



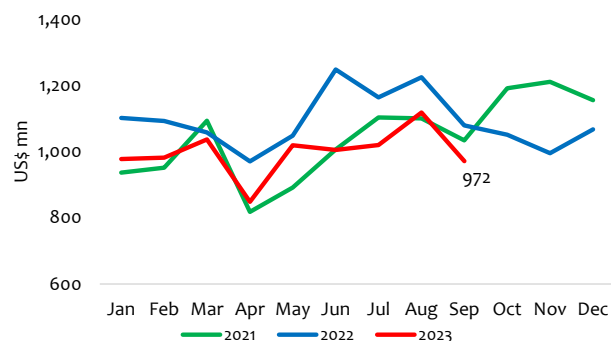
MONTHLY TRADE BULLETIN

ECONOMIC RESEARCH DEPARTMENT
CENTRAL BANK OF SRI LANKA

September 2023
VOLUME 05 ISSUE 09

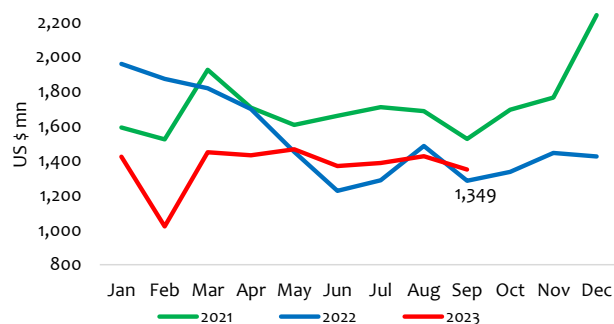
Highlights

Monthly Export Performance



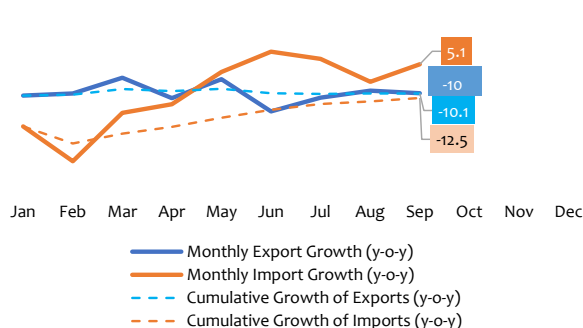
Earnings from merchandise exports declined by 10 per cent (year-on-year) to US dollars 972 million in September 2023.

Monthly Import Performance



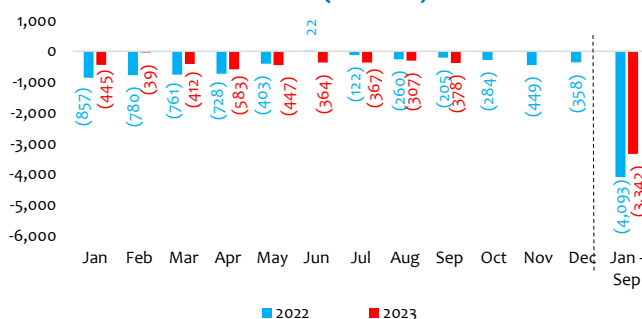
Expenditure on merchandise imports increased by 5.1 per cent (year-on-year) to US dollars 1,349 million in September 2023.

Export and Import Growth Rates (%)



Export earnings declined by 10.1 per cent (year-on-year) during the nine months ending September 2023 while import expenditure also declined by 12.5 per cent.

Trade Balance (US\$ Mn)



The deficit in the merchandise trade account widened in September 2023 to US dollars 378 million in comparison to US dollars 205 million recorded in September 2022.

Major Export and Import Categories (Jan-Sep 2023)

Exports (US\$ mn)

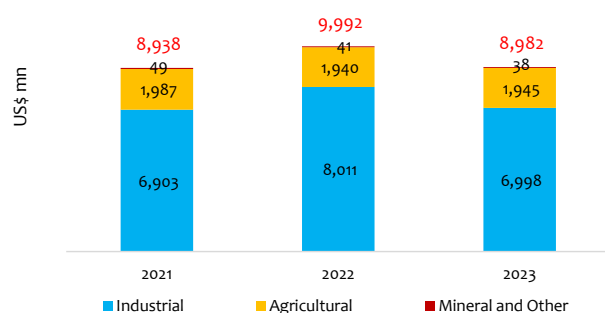
Textiles and garments	3,688.7
Tea	990.3
Rubber products	668.6
Machinery and mechanical appliances	465.5
Food beverages and tobacco	397.7
Gems, diamonds and jewellery	394.3
Petroleum products	371.4
Spices	298.5
Coconut	256.4
Seafood	193.0

