

Weekly Economic Indicators

12 May 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 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 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.

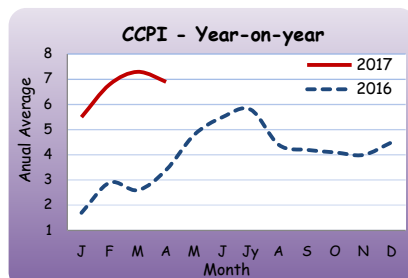
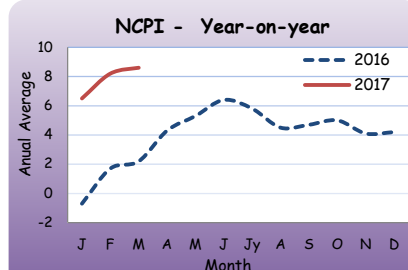
During the week, crude oil prices largely followed an increasing trend, recording an overall increase in Brent and WTI prices by US\$ 1.7 per barrel and US\$ 1.6 per barrel, respectively. At the beginning of the week, crude oil prices fell as U.S. crude production has risen by over 10 per cent since mid-2016. However, prices subsequently rose due to anticipation that the OPEC-led output cut would be extended beyond the first half of 2017 and into 2018, and as the U.S. crude inventories have fallen to their lowest level since February 2017.

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

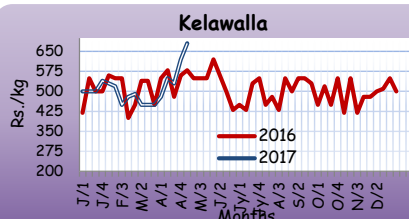
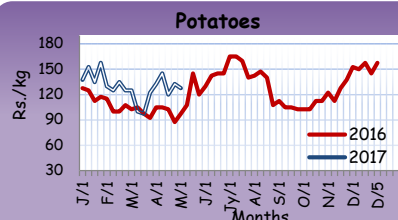
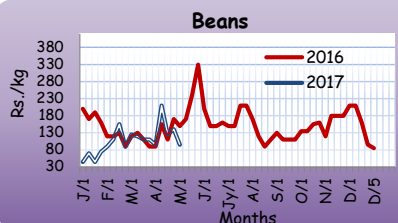
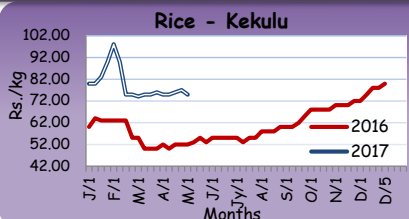


1.2 Pettah Market

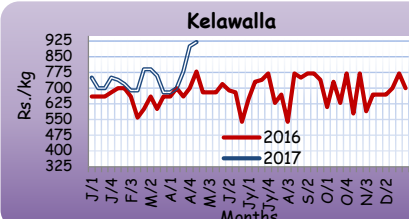
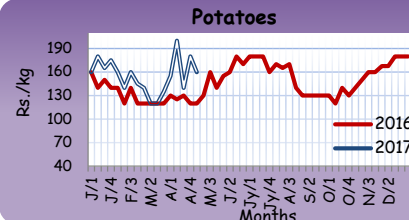
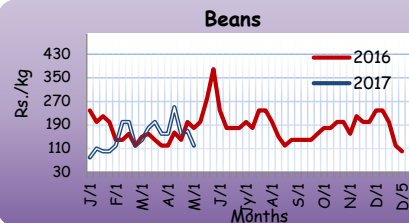
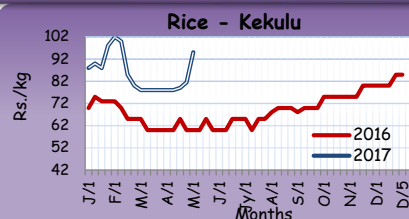
Item	Average Wholesale Prices				Average Retail Prices			
	Week Ending 09 th May 2017	Week Ago	Month Ago	Year Ago Annual Avg	Week Ending 09 th May 2017	Week Ago	Month Ago	Year Ago Annual Avg
	Rs / Kg				Rs / Kg			
Rice								
Samba	90.00	90.00	85.75	80.97	95.00	95.00	90.00	90.39
Kekulu (Red)	78.00	75.00	75.75	60.29	85.00	78.00	79.13	68.73
Vegetables								
Beans	95.00	95.00	142.50	147.16	160.00	120.00	185.00	179.12
Cabbage	140.00	145.00	106.25	76.62	220.00	200.00	137.50	115.10
Carrots	175.00	175.00	133.75	121.42	240.00	240.00	175.00	158.24
Tomatoes	80.00	60.00	133.75	75.00	140.00	120.00	170.00	107.06
Pumpkins	50.00	50.00	56.25	60.29	80.00	80.00	82.50	83.33
Snake Gourd	100.00	100.00	85.00	76.18	160.00	140.00	112.50	112.94
Brinjals	80.00	55.00	51.25	66.57	120.00	100.00	88.75	103.92
Ash-Plantains	55.00	50.00	67.50	67.65	120.00	100.00	98.75	95.69
Other Foods								
Red-Onions (Local)	255.00	265.00	190.00	92.66	300.00	300.00	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)	132.50	127.50	132.50	122.58	160.00	160.00	168.75	146.23
Dried Chillies (Imported)	160.00	165.00	167.50	293.68	200.00	200.00	220.00	350.78
Dhal (Indian)	140.00	140.00	137.25	160.16	155.00	158.00	157.25	171.41
The Eggs	11.75	12.00	12.17	14.30	12.00	12.50	12.83	14.79
Coconut (Each)	59.50	59.00	60.25	34.69	75.00	75.00	73.75	47.60
Fish*								
Kelawalla	680.00	680.00	545.00	508.20	940.00	920.00	765.00	682.00
Balaya	400.00	480.00	352.50	327.29	500.00	560.00	452.50	424.79
Salaya	150.00	120.00	105.00	141.43	200.00	180.00	165.00	197.14
Paraw (Small)	500.00	500.00	587.50	540.36	680.00	600.00	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 09 th May 2017	
	Wholesale (Average)	Retail (Average)
Rice		
Samba	84.33	89.00
Kekulu (Red)	77.67	81.67
Vegetables		
Beans	110.00	130.83
Carrot	178.33	198.33
Tomatoes	65.00	85.00
Pumpkins	47.50	67.50
Snake Gourd	71.67	91.67
Ash-Plantains	50.83	70.83
Other Foods		
Red-Onions (Local)	215.00	232.50
Big-Onions (Local)	n.a.	n.a.
Potatoes (N'Elia)	121.67	134.17
Dried Chilies(Imported)	165.00	177.50
Coconut (Each)	55.83	65.83

