

## Behavior of National Savings in Sri Lanka

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This paper investigates the behavior of national savings in Sri Lanka. The U.S. commerce Department's Bureau of Economic Analysis (BEA) stated National savings as the amount of income left over after subtracting consumption costs and expenditures. Accordingly the growth in national savings directly affects the growth of the national economy. To investigate the level of national savings in Sri Lanka this study uses Consumption, Gross Domestic Production and Budget Deficit as independent variables and identifies the relationship between these variables with the National Savings. In order to examine the relationship this study uses secondary data collected from the Annual Reports of Central Bank of Sri Lanka from 2004 -2013. Further multiple regression analysis is used to identify impact of individual variables to the national savings of Sri Lanka. Researchers expects to investigate that the consumption and GDP has a significant influence on national savings. However the impact of budget deficit on national savings of Sri Lanka may not at a significant level. Findings of this study may help decision makers be aware of the importance of Consumption, Gross Domestic Production and Budget Deficit that can enhance the level of national Savings of Sri Lanka.

**Keywords:** *National Savings, Gross Domestic Production, Consumption, Budget Deficit*