Imports (US\$ mn)

Fuel	3,476.3
Textiles and textile articles	1,760.6
Machinery and equipment	1,355.7
Chemical products	593.3
Building material	547.4
Medical and pharmaceuticals	511.4
Plastics and articles thereof	335.9
Sugar and confectionery	315.9
Paper and paperboard and articles...	298.8
Vegetables	271.3

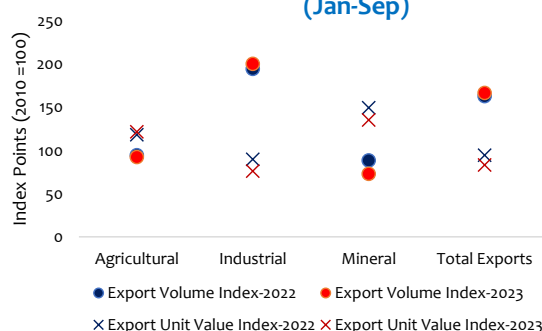
Export Performance

Export Performance (Jan-Sep)



Earnings from exports declined during the nine months ending September 2023, on a year-on-year basis, due to the decline in earnings from industrial exports associated with slowing external demand.

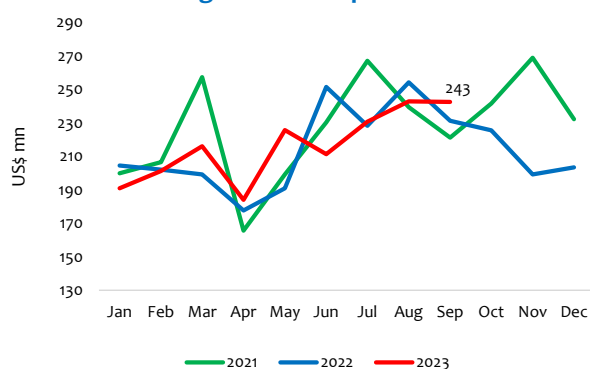
Volume and Unit Value Indices of Exports (Jan-Sep)



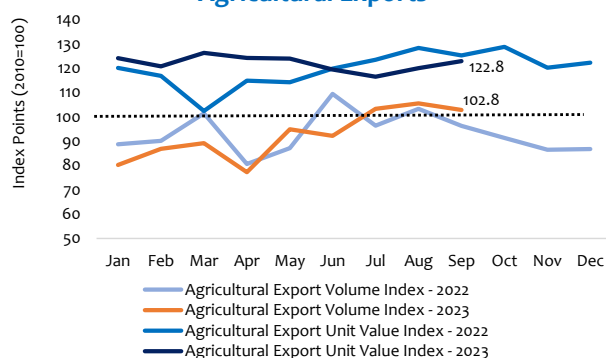
The export volume index improved by 2.2 per cent while the unit value index declined by 12 per cent, on a year-on-year basis during the nine months ending September 2023.

Agricultural Exports

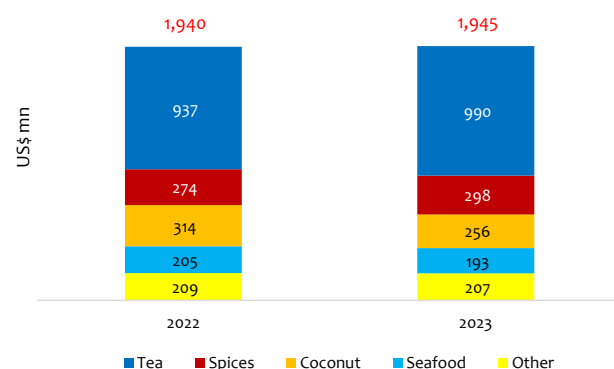
Agricultural Exports



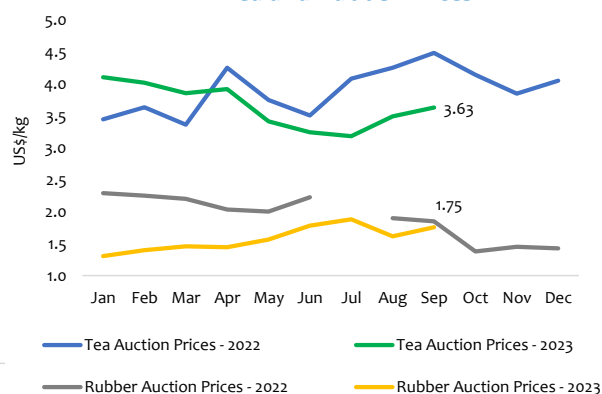
Volume and Unit Value Indices of Agricultural Exports



