



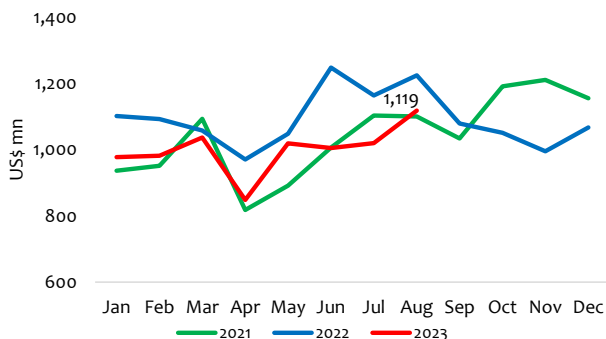
MONTHLY TRADE BULLETIN

ECONOMIC RESEARCH DEPARTMENT
CENTRAL BANK OF SRI LANKA

August 2023
VOLUME 05 ISSUE 08

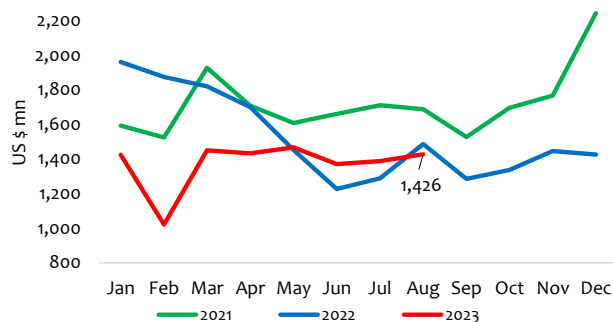
Highlights

Monthly Export Performance



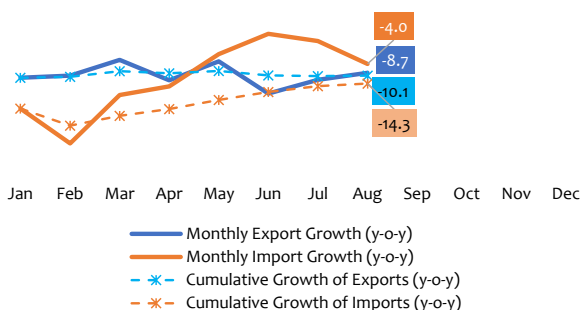
Earnings from merchandise exports declined by 8.7 per cent (year-on-year) to US dollars 1,119 million in August 2023.

Monthly Import Performance



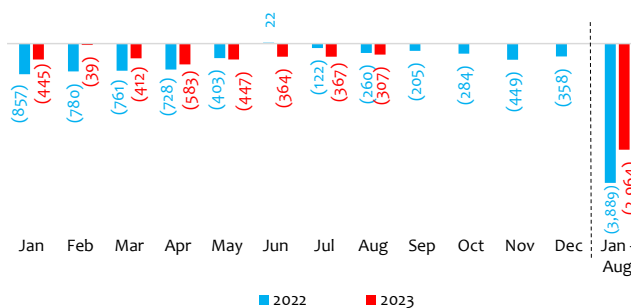
Expenditure on merchandise imports decreased by 4.0 per cent (year-on-year) to US dollars 1,426 million in August 2023.

Export and Import Growth Rates (%)



Export earnings and import expenditure declined (year-on-year) by 10.1 per cent and 14.3 per cent, respectively, during the eight months ending August 2023.

Trade Balance (US\$ Mn)



The merchandise trade account in August 2023 recorded a deficit of US dollars 307 million, compared to the deficit of US dollars 260 million recorded in August 2022.

