

Sri Lanka: Macroeconomic Developments in Charts

Second Quarter 2023



Central Bank of Sri Lanka
Economic Research Department

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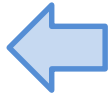
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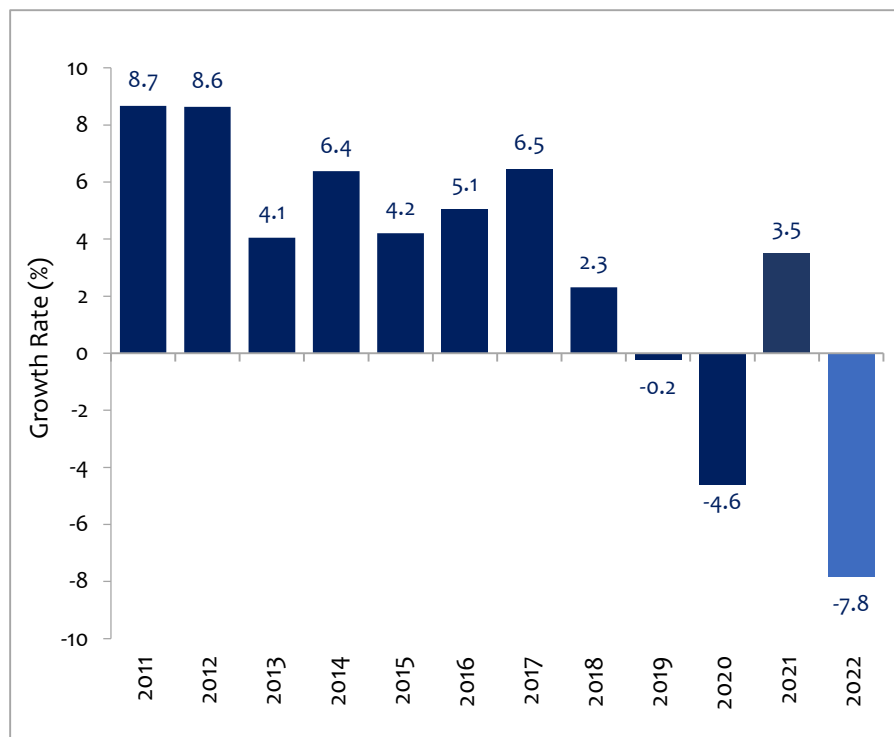


Real Sector and Inflation

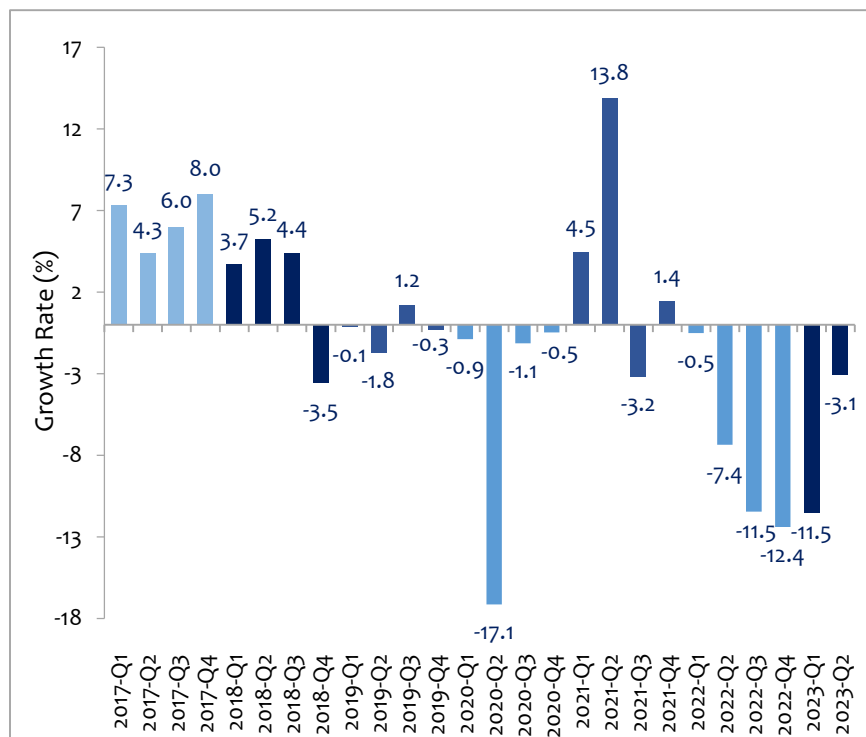


Real GDP Growth

Annual Real GDP Growth



Quarterly Real GDP Growth

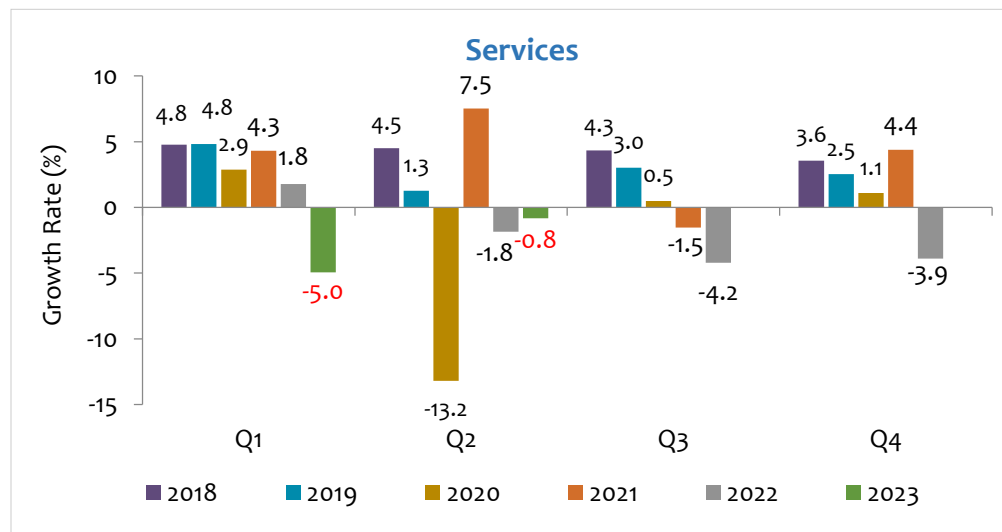
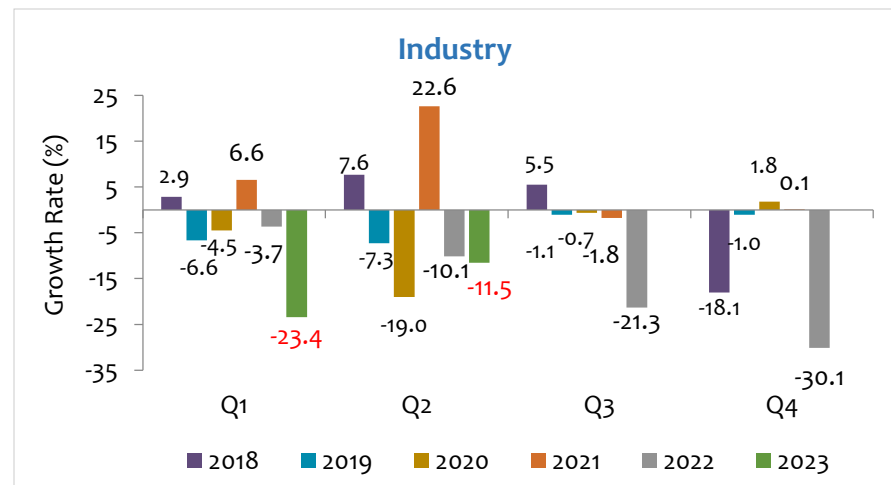
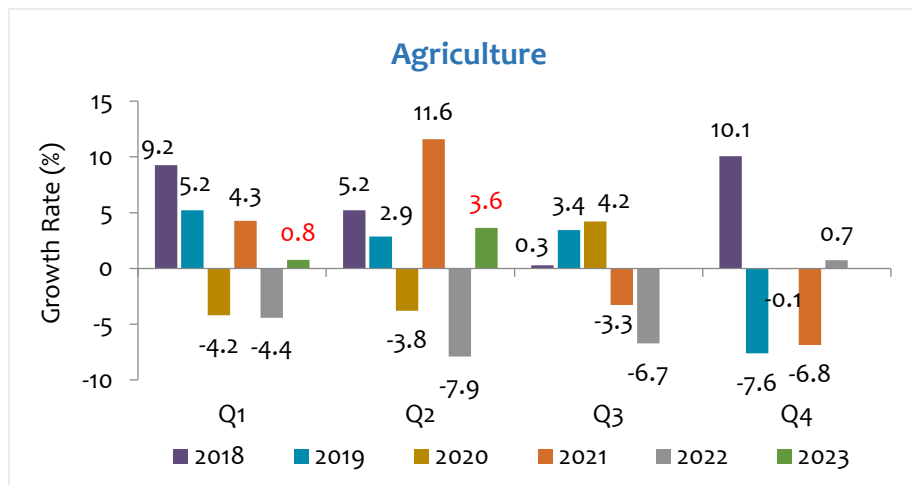


Source: Department of Census and Statistics

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

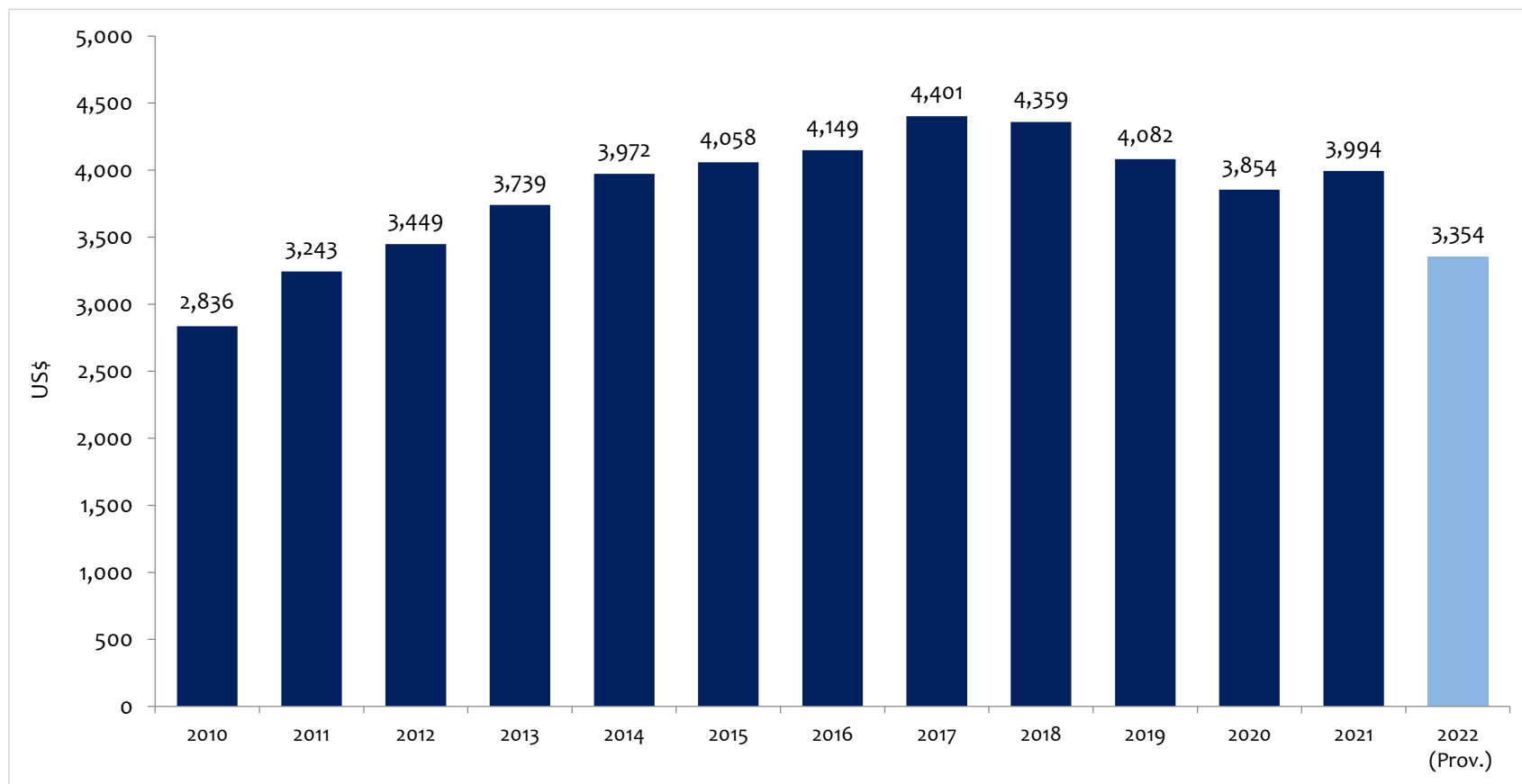


Source: Department of Census and Statistics

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 September 2023 by the Department of Census and Statistics. Data from 2020 onwards were revised



Per Capita GDP



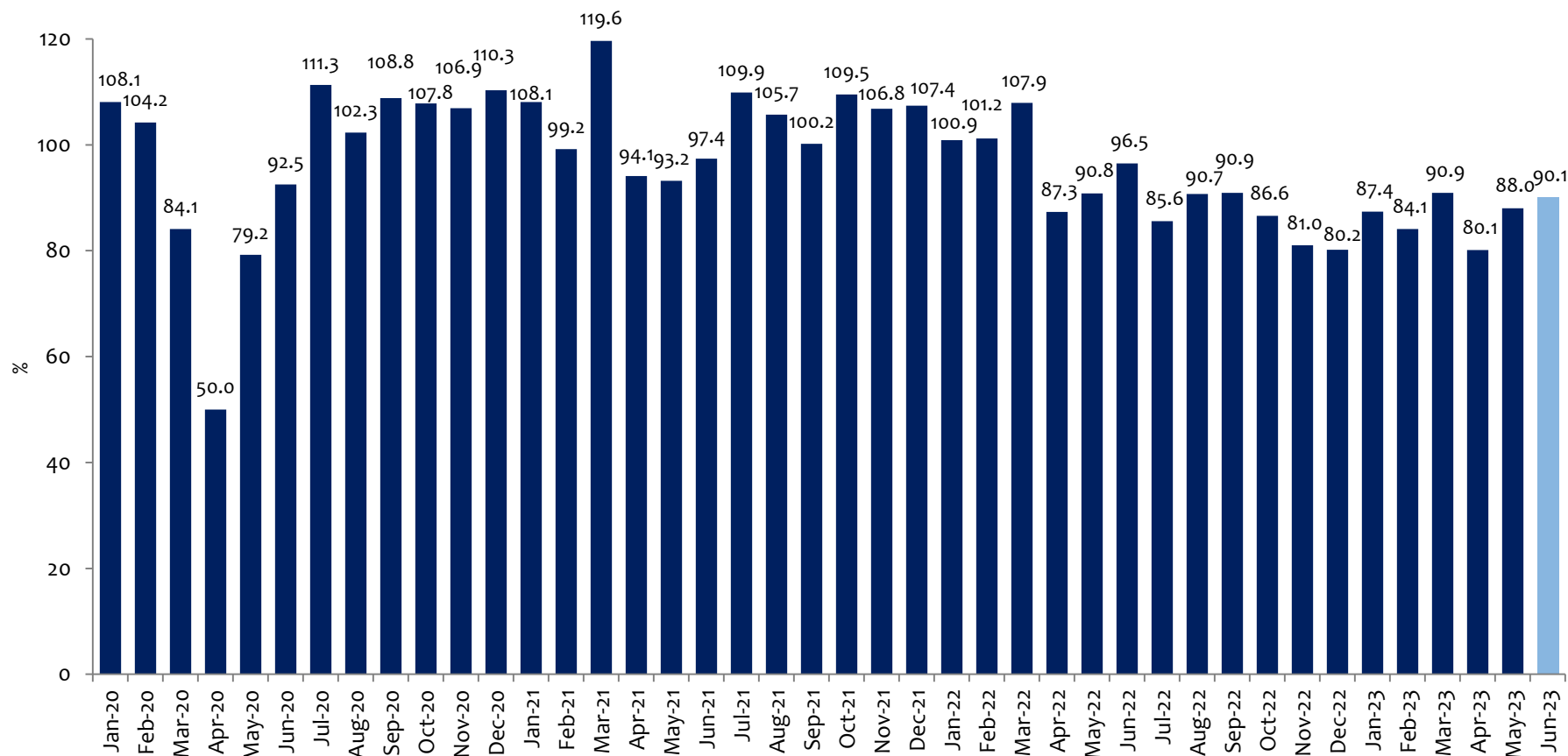
Sources: Department of Census and Statistics
Central Bank of Sri Lanka

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 are used for the calculations. Data from 2015 onwards were revised



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Index of Industrial Production (IIP)*

