

Weekly Economic Indicators

02 June 2017



Statistics Department
Central Bank of Sri Lanka

Real Sector

Inflation, as measured by the change in the National Consumer Price Index (NCPI) (2013=100), which is compiled by the Department of Census and Statistics (DCS), decelerated to 8.4 per cent in April 2017 from 8.6 per cent in March 2017, on year-on-year basis. Both Food and Non-food categories contributed towards the year-on-year inflation in April 2017.

The change in the NCPI measured on an annual average basis increased to 6.0 per cent in April 2017 from 5.6 per cent in March 2017. When the monthly change is considered, the NCPI increased from 119.5 index points in March 2017 to 121.0 index points in April 2017. This monthly increase was mainly due to the increase in prices of the items in the Food category. The NCPI Core inflation, which reflects the underlying inflation in the economy decreased significantly to 5.9 per cent in April 2017 from 7.0 per cent in March 2017 on year-on-year basis. This decline is due to relatively low monthly change and base effect. Annual average NCPI Core inflation remained unchanged at 6.6 per cent in April 2017.

Inflation, as measured by the change in the Colombo Consumer Price Index (CCPI) (2013=100), which is compiled by the DCS, decreased to 6.0 per cent in May 2017 from 6.9 per cent in April 2017, on year-on-year basis. Annual average inflation increased to 5.4 per cent in May 2017 from 5.3 per cent in April 2017. The monthly increase in CCPI was 0.9 per cent. CCPI Core inflation, which reflects the underlying inflation in the economy decreased to 5.2 per cent in May 2017 from 6.8 per cent in April 2017 on a year-on-year basis. Annual average CCPI Core inflation remained unchanged at 5.5 per cent in May 2017.

The GDP grew by 4.4 per cent in real terms in 2016, mainly attributable to 4.2 per cent growth in Services activities and 6.7 per cent growth in Industry activities while Agriculture activities contracted by 4.2 per cent, in value added terms.

During the first quarter of 2017, production of tea declined due to dry weather conditions, while production of rubber decreased due to the slowdown of tapping activities. Meanwhile, the coconut production also declined during the same period.

The FIPI increased by 5.6 per cent on a year-on-year basis in March 2017. This increase was mainly due to increased production of food products, wearing apparel, chemicals and chemical products, rubber and plastic products and other non-metallic mineral products sub-sectors. This was mainly attributed to increased domestic and international demand.

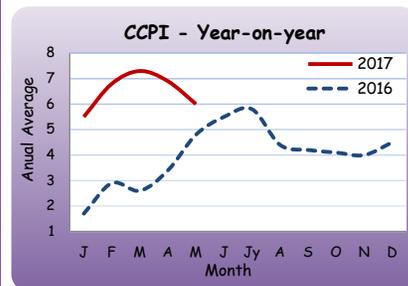
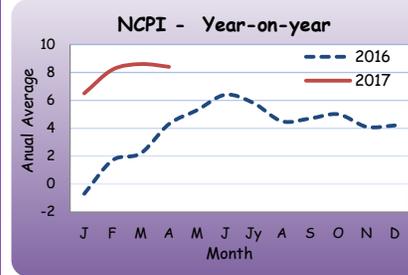
During the week, crude oil prices showed mixed performance, although prices recorded an overall decrease in Brent and WTI prices by US\$ 0.4 per barrel and US\$ 1.3 per barrel, respectively. At the beginning of the week crude oil prices rose due to OPEC-led drive to tighten oil supply. Later, prices fell due to increased US oil drilling and higher supply from Libya and Nigeria, the OPEC members that were exempted from the production-cut deal. Subsequently, prices rose as US official data showed that crude oil inventories have fallen sharply by 6.4 million barrels, ahead of the start of the summer driving season, compared to the expected decline of 2.5 million barrels.

Highlights

REAL SECTOR

1.1 Price Indices

Item	April 2017	Month Ago	Year Ago
(2013 = 100)			
National Consumer Price Index (NCPI)	121.0	119.5	111.6
Monthly Change %	1.3	-0.3	1.5
Annual Average Change %	6.0	5.6	2.6
Year - on - Year Change %	8.4	8.6	4.3
Core Inflation - (NCPI)	122.5	122.3	115.7
Annual Average Change %	6.6	6.6	4.7
Year - on - Year Change %	5.9	7.0	5.9
Item	May 2017	Month Ago	Year Ago
(2013 = 100)			
Colombo Consumers' Price Index (CCPI)	118.2	117.1	111.5
Monthly Change %	0.9	0.5	1.8
Annual Average Change %	5.4	5.3	2.7
Year - on - Year Change %	6.0	6.9	4.8
Core Inflation - (CCPI)	122.5	121.9	116.5
Annual Average Change %	5.5	5.5	5.0
Year - on - Year Change %	5.2	6.8	5.6

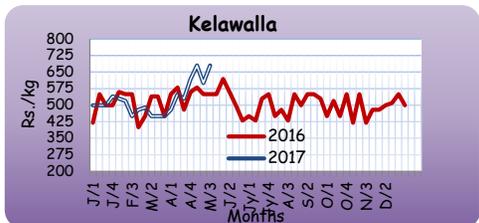
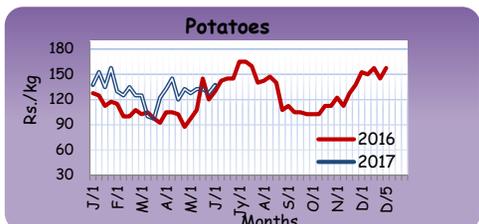
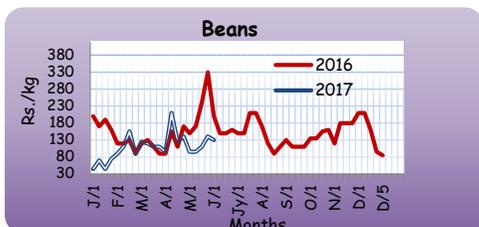
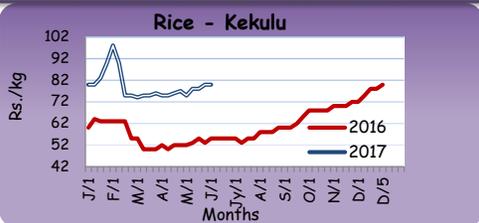


