

# Weekly Economic Indicators

28 April 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, increased to 8.6 per cent in March 2017 from 8.2 per cent in February 2017, on year-on-year basis. Both Food and Non-food categories contributed towards the year-on-year inflation in March 2017. The increase in year-on-year inflation in March 2017 is due to the low base that prevailed in the corresponding period of the previous year. The change in the NCPI measured on an annual average basis increased to 5.6 per cent in March 2017 from 5.1 per cent in February 2017. When the monthly change is considered, the NCPI decreased from 119.9 index points in February 2017 to 119.5 index points in March 2017. This monthly decrease was mainly due to the decrease in prices of the items in the Food category. The NCPI Core inflation, which reflects the underlying inflation in the economy decreased marginally to 7.0 per cent in March 2017 from 7.1 per cent in February 2017. Annual average NCPI Core inflation increased to 6.6 per cent in March 2017 from 6.4 per cent in February 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, decreased to 6.9 per cent in April 2017 from 7.3 per cent in March 2017, on year-on-year basis. Annual average inflation increased to 5.3 per cent in April 2017 from 5.0 per cent in March 2017. The monthly decrease in CCPI was 0.5 per cent. CCPI Core inflation, which reflects the underlying inflation in the economy decreased to 6.8 per cent in April 2017 from 7.3 per cent in March 2017. Annual average CCPI Core inflation increased to 5.5 per cent in April 2017 from 5.3 per cent in March 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 months of February 2017 production of tea declined due to dry weather conditions and production of rubber also decreased due to the slowdown of tapping activities. Meanwhile, the coconut production also considerably declined during the same period.

The FIPI increased by 3.6 per cent on a year-on-year basis in February 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.

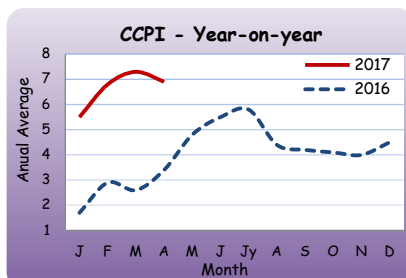
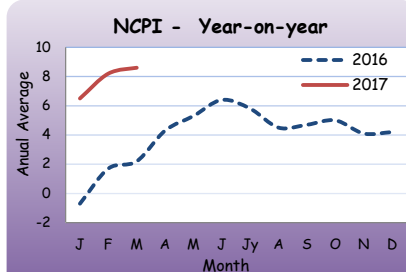
During the week, crude oil prices followed a mixed performance, recording an increase in Brent by US\$ 0.18 and decrease in WTI prices by US\$ 0.68 per barrel, respectively. Crude oil price decline was supported by the lack of information that OPEC will extend output cuts until the end of 2017 and as Russia indicated that it can lift output to its highest rate in 30 years if the deal lapses by 30 June. However, price decline was curbed after the U.S. reported a drop in its commercial crude oil stocks and over statements by OPEC that it was keen to find a deal that would ensure a drawdown of excess global oil supplies.

## Highlights

# REAL SECTOR

## 1.1 Price Indices

Item	March 2017	Month Ago	Year Ago
(2013 = 100)			
National Consumer Price Index (NCPI)	119.5	119.9	110.0
Monthly Change %	-0.3	0.5	-0.7
Annual Average Change %	5.6	5.1	2.4
Year - on - Year Change %	8.6	8.2	2.2
Core Inflation - ( NCPI )	122.3	122.0	114.3
Annual Average Change %	6.6	6.4	4.5
Year - on - Year Change %	7.0	7.1	5.0
Item	April 2017	Month Ago	Year Ago
(2013 = 100)			
Colombo Consumers' Price Index (CCPI)	117.1	116.5	109.5
Annual Average Change %	5.3	5.0	2.4
Year - on - Year Change %	6.9	7.3	3.4
Core Inflation - ( CCPI )	121.9	121.8	114.1
Annual Average Change %	5.5	5.3	4.9
Year - on - Year Change %	6.8	7.3	3.5

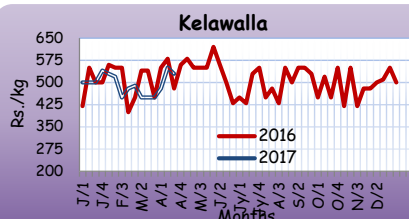
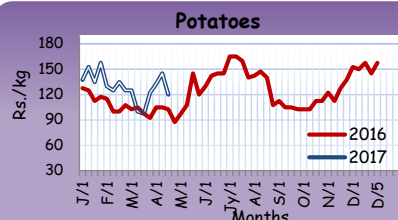
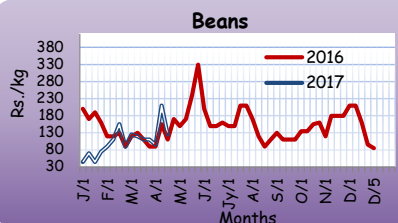
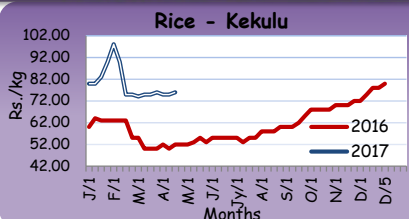