Performance of Agricultural Exports (Jan-Sep)



Tea and Rubber Prices *

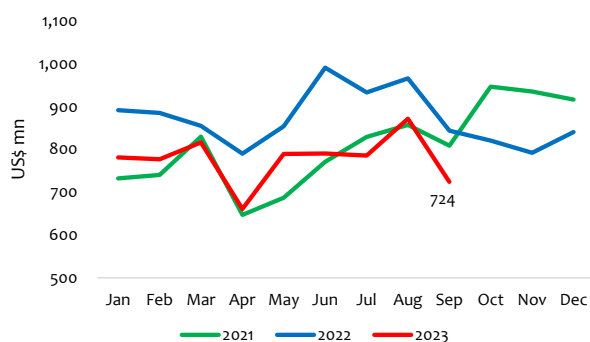


*Rubber (RSS) prices for July 2022 were not determined at the auction

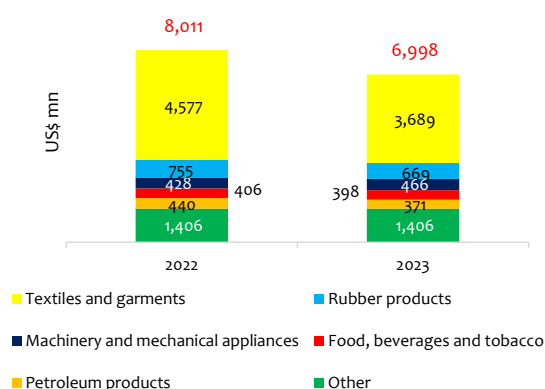
Earnings from agricultural exports improved marginally during the nine months ending September 2023, on a year-on-year basis, driven by higher earnings from tea and spices exports. In contrast, export earnings from coconut related products, seafood and natural rubber declined during this period.

Industrial Exports

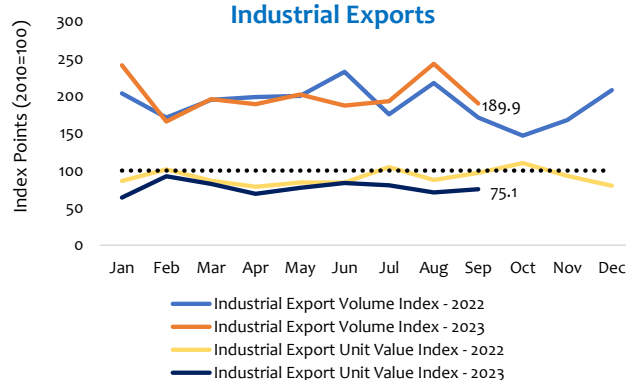
Industrial Exports



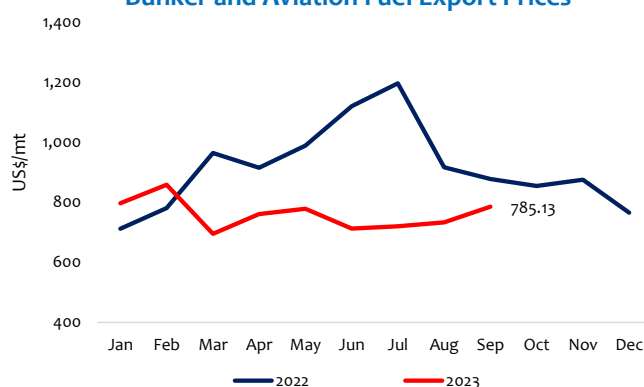
Performance of Industrial Exports (Jan-Sep)