Major Export and Import Categories - (Jan-Aug 2023)

Exports (US\$ mn)

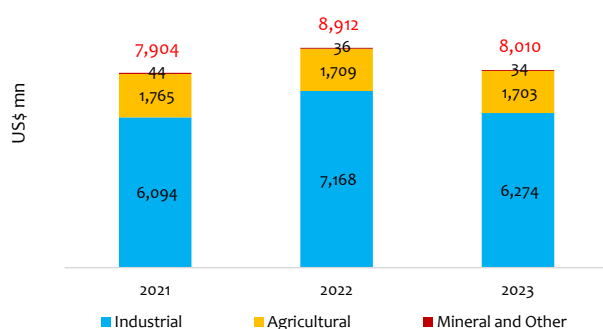
Textiles and garments	3,325.7
Tea	870.4
Rubber products	588.1
Machinery and mechanical appliances	418.7
Food beverages and tobacco	354.4
Gems, diamonds and jewellery	353.0
Petroleum products	325.7
Spices	260.6
Coconut	224.0
Seafood	167.3

Imports (US\$ mn)

Fuel	3,079.5
Textiles and textile articles	1,584.0
Machinery and equipment	1,219.0
Chemical products	527.6
Building material	481.4
Medical and pharmaceuticals	466.2
Plastics and articles thereof	296.4
Sugar and confectionery	289.4
Paper and paperboard and articles...	271.1
Vegetables	247.3

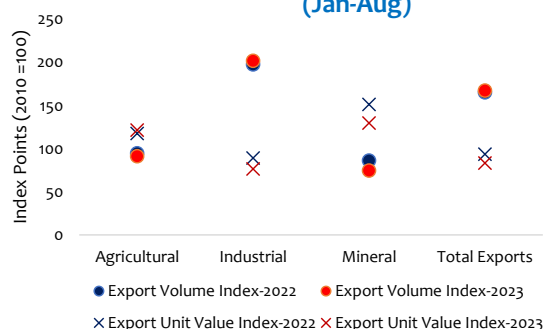
Export Performance

Export Performance (Jan-Aug)



Earnings from exports declined during the eight months ending August 2023, on a year-on-year basis, due to the reductions in all major export categories, including industrial, agricultural and mineral products.

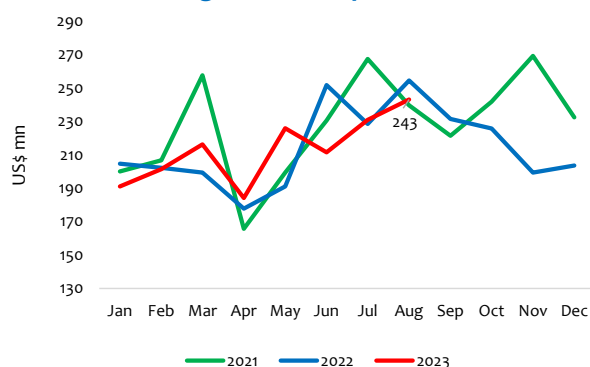
Volume and Unit Value Indices of Exports (Jan-Aug)



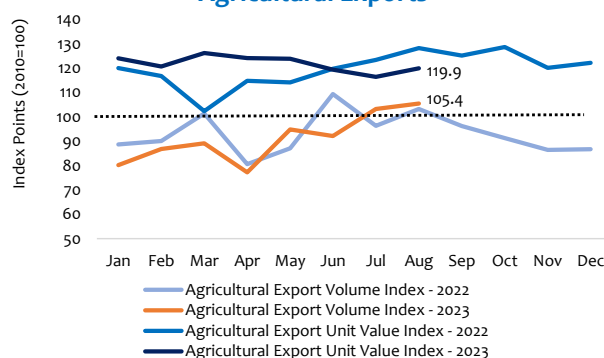
The export volume index increased by 1.2 per cent while the unit value index recorded a 11.2 per cent decrease on a year-on-year basis during the eight months ending August 2023.

