

Weekly Economic Indicators

30 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 7.1 per cent in May 2017 from 8.4 per cent in April 2017, on year-on-year basis. This deceleration is mainly due to the base effect amid a monthly increase in NCPI. Both Food and Non-food categories contributed towards the year-on-year inflation in May 2017. The change in the NCPI measured on an annual average basis increased to 6.1 per cent in May 2017 from 6.0 per cent in April 2017. When the monthly change is considered, the NCPI increased from 121.0 index points in April 2017 to 121.8 index points in May 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 4.7 per cent in May 2017 from 5.9 per cent in April 2017 on a year-on-year basis. This decline is due to relatively low monthly increase and the base effect. Annual average NCPI Core inflation also declined from 6.6 per cent in April 2017 to 6.4 per cent in May 2017.

Inflation, as measured by the change in the Colombo Consumer Price Index (CCPI) (2013=100), which is compiled by the Department of Census and Statistics, increased to 6.1 per cent in June 2017 from 6.0 per cent in May 2017, on year-on-year basis. Annual average inflation increased to 5.5 per cent in June 2017 from 5.4 per cent in May 2017. The monthly increase in CCPI was 1.6 per cent. CCPI Core inflation, which reflects the underlying inflation in the economy decreased to 5.1 per cent in June 2017 from 5.2 per cent in May 2017. Annual average CCPI Core inflation remained unchanged at 5.5 per cent in June 2017.

The GDP grew by 3.8 per cent in real terms in the first quarter of 2017, mainly attributable to 6.3 per cent growth in Industry activities and 3.5 per cent growth in Services activities while Agriculture activities contracted by 3.2 per cent, in value added terms.

During the first four months of 2017, the increasing trend of tea prices encouraged the domestic tea production to increase marginally and production of rubber decreased due to the slowdown of tapping activities. Meanwhile, the coconut production also declined during the same period.

The IIP in April 2017 has increased by 1.8 per cent in comparison with the corresponding month of 2016. Among the major sub divisions of the manufacturing industries; volume of products of 'Other non-metallic mineral products' (10.4%) 'Coke and refined petroleum products' (9.6%) have shown remarkable increase in production during the month of April, 2017 compared to that of April, 2016 and 'Chemicals & chemical products' and 'Tobacco products' decreased by 9.8% and 8.6% respectively during this period.

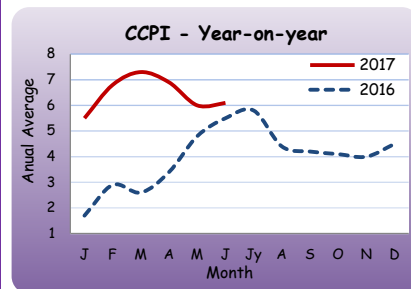
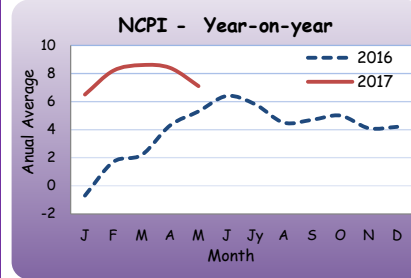
During the week, crude oil spot prices followed an increasing trend, recording an overall increase in Brent and WTI prices by US\$ 3.9 per barrel and US\$ 2.0 per barrel, respectively. Price increase was mainly supported by weaker dollar and decline in U.S. crude oil production. The U.S. dollar has fallen by more than 1 per cent against a basket of currencies. Meanwhile, the U.S. Energy Information Administration reported that weekly crude oil production in the U.S. has declined by 100,000 barrels per day (bpd) to 9.3 million bpd, the steepest decline in weekly output since July 2016.

Highlights

REAL SECTOR

1.1 Price Indices

Item	May 2017	Month Ago	Year Ago
(2013 = 100)			
National Consumer Price Index (NCPI)	121.8	121.0	113.7
Monthly Change %	0.7	1.3	1.9
Annual Average Change %	6.1	6.0	2.7
Year - on - Year Change %	7.1	8.4	5.3
Core Inflation - (NCPI)	123.0	122.5	117.5
Annual Average Change %	6.4	6.6	5.0
Year - on - Year Change %	4.7	5.9	7.2
Item	June 2017	Month Ago	Year Ago
(2013 = 100)			
Colombo Consumers' Price Index (CCPI)	120.1	118.2	113.2
Monthly Change %	1.6	0.9	1.5
Annual Average Change %	5.5	5.4	3.0
Year - on - Year Change %	6.1	6.0	5.5
Core Inflation - (CCPI)	122.8	122.5	116.8
Annual Average Change %	5.5	5.5	5.1
Year - on - Year Change %	5.1	5.2	5.4

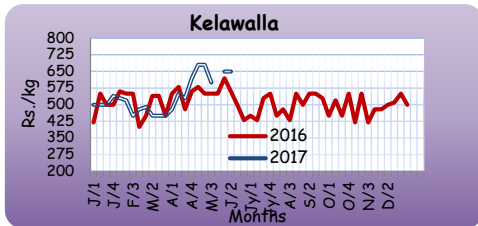
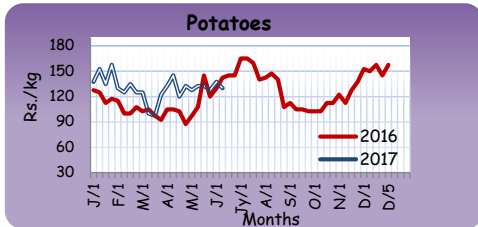
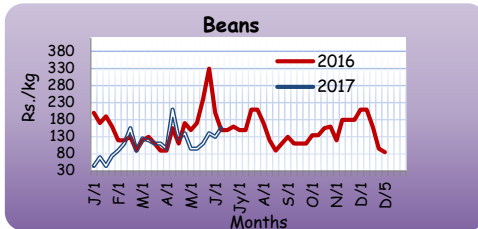
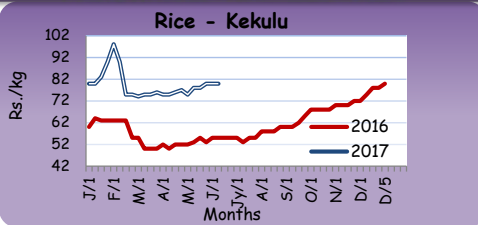


