

# **PART I**

# KEY ECONOMIC INDICATORS

	1990	1995	1996	1997	1998	1999(a)
<b>DEMOGRAPHY</b>						
Mid Year Population ('000 persons)	17,015	18,136	18,336	18,552	18,774	19,043
Growth of mid year Population (per cent)	1.4	1.1	1.1	1.2	1.2	1.4
Population Density (persons per sq.km.)	271	289	292	296	299	304
Labour Force ('000 persons)	6,001	6,106	6,242	6,266	6634(b)	6,646(c)
Labour Force Participation Rate (per cent)	51.9	47.9	48.7	48.7	51.5(b)	50.9(c)
Unemployment Rate (per cent of Labour force)	15.9	12.3	11.3	10.5	9.5(b)	8.8(c)
<b>OUTPUT</b>						
GDP at Current Market Prices (Rs. billion)	322	668	768	890	1,018	1,111
GNP at Current Market Prices (Rs. billion)	319	659	757	880	1,002	1,090
Per Capita GDP at Market Prices (Rs.)	18,934	36,869	41,940	47,988	54,220	58,323
Per Capita GNP at Market Prices (Rs.)	18,791	36,381	41,349	47,433	53,364	57,257
Per Capita GDP at Market Prices (US\$)	473	719	759	814	839	829
Per Capita GNP at Market Prices (US\$)	469	710	748	804	823	807
<b>REAL OUTPUT (percentage change)</b>						
GNP	6.2	6.0	3.2	6.8	4.6	3.8
GDP	6.4	5.5	3.8	6.3	4.7	4.3
Agriculture, Forestry and Fishing	8.8	3.3	-4.6	3.0	2.5	4.5
Mining and Quarrying	9.1	3.4	8.9	3.8	-5.4	4.1
Manufacturing	9.4	9.2	6.5	9.1	6.3	4.4
Construction	2.0	4.9	3.4	5.4	7.1	4.8
Services	4.3	5.1	5.8	7.1	5.2	4.0
<b>AGGREGATE DEMAND AND SAVINGS (per cent of GDP)</b>						
Consumption	85.3	84.7	84.6	82.7	81.1	80.2
Private	75.9	73.2	74.1	72.3	71.3	71.2
Government	9.4	11.5	10.5	10.4	9.8	9.0
Investment	22.2	25.7	24.2	24.4	25.1	27.1
Government	4.2	3.5	3.1	3.4	3.3	3.1
Public corporations	4.2	4.4	3.1	2.9	3.0	3.5
Private	14.8	17.8	18.0	18.1	18.7	20.5
Net Imports of Goods & Non Factor Services	10.0	-10.4	-8.9	-7.1	-6.5	-7.3
Exports of Goods & Non Factor Services	31.3	35.6	35.0	36.5	36.0	35.3
Imports of Goods & Non Factor Services	41.3	46.0	43.9	43.6	42.4	42.6
Domestic Savings	14.3	15.3	15.3	17.3	19.1	19.8
Net Factor Income (d)	2.5	4.2	3.7	4.2	4.3	4.1
National Savings	16.8	19.5	19.0	21.5	23.4	23.9
<b>PRICES AND WAGES (percentage change)</b>						
Colombo Consumers Price Index (1952 = 100)	21.5	7.7	15.9	9.6	9.4	4.7
Greater Colombo Consumers Price Index (Jan.-Jun. 1989=100)	24.6	3.9	14.7	7.1	6.9	3.8
Wholesale Price Index (1974 = 100)	22.2	8.8	20.5	6.9	6.1	-0.3
GNP Deflator	20.0	8.4	12.2	8.7	8.4	4.4
Nominal Wage Rate Index for Workers in All Wages Boards	16.9	3.8	8.3	5.9	12.3	2.5
Nominal Wage Rate Index for Central Government Employees	13.0	7.7	3.2	10.8	10.5	-
<b>GOVERNMENT FINANCE (per cent of GDP)</b>						
Revenue	28.1	20.4	19.0	18.5	17.2	17.6
Expenditure and Net Lending	31.0	30.5	28.5	26.4	26.3	25.1
Current	22.3	23.1	22.8	20.8	19.6	18.7
Public Investment	8.3	7.9	6.0	5.8	6.7	6.4
Current Account Deficit / Surplus	-1.2	-2.7	-3.8	-2.2	-2.4	-1.0
Overall Deficit	-9.9	-10.1	-9.4	-7.9	-9.2	-7.5
Deficit Financing	9.9	10.1	9.4	7.9	9.2	7.5
Foreign	5.7	4.5	2.3	1.9	1.7	0.7
Domestic	4.2	5.1	6.5	3.4	7.0	6.7
Privatisation Proceeds	-	0.4	0.6	2.5	0.4	-
Government Debt	95.2	93.3	92.2	85.8	90.8	94.7
Foreign	51.9	46.8	46.8	43.3	45.3	45.7
Domestic	43.3	46.4	45.4	43.5	45.5	48.9

(a) Provisional (b) Average of four quarters (c) Average of 1st, 2nd and 3rd quarters (d) Includes workers' remittances.

