

# Weekly Economic Indicators

19 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 5.6 per cent on a year-on-year basis in March 2017. This increase was mainly due to increased production of food products, wearing apparel, chemicals and chemical products, rubber and plastic products and other non-metallic mineral products sub-sectors. This was mainly attributed to increased domestic and international demand.

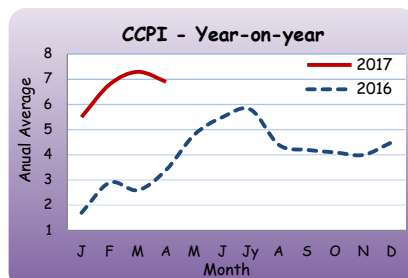
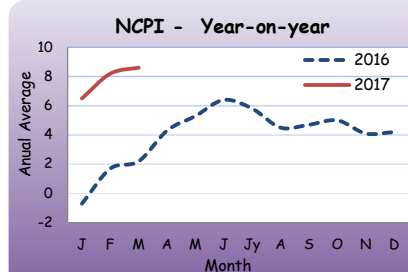
During the week, crude oil prices largely followed an increasing trend, recording an overall increase in Brent and WTI prices by US\$ 3.1 per barrel and US\$ 1.5 per barrel, respectively. Price increase was mainly supported by comments from Saudi Arabia and Russia that supply cuts should be prolonged until March 2018, longer than initially agreed. Prices further increased as the U.S. government data showed that crude inventories have fallen by 1.8 million barrels, the sixth straight weekly draw.

## 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

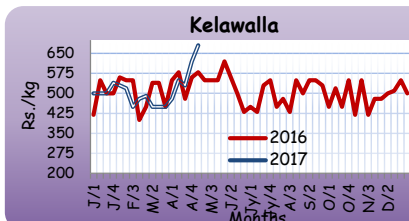
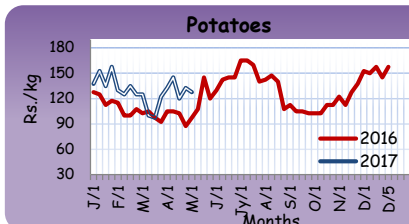
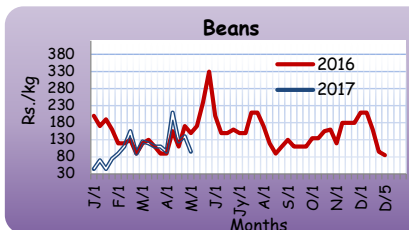
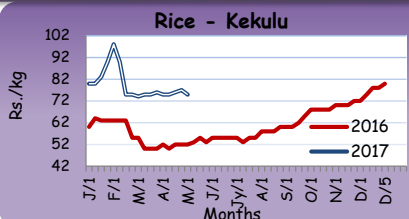


## 1.2 Pettah Market

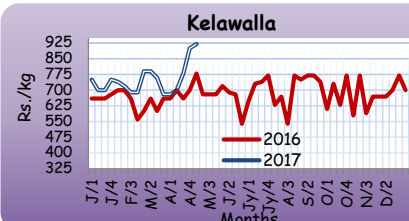
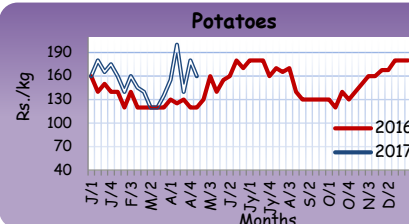
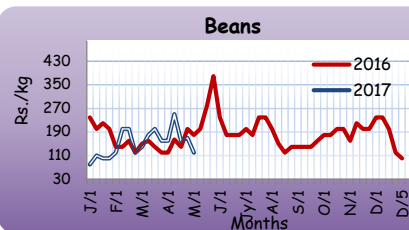
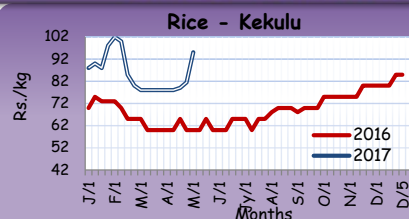
Item	Average Wholesale Prices				Average Retail Prices			
	Week Ending 18 <sup>th</sup> May 2017	Week Ago	Month Ago	Year Ago Annual Avg	Week Ending 18 <sup>th</sup> May 2017	Week Ago	Month Ago	Year Ago Annual Avg
	Rs / Kg				Rs / Kg			
<b>Rice</b>								
Samba	90.00	90.00	85.75	80.97	95.00	95.00	90.00	90.39
Kekulu (Red)	78.00	78.00	75.75	60.29	85.00	85.00	79.13	68.73
<b>Vegetables</b>								
Beans	110.00	95.00	142.50	147.16	200.00	160.00	185.00	179.12
Cabbage	110.00	140.00	106.25	76.62	200.00	220.00	137.50	115.10
Carrots	225.00	175.00	133.75	121.42	280.00	240.00	175.00	158.24
Tomatoes	75.00	80.00	133.75	75.00	100.00	140.00	170.00	107.06
Pumpkins	52.50	50.00	56.25	60.29	80.00	80.00	82.50	83.33
Snake Gourd	130.00	100.00	85.00	76.18	180.00	160.00	112.50	112.94
Brinjals	95.00	80.00	51.25	66.57	120.00	120.00	88.75	103.92
Ash-Plantains	55.00	55.00	67.50	67.65	100.00	120.00	98.75	95.69
<b>Other Foods</b>								
Red-Onions (Local)	295.00	255.00	190.00	92.66	335.00	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	132.50	132.50	122.58	160.00	160.00	168.75	146.23
Dried Chillies (Imported)	150.00	160.00	167.50	293.68	220.00	200.00	220.00	350.78
Dhal (Indian)	140.00	140.00	137.25	160.16	158.00	155.00	157.25	171.41
The Eggs	9.80	11.75	12.17	14.30	10.00	12.00	12.83	14.79
Coconut (Each)	60.00	59.50	60.25	34.69	75.00	75.00	73.75	47.60
<b>Fish*</b>								
Kelawalla	600.00	680.00	545.00	508.20	800.00	940.00	765.00	682.00
Balaya	380.00	400.00	352.50	327.29	480.00	500.00	452.50	424.79
Salaya	140.00	150.00	105.00	141.43	220.00	200.00	165.00	197.14
Paraw (Small)	400.00	500.00	587.50	540.36	550.00	680.00	687.50	638.54

