

PART I

KEY ECONOMIC INDICATORS

	1994	1995	1996	1997	1998(a)
DEMOGRAPHY					
Mid Year Population ('000 persons)	17,865	18,112	18,315	18,552	18,774
Population Density (persons per sq.km.)	287	289	292	296	299
Population Growth Rate (per cent)	1.4	1.4	1.1	1.2	1.2
Labour Force ('000 persons) (b)	6,079	6,106	6,227	6,236	6,693
Labour Force Participation Rate (per cent) (b)	48.1	48.3	48.5	48.4	51.9
Unemployment Rate (per cent) (b)	12.1	12.0	11.1	10.3	9.1
OUTPUT					
GDP at Current Market Prices (Rs. billion)	579	668	768	890	1015
GNP at Current Market Prices (Rs. billion)	576	659	757	880	998
Per Capita GDP at Market Prices (Rs.)	32,414	36,869	41,940	47,988	54,035
Per Capita GNP at Market Prices (Rs.)	32,215	36,381	41,349	47,433	53,141
Per Capita GDP at Market Prices (US\$)	656	719	759	814	837
Per Capita GNP at Market Prices (US\$)	652	710	748	804	823
REAL OUTPUT (percentage change)					
GNP	5.3	6.0	3.2	6.8	4.6
GDP	5.6	5.5	3.8	6.3	4.7
Agriculture, Forestry and Fishing	3.3	3.3	-4.6	3.0	2.5
Mining and Quarrying	6.0	3.4	8.9	3.8	-5.4
Manufacturing	9.1	9.2	6.5	9.1	6.3
Construction	6.0	4.9	3.4	5.4	7.1
Services	5.2	5.1	5.8	7.1	5.2
AGGREGATE DEMAND AND SAVINGS (per cent of GDP)					
Consumption	84.8	84.7	84.6	82.7	81.1
Private	75.1	73.2	74.1	72.3	71.3
Government	9.7	11.5	10.5	10.4	9.8
Investment	27.0	25.7	24.2	24.4	25.4
Government	3.0	3.5	3.1	3.4	3.5
Public Corporations	4.0	4.4	3.1	2.7	2.6
Private	20.0	17.8	18.0	18.3	19.3
Net Imports of G & NFS	-11.8	-10.4	-8.9	-7.1	-6.5
Exports of G & NFS	33.8	35.6	35.0	36.5	36.0
Imports of G & NFS	45.6	46.0	43.9	43.6	42.4
Domestic Savings	15.2	15.3	15.3	17.3	18.9
Net Factor Income (c)	3.9	4.2	3.7	4.2	4.3
National Savings	19.1	19.5	19.0	21.5	23.2
PRICES AND WAGES (percentage change)					
Colombo Consumers' Price Index (1952 = 100)	8.4	7.7	15.9	9.6	9.4
Greater Colombo Consumers' Price Index (Jan. - Jun. 1989 = 100)	4.8	3.9	14.7	7.1	6.9
Wholesale Price Index (1974 = 100)	5.0	8.8	20.5	6.9	6.1
GNP Deflator	9.4	8.4	12.2	8.7	8.4
Nominal Wage Rate Index for Workers in All Wages Boards	3.9	3.9	8.3	5.9	12.3
Nominal Wage Rate Index for Central Government Employees	8.9	7.7	3.2	10.8	10.5
GOVERNMENT FINANCE (per cent of GDP)					
Revenue	19.0	20.4	19.0	18.5	17.3
Grants	1.4	1.4	1.0	0.8	0.7
Expenditure and Net Lending	29.5	30.5	28.5	26.4	26.4
Current	21.9	23.1	22.8	20.8	19.7
Capital and Net Lending	7.5	7.4	5.7	5.7	6.8
Budget Deficit before Grants without Privatisation	-10.5	-10.1	-9.4	-7.9	-9.2
Budget Deficit after Grants with Privatisation	-8.5	-8.3	-7.8	-4.5	-8.1
Deficit Financing	8.5	8.3	7.8	4.5	8.1
Foreign	2.0	3.2	1.3	1.1	1.0
Domestic	6.5	5.1	6.5	3.4	7.0
Government Debt	95.1	94.6	92.2	86.0	89.4
Foreign	52.1	51.9	46.8	43.0	45.4
Domestic	43.0	42.8	45.4	43.0	44.0

(a) Provisional

(b) 3rd quarter data in 1998 and 4th quarter data for all other years.