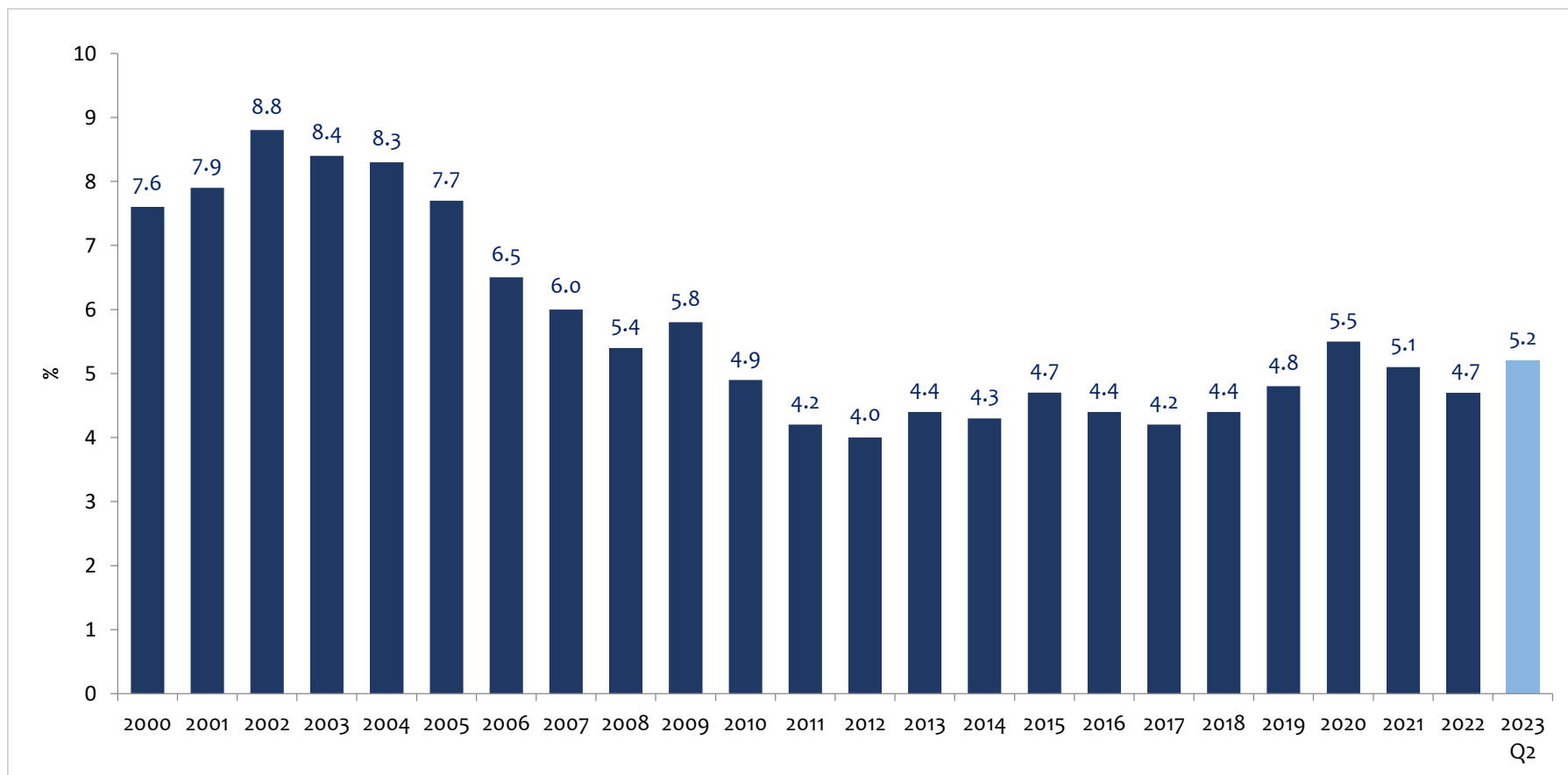


Source: Department of Census and Statistics

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



Unemployment

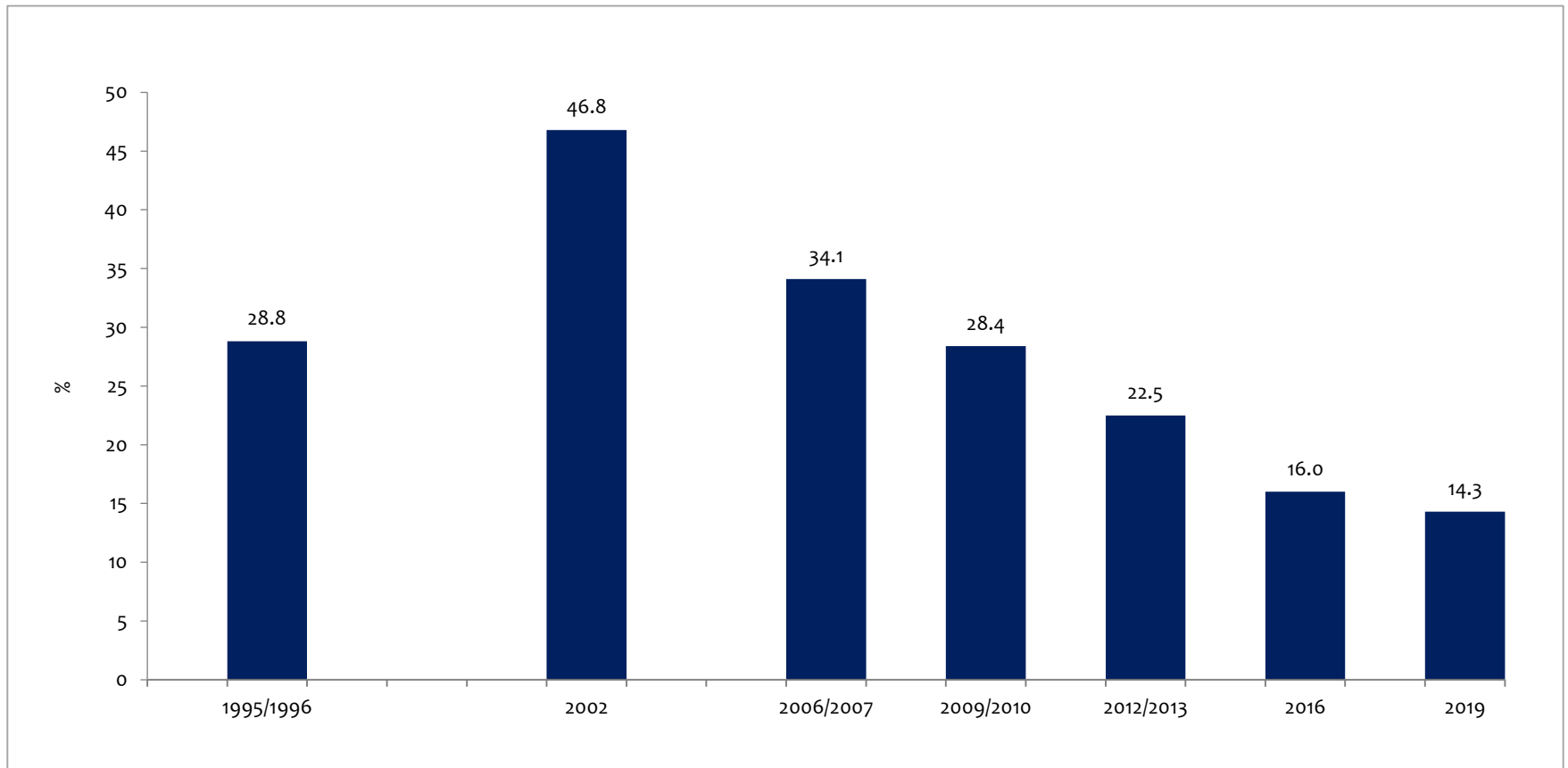


Source: Department of Census and Statistics



Poverty

Poverty Headcount Ratio



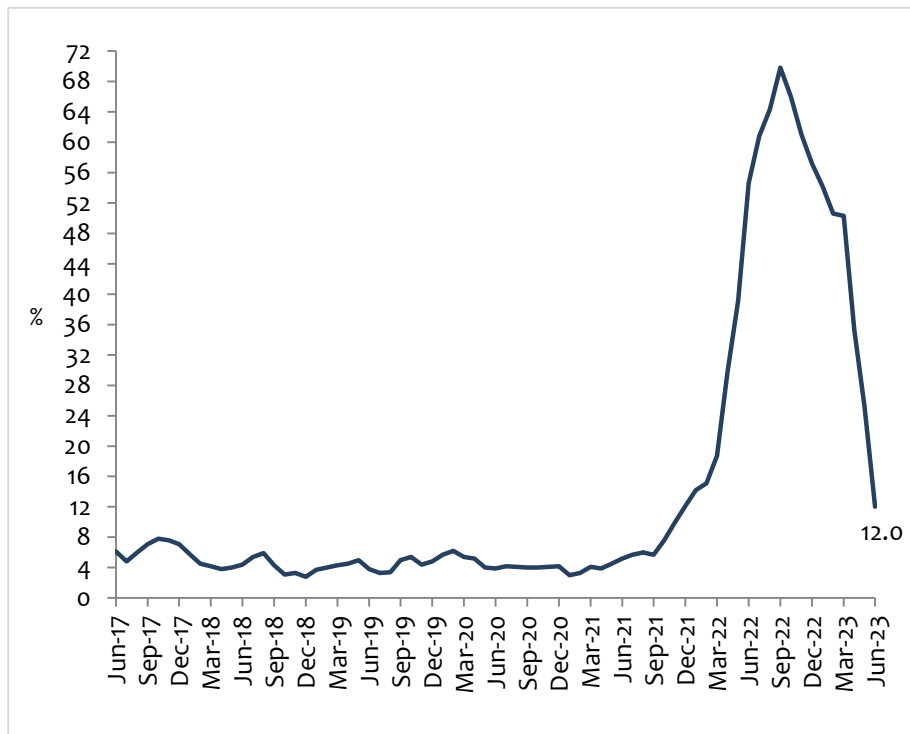
Note: Based on official poverty line using HIES 2019 data

Source: Department of Census and Statistics

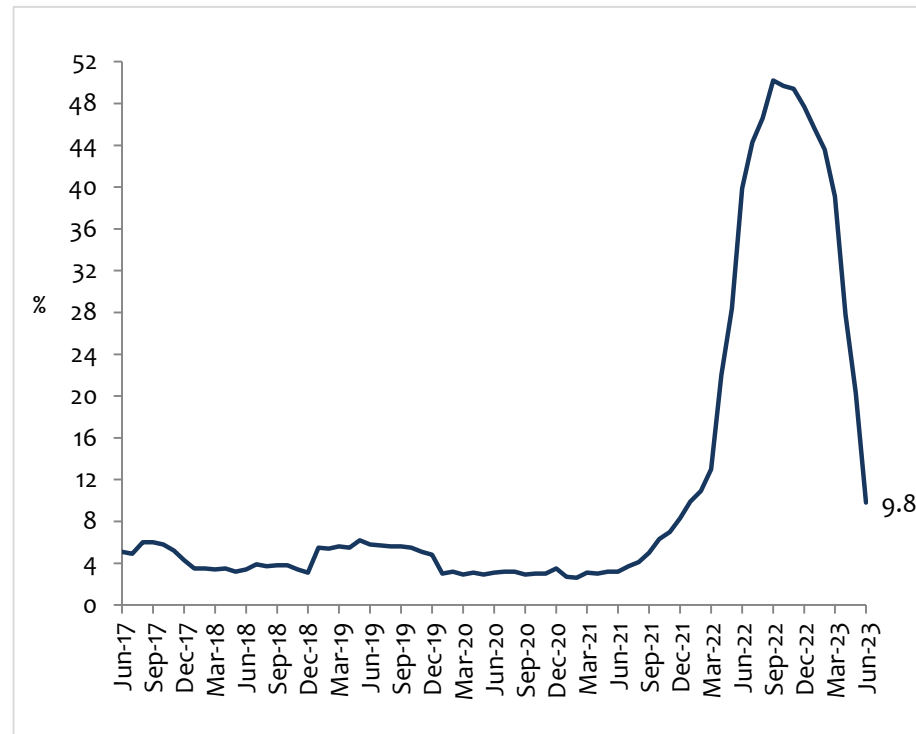


CCPI based Inflation

CCPI based Y-o-Y Headline Inflation



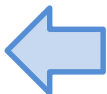
CCPI based Y-o-Y Core Inflation*



Source: Department of Census and Statistics

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

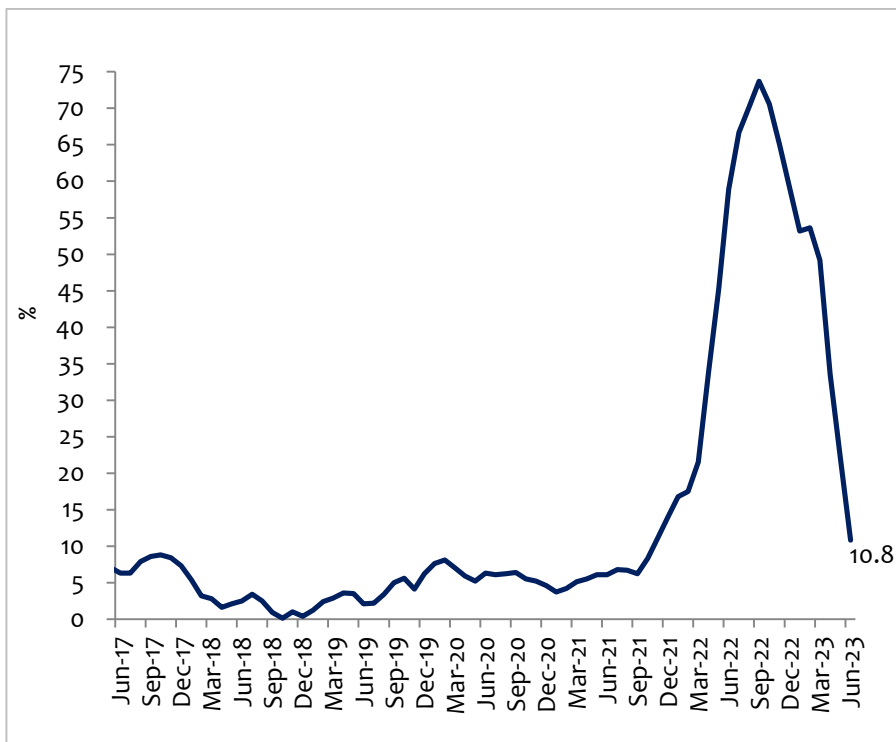
Note: The Department of Census and Statistics (DCS) commenced publishing the CCPI with the new base year, 2021=100, from the data release of February 2023 and discontinued the publication of the CCPI with the old base year, 2013=100. Accordingly, data commencing January 2023 in the chart are based on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



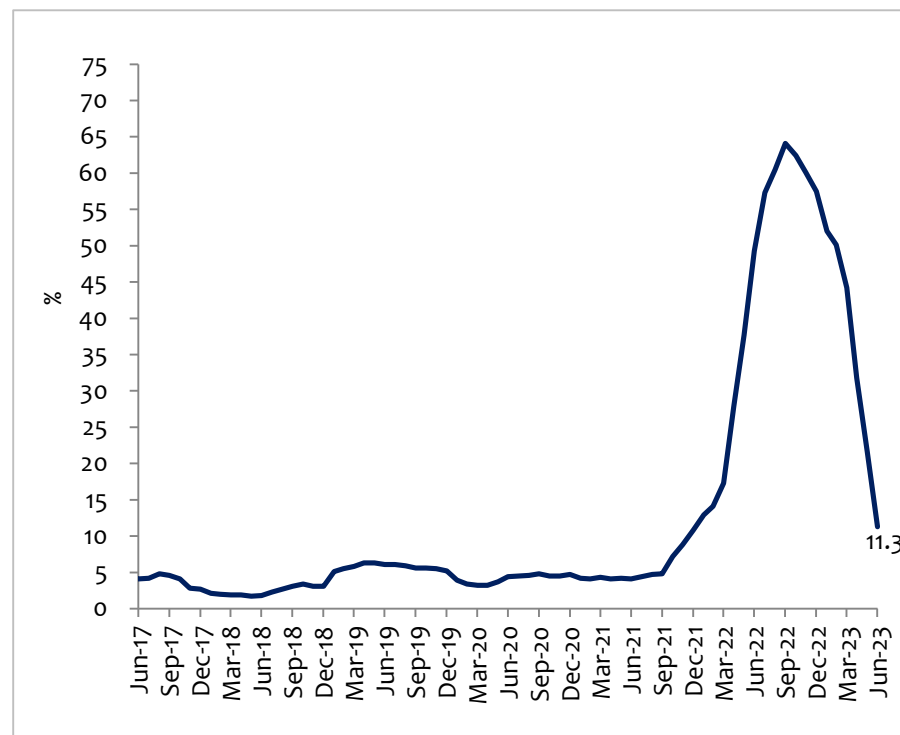
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NCPI based Inflation

NCPI based Y-o-Y Headline Inflation



NCPI based Y-o-Y Core Inflation*



Source: Department of Census and Statistics

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

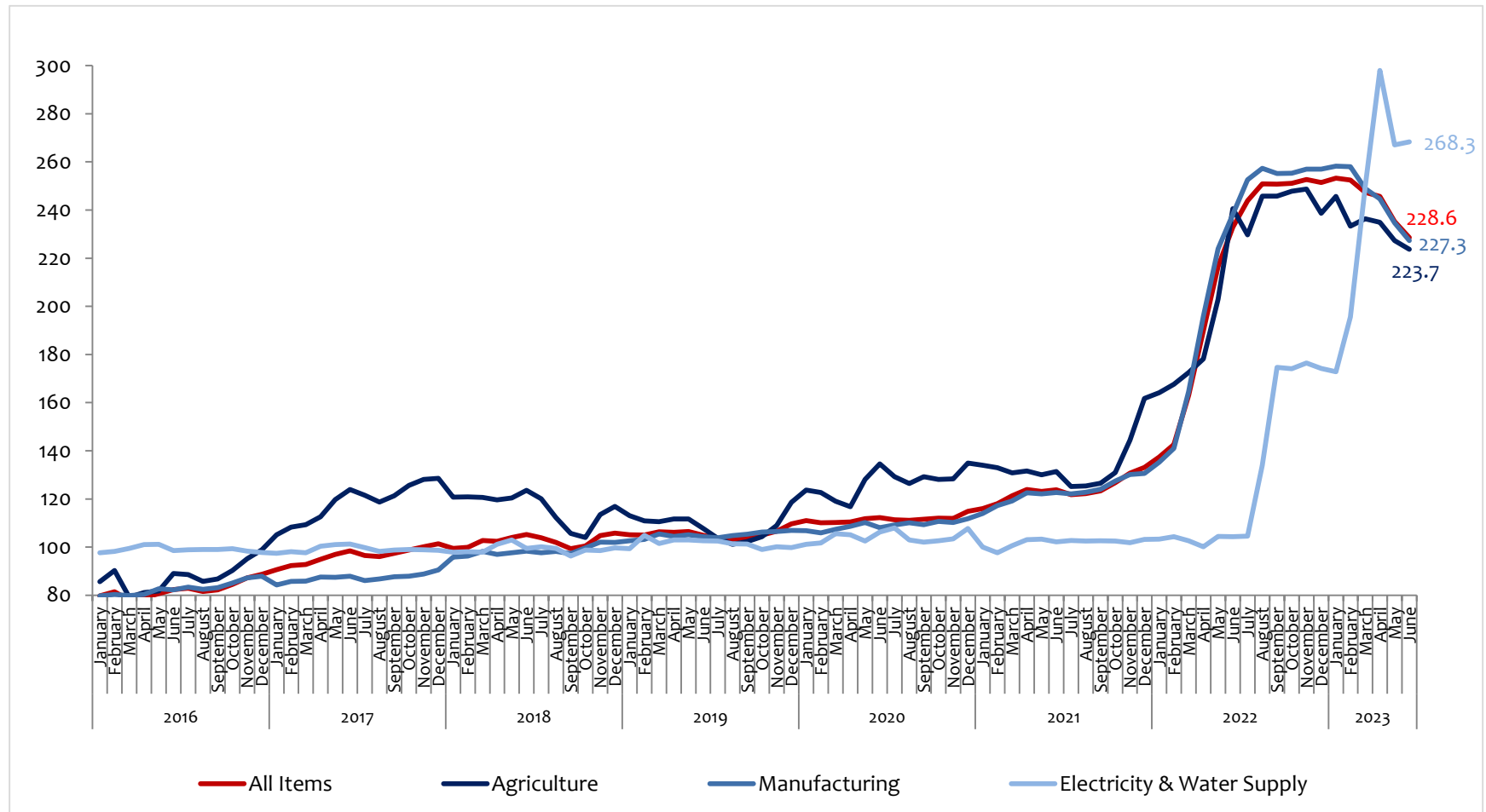


Note: The Department of Census and Statistics (DCS) commenced publishing the NCPI with the new base year, 2021=100, from the data release of January 2023 and discontinued the publication of the NCPI with the old base year, 2013=100. Accordingly, data commencing January 2023 in the chart are based on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



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Producer Price Index (PPI)*



Source: Department of Census and Statistics

*Based on the Producer Price Index (PPI, 2018 Q4=100)

