

# Weekly Economic Indicators

16 June 2017



Statistics Department  
Central Bank of Sri Lanka

## Real Sector

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

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

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

The GDP grew by 3.8 per cent in real terms during the first quarter of 2017. This was mainly attributable to 6.3 per cent growth in Industry activities followed by 3.5 per cent growth in Services activities in value added terms. However, Agriculture activities contracted by 3.2 per cent during the period under review.

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

The FIPI decreased by 8.0 per cent on a year-on-year basis in April 2017. This decrease was mainly due to decreased production of wearing apparel, beverages and chemicals and chemical products sub-sectors. This was mainly attributed to decreased domestic and international demand.

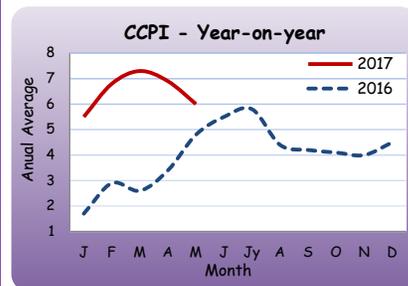
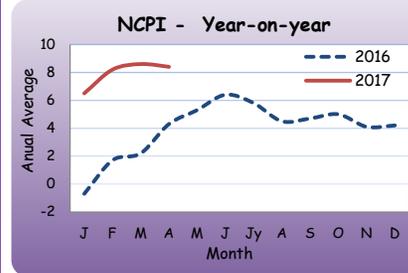
During the week, crude oil prices largely followed a declining trend, recording an overall decline in both Brent and WTI prices by over US\$ 1 per barrel. At the beginning of the week crude oil prices rose supported by statements that OPEC-leader Saudi Arabia will make real cuts, including 300,000 barrels per day to Asia in July. However, subsequently the prices fell to their lowest levels in seven months due to high global inventories and doubts over the OPEC's ability to implement production cuts. Analysts reported that the OPEC exports in 2017 were down only by 0.3 million barrels per day (bpd) from the October 2016 baseline. Further, Russia is expected to export 61.2 million tonnes of oil in the third quarter, against 60.5 million tonnes in the second quarter. Meanwhile, the oil output of the U.S. has risen by over 10 per cent over the past year to 9.3 million bpd.

Highlights

# REAL SECTOR

## 1.1 Price Indices

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

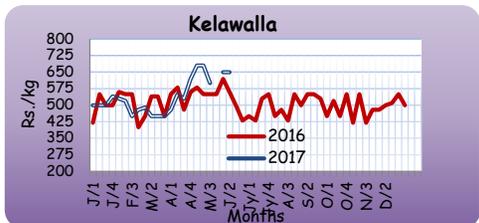
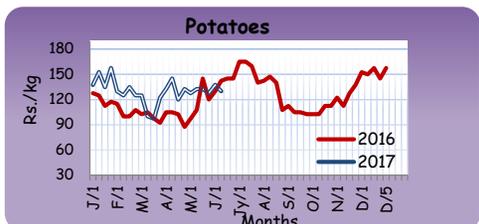
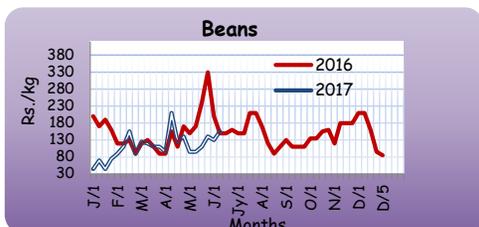
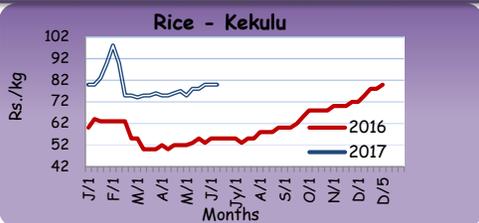