1.2 Pettah Market

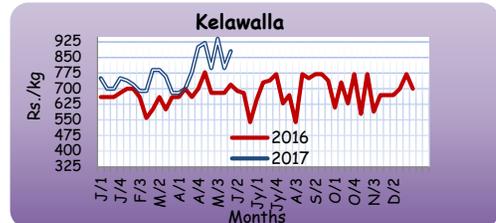
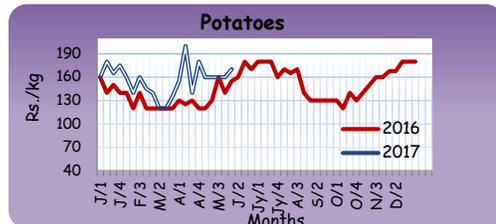
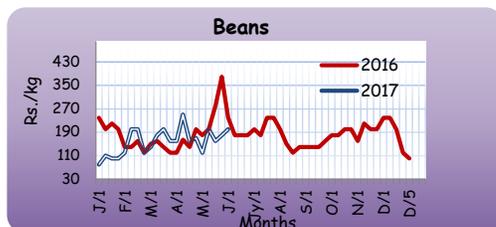
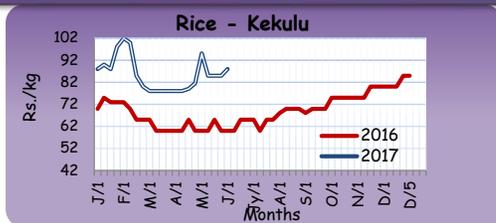
Item	Average Wholesale Prices				Average Retail Prices			
	Week Ending 30 th May 2017	Week Ago	Month Ago	Year Ago Annual Avg	Week Ending 30 th May 2017	Week Ago	Month Ago	Year Ago Annual Avg
	Rs / Kg				Rs / Kg			
Rice								
Samba	95.00	95.00	85.75	80.97	100.00	100.00	90.00	90.39
Kekulu (Red)	80.00	80.00	75.75	60.29	88.00	85.00	79.13	68.73
Vegetables								
Beans	130.00	140.00	142.50	147.16	200.00	180.00	185.00	179.12
Cabbage	120.00	150.00	106.25	76.62	200.00	160.00	137.50	115.10
Carrots	240.00	180.00	133.75	121.42	300.00	280.00	175.00	158.24
Tomatoes	55.00	55.00	133.75	75.00	120.00	120.00	170.00	107.06
Pumpkins	70.00	52.50	56.25	60.29	100.00	90.00	82.50	83.33
Snake Gourd	120.00	130.00	85.00	76.18	160.00	160.00	112.50	112.94
Brinjals	130.00	110.00	51.25	66.57	160.00	160.00	88.75	103.92
Ash-Plantains	55.00	55.00	67.50	67.65	100.00	100.00	98.75	95.69
Other Foods								
Red-Onions (Local)	300.00	290.00	190.00	92.66	350.00	340.00	227.50	131.74
Big-Onions (Local)	n.a.	n.a.	n.a.	74.50	n.a.	n.a.	n.a.	96.47
Potatoes (N' Eliya)	137.50	127.50	132.50	122.58	170.00	160.00	168.75	146.23
Dried Chillies (Imported)	150.00	150.00	167.50	293.68	200.00	200.00	220.00	350.78
Dhal (Indian)	140.00	140.00	137.25	160.16	158.00	155.00	157.25	171.41
The Eggs	10.00	9.00	12.17	14.30	10.50	10.50	12.83	14.79
Coconut (Each)	57.00	60.00	60.25	34.69	70.00	75.00	73.75	47.60
Fish*								
Kelawalla	650.00	n.a.	545.00	508.20	880.00	n.a.	765.00	682.00
Balaya	480.00	400.00	352.50	327.29	580.00	500.00	452.50	424.79
Salaya	180.00	140.00	105.00	141.43	260.00	200.00	165.00	197.14
Paraw (Small)	n.a.	580.00	587.50	540.36	n.a.	680.00	687.50	638.54

* 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 01 st June 2017	
	Wholesale (Average)	Retail (Average)
Rice		
Samba	93.00	97.00
Kekulu (Red)	79.00	83.00
Vegetables		
Beans	129.00	150.00
Carrot	234.00	254.50
Tomatoes	73.50	94.00
Pumpkins	61.50	81.50
Snake Gourd	90.50	110.50
Ash-Plantains	58.50	78.50
Other Foods		
Red-Onions (Local)	267.50	280.50
Big-Onions (Local)	n.a.	n.a.
Potatoes (N'Eliya)	127.50	140.50
Dried Chilies(Imported)	153.50	165.50
Coconut (Each)	50.50	60.50

1.5 Maradaghamula Market

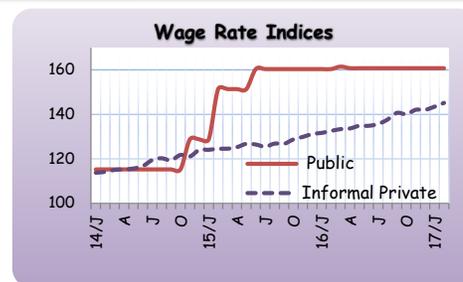
Average wholesale price of Rice				
Item (Rs / Kg)	Week Ending 02 nd June	Week Ago	Month Ago	Year Ago
Samba	90.60	91.00	89.13	77.58
Sudu Kekulu	81.80	82.38	81.45	62.91
Raw Red	77.90	77.75	78.18	59.59
Nadu	85.90	86.00	84.08	66.62

1.4 Narahenpita Economic Centre

Item (Rs / Kg)	Average Retail Prices	
	01 st June 2017	Week Ago
Rice		
Samba	90.00	98.00
Kekulu (Red)	85.00	85.00
Vegetables		
Beans	203.00	197.00
Cabbage	237.00	178.00
Carrots	300.00	297.00
Tomatoes	120.00	107.00
Pumpkins	90.00	98.00
Snake Gourd	200.00	167.00
Brinjals	180.00	117.00
Ash-Plantains	120.00	117.00
Other Foods		
Red-Onions (Imported)	n.a.	n.a.
Big-Onions (Imported)	90.00	78.00
Potatoes (Imported)	120.00	137.00
Dried Chilies (Imported)	200.00	247.00
Dhal (Indian)	153.00	148.00
Eggs (Red)(Each)	11.00	12.00
Coconut (Each)	63.00	68.00
Fish		
Kelawalla	1200.00	957.00
Balaya	445.00	477.00
Salaya	253.00	237.00
Paraw (Small)	860.00	877.00

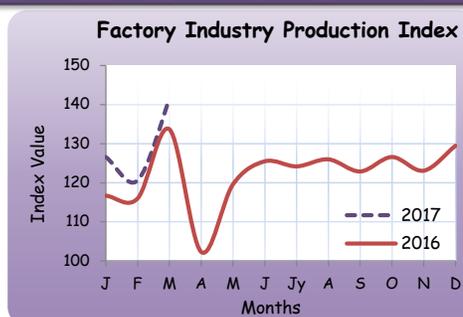
1.6 Wage rate Indices

Item	2017 March	2016 March	% Change
Public Sector Employees (2012 = 100)	160.8	161.5	-0.4
Informal Private Sector Employees (2012 = 100)	145.7	133.4	9.2
Agriculture	144.7	133.4	8.4
Industry	151.3	137.4	10.1
Services	140.7	129.7	8.5