\* Prices collected from the Fisheries Trade Centre, Peliyagoda.

### Pettah Market - Wholesale Prices



### Pettah Market - Retail Prices



### 1.3 Dambulla Market

Item (Rs / Kg)	Week Ending 18 <sup>th</sup> May 2017	
	Wholesale (Average)	Retail (Average)
<b>Rice</b>		
Samba	90.20	94.00
Kekulu (Red)	79.00	83.00
<b>Vegetables</b>		
Beans	126.50	146.50
Carrot	214.50	236.00
Tomatoes	60.00	80.00
Pumpkins	43.50	63.50
Snake Gourd	98.00	118.00
Ash-Plantains	56.00	76.00
<b>Other Foods</b>		
Red-Onions (Local)	247.00	262.50
Big-Onions (Local)	n.a.	n.a.
Potatoes (N'Eliya)	124.50	137.00
Dried Chilies(Imported)	166.50	174.50
Coconut (Each)	54.50	64.50

### 1.5 Maradagamula Market

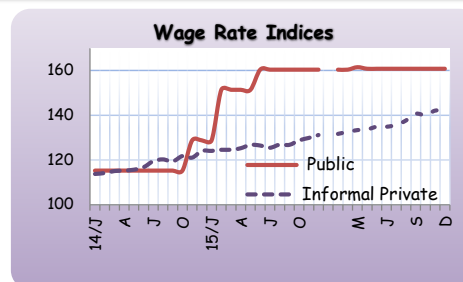
Average wholesale price of Rice				
Item (Rs / Kg)	Week Ending 19 <sup>th</sup> May	Week Ago	Month Ago	Year Ago
Samba	88.50	88.50	85.13	77.58
Sudu Kekulu	83.20	83.17	74.63	62.91
Raw Red	78.30	80.33	75.31	59.59
Nadu	86.70	83.50	75.78	66.62

### 1.4 Narahenpita Economic Centre

Item (Rs / Kg)	Average Retail Prices	
	19 <sup>th</sup> May 2017	Week Ago
<b>Rice</b>		
Samba	95.00	90.00
Kekulu (Red)	85.00	85.00
<b>Vegetables</b>		
Beans	197.00	158.00
Cabbage	237.00	227.00
Carrots	297.00	268.00
Tomatoes	137.00	117.00
Pumpkins	97.00	117.00
Snake Gourd	177.00	158.00
Brinjals	137.00	138.00
Ash-Plantains	137.00	137.00
<b>Other Foods</b>		
Red-Onions (Imported)	257.00	n.a.
Big-Onions (Imported)	77.00	78.00
Potatoes (Imported)	127.00	117.00
Dried Chilies (Imported)	200.00	237.00
Dhal (Indian)	143.00	148.00
Eggs (Red)(Each)	13.00	13.00
Coconut (Each)	58.00	63.00
<b>Fish</b>		
Kelawalla	957.00	957.00
Balaya	477.00	517.00
Salaya	197.00	257.00
Paraw (Small)	877.00	877.00

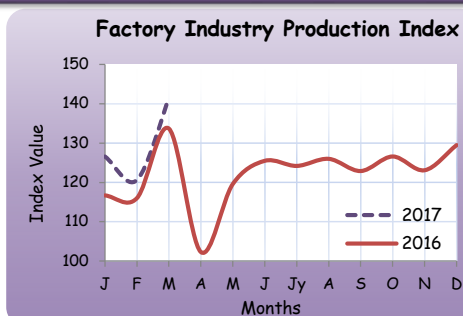
## 1.6 Wage rate Indices

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

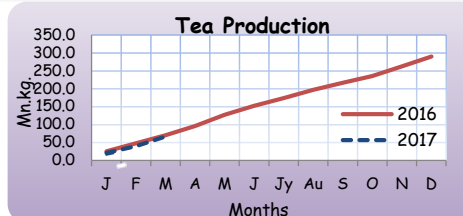


(a) Major 7 sub divisions of FIPI out of 17 sub divisions.