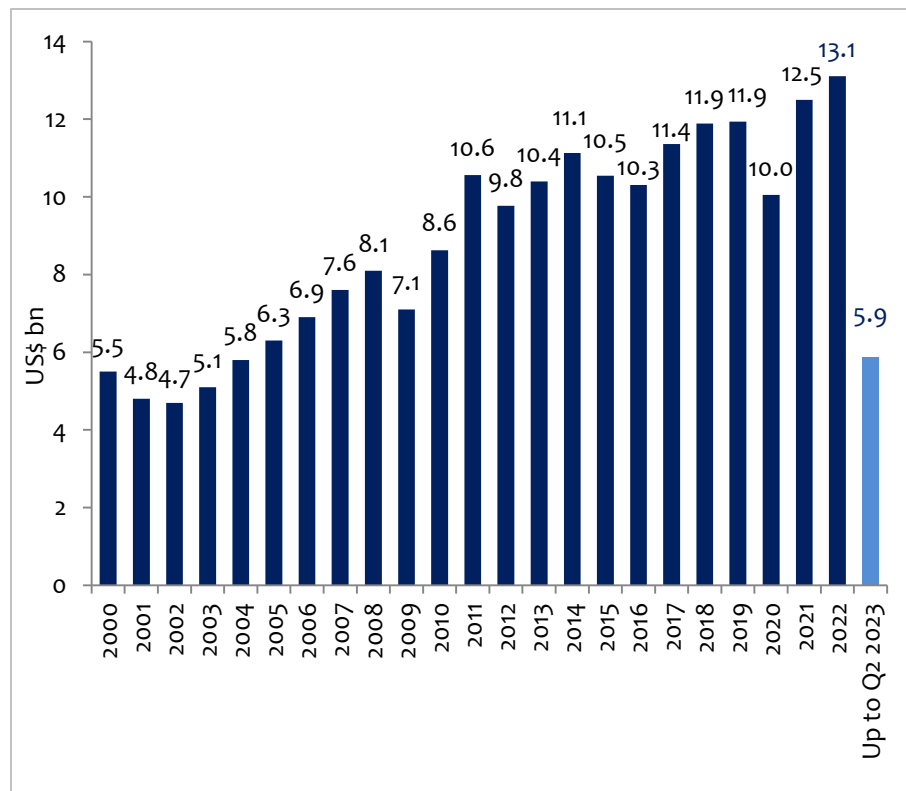


External Sector

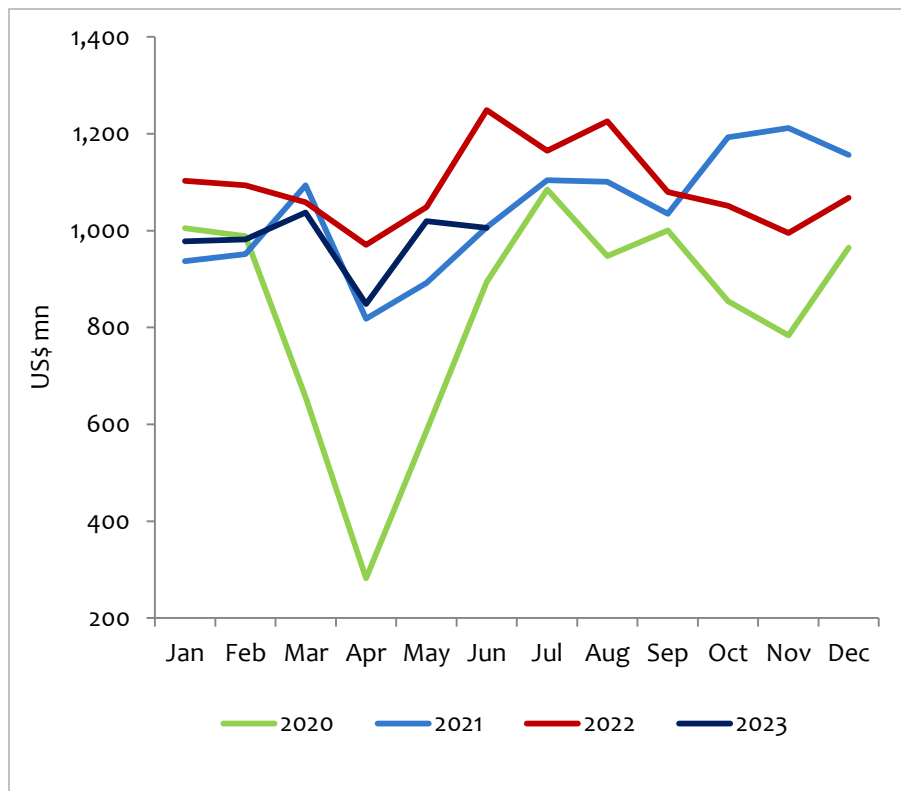


Earnings from Merchandise Exports

Merchandise Exports - Annual



Merchandise Exports - Monthly

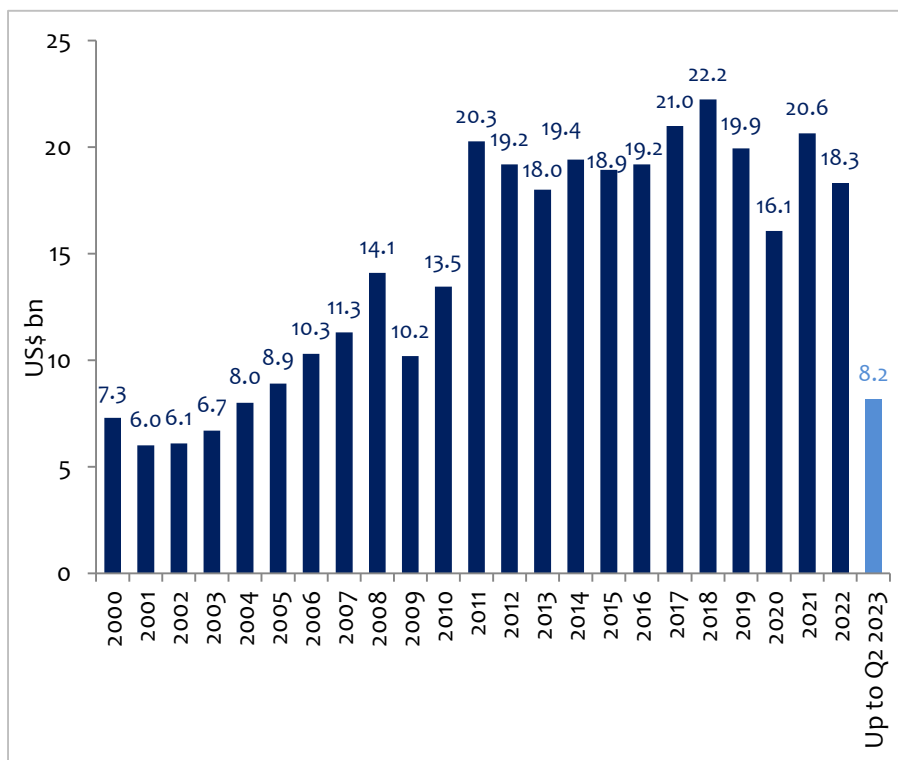


Sources: Central Bank of Sri Lanka and Sri Lanka Customs

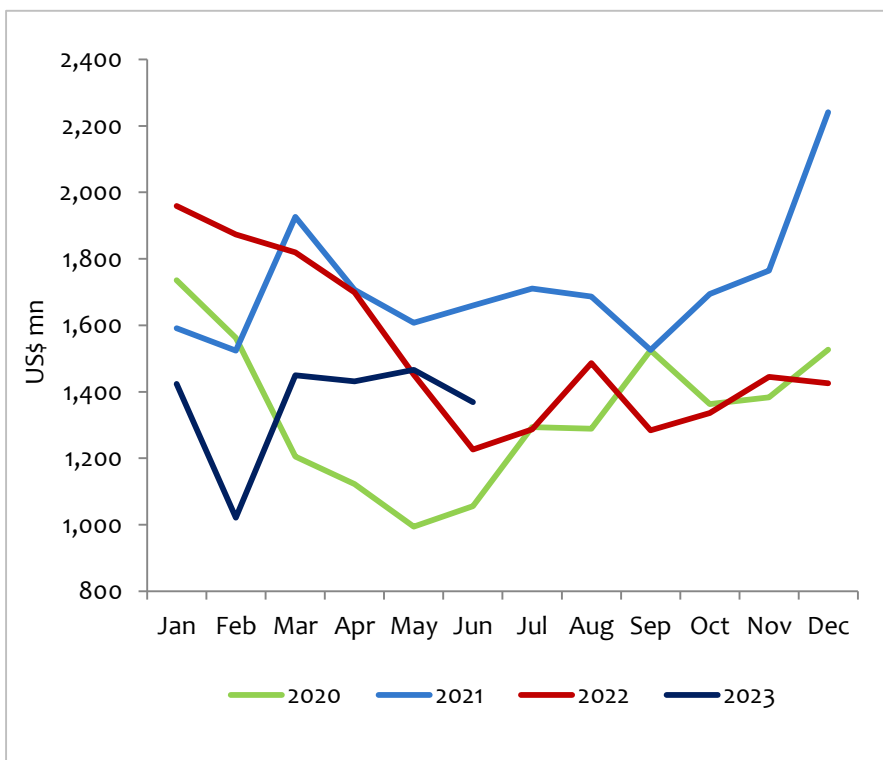


Expenditure on Merchandise Imports

Merchandise Imports - Annual



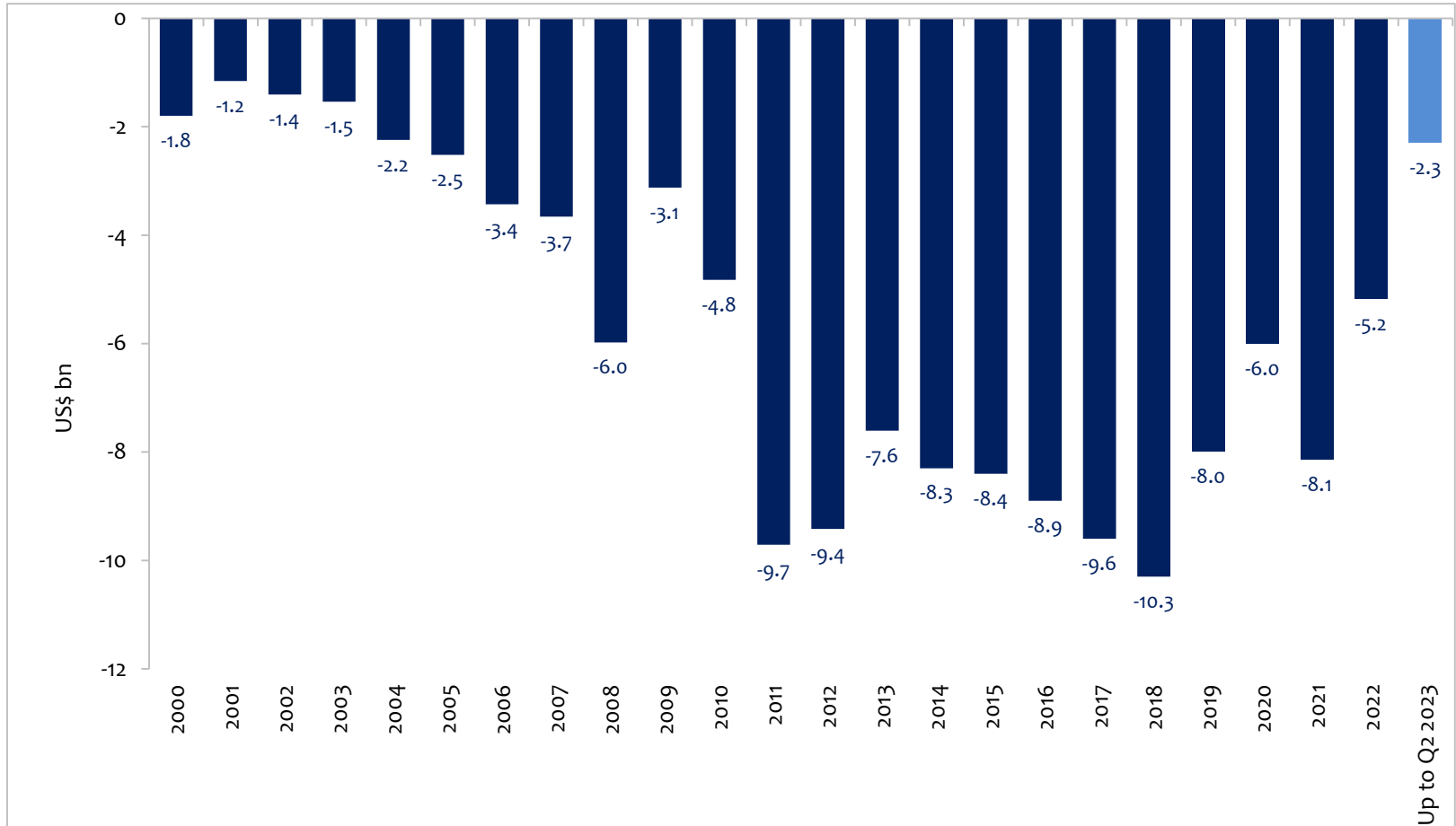
Merchandise Imports - Monthly



Sources: Central Bank of Sri Lanka and Sri Lanka Customs



Trade Balance

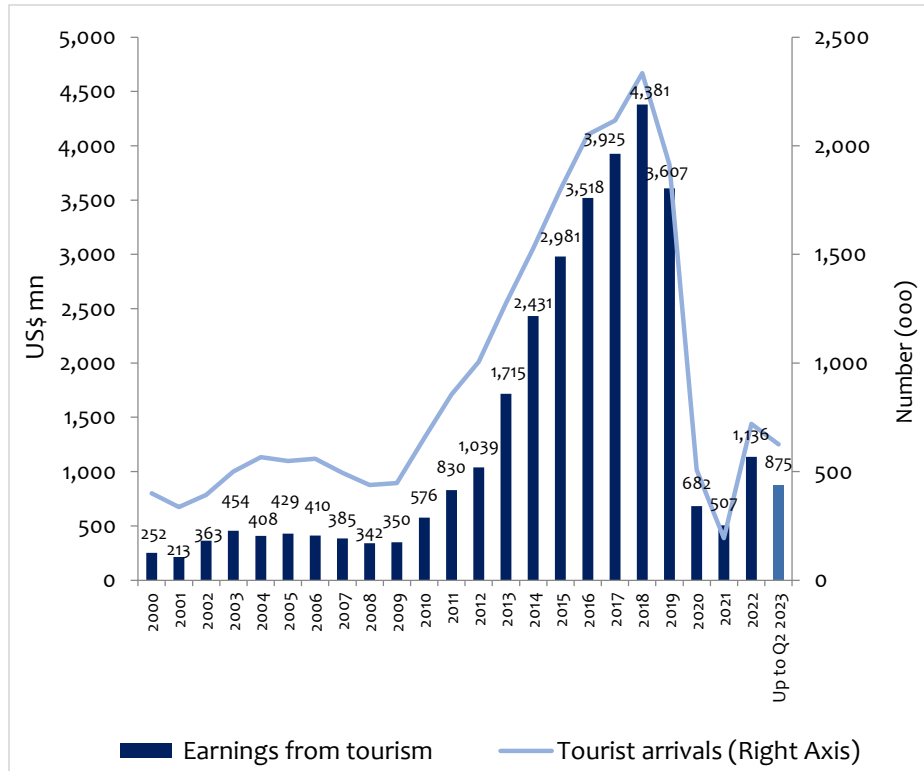


Source: Central Bank of Sri Lanka



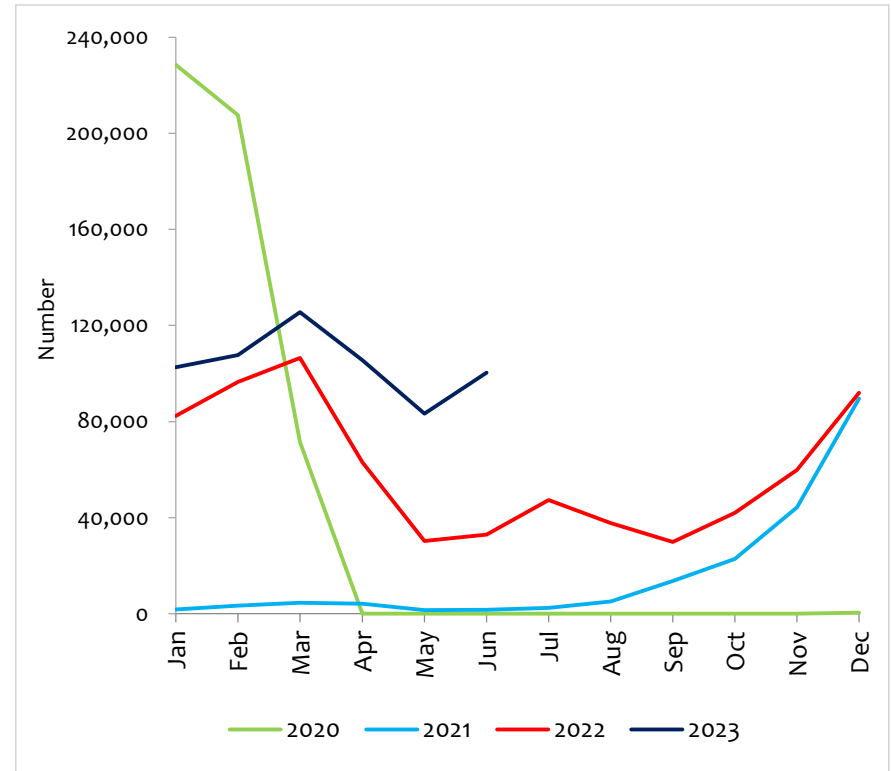
Tourism

Arrivals and Earnings



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

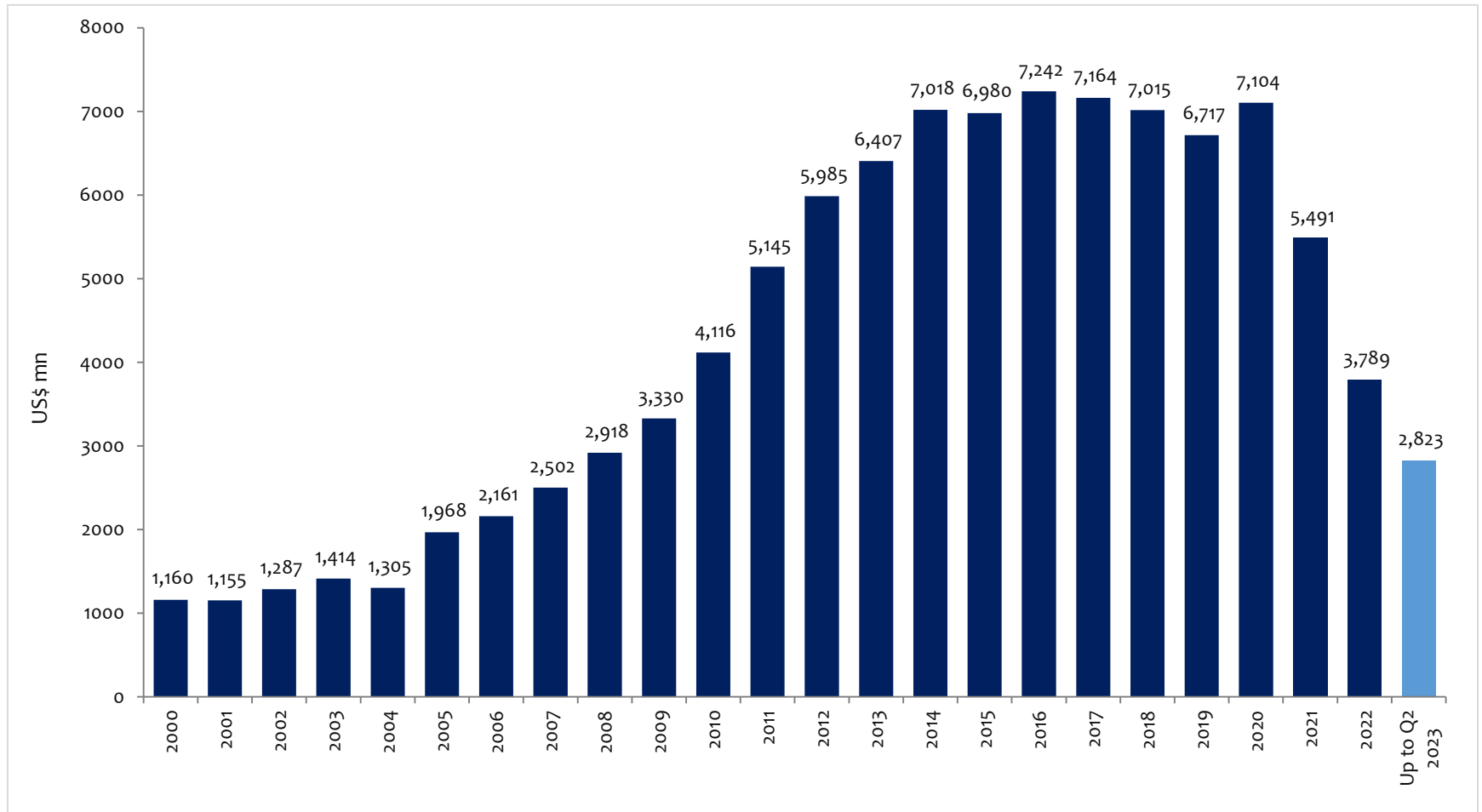
Monthly Arrivals



Source: SLTDA



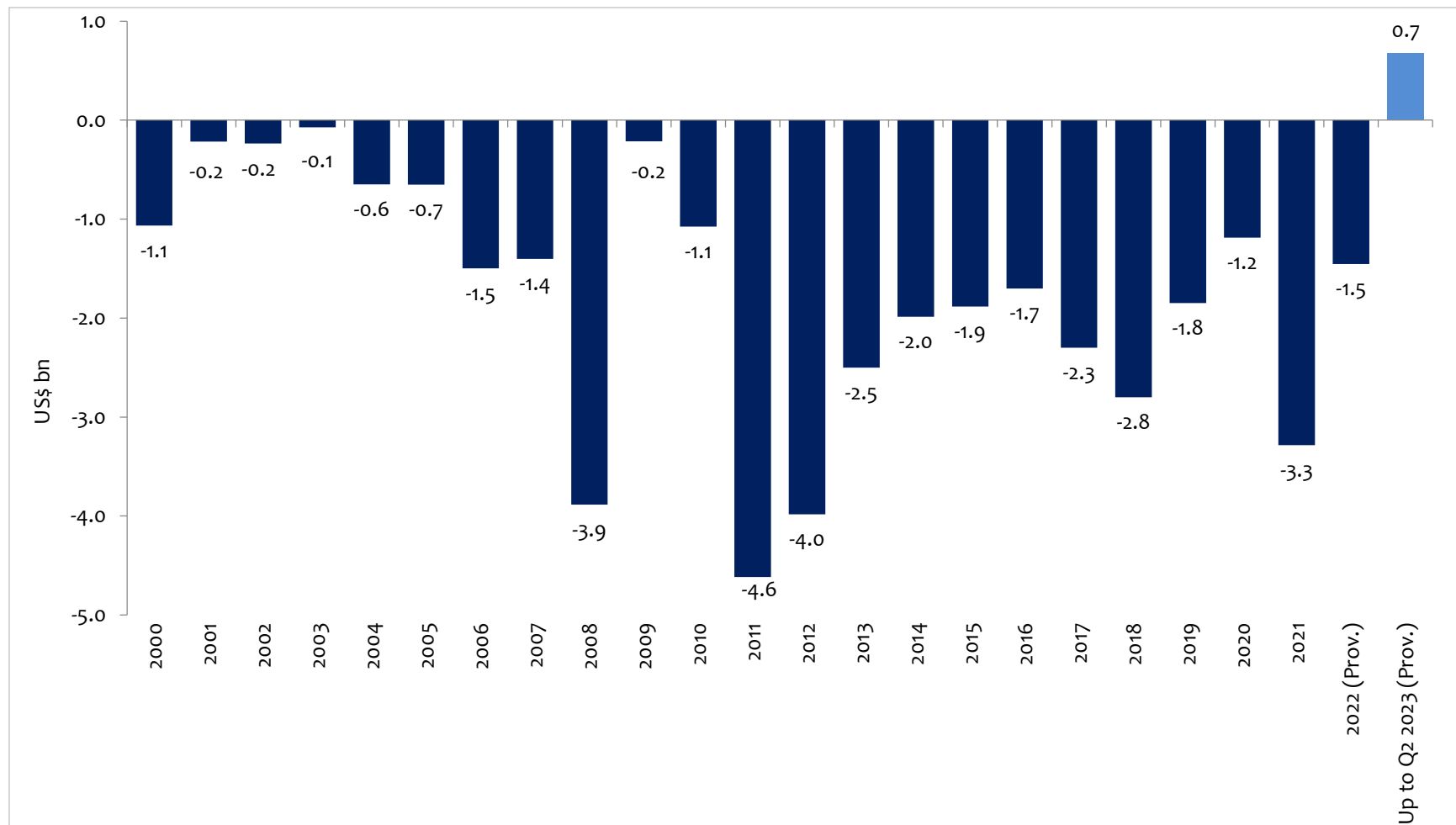
Workers' Remittances



