Lanka moves to upper-middle income category

The World Bank has assigned Sri Lanka to Upper-middle income group from July 1, 2019. Sri Lanka was earlier in the Lower-middle income category.

The World Bank classifies the world's economies into four income groups — high, upper-middle, lower-middle, and low. We base this assignment on Gross National Income (GNI)

per capita (current US$) calculated using the Atlas method. The classification is updated each year on July 1.

The classification of countries is determined by two factors:

A country's GNI per capita, which can change with economic growth, inflation, exchange rates, and population. Revisions to national accounts methods

and data can also influence GNI per capita.

Classification threshold: The thresholds are adjusted for inflation annually using the SDR deflator.

Until last year (Fiscal Year 2019), the income classifications had an analytical purpose and did not influence the World Bank's lending terms. However,

since the last fiscal year, the high-income threshold is also a determining factor for lending rates. Surcharges are applied for lending rates of countries which have been categorized as high income for two consecutive years.

Updated Thresholds

New thresholds are determined at the start of the World

Bank's fiscal year in July and remain fixed for 12 months regardless of subsequent revisions to estimates. The thresholds for income classification have increased from last year due to SDR inflation. Along with Sri Lanka Georgia, Kosovo and Argentina were also upgraded to the upper middle income country.

	New group	Old group	GNI/Capita/$ (2018) as of July 1, 2019	GNI/Capita/$ (2017) as of July 1, 2018
Comoros	Lower-middle income	Low income	1,320	760
Georgia	Upper-middle income	Lower-middle income	4,130	3,780
Kosovo	Upper-middle income	Lower-middle income	4,230	3,890
Senegal	Lower-middle income	Low income	1,410	950
Sri Lanka	Upper-middle income	Lower-middle income	4,060	3,840