(b) Provisional

## 1.8 Agriculture Production

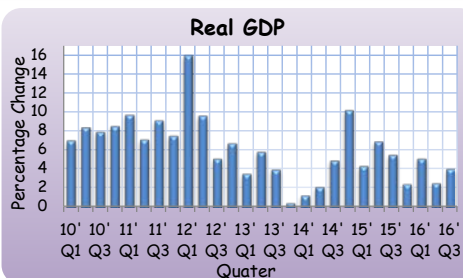
Item	Unit	2017(a) Jan-Mar	2016 Jan-Mar	% Change
Tea	(Mn Kg)	66.2	70.4	-6.1
Rubber	(Mn Kg)	23.3	28.2	-17.2
Coconuts	(Mn Nuts)	683.6	731.1	-6.5



(a) Provisional

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

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

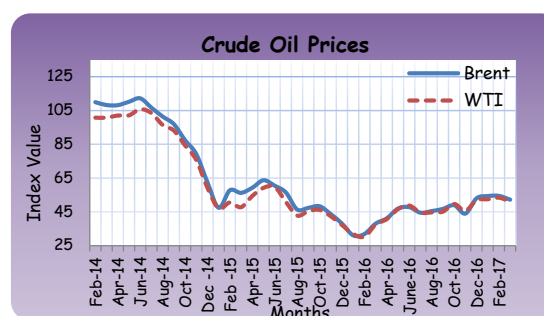
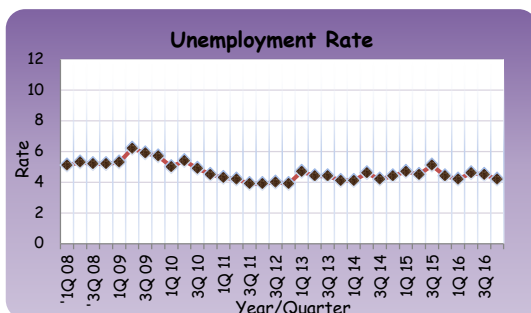
## 1.10 Employment (a)

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	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		
12 May	46.38	46.64		48.30	47.83	
15 May	-	-		51.29	48.86	
16 May	48.49	47.72		51.26	48.64	
17 May	49.11	48.29		51.41	49.04	
18 May	49.33	48.12		51.36	49.36	

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 19 May 2017 declined by 22 bps to 11.76% 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 deposits held by commercial banks

The total outstanding market liquidity increased to a surplus of Rs. 15.21 bn by end of the week, compared to a deficit of Rs. 23.57 bn by the end of last week

By 19 May 2017, the All Share Price Index (ASPI) increased by 0.86% to 6,730 points and the S&P SL20 Index declined by 0.14% to 3,845 points, compared to the previous week

## Highlights

# MONETARY SECTOR

## 2.1 Interest Rates

Item		Week Ending 19 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	8.75	8.15
Sri Lanka Inter Bank Offered Rate (SLIBOR)				
1-day		8.75	8.75	8.15
7-day		9.69	9.83	8.49
1-Month		10.72	10.72	9.30
3-Month		11.20	11.22	9.75
6-Month		12.00	12.00	10.21
12-Month		12.50	12.50	10.73
Treasury Bill Yields (Excluding 10% withholding tax)				
91-day		9.62	-	8.66
182-day		10.42	10.43	-
364-day		10.73	10.73	10.48
Licensed Commercial Banks				
Average Weighted Prime Lending Rate (AWPR)		11.76	11.98	10.12
		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	04Y & 07 Months	06 Y & 00 Months
		09/05/2017	09/05/2017	09/05/2017
Coupon rate		10.75	11.50	11.50
Weighted Average Yield (Excluding 10% withholding tax)		11.07	11.42	11.50

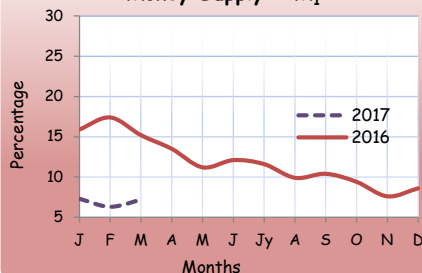
Bankwise- AWPR	Week ending 19 May 2017	Week Ago	Bankwise- AWPR	Week ending 19 May 2017	Week Ago
Bank of Ceylon	12.44	12.44	HSBC	9.73	9.86
People's Bank	12.22	11.19	Standard Chartered Bank	11.85	11.80
Hatton National Bank	12.51	12.04	Citi Bank	9.25	9.25
Commercial Bank of Ceylon	12.64	12.82	Deutsche Bank	9.91	9.90
Sampath Bank	13.47	13.44	Habib Bank	11.00	11.00
Seylan Bank	12.75	12.66	Indian Bank	13.24	13.24
Union Bank of Colombo	14.60	14.14	Indian Overseas Bank	13.74	13.74
Pan Asia Banking Corporation	16.50	15.47	MCB Bank	12.43	14.25
Nations Trust Bank	13.05	12.83	State Bank of India	12.67	12.67
DFCC Bank	14.49	13.23	Public Bank	11.50	11.50
NDB Bank	15.00	15.05	ICICI Bank	12.19	10.55
Amana Bank	12.53	12.55	Axis Bank	12.74	11.74
Cargills Bank	14.12	14.67			