Source: Central Bank of Sri Lanka



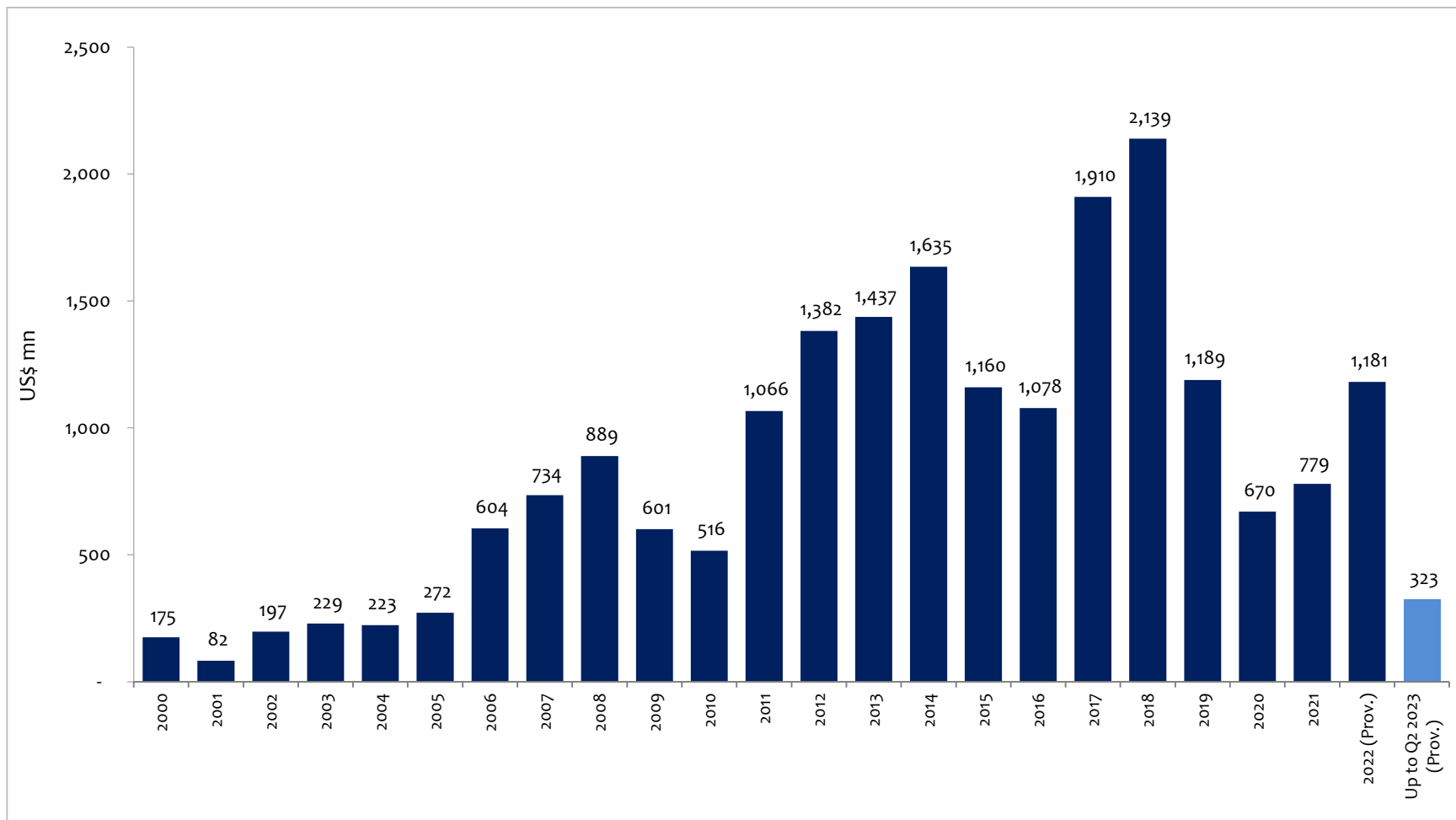
Current Account Balance



Source: Central Bank of Sri Lanka



Foreign Direct Investment Inflows

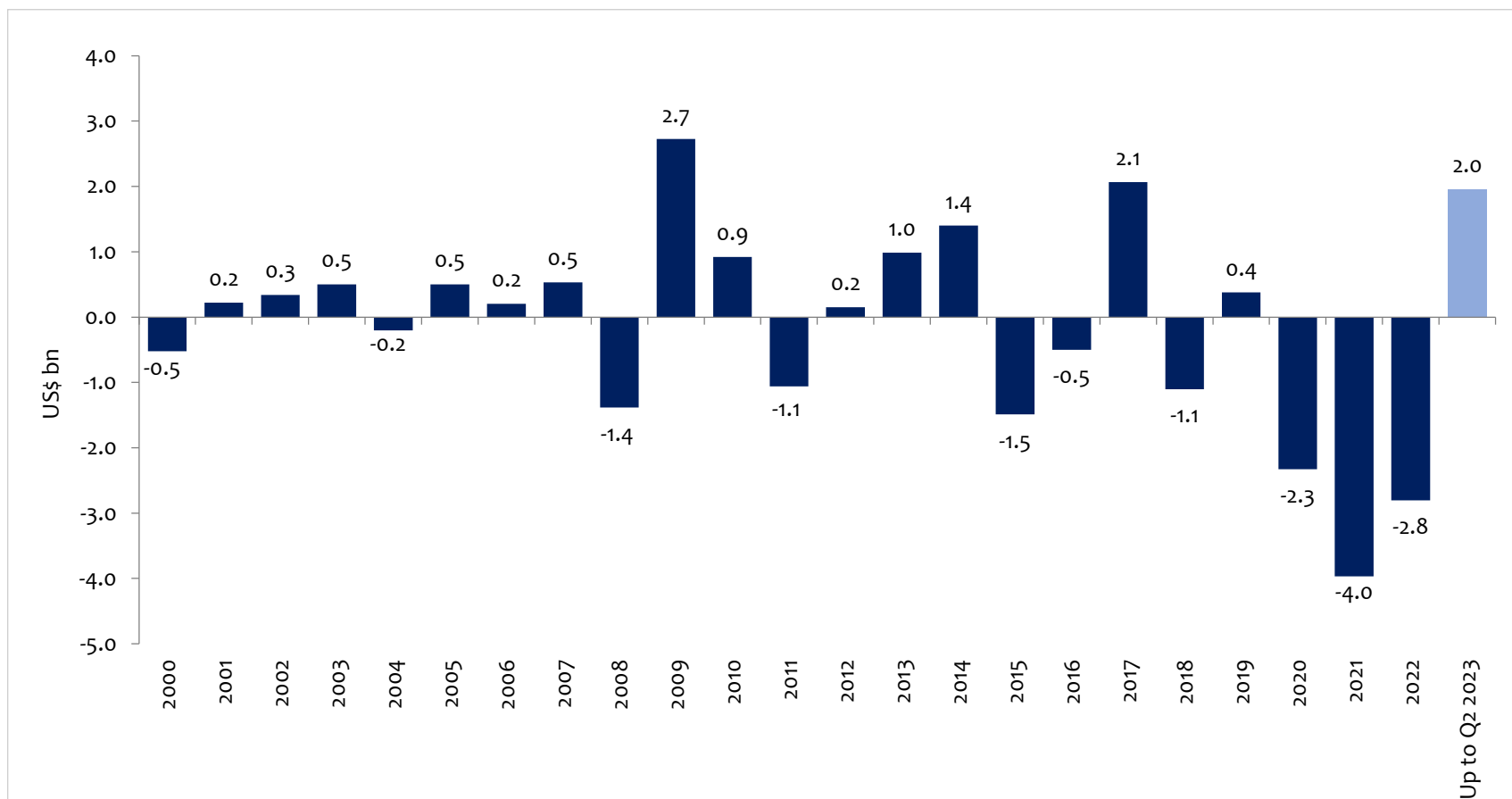


Sources: Central Bank of Sri Lanka,
Board of Investment and Colombo Stock Exchange



Balance of Payments

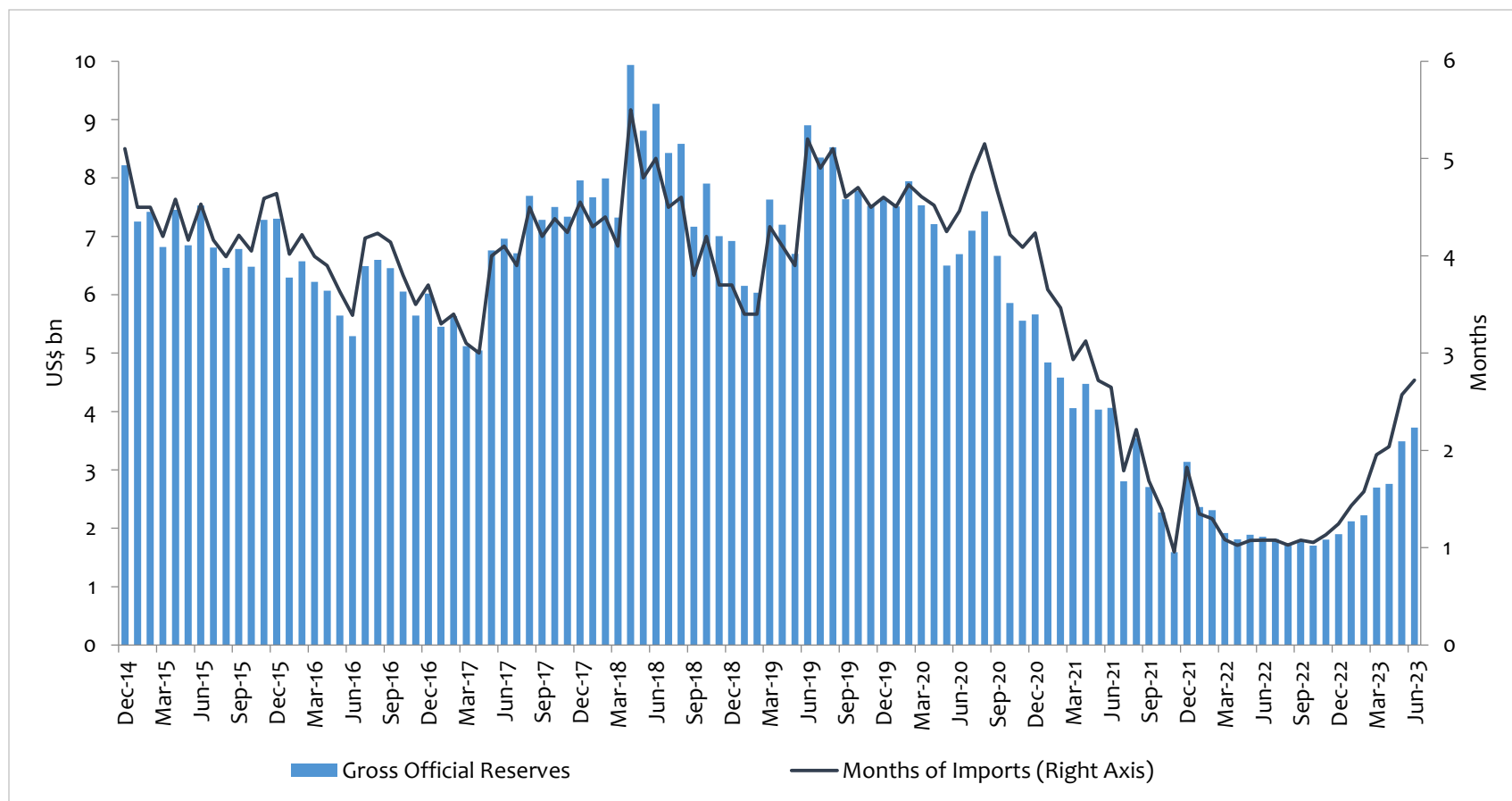
Overall Balance



Source: Central Bank of Sri Lanka



Gross Official Reserves*

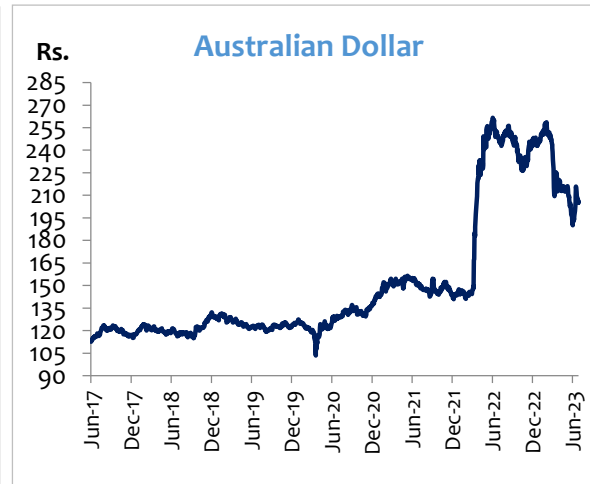
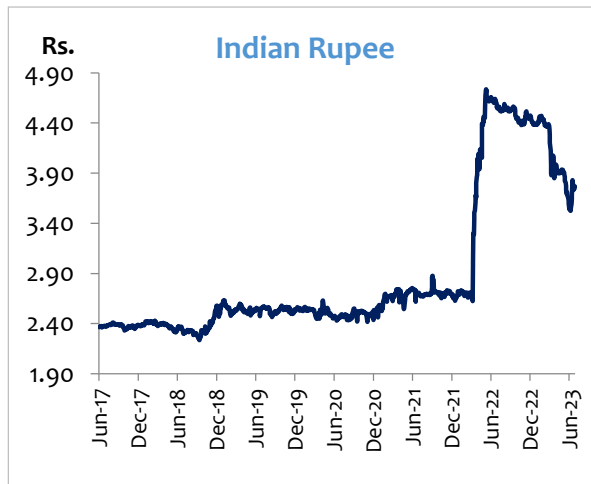
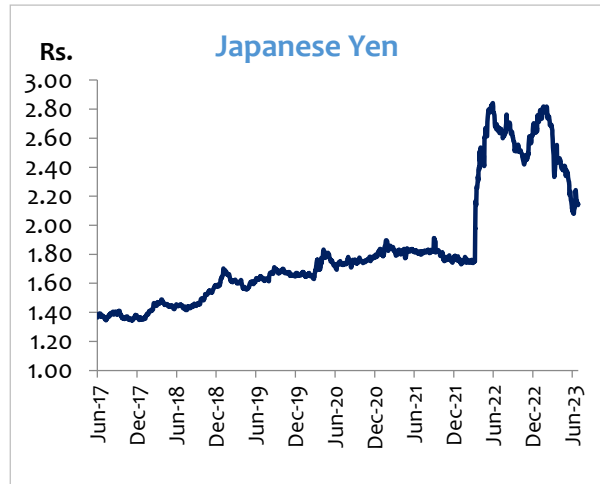
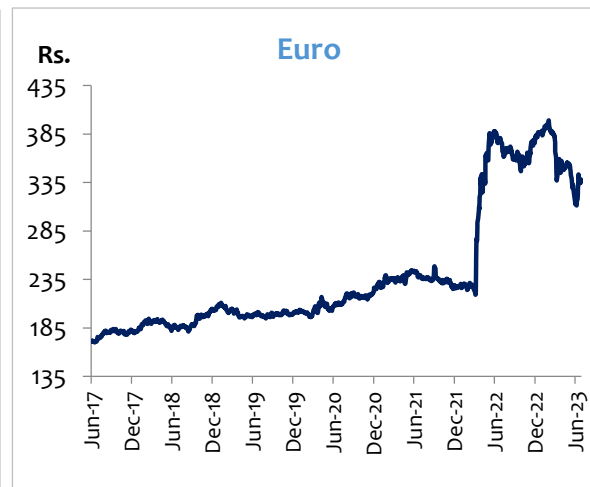
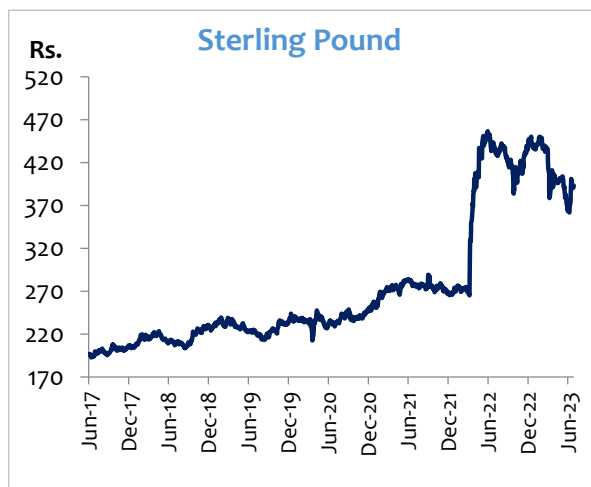
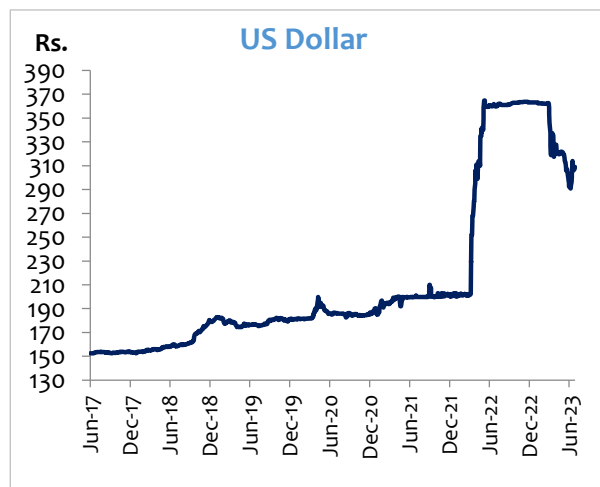


Source: Central Bank of Sri Lanka

* Proceeds from the People's Bank of China (PBOC) swap, which are subject to conditionalities on usability, are included in Gross Official Reserves since end 2021