1.5 Maradaghamula Market

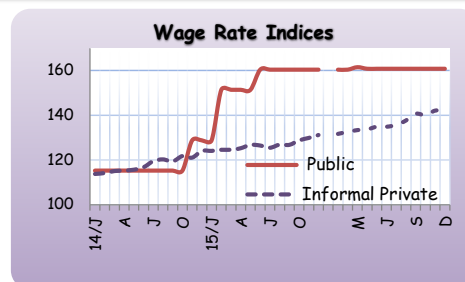
Average wholesale price of Rice				
Item (Rs / Kg)	Week Ending 12 th May	Week Ago	Month Ago	Year Ago
Samba	88.50	87.50	85.13	77.58
Sudu Kekulu	83.17	76.50	74.63	62.91
Raw Red	80.33	77.13	75.31	59.59
Nadu	83.50	78.00	75.78	66.62

1.4 Narahenpita Economic Centre

Item (Rs / Kg)	Average Retail Prices	
	12 th May 2017	Week Ago
Rice		
Samba	90.00	89.00
Kekulu (Red)	85.00	78.00
Vegetables		
Beans	158.00	158.00
Cabbage	227.00	227.00
Carrots	268.00	307.00
Tomatoes	117.00	137.00
Pumpkins	117.00	88.00
Snake Gourd	158.00	137.00
Brinjals	138.00	117.00
Ash-Plantains	137.00	137.00
Other Foods		
Red-Onions (Imported)	n.a.	n.a.
Big-Onions (Imported)	78.00	78.00
Potatoes (Imported)	117.00	98.00
Dried Chilies (Imported)	237.00	237.00
Dhal (Indian)	148.00	148.00
Eggs (Red)(Each)	13.00	13.00
Coconut (Each)	63.00	58.00
Fish		
Kelawalla	957.00	1147.00
Balaya	517.00	487.00
Salaya	257.00	257.00
Paraw (Small)	877.00	857.00

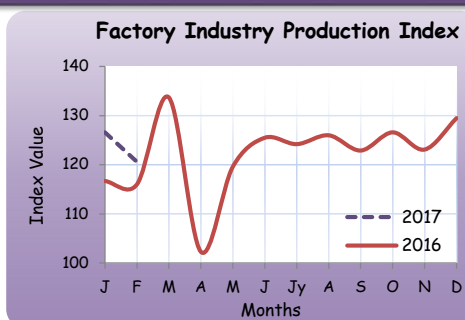
1.6 Wage rate Indices

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

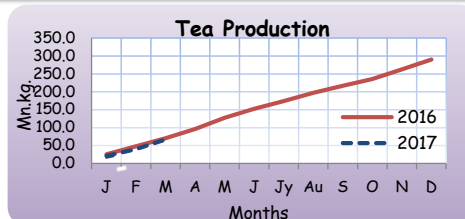


(a) Major 7 sub divisions of FIPI out of 17 sub divisions.

(b) Provisional

1.8 Agriculture Production

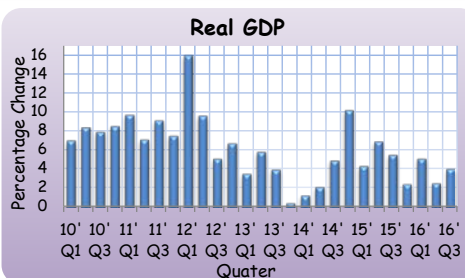
Item	Unit	2017(a) Jan-Mar	2016 Jan-Mar	% Change
Tea	(Mn Kg)	66.2	70.4	-6.1
Rubber	(Mn Kg)	23.3	28.2	-17.2
Coconuts	(Mn Nuts)	683.6	731.1	-6.5