## 2.2 Money Supply

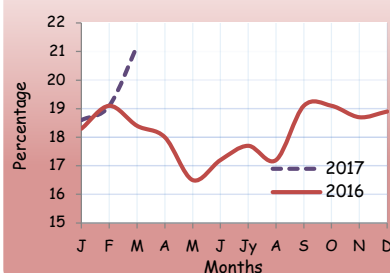
Item	Rs. bn			Annual Change (%)		
	2017 March (a)	Month Ago	Year Ago	2017 March (a)	Month Ago	Year Ago
Reserve Money	892.2	847.6	791.6	12.7	14.6	27.8
M <sub>1</sub>	782.0	744.6	729.6	7.2	6.3	15.2
M <sub>2</sub>	5,096.2	4,951.3	4,206.4	21.2	19.1	18.4
M <sub>2b</sub>	5,677.4	5,552.0	4,731.6	20.0	18.0	18.9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

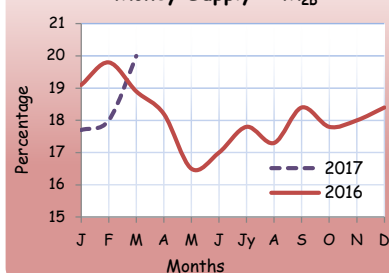
Money Supply - M<sub>1</sub>



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



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



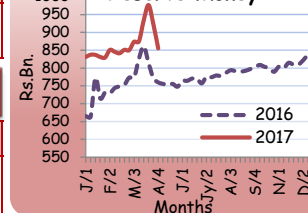
## 2.3 Weekly change in Reserve Money

Item	18 May 2017	Week Ago	Change
Reserve Money (Rs.Mn.)	864,533	874,566	-10,033

## 2.4 Money Market Activity (Overnight)

Item	15.05.2017	16.05.2017	17.05.2017	18.05.2017	19.05.2017
<b>Call Money Market</b>					
Weighted Average Rate (% p.a.)	8.75	8.75	8.75	8.75	8.75
Gross Volume (Rs. Mn)	12,285	18,520	17,740	18,225	19,670
<b>Repo Market</b>					
Weighted Average Rate (% p.a.)	8.83	8.78	8.76	8.79	8.82
Gross Volume (Rs. Mn)	17,697	28,834	28,036	22,947	18,677

Weekly change in Reserve Money



## 2.5 CBSL Security Portfolio

Item	15.05.2017	16.05.2017	17.05.2017	18.05.2017	19.05.2017
CBSL Treasury Bill Holdings -Face Value (Rs.mn)	236,772	236,772	236,772	236,772	236,676
CBSL Treasury Bill Holdings -Book Value (Rs.mn)	230,866	230,866	230,962	231,034	230,198

## 2.6 Open Market Operations

Item	15.05.2017	16.05.2017	17.05.2017	18.05.2017	19.05.2017
<b>Short-Term Auction</b>					
Repo Amount Offered (Rs. bn)	0.00	0.00	10.00	13.00	16.00
Reverse Repo Amount Offered (Rs. bn)	4.00	3.00	0.00	0.00	0.00
Tenure (No. of Days)	1	1	1	1	3
Bids Received (Rs. bn)	17.16	11.81	18.42	25.43	4.92
Amount Accepted (Rs. bn)	4.00	3.00	10.00	13.00	4.92
Weighted Average Yield Rate (% p.a.)	8.75	8.75	7.29	7.28	7.29
<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)	32.60	26.25	13.56	17.47	22.02
Standing Lending Facility (Rs. bn)	30.70	11.37	18.03	16.93	11.73
<b>Total Outstanding Market Liquidity (Rs. bn)</b>	-2.09	11.88	5.53	13.54	15.21

## 2.7 Credit Cards (a)

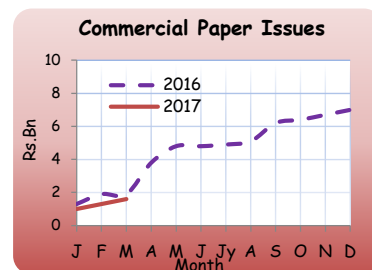
Item	2017 End Mar (b)	2017 End Feb	2016 End Dec
<b>Total Number of Active Cards</b>	1,346,783	1,327,489	1,309,248
Local (accepted only locally)	28,724	28,863	29,109
Global (accepted globally)	1,318,059	1,298,626	1,280,139
<b>Outstanding balance (Rs.mn)</b>	75,492	74,821	74,892
Local (accepted only locally)	808	813	839
Global (accepted globally)	74,684	74,008	74,053