1.2 Pettah Market

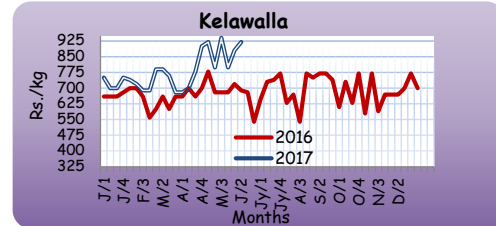
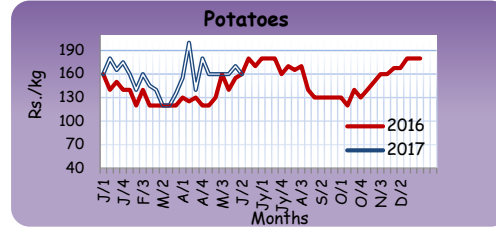
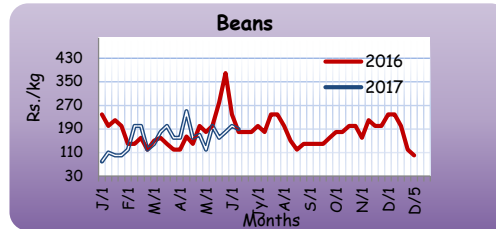
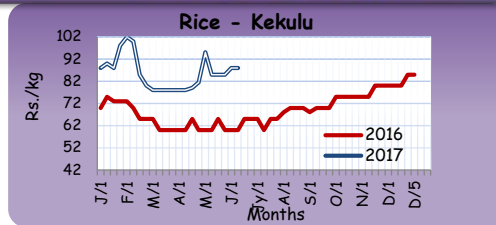
Item	Average Wholesale Prices				Average Retail Prices			
	Week Ending 30 th June 2017	Week Ago	Month Ago	Year Ago Annual Avg	Week Ending 30 th June 2017	Week Ago	Month Ago	Year Ago Annual Avg
	Rs / Kg				Rs / Kg			
Rice								
Samba	95.00	95.00	92.00	80.97	100.00	100.00	97.00	90.39
Kekulu (Red)	80.00	80.00	78.20	60.29	90.00	88.00	84.20	68.73
Vegetables								
Beans	145.00	130.00	114.00	147.16	200.00	180.00	172.00	179.12
Cabbage	100.00	100.00	133.00	76.62	140.00	140.00	196.00	115.10
Carrots	230.00	230.00	199.00	121.42	260.00	260.00	268.00	158.24
Tomatoes	115.00	95.00	65.00	75.00	140.00	130.00	120.00	107.06
Pumpkins	145.00	130.00	55.00	60.29	180.00	160.00	86.00	83.33
Snake Gourd	120.00	110.00	116.00	76.18	155.00	160.00	160.00	112.94
Brinjals	75.00	85.00	94.00	66.57	100.00	120.00	132.00	103.92
Ash-Plantains	70.00	65.00	54.00	67.65	100.00	100.00	104.00	95.69
Other Foods								
Red-Onions (Local)	400.00	375.00	281.00	92.66	480.00	420.00	325.00	131.74
Big-Onions (Local)	n.a.	n.a.	n.a.	74.50	n.a.	n.a.	n.a.	96.47
Potatoes (N'Eliya)	132.50	122.50	131.50	122.58	165.00	145.00	162.00	146.23
Dried Chillies (Imported)	170.00	180.00	155.00	293.68	240.00	210.00	204.00	350.78
Dhal (Indian)	140.00	140.00	140.00	160.16	155.00	158.00	156.80	171.41
The Eggs	12.00	12.00	11.10	14.30	12.50	12.50	11.33	14.79
Coconut (Each)	50.00	49.00	59.10	34.69	65.00	60.00	74.00	47.60
Fish*								
Kelawalla	700.00	720.00	652.50	508.20	1000.00	1100.00	885.00	682.00
Balaya	350.00	380.00	422.00	327.29	460.00	480.00	524.00	424.79
Salaya	150.00	160.00	146.00	141.43	200.00	220.00	212.00	197.14
Paraw (Small)	650.00	600.00	495.00	540.36	750.00	700.00	627.50	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 29 th June 2017	
	Wholesale (Average)	Retail (Average)
Rice		
Samba	94.00	98.00
Kekulu (Red)	81.00	85.00
Vegetables		
Beans	119.00	140.00
Carrot	229.00	249.00
Tomatoes	80.00	99.00
Pumpkins	95.50	116.00
Snake Gourd	75.00	95.00
Ash-Plantains	60.00	79.50
Other Foods		
Red-Onions (Local)	295.00	341.00
Big-Onions (Local)	n.a.	n.a.
Potatoes (N'Eliya)	120.50	135.00
Dried Chilies(Imported)	159.50	172.50
Coconut (Each)	52.50	61.70

1.4 Narahenpita Economic Centre

Item (Rs / Kg)	Average Retail Prices	
	29 th June 2017	Week Ago
Rice		
Samba	96.00	99.00
Kekulu (Red)	88.00	88.00
Vegetables		
Beans	198.00	163.00
Cabbage	187.00	193.00
Carrots	297.00	300.00
Tomatoes	137.00	163.00
Pumpkins	157.00	180.00
Snake Gourd	197.00	237.00
Brinjals	157.00	180.00
Ash-Plantains	138.00	140.00
Other Foods		
Red-Onions (Imported)	n.a.	n.a.
Big-Onions (Imported)	88.00	85.00
Potatoes (Imported)	127.00	130.00
Dried Chilies (Imported)	207.00	220.00
Dhal (Indian)	158.00	160.00
Eggs (Red)(Each)	12.00	13.00
Coconut (Each)	68.00	60.00
Fish		
Kelawalla	1133.00	1100.00
Balaya	443.00	443.00
Salaya	277.00	280.00
Paraw (Small)	793.00	800.00

1.5 Maradaghamula Market

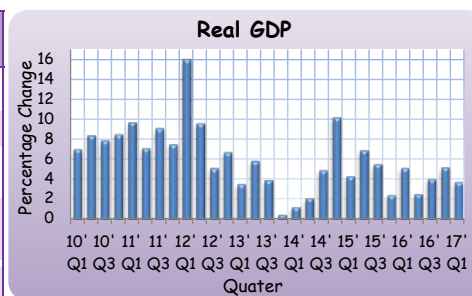
Average wholesale price of Rice				
Item (Rs / Kg)	Week Ending 30 th June	Week Ago	Month Ago	Year Ago
Samba	91.50	90.80	89.13	77.58
Sudu Kekulu	82.00	81.30	81.45	62.91
Raw Red	76.00	78.50	78.18	59.59
Nadu	89.17	87.90	84.08	66.62

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

Item	2015	2016	2016	2017
	Annual (a)(b)	Annual (a)	1 st Qtr (a)(b)	1 st Qtr (a)
Agriculture	4.8	-4.2	-0.2	-3.2
Industry	2.1	6.7	9.1	6.3
Services	5.7	4.2	3.7	3.5
Taxes less subsidies on products	7.5	6.2	5.9	2.9
GDP	4.8	4.4	5.1	3.8

(a) Provisional (b) Revised

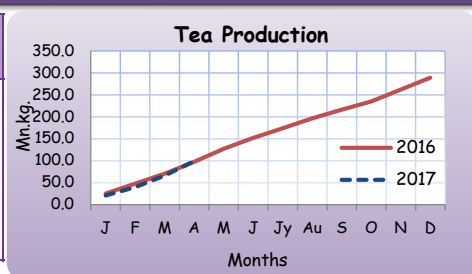
Source: Department of Census and Statistics



1.7 Agriculture Production

Item	Unit	2017(a) Jan-Apr	2016 Jan-Apr	% Change
Tea	(Mn Kg)	98.9	97.8	1.2
Rubber	(Mn Kg)	30.9	36.7	-15.8
Coconuts	(Mn Nuts)	869.0	971.0	-10.5