Volume and Unit Value Indices of Industrial Exports



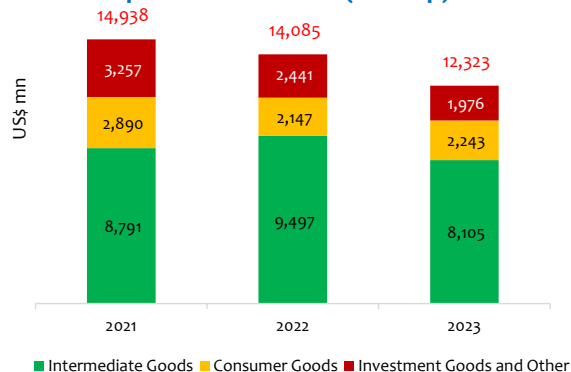
Bunker and Aviation Fuel Export Prices



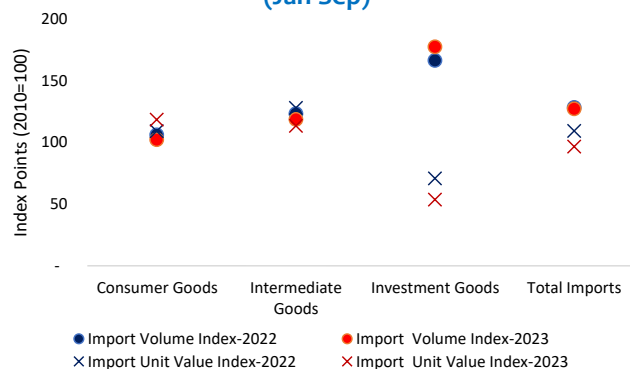
Earnings from industrial exports declined during the nine months ending September 2023, with a significant share of the decline being contributed by garments. Further, notable declines were recorded in the export of rubber products, petroleum products, chemical products, and wood and paper products. 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-Sep)

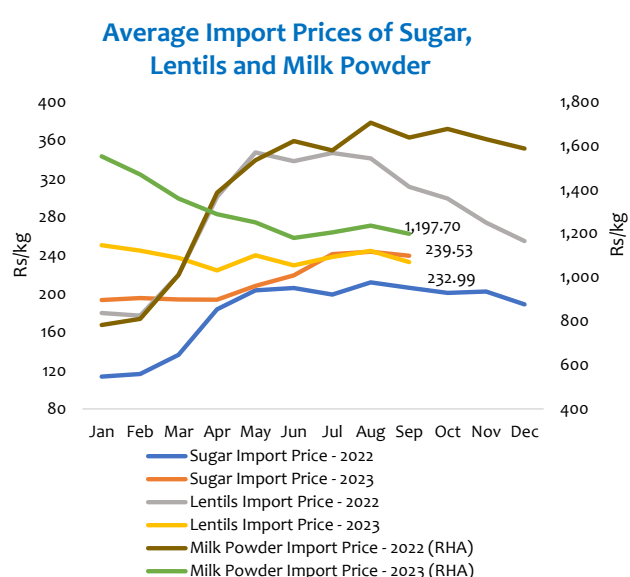
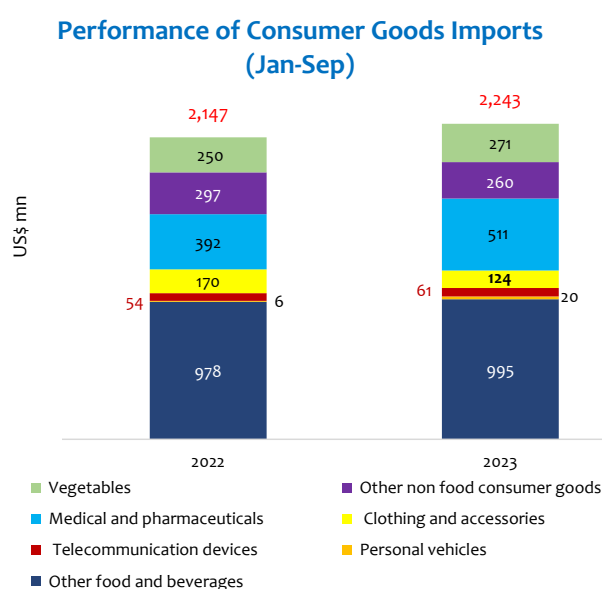
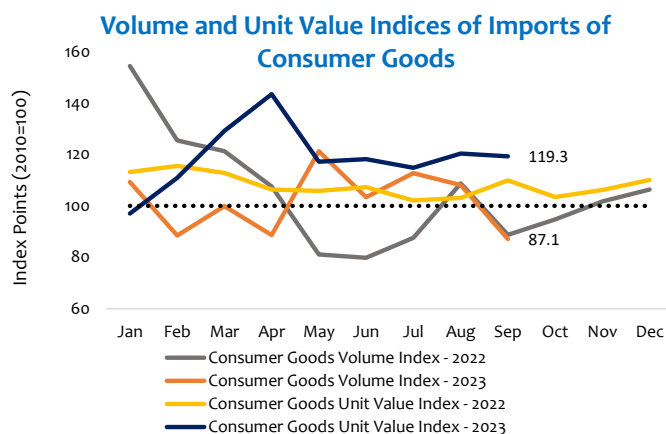
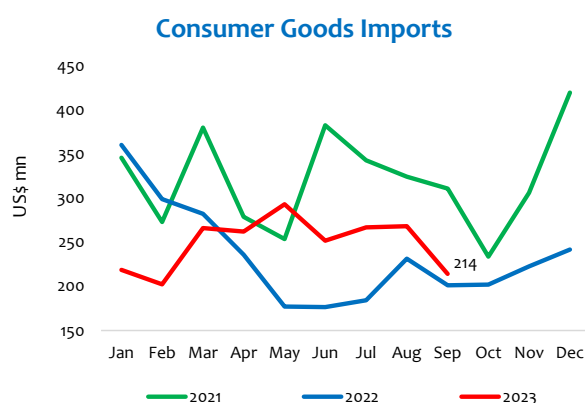