Agricultural Exports

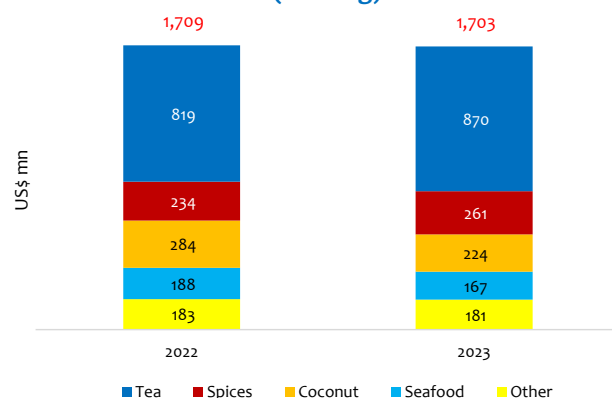
Agricultural Exports



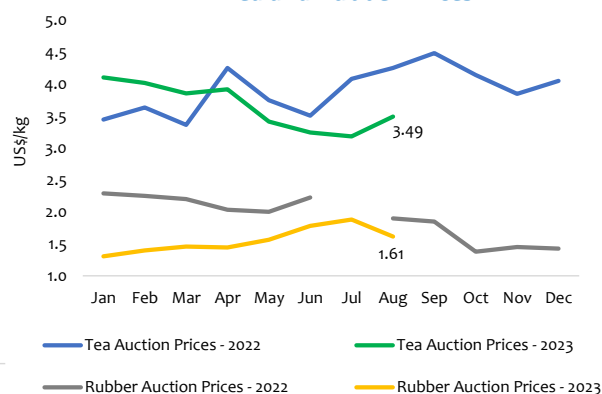
Volume and Unit Value Indices of Agricultural Exports



Performance of Agricultural Exports (Jan-Aug)



Tea and Rubber Prices *

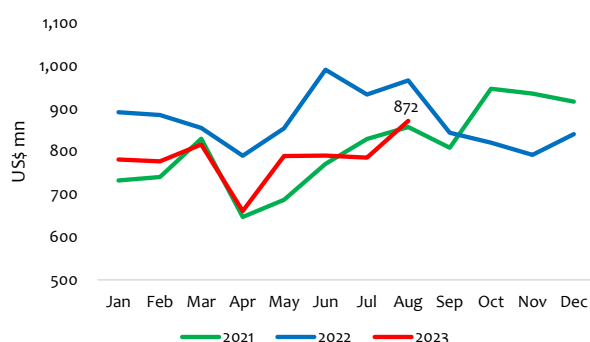


*Rubber (RSS) prices for July 2022 were not determined at the auction

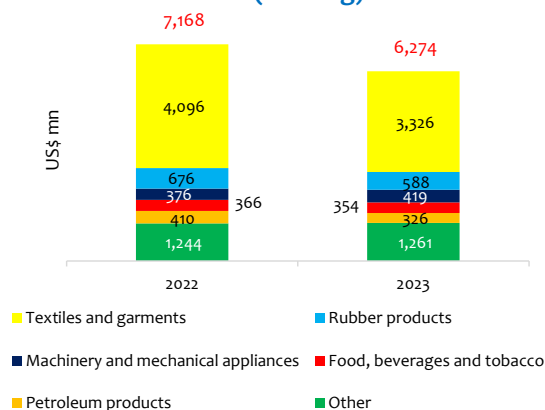
Earnings from agricultural exports decreased during the eight months ending August 2023, on a year-on-year basis, driven by lower export earnings from coconut related products, seafood and natural rubber. However, higher export earnings were recorded mainly from tea and spices during this period.