(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

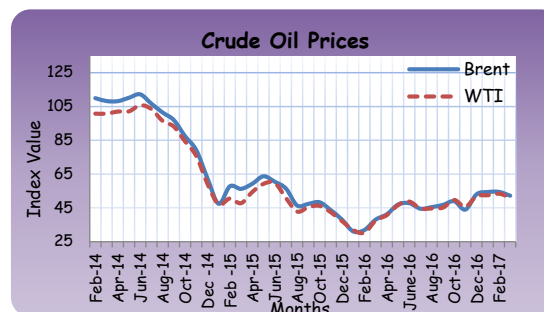
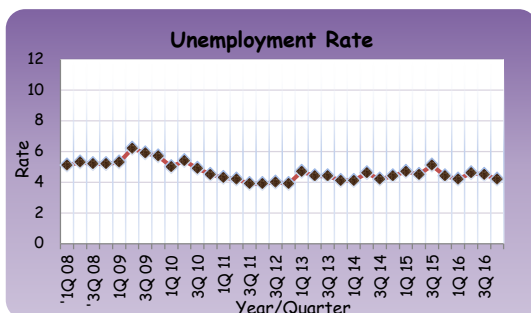
1.10 Employment (a)

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	
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		
05 May	44.04	44.33		46.70	46.23	
08 May	-	-		45.83	46.46	
09 May	42.08	43.45		46.28	45.84	
10 May	45.66	44.68		47.31	47.28	
11 May	46.03	46.21		48.40	47.81	

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 12 May 2017 increased by 09 bps to 11.98% 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 decreased compared to the previous week mainly due to decrease in currency in circulation and deposits held by commercial banks

The total outstanding market liquidity decreased to a deficit of Rs. 23.57 bn by end of the week, compared to a deficit of Rs. 10.88 bn by the end of last week

By 12 May 2017, the All Share Price Index (ASPI) increased by 0.47% to 6,672 points and the S&P SL20 Index increased by 1.28% to 3,850 points, compared to the previous week

Highlights

MONETARY SECTOR

2.1 Interest Rates

Item		Week Ending 12 May 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	8.74	8.15
Sri Lanka Inter Bank Offered Rate (SLIBOR)				
1-day		8.75	8.75	8.15
7-day		9.83	9.84	8.49
1-Month		10.72	10.72	9.29
3-Month		11.22	11.24	9.75
6-Month		12.00	12.00	10.22
12-Month		12.50	12.50	10.72
Treasury Bill Yields (Excluding 10% withholding tax)				
91-day		-	-	-
182-day		10.43	10.53	9.40
364-day		10.73	10.83	10.37
Licensed Commercial Banks				
Average Weighted Prime Lending Rate (AWPR)		11.98	11.89	10.01
		Mar 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	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
National Savings Bank (NSB)		Mar 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		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	11.00
Weighted Average Yield (Excluding 10% withholding tax)		11.07	11.42	11.50

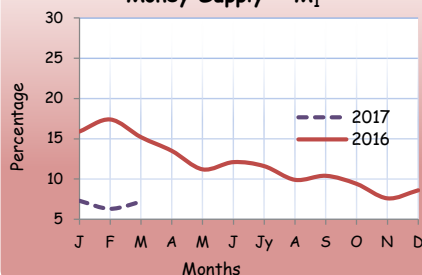
Bankwise- AWPR	Week ending 12 May 2017	Week Ago	Bankwise- AWPR	Week ending 12 May 2017	Week Ago
Bank of Ceylon	12.44	12.42	HSBC	9.86	9.72
People's Bank	11.19	11.92	Standard Chartered Bank	11.80	11.54
Hatton National Bank	12.04	12.26	Citi Bank	9.25	9.56
Commercial Bank of Ceylon	12.82	12.52	Deutsche Bank	9.90	10.42
Sampath Bank	13.44	13.19	Habib Bank	11.00	11.00
Seylan Bank	12.66	12.61	Indian Bank	13.24	13.24
Union Bank of Colombo	14.14	14.90	Indian Overseas Bank	13.74	13.74
Pan Asia Banking Corporation	15.47	15.47	MCB Bank	14.25	14.16
Nations Trust Bank	12.83	12.18	State Bank of India	12.67	12.67
DFCC Bank	13.23	13.23	Public Bank	11.50	11.50
NDB Bank	15.05	12.50	ICICI Bank	10.55	10.55
Amana Bank	12.55	12.59	Axis Bank	11.74	12.11
Cargills Bank	14.67	14.08			

2.2 Money Supply

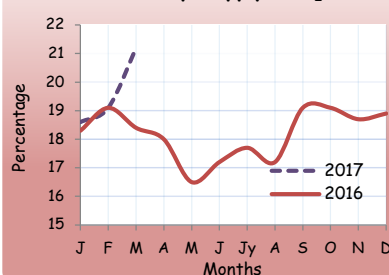
Item	Rs. bn			Annual Change (%)		
	2017	Month	Year	2017	Month	Year
	March (a)	Ago	Ago	March (a)	Ago	Ago
Reserve Money	892.2	847.6	791.6	12.7	14.6	27.8
M ₁	782.0	744.6	729.6	7.2	6.3	15.2
M ₂	5,096.2	4,951.3	4,206.4	21.2	19.1	18.4
M _{2b}	5,677.4	5,552.0	4,731.6	20.0	18.0	18.9
Net Foreign Assets of the 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}

