

Weekly Economic Indicators

12 December 2014



Statistics Department

Real Sector & Inflation

Inflation, as measured by the change in the Colombo Consumers' Price Index (CCPI)(2006/07=100), which is computed by the Department of Census and Statistics, decreased from 1.6 per cent in October 2014 to 1.5 per cent in November 2014, on a YoY basis, which is the lowest recorded since November 2009. Annual average inflation also declined to 3.5 per cent in November 2014 from 3.8 per cent recorded in the previous month. Downward revision of administered prices in the Non-Food Category, contributed mainly to the decline in inflation. Core inflation, which reflects the underlying inflation in the economy, remained unchanged in November 2014 at 3.6 per cent on a year on year basis as recorded in the previous month. Annual average core inflation during November 2014 was 3.4 per cent, compared to 3.3 per cent recorded in October 2014.

The economy continued its growth momentum by recording a 7.8 per cent growth in real terms during the second quarter of 2014, supported by the 12.2 per cent growth of the Industry sector, 6.5 per cent growth in Agriculture sector and 5.8 per cent growth of Services sector.

While the production of tea recorded an increase of 1.4 per cent during the first ten months of 2014, the rubber production showed a decline of 15.6 per cent during the same period. Meanwhile, it is noted that the coconut production during the first nine months of the year recorded an increase of 12 per cent.

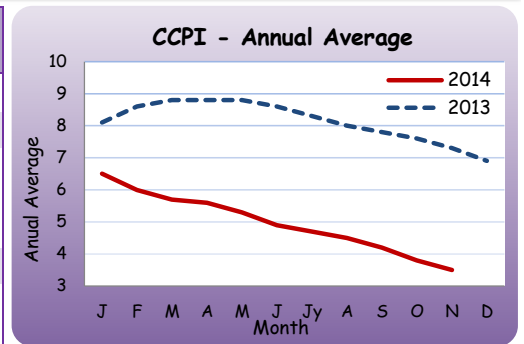
The FIPI increased by 6.7 per cent on year-on-year basis in August 2014. This growth was mainly supported by increased output of beverages, tobacco as well as rubber and plastic products sectors. They have recorded a significant growth of 14.0, 37.0 and 15.8 per cent due to increased domestic and international demand during this period.

During the week crude oil spot prices largely followed a declining trend. Crude oil prices fell to fresh lows after Morgan Stanley cut its price forecast for Brent and head of Kuwait's state oil company said that oil prices are likely to remain around \$65 a barrel for the next six to seven months until the global economy recovers or OPEC changes its production policy. However, in the mid of the week oil prices rose after U.S. government cut its forecast for domestic oil production growth in 2015 by about 100,000 barrels per day. Further, Algeria's energy minister said OPEC may hold an emergency meeting early next year to discuss how to tackle a surplus in global oil supplies and a drop in prices. Crude oil prices again fell to fresh lows since July 2009 on persistent concerns over a supply glut and a bearish demand outlook. Saudi Arabia's oil minister shrugged off suggestions that they might cut production to reverse the deepest price slump in years. U.S. Energy Information Administration reported crude inventories rose 1.5 million barrels last week compared with analysts' expectations for a 2.2 million barrel draw.

REAL SECTOR & INFLATION

1.1 Price Indices

Item	Nov 2014	Month Ago	Year Ago
(2006 / 07 = 100)			
Colombo Consumers' Price Index (CCPI)	179.2	179.0	176.5
Annual Average Change %	3.5	3.8	7.3
Year - on - Year Change %	1.5	1.6	5.6
Core Inflation - (CCPI)	173.2	172.9	167.2
Annual Average Change %	3.4	3.3	4.9
Year - on - Year Change %	3.6	3.6	2.4



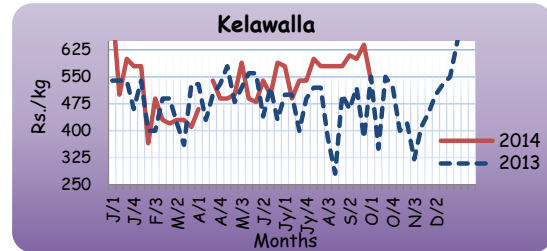
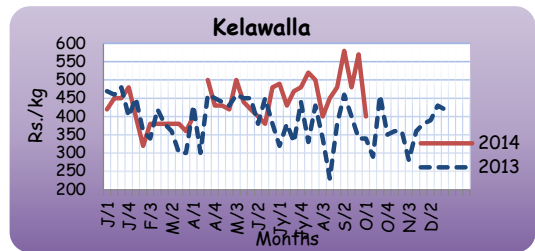
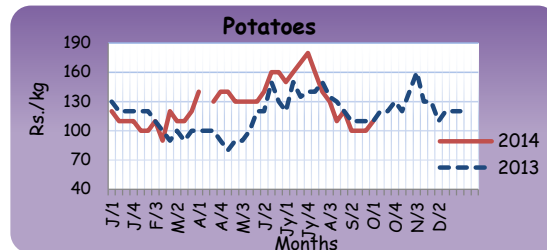
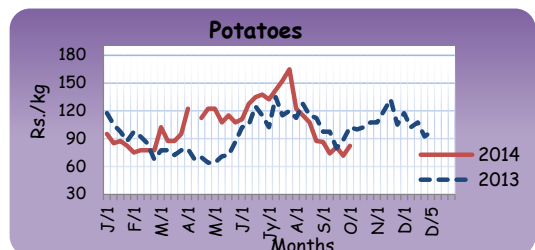
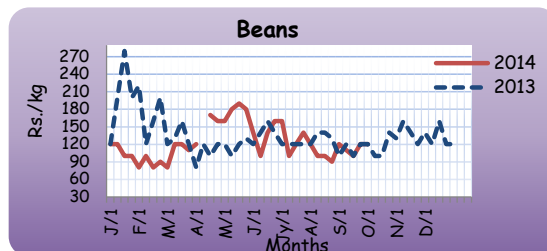
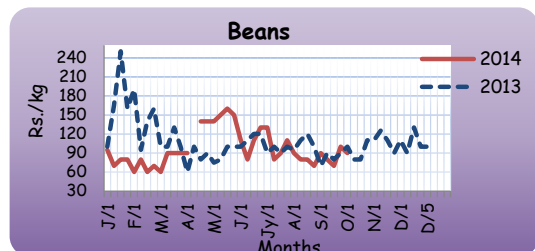
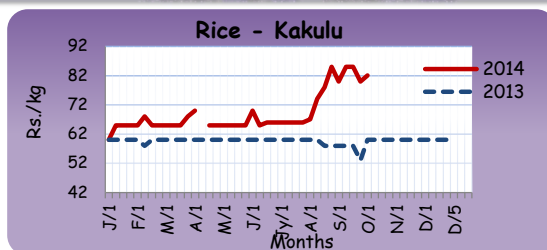
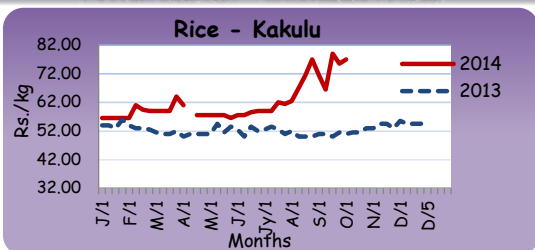
1.2 Pettah Market