Exchange Rate Movements



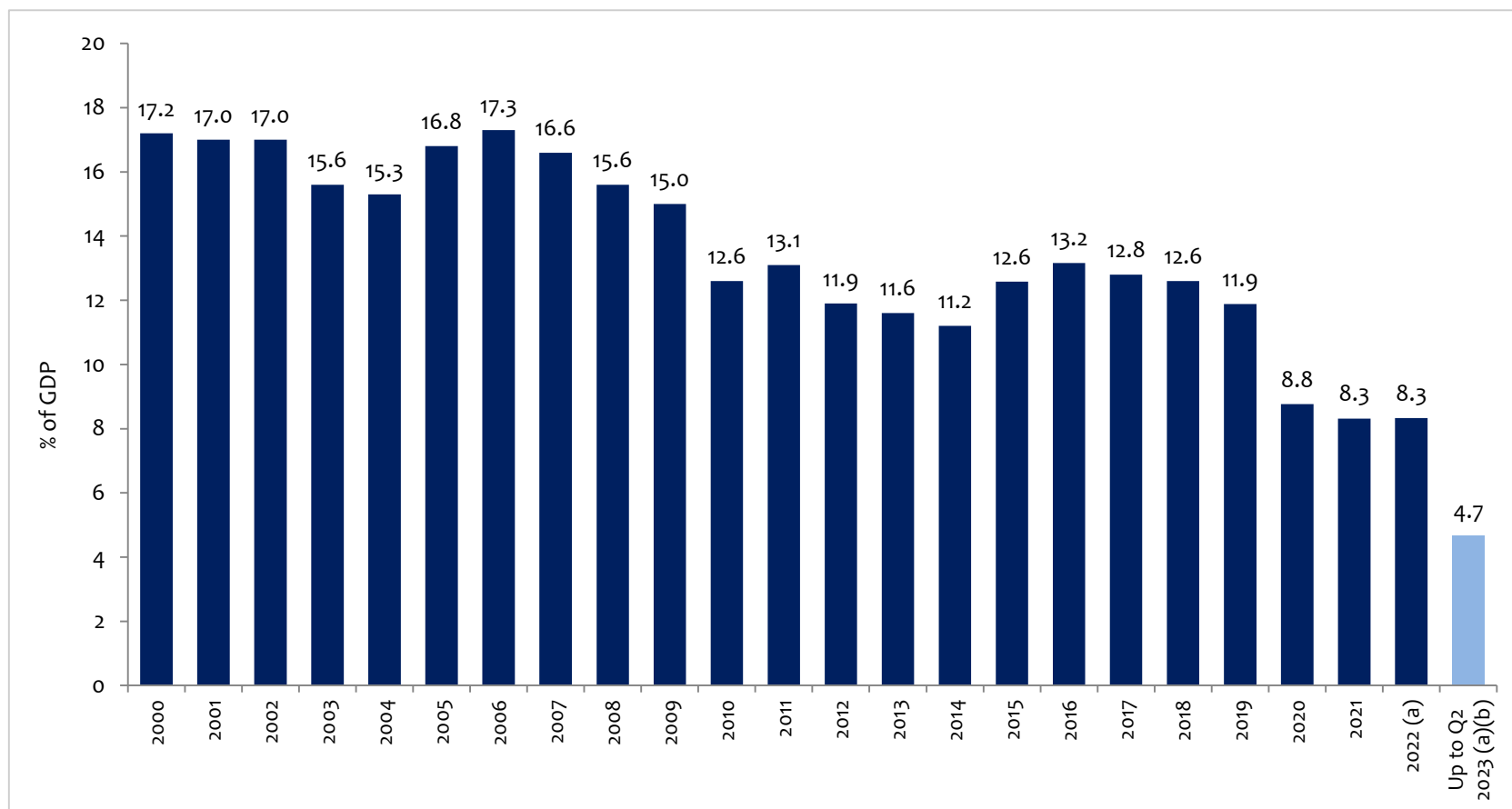
Source: Central Bank of Sri Lanka



Fiscal Sector



Government Revenue



Source: Ministry of Finance, Economic Stabilization and National Policies

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

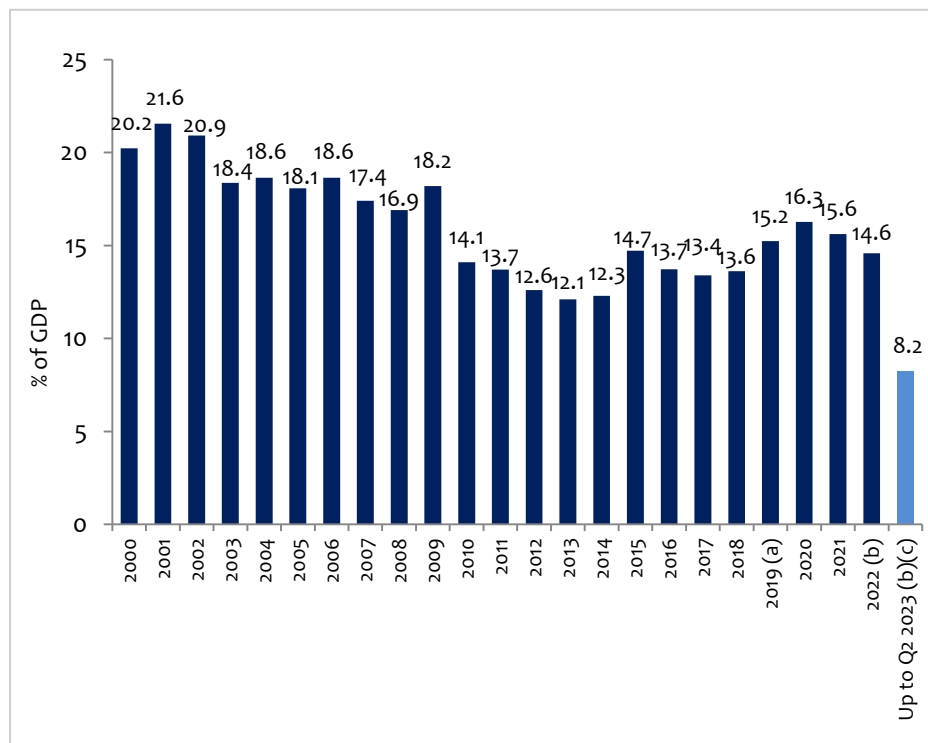
(b) Based on the nominal GDP projection of the Central Bank of Sri Lanka.



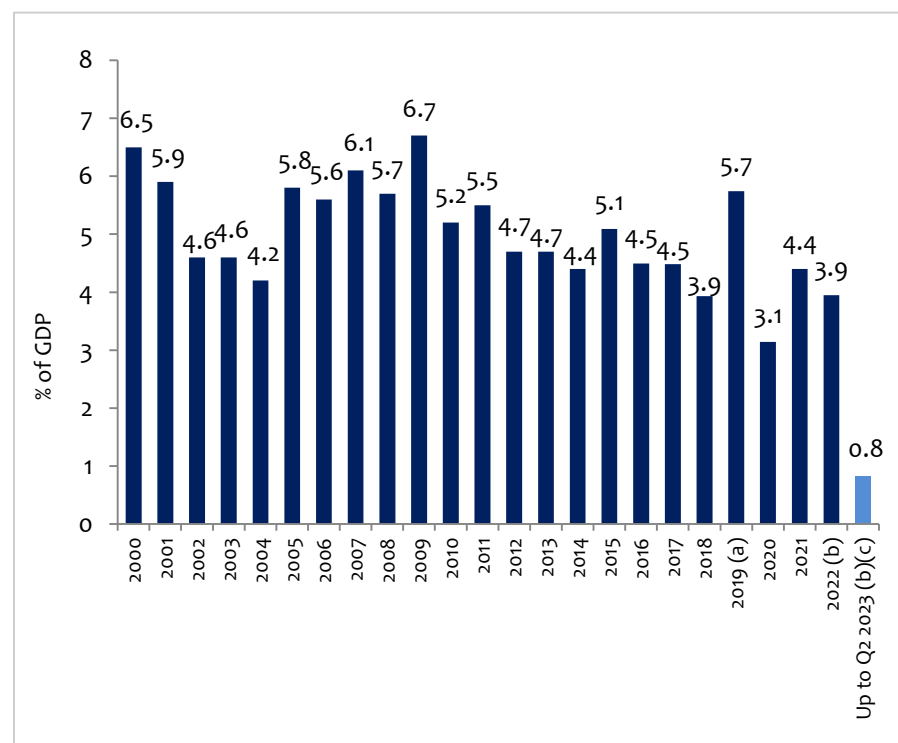
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Government Expenditure

Recurrent Expenditure



Capital and Net Lending



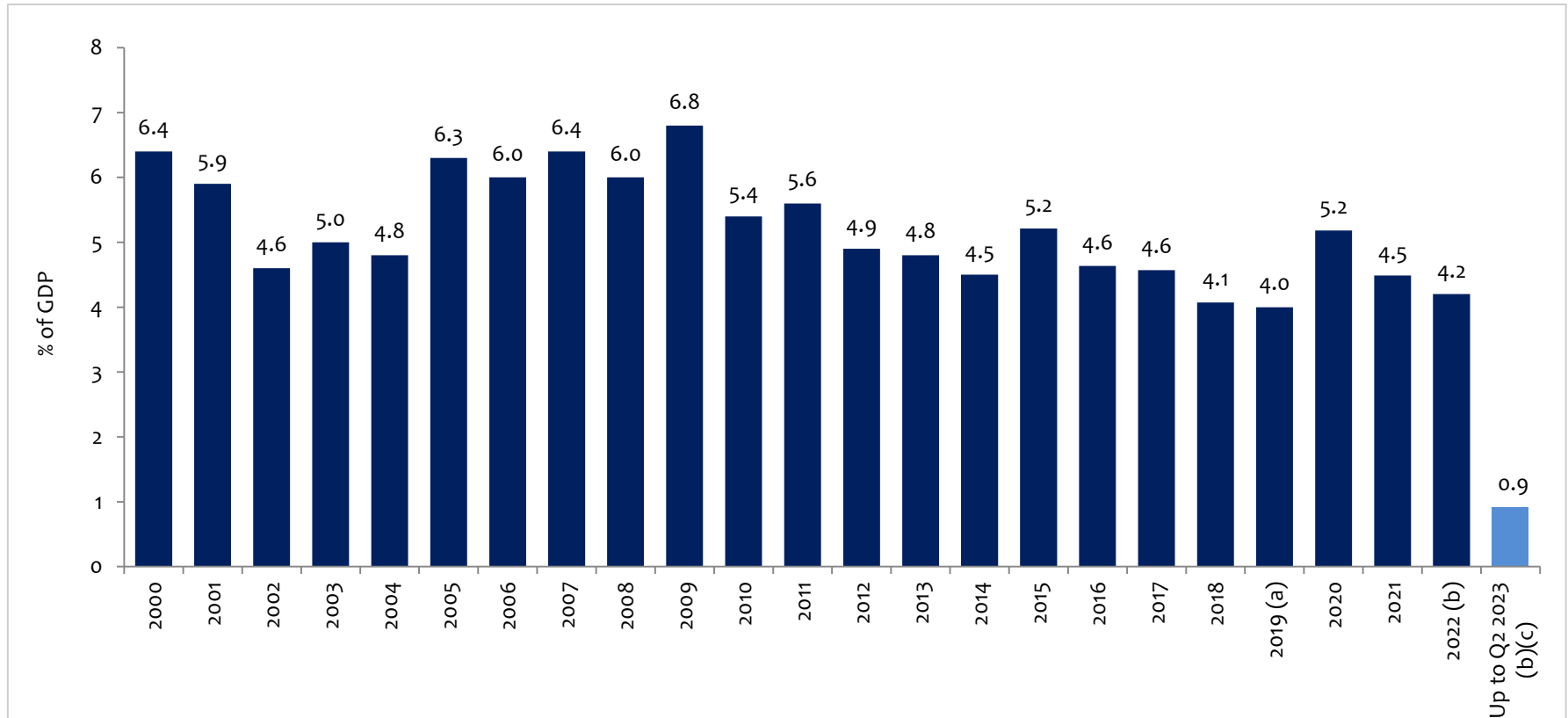
Source: Ministry of Finance, Economic Stabilization and National Policies

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



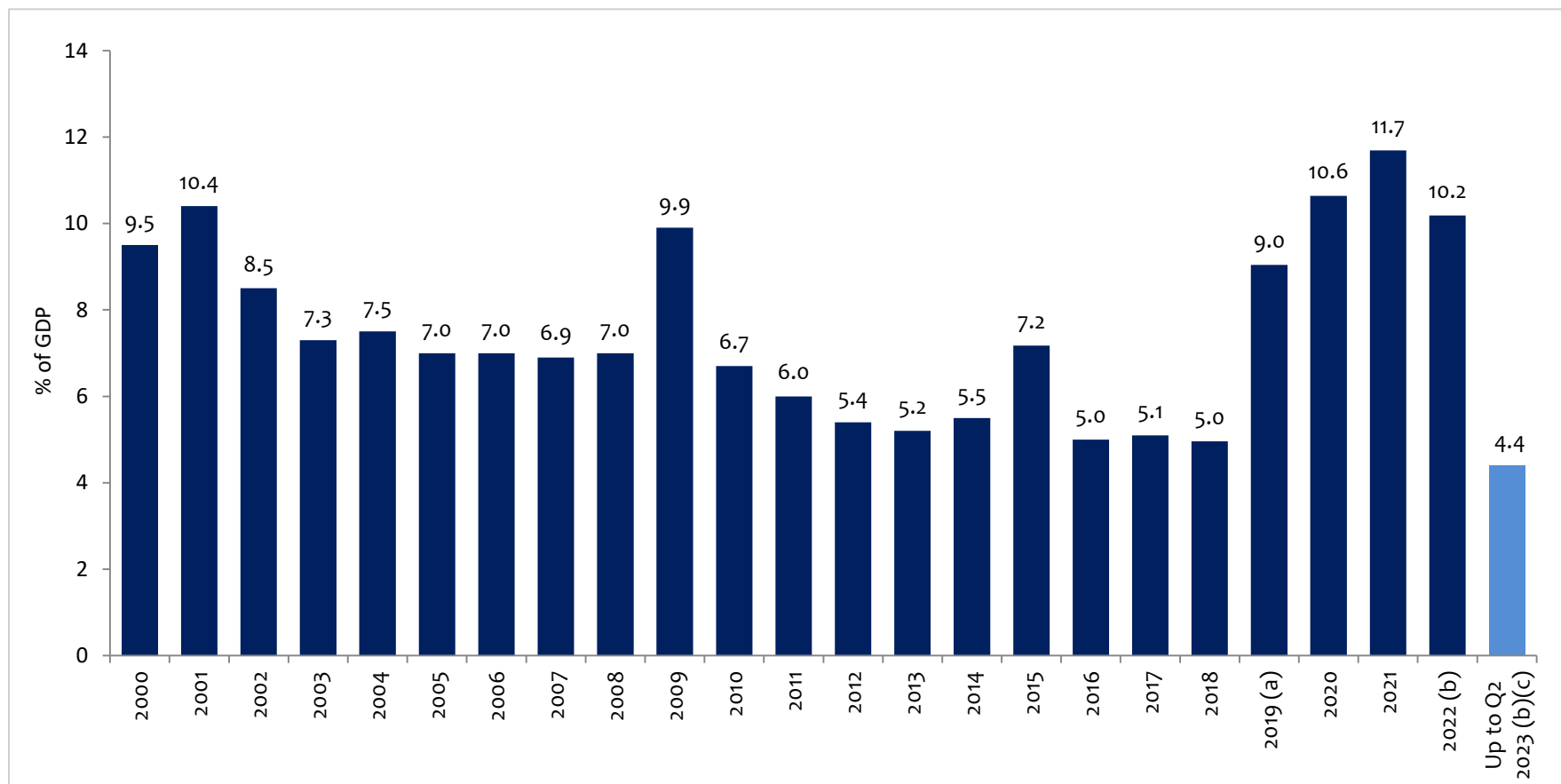
Source: Ministry of Finance, Economic Stabilization and National Policies

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.



Budget Deficit



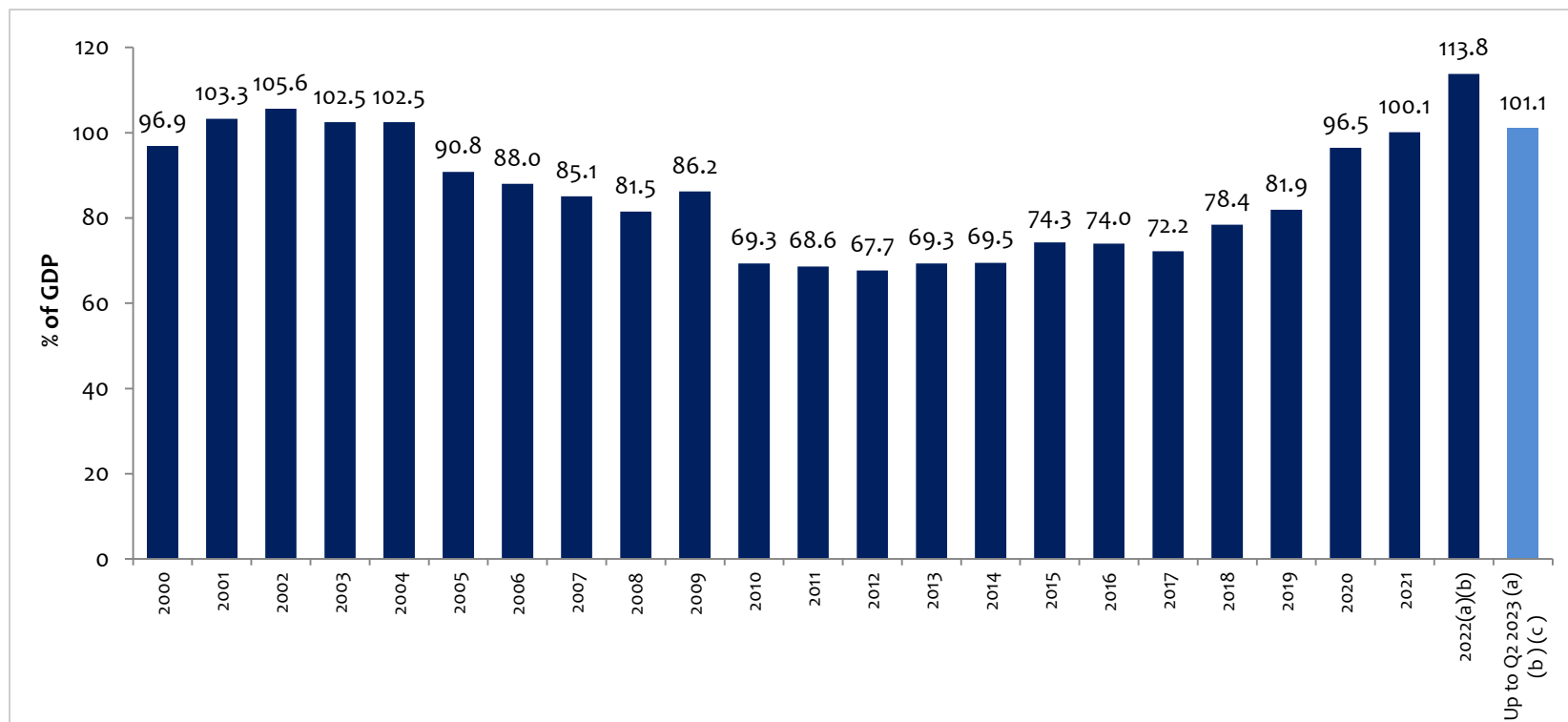
Source: Ministry of Finance, Economic Stabilization and National Policies

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



Source: Ministry of Finance, Economic Stabilization and National Policies
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) 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.