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

Item	2017 March (b)	2016 March (b)	% Change
Factory Industry- Production Index	141.5	134.1	5.6
Food products	118.2	114.4	3.3
Beverages	144.2	151.0	-4.5
Tobacco products	85.6	101.1	-15.4
Wearing apparel	200.7	175.3	14.4
Chemicals and chemical products	95.5	87.5	9.1
Rubber and plastic products	162.7	148.9	9.3
Other non-metallic mineral products	148.9	140.1	6.3



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

1.8 Agriculture Production

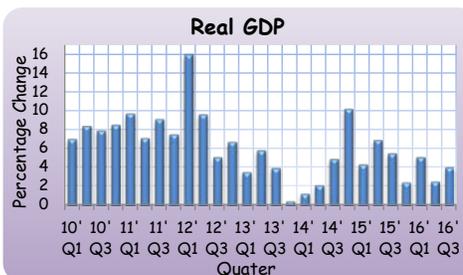
Item	Unit	2017(a) Jan-Mar	2016 Jan-Mar	% Change
Tea	(Mn Kg)	66.2	70.4	-6.1
Rubber	(Mn Kg)	23.3	28.2	-17.2
Coconuts	(Mn Nuts)	683.6	731.1	-6.5



(a) Provisional

1.9 GDP by Industrial Origin at Constant (2010) Prices - Growth Rates in value added terms

Item	2015 4th Qtr (a)(b)	2016 4th Qtr (a)	2015 Annual (a)(b)	2016 Annual (a)
Agriculture	0.5	-8.4	4.8	-4.2
Industry	1.1	9.2	2.1	6.7
Services	3.2	4.6	5.7	4.2
Taxes less subsidies on products	5.5	8.0	7.5	6.2
GDP	2.8	5.3	4.8	4.4



(a) Provisional (b) Revised

Source: Department of Census and Statistics

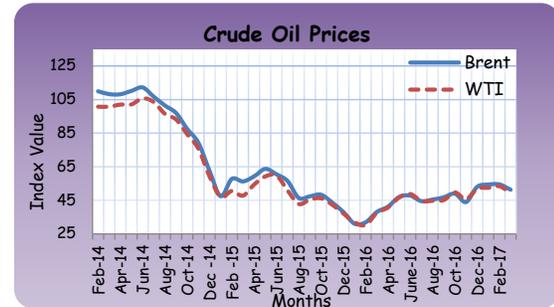
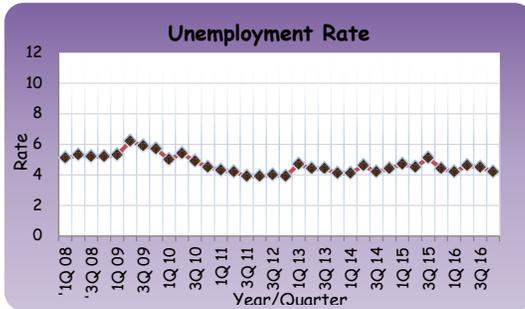
1.10 Employment (a)

Item	2015 (b) 4 th Quarter	2016 (b) 4 th Quarter	2016 (b) Annual
Labour Force Participation rate	53.5	54.0	53.8
Unemployment rate	4.4	4.2	4.4
Employed Persons by Sectors (c) (as a % of total employment)			
Agriculture	28.1	27.6	27.1
Industry	25.0	25.7	26.4
Services	46.9	46.7	46.5

(a) The working age population aged 15 and above

Source: Department of Census and Statistics

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



1.11 Average Crude Oil Prices

Month	2016			2017		
	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	31.10	31.96	31.87	54.41	52.50	56.64
February	31.93	30.32	35.36	54.50	53.41	58.65
March	38.06	37.55	36.85	51.33	49.33	-
April	41.25	40.75	44.05	52.25	51.17	56.48
May	47.00	46.69	48.84	49.81	48.48	
June	47.82	48.76	50.95			
July	44.54	44.65	46.10			
August	45.50	44.72	46.71			
September	46.80	45.20	46.99			
October	49.01	49.70	52.70			
November	44.01	45.66	47.66			
December	53.07	51.96	55.69			
	2016			2017		
26 May	49.72	48.50		50.49	49.58	
29 May	-	-		51.30	-	
30 May	49.56	-		50.30	49.63	
31 May	48.96	49.10		49.05	48.29	
01 June	48.51	49.07		50.06	48.32	

Sources: Reuters
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 02 June 2017 increased by 6 bps to 11.40% compared to the previous week.

Broad money (M2b) expanded by 20.0%, on a year-on-year basis, in March 2017.

Net Credit to the Government from the banking system showed an increase of Rs. 22.4 bn in March 2017.

Credit to public corporations recorded an increase of Rs. 18.6 bn in March 2017.

Credit extended to the private sector increased by Rs. 82.0 bn in March 2017.

The reserve money increased compared to the previous week mainly due to increase in deposits held by the commercial banks.

The total outstanding market liquidity decreased to a deficit of Rs. 7.27 bn by end of the week, compared to a surplus of Rs. 4.80 bn by the end of last week.

By 02 June 2017, the All Share Price Index (ASPI) declined by 0.13% to 6,689 points and the S&P SL20 Index increased by 0.36% to 3,842 points, compared to the previous week.

MONETARY SECTOR

2.1 Interest Rates

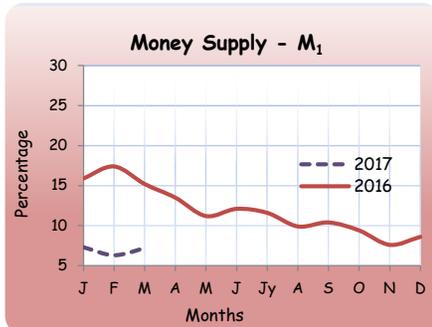
Item	Week Ending 02 June 2017	Week Ago	Year Ago	
Policy Interest Rates				
Standing Deposit Facility Rate	7.25	7.25	6.50	
Standing Lending Facility Rate	8.75	8.75	8.00	
Average Weighted Call Money Rate (AWCMR)(Weekly Average)	8.75	8.75	8.15	
Sri Lanka Inter Bank Offered Rate (SLIBOR)				
1-day	8.75	8.75	8.16	
7-day	9.61	9.61	8.52	
1-Month	10.66	10.75	9.33	
3-Month	11.17	11.17	9.80	
6-Month	11.92	12.00	10.34	
12-Month	12.41	12.50	10.75	
Treasury Bill Yields (Excluding 10% withholding tax)				
91-day	9.61	9.62	8.80	
182-day	10.35	10.40	9.75	
364-day	10.61	10.73	10.52	
Licensed Commercial Banks				
Average Weighted Prime Lending Rate (AWPR)	11.40	11.34	10.15	
	Apr 2017	Month Ago	Year Ago	
Savings Deposits	0.50-9.00	0.50-9.00	0.50-8.00	
One Year Fixed Deposits	4.89-15.00	4.89-15.00	4.00-15.00	
	May-17	Month Ago	Year Ago	
Average Weighted Deposit Rate (AWDR)	8.99	8.89	6.72	
Average Weighted Fixed Deposit Rate (AWFDR)	11.52	11.43	8.40	
	Apr 2017	Month Ago	Year Ago	
Average Weighted Lending Rate (AWLR)	13.52	13.40	11.66	
	Apr 2017	Month Ago	Year Ago	
National Savings Bank (NSB)				
Savings Deposits	4.25	4.25	4.50	
One Year Fixed Deposits	11.00	11.00	8.50	
Treasury Bond Auction				
	01 Y & 08 Months 09/05/2017	04Y & 07 Months 09/05/2017	06 Y & 00 Months 09/05/2017	08 Y & 03 Months 09/05/2017
Coupon rate	10.75	11.50	11.50	11.00
Weighted Average Yield (Excluding 10% withholding tax)	11.07	11.42	11.49	11.50

