

NATIONAL ACCOUNTS OF SRI LANKA-2005

ECONOMIC PERFORMANCE – 2005

The economic performance of Sri Lanka recorded a growth rate of 6.2 per cent in Gross Domestic Product (GDP) at constant (1998) prices in 2005 as against the growth rate of 5.4 per cent recorded for the year 2004. This is a remarkable economic performance for the year 2005

The Inflation Rate based on GDP Implicit Deflator indicated 10.0 per cent for the year 2005 as against 2004 and it shows a significant increase compared to the inflation rate of 8.8 per cent recorded for the year 2004.

The GNP per capita at current market prices is (US \$ 1,203) for 2005 as against (US \$ 1,035) recorded for the year 2004. This is a remarkable improvement for the year 2005 and in US dollar terms it is 16.2 per cent increase for Per capita GDP.

The first quarter of the year 2005 indicated comparatively poor economic performance than the other quarters of the year. The unsatisfactory performance shown for the first quarter was mainly due to the Tsunami destruction

This growth rate of 6.2 per cent in the GDP for the year 2005 over the previous

year was relatively a better achievement compared to the targeted rate for the year 2005. The following pro and con factors affected to achieve this growth rate for the year 2005.

a. Continuation of peaceful environment created through the Memorandum of Understanding.

b. Water levels of hydropower reservoirs increased due to favourable rainfall resulting higher generation of hydropower. Such steps were also taken to reduce the production of thermal power generation and uninterrupted and continuous power supply was given during the whole year 2005.

c. Highly Favourable weather condition prevailed during the year 2005 as compared to the recent years.

d. Satisfactory economic performance experienced in countries like USA, Japan, and European countries also had favourable effects but the price hike in crude oil affected adversely.

Agriculture

Performance of agriculture sector excluding fishing industry has shown the highest recorded growth rate of 6.5% for the year 2005 after 1990. So, the recorded growth rates for the agriculture sector for 2005 were relatively better when compared with recent years. The growth rate of 1.2 per cent was recorded for the agriculture sector including fishing industry in 2005 as against a growth rate of -0.5 per cent recorded in 2004. Agriculture sector has shown marginal growth changes continuously in recent past. This affected adversely for the rural poverty reduction, because agriculture is the main source of income generation for the rural masses.

According to the trends and performance, paddy production has indicated a growth rate of 23.4 per cent in 2005 as against a negative growth rate of 14.3 per cent in 2004. Total paddy production for the year 2005 was Bushels 155.6 Mn. This is the highest production figure for the whole past period after independence and the production is above 0.9 % of the domestic demand. Fertilizer application has increased by 17.5 % in 2005 over the last year. The paddy production extent has increased by 20.4% in 2005 from 2004. This also indicated the government policy

to protect paddy farmers by imposing import tax on rice imports. The producer price of paddy has increased from Rs. 15.75 in 2004 to Rs.17.10 in 2005 indicating 8.6% increase.

Tea production has shown a growth rate of 2.2 per cent in 2005 as against 1.6 per cent in 2004. A kilogram of average green leaf price increased from Rs. 26.43 to in 2004 to Rs. 27.18 in 2005. Fertilizer application for tea has decreased by 0.1% from 2004 to 2005. Labour cost has increased by 9.2% in 2005 over the last year. Small holdings of tea contributed 65% to the total tea production and its land area is 59% of the total land area of tea. Policy introduced to promote small holdings has reflected in this production figures. Re-planting and new planting of tea has increased by 5.9% in 2005 as against 2004. There are uneconomic tea lands shifting from tea to other food crops and vegetables. The Colombo Auction Market Prices (CMP) of tea (black) exports have recorded annual increase of 24.4 per cent for the year 2005 as compared to that of 34.5 per cent increase in the previous year.

Rubber production was estimated to have 10.1 per cent annual growth rate for 2005 as against the growth rate of 3.0 per cent for the year 2004. The latex price and the fertilizer application have increased by

11.0% and 5.8% respectively from 2004 to 2005. The average price of latex has increased by 24.2% in 2005. Colombo auction price of crape rubber also has increased by 9.6 % in 2005 over the last year.

Rubber land area was 162,280 hectares in 1997 and it dropped to 115,000 hectares in 2004 due to low prices for rubber indicating 7.9% decrease and it increased to 115,280 hectares in 2005 indicating 2.4% increase over 2004. Rubber cultivators shifted from rubber to tea and other cultivations. This has been stopped from 2004 due to escalating rubber prices and government also took steps by not providing subsidies for cultivators from rubber to tea. Colombo auction price of crape rubber also has increased by 9.6 % over the last year. The Continuous decreases in FOB prices from 1996 onwards have been reversed since 2002.