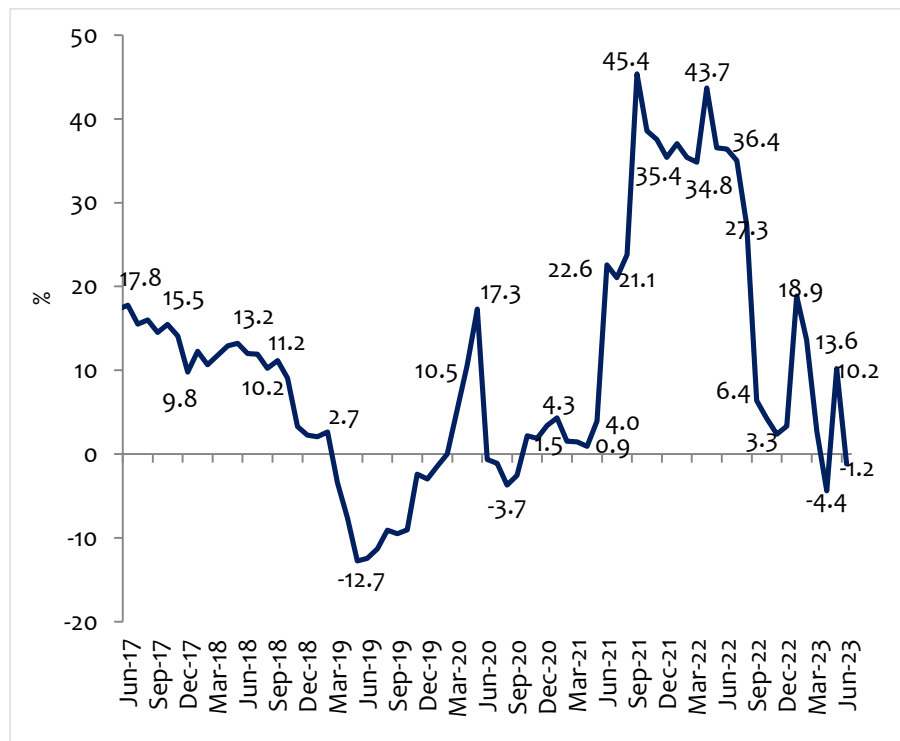
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Monetary Sector

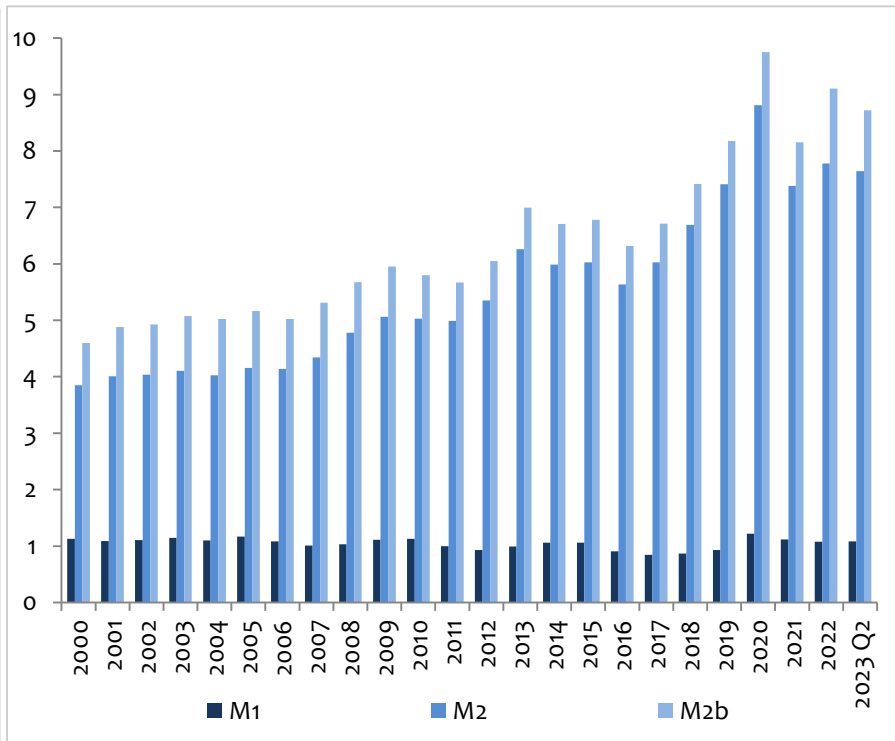


Reserve Money Growth and Money Multiplier

Reserve Money Growth (Y-O-Y)

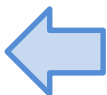


Money Multiplier



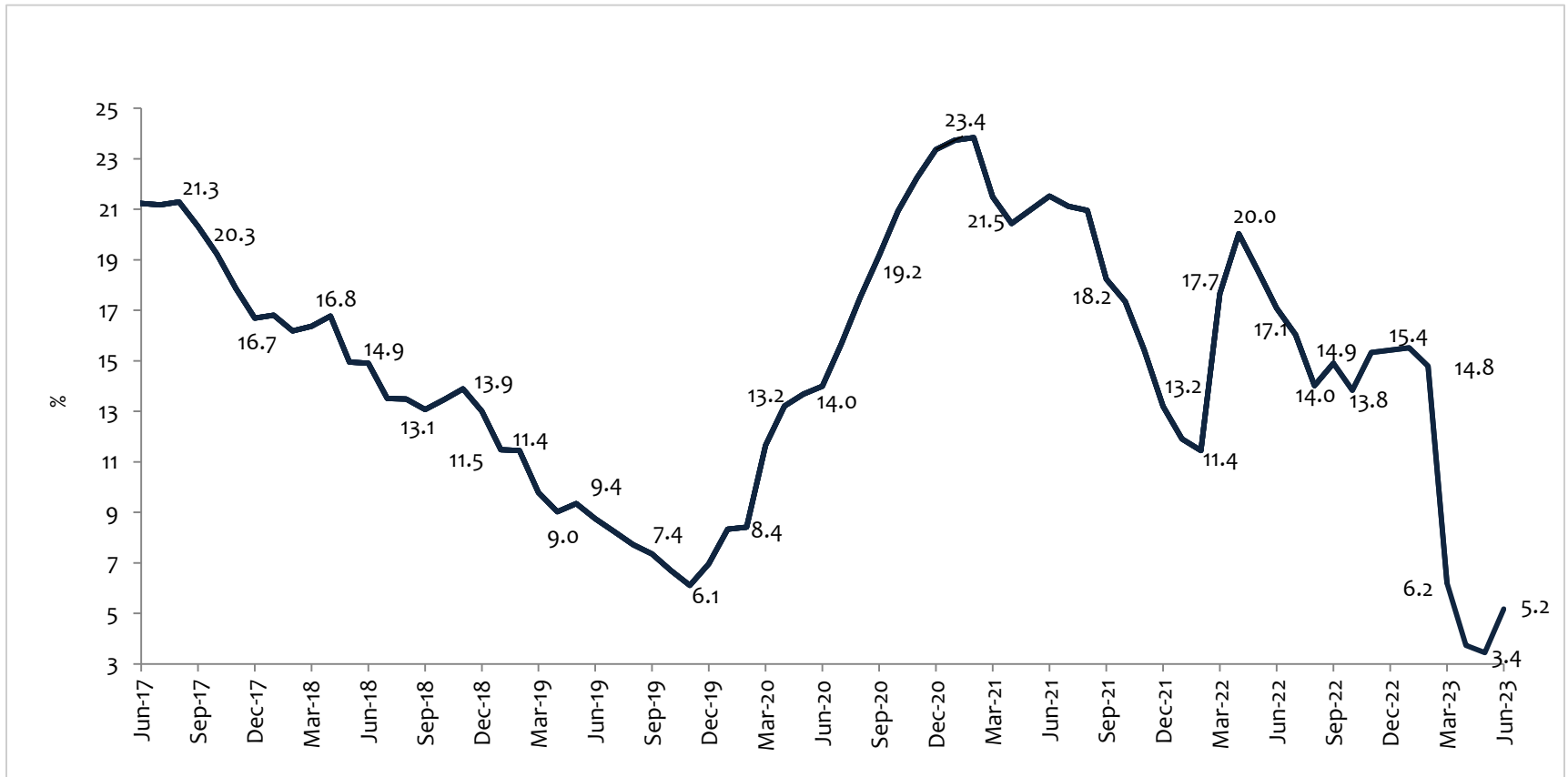
Source: Central Bank of Sri Lanka

Note: Valuation changes arising from changes in the exchange rate have led to significant changes in monetary and credit aggregates during the period starting from March 2022.

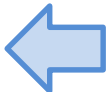


Broad Money Growth

Broad Money (M2b) Growth (Y-O-Y)



Source: Central Bank of Sri Lanka

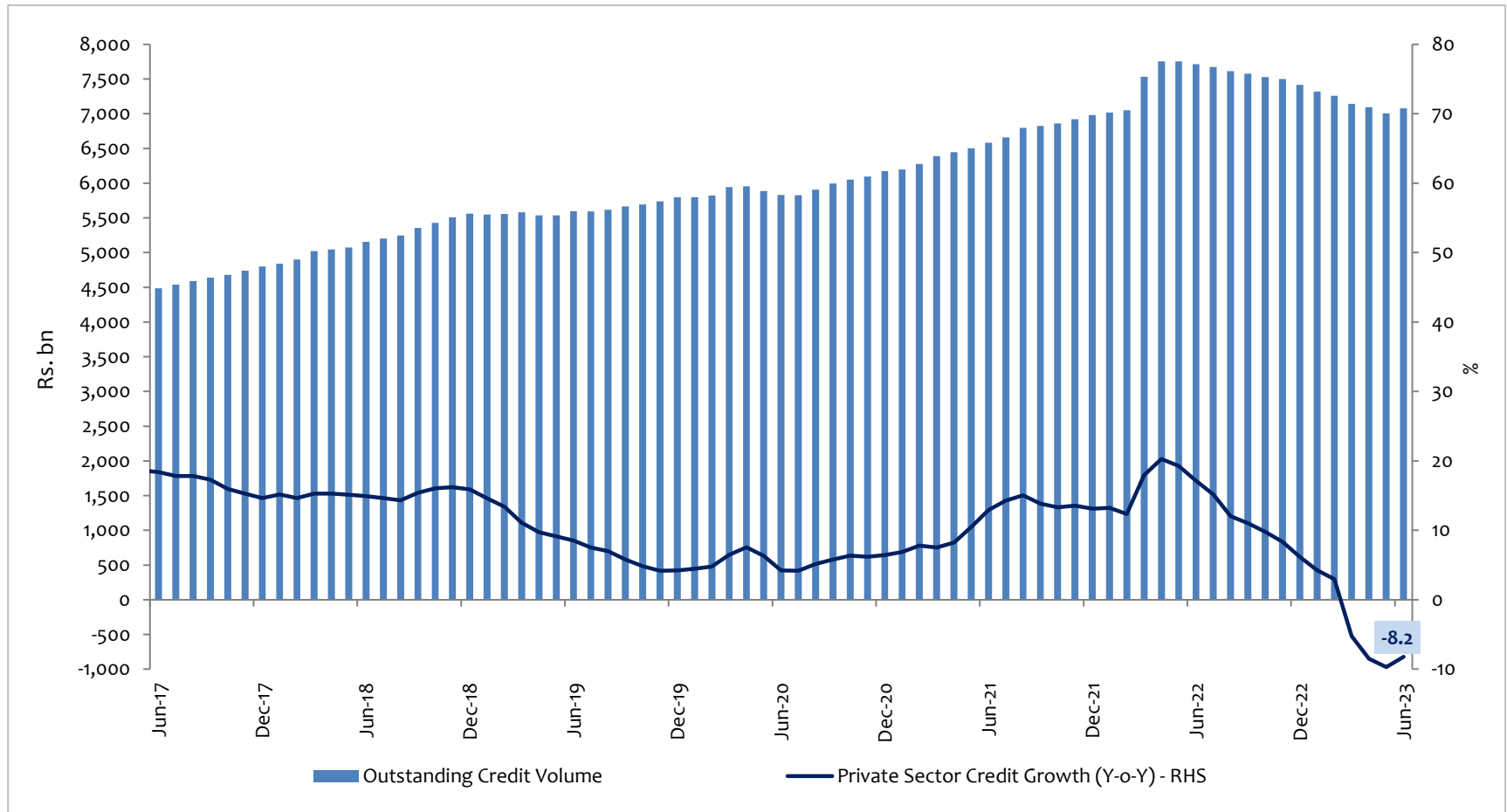


Note: Valuation changes arising from changes in the exchange rate have led to significant changes in monetary and credit aggregates during the period starting from March 2022.



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Credit to the Private Sector

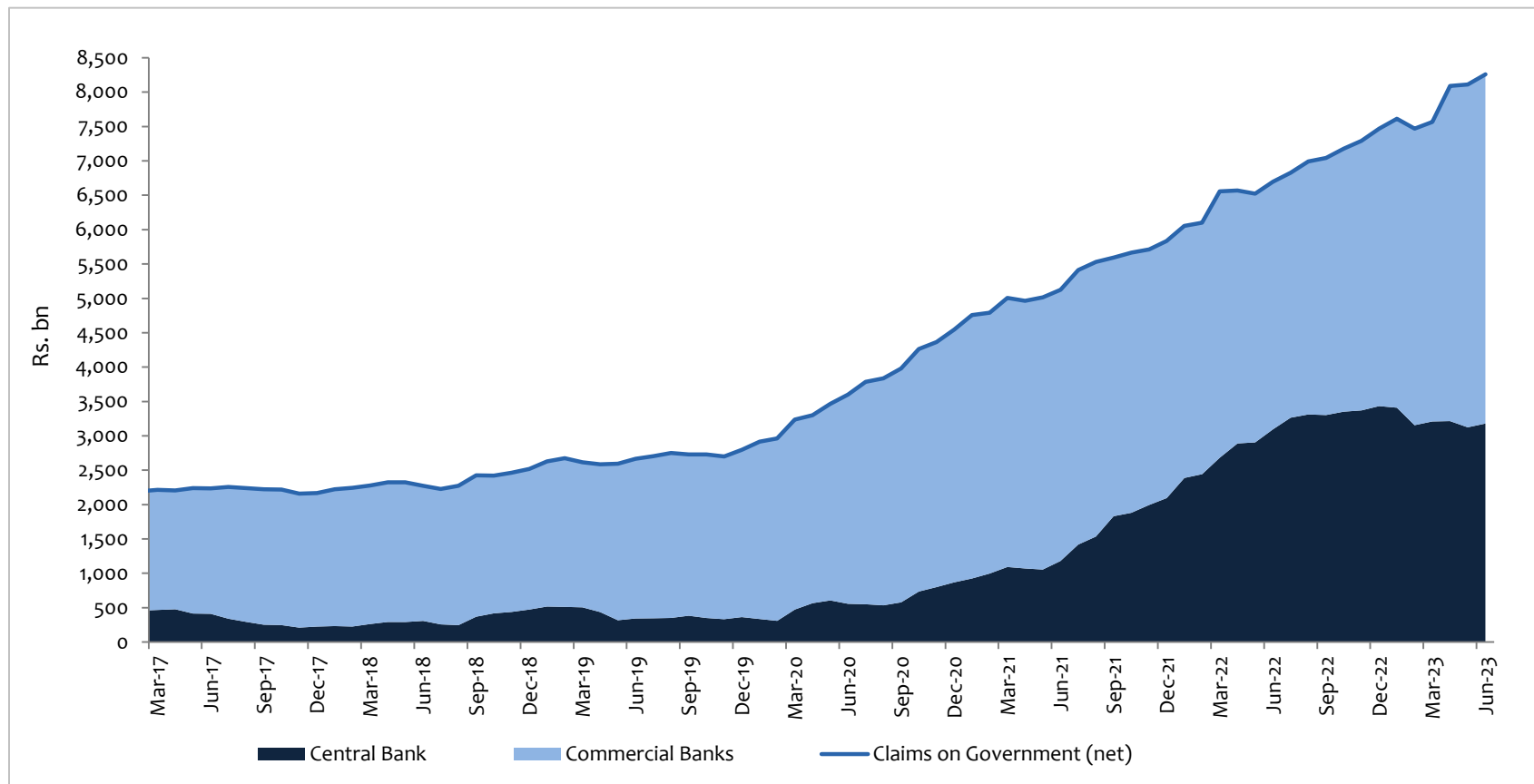


Source: Central Bank of Sri Lanka

Note: Valuation changes arising from changes in the exchange rate have led to significant changes in monetary and credit aggregates during the period starting from March 2022.



Net Credit to the Government



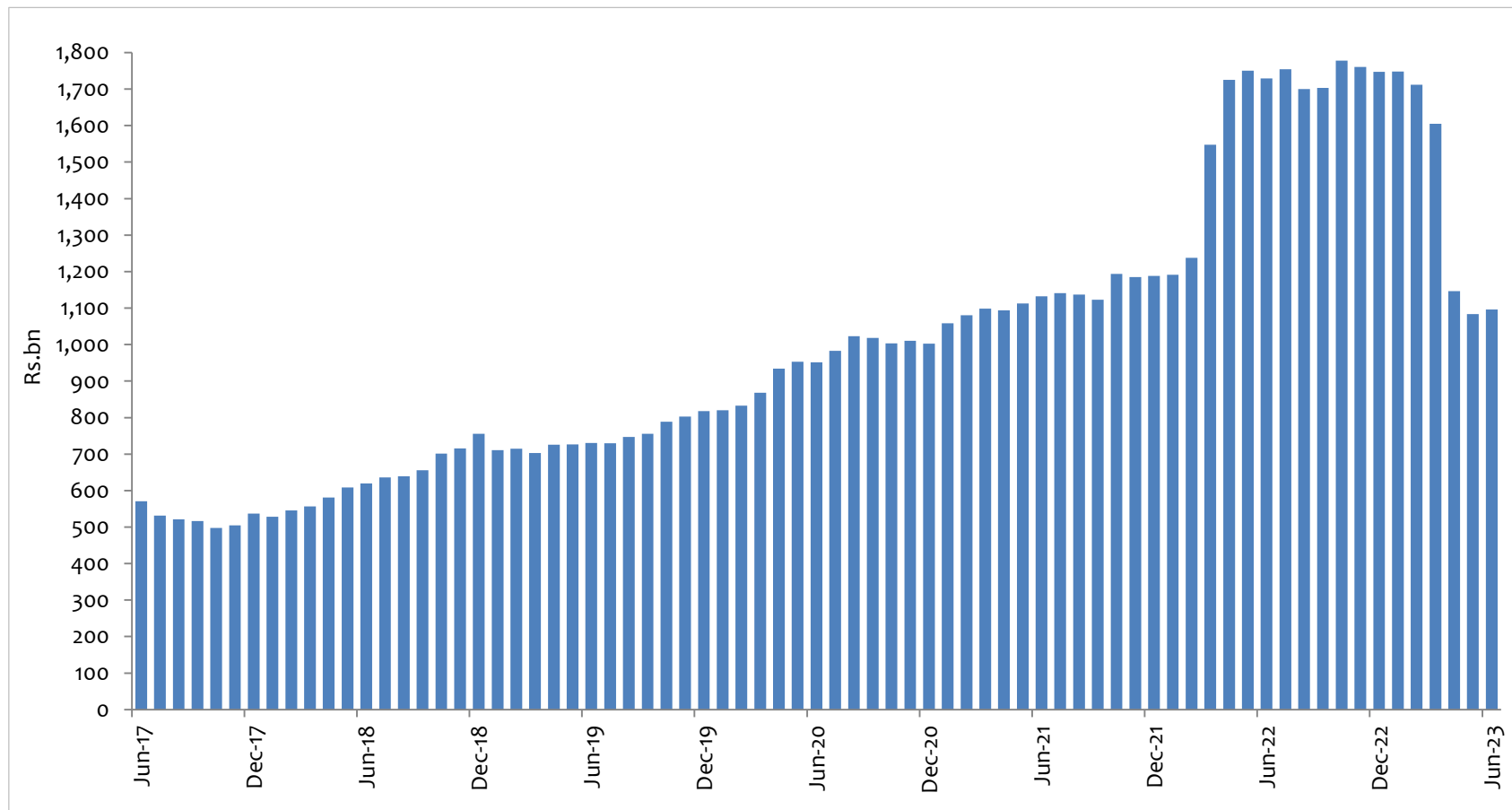
Source: Central Bank of Sri Lanka



Note: Valuation changes arising from changes in the exchange rate have led to significant changes in monetary and credit aggregates during the period starting from March 2022.



Credit to Public Corporations



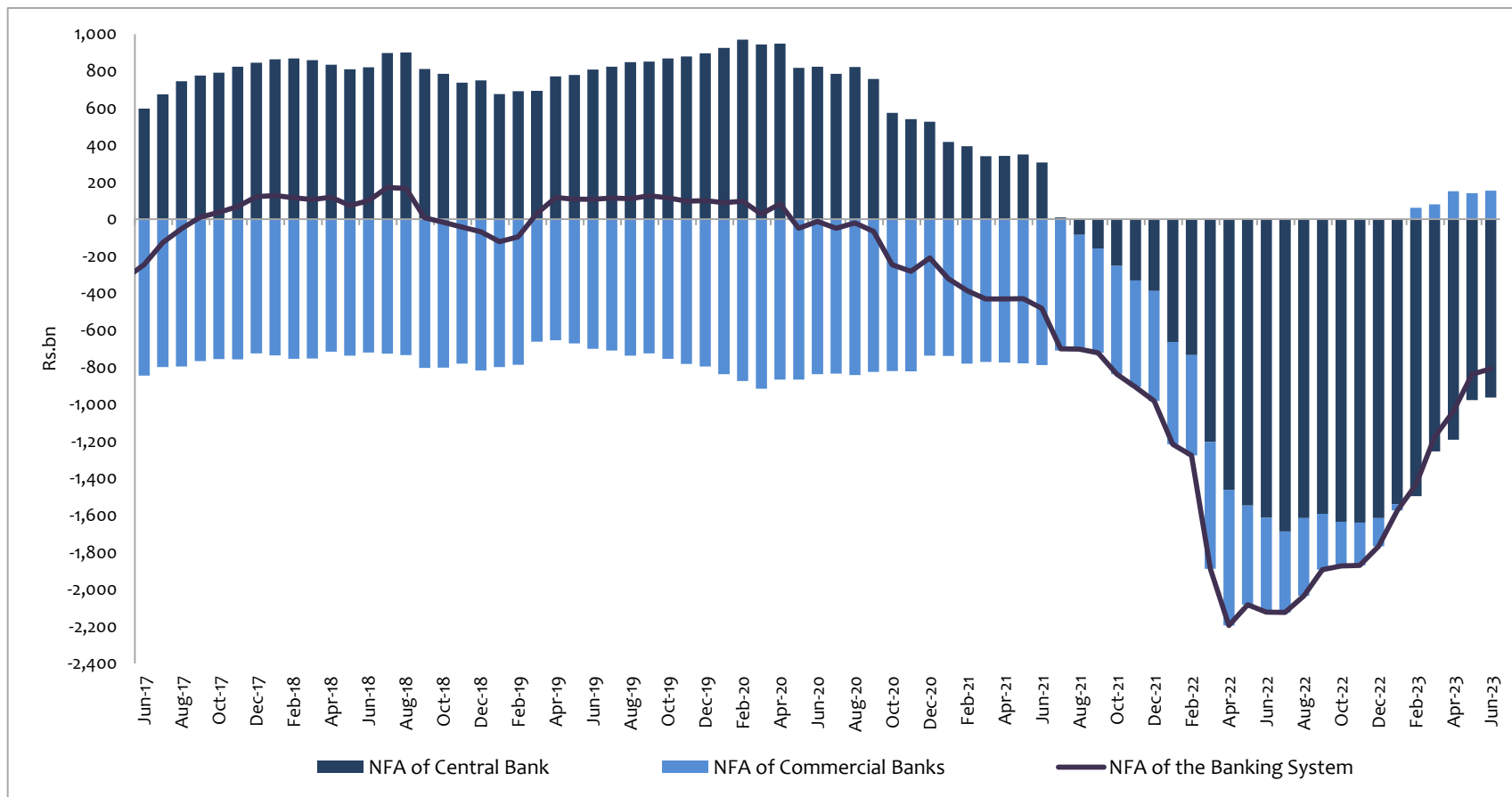
Source: Central Bank of Sri Lanka

Note: With the approval of the Cabinet of Ministers at its meeting held on 30 January 2023, the outstanding foreign currency guaranteed debt of the CPC was absorbed into central government debt with effect from December 2022, in line with the actions agreed under the IMF-EFF arrangement to restructure the balance sheets of selected SOBEs. Accordingly, a part of this adjustment was effected in April 2023, hence, was reflected in the balance sheet of the particular state-owned commercial bank, which caused a reduction in credit to public corporations/ SOBEs and an expansion in NCG.