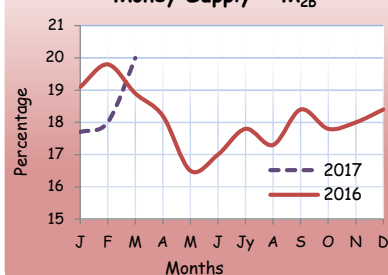
Money Supply - M₁



Money Supply - M₂



Money Supply - M_{2b}

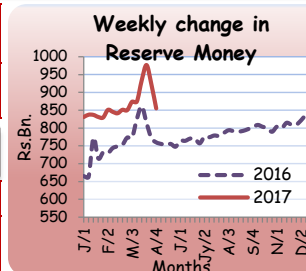


2.3 Weekly change in Reserve Money

Item	09 May 2017	Week Ago	Change
Reserve Money (Rs.Mn.)	874,566	871,969	2,598

2.4 Money Market Activity (Overnight)

Item	08.05.2017	09.05.2017	12.05.2017
Call Money Market			
Weighted Average Rate (% p.a.)	8.75	8.75	8.75
Gross Volume (Rs. Mn)	13,500	14,255	12,000
Repo Market			
Weighted Average Rate (% p.a.)	8.82	8.81	8.78
Gross Volume (Rs. Mn)	19,434	22,581	28,177



2.5 CBSL Security Portfolio

Item	08.05.2017	09.05.2017	12.05.2017
CBSL Treasury Bill Holdings -Face Value (Rs.mn)	295,348	252,155	236,772
CBSL Treasury Bill Holdings -Book Value (Rs.mn)	288,697	245,767	230,598

2.6 Open Market Operations

Item	08.05.2017	09.05.2017	12.05.2017
Short-Term Auction			
Repo Amount Offered (Rs. bn)	0.00	0.00	0.00
Reverse Repo Amount Offered (Rs. bn)	11.00	12.00	23.00
Tenure (No. of Days)	1	1	1
Bids Received (Rs. bn)	21.37	24.93	23.82
Amount Accepted (Rs. bn)	11.00	12.00	13.82
Weighted Average Yield Rate (% p.a.)	8.75	8.75	8.75
Term Auction			
Repo Amount Accepted (Rs. bn)	0.00	0.00	0.00
Reverse Repo Amount Accepted (Rs. bn)	0.00	0.00	0.00
Standing Facility			
Standing Deposit Facility (Rs. bn)	10.49	13.52	6.16
Standing Lending Facility (Rs. bn)	7.84	14.39	15.92
Total Outstanding Market Liquidity (Rs. bn)	-8.35	-12.86	-23.57

2.7 Credit Cards (a)

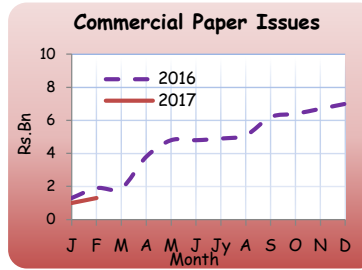
Item	2017 End Feb (b)	2017 End Jan	2016 End Dec
Total Number of Active Cards	1,327,489	1,316,698	1,309,248
Local (accepted only locally)	28,863	28,968	29,109
Global (accepted globally)	1,298,626	1,287,730	1,280,139
Outstanding balance (Rs.mn)	74,821	75,003	74,892
Local (accepted only locally)	813	819	839
Global (accepted globally)	74,008	74,184	74,053

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

2.8 Commercial Paper Issues (a)

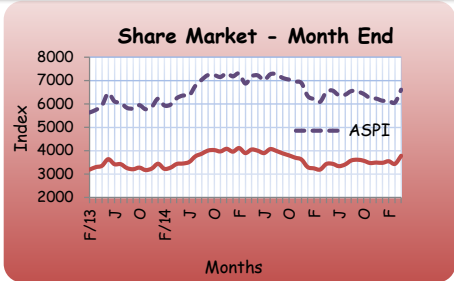
Item (Rs. bn.)	2017 End Feb (b)	2017 End Jan	2016 End Dec
Total Issues - Cumulative (c)	1.3	1.0	7.0
Outstanding (as at end of the period)	2.2	2.2	2.2

(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 12 May 2017	Week Ago	Year Ago
All Share Price Index (1985 = 100) (ASPI)	6,672	6,641	6,656
S&P Sri Lanka 20 Index (2004 = 1,000) (S&P SL20)	3,850	3,802	3,507
Average Daily Turnover (Rs. mn)	670	732	928
Market Capitalisation (Rs.bn)	2,941	2,927	2,836



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

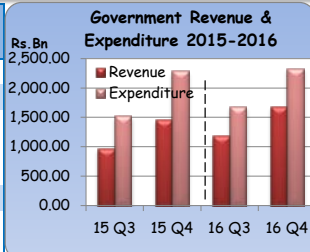
In 2016, the overall budget deficit of Rs. 640.3 billion was largely financed through foreign sources. Accordingly, foreign financing contributed to around 61.2 per cent of the total financing requirement in 2016 compared to 28.5 per cent in the previous year, while the balance was financed through domestic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