Bankwise- AWPR	Week ending 02 June 2017	Week Ago	Bankwise- AWPR	Week ending 02 June 2017	Week Ago
Bank of Ceylon	12.10	12.44	HSBC	9.72	9.73
People's Bank	11.90	11.28	Standard Chartered Bank	11.31	11.48
Hatton National Bank	11.93	12.14	Citi Bank	9.55	9.55
Commercial Bank of Ceylon	11.87	11.86	Deutsche Bank	10.10	9.58
Sampath Bank	12.71	13.36	Habib Bank	10.94	11.00
Seylan Bank	12.51	13.36	Indian Bank	13.24	13.24
Union Bank of Colombo	14.16	14.25	Indian Overseas Bank	13.74	13.74
Pan Asia Banking Corporation	15.47	16.28	MCB Bank	13.01	12.24
Nations Trust Bank	12.46	13.02	State Bank of India	12.56	12.67
DFCC Bank	13.68	13.58	Public Bank	13.50	11.67
NDB Bank	15.00	12.57	ICICI Bank	10.33	12.17
Amana Bank	12.48	12.51	Axis Bank	12.61	12.74
Cargills Bank	14.29	13.20			

2.2 Money Supply

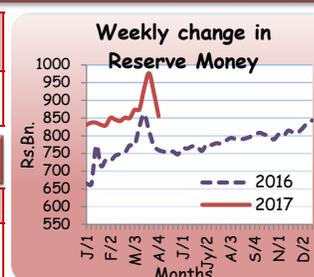
Item	Rs. bn			Annual Change (%)		
	2017	Month	Year	2017	Month	Year
	March (a)	Month Ago	Year Ago	March (a)	Month Ago	Year Ago
Reserve Money	892.2	847.6	791.6	12.7	14.6	27.8
M ₁	782.0	744.6	729.6	7.2	6.3	15.2
M ₂	5,096.2	4,951.3	4,206.4	21.2	19.1	18.4
M _{2b}	5,677.4	5,552.0	4,731.6	20.0	18.0	18.9
Net Foreign Assets of the Banking System (b)	-371.5	-369.9	-439.9	15.6	7.9	-171.5
Monetary Authorities	536.7	486.6	473.9	13.2	3.8	-18.0
Commercial Banks	-908.2	-856.4	-913.8	0.6	1.6	-23.5
Domestic Banking Units (DBUs)	-320.4	-320.1	-324.4	1.2	-4.7	-44.6
Offshore Banking Units (OBUs)	-587.8	-536.3	-589.4	0.3	5.0	-14.3
Net Domestic Assets of the Banking System (b)	6,048.9	5,921.8	5,171.5	17.0	16.0	24.8
Net Credit to the Government	2,214.5	2,192.1	1,954.1	13.3	14.1	21.1
Monetary Authorities	466.8	455.9	406.6	14.8	18.6	81.8
Commercial Banks	1,747.8	1,736.2	1,547.5	12.9	13.0	11.4
DBUs	1,353.0	1,380.5	1,141.2	18.6	20.9	1.3
OBUs	394.8	355.6	406.3	-2.8	-9.9	54.6
Credit to Public Corporations	553.4	534.8	514.9	7.5	1.6	6.2
DBUs	304.4	301.6	253.8	20.0	18.6	28.1
OBUs	249.0	233.1	261.1	-4.6	-14.3	-8.9
Credit to the Private Sector	4,375.2	4,293.2	3,634.6	20.4	21.0	27.7
DBUs	4,065.8	3,965.9	3,368.7	20.7	21.1	29.1
OBUs	309.4	327.3	265.8	16.4	20.6	12.5
Other Items (Net)	-1,094.3	-1,098.3	-931.9	-17.4	-23.6	-16.5

(a) Provisional (b) In relation to M_{2b}



2.3 Weekly change in Reserve Money

Item	01 June 2017	Week Ago	Change
Reserve Money (Rs.Mn.)	875,186	854,185	21,001



2.4 Money Market Activity (Overnight)

Item	29.05.2017	30.05.2017	31.05.2017	01.06.2017	02.06.2017
Call Money Market					
Weighted Average Rate (% p.a.)	8.72	8.73	8.72	8.75	8.75
Gross Volume (Rs. Mn)	22,240	23,340	19,880	18,330	18,100
Repo Market					
Weighted Average Rate (% p.a.)	8.79	8.80	8.75	8.88	8.85
Gross Volume (Rs. Mn)	22,531	18,557	27,356	11,545	15,267

2.5 CBSL Security Portfolio

Item	29.05.2017	30.05.2017	31.05.2017	01.06.2017	02.06.2017
CBSL Treasury Bill Holdings -Face Value (Rs. Mn)	214,350	214,350	214,350	214,350	202,070
CBSL Treasury Bill Holdings -Book Value (Rs. Mn)	209,263	209,320	209,385	209,442	197,219

2.6 Open Market Operations

Item	29.05.2017	30.05.2017	31.05.2017	01.06.2017	02.06.2017
Short-Term Auction					
Repo Amount Offered (Rs. bn)	10.00	10.00	15.00	2.00	0.00
Reverse Repo Amount Offered (Rs. bn)	0.00	0.00	0.00	0.00	2.00
Tenure (No. of Days)	1	1	1	1	1
Bids Received (Rs. bn)	7.37	5.41	8.18	4.00	5.16
Amount Accepted (Rs. bn)	7.37	5.41	8.00	2.00	2.00
Weighted Average Yield Rate (% p.a.)	7.27	7.28	7.27	7.26	8.75
Term Auction					
Repo Amount Accepted (Rs. bn)	0.00	0.00	0.00	0.00	0.00
Reverse Repo Amount Accepted (Rs. bn)	0.00	0.00	0.00	0.00	0.00
Standing Facility					
Standing Deposit Facility (Rs. bn)	8.35	16.57	10.12	9.94	17.84
Standing Lending Facility (Rs. bn)	7.36	11.49	10.20	16.70	23.16
Total Outstanding Market Liquidity (Rs. bn)	8.37	10.49	8.10	-4.75	-7.27

