

PART I

KEY ECONOMIC INDICATORS

	1992	1993	1994	1995	1996 (a)
DEMOGRAPHY					
Mid-Year Population (million persons)	17.4	17.6	17.9	18.1	18.3
Population Density (persons per sq.km.)	279	283	287	289	292
Population Growth Rate (per cent)	1.0	1.2	1.4	1.4	1.1
Labour Force (million persons) (b)	6.0	6.1	6.1	6.2	6.2
Labour Force Participation Rate (per cent) (b)	48.9	49.5	48.1	48.3	48.6
Unemployment Rate (per cent) (b)	13.3	13.8	12.1	12.0	11.6
OUTPUT					
GDP at Current Market Prices (Rs. billion)	425.3	499.8	579.1	667.8	768.9
GNP at Current Market Prices (Rs. billion)	424.3	499.6	575.5	659.1	762.7
Per Capita GDP at Market Prices (Rs.)	24,435	28,354	32,414	36,869	41,984
Per Capita GNP at Market Prices (Rs.)	24,379	28,357	32,215	36,381	41,644
Per Capita GDP at Market Prices (US dollars)	557	588	656	719	760
Per Capita GNP at Market Prices (US dollars)	556	588	652	710	753
REAL OUTPUT (percentage change)					
GNP	4.4	7.7	5.3	6.0	3.1
GDP	4.3	6.9	5.6	5.5	3.8
Agriculture, Forestry and Fishing	-1.6	4.9	3.3	3.3	-4.6
Mining and Quarrying	-6.0	11.9	6.0	3.4	8.9
Manufacturing	8.8	10.5	9.1	9.2	6.5
Construction	8.1	6.5	6.0	4.9	3.4
Services	5.3	6.3	5.2	5.1	5.8
AGGREGATE DEMAND AND SAVINGS (per cent of GDP)					
Consumption					
Private	75.4	74.8	75.1	73.2	74.1
Government	9.6	9.2	9.7	11.5	10.4
Investment	24.3	25.6	27.0	25.7	24.2
Government	3.2	4.2	3.0	3.5	3.3
Private (including public corporations)	21.1	21.4	24.0	22.2	20.9
Net Impacts of Goods and Non-Factor Services	-9.2	-9.5	-11.8	-10.4	-8.7
Exports of Goods and Non-Factor Services	31.8	33.8	33.8	35.6	35.1
Imports of Goods and Non-Factor Services	41.0	43.3	45.6	46.0	43.8
Domestic Savings	15.0	16.0	15.2	15.3	15.5
Net Factor Income (c)	2.9	4.3	3.9	4.2	3.6
National Savings	17.9	20.2	19.1	19.5	19.2
PRICES AND WAGES (percentage change)					
Colombo Consumers' Price Index (1952 = 100)	11.4	11.7	8.4	7.7	15.9
Greater Colombo Consumers' Price Index (1989 = 100)	9.4	8.4	4.8	3.9	14.7
Wholesale Price Index (1974 = 100)	8.8	7.6	5.0	8.8	20.5
GNP Deflator	10.0	9.5	9.4	8.4	12.3
Nominal Wage Rate Index for Workers in All Wages Boards	13.7	16.2	3.9	3.9	8.3
Nominal Wage Rate Index for Central Government Employees	4.3	21.1	8.9	7.7	3.2
GOVERNMENT FINANCE (per cent of GDP)					
Revenue	20.2	19.7	19.0	20.4	19.0
Grants	1.9	1.6	1.4	1.4	1.1
Expenditure and Net Lending	27.5	28.1	29.0	30.0	27.9
Current	21.1	20.5	21.9	23.1	22.2
Capital and Net Lending	6.4	7.6	7.1	6.9	5.7
Budget Deficit before Grants	-7.3	-8.4	-10.0	-9.6	-8.9
Budget Deficit after Grants	-5.4	-6.8	-8.5	-8.3	-7.8
Deficit Financing					
Foreign	1.7	2.0	2.0	3.2	1.4
Domestic	3.7	4.8	6.5	5.1	6.4
Government Debt	95.4	96.9	95.1	94.6	92.2
Foreign	55.4	54.1	52.1	51.9	46.8
Domestic	40.0	42.8	43.0	42.8	45.4

(a) Provisional

(c) Includes Workers Remittances

(b) 3rd quarter data in 1996 and 4th quarter data for all other years.