Item	Average Wholesale Prices				Average Retail Prices			
	Week Ending 11 th Dec	Week Ago	Month Ago	Year Ago Annual Avg	Week Ending 11 th Dec	Week Ago	Month Ago	Year Ago Annual Avg
	Rs / Kg				Rs / Kg			
Rice								
Samba	87.50	89.00	90.38	66.57	95.00	92.00	94.25	70.46
Kekulu (Red)	84.00	85.50	82.50	52.39	90.00	90.00	92.00	59.60
Vegetables								
Beans	160.00	180.00	112.50	107.69	200.00	220.00	150.00	134.42
Cabbage	95.00	70.00	70.00	64.76	140.00	100.00	102.50	92.88
Carrots	140.00	170.00	182.50	108.94	180.00	200.00	220.00	133.46
Tomatoes	160.00	160.00	142.50	67.84	200.00	200.00	180.00	99.81
Pumpkins	60.00	35.00	32.50	37.12	80.00	60.00	57.50	57.60
Snake Gourd	100.00	110.00	80.00	55.69	140.00	140.00	105.00	80.77
Brinjals	100.00	170.00	57.50	61.42	140.00	200.00	85.00	85.58
Ash-Plantains	100.00	90.00	97.50	63.27	140.00	120.00	125.00	84.23
Other Foods								
Red-Onions (Local)	100.00	135.00	106.25	148.68	160.00	150.00	132.50	182.38
Big-Onions (Local)	75.00	75.00	76.88	97.21	100.00	90.00	102.50	127.22
Potatoes (N'Eliya)	125.00	125.00	117.50	96.95	160.00	150.00	137.50	117.31
Dried Chilies (Imported)	220.00	220.00	223.25	176.50	260.00	250.00	265.00	219.71
Dhal (Indian)	143.00	142.00	146.50	131.39	160.00	160.00	161.25	148.85
Eggs (Red)	12.50	12.00	11.38	13.39	13.00	12.50	11.88	13.89
Coconut (Each)	44.50	44.00	43.50	37.62	55.00	55.00	55.00	43.98
Fish*								
Kelawalla	420.00	540.00	492.50	387.27	580.00	590.00	570.00	477.31
Balaya	350.00	350.00	265.00	280.00	400.00	420.00	317.50	341.76
Salaya	100.00	140.00	110.00	134.71	140.00	180.00	142.50	179.04
Paraw (Small)	480.00	400.00	445.00	442.60	520.00	460.00	515.00	505.60

* Prices collected from the Fisheries Trade Centre, Peliyagoda.

Pettah Market - Wholesale Prices

Pettah Market - Retail Prices



1.3 Dambulla Market

Item (Rs / Kg)	Week Ending 11 th Dec	
	Wholesale (Average)	Retail (Average)
Rice		
Samba	85.50	88.50
Kekulu (Red)	84.50	88.00
Vegetables		
Beans	158.00	208.00
Carrot	140.00	197.00
Tomatoes	104.00	154.00
Pumpkins	21.80	43.00
Snake Gourd	78.00	112.00
Ash-Plantains	76.50	109.00
Other Foods		
Red-Onions (Local)	96.00	132.00
Big-Onions (Local)	75.70	100.00
Potatoes (N'Eliya)	133.00	148.00
Dried Chilies(Imported)	218.60	265.00
Coconut (Each)	42.80	52.50

1.4 Narahenpita Economic Centre

Item (Rs / Kg)	Average Retail Prices	
	11 th Dec	Week Ago
Rice		
Samba	90.00	88.67
Kekulu (Red)	86.67	83.33
Vegetables		
Beans	240.00	166.67
Cabbage	153.33	130.00
Carrots	240.00	260.00
Tomatoes	200.00	226.67
Pumpkins	80.00	80.00
Snake Gourd	133.33	140.00
Brinjals	120.00	106.67
Ash-Plantains	140.00	140.00
Other Foods		
Red-Onions (Imported)	n.a	n.a
Big-Onions (Imported)	n.a	n.a
Potatoes (Imported)	140.00	n.a
Dried Chilies (Imported)	243.33	230.00
Dhal (Indian)	166.67	163.33
Eggs (Red)(Each)	13.00	13.00
Coconut (Each)	51.67	48.33
Fish		
Kelawalla	860.00	690.00
Balaya	476.67	400.00
Salaya	193.33	170.00
Paraw (Small)	690.00	680.00

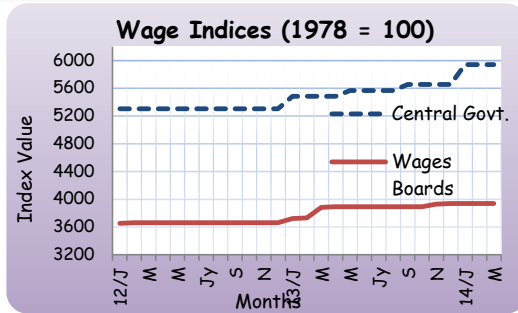
1.5 Maradagamula Market

Average wholesale price of Rice				
Item (Rs / Kg)	Week Ending 12 th Dec	Week Ago	Month Ago	Year Ago
Samba	84.14	83.94	84.31	62.64
Sudu Kekulu	75.50	76.30	77.26	52.03
Raw Red	83.40	83.02	82.03	49.55
Nadu	76.90	75.40	77.07	53.71

1.6 Wage rate Indices

Item	2014(a) Sep	2013 Sep	% Change
(1978 = 100)			
Central Government Employees (b)	5,939.0	5,653.3	5.1
Workers in Wages Boards Trades	4,099.2	3,890.0	5.4
Agriculture	4,692.3	4,434.9	5.8
Industry & Commerce	3,459.1	3,248.1	6.5
Services	2,313.2	2,313.2	0.0

(a) Provisional

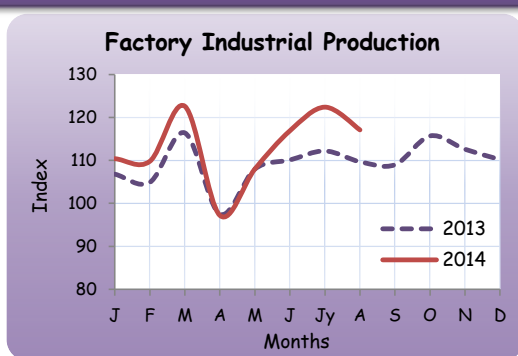


1.7 Factory Industry-Production (FIPI) (2010 = 100) (a)

Item	2014 (b) August	2013 August	% Change
Factory Industry- Production Index	117.1	109.7	6.7
Food products	101.1	103.6	-2.4
Beverages	104.9	92.1	14.0
Tobacco products	93.5	68.3	37.0
Wearing apparel	148.7	136.2	9.2
Chemicals and chemical products	73.3	86.5	-15.2
Rubber and plastic products	139.3	120.3	15.8
Other non-metallic mineral products	109.6	112.0	-2.1

(a) Major 7 sub divisions of FIPI out of 17 sub divisions.