The value added of Coconut and Toddy production has increased by 0.9% in 2005 as against last year. For the reference period coconut production decreased by 1.8% and Toddy production increased by 1.0% in 2005 over the last year. Coconut cultivation acreage of replanting and new planting has increased by 479.4% in 2005 over the last year. Government policy to encourage coconut re-planting and new

planting is reflected in acreage expansion and in June 2005, government has taken steps to restrain from coconut land fragmentation by law. Fertilizer application has decreased by 2.4% in 2005 against last year. Around 40,000 hectares of coconut land damaged partially by Tsunami destruction and it was recovered satisfactorily as reported by the Coconut Development Authority.

In real terms, the value added in the minor export crop sector increased by 16.3 per cent from Rs.5,139 million in 2004 to Rs.5, 975 million in 2005. In current terms, the value added showed an increase of 31.1 per cent in 2005 due to the increases in export prices for many items of minor export crops in 2005.

In real terms, the value added of other food crop sector, which consists of highland crops, vegetables and fruits have shown a growth rate of 4.7 per cent for the year 2005 and this is mainly due to the production increases in highland crops vegetables and fruits in 2005.

Highland crops items such as Coffee and Pepper, decreased in production by 27.0% and 6.7% respectively. Other crops such as Manioc, Sweet potatoes and Sugar cane which have high weights in highland crops has increased only by small percentages.

Therefore, the constant value added in this sector has increased only by 5.2%. Similarly, there are no significant price increases of these items during the reference year. Therefore, the value added in current terms also increased only by 7.6%.

Considering the vegetable sub sector the production of some items has increased in production where as some low country vegetables such as bitter guard, Snake guard, Ash plantains and up country vegetables such as Radish, Beans and Leeks has decreased in production during the year 2005. This caused the growth to increase only by 4.4%. But the producer price of all vegetable items has increased rapidly and the current value added increased by 17.9%.

Fertilizer consumption

Total Fertilizer Consumption was 650,503 MT in 2005 and it was 17.3% increase over the last year. Paddy cultivation consumed 54% of total fertilizer usage for

the year 2005 and it indicates a 17.5% increase for the reference year. Rubber cultivation has indicated 5.8% increase in fertilizer consumption in 2005 over the last year. All the other agricultural crops have consumed little lower quantity in 2005 compared to 2004 as shown in the following table. Minor export corps and Tea cultivation have 15.6% and 0.1% decreases in fertilizer consumption for the year 2005 as against 2004.

In real terms, the value added in the livestock sub sector increased by 2.3 per cent in 2005, where as it was 0.5 per cent in 2004.

During the year 2005, the production of all livestock items has increased marginally. Milk production has decreased by 0.1%. Poultry production of major producers such as Maxies, Bairaha, Prima, Nelna, Chrisbro, Pussella farm, Veehena farm etc. covered by the Ministry of Estate Infrastructure and Livestock Development. Constant value added of this sector increased by 2.3% for 2005. Producer prices of all the livestock items have also increased by around 5% to 29%. This has affected the current value added to grow by 19.3% in 2005.

In real terms, the value added in the fishing sector decreased by 40.7 per cent

Fertilizer Consumption by Crop/sector

Crop/Sector	Consumption-MT		% Share	2005/04 %Change
	2004	2005		
Paddy	300,509	353,176	54.3	17.5
Tea	178,490	178,249	27.4	-0.1
Rubber	9,222	9,758	1.5	5.8
Coconut	33,648	32,847	5.0	-2.4
OFC	51,996	49,346	7.6	-5.1
EAC	10,307	8,704	1.3	-15.6
Others	22,195	18,423	2.8	-17.0
Total	606,367	650,503	100.0	7.3

in 2005 as against growth rate of 0.7 per cent in 2004.

In agriculture sector, low productivity has been one of the main problems in raising the income of farmers. It could be observed that the terms of trade (output price divided by input price ratio; index) are decreasing continuously for the last fifteen years, which is really unfavorable for the farmers. The inefficiencies in the marketing and the distribution of agricultural products especially for other food crops are major issues, which reduce the output return for the farmers.