(a) Provisional



1.8 Index of Industrial Production (IIP) (2015 = 100) (a) (b)

Item	2017 April (c)	2016 April (d)	% Change
Index of Industrial Production	98.7	97.0	1.8
Food products	102.3	102.1	0.1
Wearing apparel	97.0	94.9	2.1
Other non-metallic mineral products	112.5	101.9	10.4
Coke and refined petroleum products	93.4	85.2	9.6
Rubber and plastic products	95.8	95.6	0.2
Tobacco products	79.2	86.7	-8.6
Chemicals and chemical products	73.5	81.5	-9.8

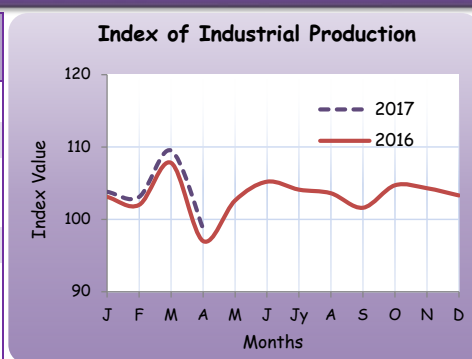
(a) Major 7 sub divisions of IIP.

Source: Department of Census and Statistics

(b) The Factory Industry-Production Index (FIPI)

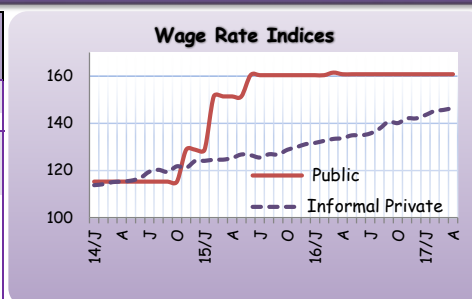
has been replaced with the Index of Industrial Production (IIP).

(c) Provisional (d) Revised



1.9 Wage rate Indices

Item	2017 April	2016 April	% Change
Public Sector Employees (2012 = 100)	160.8	160.8	0.0
Informal Private Sector Employees (2012 = 100)	146.5	133.7	9.6
Agriculture	147.1	132.6	10.9
Industry	152.3	136.6	11.5
Services	140.7	131.5	7.0



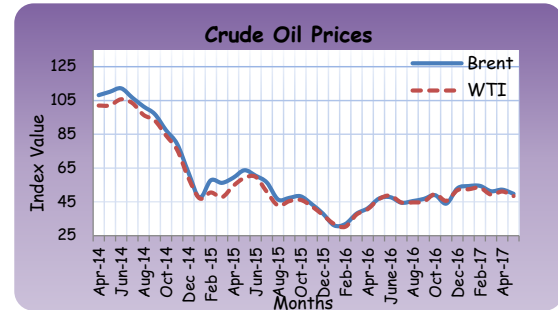
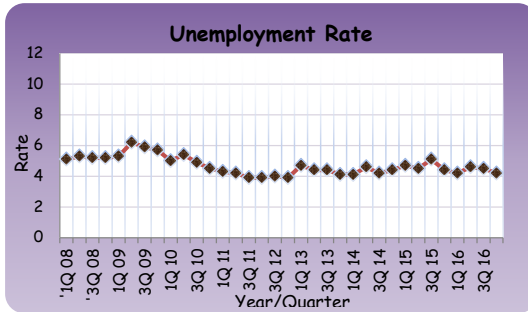
1.10 Employment (a)

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	57.39
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	51.66
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		
23 June	48.03	49.34		43.19	42.86	
26 June	-	-		43.14	43.24	
27 June	44.47	45.80		46.17	44.25	
28 June	45.74	47.93		46.50	44.74	
29 June	47.85	49.85		47.07	44.88	

Sources: Reuters
Ceylon Petroleum Corporation

(*) CPC import prices are not directly comparable with spot prices of WTI and Brent as CPC is 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 30 June 2017 increased by 01 bp to 11.70% compared to the previous week.

Broad money (M2b) expanded by 20.1%, on a year-on-year basis, in April 2017.

Net Credit to the Government from the banking system showed a decline of Rs. 8.3 bn in April 2017.

Credit to public corporations recorded an increase of Rs. 3.9 bn in April 2017.

Credit extended to the private sector increased by Rs. 18.9 bn in April 2017.

The reserve money decreased compared to the previous week mainly due to decrease in currency in circulation and deposits held by the commercial banks.

The total outstanding market liquidity decreased to a deficit of Rs. 51.05 bn by end of the week, compared to a deficit of Rs. 49.16 bn by the end of last week.

By 30 June 2017, the All Share Price Index (ASPI) increased by 0.47% to 6,747 points and the S&P SL20 Index increased by 0.47% to 3,934 points, compared to the previous week.

MONETARY SECTOR

2.1 Interest Rates

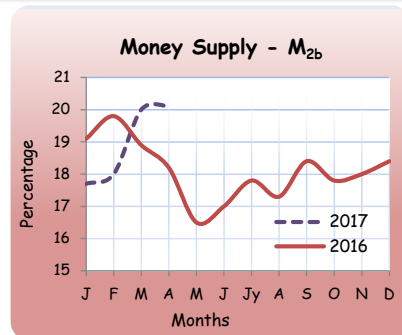
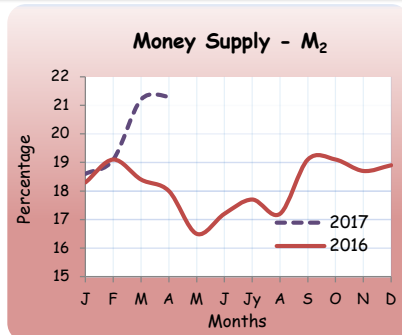
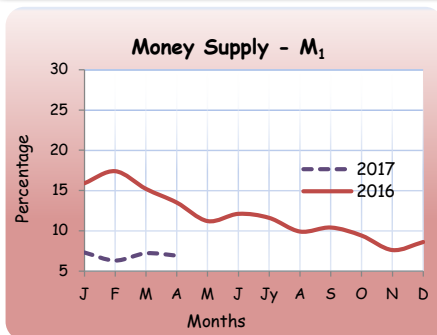
Item	Week Ending 30 June 2017	Week Ago	Year Ago	
Policy Interest Rates				
Standing Deposit Facility Rate	7.25	7.25	6.50	
Standing Lending Facility Rate	8.75	8.75	8.00	
Average Weighted Call Money Rate (AWCMR)(Weekly Average)	8.75	8.75	8.19	
Sri Lanka Inter Bank Offered Rate (SLIBOR)				
1-day	8.75	8.75	8.20	
7-day	9.51	9.50	8.73	
1-Month	10.56	10.53	9.46	
3-Month	11.30	11.31	9.88	
6-Month	12.00	12.00	10.40	
12-Month	12.47	12.47	10.96	
Treasury Bill Yields (Excluding 10% withholding tax)				
91-day	9.60	9.60	8.88	
182-day	10.29	10.29	9.86	
364-day	10.47	10.47	10.55	
Licensed Commercial Banks				
Average Weighted Prime Lending Rate (AWPR)	11.70	11.69	10.23	
	May 2017	Month Ago	Year Ago	
Savings Deposits	0.50-13.00	0.50-9.00	0.50-8.50	
One Year Fixed Deposits	4.89-15.00	4.89-15.00	4.50-15.00	
	Jun-17	Month Ago	Year Ago	
Average Weighted Deposit Rate (AWDR)	9.13	8.99	6.87	
Average Weighted Fixed Deposit Rate (AWFDR)	11.66	11.52	8.64	
	May 2017	Month Ago	Year Ago	
Average Weighted Lending Rate (AWLR)	13.57	13.52	11.89	
National Savings Bank (NSB)				
	May 2017	Month Ago	Year Ago	
Savings Deposits	4.25	4.25	4.50	
One Year Fixed Deposits	11.00	11.00	8.50	
Treasury Bond Auction				
	04 Y & 02 Months 13/06/2017	05 Y & 11 Months 13/06/2017	07 Y & 09 Months 13/06/2017	10 Y & 00 Months 13/06/2017
Coupon rate	11.00	11.50	10.25	11.75
Weighted Average Yield (Excluding 10% withholding tax)	11.37	11.38	11.41	11.49