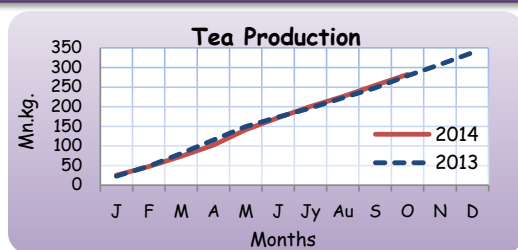
(b) Provisional



1.8 Agriculture Production

Item	Unit	2014*	2013	% Change
		Jan - Oct	Jan - Oct	
Tea	(Mn Kg)	282.9	279.0	1.4
Rubber	(Mn Kg)	87.3	103.4	-15.6
		Jan - Sep	Jan - Sep	
Coconuts	(Mn Nuts)	2,151.6	1,921.6	12.0

* Provisional

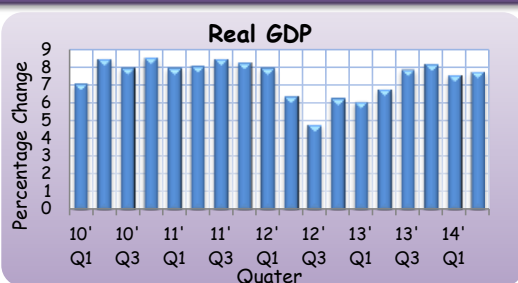


1.9 GDP by Industrial Origin at Constant (2002) Prices - Growth Rates

Item	2014* 2 nd Quarter	2013 2 nd Quarter	2013 Annual
Agriculture	6.5	-1.1	4.7
Industry	12.2	10.1	9.9
Services	5.8	6.6	6.4
GDP	7.8	6.8	7.3

* Provisional

Source: Department of Census and Statistics



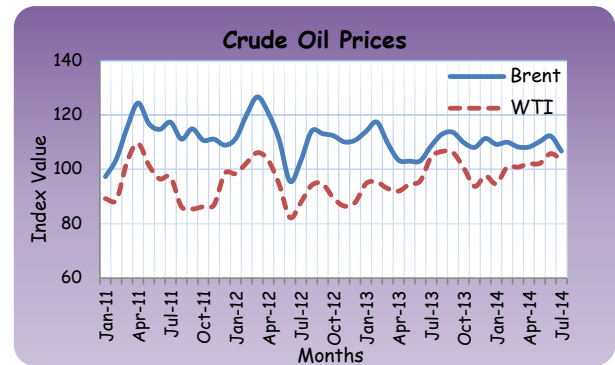
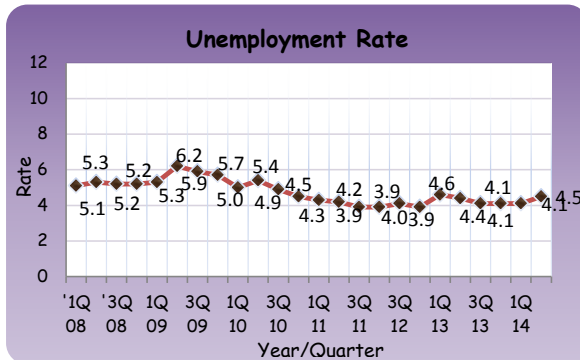
1.10 Employment (a)

Item	2014 2 nd Quarter	2013 2 nd Quarter	2013 Annual
Labour Force Participation rate	53.6	54.2	53.8
Unemployment rate	4.5	4.4	4.4
Employed Persons by Sectors % (b)			
Agriculture	28.2	31.5	29.7
Industry	26.0	26.2	26.2
Services	45.8	42.4	44.1

(a) The working age population aged 15 and above

Source: Department of Census and Statistics

(b) Based on the International Standard Industrial Classification (ISIC) - Revision 4



1.11 Average Crude Oil Prices

Month	2013			2014		
	Spot Prices (US \$/bbl)		CPC Import Prices (C&F) (US\$/bbl)(*)	Spot Prices (US \$/bbl)		CPC Import Prices (C&F) (US\$/bbl)(*)
	Brent (Benchmark price)	WTI (Benchmark price)		Brent (Benchmark price)	WTI (Benchmark price)	
January	113.95	94.76	111.22	109.21	94.71	113.84
February	117.39	95.32	111.16	110.01	100.82	110.62
March	109.63	92.94	106.57	108.28	100.82	111.17
April	103.40	92.02	111.17	108.22	102.07	110.25
May	103.04	94.51	108.91	110.22	102.18	109.80
June	103.16	95.77	105.29	112.27	105.79	113.42
July	108.62	104.51	-	106.73	103.54	110.30
August	112.94	106.58	113.48	101.51	96.54	111.21
September	113.63	106.19	111.01	97.02	93.19	100.08
October	109.88	100.54	-	87.51	84.40	99.39
November	108.10	93.77	110.39	79.28	75.79	
December	111.37	97.62	112.13			
	2013			2014		
05 December	112.77	97.14		68.25	65.89	
08 December	-	97.47		65.84	63.13	
09 December	110.67	97.09		66.36	63.74	
10 December	109.51	98.31		63.52	60.99	
11 December	110.07	97.24		63.80	60.01	

Sources: Reuters

Energy Information Administration

Ceylon Petroleum Corporation

(*) CPC import prices are not directly comparable with spot prices of WTI and Brent as CPC import prices include freight charges and the price is weighted for average prices of different types of crude oil. Also Part of the imports of CPC are on a term contract basis.

Monetary Sector

Weekly AWPR for the week ending 12 December 2014 declined marginally by 2 bps to 6.34 per cent compared to the previous week.

Broad money (M2b) expanded by 11.5 per cent in October 2014. NFA of the banking system declined by Rs. 56.2 billion in October 2014 compared to September 2014. NCG from the banking system showed a significant increment of Rs. 12.7 billion in October 2014 compared to September 2014, where credit to public corporations also showed a rapid increase of Rs. 40.2 billion during the month. Credit extended to the private sector increased by Rs. 42.0 in October 2014, compared to September 2014 .

The reserve money decreased compared to the previous week mainly due to decrease in deposits by the commercial banks with the Central Bank.

The total outstanding market liquidity decreased to Rs. 351.66 bn by end of the week, compared to Rs. 368.27 bn by the end of last week. Majority of the liquidity has been absorbed through the Term Repo auctions and Short-term Repo auctions.

By 12 December 2014, the All Share Price Index (ASPI) increased marginally by 0.06 per cent to 7,243 points while the S&P SL 20 Index increased by 0.53 per cent to 4,083 points compared to the previous week.

MONETARY SECTOR

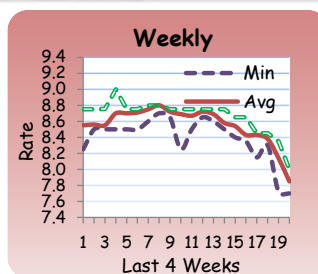
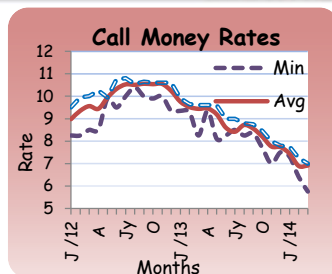
2.1 Interest Rates

Item	Week Ending Dec 12	Week Ago	Year Ago
Commercial Bank Average Weighted Prime Lending Rate (AWPR)	6.34	6.36	10.31
Treasury Bill Yield (Excluding 10% withholding tax)			
- 91 days	-	-	7.85
- 182 days	5.83	5.84	8.48
- 364 days	5.98	5.99	9.15
Standing Deposit Facility	6.50	6.50	6.50
Standing Lending Facility	8.00	8.00	8.50
Call Money Weekly Average (CMR)	5.95	6.04	7.73
Sri Lanka Inter Bank Offer Rate (SLIBOR)			
1 day	6.00	6.03	7.80
7 days	6.21	6.23	8.46
1 Month	6.44	6.45	9.11
3 Months	6.66	6.67	9.76
6 Months	6.91	6.91	10.44
12 Months	7.09	7.14	11.39
Commercial Banks	July 2014	Month Ago	Year Ago
Saving Deposits -	0.75-8.00	1.25-8.00	0.75-11.00
One Year Fixed Deposits -	4.55-13.00	4.75-14.50	5.00-16.00
	Nov 2014	Month Ago	Year Ago
Commercial Bank Average Weighted Deposit Rate (AWDR)	6.42	6.72	9.52
Commercial Bank Average Weighted Fixed Deposit Rate (AWFDR)	7.63	8.09	11.96
	Oct 2014	Month Ago	Year Ago
Commercial Bank Average Weighted Lending Rate (AWLR)	12.57	12.98	15.52
NSB	July 2014	Month Ago	Year Ago
Saving Deposits -	5.00	5.00	5.00
One Year Fixed Deposits -	7.50	7.50	10.50
Treasury Bonds Auction	(08 Years) 29/09/2014	(14 Y & 07 Months) 29/09/2014	(14 Y & 10 Months) 10/07/2014
Coupon rate	10.00	13.00	13.00
Weighted Average Yield (Excluding 10% withholding tax)	7.15	8.63	10.58