## 1.2 Pettah Market

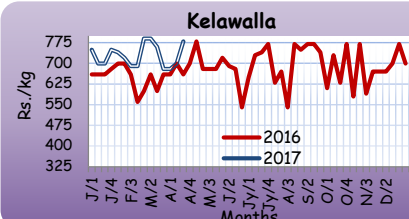
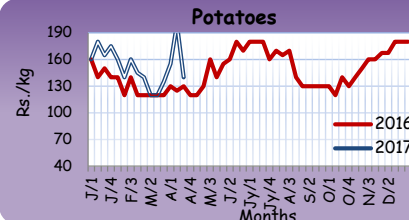
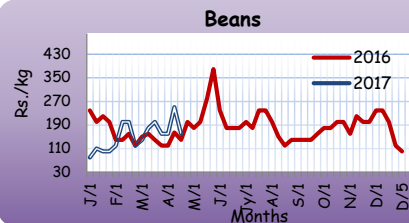
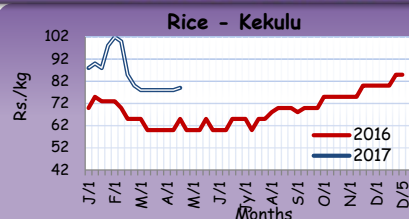
Item	Average Wholesale Prices				Average Retail Prices			
	Week Ending 27 <sup>th</sup> Apr 2017	Week Ago	Month Ago	Year Ago Annual Avg	Week Ending 27 <sup>th</sup> Apr 2017	Week Ago	Month Ago	Year Ago Annual Avg
	Rs / Kg				Rs / Kg			
<b>Rice</b>								
Samba	87.00	87.00	85.90	80.97	90.00	90.00	90.00	90.39
Kekulu (Red)	77.00	76.00	75.00	60.29	81.50	79.00	78.00	68.73
<b>Vegetables</b>								
Beans	140.00	125.00	115.00	147.16	170.00	160.00	176.00	179.12
Cabbage	140.00	120.00	24.00	76.62	170.00	160.00	62.00	115.10
Carrots	180.00	125.00	59.50	121.42	230.00	150.00	92.00	158.24
Tomatoes	100.00	85.00	81.00	75.00	140.00	120.00	120.00	107.06
Pumpkins	50.00	60.00	58.00	60.29	80.00	90.00	88.00	83.33
Snake Gourd	95.00	75.00	84.00	76.18	140.00	100.00	124.00	112.94
Brinjals	40.00	50.00	33.00	66.57	80.00	75.00	76.00	103.92
Ash-Plantains	70.00	65.00	67.00	67.65	100.00	95.00	100.00	95.69
<b>Other Foods</b>								
Red-Onions (Local)	185.00	200.00	108.20	92.66	220.00	240.00	148.00	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	120.00	110.50	122.58	180.00	140.00	131.00	146.23
Dried Chillies (Imported)	165.00	165.00	182.00	293.68	220.00	220.00	232.00	350.78
Dhal (Indian)	138.00	135.00	138.20	160.16	158.00	155.00	155.00	171.41
The Eggs	12.00	12.00	12.82	14.30	12.50	13.00	13.10	14.79
Coconut (Each)	60.00	62.00	57.60	34.69	75.00	75.00	72.00	47.60
<b>Fish*</b>								
Kelawalla	620.00	530.00	456.00	508.20	900.00	780.00	742.00	682.00
Balaya	380.00	350.00	284.00	327.29	480.00	450.00	388.00	424.79
Salaya	130.00	120.00	84.00	141.43	180.00	180.00	144.00	197.14
Paraw (Small)	650.00	650.00	502.50	540.36	750.00	750.00	597.50	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 27 <sup>th</sup> Apr 2017	
	Wholesale (Average)	Retail (Average)
<b>Rice</b>		
Samba	86.00	90.00
Kekulu (Red)	72.80	76.70
<b>Vegetables</b>		
Beans	100.50	121.00
Carrot	162.50	183.50
Tomatoes	72.00	92.00
Pumpkins	46.00	66.00
Snake Gourd	59.50	79.50
Ash-Plantains	54.00	74.00
<b>Other Foods</b>		
Red-Onions (Local)	163.13	180.63
Big-Onions (Local)	n.a.	n.a.
Potatoes (N'Eliya)	122.50	133.50
Dried Chilies(Imported)	175.00	190.00
Coconut (Each)	57.50	67.50

### 1.5 Maradaghamula Market

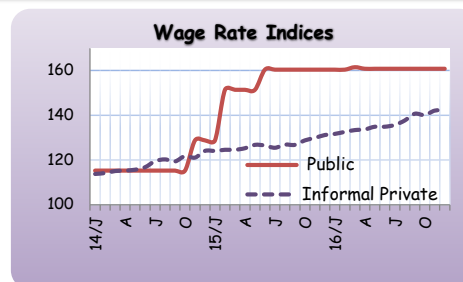
Average wholesale price of Rice				
Item (Rs / Kg)	Week Ending 28 <sup>th</sup> Apr	Week Ago	Month Ago	Year Ago
Samba	85.25	85.10	84.65	77.58
Sudu Kekulu	75.00	74.50	74.07	62.91
Raw Red	75.38	75.20	74.24	59.59
Nadu	76.38	74.90	76.00	66.62

### 1.4 Narahenpita Economic Centre

Item (Rs / Kg)	Average Retail Prices	
	28 <sup>th</sup> Apr 2017	Week Ago
<b>Rice</b>		
Samba	90.00	90.00
Kekulu (Red)	78.00	80.00
<b>Vegetables</b>		
Beans	157.00	177.00
Cabbage	117.00	98.00
Carrots	237.00	217.00
Tomatoes	133.00	138.00
Pumpkins	100.00	78.00
Snake Gourd	140.00	137.00
Brinjals	77.00	137.00
Ash-Plantains	137.00	138.00
<b>Other Foods</b>		
Red-Onions (Imported)	n.a.	217.00
Big-Onions (Imported)	77.00	78.00
Potatoes (Imported)	117.00	107.00
Dried Chilies (Imported)	247.00	218.00
Dhal (Indian)	153.00	143.00
Eggs (Red)(Each)	13.00	14.00
Coconut (Each)	58.00	58.00
<b>Fish</b>		
Kelawalla	887.00	957.00
Balaya	483.00	478.00
Salaya	277.00	147.00
Paraw (Small)	877.00	887.00

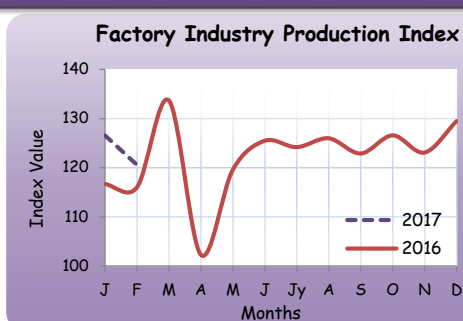
## 1.6 Wage rate Indices

Item	2017 February	2016 February	% Change
Public Sector Employees (2012 = 100)	160.8	160.4	0.2
Informal Private Sector Employees (2012 = 100)	145.2	132.6	9.5
Agriculture	145.2	134.9	7.6
Industry	149.6	135.3	10.6
Services	140.9	129.1	9.1



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

Item	2017 (b) February	2016 February	% Change
Factory Industry- Production Index	120.6	116.4	3.6
Food products	103.6	98.9	4.7
Beverages	103.2	109.8	-6.0
Tobacco products	91.1	91.4	-0.3
Wearing apparel	169.6	167.9	1.0
Chemicals and chemical products	75.9	38.9	95.0
Rubber and plastic products	137.0	128.3	6.8
Other non-metallic mineral products	130.3	127.5	2.2

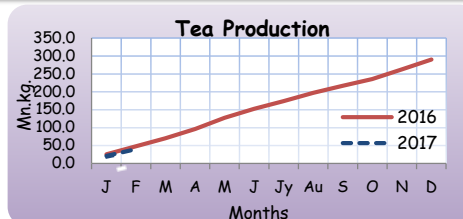


(a) Major 7 sub divisions of FIPI out of 17 sub divisions.