The pro poor and pro growth development strategy is correlated with the agriculture development. The agriculture sector is still prominent in relation to GDP contribution and employment generation for the rural mass. Accordingly, satisfactory growth rate for agriculture sector is required to achieve targeted overall growth rate for the whole economy as well as for the success of the poverty reduction programmes of the rural population. It is evident that every year the performance of agriculture is having high impact on the overall growth of the economy. This year, the agriculture performance is the best in recent past and the over all GDP growth rate is also attractive.

Industry

Manufacturing industry has recorded a growth rate of 6.1 per cent in 2005 as against 5.7 per cent in 2004. Factory industry recorded a growth rate of 6.4 per cent for 2005 as against that of 5.6 per cent recorded in 2004. This sector was dominating the over all economic growth rate for the last few years and its contribution to the overall growth rate was around one third of the total growth rate.

Under chapter 60 exports (Customs) of apparel clothing accessories, knitted or crotched have increased in quantity terms by 35% and value terms increased by 15.8% in 2005 over 2004. This sector has around 38% share in total garment exports, under chapter 62 not knitted apparel exports decreased by quantity terms 4.8% and value terms by 4.5% in 2005 over 2004. This sector has 56% weightage in garment exports. The value of exports of textile garments has increased by 2.8% in 2005 over the last year. Its share is 60% of total industrial exports. Food Beverages and tobacco have increased by 86% in 2005 over the last year at current terms.

The export-processing sector recorded a growth rate of 0.8 per cent in 2005 as against a growth rate of 4.5 per cent for 2004. This sector consists of tea, rubber and coconut processing only to focus the

changes separately on those traditional exports.

Mining and Quarrying sector

The performance of Mining and Quarrying sector for the reference year 2005 was estimated to be 17.8 per cent growth rate. For the year 2004, a growth rate of 5.1 per cent was recorded for this sector. Precious stone production quantity increased by 45.8 per cent for 2005 and geuda production quantity decreased by 25.8 per cent and total gem exports quantity increased by 12.4 per cent for the year 2005.

Electricity, gas and water sector

Electricity, gas and water sector estimates have recorded a growth rate of 13.9 per cent in 2005 as against the increase of 6.1 per cent in 2004. This sector performed with uninterrupted continuous power supply for the reference year by increasing the hydro power generation due to high rainfall.

The total power generated by public and private sector in 2005 increased by 8.4 per cent. The Hydropower generated by Ceylon Electricity Board (CEB) has increased by 14.9 per cent and the thermal power generated has decreased by 15.2 per cent in 2005. With regard to the power generation of the private sector, hydropower generation has increased by 35.0 per cent and the thermal power

generation has increased by 22.6 per cent. The private sector produced 39.1% of the total power generation for the year 2005. The total hydropower to thermal power generation ratio was 1:1.72 in 2004 and it was 1:1.54 in 2005. The composition ratio of total generation of CEB to Private was 1: 0.52 in 2004 it was 1: 0.64 in 2005.

Construction industry

A growth rate of 9.0 percent was estimated for the construction industry for the year 2005 as against the growth rate of 5.9 per cent for 2004. The estimates of value added of construction industry have been compiled by using material approach. This information is used together with the construction indicators and prices given by Institute for Construction Training and Development ICTAD.

The availability of materials such as total cement quantity, values of imported construction materials and local materials have increased by 32.1 per cent, 23.4 per cent and 39.5 per cent respectively in 2005 from 2004.

As a result of Tsunami destruction in December 2004 many reconstruction and rehabilitation activities have taken place in 2005 in the coastal belt as a recovery process. It is necessary to record that the various Tsunami recovery inputs such as

machinery and equipment and labour contributions from various Institutions and countries (except donations which are considered as transfers) have not been captured completely due to paucity of data records. Those also made value added contributions to the economy.

During the reference year, reconstruction infrastructure facilities such as Roads, Bridges, Pipelines, Telecommunication lines were taken place in 2005. Similarly, rehabilitation of damaged Schools and other Public buildings, Fishing harbours reconstruction of boats, Hotels and Restaurants were also taken place during this reference period. 176 km. of signaling and communication network of railway, railway bridges, railway stations and sub stations, 160 km. of rail track were reconstructed after Tsunami destruction. These have been reflected in these estimates.

Service Sector

The Total Service sector of GDP recorded 6.8 percent growth rate and made the highest contribution of 58.4 percent to the GDP in 2005.

This growth rate was mainly driven by the performance in the sub sectors of post and telecommunication and sub sector of wholesale and retail trade.