2.7 Credit Cards (a)

Item	2017 End Apr (b)	2017 End Mar	2016 End Dec
Total Number of Active Cards	1,354,971	1,346,783	1,309,248
Local (accepted only locally)	28,621	28,724	29,109
Global (accepted globally)	1,326,350	1,318,059	1,280,139
Outstanding balance (Rs.mn)	78,797	75,492	74,892
Local (accepted only locally)	771	808	839
Global (accepted globally)	78,026	74,684	74,053

(a) Issued by Licensed Commercial Banks (LCBs) (b) Provisional

2.8 Commercial Paper Issues (a)

Item (Rs. bn.)	2017 End Apr (b)	2017 End Mar	2016 End Dec
Total Issues - Cumulative (c)	2.6	1.6	7.0
Outstanding (as at end of the period)	2.5	1.7	2.2

(a) Based on the information provided by LCBs and Licensed Specialised Banks (LSBs) (b) Provisional (c) During the year



2.9 Share Market

Item	Week Ending 02 June 2017	Week Ago	Year Ago
All Share Price Index (1985 = 100) (ASPI)	6,689	6,698	6,524
S&P Sri Lanka 20 Index (2004 = 1,000) (S&P SL20)	3,842	3,829	3,417
Average Daily Turnover (Rs. mn)	827	1,067	763
Market Capitalisation (Rs.bn)	2,961	2,963	2,780



Fiscal Sector

Total government revenue as a per cent of GDP increased for the second consecutive year in 2016. Government revenue increased to 14.2 per cent of GDP in 2016 from 13.3 per cent in 2015 as a result of continued efforts to enhance revenue collection during the year. This increase was led by the expansion in non tax revenue as a per cent of GDP to 1.9 per cent during the year from 0.9 per cent recorded in 2015, mainly due to the increase in profit and dividend transfers from SOBEs. However, tax revenue as a per cent of GDP in 2016 remained unchanged at 12.4 per cent as recorded in 2015. During the year, total revenue in nominal terms increased by 15.9 per cent to Rs. 1,686.1 billion from Rs. 1,454.9 billion in 2015, reflecting increases in both tax revenue and non tax revenue.

Total expenditure and net lending as a percentage of GDP declined to 19.7 per cent in 2016 from 20.9 per cent in 2015 due to the decline in both recurrent expenditure, and capital expenditure and net lending. Accordingly, the decline in total expenditure and net lending was a combined outcome of the decline in both recurrent expenditure by 0.7 percentage points to 14.8 per cent and capital expenditure and net lending by 0.5 percentage points to 4.9 per cent of GDP. However, in nominal terms, total expenditure and net lending increased by 1.9 per cent to Rs. 2,333.9 billion in 2016 from Rs. 2,290.4 billion in 2015. Public investment, which amounted to 5.0 per cent of GDP in 2016, was significantly lower than 5.5 per cent of GDP recorded in 2015.

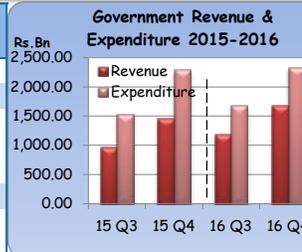
In 2016, the overall budget deficit of Rs. 640.3 billion was largely financed through foreign sources. Accordingly, foreign financing contributed to around 61.2 per cent of the total financing requirement in 2016 compared to 28.5 per cent in the previous year, while the balance was financed through domestic sources. Consequently, net domestic financing in 2016 amounted to Rs. 248.4 billion compared to Rs. 592.7 billion in the previous year and net foreign financing amounted to Rs. 391.9 billion compared to Rs. 236.8 billion recorded for 2015.

As at the end of 2016, government debt to GDP ratio increased to 79.3 per cent from 77.6 per cent recorded at the end of 2015. The domestic debt to GDP ratio declined marginally to 45.1 per cent by end 2016 from 45.3 per cent recorded as at end 2015, while the foreign debt to GDP ratio increased to 34.2 per cent by end 2016 from 32.4 per cent in 2015. In nominal terms, total outstanding government debt increased only by 10.4 per cent to Rs. 9,387.3 billion in 2016 compared to the high growth of 15.0 per cent in 2015.

FISCAL SECTOR

3.1 Government Finance (Rs.bn)

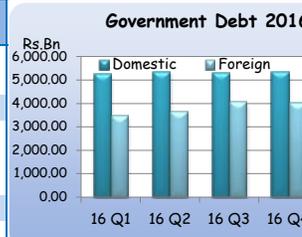
Item	2015	2016*
Revenue and Grants	1,460.9	1,693.6
Revenue	1,454.9	1,686.1
Tax	1,355.8	1,463.7
Non tax	99.1	222.4
Grants	6.0	7.5
Expenditure & Lending Minus Repayments	2,290.4	2,333.9
Recurrent	1,701.7	1,757.8
Capital & Lending Minus Repayments	588.7	576.1



(a) Provisional

3.2 Outstanding Central Government Debt (Rs.bn)

Item	End 2015	End 2016*
Total domestic debt	4,959.2	5,341.5
of which		
Treasury bills	658.2	779.6
Treasury bonds	3,305.2	3,714.8
Rupee loans	24.1	24.1
Total foreign debt	3,544.0	4,045.8
Total outstanding govt. debt	8,503.2	9,387.3



(a) Provisional

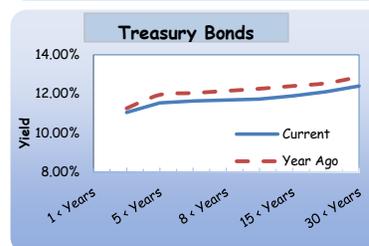
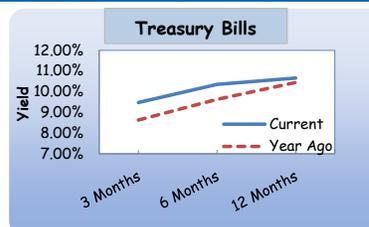
3.3 Government Securities - Primary and Secondary Market Yield Rates for the week ending - 31st May 2017

Security	Maturity	Primary Market(a)		Secondary Market			
		This Week	Last Week	This Week			Last Week
				Buying	Selling	Average	Average
Treasury Bills	3 Months	9.61%	9.62%	9.58%	9.38%	9.48%	9.49%
	6 Months	10.35%	10.40%	10.41%	10.29%	10.35%	10.36%
	12 Months	10.71%	10.73%	10.72%	10.59%	10.66%	10.67%
Treasury Bonds(b)	< 2 Years	-	-	11.12%	11.01%	11.07%	11.07%
	< 5 Years	-	-	11.60%	11.49%	11.55%	11.54%
	< 6 Years	-	-	11.69%	11.58%	11.64%	11.64%
	< 8 Years	-	-	11.75%	11.65%	11.70%	11.69%
	< 10 Years	-	-	11.80%	11.69%	11.75%	11.74%
	< 15 Years	-	-	11.97%	11.83%	11.90%	11.90%
	< 20 Years	-	-	12.20%	12.01%	12.11%	12.11%
< 30 Years	-	-	12.49%	12.31%	12.40%	12.40%	

(a) Primary market transactions during the week ending 31/05/2017

(b) Weighted Average Yield Rate is calculated, if there are two or more yield rates within same maturity Period

The secondary market yield rates of T-Bonds have shown a mixed behaviour and secondary market yield rates of all T-Bills have decreased across all maturities during the reporting week.



