

PART I

KEY ECONOMIC INDICATORS

	1990	2001	2002	2003	2004	2005 (a)
DEMOGRAPHY						
Mid-year population ('000 persons) (b)	16,267	18,732	19,007	19,252	19,462	19,668
Growth of mid-year population (per cent) (b)	1.1	1.4	1.5	1.3	1.1	1.1
Population density (persons per sq.km.) (b)	259	299	304	307	310	314
Labour force ('000 persons)	6,001	6,773	7,145	7,654 (c)	8,061 (d)	8,141 (e)
Labour force participation rate (per cent)	51.9	48.8	50.3	48.9 (c)	48.6 (d)	48.3 (e)
Unemployment rate (per cent of labour force)	15.9	7.9	8.8	8.4 (c)	8.3 (d)	7.7 (e)
OUTPUT						
GDP at current market prices (Rs. billion)	322	1,410	1,583	1,761	2,029	2,366
GNP at current market prices (Rs. billion)	319	1,382	1,560	1,742	2,016	2,349
Per capita GDP at market prices (Rs.) (b)	18,934	75,133	83,267	91,479	104,273	120,282
Per capita GNP at market prices (Rs.) (b)	18,791	73,789	8,290	90,472	103,570	119,413
Per capita GDP at market prices (US \$) (b)	473	841	870	948	1,030	1,197
Per capita GNP at market prices (US \$) (b)	469	826	858	937	1,024	1,188
REAL OUTPUT (percentage change)						
GNP	6.2	-1.3	4.1	6.6	5.3	5.5
GDP	6.4	-1.5	4.0	6.0	5.4	6.0
Sectoral Classification of GDP						
Agriculture	8.5	-3.4	2.5	1.6	-0.3	1.5
Industry	7.8	-2.1	1.0	5.5	5.2	8.3
Services	4.2	-0.5	6.1	7.9	7.6	6.4
AGGREGATE DEMAND AND SAVING (per cent of GDP)						
Consumption	85.3	84.2	85.5	84.1	84.1	82.8
Private	75.9	74.0	76.7	76.2	76.0	74.6
Government	9.4	10.3	8.8	7.9	8.1	8.2
Investment	22.2	22.0	21.3	22.1	25.0	26.5
Government	4.2	3.0	2.0	2.3	2.2	4.2
Public corporations	4.2	2.8	2.6	3.0	2.9	2.7
Private	14.8	16.2	16.7	16.8	19.8	19.6
Net import of goods & non-factor services	-10.0	-6.2	-6.7	-6.2	-9.1	-9.3
Export of goods & non-factor services	31.3	37.3	36.0	35.9	36.3	33.5
Import of goods & non-factor services	41.3	43.6	42.7	42.1	45.4	42.8
Domestic savings	14.3	15.8	14.5	15.9	15.9	17.2
Net factor income (f)	2.5	4.6	5.0	5.7	5.7	6.1
National savings	16.8	20.3	19.5	21.6	21.6	23.3
PRICES AND WAGES (percentage change)						
Colombo Consumers' Price Index (1952 = 100)	21.5	14.2	9.6	6.3	7.6	11.6
Sri Lanka Consumers' Price Index (1995-1997 = 100)	-	12.1	10.2	2.6	7.9	10.6
Colombo District Consumers' Price Index (Oct. 1996 - Sep. 1997 = 100)	-	10.3	6.8	2.1	5.0	9.8
Wholesale Price Index (1974 = 100)	22.2	11.7	10.7	5.1	12.5	11.5
GNP deflator	20.0	12.3	8.4	5.0	9.3	10.1
GDP deflator	20.0	12.4	8.4	5.0	9.3	9.9
Nominal wage rate index for workers in all wages boards	16.9	4.9	7.4	7.0	2.3	7.8
Nominal wage rate index for central government employees	13.0	20.8	16.3	0.0	22.8	29.1
GOVERNMENT FINANCE (per cent of GDP)						
Revenue	21.1	16.7	16.5	15.7	15.4	16.1
o/w Tax Revenue	19.0	14.8	14.0	13.2	13.9	14.2
Expenditure and net lending	31.0	27.5	25.4	23.7	23.5	24.7
o/w Current expenditure	22.3	21.6	20.9	19.0	19.2	18.7
Public investment (including on lending)	8.3	5.9	4.6	5.0	4.8	6.3
Current account deficit (-) / surplus (+)	-1.2	-4.9	-4.4	-3.3	-3.9	-2.7
Primary deficit	-3.5	-4.1	-1.6	-0.9	-2.2	-3.6
Overall deficit	-9.9	-10.8	-8.9	-8.0	-8.2	-8.7
Deficit financing	9.9	10.8	8.9	8.0	8.2	8.7
Foreign	5.7	1.4	0.5	2.9	2.2	3.4
Domestic	4.2	8.8	8.0	4.5	5.8	5.2
Privatisation proceeds	-	0.6	0.4	0.6	0.1	-
Government debt	96.5	103.2	105.4	105.8	105.5	93.9
Foreign	54.9	45.3	45.6	47.9	49.1	40.4
Domestic	41.6	58.0	59.8	57.9	56.4	53.5

(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) Up to 4th Quarter 2002, Quarterly Labour Force Survey (QLFS) coverage exclude both Northern and Eastern Provinces. Commencing from 1st Quarter 2003, the Eastern Province was included and only the Northern Province was excluded from the QLFS coverage.

(d) From 1st Quarter 2004, QLFS coverage include both Northern and Eastern Provinces excluding Vavuniya, Mullaitivu and Killinochchi districts and all districts from 2nd Quarter 2004. However, both Mullaitivu and Killinochchi districts were excluded for 2004 annual estimates.