Bankwise- AWPR	Week ending 30 June 2017	Week Ago	Bankwise- AWPR	Week ending 30 June 2017	Week Ago
Bank of Ceylon	12.28	12.27	HSBC	9.71	9.74
People's Bank	12.38	12.38	Standard Chartered Bank	11.66	11.70
Hatton National Bank	12.06	12.18	Citi Bank	9.99	9.99
Commercial Bank of Ceylon	12.44	12.64	Deutsche Bank	10.11	10.16
Sampath Bank	12.19	12.75	Habib Bank	10.77	10.77
Seylan Bank	12.68	12.85	Indian Bank	13.24	13.24
Union Bank of Colombo	14.96	14.63	Indian Overseas Bank	13.67	13.67
Pan Asia Banking Corporation	15.72	14.66	MCB Bank	12.88	12.81
Nations Trust Bank	12.67	12.88	State Bank of India	12.56	12.56
DFCC Bank	13.28	13.82	Public Bank	13.00	13.36
NDB Bank	12.75	12.75	ICICI Bank	10.33	10.33
Amana Bank	13.86	12.55	Axis Bank	11.40	13.17
Cargills Bank	14.15	13.96			

2.2 Money Supply

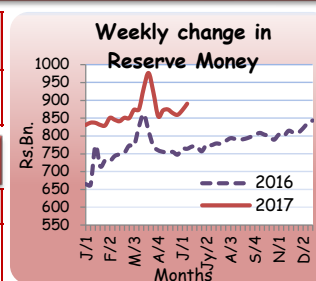
Item	Rs. bn			Annual Change (%)		
	2017	Month	Year	2017	Month	Year
	Apr (a)	Ago	Ago	Apr (a)	Ago	Ago
Reserve Money	885.6	892.2	763.1	16.0	12.7	24.6
M ₁	765.2	782.0	715.5	6.9	7.2	13.5
M ₂	5,146.8	5,096.2	4,242.1	21.3	21.2	18.1
M _{2b}	5,730.8	5,677.4	4,772.1	20.1	20.0	18.2
Net Foreign Assets of the Banking System (b)	-340.9	-371.5	-464.2	26.6	15.6	-170.9
Monetary Authorities	511.2	536.7	437.6	16.8	13.2	-23.7
Commercial Banks	-852.1	-908.2	-901.8	5.5	0.6	-21.1
Domestic Banking Units (DBUs)	-321.4	-320.4	-312.7	-2.8	1.2	-33.5
Offshore Banking Units (OBUs)	-530.7	-587.8	-589.1	9.9	0.3	-15.4
Net Domestic Assets of the Banking System (b)	6,071.6	6,048.9	5,236.4	16.0	17.0	24.4
Net Credit to the Government	2,206.3	2,214.5	1,959.5	12.6	13.3	20.5
Monetary Authorities	477.1	466.8	424.2	12.5	14.8	87.6
Commercial Banks	1,729.2	1,747.8	1,535.3	12.6	12.9	9.6
DBUs	1,348.3	1,353.0	1,142.4	18.0	18.6	0.9
OBUs	380.8	394.8	392.9	-3.1	-2.8	46.6
Credit to Public Corporations	557.4	553.4	511.5	9.0	7.5	2.8
DBUs	302.6	304.4	259.0	16.9	20.0	29.3
OBUs	254.7	249.0	252.6	0.8	-4.6	-15.1
Credit to the Private Sector	4,394.1	4,375.2	3,662.0	20.0	20.4	28.1
DBUs	4,085.9	4,065.8	3,396.7	20.3	20.7	29.7
OBUs	308.3	309.4	265.3	16.2	16.4	10.3
Other Items (Net)	-1,086.1	-1,094.3	-896.7	-21.1	-17.4	-15.8

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



2.3 Weekly change in Reserve Money

Item	29 June 2017	Week Ago	Change
Reserve Money (Rs.Mn.)	872,554	883,597	-11,043



2.4 Money Market Activity (Overnight)

Item	27.06.2017	28.06.2017	29.06.2017	30.06.2017
Call Money Market				
Weighted Average Rate (% p.a.)	8.75	8.75	8.75	8.75
Gross Volume (Rs. Mn)	6,900	12,525	9,800	3,315
Repo Market				
Weighted Average Rate (% p.a.)	8.96	8.90	8.94	8.87
Gross Volume (Rs. Mn)	3,899	5,690	4,205	6,604

2.5 CBSL Security Portfolio

Item	27.06.2017	28.06.2017	29.06.2017	30.06.2017
CBSL Treasury Bill Holdings -Face Value (Rs. Mn)	147,114	147,114	147,114	144,384
CBSL Treasury Bill Holdings -Book Value (Rs. Mn)	143,557	143,600	143,641	140,772

2.6 Open Market Operations

Item	27.06.2017	28.06.2017	29.06.2017	30.06.2017
Short-Term Auction				
Repo Amount Offered (Rs. bn)	0.00	0.00	0.00	0.00
Reverse Repo Amount Offered (Rs. bn)	52.00	47.00	45.00	48.00
Tenure (No. of Days)	1	1	1	1
Bids Received (Rs. bn)	36.79	41.16	39.18	53.90
Amount Accepted (Rs. bn)	30.99	41.16	39.18	48.00
Weighted Average Yield Rate (% p.a.)	8.74	8.74	8.74	8.74
Term Auction				
Repo Amount Accepted (Rs. bn)	0.00	0.00	0.00	0.00
Reverse Repo Amount Accepted (Rs. bn)	0.00	0.00	0.00	0.00
Standing Facility				
Standing Deposit Facility (Rs. bn)	1.18	3.79	5.53	22.41
Standing Lending Facility (Rs. bn)	19.62	9.34	6.66	25.46
Total Outstanding Market Liquidity (Rs. bn)	-49.43	-46.71	-40.31	-51.05

