Sri Lanka:
Macroeconomic Developments in Charts

First Quarter 2023
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- Sectoral GDP Growth
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- Poverty
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- NCPI based Inflation
- Producer’s Price Index (PPI)

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- Expenditure from Merchandise Imports
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- Tourism: Monthly Arrivals
- Workers’ Remittances
- Current Account Balance
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- Gross Official Reserves
- Exchange Rate Movements

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- Central Government Debt

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- Net Foreign Assets
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- Banking Sector Indicators (ii)
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Real Sector and Inflation
Real GDP Growth

Annual Real GDP Growth

Quarterly Real GDP Growth

Note: Data are based on the base year 2015 GDP estimates of the Department of Census and Statistics. Data are based on latest GDP estimates made available on 15 June 2023 by the Department of Census and Statistics. Data from 2020 onwards were revised.
Sectoral GDP Growth

Agriculture

<table>
<thead>
<tr>
<th>Quarter</th>
<th>2018</th>
<th>2019</th>
<th>2020</th>
<th>2021</th>
<th>2022</th>
<th>2023</th>
</tr>
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<tbody>
<tr>
<td>Q1</td>
<td>-4.2</td>
<td>-4.4</td>
<td>0.8</td>
<td>5.2</td>
<td>9.2</td>
<td>5.2</td>
</tr>
<tr>
<td>Q2</td>
<td>-3.8</td>
<td>-7.9</td>
<td>5.2</td>
<td>2.9</td>
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</tr>
<tr>
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<td>-3.3</td>
<td>-6.7</td>
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<tr>
<td>Q4</td>
<td>-7.6</td>
<td>-6.8</td>
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<td>-0.1</td>
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Industry

<table>
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<th>2022</th>
<th>2023</th>
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<tbody>
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<td>-7.3</td>
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<td>-1.0</td>
<td>-1.0</td>
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<td>-7.3</td>
<td>-10.1</td>
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<td>-0.7</td>
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<td>Q3</td>
<td>-21.3</td>
<td>-19.0</td>
<td>-10.1</td>
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<td>-1.8</td>
<td>-1.8</td>
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<tr>
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<td>-30.1</td>
<td>-21.3</td>
<td>-18.1</td>
<td>1.8</td>
<td>0.1</td>
<td>0.1</td>
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Services

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<th>2021</th>
<th>2022</th>
<th>2023</th>
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<td>4.3</td>
<td>7.5</td>
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<td>4.4</td>
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<tr>
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<td>-5.0</td>
<td>-1.8</td>
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<td>-4.2</td>
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<td>4.3</td>
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<td>3.6</td>
<td>2.5</td>
<td>1.1</td>
<td>1.1</td>
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<tr>
<td>Q4</td>
<td>-13.2</td>
<td>2.9</td>
<td>1.3</td>
<td>0.5</td>
<td>0.5</td>
<td>0.5</td>
</tr>
</tbody>
</table>

Note: Data are based on the base year 2015 GDP estimates of the Department of Census and Statistics. Data are based on latest GDP estimates made available on 15 June 2023 by the Department of Census and Statistics. Data from 2020 onwards were revised.
Per Capita GDP

Sources: Department of Census and Statistics
Central Bank of Sri Lanka

Note: Data are based on the base year 2015 GDP estimates on latest GDP estimates made available on 15 March 2023 by the Department of Census and Statistics and updated with latest population data. Average annual exchange rates published by the CBSL used for the calculations. Data from 2015 onwards were revised.
Index of Industrial Production (IIP)*

Source: Department of Census and Statistics

*Based on the Index of Industrial Production (IIP, 2015=100)
Unemployment

Source: Department of Census and Statistics
Poverty Headcount Ratio

<table>
<thead>
<tr>
<th>Year</th>
<th>Poverty Headcount Ratio</th>
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<tbody>
<tr>
<td>1995/1996</td>
<td>28.8</td>
</tr>
<tr>
<td>2002</td>
<td>46.8</td>
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<tr>
<td>2006/2007</td>
<td>34.1</td>
</tr>
<tr>
<td>2009/2010</td>
<td>28.4</td>
</tr>
<tr>
<td>2012/2013</td>
<td>22.5</td>
</tr>
<tr>
<td>2016</td>
<td>16.0</td>
</tr>
<tr>
<td>2019</td>
<td>14.3</td>
</tr>
</tbody>
</table>