Bankwise- AWPR	Week ending Dec 12	Week Ago
Bank of Ceylon	7.73	7.43
People's Bank	8.74	6.64
Hatton National Bank	6.28	6.18
Commercial Bank of Ceylon	6.18	5.95
Sampath Bank	5.98	6.09
Seylan Bank	6.47	6.90
Union Bank of Colombo	6.61	6.37
Pan Asia Banking Corporation	7.00	7.00
Nations Trust Bank	6.16	6.13
DFCC Vardhana Bank	6.85	6.85
NDB Bank	6.85	6.79
Amana Bank	7.95	7.95
Cargills Bank	6.60	7.13

Bankwise- AWPR	Week ending Dec 12	Week Ago
HSBC	6.30	6.27
Standard Chartered Bank	5.97	5.91
Citi Bank	6.16	6.27
Deutsche Bank	7.12	7.58
Habib Bank	5.49	5.49
Indian Bank	7.99	7.99
Indian Overseas Bank	8.49	8.49
MCB Bank	6.24	6.45
State Bank of India	8.98	8.98
Public Bank	8.00	8.00
ICICI Bank	8.67	8.13
Axis Bank	-	-

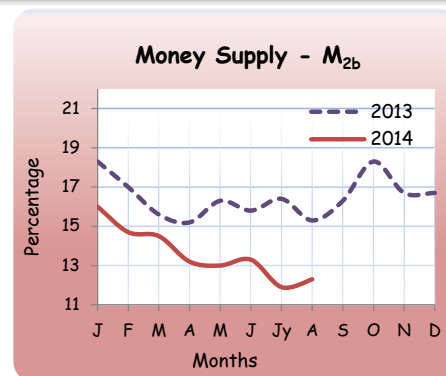
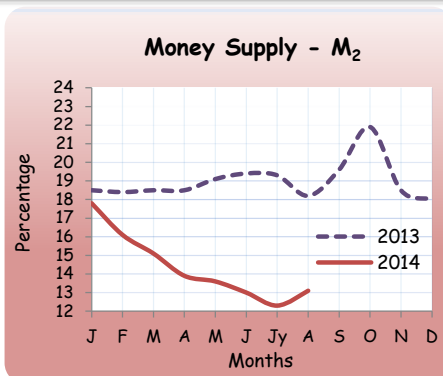
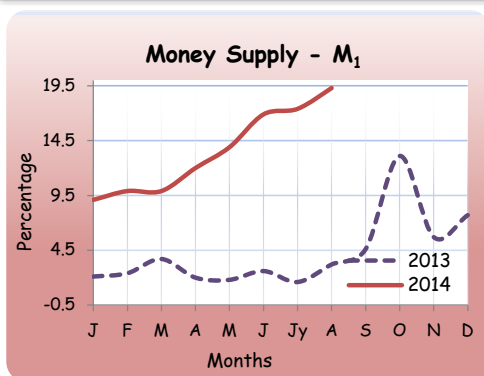
Interest Rates - Call Money



2.2 Money Supply

Item	Rs. Bn.			Annual Change (%)		
	2014 (a) October	Month Ago	Year Ago	2014 (a) October	Month Ago	Year Ago
M1	546.5	540.0	481.3	13.5	17.4	13.1
M2	3,351.3	3,316.8	3,002.4	11.6	12.9	21.9
M2b	3,747.6	3,709.6	3,362.5	11.5	12.8	18.3
Net Foreign Assets of the Banking System (b)	93.4	149.5	-51.2	282.4	270.1	-112.2
Monetary Authorities	742.1	768.9	498.4	48.9	60.4	39.9
Domestic Banking Units (DBUs)	-245.3	-248.9	-195.1	-25.7	-31.6	-53.1
Foreign currency Banking Units (FCBUs)	-403.5	-370.5	-354.5	-13.8	2.1	-40.2
Net Domestic Assets of the Banking System (b)	3,654.3	3,560.1	3,413.7	7.0	5.4	19.1
DBUs	3,107.7	3,054.4	2,930.5	6.0	6.0	17.5
FCBUs	546.5	505.7	483.2	13.1	2.0	29.8
Net Credit to Government	1,401.4	1,388.7	1,329.0	5.4	7.5	27.5
Monetary Authorities	147.5	138.5	128.1	15.2	3.2	-60.0
DBUs	1,046.3	1,052.4	1,012.2	3.4	8.7	71.8
FCBUs	207.6	197.8	188.8	10.0	4.0	41.2
Credit to Corporations	404.1	363.9	326.8	23.6	7.2	28.4
DBUs	184.9	176.6	123.2	50.1	42.7	76.0
FCBUs	219.2	187.3	203.6	7.6	-13.1	10.3
Credit to the Private Sector	2,623.9	2,581.9	2,496.7	5.1	4.6	7.4
DBUs	2,375.4	2,339.5	2,291.2	3.7	3.0	7.5
FCBUs	248.5	242.4	205.6	20.9	22.2	6.8
Reserve Money	547.7	536.9	466.9	17.3	15.3	-0.9

(a) Provisional (b) In relation to M2b

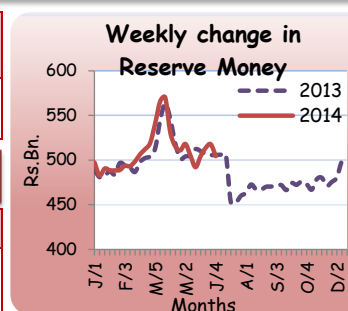


2.3 Weekly change in Reserve Money

Item	11 Dec 2014	Week Ago	Change
Reserve Money (Rs.Mn.)	570,103	574,455	-4,352

2.4 Money Market Activity (Overnight)

Item	08.12.2014	09.12.2014	10.12.2014	11.12.2014	12.12.2014
Call Money Market					
Weighted Average Rate (% p.a.)	5.97	5.95	5.95	5.95	5.95
Gross Volume (Rs. Mn)	8,452	8,150	11,990	15,502	15,779
Repo Market					
Weighted Average Rate (% p.a.)	5.50	5.48	5.46	5.45	5.48
Gross Volume (Rs. Mn)	13,794	9,198	8,521	6,395	6,593



2.5 CBSL Security Portfolio

Item	08.12.2014	09.12.2014	10.12.2014	11.12.2014	12.12.2014
CBSL T-Bill Holding (Rs. Mn)	1,011	1,011	1,012	1,011	3,412

2.6 Open Market Operations

Item	08.12.2014	09.12.2014	10.12.2014	11.12.2014	12.12.2014
Short-Term Auction					
Repo Amount Offered (Rs. bn)	25.00	0.00	8.00	0.00	28.00
Reverse Repo Amount Offered (Rs. bn)	0.00	0.00	0.00	0.00	0.00
Tenure (No. of Days)	4	0	2	0	7
Bids Received (Rs. bn)	16.91	0.00	10.74	0.00	28.11
Amount Accepted (Rs. bn)	16.91	0.00	8.00	0.00	28.00
Weighted Average Yield Rate (% p.a.)	5.99	0.00	5.91	0.00	6.02
Term Auction					
Repo Amount Accepted (Rs. bn)	0.00	0.00	0.00	0.00	35.42
Reverse Repo Amount Accepted (Rs. bn)	0.00	0.00	0.00	0.00	0.00
Standing Facility					
Standing Deposit Facility (Rs. bn)	12.25	18.66	7.11	2.89	19.59
Standing Lending Facility (Rs. bn)	0.00	0.00	0.00	0.00	0.00
Total Outstanding Market Liquidity (Rs. bn)	356.94	363.34	359.80	355.58	351.66