## 1.2 Pettah Market

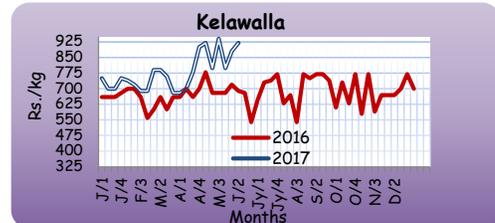
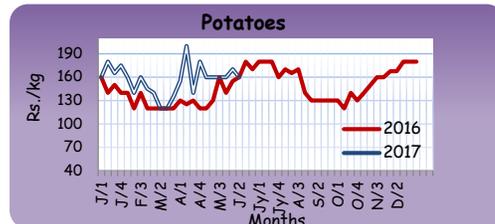
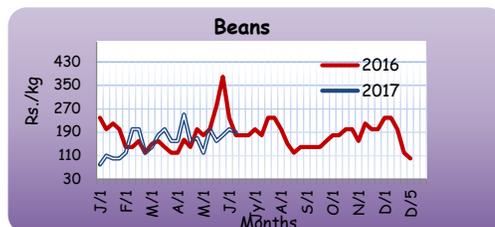
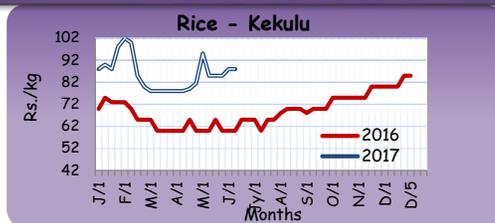
Item	Average Wholesale Prices				Average Retail Prices			
	Week Ending 16 <sup>th</sup> June 2017	Week Ago	Month Ago	Year Ago Annual Avg	Week Ending 16 <sup>th</sup> June 2017	Week Ago	Month Ago	Year Ago Annual Avg
	Rs / Kg				Rs / Kg			
<b>Rice</b>								
Samba	95.00	95.00	92.00	80.97	100.00	100.00	97.00	90.39
Kekulu (Red)	80.00	80.00	78.20	60.29	88.00	88.00	84.20	68.73
<b>Vegetables</b>								
Beans	105.00	155.00	114.00	147.16	160.00	190.00	172.00	179.12
Cabbage	125.00	90.00	133.00	76.62	200.00	150.00	196.00	115.10
Carrots	260.00	290.00	199.00	121.42	320.00	345.00	268.00	158.24
Tomatoes	110.00	100.00	65.00	75.00	150.00	140.00	120.00	107.06
Pumpkins	110.00	80.00	55.00	60.29	140.00	120.00	86.00	83.33
Snake Gourd	140.00	150.00	116.00	76.18	200.00	180.00	160.00	112.94
Brinjals	110.00	140.00	94.00	66.57	160.00	180.00	132.00	103.92
Ash-Plantains	70.00	75.00	54.00	67.65	100.00	115.00	104.00	95.69
<b>Other Foods</b>								
Red-Onions (Local)	390.00	300.00	281.00	92.66	480.00	360.00	325.00	131.74
Big-Onions (Local)	n.a.	n.a.	n.a.	74.50	n.a.	n.a.	n.a.	96.47
Potatoes (N' Eliya)	127.50	130.00	131.50	122.58	155.00	160.00	162.00	146.23
Dried Chillies (Imported)	150.00	150.00	155.00	293.68	190.00	190.00	204.00	350.78
Dhal (Indian)	140.00	138.00	140.00	160.16	158.00	155.00	156.80	171.41
The Eggs	12.00	11.00	11.10	14.30	12.50	12.00	11.33	14.79
Coconut (Each)	49.00	60.00	59.10	34.69	60.00	70.00	74.00	47.60
<b>Fish*</b>								
Kelawalla	600.00	650.00	652.50	508.20	980.00	920.00	885.00	682.00
Balaya	n.a.	450.00	422.00	327.29	n.a.	560.00	524.00	424.79
Salaya	180.00	180.00	146.00	141.43	260.00	240.00	212.00	197.14
Paraw (Small)	600.00	700.00	495.00	540.36	720.00	800.00	627.50	638.54