KEY ECONOMIC INDICATORS (contd.)

	1992	1993	1994	1995	1996 (a)
EXTERNAL TRADE (percentage change)					
Export Price Index (1990 = 100)	25.3	10.0	4.8	14.8	11.9
Import Price Index (1990 = 100)	4.7	5.3	5.6	15.9	9.3
Terms of Trade	19.8	4.4	-1.0	-1.3	2.4
Export Volume	4.0	14.3	9.4	7.1	3.9
Import Volume	15.7	17.1	12.2	2.8	2.6
EXTERNAL FINANCE (SDR million)					
Trade Balance	-740	-825	-1089	-997	-909
Exports	1,745	2,046	2,235	2,504	2,822
Imports	2,485	2,872	3,324	3,501	3,731
Services Account (net)	-23	28	8	10	-68
Private Transfers (net)	328	402	438	448	492
Official Transfers (net)	130	115	117	114	106
Current Account Balance	-306	-280	-526	-425	-378
Overall Balance	133	375	173	-62	-63
Current Account Balance (per cent of GDP)	-4.47	-3.77	-6.46	-4.9	-3.9
External Assets (months of same year imports)	5.1	6.5	6.5	5.9	5.5
Overall Debt Service Ratio (per cent of exports of goods and services)	17.1	13.8	13.3	13.9	15.2
External Debt (per cent of GDP)	73.3	75.3	74.4	73.7	66.9
EXCHANGE RATES					
Annual Average					
Rs. per US dollar	43.83	48.25	49.42	51.25	55.27
Rs. per SDR	61.75	67.39	70.75	77.74	80.23
End Year					
Rs. per US dollar	46.00	49.56	49.98	54.05	56.71
Rs. per SDR	63.33	68.19	72.76	80.39	81.38
MONETARY AGGREGATES (percentage change Dec. to Dec.)					
Narrow Money (M ₁)	7.4	18.6	18.7	6.7	4.0
Broad Money (M ₂)	17.4	23.4	19.7	19.2	10.8
Net External Assets of the Banking System	70.8	129.8	34.0	3.2	-7.0
Net Domestic Assets	10.7	2.9	13.6	27.4	18.1
Domestic Credit from the Banking System to					
Government (net)	-6.6	-18.4	4.3	25.1	35.1
Public Corporations	4.8	-47.3	-33.6	65.2	16.5
Private Sector	22.9	-20.5	21.2	28.2	8.2
Reserve Money	12.0	25.9	20.5	15.5	8.8
Money Multiplier for M ₂	2.89	2.84	2.82	2.91	2.96
Velocity of M ₂	3.60	3.47	3.35	3.23	3.19
INTEREST RATES (per cent per annum at end year)					
Treasury Bill Rate					
3 Month	17.67	18.09	18.73	19.26	17.45
12 Month	18.99	19.38	19.43	18.97	17.48
Repurchase Rate (overnight)	-	16.50	20.00	16.50	12.75
Rediscount Rate (overnight)	18.00	18.12	19.15	20.00	18.58
Deposit Rates					
Commercial Banks Weighted Average Deposit	13.8	13.6	12.6	12.4	12.3
Commercial Banks 12 Months Fixed Deposit (maximum)	20.0	17.5	17.0	17.5	17.8
NSB Savings	14.0	14.0	14.0	12.0	12.0
NSB 12 Months Fixed Deposit	17.0	16.0	14.0	16.0	15.0
Lending Rates					
Commercial Banks Weighted Average Prime Lending	20.0	20.4	18.5	20.1	18.4
Bills Purchased and Discounted	14.5-30.0	14.5-30.0	11.0-30.0	11.0-30.0	11.0-30.0
CAPITAL MARKET					
All Share Price Index (1985 = 100)	605.3	979.0	986.7	663.7	603.0
Sensitive Price Index (1985 = 100)	826.6	1,442.4	1,438.8	990.5	897.7
Value of Shares Traded (Rs. million)	4,974.0	18,568.0	34,522.0	11,249.0	7,403.0
Net Purchases by Non-Nationals (Rs. million)	817.7	3,239.0	1,334.3	-89.7	351.6
Market Capitalisation (Rs. billion)	66.2	123.8	143.2	106.9	104.2

(a)Provisional