2.7 Credit Cards *

Item	2014 (a) End July	2014 End June	2013 End Dec
Total Number of Active Cards	983,296	974,144	951,625
Local (accepted only locally)	34,013	34,397	35,990
Global (accepted globally)	949,283	939,747	915,635
Outstanding balance (Rs. Mn.)	53,643	53,613	51,172
Local (accepted only locally)	1,246	1,244	1,260
Global (accepted globally)	52,396	52,369	49,913

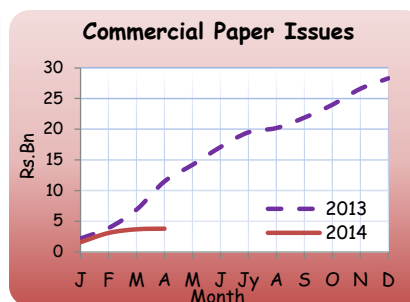
(a) Provisional

2.8 Commercial Paper Issues (1)

Item (Rs. bn.)	2014 End July*	2014 End June	2013 End Dec
Total Issues - Cumulative	5.6	5.4	28.3
Outstanding (as at end of the period)	4.7	4.8	7.4

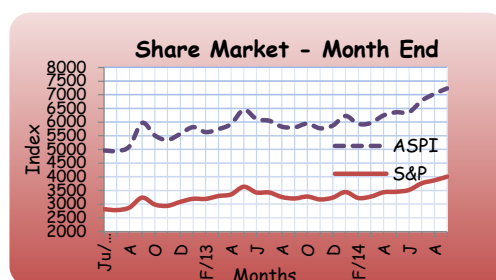
* provisional

(1) Based on the information provided by Licensed Commercial Banks and Licensed Specialised Banks



2.9 Share Market

Item	Week Ending 12 Dec 2014	Week Ago	Year Ago
All Share Price Index (1985 = 100) (ASPI)	7,243	7,239	5,793
S & P Sri Lanka 20 Index (S&P SL20)	4,083	4,062	3,189
Average Daily Turnover (Rs. Mn)	801	1,241	393
Market Capitalisation (Rs.Bn.)	3,078	3,075	2,410



Fiscal Sector

During the first half of 2014, total revenue as a percentage of estimated GDP declined marginally to 5.4 per cent from 5.6 per cent in the corresponding period of 2013. However, in nominal terms, total revenue increased to Rs. 536.4 billion during the first half of the year from Rs. 487.9 billion recorded during the same period in 2013 reflecting an increase in both tax revenue and non-tax revenue. Tax revenue increased to Rs. 484.4 billion during the first half of 2014 compared to Rs. 441.5 billion recorded during the corresponding period in 2013 mainly due to the increase in revenue from corporate and non-corporate income tax, VAT revenue generated from both imports and domestic economic activities, excise tax on motor vehicles and PAL. Meanwhile, non-tax revenue increased during the period mainly due to a significant increase in profit and dividend transfers from State Owned Business Enterprises.

Total expenditure and net lending as a percentage of estimated GDP during the first half of 2014 declined to 9.2 per cent compared to 10 per cent recorded in the corresponding period in 2013 due to the decline in both recurrent expenditure and capital expenditure and net lending.

Total outstanding debt increased by Rs. 548 billion to Rs. 7,341.3 billion as at end June 2014 from Rs. 6,793.2 billion at end 2013.

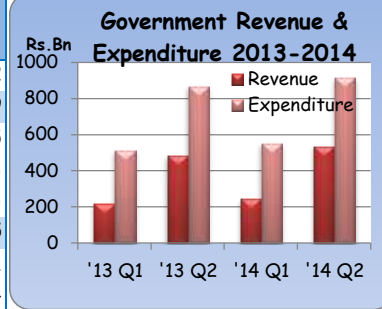
Foreign debt increased by Rs. 312.3 billion to Rs. 3,272.7 billion and domestic debt increased by Rs. 235.7 billion to Rs. 4,068.6 billion as at end June 2014 from end December 2013.

The government made several changes to the Special Commodity Levy (SCL) during the second quarter of the year with a view to maintaining stable prices in the domestic market. SCL of 10 per cent per kg was imposed in April 2014 for a period of two months on the importation of sorghum and maize in place of 15 per cent of Customs duty, 12 per cent of VAT, 2 per cent of NBT, 5 per cent of PAL and 35 per cent of Cess and was extended till July. Further, SCL of Rs.5 per kg was imposed in April 2014 for a period of three months on the importation of rice in place of customs duty of Rs. 20 per kg, 12 per cent of VAT, 2 per cent of NBT and 5 per cent of PAL. SCL on the importation of potatoes was reduced from Rs. 25 per kg to Rs. 15 per kg for a period of seven months while SCL on the importation of Sugar was reduced from Rs. 30 per kg to Rs. 25 per kg. SCL on the importation of the whole massor dhal was reduced to Rs. 5 per kg from Rs. 10 per kg for a period of seven months and SCL on the importation of the split massor dhal was extended for a period of seven months. In June 2014, the duty waiver applicable on imported milk powder was reduced by Rs. 25 per kg, hence the applicable duty rate was increased to Rs. 82 per kg.

FISCAL SECTOR

3.1 Government Finance (Rs.bn)

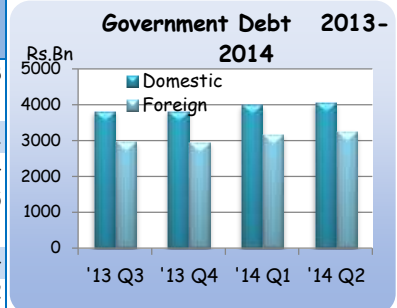
Item	2014 *	2013
	1 st Half	1 st Half
Revenue and Grants	543.6	490.2
Revenue	536.4	487.9
Tax	484.4	441.5
Non tax	52.0	46.3
Grants	7.2	2.3
Expenditure & Lending Minus Repayments	915.4	868.5
Current	637.2	600.1
Capital & Lending Minus Repayments	278.2	268.4



* Provisional **Revised

3.2 Government Debt (Rs.bn)

Item	2014*	2013
	End Jun	End Dec
Total domestic debt	4,068.6	3,832.8
of which		
Treasury bills	667.1	700.1
Treasury bonds	2,671.9	2,452.4
Rupee loans	55.5	55.5
Total foreign debt	3,272.7	2,960.4
Total outstanding govt. debt	7,341.3	6,793.2



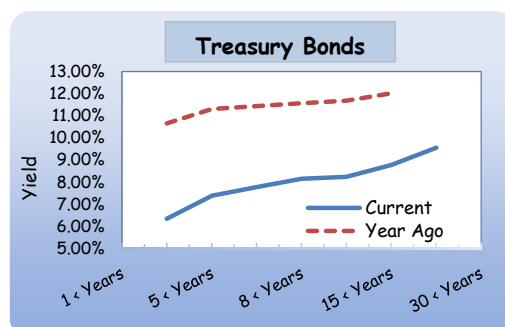
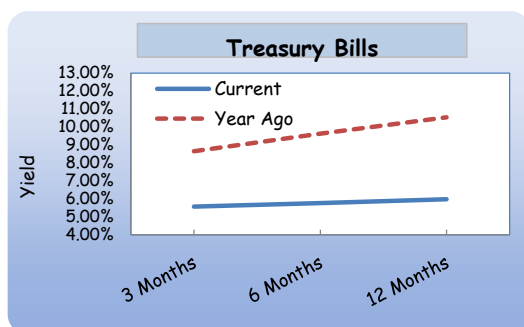
* Provisional