Wholesale and Retail Trade

Main sub sectors of this major division are import trade, export trade and domestic trade. This includes the highest GDP share of 25.2% in 2005. Therefore, its growth rate is highly sensitive to the total GDP growth rate. For the year 2005, contribution of domestic agriculture and industry including construction are really recorded impressive growth rates compared to 2004 with the recorded highest growth rate for agriculture excluding fishing after 1990. This has been reflected in domestic trade by indicating 8.0% growth rates for the year 2005 over the last year.

A satisfactory performance can be seen in export trade. The total value of exports increased by 9.6% and in dollar value terms increase was 10.2% in 2005 over the last year. Export quantum index indicates 5.9% increase in 2005 over the last year. Accordingly export trade has shown 6.8% growth rate for the year 2005 over the last year.

The value of imports has increased by 10.8% in dollar terms as indicated in BOP in 2005 over the last year. For the year 2005, dollar currency has appreciated marginally over the last year. This shows quantity increase implicitly in imports. Price hikes in crude oil in 2005 have high

impact to lower the volume index of imports.

The output value of trade margins of trading activity of Imports has increased by 14.5% in 2005 over the last year. This shows the relatively higher increase in import trade margins or output value compared to value of imports and volume indicator of imports. This indicates the satisfactory improvements in import trade after excluding the inflationary factor for 2005.

Transport, Communication and Storage Sector

Transport, Communication and Storage Sector showed a growth rate of 9.7 per cent for 2005 as against that of 10.0 per cent in 2004. The total cargo tonnage handled by the three Ports showed an increase of 9.9 per cent for 2005 as against that of 10.4 per cent in 2004. The total cargo tonnage discharge increased by 9.5 per cent and cargo loaded increased by 10.6 per cent in 2005. The container handled increased by 10.6 per cent and the transshipment handled increased by 12.7 per cent for the year 2005 as against that of the year 2004.

Hotels and restaurants

The value added of hotels and restaurants sub sector decreased by -0.1 percent in

2005 as against very high growth rate of 20.9 percent in 2004. But VAT earning from Hotels and restaurants increased by 13.7% from 2004 to 2005.

Tourist arrivals decreased from 566,200 in 2004 to 549,300 recording a decrease of 3.0 percent in 2005. Tourist earning also has decreased by 21.6 percent during the period 2005.

The crude oil prices have gone up by 25.9% in 2005 over the last year and the quantity of crude oil dropped by 8.5% in 2005 due to high prices.

Total transport and telecommunication sector expanded by 9.7 percent compared to 10.0 percent in 2004. The share of this sub sector contributed 112.0 percent to GDP.

The Post and Telecommunication sub sector expanded further and grew by a higher rate of 25.2 percent during the year 2005. The public and private telecom services have reported value added increase of 27.8 per cent and 23.9 per cent for 2005 and 2004 respectively.

The volume index for imports of transport equipments during the year 2005 increased by 26.9 per cent as against that of 2004.

Government services show a growth rate of 5.4 per cent in 2005 as against that of 5.3 per cent in 2004. A satisfactory growth contribution has shown by the government sector for 2005 as in 2004.

Price deflator

The GDP implicit price deflator based on 1998=100 increased to 171.3 in 2005 as against 155.6 in 2004. Annual average inflation rate based on GDP implicit deflator was relatively high for 2005 as compared to the year 2004. Annual average inflation rate was estimated as 10.0 per cent for the year 2005 as compared to 8.8 per cent in 2004.

The price indicator of the imported investment goods increased by 8.4 per cent for the year 2005 as against 2004 and the percentage share of the imported investment goods to GDP is 8.2 per cent and 7.1 per cent in 2005 and 2004 respectively. SLCPI and CCPI increased by 10.6 per cent and 11.6 per cent in 2005 over the previous year.