Industrial Exports

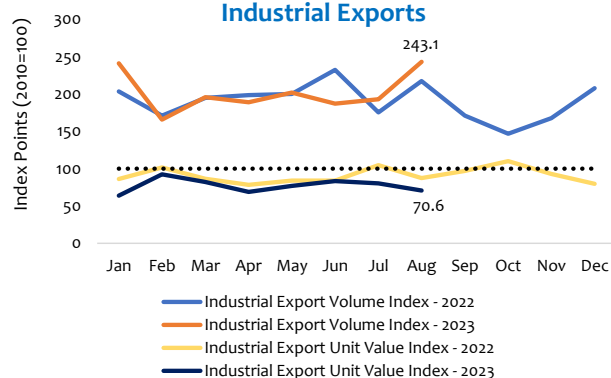
Industrial Exports



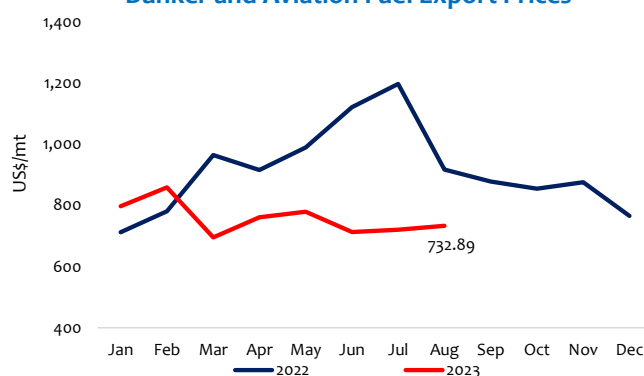
Performance of Industrial Exports (Jan-Aug)



Volume and Unit Value Indices of Industrial Exports



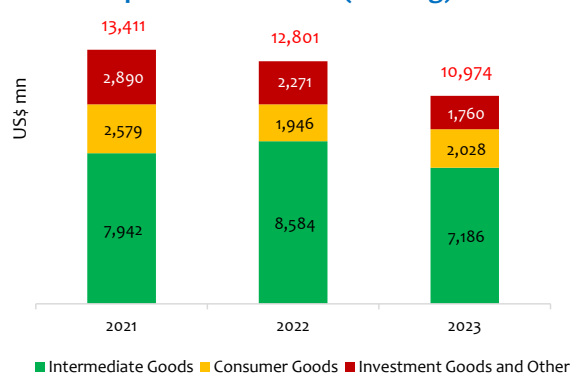
Bunker and Aviation Fuel Export Prices



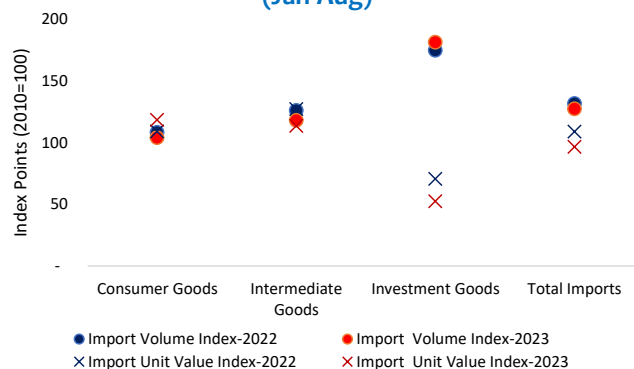
Earnings from industrial exports registered a year-on-year decline during the eight months ending August 2023, due to a broad-based decline in earnings from most of the industrial products, particularly in garments, rubber products and petroleum products. However, there was an increase in export earnings from gems, diamonds and jewellery, machinery and mechanical appliances and transport equipment during this period.

Import Performance

Import Performance (Jan-Aug)

