

Trade and Competitiveness Monitoring Note

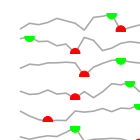


Sri Lanka

GDP (US\$ billions) (2016)	Population (millions) (2016)	Income per capita (current US\$) (2016)	Poverty rate (2012)	Unemployment rate (2014)
85.5	20.9	4,085.9	1.7	4.6

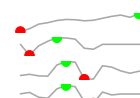
Macro Indicators

	Avg 2002-2011	2012	2013	2014	2015	2016
GDP growth (annual %)	5.493	9.145	3.396	4.458	5.298	5.630
Current account balance	-3.223	-5.817	-3.420	-2.561	-3.166	-2.183
Fiscal balance (% of GDP)	-6.975	-5.642	-5.497	-5.968	-6.146	-6.474
Remittances, received (% of GDP) [1]	7.677	8.767	8.642	8.927	—	—
Real Effective Exchange Rate (2010=100)	96.279	99.384	104.092	103.466	108.470	103.692
Consumer Price Index, annual percent change	10.420	7.543	6.912	3.278	-0.075	-0.070



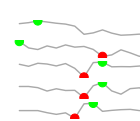
Investment indicators

	Avg 2002-2011	2012	2013	2014	2015	2016
Gross domestic investment (% GDP)	23.9	27.8	28.5	27.3	29.0	28.9
Gross domestic investment, of w: Private investment (% GDP) [1]	25.8	—	—	—	—	—
Inward FDI (% of GDP) [2]	1.4	1.6	1.4	1.3	—	—
Inward FDI, % of private investment [2]	5.7	5.5	NA	—	—	—



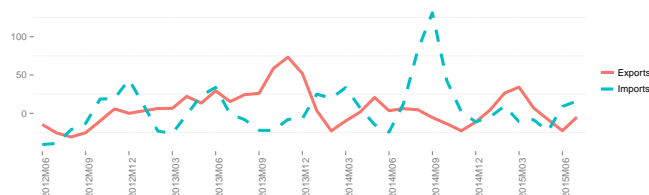
Trade Indicators

	Avg 2002-2011	2012	2013	2014	2015	2016
Total Trade in Goods and Services (% of GDP, real terms)	52.73	46.16	44.30	44.67	45.26	43.78
Trade balance (% GDP, real terms)	-6.26	-9.05	-7.39	-8.38	-9.51	-8.34
Exports, Goods and Services, annual percent change (real terms)	3.29	2.57	2.84	2.70	3.72	4.73
Imports, Goods and Services, annual percent change (real terms)	5.52	2.92	-3.18	7.21	8.71	0.52
Total reserves in months of imports [1]	3.56	3.69	3.85	3.92	—	—



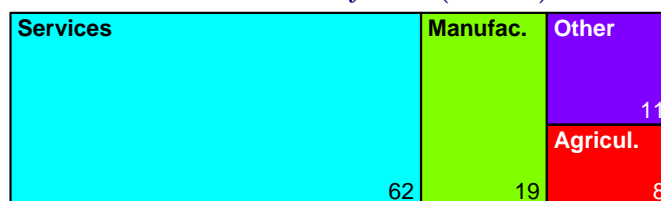
Sources: MFM note, [1] World Development Indicators (WDI), [2] UNCTADSTAT, [3] World Economic Outlook (WEO)

Goods Export and Import volume growth, 2012-2015



Source: Development Prospects Group (DECPG)

Gross Value Added by Economic Activity 2013 (% GDP)



Source: World Development Indicators (WDI)

Top 5 Exports by % of Total Value, 2014

Tea, whether or not flavoured	Brassifres, girdles, corsets, brace	Slips, petticoats, briefs, panties,	Suits, ensembles, jackets, blazers, T-shirts, singlets & other vests, k
15	5	5	4

Imports Categories by % of Total Value, 2014

Intermediate goods	Consumer goods	Capital goods	Raw materials
37	34	17	13

Source: World Integrated Trade Solution (WITS)

Doing Business 2015 Ranks (among all countries)

	DB 2015 Rank	DB 2016 Rank	Change in Rank
Dealing with Construction Permits	106	77	29
Ease of Doing Business Rank	113	107	6
Enforcing Contracts	161	161	0
Getting Credit	90	97	-7
Getting Electricity	101	81	20
Paying Taxes	157	158	-1
Protecting Minority Investors	46	49	-3
Registering Property	151	153	-2
Resolving Insolvency	84	78	6
Starting a Business	104	98	6
Trading Across Borders	90	90	0

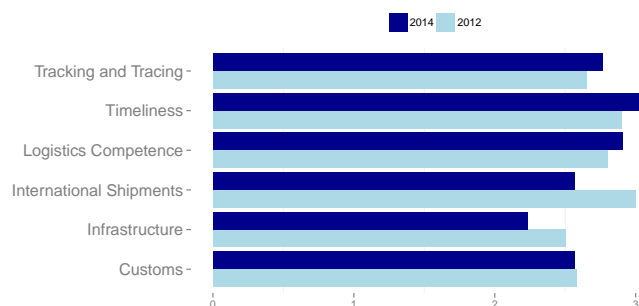
Source: Doing Business Report 2015

WEF Competitiveness Indicators (Scale 1-5, 5=best)



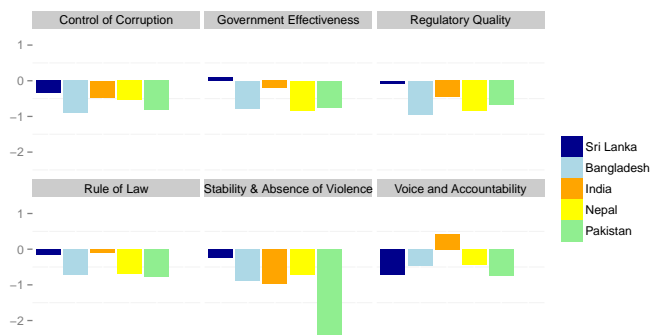
Source: WEF Global Competitiveness Report 2015

Logistics Performance Index (Scale 1-5, 5=best)



Source: Logistics Performance Index (World Bank)

World Governance indicators (Std. score, High=best)



Source: Worldwide Governance Indicators

Trade Policy

	2010	2014
Applied Tariff (Incl. Prefers. and Trade-Weighted)	9.8	9.2
Binding (%)	38.4	37.7
Dispersion (Standard Deviation)	18.1	27.1
Import duties collected (% , 2011-2013) [1]	—	6.1
MFN Tariff (Agriculture)	27.6	24.4
MFN Tariff (Non-Agriculture)	7.6	6.8
MFN Tariff (Simple Average)	10.4	9.1
Services sectors with GATS commitments [1]	—	27.0

Sources: WITS, [1] WTO Trade Profiles

Private Sector's Views

Enterprise Survey 2013

	Sri Lanka	South Asia	All Countries
Number of electrical outages in a typical month	4.10	25.40	6.30
Percent of firms with a bank loan/line of credit	40.40	27.00	34.30
Proportion of investment financed by banks (%)	35.40	14.40	14.30
Proportion of investment financed internally (%)	53.50	73.90	71.80
Senior management time spent dealing with the requirements of government regulation (%)	1.70	7.20	9.90

Source: Enterprise Survey 2013

Top 5 constraints according to ES 2013 (% respondents)



Source: Enterprise Survey 2013

Top 5 constraints according to WEF 2015 survey (% respondents among 88 executives)



Source: WEF Global Competitiveness Report 2015