Volume and Unit Value Indices of Imports (Jan-Sep)



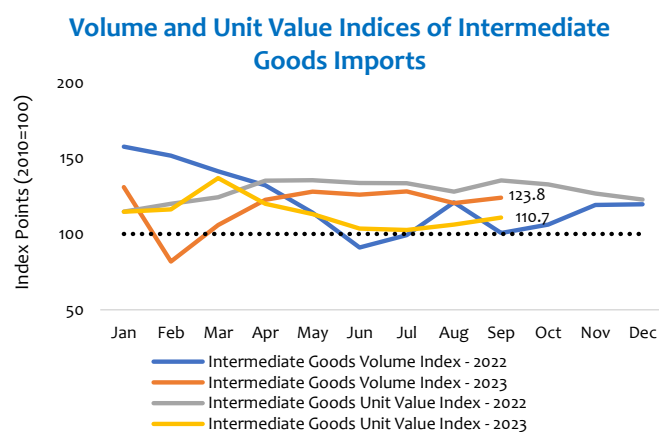
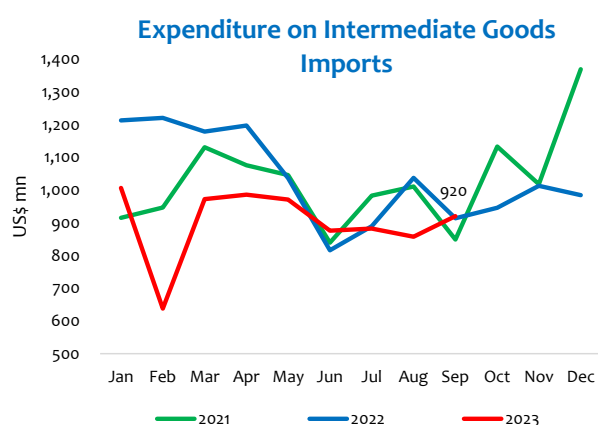
Expenditure on merchandise imports declined during the nine months ending September 2023, on a year-on-year basis, due to lower expenses incurred on intermediate and investment goods, despite an increase in expenses on consumer goods. Meanwhile, the import volume and unit value indices declined (year-on-year) by 0.9 per cent and 11.7 per cent, respectively.

Consumer Goods Imports

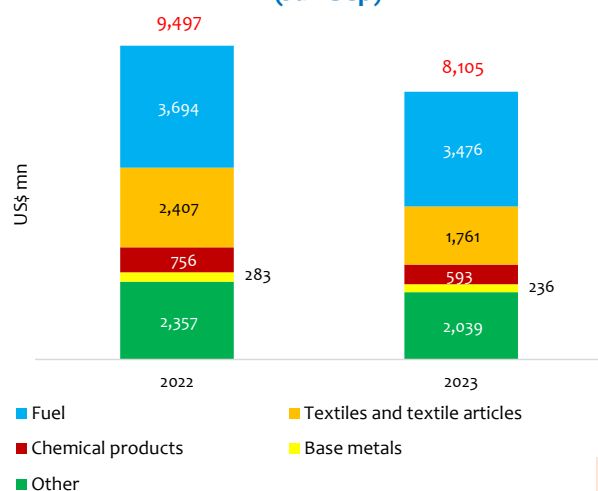


Import expenditure on consumer goods increased during the nine months ending September 2023, on a year-on-year basis, mainly due to increased imports of non-food consumer goods driven by medical and pharmaceuticals. Expenditure on food and beverages also increased with higher expenditure on importation of sugar, oils and fats although expenditure on cereals and milling industry products (rice) declined during the period under consideration.