(e) QLFS was conducted as a one-off survey in August 2005.

(f) Includes workers' remittances.

(Contd.)

KEY ECONOMIC INDICATORS (contd.)

	1990	2001	2002	2003	2004	2005 (a)
EXTERNAL TRADE (percentage change)(g)						
Terms of trade	-12.5	-1.7	4.6	7.4	-5.2	-4.2
Export unit value index (1997 = 100)	9.1	-5.2	-4.1	5.5	4.0	3.3
Import unit value index (1997 = 100)	24.7	-3.6	-8.3	-1.8	9.7	7.8
Export volume	29.7	-8.0	2.2	3.5	7.8	6.7
Import volume	7.6	-10.7	11.4	11.2	9.0	2.7
EXTERNAL FINANCE (US \$ million)						
Trade balance	-703	-1,157	-1,406	-1,539	-2,243	-2,516
Exports	1,984	4,817	4,699	5,133	5,757	6,347
Imports	2,686	5,974	6,105	6,672	8,000	8,863
Services and income account (net)	-98	-63	42	227	215	38
Current private transfers (net)	362	984	1,097	1,205	1,350	1,736
Current official transfers (net)	62	22	31	36	30	93
Current account balance	-377	-215	-236	-71	-648	-650
Overall balance	119	220	338	502	-205	501
Current account balance (per cent of GDP)	-4.7	-1.4	-1.4	-0.4	-3.2	-2.8
External assets (months of same year imports)	3.7	4.5	4.9	5.8	5.2	5.7
Overall debt service ratio						
As a percentage of export of goods and services	17.8	13.2	13.2	11.6	11.6	7.9
As a percentage of current receipt	15.3	10.9	10.8	9.4	9.4	6.3
Total external debt and liabilities (per cent of GDP)	72.7 (h)	60.3	62.4	64.6	63.7	55.4
EXCHANGE RATES						
Annual average						
Rs./US \$	40.06	89.36	95.66	96.52	101.19	100.50
Rs./SDR	54.42	113.75	123.93	135.23	149.88	148.45
NEER (based on 24 currency basket 1999=100)	-	85.10	78.87	73.84	67.63	67.55
REER (based on 24 currency basket 1999=100)	-	99.19	99.93	97.25	93.61	101.92
End - year						
Rs./US \$	42.58	93.16	96.73	96.74	104.61	102.12
Rs./SDR	57.25	116.97	130.99	143.75	161.60	145.95
MONETARY AGGREGATES (i) (percentage change Dec. to Dec.)						
Narrow money (M ₁)	12.8	3.2	14.0	16.0	16.6	22.4
Broad money (M _{2b})	20.1	13.6	13.4	15.3	19.6	19.1
Net foreign assets of the banking system	115.7	6.6	49.3	51.0	1.9	20.3
Net domestic assets	13.4	14.8	7.8	7.6	25.0	18.7
Domestic credit from the banking system to						
Government (net)	0.7	36.7	-4.1	-11.0	25.1	11.9
Public corporations	12.8	6.7	5.4	15.9	13.8	-59.5
Private sector	24.3	8.9	12.0	16.9	22.1	21.5
Reserve money	17.9	7.0	12.3	11.9	20.9	15.8
Money multiplier for M _{2b}	2.87	4.88	4.92	5.08	5.02	5.16
Velocity of M _{2b}	3.55	2.76	2.69	2.65	2.61	2.53
INTEREST RATES (per cent per annum at end year)						
Repurchase rate (overnight)	-	12.00	9.75	7.00	7.50	8.75
Rediscount rate (overnight) / Reverse repo rate	-	14.00	11.75	8.50	9.00	10.25
Treasury bill rate						
91 days	17.41	12.92	9.92	7.35	7.25	10.10
364 days	18.36	13.74	9.91	7.24	7.65	10.37
Deposit rates						
Commercial banks' weighted average deposit	12.9	10.8	7.5	5.3	5.3	6.2
Commercial banks' 12 month fixed deposit (max.)	21.0	14.5	11.0	7.8	9.8	11.5
NSB savings	16.2	8.4	6.0	5.0	5.0	5.0
NSB 12 month fixed deposit	18.5	13.0	10.0	7.0	8.0	9.0
Lending rates						
Commercial banks' weighted average prime lending	18.5	14.3	12.2	9.3	10.2	12.2
Bills purchased & discounted	14.5-30.0	13.0-24.0	10.0-23.0	7.0-19.0	7.2-20.7	7.0-31.0
CAPITAL MARKET						
All Share Price Index (1985 = 100)	384.0	621.0	815.1	1,062.1	1,506.9	1,922.2
Sensitive Price Index (1985 = 100) / Milanka Price Index (1998 Dec = 1,000)	680.0	1,031.0	1,374.6	1,897.8	2,073.7	2,451.1
Value of shares traded (Rs. million)	1,563	13,905	30,183	73,629	59,052	114,599
Net purchases by non-nationals (Rs. million)	391	-1,025	2,442	209	1,109	6,145
Market capitalisation (Rs. billion)	37.0	124.0	162.6	262.8	382.1	584

(g) 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 of the change of methodology. Data for 1990 have been obtained by splicing the previous annual trade indices series.

(h) Excluding commercial bank external liabilities.

(i) Monetary data for 1990 are based only on data of the domestic banking units, while data for 2001-2005 are based on the aggregated data pertaining to both domestic banking units and foreign currency banking units.