3.3 Government Securities - Primary and Secondary Market Yield Rates as for the week ending - 10th December 2014

Security	Maturity	Primary Market*		Secondary Market			Last Week Average
		This Week	Last Week	This Week			
				Buying	Selling	Average	
Treasury Bills	3 Months	-	-	5.62%	5.52%	5.57%	5.65%
	6 Months	5.83%	5.84%	5.82%	5.71%	5.76%	5.81%
	12 Months	5.98%	5.99%	6.03%	5.92%	5.98%	6.05%
Treasury Bonds	2 < Years	-	-	6.42%	6.30%	6.36%	6.35%
	5 < Years	-	6.61%	7.48%	7.32%	7.40%	7.43%
	6 < Years	-	-	7.85%	7.70%	7.78%	7.80%
	8 < Years	-	-	8.23%	8.09%	8.16%	8.20%
	10 < Years	-	7.78%	8.32%	8.19%	8.25%	8.29%
	15 < Years	-	-	8.88%	8.67%	8.78%	8.87%
	20 < Years	-	-	9.66%	9.47%	9.57%	9.54%
30 < Years	-	-	9.70%	9.52%	9.61%	9.72%	

* Primary market transactions during the week ending 10/12/2014

The secondary market rates of T-bonds and T-bills remained marginally abated during the week compared with yield rates of last week.



3.4 Government Securities - Weekly Summary of Primary and Secondary Market Transactions (Week Ended - 10th December 2014)

Item	Volume in Rs Mn	
	This Week	Last Week
Outstanding Stock of Government Securities		
Treasury Bills	745,266.90	744,470.56
Treasury Bonds (a)	3,235,364.52	3,235,364.52
Total	3,980,631.42	3,979,835.08
Government Securities held by Foreigners	454,517.35	458,270.98
Sri Lanka Development Bonds (SLDB)	390,312.85	390,283.06

The outstanding stock of T-bills increased with new issuances while stock of T-bond remained unchanged during the week .

Primary Market Activities	Volume in Rs Mn	
	This Week	Last Week
Treasury Bills		
Amount Offered	12,000.00	10,000.00
Total Bids Received	35,233.00	28,633.00
Total Bids Accepted	14,581.00	14,686.00
Treasury Bonds		
Amount Offered		
Total Bids Received	No auction held	No auction held
Total Bids Accepted		

The primary market offers remained substantially oversubscribed continuing the market interest for government securities.

Secondary Market Activities	Volume in Rs Mn	
	This Week	Last Week
Treasury Bills		
Outright Transaction (Sales / Purchases)	28,863.55	20,993.14
Repo Transaction (Sales / Purchases)	181,208.45	227,943.52
Treasury Bonds		
Outright Transaction (Sales / Purchases)	17,614.71	32,957.93
Repo Transaction (Sales / Purchases)	660,954.19	594,665.33

Increased activities are observed in secondary market T-bills outright and T-bond repo transactions during the week.

a) Excludes Treasury bonds amounting to Rs.4,397 million issued to CWE in November 2003, Rs. 78,441 million issued to settle dues to CPC in January 2012, Rs. 13,125 million issued to capitalize Sri Lankan Airlines in March 2013.

3.5 Two way Quotes (Treasury Bills) - 12/12/2014

Remaining Maturity	Average Buying Price	Yield %	Average Selling Price	Yield %	Buying & Selling Spread
1-7 Days	99.90	5.46	99.91	4.93	0.01
1 Month	99.55	5.52	99.56	5.36	0.01
2 Month	99.08	5.57	99.11	5.43	0.02
3 Month	98.63	5.58	98.65	5.49	0.02
4 Month	98.14	5.66	98.17	5.55	0.04
5 Month	97.65	5.71	97.70	5.60	0.04
6 Month	97.13	5.82	97.19	5.69	0.06
7 Month	96.64	5.85	96.71	5.73	0.07
8 Month	96.15	5.86	96.22	5.74	0.08
9 Month	95.64	5.89	95.73	5.77	0.09
10 Month	95.14	5.91	95.23	5.81	0.08
11 Month	94.61	5.96	94.70	5.87	0.09
12 Month	94.05	6.04	94.16	5.92	0.11

3.6 Two way Quotes (Treasury Bonds)- 12/12/2014

Treasury Bond By Series	Maturity Period (Years)	Maturity Date (DD/MM/YY)	Days to Maturity	Average Buying Price	Yield %	Average Selling Price	Yield %	Buying & Selling Spread
06.20%2015A	4	15-Jan-15	34	100.00	6.10	100.01	5.98	0.01
11.75%2015A	6	15-Mar-15	93	101.43	5.93	101.46	5.81	0.03
06.20%2015B	4	15-Jun-15	185	100.03	6.15	100.09	6.03	0.06
06.50%2015A	5	15-Jul-15	215	100.25	6.05	100.32	5.93	0.07
11.00%2015A	6	1-Aug-15	232	102.91	6.25	103.03	6.06	0.12
11.00%2015B	6	1-Sep-15	263	103.32	6.17	103.45	5.99	0.13
12.50%2015A	2	20-Sep-15	282	104.51	6.38	104.72	6.10	0.22
08.50%2015A	3	1-Nov-15	324	101.91	6.24	102.04	6.09	0.13
07.25%2016A	6	1-Apr-16	476	100.92	6.49	101.05	6.39	0.13
08.00%2016B	4	1-Jun-16	537	101.68	6.78	102.00	6.55	0.32
06.40%2016A	6	1-Aug-16	598	99.59	6.66	99.87	6.48	0.28
08.00%2016A	5	1-Sep-16	629	102.14	6.65	102.41	6.48	0.27
06.40%2016B	6	1-Oct-16	659	99.25	6.84	99.57	6.65	0.32
08.00%2017A	5	1-Jan-17	751	101.88	7.00	102.17	6.85	0.30
05.80%2017A	6	15-Jan-17	765	97.95	6.87	98.21	6.73	0.27
08.25%2017A	3	1-Mar-17	810	102.43	7.04	102.72	6.90	0.28
08.75%2017A	4	15-May-17	885	103.84	7.00	104.10	6.88	0.26
08.00%2017B	5	15-Jun-17	916	102.23	7.01	102.52	6.89	0.29
05.80%2017B	6	15-Jul-17	946	97.08	7.05	97.35	6.93	0.27
08.50%2018A	15	1-Feb-18	1,147	103.53	7.22	103.86	7.10	0.33
08.50%2018C	5	1-Apr-18	1,206	103.81	7.18	104.10	7.08	0.29
08.50%2018D	5	1-Jun-18	1,267	103.86	7.22	104.17	7.12	0.31
08.50%2018B	15	15-Jul-18	1,311	103.72	7.30	104.09	7.18	0.37
07.50%2018A	15	15-Aug-18	1,342	100.72	7.27	101.04	7.17	0.32
08.00%2018A	6	15-Nov-18	1,434	102.34	7.30	102.68	7.20	0.34
05.65%2019A	8	15-Jan-19	1,495	94.21	7.31	94.55	7.21	0.34
08.50%2019A	10	1-May-19	1,601	104.12	7.38	104.69	7.23	0.57
10.60%2019A	6	1-Jul-19	1,662	112.38	7.35	112.91	7.22	0.53
10.60%2019B	5	15-Sep-19	1,738	112.33	7.47	112.83	7.35	0.50
08.00%2019A	8	1-Nov-19	1,785	101.87	7.53	102.59	7.36	0.72
08.00%2020A	8	1-Jun-20	1,998	100.87	7.80	101.76	7.60	0.89
06.20%2020A	10	1-Aug-20	2,059	92.51	7.87	93.30	7.68	0.79
09.00%2021A	8	1-May-21	2,332	104.96	7.99	105.73	7.84	0.77
11.00%2021A	7	1-Aug-21	2,424	114.65	8.10	115.20	8.00	0.55
08.00%2022A	10	1-Jan-22	2,577	99.99	8.00	100.88	7.83	0.89
11.20%2022A	9	1-Jul-22	2,758	116.66	8.20	117.43	8.07	0.77
10.00%2022A	8	1-Oct-22	2,850	109.48	8.32	110.69	8.12	1.21
09.00%2023A	10	1-Sep-23	3,185	103.95	8.35	105.21	8.15	1.26
11.20%2023A	9	1-Sep-23	3,185	118.71	8.16	119.61	8.03	0.90
07.00%2023A	20	1-Oct-23	3,215	92.02	8.29	92.92	8.14	0.90
11.40%2024A	10	1-Jan-24	3,307	118.57	8.43	119.57	8.28	1.00
09.00%2025A	12	1-May-25	3,793	103.39	8.50	104.09	8.40	0.70
09.00%2026A	13	1-Feb-26	4,069	101.74	8.75	103.17	8.55	1.44
05.35%2026A	15	1-Mar-26	4,097	75.41	8.85	76.89	8.60	1.48
09.00%2028B	15	1-May-28	4,889	98.65	9.18	99.98	9.00	1.33
09.00%2028A	15	1-Jul-28	4,950	98.27	9.23	100.38	8.95	2.11
13.00%2029A	15	1-Jan-29	5,134	130.10	9.15	132.38	8.91	2.29
13.00%2029B	15	1-May-29	5,254	129.95	9.20	132.02	8.99	2.06
08.00%2032A	20	1-Jan-32	6,229	84.25	9.93	85.95	9.70	1.70
09.00%2032A	20	1-Oct-32	6,503	91.58	10.02	93.14	9.82	1.56
09.00%2033A	20	1-Jun-33	6,746	93.43	9.78	95.51	9.52	2.09
13.25%2033A	20	1-Jul-33	6,776	126.56	10.06	128.70	9.85	2.14
09.00%2033B	20	1-Nov-33	6,899	90.94	10.08	92.68	9.86	1.74
13.25%2034A	20	1-Jan-34	6,960	126.40	10.10	128.66	9.88	2.26
09.00%2043A	30	1-Jun-43	10,398	89.59	10.12	91.48	9.90	1.89
13.50%2044A	30	1-Jan-44	10,612	134.52	9.87	137.17	9.66	2.65
13.50%2044B	30	1-Jun-44	10,764	133.94	9.93	136.44	9.73	2.51