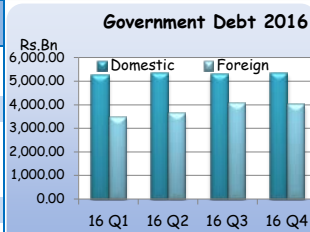
Item	2015	2016*
Revenue and Grants	1,460.9	1,693.6
Revenue	1,454.9	1,686.1
Tax	1,355.8	1,463.7
Non tax	99.1	222.4
Grants	6.0	7.5
Expenditure & Lending Minus Repayments	2,290.4	2,333.9
Recurrent	1,701.7	1,757.8
Capital & Lending Minus Repayments	588.7	576.1



(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

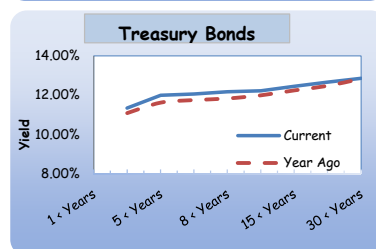
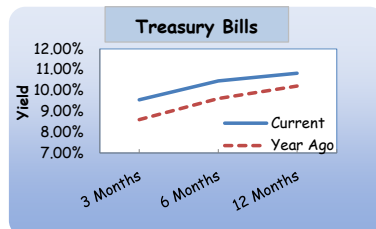
3.3 Government Securities - Primary and Secondary Market Yield Rates for the week ending - 09th May 2017

Security	Maturity	Primary Market(a)		Secondary Market			
		This Week	Last Week	This Week			Last Week
				Buying	Selling	Average	
Treasury Bills	3 Months	-	-	9.58%	9.38%	9.48%	9.55%
	6 Months	10.43%	10.53%	10.52%	10.36%	10.44%	10.46%
	12 Months	10.73%	10.83%	10.81%	10.63%	10.72%	10.83%
Treasury Bonds(b)	< 2 Years	11.07%	11.21%	11.23%	11.10%	11.17%	11.36%
	< 5 Years	11.42%	11.55%	11.87%	11.77%	11.82%	12.01%
	< 6 Years	11.49%	-	11.90%	11.78%	11.84%	12.07%
	< 8 Years	-	-	12.03%	11.93%	11.98%	12.18%
	< 10 Years	11.50%	11.87%	12.11%	12.00%	12.06%	12.23%
	< 15 Years	-	-	12.36%	12.25%	12.30%	12.42%
	< 20 Years	-	-	12.69%	12.57%	12.63%	12.66%
	< 30 Years	-	-	12.93%	12.78%	12.85%	12.86%

(a) Primary market transactions during the week ending 09/05/2017

(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 all T-Bills and 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%	4.12%	4.28%
	27-Jul-21	6.250%	4.45%	4.57%
	18-Jan-22	5.750%	4.69%	4.86%
	25-Jul-22	5.875%	4.89%	5.04%
	14-Jan-19	6.000%	3.56%	3.65%
	11-Apr-19	5.125%	3.56%	3.63%
	3-Jun-25	6.125%	5.64%	5.77%
	3-Nov-25	6.850%	5.83%	5.99%
	18-Jul-26	6.825%	5.88%	6.03%

3.4 Government Securities - Weekly Summary of Primary and Secondary Market Transactions (Week Ended - 09th May 2017)

Item	Volume in Rs Mn	
	This Week	Last Week
Outstanding Stock of Government Securities		
Treasury Bills	795,783.66	838,696.04
Treasury Bonds (a)	4,020,177.49	4,020,177.49
Total	4,815,961.15	4,858,873.53
T-bills and T-bonds held by Foreigners	203,875.83	201,706.45
Sri Lanka Development Bonds (SLDB)	600,543.07	598,905.24

The outstanding stock of T-bills and T-bonds held by Foreigners increased by 1.08 per cent during the reporting week

Primary Market Activities	Volume in Rs Mn	
	This Week	Last Week
Treasury Bills		
Amount Offered	30,500.00	33,000.00
Total Bids Received	77,736.00	91,836.00
Total Bids Accepted	30,500.00	33,000.00
Treasury Bonds		
Amount Offered	94,000.00	23,000.00
Total Bids Received	213,209.00	140,546.00
Total Bids Accepted	90,189.00	23,000.00

The weekly T-bill auction was over subscribed by 2.5 times and T-bond auction was over subscribed by 2.3 times during the reporting week

Secondary Market Activities	Volume in Rs Mn	
	This Week	Last Week
Treasury Bills		
Outright Transaction (Sales / Purchases)	21,003.70	17,192.77
Repo Transaction (Sales / Purchases)	134,045.50	146,012.59
Treasury Bonds		
Outright Transaction (Sales / Purchases)	85,441.73	91,067.31
Repo Transaction (Sales / Purchases)	693,800.54	653,202.62

The total secondary market transactions of T-bills and T-bonds increased by 2.96 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.