TABLE 1 - SUMMARY INDICATORS

	1998	2004	2004/03 % Change	2005 @	2005/04 % Change
A. Global aggregates at current market prices (Rs. Million)					
1. Gross Domestic Product (Rs. Million)	1,045,664	2,059,831	14.7	2,407,775	16.9
2. Gross National Product (Rs. Million)	1,034,109	2,039,143	14.6	2,377,726	16.6
Sectoral Classification of GDP					
Agriculture	175,478	265,303	9.3	294,398	11.0
Industry	284,756	593,858	15.5	734,732	23.7
Services	585,430	1,200,670	15.6	1,378,645	14.8
B. Global aggregates at constant (1998) prices (Rs. Million)					
1. Gross Domestic Product	1,045,664	1,323,420	5.4	1,405,989	6.2
2. Gross National Product	1,034,109	1,310,128	5.3	1,388,442	6.0
Sectoral Classification of GDP					
Agriculture	175,478	189,056	-0.5	191,300	1.2
Industry	284,756	365,001	5.8	394,015	7.9
Services	585,430	769,363	6.8	820,674	6.7
C. Per capita G. N. P. at current prices and at constant (1998) prices					
1. Gross National Product per capita at current prices (Rs.)	55,082	104,775.6	13.4	120,875	15.4
US \$	853	1,035.4	8.2	1,203	16.2
US One Dollar, (US \$) = Rupees	64.59	101.2	4.8	100.5	-0.7
2. Gross National Product per capita at constant (1998) prices (Rs.)	55,082	67,317.3	4.2	70,583	4.9
D. GDP Implicit price deflator(1998=100)	100.0	155.6	8.8	171.3	10.0
E. Annual average price change % (GDP- implicit)		8.8%		10.0%	
F. Colombo consumers' Price Index (CCPI),1952=100	2,284.9	3,632.8	7.5	4,055.5	11.6
G. Sri Lanka consumers' Price Index (SLCPI) 1995 to 1997=100	118.4	170.9	7.9	189.1	10.6
H. Selected components in current prices (Rs. Million)					
1. Private final consumption expenditure	696,236	1,462,192	15.3	1,674,210	15.3
2. General Government consumption expenditure	143,298	264,069	19.2	307,865	16.6
3. Gross domestic fixed capital formation	261,726	473,323	22.1	571,263	24.3
4. Exports of Goods and non factor services	369,485	738,484	16.9	793,153	7.4
5. Imports of Goods and non factor services	429,925	923,149	24.5	1,012,192	9.6
I. Growth Rate G.D.P.		5.4		6.2	
Population (000')	18,774	19,462	1.1	19,671	1.1

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**** TABLE 2A - GROSS DOMESTIC PRODUCT BY INDUSTRIAL ORIGIN AT CURRENT PRODUCER PRICES
AND THE PERCENTAGE CONTRIBUTION OF MAJOR ECONOMIC ACTIVITIES TO GDP**

Major Divisions	1998		2004			2005		
	Value	% Share	Value	% Share	%04/03	Value	% Share	%05/04
1.Agriculture, livestock & Forestry	175,478	16.8	265,303	12.9	9.3	294,398	12.2	11.0
01 .Agriculture, Livestock, & Etc.	147,434	14.1	215,740	10.5	9.1	257,394	10.7	19.3
02.Firewood & Forestry	7,907	0.8	11,724	0.6	9.0	13,055	0.5	11.4
2. Fishing	20,137	1.9	37,839	1.8	10.6	23,949	1.0	-36.7
Industry	284,756	27.2	593,858	28.8	15.5	734,733	30.5	23.7
3. Mining and Quarrying	10,909	1.0	30,130	1.5	18.1	35,553	1.5	18.0
4. Manufacturing	185,736	17.8	386,918	18.8	15.6	473,274	19.7	22.3
3.1 Export processing (Tea, Rubber and Coconut)	10,760	1.0	15,811	0.8	11.8	16,198	0.7	2.4
3.2 Factory industry	162,963	15.6	347,013	16.8	15.9	429,634	17.8	23.8
3.3 Cottage industry	12,013	1.1	24,094	1.2	13.5	27,442	1.1	13.9
5. Electricity, gas and water	20,188	1.9	49,117	2.4	12.7	57,907	2.4	17.9
5.1 Electricity and gas	19,271	1.8	47,156	2.3	12.7	55,513	2.3	17.7
5.2 Water	917	0.1	1,961	0.1	13.3	2,394	0.1	22.1
6. Construction	67,924	6.5	127,693	6.2	16.0	167,999	7.0	31.6
Services	585,430	56.0	1,200,670	58.3	15.6	1,378,644	57.3	14.8
7. Wholesale and retail trade,	260,014	24.9	511,192	24.8	16.3	561,054	23.3	9.8
7.1 Import trade	109,782	10.5	168,988	8.2	19.1	186,449	7.7	10.3
7.2 Export trade	9,971	1.0	84,210	4.1	12.3	92,479	3.8	9.8
7.3 Domestic trade	140,260	13.4	257,994	12.5	15.9	282,126	11.7	9.4
8. Hotels and restaurants	1,410	0.1	11,763	0.6	26.2	14,218	0.6	20.9
9. Transport and communication	106,441	10.2	240,306	11.7	19.1	287,490	11.9	19.6
9.1 Transport	96,436	9.2	209,796	10.2	15.1	244,519	10.2	16.6
9.2 Cargo handling	5,209	0.5	11,864	0.6	66.9	14,536	0.6	22.5
9.3 Post and telecommunication	4,796	0.5	18,647	0.9	52.2	28,435	1.2	52.5
10. Banking, insurance and real estate etc.	70,449	6.7	177,719	8.6	15.5	205,322	8.5	15.5
11. Ownership of dwellings *	35,205	3.4	55,555	2.7	8.4	61,748	2.6	11.1
12. Government services	86,729	8.3	163,434	7.9	14.8	204,236	8.5	25.0
15. Private services	25,183	2.4	40,702	2.0	0.6	44,578	1.9	9.5
Total	1,045,664		2,059,831		14.7	2,407,775		16.9
Gross Domestic Product	1,045,664	100	2,059,831	100.0	14.7	2,407,775	100.0	16.9

