisation proceeds	-	...	0.6	0.4	0.6	0.1
Government debt	96.5	96.9	103.2	105.4	105.8	105.5
Foreign	54.9	43.1	45.3	45.6	47.9	49.1
Domestic	41.6	53.8	58.0	59.8	57.9	56.4

(Contd.)



## KEY ECONOMIC INDICATORS (contd.)

	1990	2000	2001	2002	2003	2004 (a)
<b>EXTERNAL TRADE (percentage change)(c)</b>						
Terms of trade	-12.5	-6.1	-1.7	4.6	7.4	-5.2
Export unit value index (1997 = 100)	9.1	1.5	-5.2	-4.1	5.5	4.0
Import unit value index (1997 = 100)	24.7	8.1	-3.6	-8.3	-1.8	9.7
Export volume	29.7	18.3	-8.0	2.2	3.5	7.8
Import volume	7.6	12.9	-10.7	11.4	11.2	9.0
<b>EXTERNAL FINANCE (US \$ million)</b>						
Trade balance	-703	-1,798	-1,157	-1,406	-1,539	-2,243
Exports	1,984	5,522	4,817	4,699	5,133	5,757
Imports	2,686	7,320	5,974	6,105	6,672	8,000
Services and income account (net)	-98	-266	-63	42	227	215
Current private transfers (net)	362	974	984	1,097	1,205	1,350
Current official transfers (net)	62	24	22	31	36	30
Current account balance	-377	-1,066	-215	-237	-71	-648
Overall balance	119	-522	220	338	502	-205
Current account balance (per cent of GDP)	-4.7	-6.4	-1.4	-1.4	-0.4	-3.3
External assets (months of same year imports)	3.7	3.5	4.5	4.9	5.8	5.2
Overall debt service ratio						
As a percentage of export of goods and services	17.8	14.7	13.2	13.2	11.6	11.5
As a percentage of current receipt	15.3	12.2	10.9	10.8	9.4	9.3
Total external debt and liabilities (per cent of GDP)	72.7(f)	61.0	60.3	62.4	64.1	65.0
<b>EXCHANGE RATES</b>						
Annual average						
Rs./US \$	40.06	75.78	89.36	95.66	96.52	101.19
Rs./SDR	54.42	99.90	113.75	123.93	135.23	149.88
NEER (1999=100) (24 - currency basket)	-	94.56	85.10	78.87	73.84	67.63
REER (1999=100) (24 - currency basket)	-	98.40	99.19	99.33	97.25	93.61
End - year						
Rs./US \$	42.58	80.06	93.16	96.73	96.74	104.61
Rs./SDR	57.25	104.31	116.97	130.99	143.75	161.60
<b>MONETARY AGGREGATES (g) (percentage change Dec. to Dec.)</b>						
Narrow money (M <sub>1</sub> )	12.8	9.1	3.2	14.0	16.0	16.6
Broad money (M <sub>2b</sub> )	20.1	12.9	13.6	13.4	15.3	19.6
Net external assets of the banking system	115.7	-31.9	6.6	49.3	51.0	1.9
Net domestic assets	13.4	26.9	14.8	7.8	7.6	25.0
Domestic credit from the banking system to						
Government (net)	0.7	56.8	36.7	-4.1	-8.7	25.1
Public corporations	12.8	193.2	6.7	5.4	-15.9	13.8
Private sector	24.3	11.8	8.9	12.0	16.9	22.1
Reserve money	17.9	4.7	7.0	12.3	11.9	20.9
Money multiplier for M <sub>2b</sub>	2.87	4.60	4.88	4.92	5.08	5.02
Velocity of M <sub>2b</sub>	3.55	2.79	2.76	2.69	2.65	2.61
<b>INTEREST RATES (per cent per annum at end year)</b>						
Treasury bill rate						
91 days	17.41	17.77	12.92	9.92	7.35	7.25
364 days	18.36	18.22	13.74	9.91	7.24	7.65
Repurchase rate (overnight)	-	17.00	12.00	9.75	7.00	7.50
Reverse repurchase rate (overnight)	-	20.00	14.00	11.75	8.50	9.00
Deposit rates						
Commercial banks' weighted average deposit	12.93	9.89	10.78	7.47	5.27	5.31
Commercial banks' 12 month fixed deposit (max.)	21.00	15.00	14.50	11.00	7.75	9.75
NSB savings	16.20	8.40	8.40	6.00	5.00	5.00
NSB 12 month fixed deposit	18.50	15.00	13.00	10.00	7.00	8.00
Lending rates						
Com. Banks' weighted average prime lending	18.50	21.46	14.31	12.24	9.26	10.23
Bills purchased & discounted	14.50-30.00	11.00-25.00	13.00-24.00	10.00-23.00	7.00-19.00	7.25-20.75
<b>CAPITAL MARKET</b>						
All Share Price Index (1985 = 100)	384.4	447.6	621.0	815.1	1,062.1	1,506.9
Sensitive Price Index (1985 = 100) / Milanka Price Index (1998 Dec = 1,000)	680.3	698.5(h)	1,031.0	1,374.6	1,897.8	2,073.7
Value of shares traded (Rs. million)	1,563	10,624	13,905	30,183	73,837	59,052
Net purchases by non nationals (Rs. million)	391	-3,364	-1,025	2,442	209	1,109
Market capitalisation (Rs. billion)	37.0	88.8	124.0	162.6	262.8	382.1

- (a) Provisional based on information available at end March 2005.
- (b) Midyear 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 2004. Upto 2002 data excluded both Northern and Eastern Provinces. In 2003, Eastern province was included and only Northern province was excluded from the survey. From 2nd quarter 2004 data include all districts.
- (d) Includes workers' remittances.

- (e) A series of new trade indices has been introduced from 1998. Please refer foot note (a) in the statistical appendix table 65 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 for 2000-2004 are based on the aggregated data pertaining to both domestic banking units and foreign currency banking units of Licensed Commercial Banks.
- (h) The Sensitive Price Index (SPI) was replaced by The Milanka Price Index (MPI) in January 1999, (1998 December = 1,000).