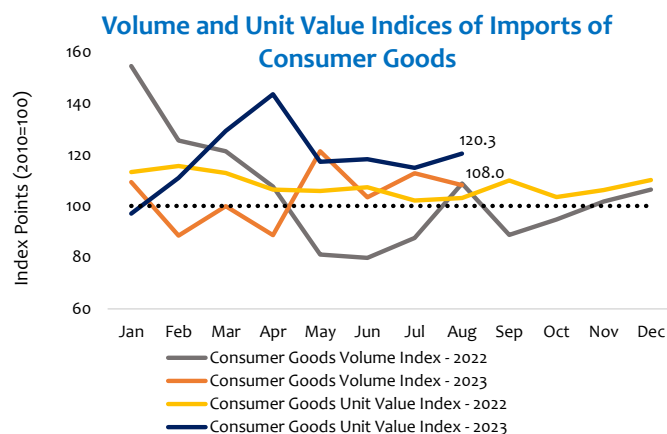
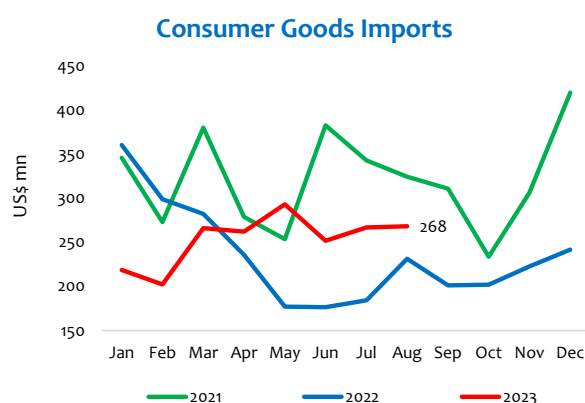


Volume and Unit Value Indices of Imports (Jan-Aug)

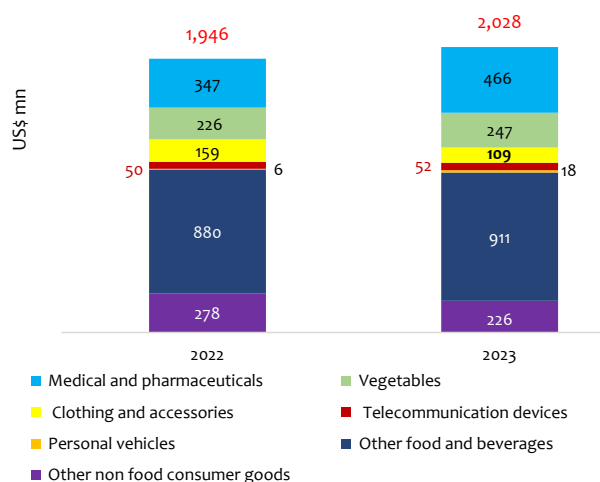


Expenditure on merchandise imports declined during the eight months ending August 2023, on a year-on-year basis, due to the declines in the import categories of intermediate and investment goods. However, there was a rise in expenditure on consumer goods imports. Meanwhile, the import volume index and unit value index also declined (year-on-year) by 3.3 per cent and 11.4 per cent, respectively.

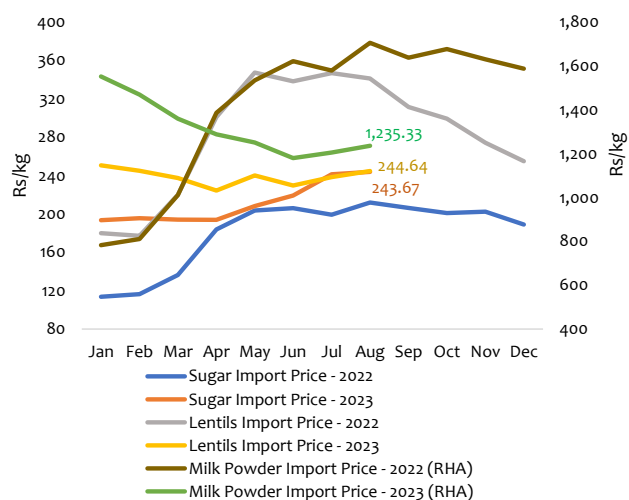
Consumer Goods Imports



Performance of Consumer Goods Imports (Jan-Aug)