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Net Foreign Assets (NFA)



Source: Central Bank of Sri Lanka

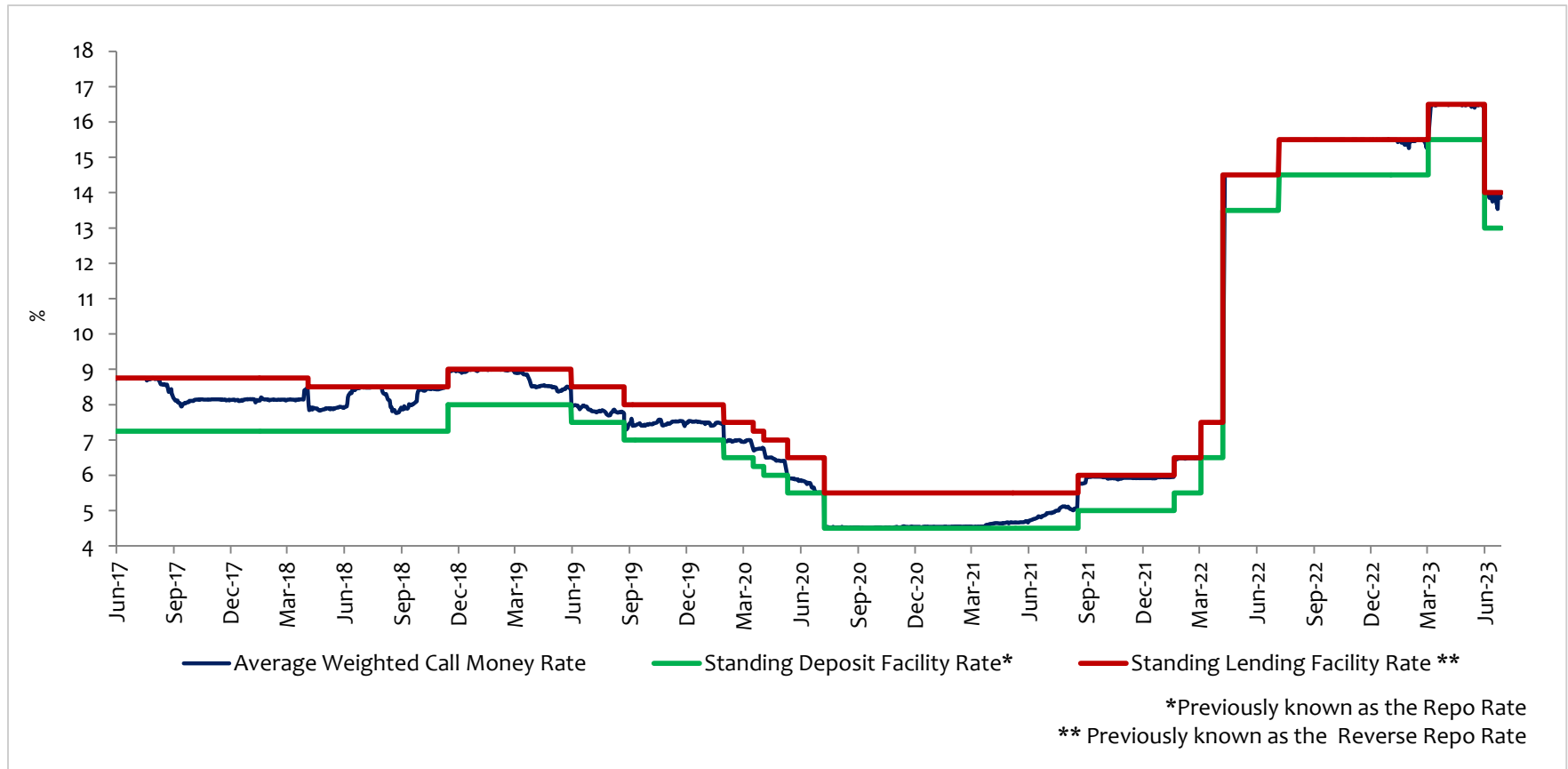


Note: Valuation changes arising from changes in the exchange rate have led to significant changes in monetary and credit aggregates during the period starting from March 2022.



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Policy Interest Rates and Overnight Money Market Rates

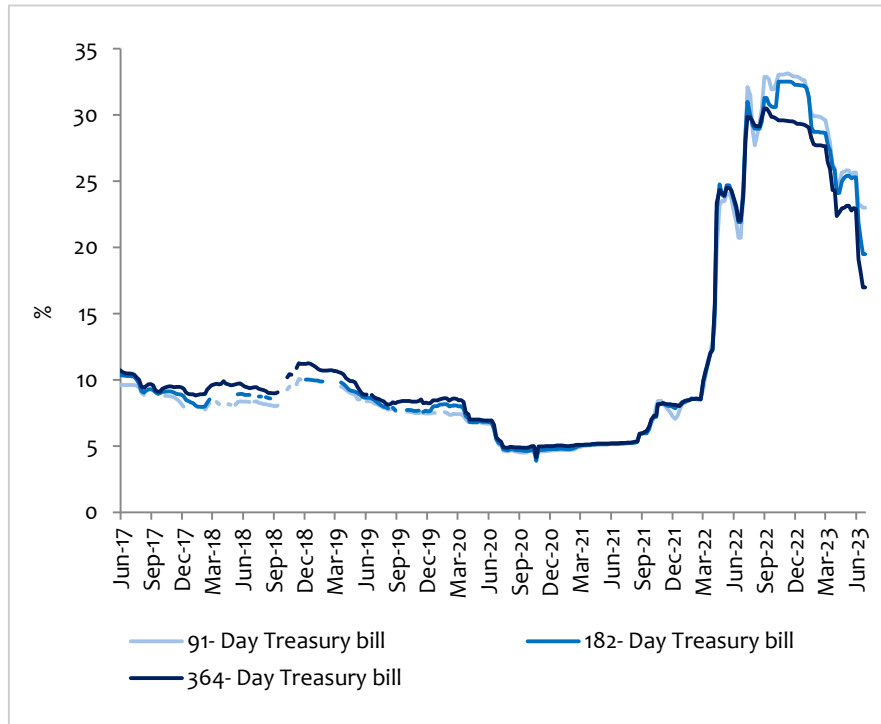


Source: Central Bank of Sri Lanka

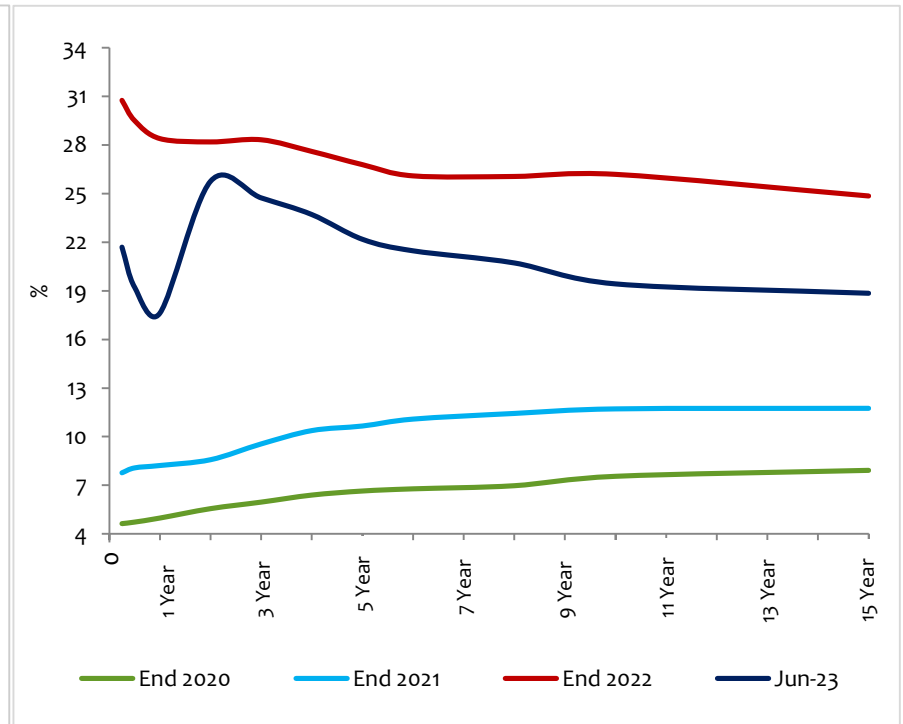


Treasury Bill Yields and the Yield Curve

Treasury Bill Yields (Primary Market)*



Secondary Market Yield Curve

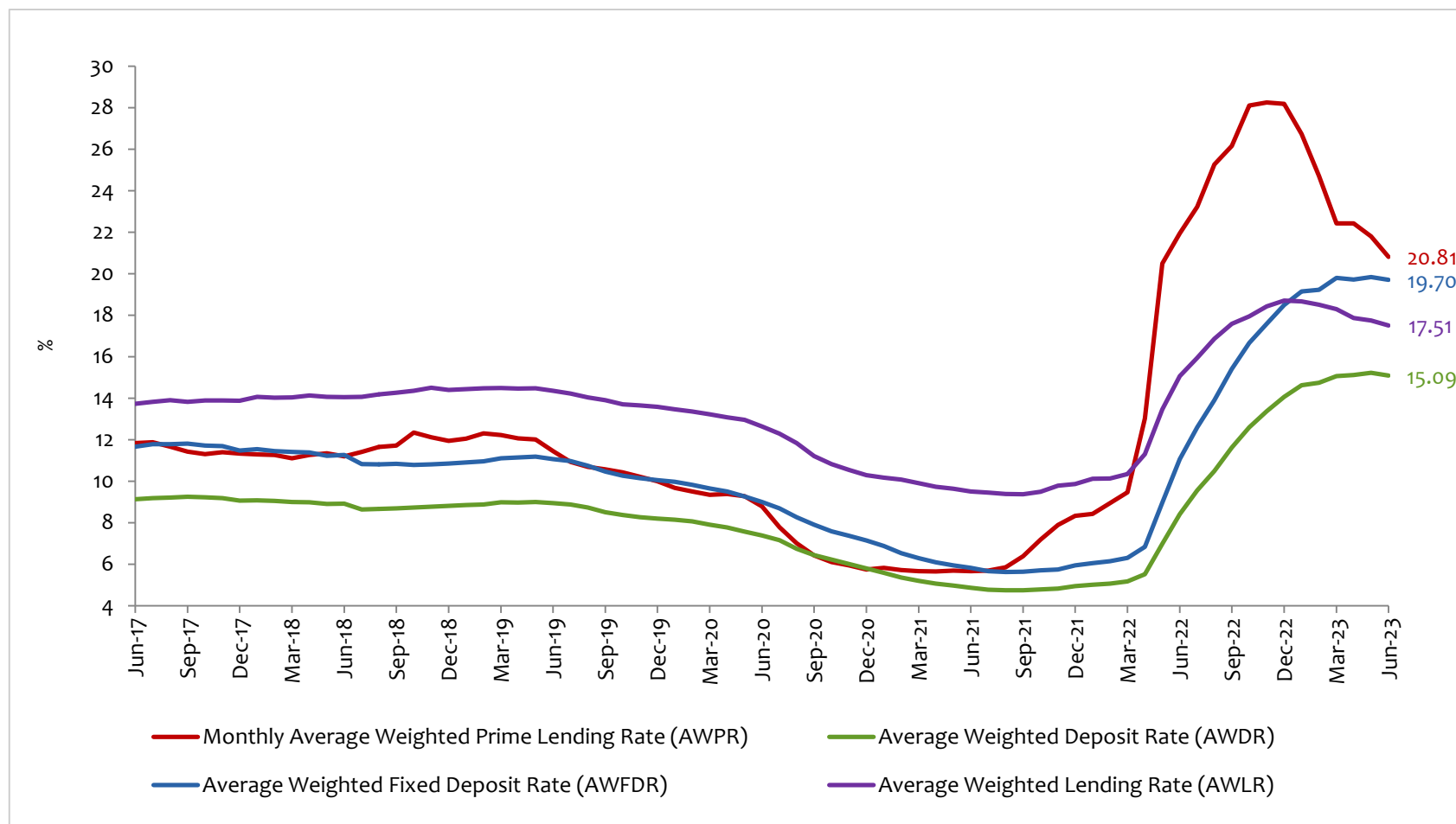


Source: Central Bank of Sri Lanka

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



Market Interest Rates



Source: Central Bank of Sri Lanka

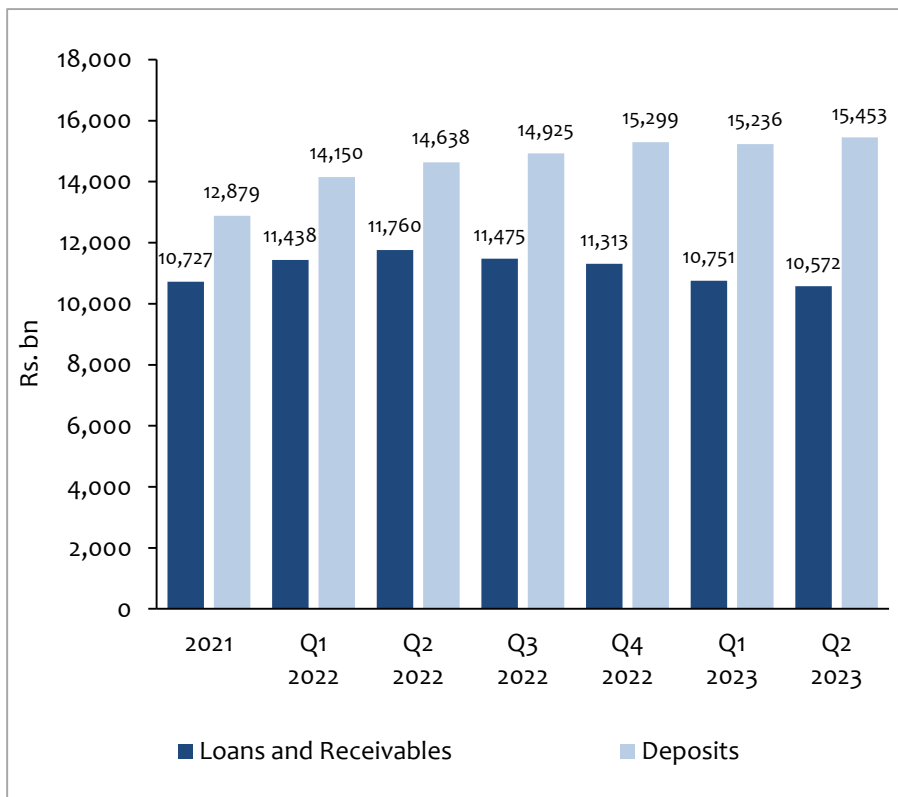


Financial Sector



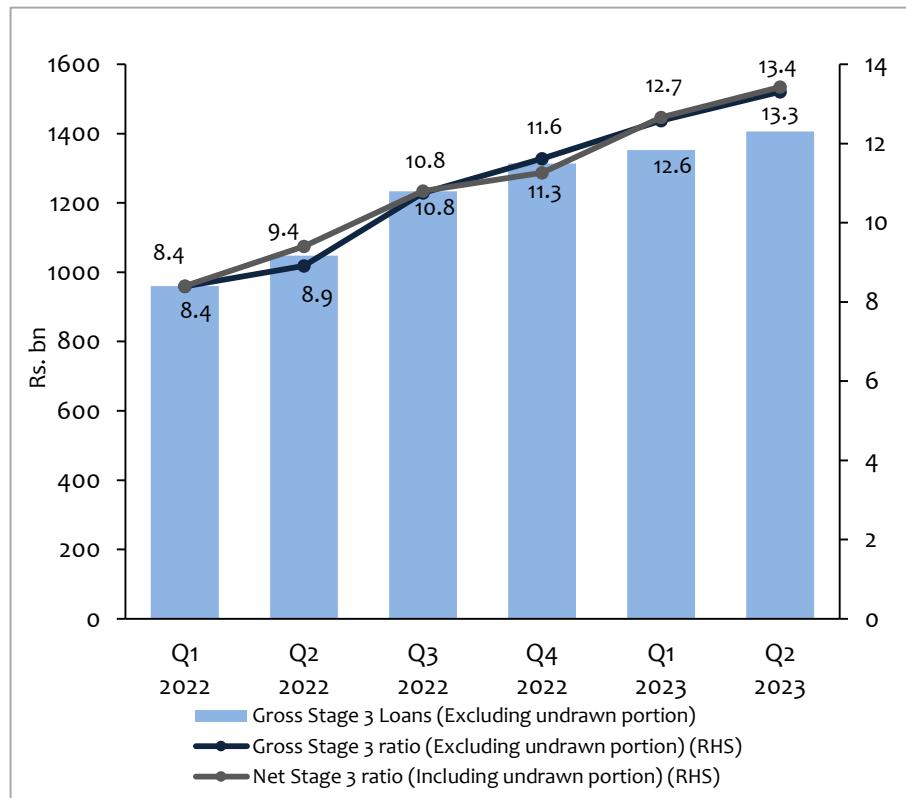
Banking Sector Indicators (i)

Assets and Liabilities of the Banking Sector



Note : Data reported based on SLFRS.