2.7 Credit Cards (a)

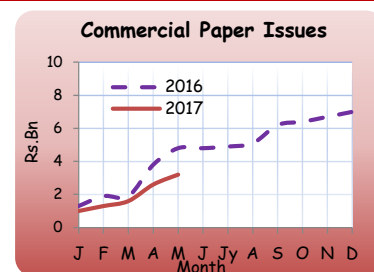
Item	2017 End May (b)	2017 End Apr	2016 End Dec
Total Number of Active Cards	1,368,764	1,354,971	1,309,248
Local (accepted only locally)	28,442	28,621	29,109
Global (accepted globally)	1,340,322	1,326,350	1,280,139
Outstanding balance (Rs.mn)	78,882	78,797	74,892
Local (accepted only locally)	742	771	839
Global (accepted globally)	78,140	78,026	74,053

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

2.8 Commercial Paper Issues (a)

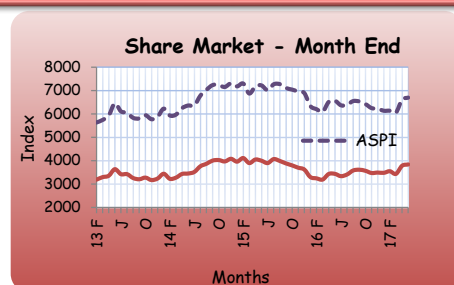
Item (Rs. bn.)	2017 End May (b)	2017 End Apr	2016 End Dec
Total Issues - Cumulative (c)	3.2	2.6	7.0
Outstanding (as at end of the period)	2.6	2.5	2.2

(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 30 June 2017	Week Ago	Year Ago
All Share Price Index (1985 = 100) (ASPI)	6,747	6,715	6,283
S&P Sri Lanka 20 Index (2004 = 1,000) (S&P SL20)	3,934	3,915	3,300
Average Daily Turnover (Rs. mn)	1,150	1,189	455
Market Capitalisation (Rs.bn)	3,041	3,027	2,678



Fiscal Sector

Government revenue increased to 3.4 per cent of GDP in the first quarter of 2017 from 2.8 per cent in the first quarter of 2016 as a result of continued efforts taken by the government to enhance revenue collection. Tax revenue as a per cent of GDP in the first quarter of 2017 increased to 3.2 per cent as recorded in the first quarter of 2016. Non tax revenue as a per cent of GDP remained unchanged. During the first quarter of 2017 total revenue in nominal terms increased by 26.2 per cent to Rs. 436.0 billion from Rs. 345.6 billion in the first quarter of 2016, reflecting increases in tax revenue.

Total expenditure and net lending as a percentage of GDP also increased to 4.9 per cent in the first quarter 2017 from 4.3 per cent in the first quarter of 2016 due to the increase in both recurrent expenditure, and capital expenditure and net lending. Accordingly, in nominal terms, total expenditure and net lending increased by 20.9 per cent to Rs. 636.3 billion in the first quarter of 2017 from Rs. 526.3 billion in the first quarter of 2016. Public investment, which amounted to 1.2 per cent of GDP in the first quarter of 2017, was significantly higher than 0.8 per cent of GDP recorded in the first quarter of 2016.

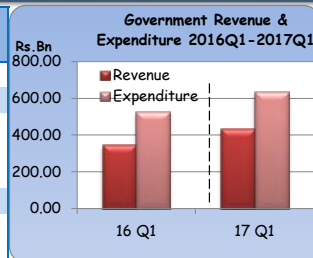
In the first quarter of 2017, the overall budget deficit of Rs. 199.7 billion was mainly financed through domestic sources. Accordingly, foreign financing was a net repayment of Rs. 50.7 billion compared to the net repayment of Rs. 85.7 in the corresponding period of previous year, while the overall deficit was financed through domestic sources. Consequently, net domestic financing in the first quarter of 2017 amounted to Rs. 250.3 billion compared to Rs. 266.5 billion in the the first quarter of previous year.

As at end March 2017, government debt increased by 3.4 per cent to Rs. 9,702.5 billion from Rs. 9,387.3 billion recorded at the end of 2016. The domestic debt increased by Rs. 284.3 billion to Rs. 5,625.8 billion as at end March 2017 from Rs. 5,341.5 billion recorded as at end March 2016, while the foreign debt increased to Rs. 4,076.6 billion by end March 2017 from Rs. 4,045.8 billion in end March 2016.

FISCAL SECTOR

3.1 Government Finance (Rs.bn)

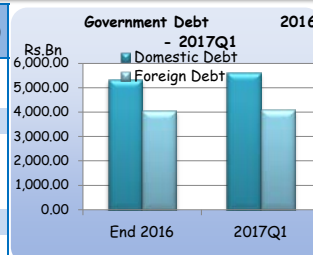
Item	2016 Q1	2017 Q1(a)
Revenue and Grants	345.6	436.7
Revenue	345.6	436.0
Tax	325.4	415.1
Non tax	20.2	20.9
Grants	0.0	0.7
Expenditure & Lending Minus Repayments	526.3	636.3
Recurrent	426.5	484.2
Capital & Lending Minus Repayments	99.8	152.1



(a) Provisional

3.2 Outstanding Central Government Debt (Rs.bn)

Item	End 2016	2017 Q1(a)
Total domestic debt	5,341.5	5,625.8
of which		
Treasury bills	779.6	781.2
Treasury bonds	3,714.8	3,802.2
Rupee loans	24.1	24.1
Total foreign debt	4,045.8	4,076.6
Total outstanding govt. debt	9,387.3	9,702.5



(a) Provisional

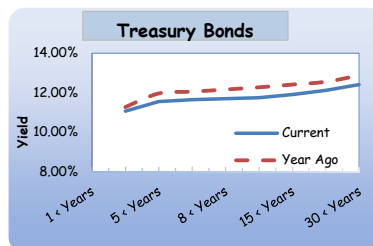
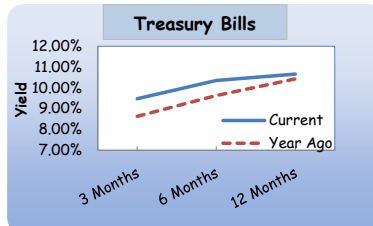
3.3 Government Securities - Primary and Secondary Market Yield Rates for the week ending - 28th June 2017

Security	Maturity	Primary Market(a)		Secondary Market			
		This Week	Last Week	This Week			Last Week
				Buying	Selling	Average	
Treasury Bills	3 Months	9.60%	9.60%	9.60%	9.39%	9.50%	9.49%
	6 Months	10.29%	10.29%	10.31%	10.17%	10.24%	10.24%
	12 Months	10.47%	10.47%	10.54%	10.38%	10.46%	10.47%
Treasury Bonds(b)	< 2 Years	-	-	10.92%	10.80%	10.86%	10.88%
	< 5 Years	-	-	11.52%	11.42%	11.47%	11.45%
	< 6 Years	-	-	11.61%	11.52%	11.56%	11.55%
	< 8 Years	-	-	11.68%	11.58%	11.63%	11.60%
	< 10 Years	-	-	11.74%	11.64%	11.69%	11.66%
	< 15 Years	-	-	11.91%	11.79%	11.85%	11.82%
	< 20 Years	-	-	12.16%	11.98%	12.07%	12.07%
< 30 Years	-	-	12.41%	12.27%	12.34%	12.33%	

(a) Primary market transactions during the week ending 28/06/2017

(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-Bills and T-Bonds have shown mixed behaviour during the reporting week compared to the previous week.