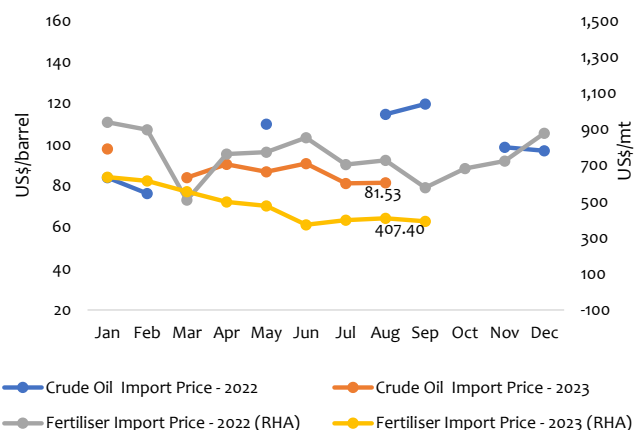
Intermediate Goods Imports



Performance of Intermediate Goods Imports (Jan-Sep)



Crude Oil and Fertiliser Import Prices (Monthly Averages)

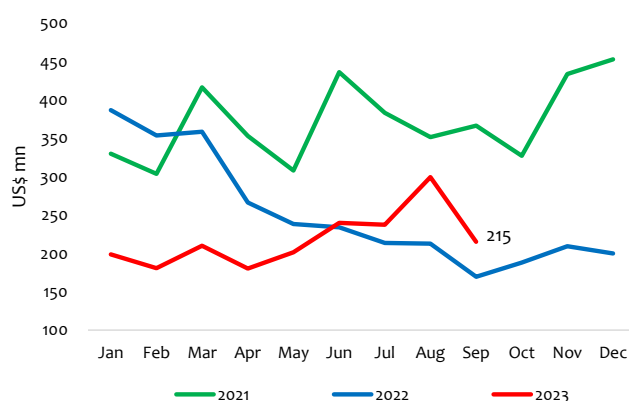


*Crude oil was not imported in March, April, June, July, October 2022 and February and September 2023.

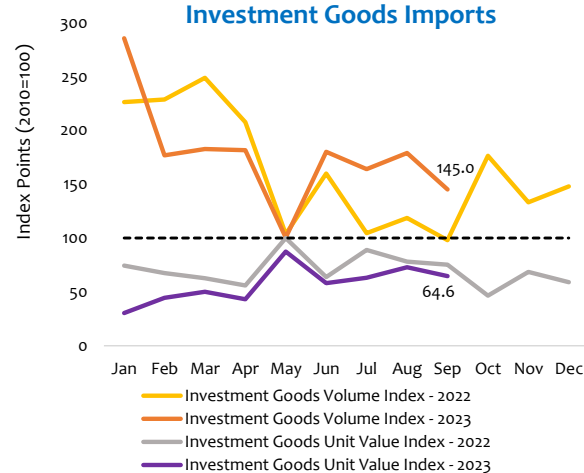
Import expenditure on intermediate goods declined (year-on-year) during the nine months ending September 2023, primarily due to lower imports of textiles and textile articles, fuel, plastics and articles thereof and chemical products. In contrast, import expenditure on wheat, fertiliser and Diamonds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

Investment Goods Imports

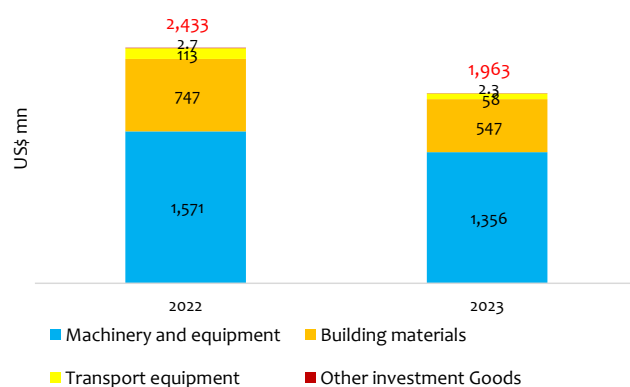
Expenditure on Imports of Investment Goods