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**SNA 1993 New Revision

**** TABLE 3A - GROSS DOMESTIC PRODUCT BY INDUSTRIAL ORIGIN AT CONSTANT (1998) PRICES
AND THE PERCENTAGE CONTRIBUTION OF MAJOR ECONOMIC ACTIVITIES TO GDP**

Major Divisions	1998		2004			2005		
	Value	% Share	Value	% Share	Growth %	Value	% Share	Growth %
1. Agriculture, hunting & Forestry	175,478	16.8	189,056	14.3	-0.5	191,300	13.6	1.2
01 .Agriculture, Livestock, & Etc.	147,434	14.1	157,409	11.9	-1.0	167,709	11.9	6.5
02. Firewood & Forestry	7,907	0.8	10,097	0.8	6.0	10,803	0.8	7.0
2. Fishing	20,137	1.9	21,550	1.6	0.7	12,788	0.9	-40.7
Industry	284,756	27.2	365,002	27.6	5.8	394,015	28.0	7.9
3. Mining and Quarrying	10,909	1.0	17,363	1.3	5.1	20,447	1.5	17.8
4. Manufacturing	185,736	17.8	230,371	17.4	5.8	244,329	17.4	6.1
4.1 Export processing (Tea, Rubber and Coconut)	10,760	1.0	11,136	0.8	4.5	11,223	0.8	0.8
4.2 Factory industry	162,963	15.6	202,638	15.3	5.6	215,554	15.3	6.4
4.3 Cottage industry	12,013	1.1	16,597	1.3	8.4	17,552	1.2	5.8
5. Electricity, gas and water	20,188	1.9	28,313	2.1	6.1	32,257	2.3	13.9
5.1 Electricity and gas	19,271	1.8	27,184	2.1	6.3	31,079	2.2	14.3
5.2 Water	917	0.1	1,129	0.1	3.2	1,178	0.1	4.3
6. Construction	67,924	6.5	88,954	6.7	5.9	96,983	6.9	9.0
Services	585,430	56.0	769,363	58.1	6.8	820,674	58.4	6.7
7. Wholesale and retail trade,	260,014	24.9	333,071	25.2	7.3	354,779	25.2	6.5
7.1 Import trade	109,782	10.5	114,161	8.6	8.9	119,020	8.5	4.3
7.2 Export trade	9,971	1.0	58,866	4.4	7.3	62,849	4.5	6.8
7.3 Domestic trade	140,260	13.4	160,044	12.1	6.1	172,910	12.3	8.0
8. Hotels and restaurants	1,410	0.1	7,375	0.6	20.9	7,369	0.5	-0.1
9. Transport and communication	106,441	10.2	153,365	11.6	10.0	168,287	12.0	9.7
9.1 Transport	96,436	9.2	136,528	10.3	8.9	148,574	10.6	8.8
9.2 Cargo handling	5,209	0.5	6,471	0.5	22.8	6,739	0.5	4.1
9.3 Post and telecommunication	4,796	0.5	10,366	0.8	18.1	12,974	0.9	25.2
10. Banking, insurance and real estate etc.	70,449	6.7	107,357	8.1	5.8	114,823	8.2	7.0
11. Ownership of dwellings *	35,205	3.4	38,202	2.9	1.1	38,775	2.8	1.5
12. Government services	86,729	8.3	99,335	7.5	4.1	104,678	7.4	5.4
13. Private services	25,183	2.4	30,659	2.3	3.7	31,963	2.3	4.3
Total	1,045,664		1,323,420		5.4	1,405,989		6.2
Gross Domestic Product	1,045,664	100	1,323,420	100	5.4	1,405,989	100	6.2