Security	Maturity Date	Coupon Rate	Secondary Market	
			This Week	Last Week
International Sovereign Bonds	4-Oct-20	6.250%	4.17%	4.03%
	27-Jul-21	6.250%	4.47%	4.38%
	18-Jan-22	5.750%	4.78%	4.67%
	25-Jul-22	5.875%	4.98%	4.88%
	14-Jan-19	6.000%	3.50%	3.46%
	11-Apr-19	5.125%	3.61%	3.52%
	3-Jun-25	6.125%	5.69%	5.57%
	3-Nov-25	6.850%	5.88%	5.76%
	18-Jul-26	6.825%	5.93%	5.81%
11-May-27	6.200%	6.08%	5.98%	

3.4 Government Securities - Weekly Summary of Primary and Secondary Market Transactions (Week Ended - 28th June 2017)

Item	Volume in Rs Mn	
	This Week	Last Week
Outstanding Stock of Government Securities		
Treasury Bills	800,912.69	799,709.95
Treasury Bonds (a)	4,011,665.33	4,011,665.33
Total	4,812,578.02	4,811,375.28
T-bills and T-bonds held by Foreigners	236,205.16	231,943.17
Sri Lanka Development Bonds (SLDB)	648,002.83	647,998.61

The outstanding stock of T-bills and T-bonds held by foreigners was increased by 1.84 per cent during the reporting week.

Primary Market Activities	Volume in Rs Mn	
	This Week	Last Week
Treasury Bills		
Amount Offered	29,500.00	30,500.00
Total Bids Received	46,468.00	62,729.00
Total Bids Accepted	5,405.00	30,276.00
Treasury Bonds		
Amount Offered	-	-
Total Bids Received	-	-
Total Bids Accepted	-	-

The weekly T-bill auction was over subscribed by 1.6 times during the reporting week.

Secondary Market Activities	Volume in Rs Mn	
	This Week	Last Week
Treasury Bills		
Outright Transaction (Sales / Purchases)	27,496.14	26,900.06
Repo Transaction (Sales / Purchases)	137,338.25	181,047.05
Treasury Bonds		
Outright Transaction (Sales / Purchases)	80,106.78	87,672.87
Repo Transaction (Sales / Purchases)	499,285.73	639,224.65

The total secondary market transactions of T bills and T bonds decreased by 20.39 percent in the reporting week compared to the previous week.

(a) Excludes Treasury bonds amounting to Rs. 69,787 million issued to settle dues of CPC and to capitalize Sri Lankan Airlines.

3.5 Two way Quotes (Treasury Bills) - 30/06/2017

Remaining Maturity	Average Buying Price	Yield %	Average Selling Price	Yield %	Buying & Selling Spread
1-7 Days	99.83	9.04	99.83	8.84	0.00
1 Month	99.24	9.23	99.26	9.01	0.02
2 Month	98.46	9.39	98.49	9.20	0.03
3 Month	97.63	9.60	97.68	9.39	0.05
4 Month	96.76	9.85	96.84	9.62	0.07
5 Month	95.84	10.12	95.92	9.92	0.08
6 Month	94.92	10.30	95.00	10.15	0.08
7 Month	94.06	10.33	94.12	10.21	0.07
8 Month	93.17	10.39	93.26	10.25	0.09
9 Month	92.30	10.41	92.38	10.30	0.08
10 Month	91.42	10.43	91.51	10.33	0.08
11 Month	90.54	10.46	90.65	10.34	0.11
12 Month	89.63	10.51	89.79	10.36	0.15