External Sector

During the year so far (up to 12 December 2014) the rupee depreciated against the US dollar (0.21 per cent). Given the cross currency exchange rate movements, the Sri Lanka rupee appreciated against the euro (11.04 per cent), pound sterling (4.62 per cent), the Japanese yen (13.04 per cent) and the Indian rupee (0.26 per cent) during this period.

Earnings from exports declined by 13.7 per cent, year-on-year, in October 2014 to US dollars 899 million, reversing the increasing trend recorded since June 2013, mainly due to the base effect. Both the highest monthly export earnings and the lowest monthly import expenditure for the year 2013 were recorded during the month of October. The largest contribution to the decline in exports in October 2014 was from the industrial exports followed by agricultural exports. However, on a cumulative basis export earnings increased by 9.7 per cent to US dollars 9,187 million during the first ten months of 2014. Major export destinations during January to October 2014 were USA, UK, Italy, India and Germany accounting for around 50 per cent of total exports.

Expenditure on imports increased by a higher rate of 25.6 per cent to US dollars 1,750 million in October 2014, while on a cumulative basis, imports grew by 7.3 per cent to US dollars 15,972 million during the first ten months of 2014. The increase in import expenditure in October 2014 was driven by the significant increase in imports of all major categories, specially intermediate goods. During the first ten months of 2014, the main import origins were India, China, UAE, Singapore and Japan accounting for about 58 per cent of total imports.

The increase in import prices over the decline in export prices resulted to deteriorate the terms of trade in September 2014. The import price index increased by 1.6 per cent, year-on-year, to 98.4 index points mainly due to the decrease in the average price level of intermediate goods. Meanwhile, export price index declined by 3.6 per cent to 106.0 index points, reflecting the decline in prices of all major categories. Accordingly, the terms of trade index deteriorated by 5.1 per cent to 107.8 index points in September 2014 from to 113.6 index points in September 2013.

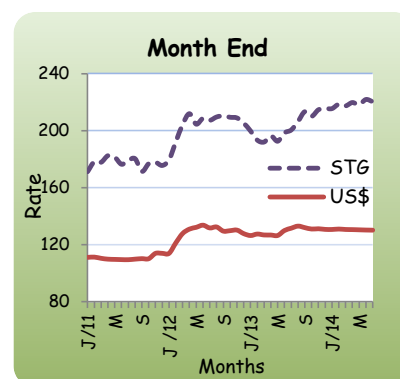
India, UK, China, Germany and Maldives were the top five sources of tourist arrivals upto November 2014, accounting for 46.5 per cent of total tourist arrivals during the year upto November 2014.

The average price of tea in the Colombo auction decrease in October 2014 compared to the corresponding month of 2013, but the prices averaged at Colombo Auction is higher than the prices at other two auctions namely Kolkata and Mombasa, due to higher demand for Ceylon tea.

EXTERNAL SECTOR

4.1 Exchange Rates

Item (Rs Per Unit)*	Week Ending - Dec 12			Average Rate	
	Buying Rate	Selling Rate	Average Rate	Week Ago	Year Ago
US\$	130.29	133.18	131.74	131.65	130.82
STG	204.17	210.00	207.09	206.08	214.07
Yen	1.09	1.13	1.11	1.10	1.28
Euro	160.61	165.89	163.25	162.85	180.16
INR(1)			2.11	2.12	2.14
SDR (As at 11 Dec 2014)			191.73	190.67	201.90
Central Bank purchases and sales** (US\$ Mn.)			November 2014	Month Ago	Year Ago
Purchases			30.00	1.50	20.00
Sales			79.85	200.15	51.38



	Week Ending Dec 12	Week Ago	Year Ago
Average Daily Interbank Volume (US\$ Mn.) (spot, tom and cash transactions among commercial banks)	9.20	13.55	29.64
Forward Transactions			
Forward Rates (US\$) ⁽²⁾			
1 Month	131.77	132.08	131.49
3 Months	132.54	132.87	132.71
Average Daily Interbank Forward Volume (US\$ mn)	21.42	25.08	21.27
Outstanding Forward Volume (US\$ mn) (As at 11 Dec 2014)	1,244.01	1,256.44	838.28

*Commercial Bank Avg. Middle Rate (prevailing at 9.30a.m.)