Note: Based on official poverty line using HIES 2019 data

Source: Department of Census and Statistics
CCPI based Inflation

CCPI based Y-o-Y Headline Inflation

CCPI based Y-o-Y Core Inflation*

*Core Inflation is calculated by excluding volatile food, energy and transport categories from the CCPI

Note: The Department of Census and Statistics (DCS) commenced publishing the CCPI with the new base year, 2021=100, from the data release of February 2023 and discontinued the publication of the CCPI with the old base year, 2013=100. Accordingly, data commencing January 2023 in the chart are based on the series with the new base year, 2021=100.

Source: Department of Census and Statistics
NCPI based Inflation

**NCPI based Y-o-Y Headline Inflation**

**NCPI based Y-o-Y Core Inflation**

*Core Inflation is calculated by excluding volatile food, energy and transport categories from the NCPI

Note: The Department of Census and Statistics (DCS) commenced publishing the NCPI with the new base year, 2021=100, from the data release of January 2023 and discontinued the publication of the NCPI with the old base year, 2013=100. Accordingly, data commencing January 2023 in the chart are based on the series with the new base year, 2021=100.

Source: Department of Census and Statistics

Central Bank of Sri Lanka
Economic Research Department
Producer's Price Index (PPI)*

Source: Department of Census and Statistics

*Based on the Producer's Price Index (PPI, 2018 Q4=100)
External Sector
Earnings from Merchandise Exports

Merchandise Exports - Annual

Merchandise Exports - Monthly

Sources: Central Bank of Sri Lanka and Sri Lanka Customs

Central Bank of Sri Lanka
Economic Research Department
Expenditure on Merchandise Imports

Merchandise Imports - Annual

Sources: Central Bank of Sri Lanka and Sri Lanka Customs

Merchandise Imports - Monthly

Sources: Central Bank of Sri Lanka and Sri Lanka Customs
Trade Balance

Source: Central Bank of Sri Lanka
Tourism

Arrivals and Earnings

Monthly Arrivals

Sources: Central Bank of Sri Lanka and Sri Lanka Tourist Development Authority (SLTDA)

Source: SLTDA

Central Bank of Sri Lanka
Economic Research Department
Workers’ Remittances

Source: Central Bank of Sri Lanka
Current Account Balance

Source: Central Bank of Sri Lanka
Foreign Direct Investment Inflows

Sources: Central Bank of Sri Lanka, Board of Investment and Colombo Stock Exchange
Balance of Payments

Overall Balance

Source: Central Bank of Sri Lanka
Proceeds from the People’s Bank of China (PBOC) swap, which is subject to conditionalities on usability, are included in Gross Official Reserves since end 2021.
Exchange Rate Movements

Source: Central Bank of Sri Lanka
Fiscal Sector
Government Revenue

Note: From 2010 onwards, data are based on rebased GDP estimates (base year 2015) of the Department of Census and Statistics released on 15 March 2023.

(a) Provisional
(b) Based on the nominal GDP projection of the Central Bank of Sri Lanka.
Note: From 2010 onwards, data are based on rebased GDP estimates (base year 2015) of the Department of Census and Statistics released on 15 March 2023.

(a) According to the Ministry of Finance, the fiscal sector statistics of 2019 have been restated as announced in the Budget Speech for 2020
(b) Provisional
(c) Based on the nominal GDP projection of the Central Bank of Sri Lanka.
Public Investment

Note: From 2010 onwards, data are based on rebased GDP estimates (base year 2015) of the Department of Census and Statistics released on 15 March 2023.

(a) According to the Ministry of Finance, the fiscal sector statistics of 2019 have been restated as announced in the Budget Speech for 2020
(b) Provisional
(c) Based on the nominal GDP projection of the Central Bank of Sri Lanka.

Source: Ministry of Finance
Note: From 2010 onwards, data are based on rebased GDP estimates (base year 2015) of the Department of Census and Statistics released on 15 March 2023.