Security	Maturity Date	Coupon Rate	Secondary Market	
			This Week	Last Week
International Sovereign Bonds	4-Oct-20	6.250%	4.08%	4.14%
	27-Jul-21	6.250%	4.42%	4.46%
	18-Jan-22	5.750%	4.74%	4.76%
	25-Jul-22	5.875%	4.92%	4.96%
	14-Jan-19	6.000%	3.54%	3.56%
	11-Apr-19	5.125%	3.58%	3.59%
	3-Jun-25	6.125%	5.65%	5.67%
	3-Nov-25	6.850%	5.83%	5.85%
	18-Jul-26	6.825%	5.87%	5.90%
11-May-27	6.200%	5.99%	6.05%	

3.4 Government Securities - Weekly Summary of Primary and Secondary Market Transactions (Week Ended - 31st May 2017)

Item	Volume in Rs Mn	
	This Week	Last Week
Outstanding Stock of Government Securities		
Treasury Bills	797,588.38	796,989.45
Treasury Bonds (a)	4,013,234.84	4,013,234.84
Total	4,810,823.22	4,810,224.29
T-bills and T-bonds held by Foreigners	219,250.37	218,509.76
Sri Lanka Development Bonds (SLDB)	644,760.85	644,760.85

The outstanding stock of T-bills and T-bonds held by foreigners increased by 0.34 per cent during the reporting week.

Primary Market Activities	Volume in Rs Mn	
	This Week	Last Week
Treasury Bills		
Amount Offered	29,500.00	26,000.00
Total Bids Received	75,394.00	77,236.00
Total Bids Accepted	29,500.00	25,225.00
Treasury Bonds		
Amount Offered	-	-
Total Bids Received	-	-
Total Bids Accepted	-	-

The weekly T-bill auction was over subscribed by 2.56 times during the reporting week.

Secondary Market Activities	Volume in Rs Mn	
	This Week	Last Week
Treasury Bills		
Outright Transaction (Sales / Purchases)	13,372.65	25,470.33
Repo Transaction (Sales / Purchases)	175,322.10	197,015.10
Treasury Bonds		
Outright Transaction (Sales / Purchases)	38,526.87	62,259.90
Repo Transaction (Sales / Purchases)	854,216.03	856,506.43

The total secondary market transactions of T bills and T bonds decreased by 5.24 percent in the reporting week compared to the previous week.

(a) Excludes Treasury bonds amounting to Rs. 69,787 million (outstanding amount adjusted on 12.04.2017 due to maturities) issued to settle dues of CPC and to capitalize Sri Lankan Airlines.

3.5 Two way Quotes (Treasury Bills) - 02/06/2017

Remaining Maturity	Average Buying Price	Yield %	Average Selling Price	Yield %	Buying & Selling Spread
1-7 Days	99.83	9.02	99.83	8.83	0.00
1 Month	99.24	9.21	99.26	9.02	0.02
2 Month	98.46	9.38	98.49	9.18	0.03
3 Month	97.63	9.60	97.68	9.40	0.05
4 Month	96.73	9.94	96.80	9.74	0.06
5 Month	95.80	10.21	95.88	10.03	0.07
6 Month	94.87	10.41	94.93	10.28	0.06
7 Month	93.96	10.49	94.03	10.38	0.06
8 Month	93.07	10.54	93.16	10.41	0.08
9 Month	92.16	10.60	92.27	10.46	0.11
10 Month	91.25	10.64	91.37	10.50	0.12
11 Month	90.35	10.68	90.48	10.54	0.13
12 Month	89.42	10.73	89.55	10.60	0.13