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**Table 4 - GROSS DOMESTIC PRODUCT (VALUE ADDED) IN AGRICULTURAL SECTOR AT
CURRENT PRODUCERS' PRICES BY INDUSTRIAL ACTIVITIES**

Activities	1998		2004			2005		
	Value	% Share	Value	% Share	% change	Value	% Share	% change
Agriculture,livestock,fisheries etc.								
1. Tea	21,983	12.5	30,540	11.5	16.2	32,095	10.9	5.1
2. Rubber	3,802	2.2	7,483	2.8	38.3	10,373	3.5	38.6
3. Coconut	17,981	10.2	27,254	10.3	-3.5	30,646	10.4	12.4
4. Minor export crops	6,189	3.5	7,856	3.0	0.8	10,296	3.5	31.1
5. Paddy	23,733	13.5	31,375	11.8	0.8	46,748	15.9	49.0
6. Other food crops	52,452	29.9	74,773	28.2	9.8	85,614	29.1	14.5
6.1. Highland Crops	20,227	11.5	22,049	8.3	0.3	23,716	8.1	7.6
6.2. Vegetables	31,185	17.8	51,200	19.3	14.7	60,345	20.5	17.9
6.3. Fruits	1,040	0.6	1,524	0.6	3.2	1,553	0.5	1.9
7. Tobacco	379	0.2	558	0.2	26.7	405	0.1	-27.4
8. Betel and arecanuts	1,952	1.1	1,896	0.7	28.6	1,793	0.6	-5.4
9. Miscellaneous agricultural products	4,280	2.4	7,754	2.9	9.7	8,575	2.9	10.6
10. Livestock	10,825	6.2	21,318	8.0	24.7	25,428	8.6	19.3
11. Firewood and forestry	7,907	4.5	11,724	4.4	9.0	13,055	4.4	11.4
12. Fisheries	20,137	11.5	37,839	14.3	10.6	23,949	8.1	-36.7
13. Plantation development	3,859	2.2	4,933	1.9	4.7	5,421	1.8	9.9
Total	175,478	100.0	265,303	100.0	9.3	294,398	100.0	11.0

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**Table 5 - GROSS DOMESTIC PRODUCT (VALUE ADDED) IN AGRICULTURAL SECTOR
AT CONSTANT (1998) PRICES BY INDUSTRIAL ACTIVITIES**

Activities	1998		2004			2005		
	Value	% Share	Value	%Share	Growth%	Value	%Share	Growth%
Agriculture,livestock,fisheries etc.								
1. Tea	21,983	12.5	24,172	12.8	1.6	24,706	12.9	2.2
2. Rubber	3,802	2.2	3,766	2.0	3.0	4,148	2.2	10.2
3. Coconut	17,981	10.2	18,612	9.8	-0.1	18,787	9.8	0.9
4. Minor export crops	6,189	3.5	5,139	2.7	-2.4	5,975	3.1	16.3
5. Paddy	23,733	13.5	23,182	12.3	-14.3	28,605	15.0	23.4
6. Other food crops	52,452	29.9	58,779	31.1	3.1	61,516	32.2	4.7
6.1. Highland Crops	20,227	11.5	20,664	10.9	-2.4	21,735	11.4	5.2
6.2. Vegetables	31,185	17.8	36,954	19.5	6.2	38,574	20.2	4.4
6.3. Fruits	1,040	0.6	1,161	0.6	8.9	1,206	0.6	3.9
7. Tobacco	379	0.2	461	0.2	20.4	276	0.1	-40.1
8. Betel and arecanuts	1,952	1.1	1,255	0.7	-4.5	1,171	0.6	-6.7
9. Miscellaneous agricultural products	4,280	2.4	6,885	3.6	3.4	7,123	3.7	3.5
10. Livestock	10,825	6.2	11,284	6.0	0.5	11,539	6.0	2.3
11. Firewood & forestry	7,907	4.5	10,097	5.3	6.0	10,803	5.6	7.0
12. Fisheries	20,137	11.5	21,550	11.4	0.7	12,788	6.7	-40.7
13. Plantation development	3,859	2.2	3,875	2.0	-4.2	3,864	2.0	-0.3
Total	175,478	100.0	189,056	100.0	-0.5	191,300	100.0	1.2