(a) According to the Ministry of Finance, the fiscal sector statistics of 2019 have been restated as announced in the Budget Speech for 2020

(b) Provisional

(c) Based on the nominal GDP projection of the Central Bank of Sri Lanka.
Central Government Debt

Note: From 2010 onwards, data are based on rebased GDP estimates (base year 2015) of the Department of Census and Statistics released on 15 March 2023.

Source: Ministry of Finance Central Bank of Sri Lanka

(a) Provisional
(b) The outstanding central government debt excludes several debt service payments that became overdue after 12 April 2022, the date of which the Interim Policy regarding the servicing of Sri Lanka’s external public debt was announced by the Ministry of Finance, Economic Stabilization and National Policies. These debt service payments comprise of overdue interest payments of affected debt which deemed to be capitalised as per the Interim Policy. Further, the December 2022 balance excludes the value of principal payments yet to be settled in relation to Sri Lanka Development Bonds from April 2022 till end 2022.
(c) The annual GDP estimate, based on the GDP estimates of the relevant quarter and the preceding three quarters, was used to compute the outstanding central government debt stock as a percentage of GDP.
Monetary Sector
Reserve Money Growth and Money Multiplier

Reserve Money Growth (Y-O-Y)

Money Multiplier

Note: The significant depreciation of the Sri Lanka rupee against the US dollar during March-May 2022 mainly contributed to the notable expansion of monetary and credit aggregates during that period. Moreover, The appreciation of the Sri Lanka rupee against the US dollar during March 2023 mainly contributed to the moderation of monetary and credit aggregates during the month.
Note: The significant depreciation of the Sri Lanka rupee against the US dollar during March-May 2022 mainly contributed to the notable expansion of monetary and credit aggregates during that period. Moreover, the appreciation of the Sri Lanka rupee against the US dollar during March 2023 mainly contributed to the moderation of monetary and credit aggregates during the month.
Credit to the Private Sector

Note: The significant depreciation of the Sri Lanka rupee against the US dollar during March-May 2022 mainly contributed to the notable expansion of monetary and credit aggregates during that period. Moreover, The appreciation of the Sri Lanka rupee against the US dollar during March 2023 mainly contributed to the moderation of monetary and credit aggregates during the month.
Net Credit to the Government

Note: The significant depreciation of the Sri Lanka rupee against the US dollar during March-May 2022 mainly contributed to the notable expansion of monetary and credit aggregates during that period. Moreover, the appreciation of the Sri Lanka rupee against the US dollar during March 2023 mainly contributed to the moderation of monetary and credit aggregates during the month.
Credit to Public Corporations

Note: The significant depreciation of the Sri Lanka rupee against the US dollar during March-May 2022 mainly contributed to the notable expansion of monetary and credit aggregates during that period. Moreover, the appreciation of the Sri Lanka rupee against the US dollar during March 2023 mainly contributed to the moderation of monetary and credit aggregates during the month.

Source: Central Bank of Sri Lanka
Note: The significant depreciation of the Sri Lanka rupee against the US dollar during March-May 2022 mainly contributed to the notable expansion of monetary and credit aggregates during that period. Moreover, the appreciation of the Sri Lanka rupee against the US dollar during March 2023 mainly contributed to the moderation of monetary and credit aggregates during the month.
Policy Interest Rates and Overnight Money Market Rates

Source: Central Bank of Sri Lanka
Treasury Bill Yields and the Yield Curve

Treasury Bill Yields (Primary Market)*

Secondary Market Yield Curve

Source: Central Bank of Sri Lanka

*Yield rates for some weeks are not available due to non-acceptance of bids or not offering of relevant tenors
Market Interest Rates

- Monthly Average Weighted Prime Lending Rate (AWPR)
- Average Weighted Deposit Rate (AWDR)
- Average Weighted Fixed Deposit Rate (AWFDR)
- Average Weighted Lending Rate (AWLR)

Source: Central Bank of Sri Lanka
Financial Sector
Banking Sector Indicators (i)

Assets and Liabilities of the Banking Sector

<table>
<thead>
<tr>
<th>Quarter</th>
<th>Loans and Receivables</th>
<th>Deposits</th>
</tr>
</thead>
<tbody>
<tr>
<td>Q1 2022</td>
<td>11,438</td>
<td></td>
</tr>
<tr>
<td>Q2 2022</td>
<td>11,760</td>
<td></td>
</tr>
<tr>
<td>Q3 2022</td>
<td>11,475</td>
<td></td>
</tr>
<tr>
<td>Q4 2022</td>
<td>11,338</td>
<td></td>
</tr>
<tr>
<td>Q1 2023</td>
<td>10,751</td>
<td></td>
</tr>
</tbody>
</table>