3.6 Two way Quotes (Treasury Bonds) - 02/06/2017

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
08.00%2017B	5	15-Jun-17	13	99.93	9.58	99.94	9.31	0.01
05.80%2017B	6	15-Jul-17	43	99.51	9.76	99.55	9.46	0.04
08.50%2018A	15	1-Feb-18	244	98.71	10.52	98.82	10.34	0.11
08.50%2018C	5	1-Apr-18	303	98.34	10.61	98.48	10.43	0.14
08.50%2018D	5	1-Jun-18	364	97.93	10.75	98.06	10.60	0.13
08.50%2018B	15	15-Jul-18	408	97.62	10.80	97.76	10.66	0.14
07.50%2018A	15	15-Aug-18	439	96.36	10.78	96.48	10.67	0.12
08.75%2018A	4	15-Oct-18	500	97.38	10.84	97.52	10.73	0.14
08.00%2018A	6	15-Nov-18	531	96.22	10.88	96.37	10.76	0.14
05.65%2019A	8	15-Jan-19	592	92.22	11.02	92.35	10.92	0.13
10.75%2019A	2	15-Jan-19	592	99.56	11.04	99.72	10.93	0.16
08.50%2019A	10	1-May-19	698	95.68	11.06	95.82	10.97	0.14
10.60%2019A	5	1-Jul-19	759	98.92	11.19	99.09	11.09	0.18
10.60%2019B	5	15-Sep-19	835	98.72	11.23	98.94	11.12	0.22
08.00%2019A	8	1-Nov-19	882	93.25	11.26	93.44	11.17	0.19
09.25%2020A	5	1-May-20	1,064	94.86	11.37	95.20	11.22	0.35
08.00%2020A	8	1-Jun-20	1,095	91.68	11.35	91.88	11.27	0.20
06.20%2020A	10	1-Aug-20	1,156	86.51	11.39	86.75	11.29	0.24
09.50%2020A	5	15-Dec-20	1,292	94.61	11.39	94.90	11.29	0.29
10.75%2021A	5	1-Mar-21	1,368	97.84	11.46	98.18	11.35	0.34
09.00%2021A	8	1-May-21	1,429	92.32	11.49	92.59	11.39	0.27
11.00%2021A	7	1-Aug-21	1,521	98.34	11.50	98.68	11.40	0.35
09.45%2021A	7	15-Oct-21	1,596	93.05	11.51	93.35	11.42	0.31
11.50%2021A	5	15-Dec-21	1,657	99.91	11.52	100.21	11.44	0.30
08.00%2022A	10	1-Jan-22	1,674	87.44	11.61	87.81	11.49	0.37
11.20%2022A	9	1-Jul-22	1,855	98.42	11.62	98.84	11.50	0.42
10.00%2022A	8	1-Oct-22	1,947	93.56	11.65	94.02	11.52	0.47
11.50%2023A	6	15-May-23	2,173	99.27	11.67	99.62	11.59	0.35
09.00%2023A	10	1-Sep-23	2,282	88.08	11.74	88.64	11.60	0.56
11.20%2023A	9	1-Sep-23	2,282	97.89	11.68	98.34	11.57	0.45
07.00%2023A	20	1-Oct-23	2,312	79.31	11.71	79.76	11.60	0.45
11.40%2024A	10	1-Jan-24	2,404	98.40	11.75	98.89	11.64	0.49
11.00%2024A	8	1-Aug-24	2,617	96.48	11.73	96.87	11.65	0.39
06.00%2024A	10	1-Dec-24	2,739	71.86	11.75	72.23	11.66	0.37
10.25%2025A	10	15-Mar-25	2,843	92.35	11.77	92.83	11.67	0.48
09.00%2025A	12	1-May-25	2,890	86.01	11.76	86.43	11.67	0.41
11.00%2025A	10	1-Aug-25	2,982	95.95	11.78	96.46	11.68	0.50
09.00%2026A	13	1-Feb-26	3,166	85.11	11.78	85.56	11.69	0.45
05.35%2026A	15	1-Mar-26	3,194	65.41	11.79	65.79	11.70	0.38
11.00%2026A	11	1-Jun-26	3,286	95.58	11.81	96.26	11.68	0.67
11.50%2026A	10	1-Aug-26	3,347	98.28	11.81	98.83	11.71	0.54
09.00%2028B	15	1-May-28	3,986	82.62	11.88	83.23	11.77	0.61
09.00%2028A	15	1-Jul-28	4,047	82.36	11.90	83.10	11.77	0.74
11.50%2028A	13	1-Sep-28	4,109	97.33	11.93	98.20	11.79	0.86
13.00%2029A	15	1-Jan-29	4,231	106.50	11.95	107.17	11.84	0.67
13.00%2029B	15	1-May-29	4,351	105.95	12.04	107.02	11.88	1.06
11.00%2030A	15	15-May-30	4,730	93.33	12.03	94.35	11.86	1.02
08.00%2032A	20	1-Jan-32	5,326	72.25	12.09	72.93	11.97	0.68
09.00%2032A	20	1-Oct-32	5,600	78.45	12.12	79.22	11.99	0.77
09.00%2033A	20	1-Jun-33	5,843	77.94	12.16	78.82	12.01	0.87
13.25%2033A	20	1-Jul-33	5,873	107.30	12.20	108.54	12.03	1.24
09.00%2033B	20	1-Nov-33	5,996	77.43	12.21	78.42	12.04	0.99
13.25%2034A	20	1-Jan-34	6,057	107.12	12.23	108.48	12.05	1.35
11.50%2035A	20	15-Mar-35	6,495	94.34	12.28	96.77	11.94	2.43
12.00%2041A	25	1-Jan-41	8,614	96.94	12.40	98.49	12.19	1.55
09.00%2043A	30	1-Jun-43	9,495	73.33	12.48	74.10	12.35	0.76
13.50%2044A	30	1-Jan-44	9,709	107.57	12.51	108.62	12.38	1.05
13.50%2044B	30	1-Jun-44	9,861	107.31	12.55	108.25	12.43	0.93
12.50%2045A	30	1-Mar-45	10,134	97.78	12.79	100.05	12.49	2.27

External Sector

During the year up to 02 June 2017 the Sri Lanka rupee depreciated against the US dollar (1.8 per cent). Given the cross currency exchange rate movements, the Sri Lanka rupee depreciated against the pound sterling (6.3 per cent), euro (7.7 per cent), Japanese yen (5.8 per cent) and Indian rupee (6.7 per cent) during this period.

Earnings from exports at US dollars 868 million in February 2017 registered a decline of 2.7 per cent from US dollars 892 million in February 2016, mainly due to lower industrial exports. On a cumulative basis, export earnings during the first two months of 2017 at US dollars 1,733 million, contracted by 3.2 per cent, year-on-year, mainly due to lower exports of textiles and garments, food, beverages and tobacco, gems, diamonds and jewellery and rubber products.

Expenditure on imports increased by 11.9 per cent, year-on-year, to US dollars 1,611 million in February 2017, continuing the double digit growth seen in imports for the fifth consecutive month. Higher expenditure incurred on intermediate goods contributed largely to this growth. On a cumulative basis, expenditure on imports valued at US dollars 3,410 million during the first two months of 2017 increased by 12.6 per cent, year-on-year, led by import outlays on fuel, gold and rice

The terms of trade deteriorated marginally by 0.4 per cent to 121.8 index points in February 2017 compared to the corresponding month of previous year due to higher decrease of export prices compared to decrease recorded in import prices during the month. The export unit value index in February 2017 decreased marginally by 0.9 per cent, year-on-year, due to the decrease in price of industrial exports. The import unit value index decreased marginally by 0.5 per cent, year-on-year, in February 2017.

India, China, UK, Germany and France were the top five sources of tourist arrivals, accounting for 50.3 per cent of total tourist arrivals upto the month of April 2017.

The average price of tea (in the Colombo auction) increased to US dollars 3.96 per kg in February 2017 from US dollars 2.79 per kg in February 2016

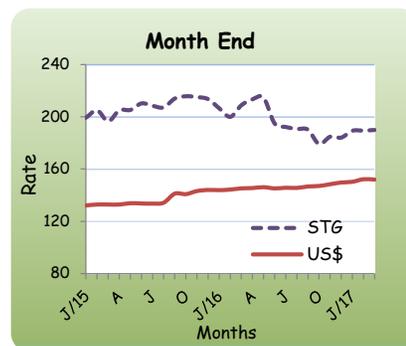
Import prices of rice and wheat declined compared to the corresponding month of 2016.