(b) Provisional

## 1.8 Agriculture Production

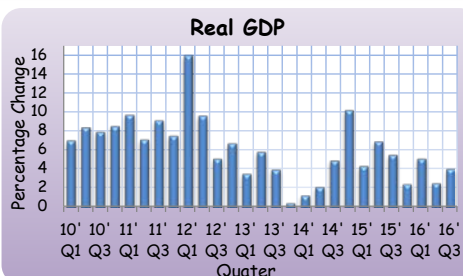
Item	Unit	2017(a) Jan-Feb	2016 Jan-Feb	% Change
Tea	(Mn Kg)	39.7	48.0	-17.2
Rubber	(Mn Kg)	15.3	18.8	-18.5
Coconuts	(Mn Nuts)	461.2	508.1	-9.2



(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
<b>GDP</b>	<b>2.8</b>	<b>5.3</b>	<b>4.8</b>	<b>4.4</b>



(a) Provisional (b) Revised

Source: Department of Census and Statistics

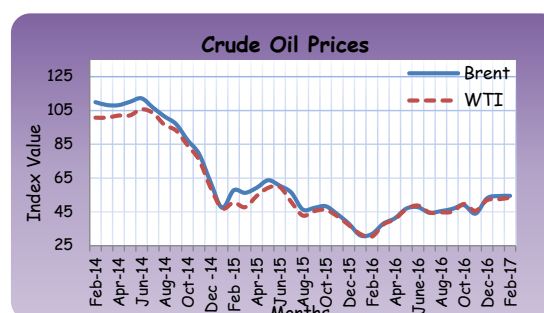
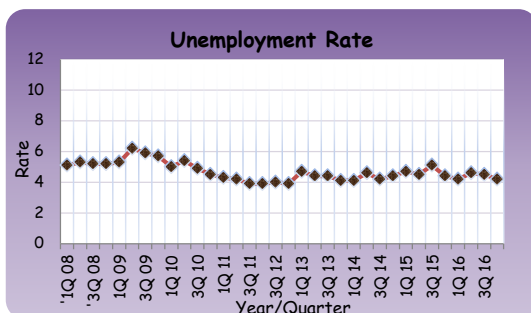
## 1.10 Employment (a)

Item	2015 (b) 4 <sup>th</sup> Quarter	2016 (b) 4 <sup>th</sup> Quarter	2016 (b) Annual
Labour Force Participation rate	53.5	54.0	53.8
Unemployment rate	4.4	4.2	4.4
<b>Employed Persons by Sectors (c) (as a % of total employment)</b>			
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			
May	47.00	46.69	48.84			
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		
21 April	43.13	43.18		49.03	49.64	
24 April	-	-		48.55	48.90	
25 April	42.62	41.67		48.44	49.22	
26 April	43.59	42.52		49.06	49.22	
27 April	43.82	45.29		49.21	48.96	

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 28 April 2017 increased by 15 bps to 11.78% compared to the previous week

Broad money (M2b) expanded by 18.0%, on a year-on-year basis, in February 2017

Net Credit to the Government from the banking system showed an increase of Rs. 79.1 bn in February 2017

Credit to public corporations recorded an increase of Rs. 16.7 bn in February 2017

Credit extended to the private sector increased by Rs. 70.9 bn in February 2017

The reserve money decreased compared to the previous week mainly due to decrease in currency in circulation

The total outstanding market liquidity decreased to a deficit of Rs. 11.02 bn by end of the week, compared to a surplus of Rs. 37.94 bn by the end of last week

By 28 April 2017, the All Share Price Index (ASPI) increased by 1.15% to 6,610 points and the S&P SL20 Index increased by 1.35% to 3,786 points, compared to the previous week

## Highlights



# MONETARY SECTOR

## 2.1 Interest Rates

Item	Week Ending 28 Apr 2017	Week Ago	Year Ago
<b>Policy Interest Rates</b>			
Standing Deposit Facility Rate	7.25	7.25	6.50
Standing Lending Facility Rate	8.75	8.75	8.00
<b>Average Weighted Call Money Rate (AWCMR)(Weekly Average)</b>	8.73	8.75	8.15
<b>Sri Lanka Inter Bank Offered Rate (SLIBOR)</b>			
1-day	8.75	8.75	8.16
7-day	9.78	9.80	8.52
1-Month	10.74	10.80	9.29
3-Month	11.28	11.27	9.72
6-Month	12.02	11.93	10.18
12-Month	12.51	12.42	10.66
<b>Treasury Bill Yields (Excluding 10% withholding tax)</b>			
91-day	-	9.73	8.45
182-day	10.70	10.79	9.53
364-day	11.02	11.11	10.17
<b>Licensed Commercial Banks</b>			
Average Weighted Prime Lending Rate (AWPR)	11.78	11.63	9.56
	Jan 2017	Month Ago	Year Ago
Savings Deposits	0.50-9.00	0.50-9.00	0.50-8.50
One Year Fixed Deposits	4.89-15.00	4.50-15.00	3.95-15.00
	Apr 2017	Month Ago	Year Ago
Average Weighted Deposit Rate (AWDR)	8.89	8.81	6.58
Average Weighted Fixed Deposit Rate (AWFDR)	11.43	11.38	8.18
	Mar 2017	Month Ago	Year Ago
Average Weighted Lending Rate (AWLR)	13.40	13.29	11.45
<b>National Savings Bank (NSB)</b>	Mar 2017	Month Ago	Year Ago
Savings Deposits	4.25	4.25	4.50
One Year Fixed Deposits	11.00	11.00	8.50
<b>Treasury Bond Auction</b>	01 Y & 08 Months	04 Y & 07 Months	08 Y & 03 Months
	27/04/2017	27/04/2017	27/04/2017
Coupon rate	10.75	11.50	11.00
Weighted Average Yield (Excluding 10% withholding tax)	11.21	11.55	11.87

Bankwise- AWPR	Week ending 28 Apr 2017	Week Ago	Bankwise- AWPR	Week ending 28 Apr 2017	Week Ago
Bank of Ceylon	12.41	12.36	HSBC	9.72	9.72
People's Bank	11.57	11.94	Standard Chartered Bank	11.56	11.72
Hatton National Bank	12.05	12.11	Citi Bank	10.00	9.06
Commercial Bank of Ceylon	13.10	12.33	Deutsche Bank	10.07	9.95
Sampath Bank	12.35	13.77	Habib Bank	11.00	11.07
Seylan Bank	12.50	12.79	Indian Bank	13.06	13.06
Union Bank of Colombo	14.57	13.97	Indian Overseas Bank	13.56	13.56
Pan Asia Banking Corporation	15.05	16.50	MCB Bank	12.25	13.78
Nations Trust Bank	12.49	12.33	State Bank of India	12.50	12.50
DFCC Bank	13.55	13.15	Public Bank	11.50	11.50
NDB Bank	14.87	12.57	ICICI Bank	10.55	10.55
Amana Bank	12.58	12.58	Axis Bank	12.16	12.56
Cargills Bank	14.88	14.36			