3.6 Two way Quotes (Treasury Bonds) - 30/06/2017

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
05.80%2017B	6	15-Jul-17	15	99.83	9.75	99.84	9.51	0.01
08.50%2018A	15	1-Feb-18	216	98.88	10.48	99.01	10.26	0.12
08.50%2018C	5	1-Apr-18	275	98.57	10.48	98.73	10.26	0.16
08.50%2018D	5	1-Jun-18	336	98.19	10.60	98.29	10.48	0.10
08.50%2018B	15	15-Jul-18	380	97.89	10.69	97.99	10.58	0.10
07.50%2018A	15	15-Aug-18	411	96.71	10.65	96.86	10.51	0.15
08.75%2018A	4	15-Oct-18	472	97.67	10.70	97.82	10.57	0.15
08.00%2018A	6	15-Nov-18	503	96.59	10.72	96.73	10.60	0.14
05.65%2019A	8	15-Jan-19	564	92.78	10.86	92.95	10.73	0.17
10.75%2019A	2	15-Jan-19	564	99.87	10.84	100.02	10.73	0.15
08.50%2019A	10	1-May-19	670	96.08	10.90	96.25	10.79	0.17
10.60%2019A	5	1-Jul-19	731	99.42	10.93	99.68	10.78	0.26
10.60%2019B	5	15-Sep-19	807	99.30	10.95	99.52	10.83	0.22
08.00%2019A	8	1-Nov-19	854	93.87	11.03	94.12	10.91	0.25
09.25%2020A	5	1-May-20	1,036	95.38	11.19	95.83	10.99	0.45
08.00%2020A	8	1-Jun-20	1,067	92.10	11.24	92.32	11.15	0.22
06.20%2020A	10	1-Aug-20	1,128	87.08	11.26	87.29	11.18	0.21
09.50%2020A	5	15-Dec-20	1,264	94.99	11.29	95.32	11.17	0.33
10.75%2021A	5	1-Mar-21	1,340	98.24	11.34	98.51	11.25	0.27
09.00%2021A	8	1-May-21	1,401	92.72	11.39	92.99	11.29	0.27
11.00%2021A	7	1-Aug-21	1,493	98.82	11.36	99.08	11.28	0.26
09.45%2021A	7	15-Oct-21	1,568	93.32	11.45	93.61	11.36	0.29
11.50%2021A	5	15-Dec-21	1,629	100.37	11.39	100.66	11.30	0.29
08.00%2022A	10	1-Jan-22	1,646	87.84	11.54	88.21	11.42	0.37
11.20%2022A	9	1-Jul-22	1,827	98.79	11.53	99.19	11.42	0.40
10.00%2022A	8	1-Oct-22	1,919	94.08	11.52	94.55	11.40	0.47
11.50%2023A	6	15-May-23	2,145	99.60	11.59	100.05	11.48	0.45
09.00%2023A	10	1-Sep-23	2,254	88.74	11.60	89.16	11.50	0.41
11.20%2023A	9	1-Sep-23	2,254	98.48	11.54	99.01	11.42	0.53
07.00%2023A	20	1-Oct-23	2,284	79.77	11.64	80.18	11.53	0.41
11.40%2024A	10	1-Jan-24	2,376	99.37	11.54	99.84	11.43	0.47
11.00%2024A	8	1-Aug-24	2,589	97.46	11.53	97.87	11.44	0.42
06.00%2024A	10	1-Dec-24	2,711	72.19	11.71	72.59	11.61	0.40
10.25%2025A	10	15-Mar-25	2,815	93.03	11.64	93.54	11.53	0.51
09.00%2025A	12	1-May-25	2,862	86.22	11.73	86.66	11.64	0.44
11.00%2025A	10	1-Aug-25	2,954	96.45	11.69	97.07	11.56	0.62
09.00%2026A	13	1-Feb-26	3,138	85.30	11.76	85.78	11.66	0.48
05.35%2026A	15	1-Mar-26	3,166	65.65	11.78	66.06	11.68	0.41
11.00%2026A	11	1-Jun-26	3,258	96.17	11.70	96.81	11.58	0.63
11.50%2026A	10	1-Aug-26	3,319	99.39	11.61	99.85	11.52	0.45
09.00%2028B	15	1-May-28	3,958	83.04	11.81	83.65	11.70	0.61
09.00%2028A	15	1-Jul-28	4,019	82.84	11.83	83.49	11.71	0.65
11.50%2028A	13	1-Sep-28	4,081	98.03	11.82	98.76	11.70	0.74
13.00%2029A	15	1-Jan-29	4,203	106.80	11.90	107.50	11.79	0.70
13.00%2029B	15	1-May-29	4,323	106.60	11.94	107.23	11.84	0.63
11.00%2030A	15	15-May-30	4,702	94.35	11.86	95.17	11.73	0.83
08.00%2032A	20	1-Jan-32	5,298	72.58	12.04	73.09	11.95	0.50
09.00%2032A	20	1-Oct-32	5,572	78.81	12.07	79.37	11.97	0.56
09.00%2033A	20	1-Jun-33	5,815	78.31	12.10	78.95	11.99	0.64
13.25%2033A	20	1-Jul-33	5,845	107.90	12.12	108.80	12.00	0.90
09.00%2033B	20	1-Nov-33	5,968	77.92	12.13	78.60	12.02	0.68
13.25%2034A	20	1-Jan-34	6,029	107.64	12.17	108.54	12.05	0.90
11.50%2035A	20	15-Mar-35	6,467	95.22	12.16	96.99	11.91	1.77
12.00%2041A	25	1-Jan-41	8,586	98.08	12.25	99.35	12.08	1.27
09.00%2043A	30	1-Jun-43	9,467	74.27	12.32	75.17	12.17	0.90
13.50%2044A	30	1-Jan-44	9,681	108.56	12.39	109.91	12.23	1.35
13.50%2044B	30	1-Jun-44	9,833	107.83	12.48	109.34	12.30	1.51
12.50%2045A	30	1-Mar-45	10,106	100.15	12.48	102.43	12.19	2.27

External Sector

During the year up to 30 June 2017 the Sri Lanka rupee depreciated against the US dollar (2.4 per cent). Given the cross currency exchange rate movements, the Sri Lanka rupee depreciated against the pound sterling (7.9 per cent), euro (10.1 per cent), Japanese yen (6.3 per cent) and Indian rupee (7.1 per cent) during this period.

Earnings from exports passed the US dollars 1 billion mark in March 2017 for the first time since March 2015, amounting to US dollars 1,042 million and registering a growth of 9.8 per cent (year-on-year). On a cumulative basis, export earnings during the first three months of 2017 stood at US dollars 2,774 million, reflecting 1.3 per cent increase (year-on-year) with increased earnings from exports recorded in March 2017.

Expenditure on imports increased by 19.4 per cent (year-on-year) to US dollars 1,869 million in March 2017. This was the highest import growth (year-on-year) recorded during a month, since October 2014. On a cumulative basis, expenditure on imports during the first three months of 2017 stood at US dollars 5,279 million, reflecting an increase of 14.9 per cent (year-on-year), led by expenditure incurred on fuel, gold and rice.

The export unit value index decreased marginally by 0.5 per cent in March 2017, on year-on-year basis, reflecting price decrease in industrial exports. The import unit value index increased marginally by 0.1 per cent, year-on-year, in March 2017 mainly due to price increase in intermediate goods imports, particularly fuel prices. The terms of trade deteriorated marginally by 0.6 per cent to 88.8 index points in March 2017 compared to the corresponding month of previous year due to decrease in export prices and increase in import prices during the month.

India, China, UK, Germany and France were the top five sources of tourist arrivals, accounting for 51.4 per cent of total tourist arrivals upto the month of May 2017.

The average price of tea increased to US dollars 4.22 per kg in March 2017 from US dollars 2.83 per kg (in the Colombo auction) in March 2016.

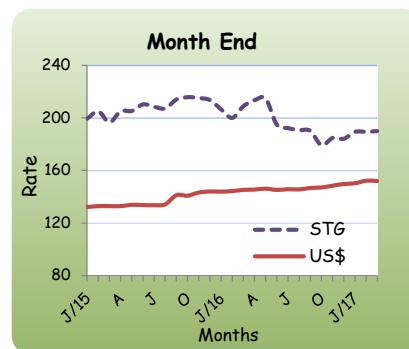
Further, the import prices of rice and wheat decreased compared to the corresponding month of 2016.

EXTERNAL SECTOR

4.1 Exchange Rates

Item (Rs Per Unit)(a)	Week Ending - 30 June 2017			Average Rate	
	Buying Rate	Selling Rate	Average Rate	Week Ago	Year Ago
US\$	151.40	155.20	153.30	153.07	146.55
STG	196.41	203.06	199.74	194.38	196.62
Yen	1.35	1.40	1.37	1.38	1.43
Euro	172.13	178.63	175.38	170.78	162.86
INR ⁽¹⁾			2.37	2.37	2.15
SDR (As at 29 June 2017)			213.20	211.44	202.75
Central Bank purchases and sales(b) (US\$ Mn.)			May 2017	Month Ago	Year Ago
Purchases			183.47	257.92	123.83
Sales			35.00	-	36.20

	Week Ending 30 June 2017	Week Ago	Year Ago
Average Daily Interbank Volume (US\$ Mn.) (spot, tom and cash transactions among commercial banks)	66.21	41.26	22.38
Forward Transactions			
Forward Rates (US\$) ⁽²⁾			
1 Month	154.46	154.22	147.02
3 Months	156.34	156.23	147.50
Average Daily Interbank Forward Volume (US\$ mn)	37.19	33.63	39.30
Outstanding Forward Volume (US\$ mn) (As at 29 June 2017)	1,374.92	1,395.43	1,553.48