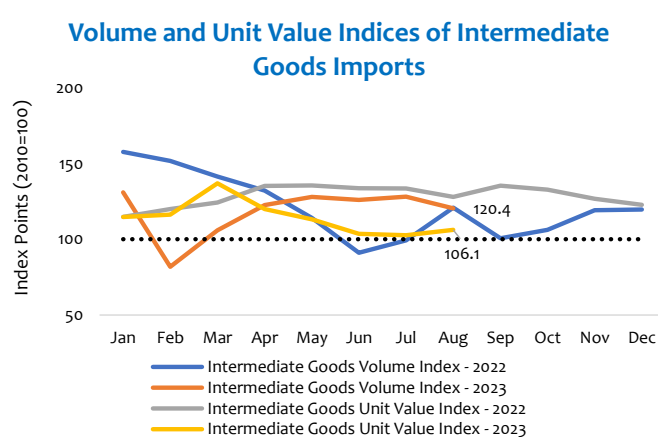
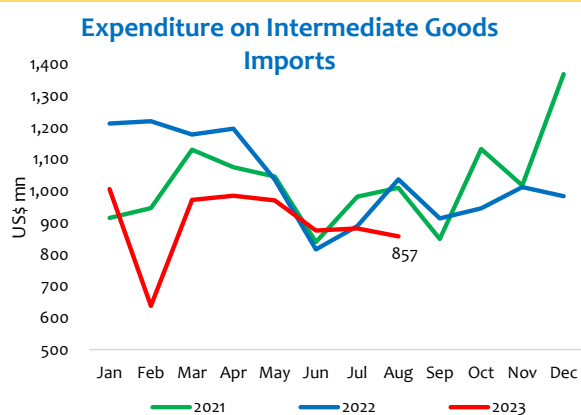


Average Import Prices of Sugar, Lentils and Milk Powder

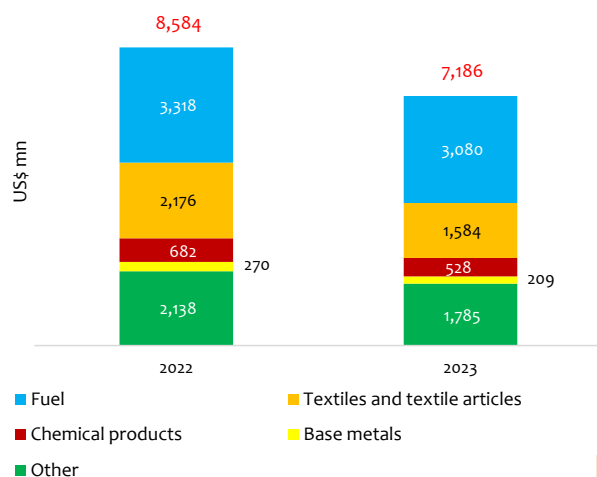


Import expenditure on consumer goods increased (year-on-year) during the eight months ending August 2023, mainly due to the increases in expenditure on both food and non-food consumer goods imports, driven by sugar, medical and pharmaceuticals, oils and fats and dairy products. However, import expenditure on cereals and milling industry products (mainly rice), clothing and accessories and home appliances declined during this period.

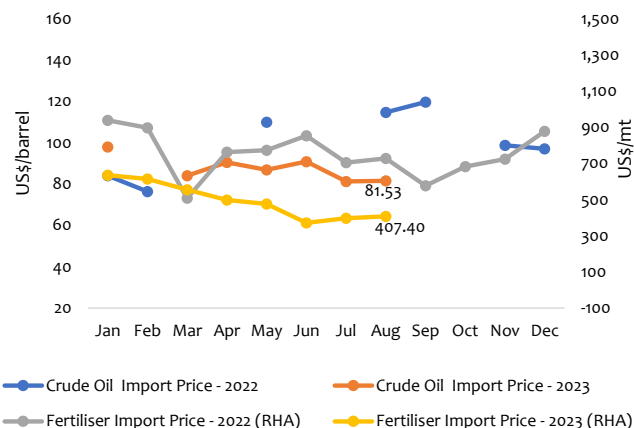
Intermediate Goods Imports



Performance of Intermediate Goods Imports (Jan-Aug)