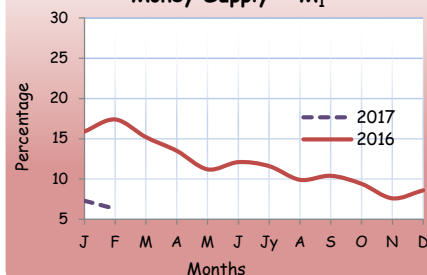


## 2.2 Money Supply

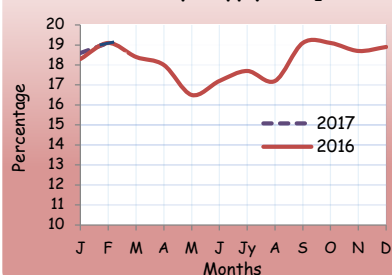
Item	Rs. bn			Annual Change (%)		
	2017 (a) February	Month Ago	Year Ago	2017 (a) February	Month Ago	Year Ago
Reserve Money	847.6	828.5	739.3	14.6	15.3	26.8
M <sub>1</sub>	744.6	742.9	700.5	6.3	7.3	17.4
M <sub>2</sub>	4,951.3	4,866.0	4,158.4	19.1	18.6	19.1
M <sub>2b</sub>	5,552.0	5,460.4	4,703.8	18.0	17.7	19.8
Net Foreign Assets of the Banking System (b)	-369.9	-327.7	-401.8	7.9	9.1	-230.5
Monetary Authorities	486.6	502.4	468.6	3.8	2.6	-24.3
Commercial Banks	-856.4	-830.2	-870.4	1.6	2.3	-17.6
Domestic Banking Units (DBUs)	-320.1	-325.1	-305.9	-4.7	-9.1	-29.4
Offshore Banking Units (OBUs)	-536.3	-505.1	-564.5	5.0	8.5	-12.0
Net Domestic Assets of the Banking System (b)	5,921.8	5,788.2	5,105.6	16.0	15.8	26.1
Net Credit to the Government	2,192.1	2,113.1	1,920.8	14.1	13.1	16.8
Monetary Authorities	455.9	410.7	384.5	18.6	22.0	56.4
Commercial Banks	1,736.2	1,702.3	1,536.4	13.0	11.2	9.8
DBUs	1,380.5	1,369.7	1,141.5	20.9	18.5	1.9
OBUs	355.6	332.6	394.8	-9.9	-11.5	41.7
Credit to Public Corporations	534.8	518.1	526.4	1.6	-1.8	9.3
DBUs	301.6	298.3	254.4	18.6	19.4	27.8
OBUs	233.1	219.8	272.0	-14.3	-20.9	-3.7
Credit to the Private Sector	4,293.2	4,222.3	3,546.8	21.0	20.9	26.5
DBUs	3,965.9	3,905.3	3,275.3	21.1	21.4	28.7
OBUs	327.3	317.1	271.5	20.6	14.3	5.1
Other Items (Net)	-1,098.3	-1,065.3	-888.4	-23.6	-19.7	-0.7

(a) Provisional (b) In relation to M<sub>2b</sub>

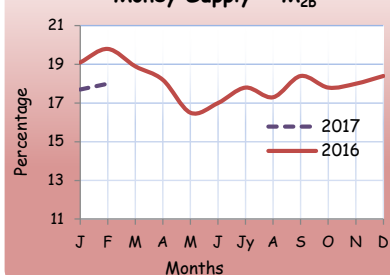
Money Supply - M<sub>1</sub>



Money Supply - M<sub>2</sub>



Money Supply - M<sub>2b</sub>



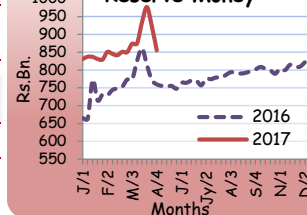
## 2.3 Weekly change in Reserve Money

Item	27 Apr 2017	Week Ago	Change
Reserve Money (Rs.Mn.)	885,261	922,900	-37,639

## 2.4 Money Market Activity (Overnight)

Item	24.04.2017	25.04.2017	26.04.2017	27.04.2017	28.04.2017
<b>Call Money Market</b>					
Weighted Average Rate (% p.a.)	8.75	8.75	8.73	8.71	8.72
Gross Volume (Rs. Mn)	26,255	28,250	33,050	27,645	12,700
<b>Repo Market</b>					
Weighted Average Rate (% p.a.)	8.61	8.53	8.53	8.53	8.62
Gross Volume (Rs. Mn)	29,671	31,790	21,118	23,199	15,923

Weekly change in Reserve Money



## 2.5 CBSL Security Portfolio

Item	24.04.2017	25.04.2017	26.04.2017	27.04.2017	28.04.2017
CBSL Treasury Bill Holdings -Face Value (Rs.mn)	293,039	293,039	293,039	293,039	252,045
CBSL Treasury Bill Holdings -Book Value (Rs.mn)	285,430	285,476	285,556	285,689	244,760

## 2.6 Open Market Operations

Item	24.04.2017	25.04.2017	26.04.2017	27.04.2017	28.04.2017
<b>Short-Term Auction</b>					
Repo Amount Offered (Rs. bn)	47.00	18.00	31.00	36.00	0.00
Reverse Repo Amount Offered (Rs. bn)	0.00	0.00	0.00	0.00	30.00
Tenure (No. of Days)	1	1	1	1	4
Bids Received (Rs. bn)	64.83	18.85	29.83	36.27	24.63
Amount Accepted (Rs. bn)	47.00	18.00	29.83	36.00	14.88
Weighted Average Yield Rate (% p.a.)	7.30	7.29	7.30	7.29	8.73
<b>Term Auction</b>					
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
<b>Standing Facility</b>					
Standing Deposit Facility (Rs. bn)	15.17	9.60	6.11	9.90	17.77
Standing Lending Facility (Rs. bn)	13.31	10.68	9.38	11.91	13.90
<b>Total Outstanding Market Liquidity (Rs. bn)</b>	<b>48.86</b>	<b>16.92</b>	<b>26.55</b>	<b>33.99</b>	<b>-11.02</b>