3.5 Two way Quotes (Treasury Bills) - 12/05/2017

Remaining Maturity	Average Buying Price	Yield %	Average Selling Price	Yield %	Buying & Selling Spread
1-7 Days	99.83	9.01	99.83	8.82	0.00
1 Month	99.24	9.24	99.26	9.00	0.02
2 Month	98.46	9.37	98.49	9.18	0.03
3 Month	97.64	9.58	97.69	9.38	0.05
4 Month	96.74	9.93	96.80	9.74	0.06
5 Month	95.78	10.27	95.87	10.06	0.09
6 Month	94.81	10.52	94.89	10.37	0.08
7 Month	93.90	10.60	93.97	10.48	0.07
8 Month	93.00	10.64	93.09	10.51	0.09
9 Month	92.08	10.71	92.20	10.54	0.12
10 Month	91.17	10.74	91.30	10.59	0.13
11 Month	90.25	10.79	90.40	10.62	0.15
12 Month	89.34	10.81	89.52	10.62	0.19

3.6 Two way Quotes (Treasury Bonds) - 12/05/2017

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	3	99.99	9.65	99.99	9.40	0.00
08.00%2017B	5	15-Jun-17	34	99.81	9.78	99.83	9.54	0.02
05.80%2017B	6	15-Jul-17	64	99.23	10.03	99.28	9.75	0.05
08.50%2018A	15	1-Feb-18	265	98.64	10.46	98.86	10.14	0.22
08.50%2018C	5	1-Apr-18	324	98.09	10.79	98.19	10.66	0.10
08.50%2018D	5	1-Jun-18	385	97.62	10.93	97.71	10.85	0.08
08.50%2018B	15	15-Jul-18	429	97.42	10.87	97.56	10.74	0.14
07.50%2018A	15	15-Aug-18	460	96.08	10.89	96.21	10.77	0.13
08.75%2018A	4	15-Oct-18	521	97.17	10.94	97.34	10.80	0.18
08.00%2018A	6	15-Nov-18	552	95.89	11.03	96.10	10.87	0.21
05.65%2019A	8	15-Jan-19	613	91.63	11.26	91.77	11.16	0.14
10.75%2019A	2	15-Jan-19	613	99.21	11.26	99.44	11.10	0.23
08.50%2019A	10	1-May-19	719	95.16	11.31	95.32	11.21	0.16
10.60%2019A	5	1-Jul-19	780	98.43	11.43	98.61	11.33	0.18
10.60%2019B	5	15-Sep-19	856	98.27	11.45	98.48	11.34	0.21
08.00%2019A	8	1-Nov-19	903	92.72	11.47	92.92	11.36	0.21
09.25%2020A	5	1-May-20	1,085	94.37	11.54	94.67	11.41	0.30
08.00%2020A	8	1-Jun-20	1,116	90.58	11.75	90.73	11.69	0.14
06.20%2020A	10	1-Aug-20	1,177	85.39	11.77	85.53	11.71	0.14
09.50%2020A	5	15-Dec-20	1,313	93.72	11.68	93.93	11.61	0.21
10.75%2021A	5	1-Mar-21	1,389	97.15	11.69	97.50	11.57	0.35
09.00%2021A	8	1-May-21	1,450	91.18	11.85	91.46	11.75	0.28
11.00%2021A	7	1-Aug-21	1,542	96.92	11.94	97.16	11.86	0.24
09.45%2021A	7	15-Oct-21	1,617	91.74	11.90	91.96	11.83	0.22
11.50%2021A	5	15-Dec-21	1,678	99.22	11.72	99.60	11.61	0.37
08.00%2022A	10	1-Jan-22	1,695	86.02	12.01	86.32	11.92	0.30
11.20%2022A	9	1-Jul-22	1,876	97.46	11.87	97.93	11.74	0.46
10.00%2022A	8	1-Oct-22	1,968	93.12	11.75	93.62	11.62	0.50
09.00%2023A	10	1-Sep-23	2,303	86.53	12.11	86.91	12.01	0.39
11.20%2023A	9	1-Sep-23	2,303	97.18	11.84	97.79	11.70	0.60
07.00%2023A	20	1-Oct-23	2,333	77.59	12.14	78.01	12.03	0.42
11.40%2024A	10	1-Jan-24	2,425	97.37	11.98	97.86	11.87	0.49
11.00%2024A	8	1-Aug-24	2,638	95.76	11.88	96.19	11.79	0.43
06.00%2024A	10	1-Dec-24	2,760	70.12	12.16	70.54	12.05	0.42
10.25%2025A	10	15-Mar-25	2,864	91.02	12.05	91.48	11.95	0.46
09.00%2025A	12	1-May-25	2,911	84.13	12.17	84.63	12.05	0.51
11.00%2025A	10	1-Aug-25	3,003	95.11	11.94	95.67	11.83	0.56
09.00%2026A	13	1-Feb-26	3,187	83.08	12.20	83.66	12.08	0.57
05.35%2026A	15	1-Mar-26	3,215	63.61	12.21	64.10	12.08	0.49
11.00%2026A	11	1-Jun-26	3,307	94.47	12.02	95.09	11.90	0.61
11.50%2026A	10	1-Aug-26	3,368	97.46	11.96	98.15	11.83	0.69
09.00%2028B	15	1-May-28	4,007	80.36	12.31	80.97	12.19	0.61
09.00%2028A	15	1-Jul-28	4,068	80.63	12.22	81.19	12.12	0.56
11.50%2028A	13	1-Sep-28	4,130	95.84	12.18	96.56	12.06	0.72
13.00%2029A	15	1-Jan-29	4,252	103.45	12.43	104.04	12.33	0.59
13.00%2029B	15	1-May-29	4,372	103.48	12.43	103.95	12.36	0.47
11.00%2030A	15	15-May-30	4,751	92.41	12.18	93.40	12.02	0.99
08.00%2032A	20	1-Jan-32	5,347	69.29	12.66	69.71	12.57	0.42
09.00%2032A	20	1-Oct-32	5,621	75.33	12.68	75.80	12.59	0.47
09.00%2033A	20	1-Jun-33	5,864	74.89	12.70	75.36	12.61	0.47
13.25%2033A	20	1-Jul-33	5,894	103.44	12.74	104.16	12.63	0.72
09.00%2033B	20	1-Nov-33	6,017	74.39	12.76	74.95	12.65	0.56
13.25%2034A	20	1-Jan-34	6,078	103.21	12.77	103.99	12.66	0.78
11.50%2035A	20	15-Mar-35	6,516	93.00	12.48	94.62	12.24	1.61
12.00%2041A	25	1-Jan-41	8,635	93.46	12.88	94.56	12.73	1.10
09.00%2043A	30	1-Jun-43	9,516	70.70	12.94	71.56	12.78	0.86
13.50%2044A	30	1-Jan-44	9,730	103.67	13.00	104.47	12.90	0.80
13.50%2044B	30	1-Jun-44	9,882	103.60	13.01	104.39	12.91	0.80
12.50%2045A	30	1-Mar-45	10,155	98.66	12.67	99.95	12.50	1.30