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

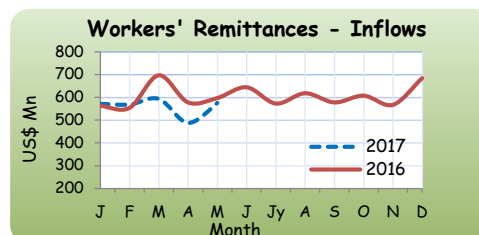
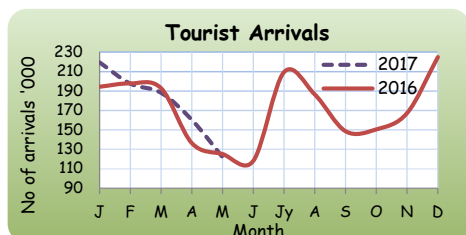
(b) Central Bank purchases and sales of foreign exchange from commercial banks at market rates total for the Month

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

4.2 Tourism & Workers' Remittances

Item		2016	2017	2016	2017	% Change
		May (a)(b)	May (c)(d)	Jan-May(a)(b)	Jan-May(c)(d)	
Tourist Arrivals	Number	125,044	121,891	846,229	887,093	4.8
Earnings from Tourism(d)	US\$ Mn.	214.5	209.1	1,451.8	1,521.9	4.8
	Rs.bn.	31.2	31.9	209.3	230	9.9
Workers' Remittances (Inflows)		2016	2017	2016	2017	% Change
	US\$ Mn.	May	May (c)	Jan-May	Jan-May (c)	
	US\$ Mn.	597.2	575.4	2,968.6	2,797.0	-5.8
	Rs. bn.	87.0	87.6	428.3	423.1	-1.2

(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 31st May 2017 ^(a)

Official Reserve Assets (USD mn)				
Official Reserve Assets				6,759.70
(1) Foreign currency reserves				5,787.15
(a) Securities				2,172.83
(b) Total currency and deposits with				3,614.32
(i) other national central banks, BIS				2,338.78
(ii) banks headquartered inside the reporting country of which located abroad				1.17
(iii) banks headquartered outside the reporting country				1,274.37
(2) Reserve position in the IMF				66.25
(3) SDRs				0.20
(4) Gold				905.1
(5) Other reserve assets				1.00
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	-3,562.27	-726.92	-539.49	-2,295.86
Interest	-1,194.87	-62.23	-236.19	-896.46
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	-185.00	-424.31	-1,316.43
(b) Long positions (+)				
3. Other (specify)				
inflows related to reverse repos (+)	-0.08	-0.08		
other accounts payable (-)	-0.08	-0.08		

(a) Provisional

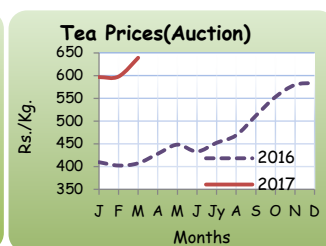
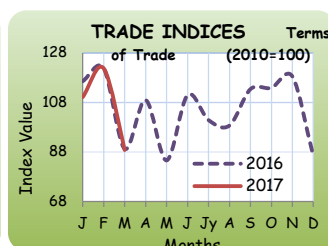
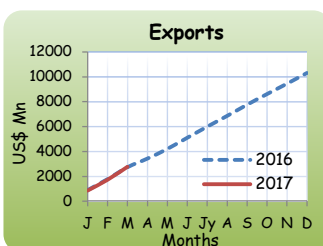
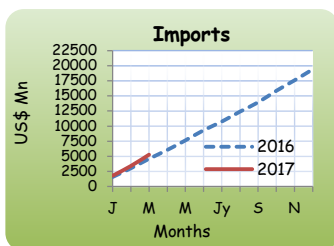
(b) This mainly includes only the predetermined outflows

(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 - Mar 2017 (a)	Jan - Mar 2016	% Change	Jan - Mar 2017 (a)	Jan - Mar 2016	% Change
Exports	2,774.3	2,739.2 (b)	1.3	418,429.7	394,289.3 (b)	6.1
Agricultural	655.9	562.2	16.7	98,937.0	80,928.6	22.3
Industrial	2,106.6	2,165.6 (b)	-2.7	317,703.0	311,722.6 (b)	1.9
Food, Beverages and Tobacco	76.5	92.7 (b)	-17.5	11,542.0	13,342.9 (b)	-13.5
Textiles and Apparel	1,275.8	1,369.3	-6.8	192,375.3	197,099.7	-2.4
Petroleum Products	90.6	74.2	22.1	13,663.1	10,676.7	28.0
Leather, Rubber etc	240.4	242.3	-0.8	36,266.0	34,873.8	4.0
Other	423.3	387.2	9.3	63,856.7	55,729.5	14.6
Mineral	7.3	7.6	-5.2	1,094.3	1,100.4	-0.6
Other	4.6	3.7	23.4	695.4	537.7	29.3
Imports	5,278.9	4,594.5	14.9	795,987.1	661,341.6	20.4
Consumer Goods	1,170.5	1,109.2	5.5	176,562.1	159,668.1	10.6
Intermediate Goods	2,805.9	2,240.3	25.2	423,076.9	322,480.0	31.2
Investment Goods	1,242.1	1,243.5	-0.1	187,294.9	179,000.5	4.6
Other	60.3	1.3	4,398.2	9,053.2	192.9	4,592.4
Trade Balance	-2,504.5	-1,855.3 (b)	35.0	-377,557.4	-267,052.3 (b)	41.4

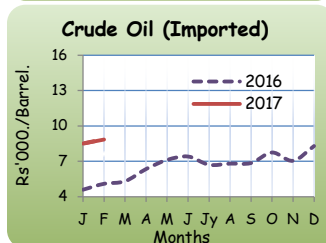
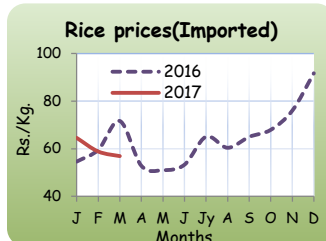
(a) Provisional (b) Revised



4.5 Trade Indices (2010= 100) (a)

Item	2017 Mar (b)	Month Ago (b)	Year Ago
Total Exports			
Value	145.0	120.8	132.1 (c)
Quantity	176.3	113.1	159.8 (c)
Unit Value	82.2	106.8	82.7 (c)
Total Imports			
Value	167.3	144.2	140.2
Quantity	180.7	164.6	151.5
Unit Value	92.6	87.6	92.5
Terms of Trade	88.8	121.8	89.3 (c)

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



4.6 International Commodity Prices

Item	March 2017	March 2016	% Change	March 2017	March 2016	% Change
	US\$ / Kg			Rs / Kg		
Tea Prices	4.22	2.83	49.2	639.17	407.35	56.9
Imports (C I F)	US\$ / MT			Rs / MT		
Rice	375.82	497.63	-24.5	56,909.74	71,637.95	-20.6
White Sugar	580.89	436.61	33.0	87,962.05	62,854.27	39.9
Wheat	233.92	291.05	-19.6	35,421.20	41,899.83	-15.5
	US\$ / Barrel			Rs / Barrel		
Crude Oil	-	36.85	-	-	5,304.87	-