# KEY ECONOMIC INDICATORS (contd.)

	1990	1995	1996	1997	1998	1999(a)
<b>EXTERNAL TRADE (percentage change ) (e)</b>						
Terms of Trade	-12.5	-1.0	-0.5	6.8	14.2	-6.4
Export Unit Value Index (1997 = 100)	9.1	14.8	11.6	9.3	11.6	-1.5
Import Unit Value Index (1997 = 100)	24.7	15.6	12.0	2.4	-2.2	5.2
Export Volume	29.7	7.1	4.1	10.6	0.1	6.1
Import Volume	7.6	2.7	0.4	12.3	12.4	-1.4
<b>EXTERNAL FINANCE (US\$ million)</b>						
Trade Balance	-703	-1,505	-1,344	-1,225	-1,092	-1,299
Exports	1,984	3,807	4,095	4,639	4,798	4,600
Imports	2,686	5,311	5,439	5,864	5,889	5,899
Services and Income Accounts (net)	-98	-18	-92	-1	-35	-107
Current Private Transfers ( net)	362	675	710	788	848	887
Current Official Transfers (net)	62	61	49	44	52	24
Current Account Balance	-377	-786	-677	-393	-226	-495
Overall Balance	119	52	-68	163	37	-263
Current Account Balance (per cent of GDP)	-4.7	-6.0	-4.9	-2.6	-1.4	-3.1
External Assets (months of same year imports)	3.7	6.6	6.0	6.4	5.9	5.3
Overall Debt Service Ratio (per cent of X G & S)	17.8	16.5	15.3	13.3	13.3	15.2
Total External Debt and Liabilities (per cent of GDP)	72.7(f)	75.0	68.6	62.3	61.9	63.0
<b>EXCHANGE RATES</b>						
Annual Average						
Rs/US\$	40.06	51.25	55.27	58.99	64.59	70.39
Rs/SDR	54.42	77.74	80.23	81.17	87.66	96.25
End - Year						
Rs/US\$	42.58	54.05	56.71	61.29	67.78	72.12
Rs/SDR	57.25	80.39	81.38	82.69	95.44	98.87
<b>MONETARY AGGREGATES (g) (percentage change Dec. to Dec.)</b>						
Narrow Money (M1)	12.8	6.7	4.0	9.8	12.1	12.8
Broad Money (M2b)	20.1	21.1	11.3	15.6	13.2	13.4
Net External Assets of the Banking System	115.7	10.2	-2.6	43.5	16.7	-3.4
Net Domestic Assets	13.4	25.2	15.9	7.8	11.9	19.9
Domestic Credit from the Banking System to						
Government (net)	0.7	23.3	21.9	-4.0	42.8	45.3
Public Corporation	12.8	16.6	16.4	-5.4	-26.1	46.0
Private Sector	24.3	29.0	9.0	14.5	11.8	9.9
Reserve Money	17.9	15.5	8.8	-2.1	10.9	8.2
Money Multiplier for M2b	2.87	3.30	3.38	3.98	4.07	4.26
Velocity of M2b	3.55	2.89	2.8	2.89	2.88	2.78
<b>INTEREST RATES (Per cent per annum at end year)</b>						
Treasury Bill Rate						
3 Month	17.41	19.26	17.45	9.97	12.01	11.79
12 Month	18.36	18.97	17.38	10.21	12.59	12.77
Repurchase Rate (overnight)		16.5	12.75	11.00	11.25	9.25
Rediscount Rate (overnight)		20.00	18.58	12.85	15.00	13.48
Deposit Rates						
Commercial Banks Weighted Average Deposit	12.9	12.4	12.3	10.0	9.2	9.1
Commercial Banks 12 Months Fixed Deposit (max)	21.0	17.0	17.8	15.3	13.0	12.5
NSB Savings	16.2	12.0	12.0	10.8	10.5	9.2
NSB 12 Months Fixed Deposit	18.5	16.0	15.0	11.0	11.5	11.5
Lending Rates						
Com. Bank Weighted Average Prime Lending	18.5	20.1	20.2	15.2	14.9	15.9
Bills Purchased & Discounted	14.5-30.0	11.0-30.0	11.0-30.0	11.0-30.0	11.0-30.0	11.0-30.0
<b>CAPITAL MARKET</b>						
All Share Price Index (1985 = 100)	384.0	663.7	603.0	702.2	597.0	573.0
Sensitive Price Index (1985 = 100)	680.0	990.5	897.7	1068.0	923.0	938.0(h)
Value of Shares Traded (Rs. million)	1,563	11,249	7,403	18,315	18,130	14,294
Net Purchase by Non Nationals (Rs.million)	391	-89.7	351.6	716	-1,517	-902
Market Capitalisation (Rs.billion)	37.0	106.9	104.2	129.4	117.0	113.0

(e) A new trade indices series has been introduced from 1998. Please refer footnote (a) in the statistical appendix Table 75 for a detailed description on the change of the methodology. Data for 1995 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 from 1995 - 1999 are based on the aggregated data pertaining to both Domestic Banking Units and Foreign Currency Banking Units.

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