## 2.7 Credit Cards (a)

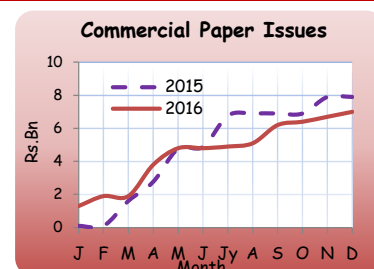
Item	2017 End Jan (b)	2016 End Dec	2015 End Dec
<b>Total Number of Active Cards</b>	1,316,698	1,309,248	1,142,231
Local (accepted only locally)	28,968	29,109	30,902
Global (accepted globally)	1,287,730	1,280,139	1,111,329
<b>Outstanding balance (Rs.mn)</b>	<b>75,003</b>	<b>74,892</b>	<b>63,010</b>
Local (accepted only locally)	819	839	1,226
Global (accepted globally)	74,184	74,053	61,784

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

## 2.8 Commercial Paper Issues (a)

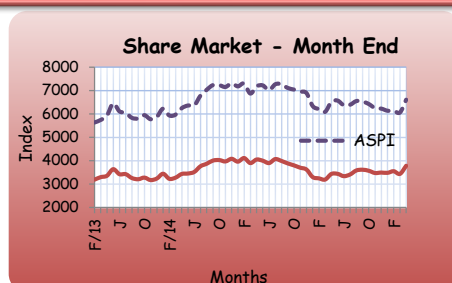
Item (Rs. bn.)	2017 End Jan (b)	2016 End Dec	2015 End Dec
Total Issues - Cumulative (c)	1.0	7.0	7.9
Outstanding (as at end of the period)	2.2	2.2	4.5

(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 28 Apr 2017	Week Ago	Year Ago
All Share Price Index (1985 = 100) (ASPI)	6,610	6,536	6,443
S&P Sri Lanka 20 Index (2004 = 1,000) (S&P SL20)	3,786	3,736	3,398
Average Daily Turnover (Rs. mn)	1,353	2,217	549
Market Capitalisation (Rs.bn)	2,909	2,876	2,745



## 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

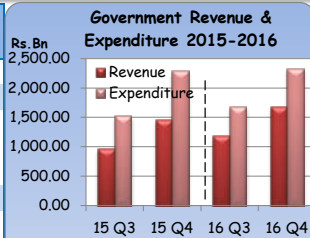
In 2016, the overall budget deficit of Rs. 640.3 billion was largely financed through foreign sources. Accordingly, foreign financing contributed to around 61.2 per cent of the total financing requirement in 2016 compared to 28.5 per cent in the previous year, while the balance was financed through domestic 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)

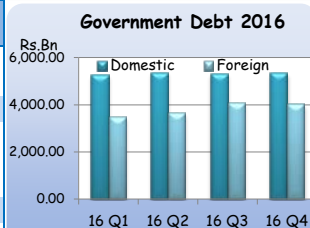
Item	2015	2016*
<b>Revenue and Grants</b>	<b>1,460.9</b>	<b>1,693.6</b>
<b>Revenue</b>	<b>1,454.9</b>	<b>1,686.1</b>
Tax	1,355.8	1,463.7
Non tax	99.1	222.4
<b>Grants</b>	<b>6.0</b>	<b>7.5</b>
<b>Expenditure &amp; Lending Minus Repayments</b>	<b>2,290.4</b>	<b>2,333.9</b>
Recurrent	1,701.7	1,757.8
Capital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



(a) Provisional

### 3.2 Outstanding Central Government Debt (Rs.bn)

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



(a)Provisional

### 3.3 Government Securities - Primary and Secondary Market Yield Rates for the week ending - 26<sup>th</sup> April 2017

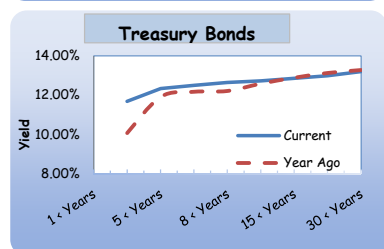
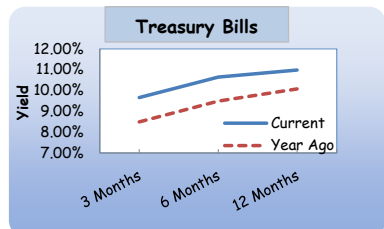
Security	Maturity	Primary Market(a)		Secondary Market			
		This Week	Last Week	This Week			Last Week
				Buying	Selling	Average	
Treasury Bills	3 Months	-	9.73%	9.81%	9.59%	9.70%	9.66%
	6 Months	10.70%	10.79%	10.77%	10.60%	10.68%	10.64%
	12 Months	11.02%	11.11%	11.13%	10.92%	11.03%	10.98%
Treasury Bonds(b)	< 2 Years	-	-	11.63%	11.52%	11.58%	11.69%
	< 5 Years	-	-	12.32%	12.21%	12.26%	12.35%
	< 6Years	-	-	12.45%	12.33%	12.39%	12.50%
	< 8Years	-	-	12.56%	12.45%	12.51%	12.65%
	< 10Years	-	-	12.65%	12.52%	12.59%	12.73%
	< 15 Years	-	-	12.81%	12.69%	12.75%	12.86%
	< 20 Years	-	-	12.95%	12.84%	12.90%	12.99%
	< 30 Years	-	-	13.19%	13.04%	13.11%	13.20%

(a) Primary market transactions during the week ending 26/04/2017

(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 all T-Bills increased while secondary market yield rates of all T-Bonds 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%	4.31%	4.35%
	27-Jul-21	6.250%	4.64%	4.66%
	18-Jan-22	5.750%	4.90%	4.92%
	25-Jul-22	5.875%	5.07%	5.09%
	14-Jan-19	6.000%	3.68%	3.70%
	11-Apr-19	5.125%	3.65%	3.68%
	3-Jun-25	6.125%	5.80%	5.86%
	3-Nov-25	6.850%	6.02%	6.04%
	18-Jul-26	6.825%	6.06%	6.10%



### 3.4 Government Securities - Weekly Summary of Primary and Secondary Market Transactions (Week Ended - 26<sup>th</sup> April 2017 )

Item	Volume in Rs Mn	
	This Week	Last Week
Outstanding Stock of Government Securities		
Treasury Bills	824,315.11	854,411.18
Treasury Bonds (a)	3,997,177.49	3,997,177.49
<b>Total</b>	<b>4,821,492.60</b>	<b>4,851,588.67</b>
T-bills and T-bonds held by Foreigners	203,610.73	202,701.82
Sri Lanka Development Bonds (SLDB)	642,196.74	642,196.74

The outstanding stock of T-bills and T-bonds held by Foreigners increased by 0.45 per cent during the reporting week.