EXTERNAL SECTOR

4.1 Exchange Rates

Item (Rs Per Unit)(a)	Week Ending - 02 June 2017			Average Rate	
	Buying Rate	Selling Rate	Average Rate	Week Ago	Year Ago
US\$	150.78	154.58	152.68	152.67	147.26
STG	193.46	200.03	196.75	196.80	212.58
Yen	1.35	1.40	1.37	1.37	1.35
Euro	168.21	174.56	171.39	170.92	164.99
INR ⁽¹⁾			2.37	2.36	2.16
SDR (As at 01 June 2017)			211.18	210.83	204.75
Central Bank purchases and sales(b) (US\$ Mn.)			April 2017	Month Ago	Year Ago
Purchases			257.92	192.23	14.95
Sales			-	13.00	266.45

	Week Ending 02 June 2017	Week Ago	Year Ago
Average Daily Interbank Volume (US\$ Mn.) (spot, tom and cash transactions among commercial banks)	21.05	12.80	13.79
Forward Transactions			
Forward Rates (US\$) ⁽²⁾			
1 Month	153.89	153.88	148.56
3 Months	155.85	155.80	150.05
Average Daily Interbank Forward Volume (US\$ mn)	35.55	32.74	34.29
Outstanding Forward Volume (US\$ mn) (As at 01 June 2017)	1,335.45	1,315.80	1,520.12



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

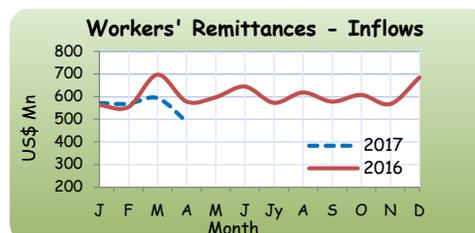
(b) Central Bank purchases and sales of foreign exchange from commercial banks at market rates total for the Month

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

4.2 Tourism & Workers' Remittances

Item		2016	2017	2016	2017	% Change
		Apr (a)(b)	Apr (c)(d)	Jan-Apr(a)(b)	Jan-Apr(c)(d)	
Tourist Arrivals	Number	136,367	160,249	721,185	765,202	6.1
Earnings from Tourism(d)	US\$ Mn.	234.0	274.9	1,237.3	1,312.8	6.1
	Rs.bn.	33.7	41.7	178.1	198.2	11.3
Workers' Remittances (Inflows)		2016	2017	2016	2017	% Change
		Apr	Apr (c)	Jan-Apr	Jan-Apr (c)	
	US\$ Mn.	578.0	487.9	2,371.4	2,221.7	-6.3
	Rs. bn.	83.2	74.1	341.3	335.5	-1.7

(a) Revised (b) Revised based on Sri Lanka Tourism Development Authority survey results on average stay period and average spending per day estimates for 2016 (c) Provisional (d) May be revised based on Sri Lanka Tourism Development Authority survey results on average stay period and average spending per day estimates for 2017



4.3 International Reserves & Foreign Currency Liquidity as at 30th April 2017 ^(a)

Official Reserve Assets (USD mn)				
Official Reserve Assets				5,048.08
(1) Foreign currency reserves				4,072.71
(a) Securities				2,229.58
(b) Total currency and deposits with				1,843.13
(i) other national central banks, BIS				958.79
(ii) banks headquartered inside the reporting country of which located abroad				1.18
(iii) banks headquartered outside the reporting country				883.16
(2) Reserve position in the IMF				65.61
(3) SDRs				2.20
(4) Gold				906.57
(5) Other reserve assets				0.99
Predetermined Short-Term Net Drains on Foreign Currency Assets ^(b)				
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	-1,814.33	-255.41	-376.70	-1,182.22
Interest	-1,098.87	-73.64	-272.40	-752.82
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 ^(c) (-)	-1,925.74	0.00	-589.31	-1,336.43
(b) Long positions (+)				
3. Other (specify)				
inflows related to reverse repos (+)	-7.03	-7.03		
other accounts payable (-)	-7.03	-7.03		

(a) Provisional

(b) This mainly includes only the predetermined outflows

(c) 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\$ Mn			Rs Mn		
	Jan - Feb 2017 (a)	Jan - Feb 2016	% Change	Jan - Feb 2017 (a)	Jan - Feb 2016	% Change
Exports	1,732.5	1,790.2 (b)	-3.2	260,669.8	257,670.1 (b)	1.2
Agricultural	398.5	361.6	10.2	59,966.2	52,042.5	15.2
Industrial	1,327.4	1,421.5 (b)	-6.6	199,710.0	204,607.1 (b)	-2.4
Food, Beverages and Tobacco	45.7	60.0 (b)	-23.8	6,879.0	8,636.3 (b)	-20.3
Textiles and Apparel	822.4	927.5	-11.3	123,729.4	133,501.6	-7.3
Petroleum Products	56.7	47.1	20.4	8,529.4	6,776.0	25.9
Leather, Rubber etc	148.5	155.9	-4.8	22,342.1	22,440.5	-0.4
Other	254.1	231.0	10.0	38,230.0	33,252.7	15.0
Mineral	3.9	4.9	-19.3	592.4	701.7	-15.6
Other	2.7	2.2	20.4	401.2	318.9	25.8
Imports	3,409.6	3,028.4	12.6	512,920.3	435,897.1	17.7
Consumer Goods	702.0	689.1	1.9	105,620.1	99,187.0	6.5
Intermediate Goods	1,857.5	1,525.2	21.8	279,452.7	219,523.5	27.3
Investment Goods	792.5	813.4	-2.6	119,217.4	117,069.7	1.8
Other	57.5	0.8	6,976.0	8,630.1	117.0	7,278.9
Trade Balance	-1,677.0	-1,238.2 (b)	35.4	-252,250.5	-178,227.0 (b)	41.5

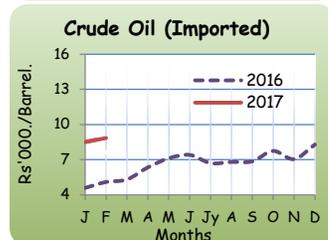
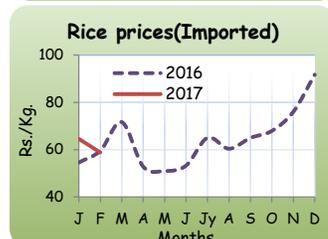
(a) Provisional (b) Revised



4.5 Trade Indices (2010= 100) (a)

Item	2017 Feb (b)	Month Ago	Year Ago
Total Exports			
Value	120.8	120.4	124.1 (c)
Quantity	113.1	122.8	115.1 (c)
Unit Value	106.8	98.0	107.8 (c)
Total Imports			
Value	144.2	161.0	128.8
Quantity	164.6	181.1	146.3
Unit Value	87.6	88.9	88.1
Terms of Trade	121.8	110.2	122.4 (c)

(a) In US\$ Terms (b) Provisional (c) Revised



4.6 International Commodity Prices

Item	February 2017	February 2016	% Change	February 2017	February 2016	% Change
	US\$ / Kg			Rs / Kg		
Tea Prices	3.96	2.79	41.9	597.91	402.22	48.7
Imports (C I F)	US\$ / MT			Rs / MT		
Rice	390.03	413.84	-5.8	58,823.54	59,563.27	-1.2
White Sugar	589.08	441.12	33.5	88,844.17	63,489.10	39.9
Wheat	227.49	232.87	-2.3	34,309.65	33,517.25	2.4
	US\$ / Barrel			Rs / Barrel		
Crude Oil	58.65	35.36	65.9	8,845.91	5,089.57	73.8