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

## 2.8 Commercial Paper Issues (a)

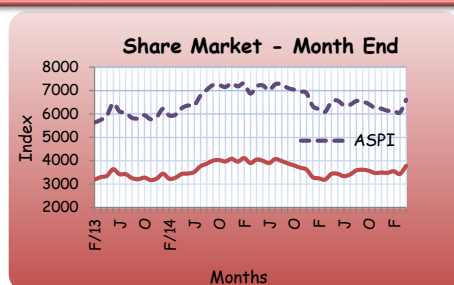
Item (Rs. bn.)	2017 End Mar (b)	2017 End Feb	2016 End Dec
Total Issues - Cumulative (c)	1.6	1.3	7.0
Outstanding (as at end of the period)	1.7	2.2	2.2

(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 19 May 2017	Week Ago	Year Ago
All Share Price Index (1985 = 100) (ASPI)	6,730	6,672	6,648
S&P Sri Lanka 20 Index (2004 = 1,000) (S&P SL20)	3,845	3,850	3,461
Average Daily Turnover (Rs. mn)	928	670	946
Market Capitalisation (Rs.bn)	2,967	2,941	2,833



## 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

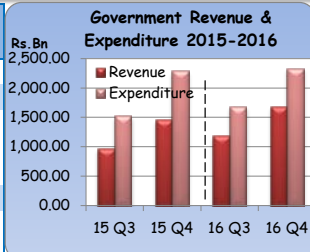
In 2016, the overall budget deficit of Rs. 640.3 billion was largely financed through foreign sources. Accordingly, foreign financing contributed to around 61.2 per cent of the total financing requirement in 2016 compared to 28.5 per cent in the previous year, while the balance was financed through domestic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

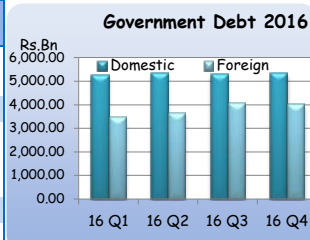
Item	2015	2016*
<b>Revenue and Grants</b>	<b>1,460.9</b>	<b>1,693.6</b>
<b>Revenue</b>	<b>1,454.9</b>	<b>1,686.1</b>
Tax	1,355.8	1,463.7
Non tax	99.1	222.4
<b>Grants</b>	<b>6.0</b>	<b>7.5</b>
<b>Expenditure &amp; Lending Minus Repayments</b>	<b>2,290.4</b>	<b>2,333.9</b>
Recurrent	1,701.7	1,757.8
Capital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

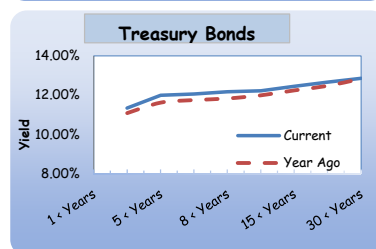
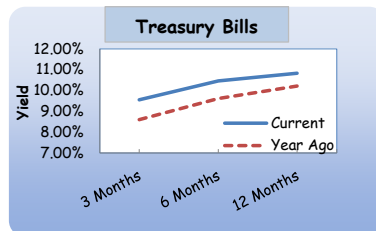
### 3.3 Government Securities - Primary and Secondary Market Yield Rates for the week ending - 17<sup>th</sup> May 2017

Security	Maturity	Primary Market(a)		Secondary Market			
		This Week	Last Week	This Week			Last Week
				Buying	Selling	Average	
Treasury Bills	3 Months	9.62%	-	9.55%	9.35%	9.45%	9.48%
	6 Months	10.42%	10.43%	10.49%	10.34%	10.42%	10.44%
	12 Months	10.73%	10.73%	10.77%	10.62%	10.70%	10.72%
Treasury Bonds(b)	< 2 Years	-	11.07%	11.12%	11.00%	11.06%	11.17%
	< 5 Years	-	11.42%	11.58%	11.47%	11.52%	11.82%
	< 6 Years	-	11.49%	11.66%	11.56%	11.61%	11.84%
	< 8 Years	-	-	11.72%	11.62%	11.67%	11.98%
	< 10 Years	-	11.50%	11.77%	11.66%	11.72%	12.06%
	< 15 Years	-	-	11.93%	11.80%	11.87%	12.30%
	< 20 Years	-	-	12.19%	12.01%	12.10%	12.63%
	< 30 Years	-	-	12.48%	12.31%	12.40%	12.85%

(a) Primary market transactions during the week ending 17/05/2017

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

Comment: 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%	4.12%
	27-Jul-21	6.250%	4.44%	4.45%
	18-Jan-22	5.750%	4.72%	4.69%
	25-Jul-22	5.875%	4.91%	4.89%
	14-Jan-19	6.000%	3.55%	3.56%
	11-Apr-19	5.125%	3.55%	3.56%
	3-Jun-25	6.125%	5.65%	5.64%
	3-Nov-25	6.850%	5.84%	5.83%
	18-Jul-26	6.825%	5.89%	5.88%