Primary Market Activities	Volume in Rs Mn	
	This Week	Last Week
<b>Treasury Bills</b>		
Amount Offered	29,500.00	21,000.00
Total Bids Received	97,506.00	73,039.00
Total Bids Accepted	29,500.00	21,413.00
<b>Treasury Bonds</b>		
Amount Offered	-	-
Total Bids Received	-	-
Total Bids Accepted	-	-

The weekly T-bill auction was over subscribed by 3.3 times during the reporting week

Secondary Market Activities	Volume in Rs Mn	
	This Week	Last Week
<b>Treasury Bills</b>		
Outright Transaction (Sales / Purchases)	28,205.77	5,589.86
Repo Transaction (Sales / Purchases)	209,821.04	135,518.73
<b>Treasury Bonds</b>		
Outright Transaction (Sales / Purchases)	44,366.87	18,719.69
Repo Transaction (Sales / Purchases)	870,379.35	593,672.82

The total secondary market transactions of T-bills and T-bonds increased by 52.99 per cent 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 in March 2013.

### 3.5 Two way Quotes (Treasury Bills) - 28/04/2017

Remaining Maturity	Average Buying Price	Yield %	Average Selling Price	Yield %	Buying & Selling Spread
1-7 Days	99.83	8.99	99.83	8.79	0.00
1 Month	99.24	9.22	99.26	8.97	0.02
2 Month	98.46	9.37	98.49	9.19	0.03
3 Month	97.61	9.68	97.66	9.48	0.05
4 Month	96.74	9.91	96.80	9.73	0.06
5 Month	95.77	10.29	95.87	10.05	0.10
6 Month	94.75	10.64	94.84	10.47	0.09
7 Month	93.87	10.65	93.96	10.51	0.08
8 Month	92.97	10.69	93.07	10.54	0.10
9 Month	92.05	10.75	92.18	10.58	0.13
10 Month	91.12	10.81	91.25	10.64	0.14
11 Month	90.17	10.88	90.33	10.70	0.16
12 Month	89.17	10.98	89.36	10.79	0.19

### 3.6 Two way Quotes (Treasury Bonds) - 28/04/2017

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
08.75%2017A	4	15-May-17	17	99.94	9.74	99.95	9.53	0.01
08.00%2017B	5	15-Jun-17	48	99.72	9.86	99.75	9.64	0.03
05.80%2017B	6	15-Jul-17	78	99.05	10.12	99.11	9.86	0.06
08.50%2018A	15	1-Feb-18	279	98.49	10.57	98.72	10.25	0.23
08.50%2018C	5	1-Apr-18	338	97.91	10.91	98.05	10.76	0.13
08.50%2018D	5	1-Jun-18	399	97.43	11.05	97.55	10.92	0.12
08.50%2018B	15	15-Jul-18	443	97.11	11.08	97.26	10.95	0.15
07.50%2018A	15	15-Aug-18	474	95.74	11.09	95.92	10.93	0.18
08.75%2018A	4	15-Oct-18	535	96.86	11.13	97.05	10.98	0.19
08.00%2018A	6	15-Nov-18	566	95.55	11.21	95.75	11.06	0.20
05.65%2019A	8	15-Jan-19	627	91.26	11.39	91.43	11.27	0.17
10.75%2019A	2	15-Jan-19	627	98.90	11.45	99.07	11.34	0.17
08.50%2019A	10	1-May-19	733	94.49	11.65	94.69	11.54	0.20
10.60%2019A	5	1-Jul-19	794	97.92	11.69	98.13	11.58	0.21
10.60%2019B	5	15-Sep-19	870	97.75	11.70	98.02	11.56	0.27
08.00%2019A	8	1-Nov-19	917	92.17	11.69	92.48	11.54	0.31
09.25%2020A	5	1-May-20	1,099	93.45	11.90	93.77	11.77	0.32
08.00%2020A	8	1-Jun-20	1,130	90.12	11.90	90.30	11.83	0.17
06.20%2020A	10	1-Aug-20	1,191	84.88	11.92	85.05	11.85	0.17
09.50%2020A	5	15-Dec-20	1,327	93.05	11.90	93.34	11.80	0.29
10.75%2021A	5	1-Mar-21	1,403	96.14	12.02	96.50	11.90	0.36
09.00%2021A	8	1-May-21	1,464	90.51	12.05	90.96	11.90	0.45
11.00%2021A	7	1-Aug-21	1,556	96.47	12.07	96.94	11.92	0.47
09.45%2021A	7	15-Oct-21	1,631	91.29	12.03	91.55	11.94	0.26
11.50%2021A	5	15-Dec-21	1,692	97.77	12.13	98.57	11.90	0.81
08.00%2022A	10	1-Jan-22	1,709	85.65	12.10	85.95	12.01	0.30
11.20%2022A	9	1-Jul-22	1,890	96.30	12.17	96.78	12.04	0.48
10.00%2022A	8	1-Oct-22	1,982	91.69	12.13	92.22	11.99	0.53
09.00%2023A	10	1-Sep-23	2,317	86.06	12.21	86.49	12.11	0.43
11.20%2023A	9	1-Sep-23	2,317	95.74	12.18	96.35	12.03	0.62
07.00%2023A	20	1-Oct-23	2,347	77.25	12.21	77.67	12.10	0.42
11.40%2024A	10	1-Jan-24	2,439	96.19	12.24	96.73	12.12	0.55
11.00%2024A	8	1-Aug-24	2,652	93.82	12.30	94.40	12.17	0.59
06.00%2024A	10	1-Dec-24	2,774	69.68	12.24	70.10	12.14	0.42
10.25%2025A	10	15-Mar-25	2,878	90.34	12.19	90.89	12.07	0.55
09.00%2025A	12	1-May-25	2,925	83.75	12.24	84.25	12.13	0.50
11.00%2025A	10	1-Aug-25	3,017	94.11	12.14	94.80	12.00	0.69
09.00%2026A	13	1-Feb-26	3,201	82.69	12.27	83.26	12.15	0.57
05.35%2026A	15	1-Mar-26	3,229	63.22	12.28	63.71	12.16	0.49
11.00%2026A	11	1-Jun-26	3,321	93.07	12.28	93.71	12.16	0.64
11.50%2026A	10	1-Aug-26	3,382	95.50	12.32	96.31	12.17	0.81
09.00%2028B	15	1-May-28	4,021	79.82	12.41	80.43	12.29	0.61
09.00%2028A	15	1-Jul-28	4,082	79.78	12.38	80.43	12.26	0.66
11.50%2028A	13	1-Sep-28	4,144	94.82	12.36	95.63	12.22	0.81
13.00%2029A	15	1-Jan-29	4,266	103.22	12.46	103.81	12.37	0.59
13.00%2029B	15	1-May-29	4,386	103.25	12.47	103.81	12.38	0.55
11.00%2030A	15	15-May-30	4,765	90.15	12.55	91.50	12.32	1.34
08.00%2032A	20	1-Jan-32	5,361	69.25	12.66	69.67	12.57	0.42
09.00%2032A	20	1-Oct-32	5,635	75.32	12.68	75.79	12.59	0.47
09.00%2033A	20	1-Jun-33	5,878	74.86	12.70	75.33	12.61	0.47
13.25%2033A	20	1-Jul-33	5,908	103.44	12.74	104.16	12.63	0.73
09.00%2033B	20	1-Nov-33	6,031	74.37	12.76	74.93	12.65	0.56
13.25%2034A	20	1-Jan-34	6,092	103.21	12.77	103.99	12.66	0.78
11.50%2035A	20	15-Mar-35	6,530	91.68	12.68	93.53	12.40	1.85
12.00%2041A	25	1-Jan-41	8,649	93.46	12.88	94.56	12.73	1.10
09.00%2043A	30	1-Jun-43	9,530	70.69	12.94	71.55	12.78	0.86
13.50%2044A	30	1-Jan-44	9,744	103.66	13.00	104.46	12.90	0.80
13.50%2044B	30	1-Jun-44	9,896	103.58	13.01	104.38	12.91	0.80
12.50%2045A	30	1-Mar-45	10,169	96.52	12.96	98.43	12.70	1.92