Volume and Unit Value Indices of Investment Goods Imports



Performance of Investment Goods Imports (Jan-Sep)



Import expenditure on investment goods declined during the nine months ending September 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		Sep 2022	Sep 2023	Y-O-Y Change (%)	Jan-Sep 2022	Jan-Sep 2023	Y-O-Y Change (%)
Agricultural Exports		231.2	242.5	4.9	1,939.8	1,945.4	0.3
o/w	Tea	117.8	120.0	1.8	937.1	990.3	5.7
	Coconut	29.7	32.4	9.2	314.0	256.4	-18.3
	Spices	40.6	37.8	-6.7	274.1	298.5	8.9
	Seafood	17.0	25.7	51.3	205.3	193.0	-6.0
Industrial Exports		843.7	724.3	-14.2	8,011.5	6,997.9	-12.7
o/w	Textiles and garments	481.5	363.0	-24.6	4,577.2	3,688.7	-19.4
	Rubber products	78.9	80.6	2.2	755.1	668.6	-11.5
	Petroleum products	30.0	45.7	52.3	439.9	371.4	-15.6
	Food, beverages and tobacco	39.8	43.2	8.6	405.8	397.7	-2.0
	Machinery and mechanical appliances	52.0	46.9	-9.9	427.9	465.5	8.8
	Gems, diamonds and jewellery	47.9	41.3	-13.9	336.5	394.3	17.1
	Leather, travel goods and footwear	9.4	7.3	-21.9	63.6	55.1	-13.4
Mineral and Other Exports		4.9	4.9	1.3	40.7	38.5	-5.5
Total Exports		1,079.8	971.7	-10.0	9,992.0	8,981.8	-10.1

Import Performance (US\$ mn)

Item		Sep 2022	Sep 2023	Y-O-Y Change (%)	Jan-Sep 2022	Jan-Sep 2023	Y-O-Y Change (%)
Consumer goods		201.1	214.2	6.5	2,146.7	2,242.5	4.5
Food and beverages		121.5	108.6	-10.7	1,227.7	1,266.6	3.2
o/w	Vegetables (b)	23.5	23.9	1.7	249.7	271.3	8.6
	Rice	24.9	1.0	-95.9	254.5	14.2	-94.4
Non-food consumer goods		79.6	105.7	32.8	919.0	976.0	6.2
o/w	Medical and Pharmaceuticals	44.5	45.2	1.5	392.0	511.4	30.5
Intermediate goods		913.4	919.8	0.7	9,497.4	8,105.3	-14.7
o/w	Fuel	376.4	396.7	5.4	3,694.3	3,476.3	-5.9
	Textiles and textile articles	231.5	176.6	-23.7	2,407.2	1,760.6	-26.9
	Fertiliser	6.3	22.0	249.7	104.5	161.8	54.8
	Wheat and maize	18.2	62.2	240.6	188.5	264.0	40.1
Investment goods and other		169.9	215.3	26.7	2,441.1	1,975.6	-19.1
o/w	Machinery and equipment	108.3	136.7	26.2	1,570.7	1,355.7	-13.7
Total Imports		1,284.4	1,349.3	5.1	14,085.2	12,323.4	-12.5

Trade Balance (US\$ mn)

Item	Sep 2022	Sep 2023	Y-O-Y Change (%)	Jan-Sep 2022	Jan-Sep 2023	Y-O-Y Change (%)
Trade Balance	-204.5	-377.5		-4,093.3	-3,341.5	

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

Item	Sep 2022	Sep 2023	Y-O-Y Change (%)	Jan-Sep 2022	Jan-Sep 2023	Y-O-Y Change (%)
Export						
Value index	150.3	135.2	-10.0	154.5	138.9	-10.1
Volume index	146.2	161.9	10.7	163.3	166.8	2.2
Unit value index	102.8	83.5	-18.7	94.6	83.3	-12.0
Import						
Value index	114.9	120.8	5.1	140.1	122.5	-12.5
Volume index	102.7	126.0	22.7	128.3	127.1	-0.9
Unit value index	111.9	95.8	-14.4	109.2	96.4	-11.7
Terms of Trade	91.9	87.2	-5.1	86.7	86.4	-0.4

(a) Provisional

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

(c) In US\$ terms