### 3.4 Government Securities - Weekly Summary of Primary and Secondary Market Transactions (Week Ended - 17<sup>th</sup> May 2017 )

Item	Volume in Rs Mn	
	This Week	Last Week
Outstanding Stock of Government Securities		
Treasury Bills	797,291.82	795,783.66
Treasury Bonds (a)	4,013,234.84	4,020,177.49
<b>Total</b>	<b>4,810,526.66</b>	<b>4,815,961.15</b>
T-bills and T-bonds held by Foreigners	215,215.35	203,875.83
Sri Lanka Development Bonds (SLDB)	644,197.27	643,980.37

The outstanding stock of T-bills and T-bonds held by foreigners increased by 5.56 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	30,500.00
Total Bids Received	80,884.00	77,736.00
Total Bids Accepted	24,687.00	30,500.00
<b>Treasury Bonds</b>		
Amount Offered	-	94,000.00
Total Bids Received	-	213,209.00
Total Bids Accepted	-	90,189.00

The weekly T-bill auction was over subscribed by 2.7 times during the reporting week

Secondary Market Activities	Volume in Rs Mn	
	This Week	Last Week
<b>Treasury Bills</b>		
Outright Transaction (Sales / Purchases)	29,453.18	21,003.70
Repo Transaction (Sales / Purchases)	168,719.44	134,045.50
<b>Treasury Bonds</b>		
Outright Transaction (Sales / Purchases)	142,176.10	85,441.73
Repo Transaction (Sales / Purchases)	758,864.51	693,800.54

The total secondary market transactions of T-bills and T-bonds increased by 17.65 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) - 19/05/2017

Remaining Maturity	Average Buying Price	Yield %	Average Selling Price	Yield %	Buying & Selling Spread
1-7 Days	99.83	9.04	99.83	8.82	0.00
1 Month	99.24	9.24	99.26	9.01	0.02
2 Month	98.45	9.41	98.49	9.18	0.04
3 Month	97.63	9.59	97.69	9.38	0.05
4 Month	96.74	9.91	96.81	9.71	0.07
5 Month	95.78	10.26	95.87	10.06	0.08
6 Month	94.84	10.47	94.89	10.35	0.06
7 Month	93.93	10.55	94.00	10.44	0.07
8 Month	93.03	10.60	93.12	10.47	0.08
9 Month	92.11	10.66	92.23	10.51	0.11
10 Month	91.21	10.70	91.32	10.56	0.12
11 Month	90.30	10.73	90.43	10.58	0.14
12 Month	89.36	10.79	89.51	10.63	0.15