Stage 3 Loans of the Banking Sector

<table>
<thead>
<tr>
<th>Quarter</th>
<th>Gross Stage 3 Loans (Excluding undrawn portion)</th>
<th>Gross Stage 3 ratio (Excluding undrawn portion)</th>
<th>Net Stage 3 ratio (Including undrawn portion)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Q1 2022</td>
<td>8.4</td>
<td>8.4</td>
<td></td>
</tr>
<tr>
<td>Q2 2022</td>
<td>9.4</td>
<td>9.4</td>
<td></td>
</tr>
<tr>
<td>Q3 2022</td>
<td>10.8</td>
<td>10.8</td>
<td></td>
</tr>
<tr>
<td>Q4 2022</td>
<td>11.6</td>
<td>11.6</td>
<td></td>
</tr>
<tr>
<td>Q1 2023</td>
<td>12.7</td>
<td>12.7</td>
<td></td>
</tr>
</tbody>
</table>

Note: Data reported based on SLFRS.

Source: Central Bank of Sri Lanka
Banking Sector Indicators (ii)

**Profitability Indicators**

![Graph showing trends of profitability indicators over quarters Q1 to Q4 2022 and Q1 2023.]

- **Return on Equity (after tax) (LHS)**
- **Net Interest Margin (RHS)**
- **Return on Assets (after tax) (RHS)**

**Capital Adequacy Ratios**

![Graph showing trends of capital adequacy ratios over quarters Q1 to Q4 2022 and Q1 2023.]

- **Risk Weighted Assets**
- **Core CAR**
- **Total CAR**

**Note:** Data reported based on SLFRS.

**Source:** Central Bank of Sri Lanka
Banking Density by Province*

2009

2023 Q1

*Banking Density by Province is calculated based on the mid-year population estimates published by the Department of Census and Statistics.
Non-Bank Financial Sector Indicators (i)

Assets of the LFC & SLC Sector

Total Deposits and Borrowings of the LFC & SLC Sector*

* Deposits are only mobilised by the LFCs

LFC: Licensed Finance Companies
SLC: Specialised Leasing Companies

Source: Central Bank of Sri Lanka
Non-Bank Financial Sector Indicators (ii)

Proftability Indicators of the LFC and SLC Sector

<table>
<thead>
<tr>
<th>Year</th>
<th>Net Interest Margin</th>
<th>Return on Assets</th>
<th>Return on Equity</th>
</tr>
</thead>
<tbody>
<tr>
<td>2016</td>
<td>7.9</td>
<td>3.6</td>
<td>19.8</td>
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<tr>
<td>2017</td>
<td>7.7</td>
<td>3.0</td>
<td>14.7</td>
</tr>
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<td>2018</td>
<td>8.1</td>
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<td>11.4</td>
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<td>2019</td>
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<td>6.6</td>
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<tr>
<td>2023Q1</td>
<td>8.8</td>
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Note: Above ratios are calculated by annualising the financials commencing from 1st April of each year.

Non-Performing Advances

<table>
<thead>
<tr>
<th>Year</th>
<th>Gross NPA (Rs.bn)</th>
<th>Gross NPA Ratio (%) (RHA)</th>
<th>Net NPA Ratio (%) (RHA)</th>
</tr>
</thead>
<tbody>
<tr>
<td>2016</td>
<td>1.2</td>
<td>5.3</td>
<td>1.2</td>
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<td>2017</td>
<td>1.6</td>
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<td>2022</td>
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<td>2023Q1</td>
<td>16.0</td>
<td>230.3</td>
<td>16.0</td>
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</table>

Source: Central Bank of Sri Lanka
(a) The CSE was not functioning during the period from 23 March 2020 to 6 May 2020 due to the prevailed conditions of the country with the spread of COVID-19
The set of graphs above summarises macroeconomic and financial market trends in Sri Lanka. These graphs do not contain source data. An extensive set of data is available on the CBSL website. Information for the First Quarter of 2023 is provisional.