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TABLE 6 - EXPENDITURE ON GROSS DOMESTIC PRODUCT AT CURRENT PRICES

Rs. Million

Item	1998		2003			2004			2005		
	Value	% Share	Value	% Share	% Change	Value	% Share	% Change	Value	% Share	% Change
1. Private consumption expenditure	696,236	66.6	1,289,411	71.8	11.9	1,462,192	71.0	13.4	1,674,210	69.5	14.5
2. General government consumption expenditure	143,298	13.7	221,620	12.3	8.4	264,069	12.8	19.2	307,865	12.8	16.6
3. Gross domestic fixed capital formation	261,726	25.0	365,194	20.3	11.2	473,323	23.0	29.6	571,263	23.7	20.7
4. Changes in stocks*	4,844	0.5	28,915	1.6	-15.0	44,912	2.2	65.7	73,475	3.1	63.6
5. Exports of goods and services	369,485	35.3	631,549	35.2	10.6	738,484	35.9	16.9	793,153	32.9	7.4
6. Less: Imports of goods and services	429,925	41.1	741,430	41.3	9.4	923,149	44.8	24.5	1,012,192	42.0	9.6
Gross Domestic Product	1,045,664	100.0	1,795,260	100.0	11.3	2,059,831	100.0	14.7	2,407,775	100.0	16.9

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* Including statistical discrepancy

TABLE 7 - RECONCILIATION OF KEY AGGREGATES AT CURRENT PRICES

ITEM	Rs. Million								
	1998	2003		2004			2005		
	Value	Value	% Change	Value	%share	% Change	Value	% Change	%share
Gross Domestic Product	1,045,664	1,795,260	11.3	2,059,831		14.7	2,407,775	16.9	100
Plus: Factor income received	13,882	16,385	127.5	15,813	0.8	-3.5	3,629	-77.1	0.2
Less: Factor income paid	25,437	32,920	4.9	36,501	1.8	10.9	33,678	-7.7	1.4
Gross National Product	1,034,109	1,778,725	12.0	2,039,143	99.0	14.6	2,377,726	16.6	98.8
Plus: Current transfers from abroad	64,585	136,475	10.8	158,291	7.7	16.0	197,968	25.1	8.2
Less: Current transfers to abroad	9,742	20,125	10.6	21,619	1.0	7.4	23,426	8.4	1.0
Gross National Disposable Product	1,088,952	1,895,075	11.9	2,175,815	105.6	14.8	2,552,268	17.3	106.0
Less: Final consumption	839,534	1,511,031	11.3	1,726,261	83.8	14.2	1,982,075	14.8	82.3
Less: Statistical discrepancy	969	5,783	-15.0	8,982	0.4	65.7	14,695	63.6	0.6
Gross Saving	248,449	378,260	14.6	440,572	21.4	9.8	555,498	26.1	23.1
Plus: Deficit of nation on current account	-17,152	-10,066	-60.8	-68,681	-3.3	582.3	-74,546	8.5	-3.1
Gross Capital Formation	265,601	388,326	9.2	509,252	24.7	24.7	630,043	23.7	26.2

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20% of Change in stocks is included for discrepancy.

TABLE 10 - EXTERNAL TRANSACTIONS ON CURRENT ACCOUNT

ITEM	Rs.Million				
	1998	2004		2005	
	Value	value	% Change	value	% Change
01. Exports of goods and services	369,485	738,484	16.9	793,153	7.4
(a) Merchandise	310,401	583,967	17.9	638,277	9.3
(b) Other	59,084	154,517	13.5	154,877	0.2
02. Factor income from rest of the world	13,882	15,813	-3.5	3,629	-77.1
03. Current transfers from rest of the world*	64,585	158,291	16.0	197,968	25.1
Current receipts from rest of the world	447,952	912,588	16.3	994,751	9.0
04. Imports of goods and services	429,925	923,149	24.5	1,012,192	9.6
(a) Merchandise	380,142	811,138	26.0	891,359	9.9
(b) Other	49,783	112,011	14.7	120,833	7.9
05. Factor income paid to rest of the world	25,437	36,501	10.9	33,678	-7.7
06. Current transfers to rest of the world	9,742	21,619	7.4	23,426	8.4
Current payments to rest of the world	465,104	981,269	23.5	1,069,297	9.0
Surplus of the nation on current Account	-17,152	-68,681	582.3	-74,546	8.5

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* Excludes capital transfers, hence the figures are not comparable with the figures that have been already published.