### 3.6 Two way Quotes (Treasury Bonds) - 19/05/2017

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
08.00%2017B	5	15-Jun-17	27	99.86	9.63	99.88	9.36	0.02
05.80%2017B	6	15-Jul-17	57	99.34	9.89	99.38	9.59	0.05
08.50%2018A	15	1-Feb-18	258	98.65	10.50	98.77	10.32	0.12
08.50%2018C	5	1-Apr-18	317	98.22	10.68	98.38	10.47	0.17
08.50%2018D	5	1-Jun-18	378	97.77	10.83	97.91	10.68	0.14
08.50%2018B	15	15-Jul-18	422	97.54	10.80	97.69	10.66	0.15
07.50%2018A	15	15-Aug-18	453	96.24	10.79	96.36	10.68	0.12
08.75%2018A	4	15-Oct-18	514	97.33	10.84	97.47	10.72	0.14
08.00%2018A	6	15-Nov-18	545	96.01	10.98	96.18	10.85	0.17
05.65%2019A	8	15-Jan-19	606	91.92	11.11	92.07	11.00	0.15
10.75%2019A	2	15-Jan-19	606	99.50	11.07	99.64	10.97	0.14
08.50%2019A	10	1-May-19	712	95.53	11.11	95.69	11.01	0.16
10.60%2019A	5	1-Jul-19	773	98.83	11.22	99.02	11.12	0.19
10.60%2019B	5	15-Sep-19	849	98.54	11.31	98.74	11.21	0.20
08.00%2019A	8	1-Nov-19	896	93.18	11.26	93.41	11.14	0.23
09.25%2020A	5	1-May-20	1,078	94.63	11.44	94.94	11.31	0.31
08.00%2020A	8	1-Jun-20	1,109	91.58	11.35	91.78	11.27	0.20
06.20%2020A	10	1-Aug-20	1,170	86.37	11.39	86.61	11.29	0.24
09.50%2020A	5	15-Dec-20	1,306	94.52	11.40	94.82	11.30	0.29
10.75%2021A	5	1-Mar-21	1,382	97.52	11.56	97.92	11.43	0.39
09.00%2021A	8	1-May-21	1,443	91.88	11.62	92.19	11.51	0.30
11.00%2021A	7	1-Aug-21	1,535	97.90	11.63	98.19	11.54	0.29
09.45%2021A	7	15-Oct-21	1,610	93.00	11.51	93.31	11.42	0.31
11.50%2021A	5	15-Dec-21	1,671	99.65	11.60	100.04	11.48	0.39
08.00%2022A	10	1-Jan-22	1,688	87.36	11.61	87.73	11.49	0.37
11.20%2022A	9	1-Jul-22	1,869	98.40	11.62	98.86	11.49	0.46
10.00%2022A	8	1-Oct-22	1,961	93.60	11.63	94.03	11.51	0.43
11.50%2023A	6	15-May-23	2,187	99.28	11.67	99.66	11.58	0.39
09.00%2023A	10	1-Sep-23	2,296	88.09	11.72	88.64	11.59	0.55
11.20%2023A	9	1-Sep-23	2,296	97.96	11.66	98.44	11.55	0.48
07.00%2023A	20	1-Oct-23	2,326	79.31	11.69	79.68	11.60	0.37
11.40%2024A	10	1-Jan-24	2,418	97.97	11.85	98.58	11.71	0.61
11.00%2024A	8	1-Aug-24	2,631	96.14	11.80	96.61	11.70	0.48
06.00%2024A	10	1-Dec-24	2,753	71.77	11.75	72.14	11.66	0.37
10.25%2025A	10	15-Mar-25	2,857	92.36	11.76	92.84	11.66	0.48
09.00%2025A	12	1-May-25	2,904	85.98	11.76	86.39	11.67	0.41
11.00%2025A	10	1-Aug-25	2,996	95.90	11.79	96.44	11.68	0.55
09.00%2026A	13	1-Feb-26	3,180	85.07	11.78	85.52	11.69	0.45
05.35%2026A	15	1-Mar-26	3,208	65.32	11.79	65.71	11.70	0.38
11.00%2026A	11	1-Jun-26	3,300	95.66	11.79	96.20	11.69	0.54
11.50%2026A	10	1-Aug-26	3,361	97.94	11.87	98.55	11.75	0.62
09.00%2028B	15	1-May-28	4,000	82.60	11.88	83.27	11.75	0.68
09.00%2028A	15	1-Jul-28	4,061	82.33	11.90	83.17	11.75	0.84
11.50%2028A	13	1-Sep-28	4,123	97.28	11.94	98.24	11.78	0.96
13.00%2029A	15	1-Jan-29	4,245	106.50	11.95	107.25	11.83	0.75
13.00%2029B	15	1-May-29	4,365	106.23	12.00	107.07	11.88	0.84
11.00%2030A	15	15-May-30	4,744	93.68	11.97	94.63	11.82	0.94
08.00%2032A	20	1-Jan-32	5,340	72.21	12.09	72.89	11.97	0.68
09.00%2032A	20	1-Oct-32	5,614	78.43	12.12	79.20	11.99	0.77
09.00%2033A	20	1-Jun-33	5,857	77.92	12.16	78.79	12.01	0.87
13.25%2033A	20	1-Jul-33	5,887	107.29	12.20	108.54	12.03	1.24
09.00%2033B	20	1-Nov-33	6,010	77.42	12.21	78.41	12.04	0.99
13.25%2034A	20	1-Jan-34	6,071	107.12	12.23	108.47	12.05	1.35
11.50%2035A	20	15-Mar-35	6,509	94.75	12.22	96.77	11.94	2.02
12.00%2041A	25	1-Jan-41	8,628	96.93	12.40	98.48	12.19	1.55
09.00%2043A	30	1-Jun-43	9,509	73.32	12.48	74.08	12.35	0.76
13.50%2044A	30	1-Jan-44	9,723	107.56	12.51	108.61	12.38	1.05
13.50%2044B	30	1-Jun-44	9,875	107.30	12.55	108.24	12.43	0.94
12.50%2045A	30	1-Mar-45	10,148	100.63	12.41	102.42	12.19	1.79

## External Sector

During the year up to 19 May 2017 the Sri Lanka rupee depreciated against the US dollar (1.8 per cent). Given the cross currency exchange rate movements, the Sri Lanka rupee depreciated against the pound sterling (6.8 per cent), euro (6.8 per cent), Japanese yen (6.2 per cent) and Indian rupee (6.2 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

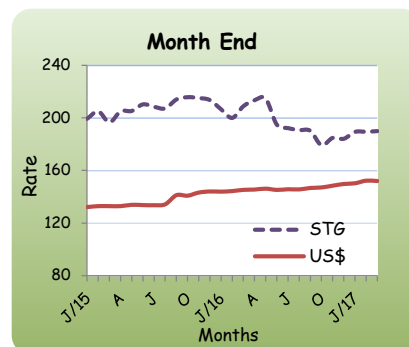
Further, the import prices of rice, sugar and crude oil prices increased compared to the corresponding month of 2016