(c) Includes workers' remittances.

KEY ECONOMIC INDICATORS (contd.)

	1994	1995	1996	1997	1998(a)
EXTERNAL TRADE (percentage change) (d)					
Terms of Trade	-0.7	-1.0	-0.5	6.8	14.2
Export Unit Value Index (1997 = 100)	4.8	14.8	11.6	9.3	11.6
Import Unit Value Index (1997 = 100)	5.8	15.6	12.0	2.4	-2.2
Export Volume	9.4	7.1	4.1	10.6	0.1
Import Volume	12.2	2.7	0.4	12.3	12.4
EXTERNAL FINANCE (US\$ million)					
Trade Balance	-1,559	-1,505	-1,344	-1,225	-1,157
Exports	3,209	3,807	4,095	4,639	4,735
Imports	4,767	5,311	5,439	5,864	5,891
Services and Income Accounts (net) (d)	18	-18	-92	-1	-36
Current Private Transfers (net)	622	675	710	788	848
Current Official Transfers (net)	58	61	49	44	55
Current Account Balance	-860	-786	-677	-393	-289
Overall Balance	240	52	-68	163	37
Current Account Balance (per cent of GDP)	-7.3	-6.0	-4.9	-2.6	-1.8
External Assets (months of same year imports)	7.2	6.6	6.0	6.4	5.9
Overall Debt Service Ratio (per cent of X G & S)	13.7	16.5	15.3	13.3	13.4
External Debt (per cent of GDP)	70.8	66.7	61.1	54.3	55.6
EXCHANGE RATES					
Annual Average					
Rs/US\$	49.42	51.25	55.27	58.99	64.59
Rs/SDR	70.75	77.74	80.23	81.17	87.66
End - Year					
Rs/US\$	49.98	54.05	56.71	61.29	67.78
Rs/SDR	72.76	80.39	81.38	82.69	95.44
MONETARY AGGREGATES (percentage change Dec. to Dec.)					
Narrow Money (M1)	18.7	6.7	4.0	9.8	12.1
Broad Money (M2b)	18.7	21.1	11.3	15.6	13.2
Net External Assets of the Banking System	40.4	10.2	-2.6	43.5	16.7
Net Domestic Assets	12.2	25.2	15.9	7.8	11.9
Domestic Credit from the Banking System to					
Government (net)	5.4	23.3	21.9	-4.0	42.8
Public Corporations	-26.0	16.6	16.4	-5.4	-26.1
Private Sector	21.7	29.0	9.0	14.5	11.8
Reserve Money	20.5	15.5	8.8	-2.1	10.9
Money Multiplier for M2b	3.15	3.30	3.38	3.98	4.07
Velocity of M2b	2.98	2.89	2.80	2.89	2.91
INTEREST RATES (per cent per annum at end year)					
Treasury Bill Rate					
3 Month	18.73	19.26	17.45	9.97	12.01
12 Month	19.43	18.97	17.38	10.21	12.59
Repurchase Rate (overnight)	20.00	16.50	12.75	11.00	11.25
Rediscount Rate (overnight)	19.15	20.00	18.58	12.85	15.00
Deposits Rates					
Commercial Banks Weighted Average Deposit	12.6	12.4	12.3	10.0	9.2
Commercial Banks 12 Month Fixed Deposit (max)	17.0	17.0	17.8	15.3	13.0
NSB Savings	14.0	12.0	12.0	10.8	10.5
NSB 12 Month Fixed Deposit	14.0	16.0	15.0	11.0	11.5
Lending Rates					
Com. Bank Weighted Average Prime Lending	18.5	20.1	20.2	15.2	14.9
Bills Purchased and Discounted	11.0-30.0	11.0-30.0	11.0-30.0	11.0-30.0	11.0-30.0
CAPITAL MARKET					
All Share Price index (1985 = 100)	987	664	603	702	597
Sensitive Price Index (1985 = 100)	1,439	991	898	1,068	923
Value of Shares Traded (Rs. million)	34,505	11,249	7,403	18,315	18,144
Net Purchase by Non Nationals (Rs.million)	1,334	-90	352	716	-1,560
Market Capitalisation (Rs.billion)	144	107	104	129	117

(d) A new trade indices series has been introduced from 1998. Please refer Box 9 and foot note (a) in the Statistical Appendix Table 73 for a detailed description on the change of the methodology. Data for 1994 and 1995 have been obtained by splicing the previous annual trade indices series.