## External Sector

During the year up to 28 April 2017 the Sri Lanka rupee depreciated against the US dollar (1.4 per cent). Given the cross currency exchange rate movements, the Sri Lanka rupee depreciated against the pound sterling (6.1 per cent), euro (4.4 per cent), Japanese yen (5.8 per cent) and Indian rupee (6.9 per cent) during this period

Earnings from exports amounted to US dollars 859 million in December 2016 registering a 4.7 per cent growth, year-on-year, reflecting increases in all major categories of exports.  
On a cumulative basis, exports earnings during 2016 at US dollars 10,310 million, contracted by 2.2 per cent, compared to the previous year, despite the positive growth recorded in the latter part of 2016

Expenditure on imports at US dollars 1,816 million increased by 10.4 per cent, year-on-year, during the month, due to the increase in expenditure on the import of intermediate goods followed by investment goods. On a cumulative basis, expenditure on imports during 2016 at US dollars 19,400 million, increased by 2.5 per cent, compared to the previous year, mainly due to higher imports of machinery and equipment, textiles and textile articles and gold

The terms of trade improved by 6.4 per cent in December 2016 compared to the corresponding month of previous year due to increase in export prices compared to imports prices during the month. The export unit value index in December 2016 increased by 2.2 per cent, year-on-year, due to the increase in prices of all major exports categories. Reflecting the decreases recorded in international price levels of consumer goods and investment goods, the import unit value index decreased by 4.0 per cent, year-on-year, in December 2016

India, China, UK, Germany and France were the top five sources of tourist arrivals, accounting for 49.8 per cent of total tourist arrivals upto the month of March 2017

The average price of tea increased to US dollars 3.92 per kg in December 2016 from US dollars 2.89 per kg (in the Colombo auction) in December 2015

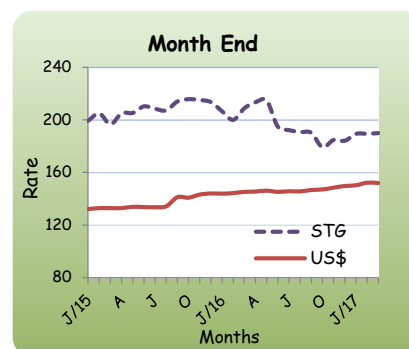
Further, the import prices of rice, wheat, sugar and crude oil increased compared to the corresponding month of 2015



# EXTERNAL SECTOR

## 4.1 Exchange Rates

Item  (Rs Per Unit)(a)	Week Ending - 28 Apr 2017			Average Rate	
	Buying Rate	Selling Rate	Average Rate	Week Ago	Year Ago
US\$	150.44	154.24	152.34	152.41	145.44
STG	193.46	200.02	196.74	195.19	211.78
Yen	1.35	1.40	1.37	1.40	1.34
Euro	162.50	168.68	165.59	163.36	164.93
INR <sup>(1)</sup>			2.37	2.35	2.17
SDR ( As at 27 Apr 2017)			207.97	207.32	202.80
Central Bank purchases and sales(b) (US\$ Mn. )			March 2017	Month Ago	Year Ago
Purchases			192.23	145.09	10.95
Sales			13.00	297.25	432.06



	Week Ending 28 Apr 2017	Week Ago	Year Ago
Average Daily Interbank Volume (US\$ Mn.) (spot, tom and cash transactions among commercial banks)	33.10	32.15	36.52
<b>Forward Transactions</b>			
Forward Rates (US\$) <sup>(2)</sup>			
1 Month	153.63	153.68	146.47
3 Months	155.25	155.17	147.73
Average Daily Interbank Forward Volume (US\$ mn)	54.55	42.01	41.15
Outstanding Forward Volume (US\$ mn)	1,584.97	1,454.89	1,406.25
(As at 27 Apr 2017)			

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

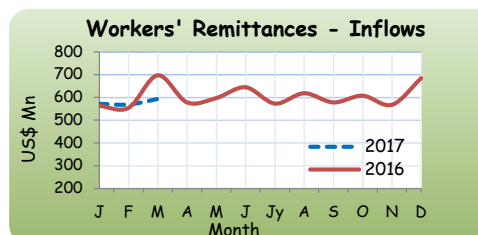
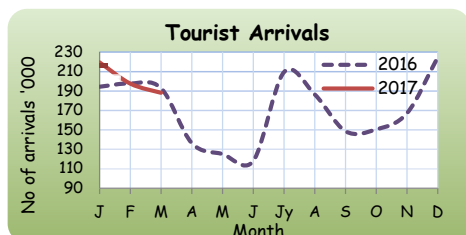
(b) Central Bank purchases and sales of foreign exchange from commercial banks at market rates total for the Month

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

## 4.2 Tourism & Workers' Remittances

Item		2016 Mar (a)(b)	2017 Mar (c)(d)	2016 Jan-Mar(a)(b)	2017 Jan-Mar(c)(d)	% Change
Tourist Arrivals	Number	192,841	188,076	584,818	604,953	3.4
Earnings from Tourism(d)	US\$ Mn.	330.8	322.7	1,003.3	1,037.9	3.4
	Rs.bn.	47.6	48.9	144.4	156.5	8.3
		<b>2016 Mar</b>	<b>2017 Mar (c)</b>	<b>2016 Jan-Mar</b>	<b>2017 Jan-Mar (c)</b>	<b>% Change</b>
Workers' Remittances (Inflows)	US\$ Mn.	675.7	593.4	1,793.4	1,733.7	-3.3
	Rs. bn.	97.3	89.9	258.1	261.4	1.3