## Highlights

# EXTERNAL SECTOR

## 4.1 Exchange Rates

Item  (Rs Per Unit)(a)	Week Ending - 19 May 2017			Average Rate	
	Buying Rate	Selling Rate	Average Rate	Week Ago	Year Ago
US\$	150.62	154.42	152.52	152.33	145.94
STG	194.25	200.86	197.56	196.44	212.91
Yen	1.35	1.40	1.37	1.34	1.33
Euro	166.25	172.55	169.40	165.61	163.89
INR <sup>(1)</sup>			2.35	2.36	2.17
SDR ( As at 18 May 2017)			210.34	208.18	205.20
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 19 May 2017	Week Ago	Year Ago
Average Daily Interbank Volume (US\$ Mn.) (spot, tom and cash transactions among commercial banks)	15.76	31.83	13.50
<b>Forward Transactions</b>			
Forward Rates (US\$) <sup>(2)</sup>			
1 Month	153.79	153.57	147.15
3 Months	155.60	155.44	148.81
Average Daily Interbank Forward Volume (US\$ mn)	37.64	47.32	31.46
Outstanding Forward Volume (US\$ mn) (As at 18 May 2017)	1,311.01	1,328.99	1,483.44

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

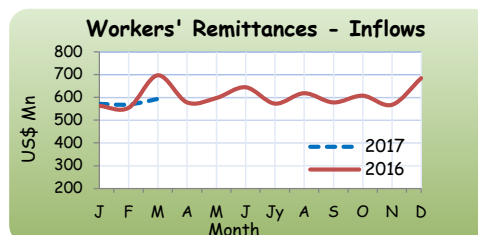
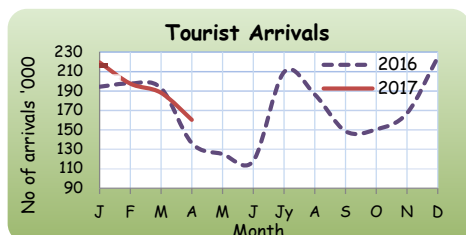
(b) Central Bank purchases and sales of foreign exchange from commercial banks at market rates total for the Month

(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
		<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 Official Reserve Assets as at 30<sup>th</sup> April 2017<sup>(a)</sup>

<b>Official Reserve Assets (USD Mn)</b>	<b>5,045.52</b>
(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 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

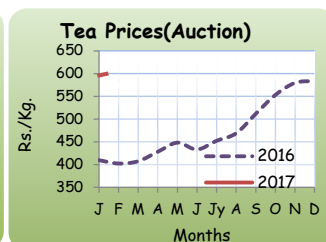
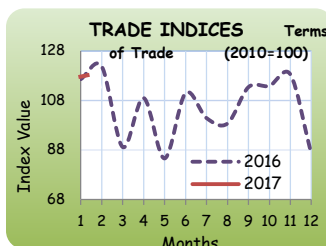
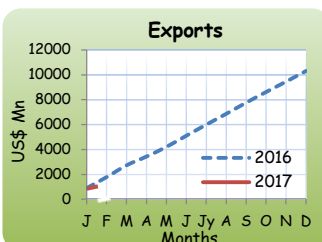
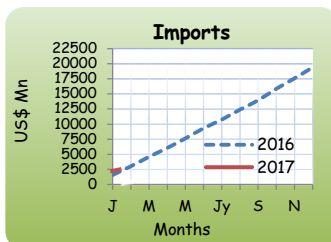
(b) This mainly includes only the predetermined outflows

(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

## 4.5 External Trade

Item	US\$ Mn			Rs Mn		
	January 2017 (a)	January 2016	% Change	January 2017 (a)	January 2016	% Change
<b>Exports</b>	<b>864.7</b>	<b>898.6 (b)</b>	<b>-3.8</b>	<b>129,789.4</b>	<b>129,344.0 (b)</b>	<b>0.3</b>
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
<b>Imports</b>	<b>1,798.4</b>	<b>1,589.1</b>	<b>13.2</b>	<b>269,929.5</b>	<b>228,739.5</b>	<b>18.0</b>
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
<b>Trade Balance</b>	<b>-933.7</b>	<b>-690.5 (b)</b>	<b>35.2</b>	<b>-140,140.0</b>	<b>-99,395.5 (b)</b>	<b>41.0</b>

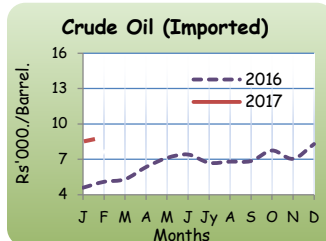
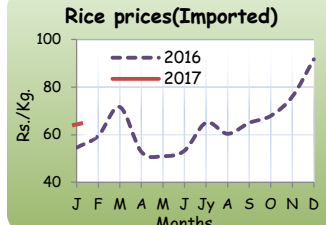
(a) Provisional (b) Revised



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

Item	2017 Jan (b)	Month Ago	Year Ago
<b>Total Exports</b>			
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)
<b>Total Imports</b>			
Value	161.0	162.5	142.2
Quantity	181.1	186.4	161.3
Unit Value	88.9	87.2	88.2
<b>Terms of Trade</b>	<b>110.2</b>	<b>86.3</b>	<b>116.6 (c)</b>

(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
<b>Imports (C I F)</b>	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