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

### Pettah Market - Wholesale Prices



### Pettah Market - Retail Prices



### 1.3 Dambulla Market

Item (Rs / Kg)	Week Ending 15 <sup>th</sup> June 2017	
	Wholesale (Average)	Retail (Average)
<b>Rice</b>		
Samba	94.40	98.50
Kekulu (Red)	80.80	84.90
<b>Vegetables</b>		
Beans	117.00	137.00
Carrot	236.00	257.50
Tomatoes	82.50	101.00
Pumpkins	89.50	110.50
Snake Gourd	105.00	125.00
Ash-Plantains	61.30	81.40
<b>Other Foods</b>		
Red-Onions (Local)	285.50	298.50
Big-Onions (Local)	n.a.	n.a.
Potatoes (N'Eliya)	124.00	135.50
Dried Chilies(Imported)	160.00	171.50
Coconut (Each)	54.50	63.70

### 1.5 Maradaghamula Market

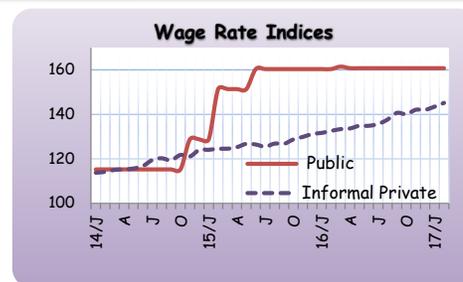
Average wholesale price of Rice				
Item (Rs / Kg)	Week Ending 16 <sup>th</sup> June	Week Ago	Month Ago	Year Ago
Samba	91.10	90.75	89.13	77.58
Sudu Kekulu	82.50	81.25	81.45	62.91
Raw Red	78.50	76.75	78.18	59.59
Nadu	87.90	86.00	84.08	66.62

### 1.4 Narahenpita Economic Centre

Item (Rs / Kg)	Average Retail Prices	
	16 <sup>th</sup> June 2017	Week Ago
<b>Rice</b>		
Samba	97.00	90.00
Kekulu (Red)	86.00	85.00
<b>Vegetables</b>		
Beans	197.00	177.00
Cabbage	228.00	227.00
Carrots	357.00	293.00
Tomatoes	158.00	117.00
Pumpkins	157.00	98.00
Snake Gourd	217.00	178.00
Brinjals	197.00	187.00
Ash-Plantains	137.00	133.00
<b>Other Foods</b>		
Red-Onions (Imported)	273.00	n.a.
Big-Onions (Imported)	88.00	87.00
Potatoes (Imported)	127.00	117.00
Dried Chilies (Imported)	257.00	197.00
Dhal (Indian)	148.00	155.00
Eggs (Red)(Each)	13.00	11.00
Coconut (Each)	63.00	68.00
<b>Fish</b>		
Kelawalla	1133.00	957.00
Balaya	413.00	477.00
Salaya	297.00	233.00
Paraw (Small)	877.00	860.00

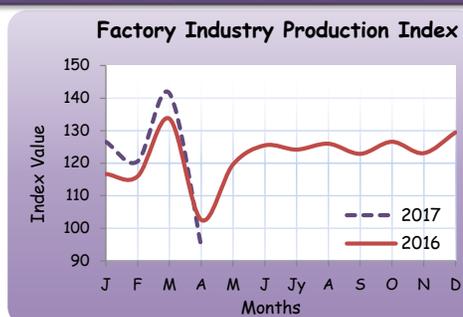
## 1.6 Wage rate Indices

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



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

Item	2017 April (b)	2016 April (b)	% Change
<b>Factory Industry- Production Index</b>	<b>94.4</b>	<b>102.6</b>	<b>-8.0</b>
Food products	90.5	88.2	2.5
Beverages	88.9	111.5	-20.3
Tobacco products	85.8	85.7	0.2
Wearing apparel	115.4	147.7	-21.9
Chemicals and chemical products	63.8	64.0	-0.3
Rubber and plastic products	98.2	94.3	4.2
Other non-metallic mineral products	111.5	108.5	2.7