**Central Bank purchases and sales of foreign exchange from commercial banks at market rates total for the Month

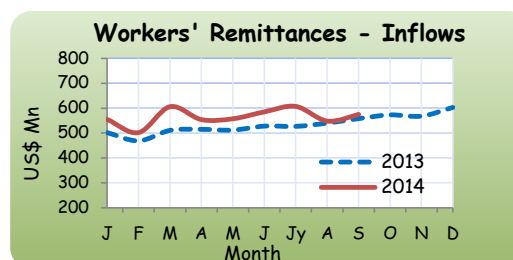
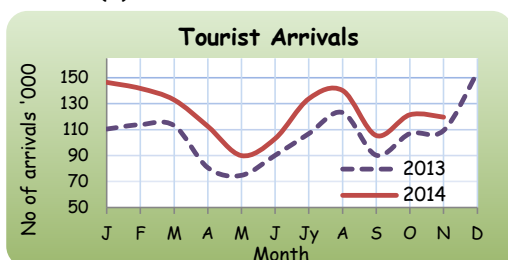
(1) Central Bank indicative rate (2) Weekly average based on actual transactions.

4.2 Tourism & Workers' Remittances

Item(a)		2013 Nov (b)	2014 Nov	2013 Jan-Nov (b)	2014 Jan-Nov	% Change
Tourist Arrivals	Number	109,420	119,727	1,120,675	1,348,481	20.3
Earnings from Tourism	US\$ Mn.	147.3	173.0	1,508.3	1,948.30	29.2
	Rs.bn.	19.3	22.6	194.6	254.3	30.7
		2013 Oct (b)	2014 Oct	2013 Jan-Oct(b)	2014 Jan-Oct	% Change
Workers' Remittances (Inflows)	US\$ Mn.	573.0	600.1	5,236.3	5,689.7	8.7
	Rs. bn.	75.1	78.4	674.4	742.4	10.1

(a) Provisional

(b) Revised



4.3 International Reserves & Foreign Currency Liquidity as at 31 October 2014^(a)

Official Reserve Assets (USD mn)					
Official Reserve Assets^(b)				8,790.92	
(1) Foreign currency reserves				7,839.07	
(a) Securities				3,557.30	
(b) Total currency and deposits with				4,281.77	
(i) other national central banks, BIS				1,303.02	
(ii) banks headquartered inside the reporting country of which located abroad				1.08	
(iii) banks headquartered outside the reporting country of which located in the reporting country				2,977.68	
(2) Reserve position in the IMF				70.75	
(3) SDRs				13.36	
(4) Gold				866.77	
(5) Other reserve assets				0.97	
Predetermined Short-Term Net Drains on Foreign Currency Assets ^(c)					
Item	Total	Maturity breakdown (residual maturity)			
		Up to 1 month	More than 1 and up to 3 months	More than 3 months and up to 1 year	
1. Foreign currency loans, securities, and deposits					
outflows (-)	Principal	-3,599.61	-356.46	-1,302.80	-1,940.35
	Interest	-1,025.45	-17.79	-313.88	-693.78
inflows (+)	Principal				
	Interest				
2. Aggregate short and long positions in forwards and futures in foreign currencies vis-à-vis the domestic currency (including the forward leg of currency swaps)					
(a) Short positions (-) ^(d)					
		-2,267.83	-453.45	-289.70	-1,524.68
(b) Long positions (+)					
3. Other (specify)					
inflows related to reverse repos (+)					
		-0.08	-0.08		
other accounts payable (-)					
		-0.08	-0.08		

(a) Provisional

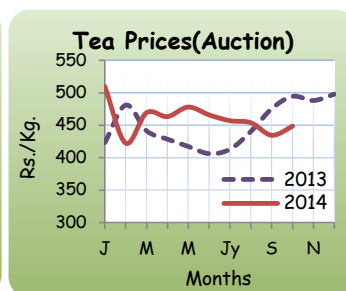
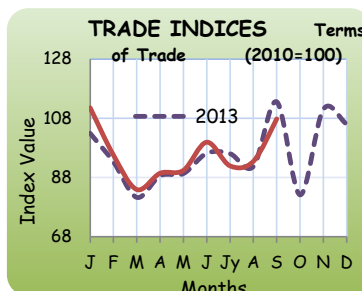
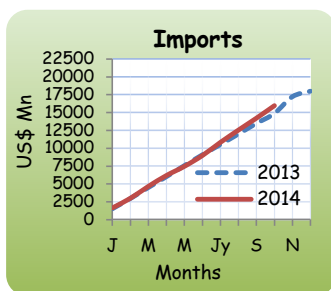
(b) By end October 2014, the total foreign assets were equivalent to 6.4 months of imports and gross official reserves were equivalent to 5.5 months of imports

(c) This mainly includes only the predetermined outflows

(d) A major share of SWAP outstanding will be rolled over. This mainly includes SWAP arrangements with state banks which mobilised long-term foreign finance from international bond issuances

4.4 External Trade

Item	US\$ Bn			Rs Bn		
	Jan-Oct 2014	Jan-Oct 2013	% Change	Jan-Oct 2014	Jan-Oct 2013	% Change
Exports	9.19	8.37	9.7	1,198.64	1,079.58	11.0
Agricultural	2.31	2.09	10.3	301.56	270.28	11.6
Industrial	6.81	6.23	9.3	888.37	802.93	10.6
Food, Beverages and Tobacco	0.24	0.19	24.5	31.25	24.82	25.9
Textiles and Apparel	4.06	3.56	13.9	529.50	459.24	15.3
Petroleum Products	0.28	0.37	-22.9	37.03	47.30	-21.7
Leather, Rubber etc	0.86	0.77	12.3	112.43	98.91	13.7
Other	1.37	1.34	1.9	178.16	172.67	3.2
Mineral	0.05	0.04	40.6	7.13	5.06	40.8
Other	0.01	0.01	19.2	1.58	1.31	20.7
Imports	15.97	14.88	7.3	2,084.03	1,914.44	8.9
Consumer Goods	3.07	2.62	17.0	399.91	337.22	18.6
Intermediate Goods	9.55	8.72	9.5	1,246.26	1,122.07	11.1
Investment Goods	3.34	3.53	-5.2	436.32	453.65	-3.8
Other	0.01	0.01	1.8	1.54	1.50	3.1
Trade Balance	-6.79	-6.51	4.3	-885.38	-834.86	6.1

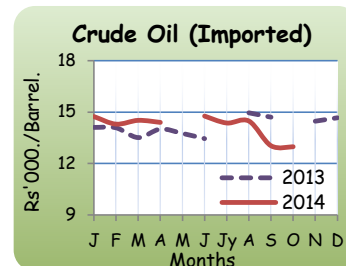
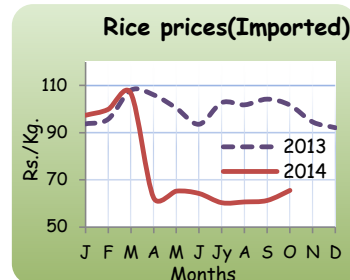


4.5 Trade Indices (2010= 100)

Item	2014** Sep	Month Ago	Year Ago
Total Exports			
Value	125.72	137.96	125.13
Quantity	118.58	130.41	113.82
Unit Value	106.02	105.79	109.93
Total Imports			
Value	149.23	154.34	133.02
Quantity	151.68	136.33	137.42
Unit Value	98.38	113.21	96.80
Terms of Trade	107.76	93.44	113.56

* In US\$ Terms

** Provisional



4.6 International Commodity Prices

Item	Oct 2014	Oct 2013	% Change	Oct 2014	Oct 2013	% Change
Colombo Auction Price	US\$ / Kg			Rs / Kg		
Tea Prices	3.44	3.77	-8.90	448.79	494.66	-9.30
Imports (C I F)	US\$ / MT			Rs / MT		
Rice	463.20	775.54	-40.30	60,494.12	101,670.26	-40.50
White Sugar	480.61	499.86	-3.90	62,767.29	65,530.28	-4.20
Wheat	320.47	322.36	-0.60	41,853.09	42,260.81	-1.00
	US\$ / Barrel			Rs / Barrel		
Crude Oil	99.39	-	-	12,979.97	-	-