Crude Oil and Fertiliser Import Prices (Monthly Averages)

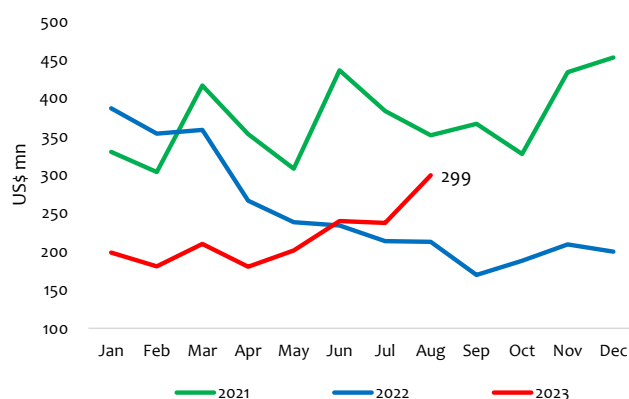


*Crude oil was not imported in March, April, June, July, October 2022 and February 2023.

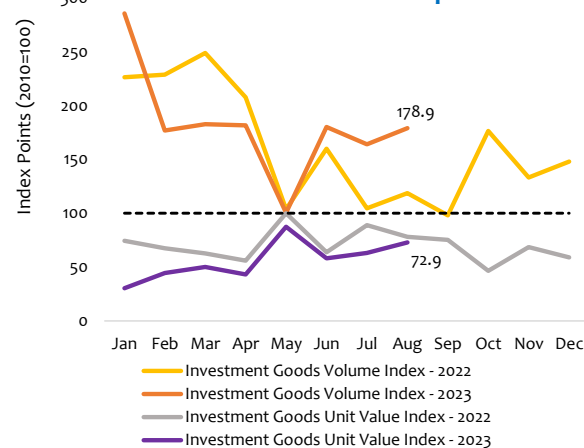
Import expenditure on intermediate goods declined (year-on-year) during the eight months ending August 2023, primarily due to lower imports of textiles and textile articles, fuel, plastics and articles thereof and chemical products. In contrast, import expenditure on diamonds and precious stones, fertiliser and wheat increased during the corresponding period.

Investment Goods Imports

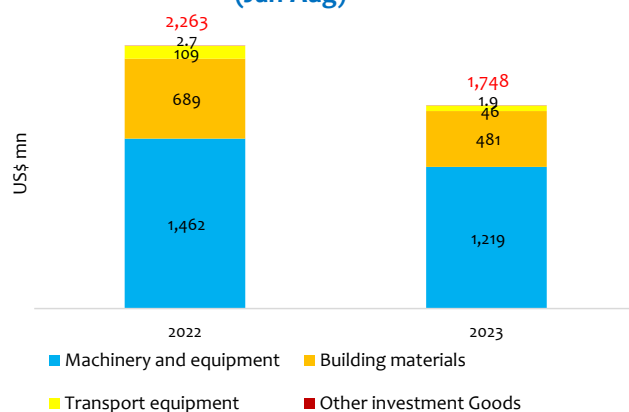
Expenditure on Imports of Investment Goods



Volume and Unit Value Indices of Investment Goods Imports



Performance of Investment Goods Imports (Jan-Aug)



Import expenditure on investment goods declined during the eight months ending August 2023, due to the lower import expenditure in all main investment good categories, namely, machinery and equipment, building materials, and transport equipment.