External Sector

During the year up to 12 May 2017 the Sri Lanka rupee depreciated against the US dollar (1.6 per cent). Given the cross currency exchange rate movements, the Sri Lanka rupee depreciated against the pound sterling (6.2 per cent), euro (4.7 per cent), Japanese yen (3.9 per cent) and Indian rupee (6.7 per cent) during this period

Earnings from exports at US dollars 865 million in January 2017 registered a 3.8 per cent decline, year-on-year, compared to US dollars 899 million in January 2016, reflecting subdued performance mainly in earnings from industrial exports despite an increase recorded in agricultural exports

Expenditure on imports increased substantially by 13.2 per cent, year-on-year, to US dollars 1,798 million in January 2017 continuing the double digit growth in imports for the fourth consecutive month. Expenditure on intermediate goods was the main driver for this growth followed by consumer goods imports

The terms of trade deteriorated by 5.5 per cent in January 2017 compared to the corresponding month of previous year due to decrease in export prices than to imports prices during the month. The export unit value index in January 2017 decreased by 4.7 per cent, year-on-year, due to the decrease in price of industrial exports. The import unit value index increased marginally by 0.8 per cent, year-on-year, in January 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 increased to US dollars 3.98 per kg in January 2017 from US dollars 2.85 per kg (in the Colombo auction) in January 2016

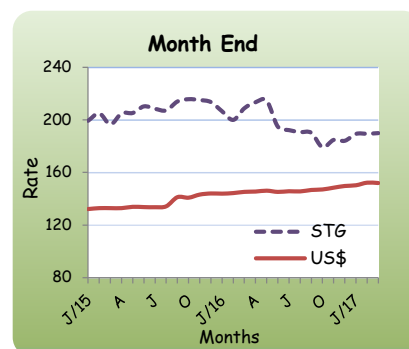
Further, the import prices of rice, sugar and crude oil prices increased compared to the corresponding month of 2016

Highlights

EXTERNAL SECTOR

4.1 Exchange Rates

Item (Rs Per Unit)(a)	Week Ending - 12 May 2017			Average Rate	
	Buying Rate	Selling Rate	Average Rate	Week Ago	Year Ago
US\$	150.43	154.23	152.33	152.32	145.60
STG	193.15	199.73	196.44	196.81	210.43
Yen	1.32	1.37	1.34	1.35	1.34
Euro	162.51	168.70	165.61	167.19	166.44
INR ⁽¹⁾			2.36	2.37	2.19
SDR (As at 09 May 2017)			208.18	208.13	206.13
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 12 May 2017	Week Ago	Year Ago
Average Daily Interbank Volume (US\$ Mn.) (spot, tom and cash transactions among commercial banks)	31.83	26.55	27.67
Forward Transactions			
Forward Rates (US\$) ⁽²⁾			
1 Month	153.57	153.27	146.75
3 Months	155.44	155.04	148.20
Average Daily Interbank Forward Volume (US\$ mn)	47.32	29.21	57.77
Outstanding Forward Volume (US\$ mn) (As at 12 May 2017)	1,328.99	1,365.64	1,474.12

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

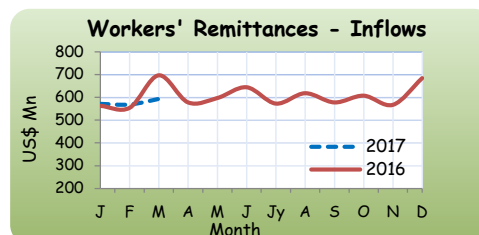
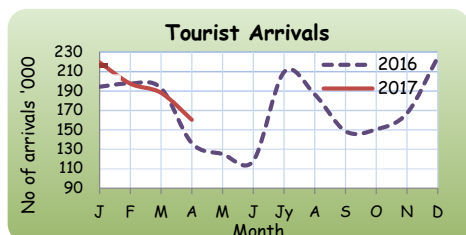
(b) Central Bank purchases and sales of foreign exchange from commercial banks at market rates total for the Month