Stage 3 Loans of the Banking Sector

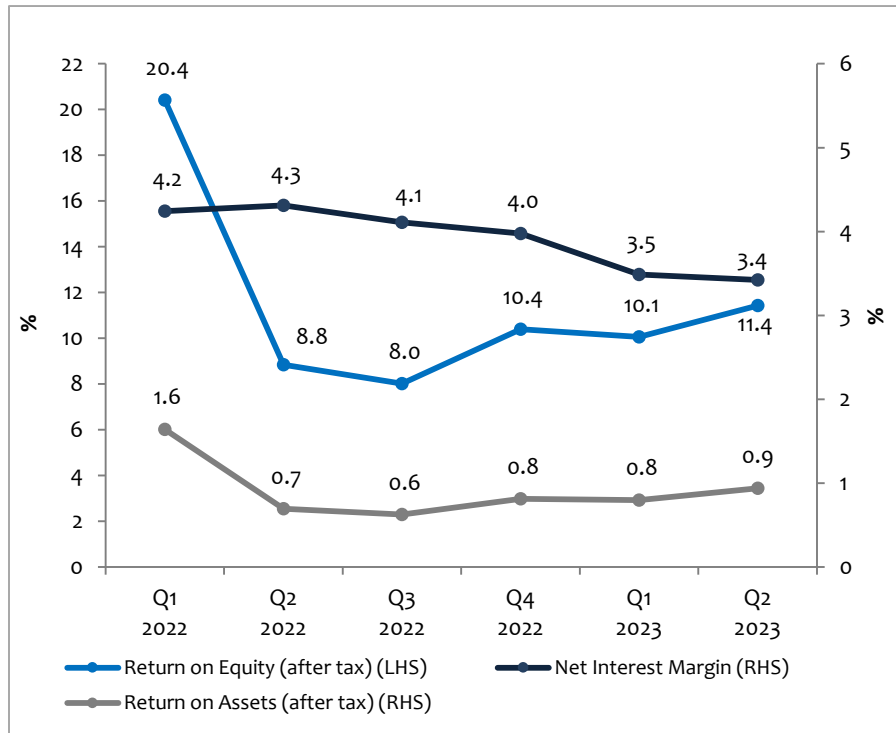


Source: Central Bank of Sri Lanka



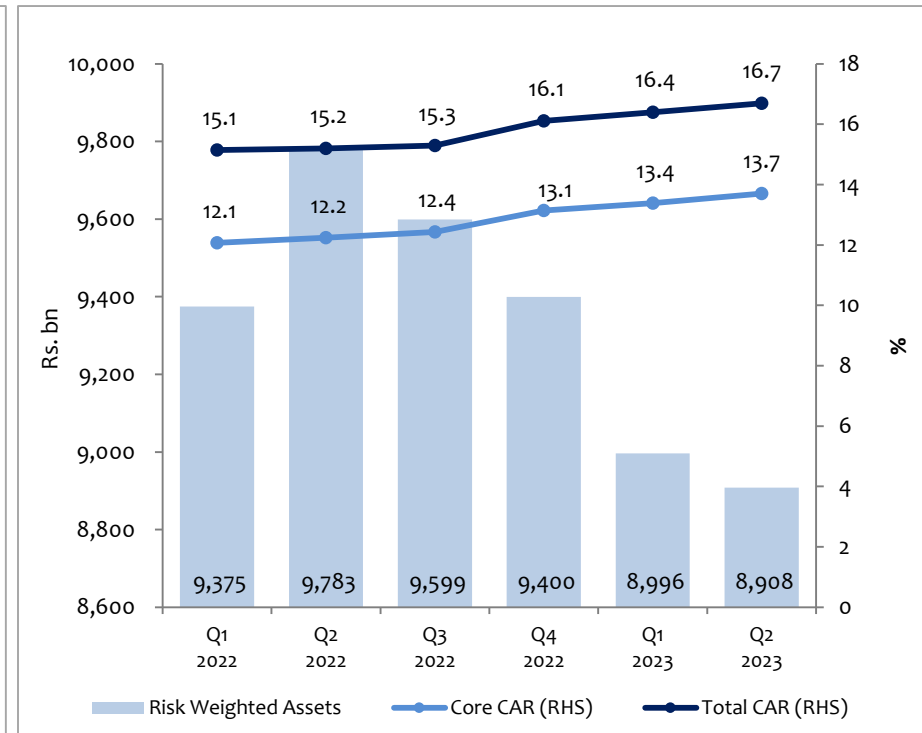
Banking Sector Indicators (ii)

Profitability Indicators



Note : Data reported based on SLFRS.

Capital Adequacy Ratios

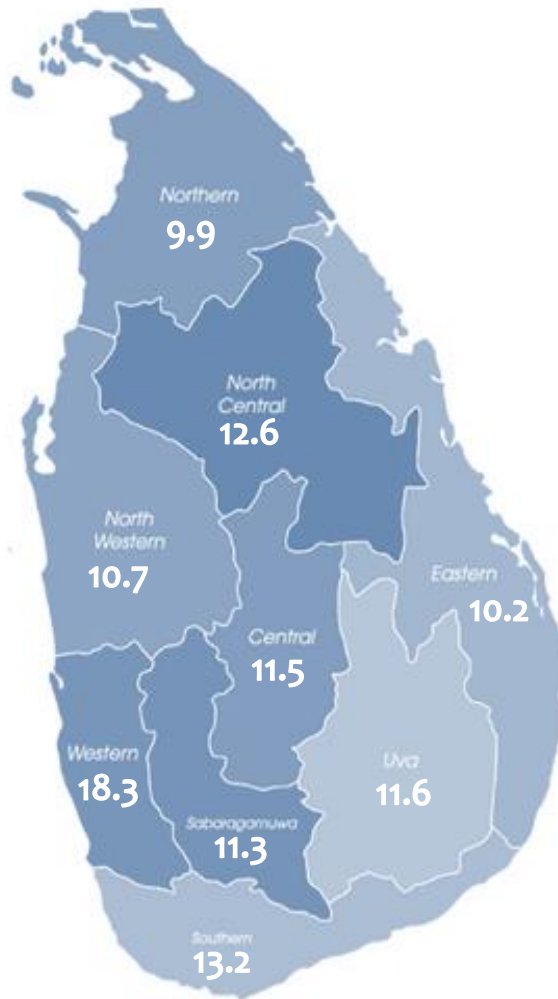


Source: Central Bank of Sri Lanka

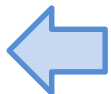
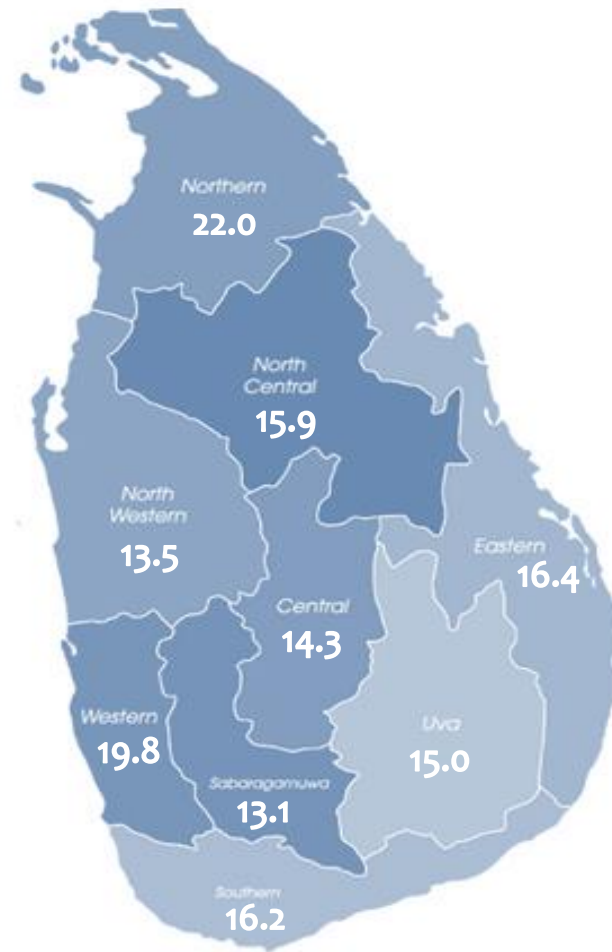


Banking Density by Province*

2009

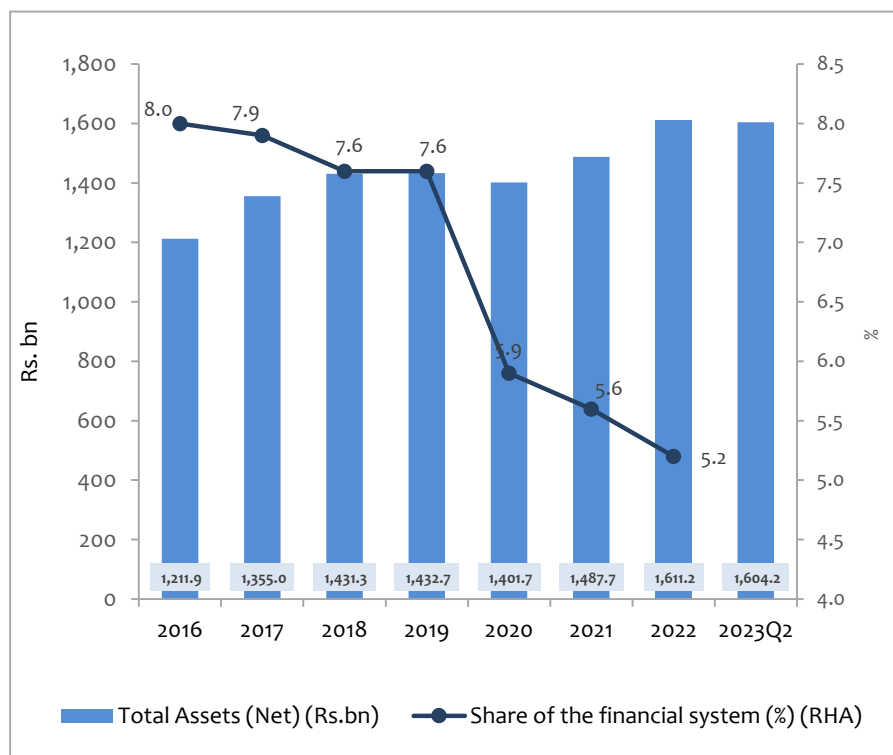


2023 Q2

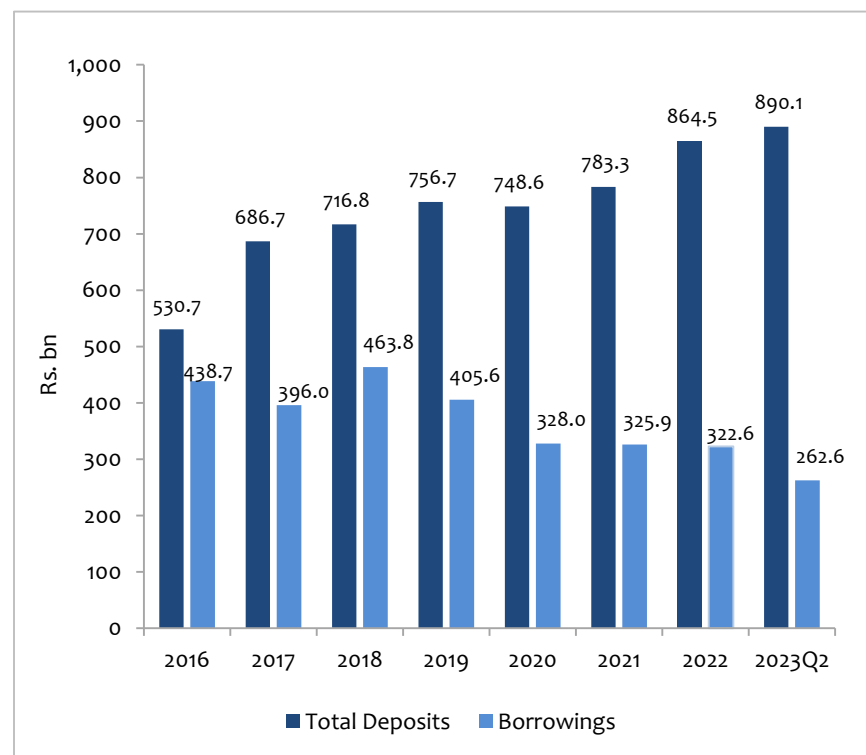


Non-Bank Financial Sector Indicators (i)

Assets of the LFC & SLC Sector



Total Deposits and Borrowings of the LFC & SLC Sector*



Source: Central Bank of Sri Lanka

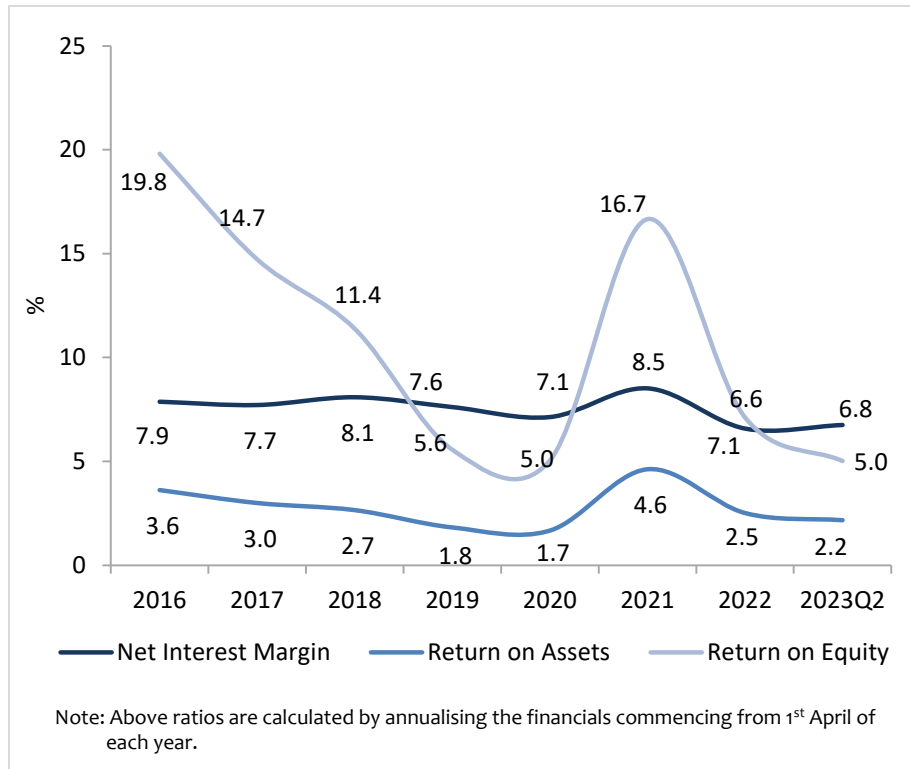
* Deposits are only mobilised by the LFCs

LFC: Licensed Finance Companies
SLC: Specialised Leasing Companies

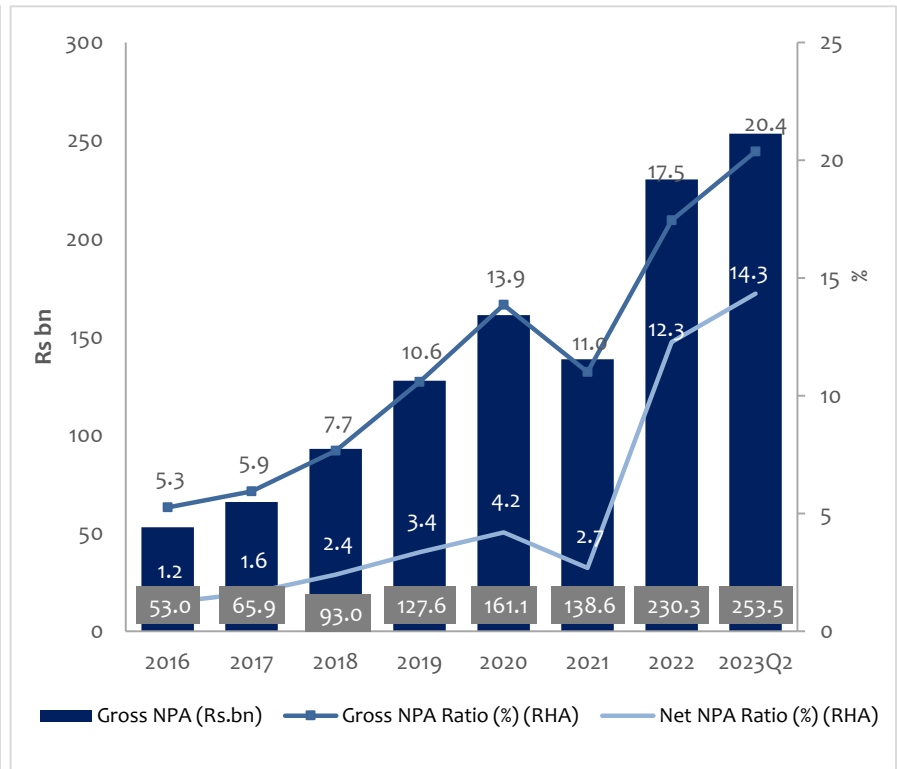


Non-Bank Financial Sector Indicators (ii)

Profitability Indicators of the LFC and SLC Sector



Non-Performing Advances

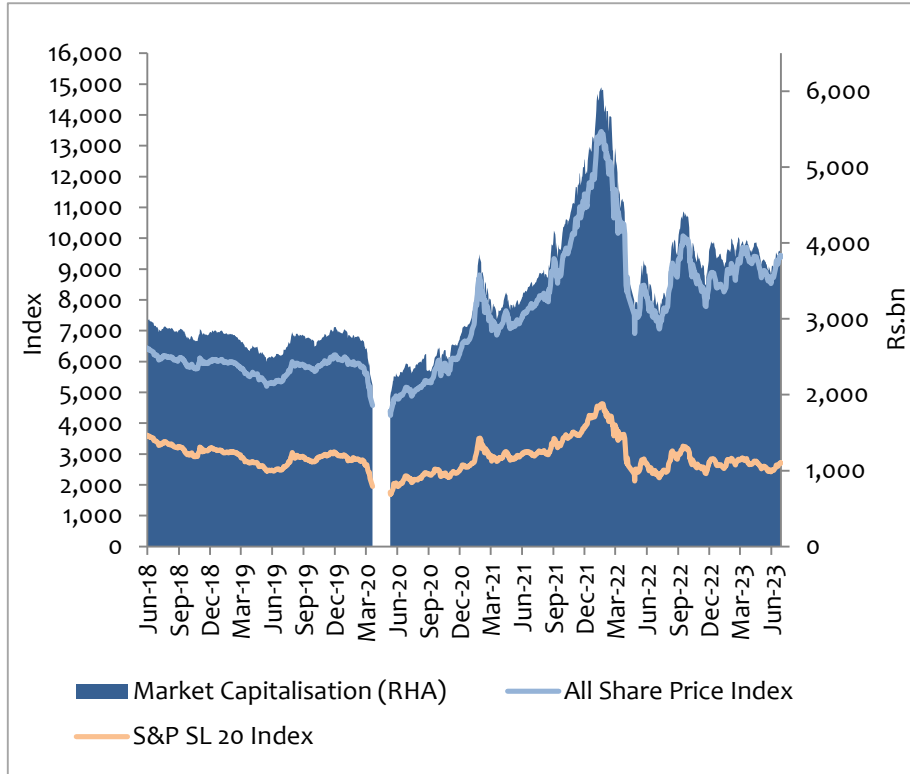


Source: Central Bank of Sri Lanka

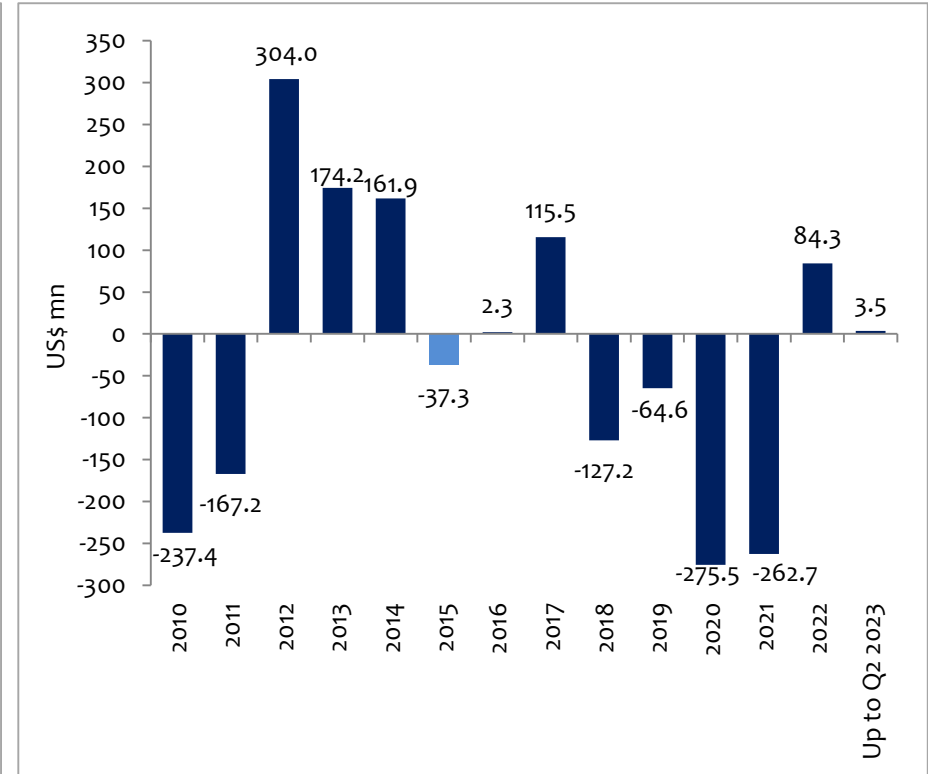


Stock Market Performance

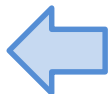
Share Price Indices and Market Capitalisation (a)



Net Foreign Inflows to the Secondary Market



Source: Colombo Stock Exchange



(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 Second Quarter of 2023 is provisional.