Summary of External Trade Statistics (a)

Export Performance (US\$ mn)

Item		Aug 2022	Aug 2023	Y-O-Y Change (%)	Jan-Aug 2022	Jan-Aug 2023	Y-O-Y Change (%)
Agricultural Exports		254.2	242.9	-4.5	1,708.5	1,702.9	-0.3
o/w	Tea	124.4	119.6	-3.8	819.3	870.4	6.2
	Coconut	35.5	31.8	-10.3	284.3	224.0	-21.2
	Spices	40.1	47.4	18.2	233.5	260.6	11.6
	Seafood	25.5	17.7	-30.8	188.4	167.3	-11.2
Industrial Exports		966.3	871.7	-9.8	7,167.7	6,273.6	-12.5
o/w	Textiles and garments	566.9	436.2	-23.1	4,095.6	3,325.7	-18.8
	Rubber products	96.6	78.2	-19.1	676.3	588.1	-13.0
	Petroleum products	32.3	40.6	25.8	409.8	325.7	-20.5
	Food, beverages and tobacco	42.0	55.9	33.2	366.0	354.4	-3.2
	Machinery and mechanical appliances	53.0	51.2	-3.3	375.9	418.7	11.4
	Gems, diamonds and jewellery	44.3	47.5	7.2	288.6	353.0	22.3
	Leather, travel goods and footwear	8.7	7.0	-19.6	54.2	47.7	-11.9
Mineral and Other Exports		4.8	4.1	-15.7	35.9	33.6	-6.4
Total Exports		1,225.4	1,118.6	-8.7	8,912.1	8,010.1	-10.1

Import Performance (US\$ mn)

Item		Aug 2022	Aug 2023	Y-O-Y Change (%)	Jan-Aug 2022	Jan-Aug 2023	Y-O-Y Change (%)
Consumer goods		231.2	268.1	15.9	1,945.7	2,028.3	4.2
Food and beverages		139.7	152.2	9.0	1,106.2	1,158.0	4.7
o/w	Vegetables (b)	32.9	36.2	10.2	226.2	247.3	9.4
	Rice	34.0	2.0	-94.1	229.5	13.1	-94.3
Non-food consumer goods		91.5	115.9	26.6	839.4	870.3	3.7
o/w	Medical and Pharmaceuticals	46.5	52.4	12.8	347.5	466.2	34.2
Intermediate goods		1,036.5	857.1	-17.3	8,584.0	7,185.5	-16.3
o/w	Fuel	388.6	343.7	-11.6	3,317.9	3,079.5	-7.2
	Textiles and textile articles	269.7	192.3	-28.7	2,175.7	1,584.0	-27.2
	Fertiliser	19.9	29.6	48.5	98.2	139.8	42.3
	Wheat and maize	29.9	3.1	-89.7	170.3	201.9	18.6
Investment goods and other		218.1	300.9	37.9	2,271.2	1,760.3	-22.5
o/w	Machinery and equipment	136.1	229.5	68.6	1,462.4	1,219.0	-16.6
Total Imports		1,485.9	1,426.0	-4.0	12,800.9	10,974.1	-14.3

Trade Balance (US\$ mn)

Item	Aug 2022	Aug 2023	Y-O-Y Change (%)	Jan-Aug 2022	Jan-Aug 2023	Y-O-Y Change (%)
Trade Balance	-260.5	-307.4		-3,888.7	-2,964.0	

Trade Indices and Terms of Trade (2010 = 100) (c)

Item	Aug 2022	Aug 2023	Y-O-Y Change (%)	Jan-Aug 2022	Jan-Aug 2023	Y-O-Y Change (%)
Export						
Value index	170.5	155.7	-8.7	155.0	139.4	-10.1
Volume index	181.0	200.2	10.6	165.4	167.4	1.2
Unit value index	94.2	77.8	-17.5	93.7	83.2	-11.2
Import						
Value index	133.0	127.6	-4.0	143.2	122.8	-14.3
Volume index	116.9	129.0	10.3	131.5	127.2	-3.3
Unit value index	113.7	98.9	-13.0	108.9	96.5	-11.4
Terms of Trade	82.8	78.6	-5.1	86.1	86.3	0.2

(a) Provisional

(b) includes lentils, onion, potatoes, leguminous vegetables and others

(c) In US\$ terms