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

4.2 Tourism & Workers' Remittances

Item		2016 Apr (a)(b)	2017 Apr (c)(d)	2016 Jan-Apr(a)(b)	2017 Jan-Apr(c)(d)	% Change
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
		2016 Mar	2017 Mar (c)	2016 Jan-Mar	2017 Jan-Mar (c)	% Change
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 Official Reserve Assets as at 30th April 2017^(a)

Official Reserve Assets (USD Mn)	5,045.52
(1) Foreign Currency Reserves	4,072.19
(2) Reserve position in the IMF	65.62
(3) SDRs	0.16
(4) Gold	906.57
(5) Other Reserve Assets	0.98

(a) Provisional

4.4 International Reserves & Foreign Currency Liquidity as at 31st March 2017 ^(a)

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 ^(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	-3,583.64	-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 (-) ^(c)		-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

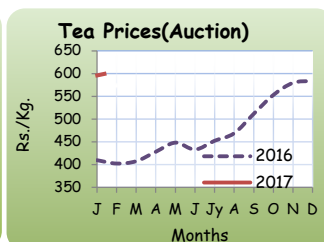
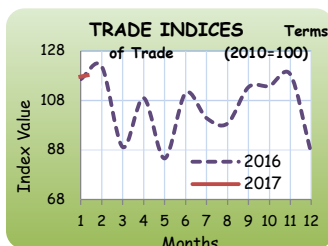
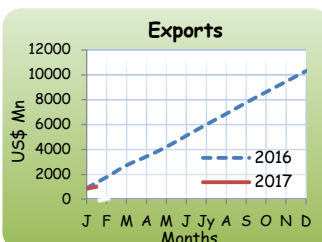
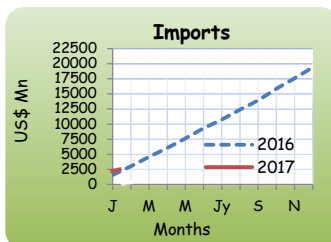
(b) This mainly includes only the predetermined outflows

(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

4.5 External Trade

Item	US\$ Mn			Rs Mn		
	January 2017 (a)	January 2016	% Change	January 2017 (a)	January 2016	% Change
Exports	864.7	898.6 (b)	-3.8	129,789.4	129,344.0 (b)	0.3
Agricultural	193.7	179.5	7.9	29,070.5	25,832.5	12.5
Industrial	668.0	716.2 (b)	-6.7	100,262.2	103,089.1 (b)	-2.7
Food, Beverages and Tobacco	22.1	25.6 (b)	-14.0	3,311.6	3,691.4 (b)	-10.3
Textiles and Apparel	426.3	464.4	-8.2	63,989.4	66,850.8	-4.3
Petroleum Products	29.5	28.6	3.1	4,426.6	4,118.1	7.5
Leather, Rubber etc	67.3	83.5	-19.5	10,100.7	12,025.8	-16.0
Other	122.8	114.0	7.8	18,434.0	16,403.1	12.4
Mineral	1.7	1.9	-7.3	258.6	267.6	-3.3
Other	1.3	1.1	22.7	198.1	154.8	28.0
Imports	1,798.4	1,589.1	13.2	269,929.5	228,739.5	18.0
Consumer Goods	358.8	343.5	4.4	53,854.5	49,449.6	8.9
Intermediate Goods	950.1	801.2	18.6	142,600.6	115,322.8	23.7
Investment Goods	432.2	443.9	-2.6	64,878.3	63,897.1	1.5
Other	57.3	0.5	11,678.9	8,596.1	70.0	12,182.6
Trade Balance	-933.7	-690.5 (b)	35.2	-140,140.0	-99,395.5 (b)	41.0

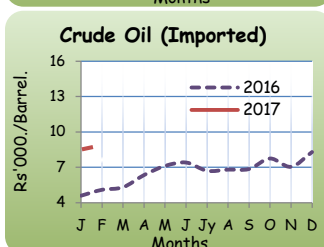
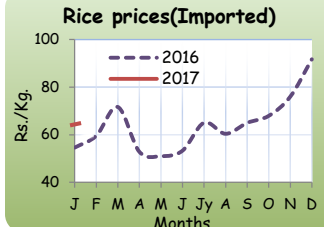
(a) Provisional (b) Revised



4.6 Trade Indices (2010= 100) (a)

Item	2017 Jan (b)	Month Ago	Year Ago
Total Exports			
Value	120.4	119.6	125.1 (c)
Quantity	122.8	158.9	121.6 (c)
Unit Value	98.0	75.3	102.9 (c)
Total Imports			
Value	161.0	162.5	142.2
Quantity	181.1	186.4	161.3
Unit Value	88.9	87.2	88.2
Terms of Trade	110.2	86.3	116.6 (c)

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



4.7 International Commodity Prices

Item	January 2017	January 2016	% Change	January 2017	January 2016	% Change
	US\$ / Kg			Rs / Kg		
Tea Prices	3.98	2.85	39.7	596.71	409.61	45.7
Imports (C I F)	US\$ / MT			Rs / MT		
Rice	430.10	379.38	13.4	64,555.66	54,607.40	18.2
White Sugar	594.05	428.02	38.8	89,163.31	61,609.05	44.7
Wheat	249.72	257.17	-2.9	37,481.19	37,017.65	1.3
	US\$ / Barrel			Rs / Barrel		
Crude Oil	56.64	31.87	77.7	8,502.00	4,587.54	85.3