(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 31<sup>st</sup> March 2017 <sup>(a)</sup>

Official Reserve Assets (USD mn)					
Official Reserve Assets				5,117.26	
(1) Foreign currency reserves				4,162.08	
(a) Securities				2,224.69	
(b) Total currency and deposits with				1,937.39	
(i) other national central banks, BIS				605.66	
(ii) banks headquartered inside the reporting country of which located abroad				1.14	
(iii) banks headquartered outside the reporting country				1,330.58	
(2) Reserve position in the IMF				64.93	
(3) SDRs				0.16	
(4) Gold				889.11	
(5) Other reserve assets				0.98	
Predetermined Short-Term Net Drains on Foreign Currency Assets <sup>(b)</sup>					
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	-3,583.64	-411.80	-1,138.15	-2,033.69
	Interest	-1,076.62	-67.23	-127.13	-882.26
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 (-) <sup>(c)</sup>		-2,290.91	-450.00	-275.17	-1,565.74
(b) Long positions (+)					
3. Other (specify)		-0.04	-0.04		
inflows related to reverse repos (+)					
other accounts payable (-)		-0.04	-0.04		

(a) Provisional

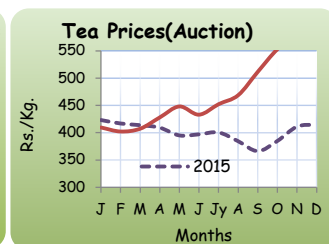
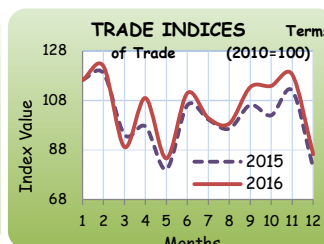
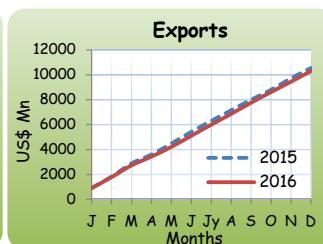
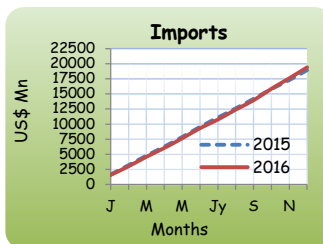
(b) This mainly includes only the predetermined outflows

(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-Dec 2016	Jan-Dec 2015	% Change	Jan-Dec 2016	Jan-Dec 2015	% Change
<b>Exports</b>	<b>10,309.7</b>	<b>10,546.5 (a)</b>	<b>-2.2</b>	<b>1,500,765.7</b>	<b>1,431,431.5 (a)</b>	<b>4.8</b>
Agricultural	2,326.1	2,481.5	-6.3	338,726.5	337,007.0	0.5
Industrial	7,940.1	8017.1 (a)	-1.0	1,155,706.3	1,087,938.4 (a)	6.2
Food, Beverages and Tobacco	323.7	306.8 (a)	5.5	47,087.0	41,703.6 (a)	12.9
Textiles and Apparel	4,884.1	4,820.2	1.3	710,767.9	654,793.7	8.5
Petroleum Products	286.9	373.9	-23.3	41,793.9	50,461.1	-17.2
Leather, Rubber etc	933.5	896.9	4.1	135,893.1	121,660.0	11.7
Other	1,512.0	1,619.4	-6.6	220,164.5	219,320.0	0.4
Mineral	29.0	28.4	2.1	4,218.9	3,825.6	10.3
Other	14.5	19.5	-25.5	2,114.0	2,660.4	-20.5
<b>Imports</b>	<b>19,400.1</b>	<b>18,934.6</b>	<b>2.5</b>	<b>2,826,260.4</b>	<b>2,572,466.5</b>	<b>9.9</b>
Consumer Goods	4,319.0	4,713.5	-8.4	628,861.8	640,351.9	-1.8
Intermediate Goods	9,870.0	9,638.2	2.4	1,438,156.5	1,309,233.9	9.8
Investment Goods	5,198.0	4,567.0	13.8	757,340.1	620,729.7	22.0
Other	13.1	15.9	-17.9	1,902.0	2,151.1	-11.6
<b>Trade Balance</b>	<b>-9,090.3</b>	<b>-8,388.1 (a)</b>	<b>8.4</b>	<b>-1,325,494.8</b>	<b>-1,141,035.1 (a)</b>	<b>16.2</b>

(a) Revised



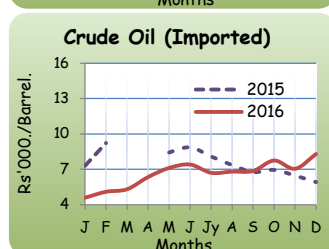
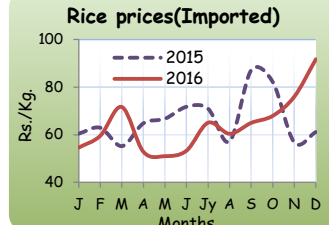
## 4.5 Trade Indices (2010= 100 ) (a)

Item	2016 Dec (b)	Month Ago	Year Ago
<b>Total Exports</b>			
Value	119.6	112.7	114.2 (c)
Quantity	158.9 (c)	103.0 (c)	155.1
Unit Value	75.3 (c)	109.4 (c)	73.6 (c)
<b>Total Imports</b>			
Value	162.5	154.9	147.2
Quantity	186.4	167.7	162.1
Unit Value	87.2	92.4	90.8
<b>Terms of Trade</b>	<b>86.3 (c)</b>	<b>118.5 (c)</b>	<b>81.1 (c)</b>

(a) In US\$ Terms

(b) Provisional

(c) Revised



## 4.6 International Commodity Prices

Item	December 2016	December 2015	% Change	December 2016	December 2015	% Change
	US\$ / Kg			Rs / Kg		
Tea Prices	3.92	2.89	35.6	584.01	414.91	40.8
<b>Imports (C I F)</b>	US\$ / MT			Rs / MT		
Rice	615.69	426.19	44.5	91,665.48	61,135.55	49.9
White Sugar	596.87	416.50	43.3	88,863.45	59,745.82	48.7
Wheat	245.66	243.87	0.7	36,574.12	34,982.04	4.6
	US\$ / Barrel			Rs / Barrel		
Crude Oil	55.69	41.21	35.2	8,291.73	5,910.84	40.3