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

## 1.8 Agriculture Production

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



(a) Provisional

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

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

(a) Provisional (b) Revised

Source: Department of Census and Statistics



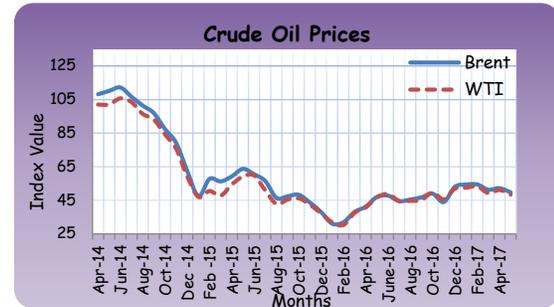
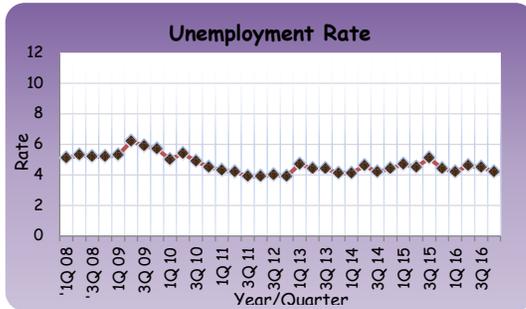
## 1.10 Employment (a)

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	56.48
May	47.00	46.69	48.84	49.81	48.48	
June	47.82	48.76	50.95			
July	44.54	44.65	46.10			
August	45.50	44.72	46.71			
September	46.80	45.20	46.99			
October	49.01	49.70	52.70			
November	44.01	45.66	47.66			
December	53.07	51.96	55.69			
	2016			2017		
09 June	50.44	50.52		46.09	45.82	
12 June	-	-		46.63	46.10	
13 June	49.01	48.89		46.40	46.41	
14 June	47.28	48.49		44.92	44.79	
15 June	46.87	47.92		45.06	44.47	

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 16 June 2017 declined by 20 bps to 11.88% compared to the previous week.

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

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

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

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

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

The total outstanding market liquidity decreased to a deficit of Rs. 28.28 bn by end of the week, compared to a deficit of Rs. 13.12 bn by the end of last week.

By 16 June 2017, the All Share Price Index (ASPI) increased by 0.75% to 6,719 points and the S&P SL20 Index increased by 1.97% to 3,916 points, compared to the previous week.

# MONETARY SECTOR

## 2.1 Interest Rates

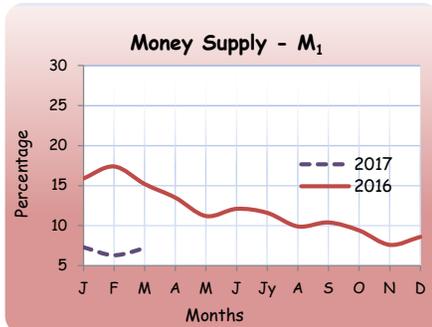
Item	Week Ending 16 June 2017	Week Ago	Year Ago	
<b>Policy Interest Rates</b>				
Standing Deposit Facility Rate	7.25	7.25	6.50	
Standing Lending Facility Rate	8.75	8.75	8.00	
<b>Average Weighted Call Money Rate (AWCMR)(Weekly Average)</b>	8.75	8.75	8.18	
<b>Sri Lanka Inter Bank Offered Rate (SLIBOR)</b>				
1-day	8.75	8.75	8.19	
7-day	9.49	9.52	8.73	
1-Month	10.50	10.62	9.47	
3-Month	11.24	11.18	9.89	
6-Month	12.00	12.00	10.42	
12-Month	12.49	12.46	10.87	
<b>Treasury Bill Yields (Excluding 10% withholding tax)</b>				
91-day	9.60	9.60	8.84	
182-day	10.30	10.34	9.80	
364-day	10.50	10.61	10.54	
<b>Licensed Commercial Banks</b>				
Average Weighted Prime Lending Rate (AWPR)	11.88	12.08	10.47	
	May 2017	Month Ago	Year Ago	
Savings Deposits	0.50-13.00	0.50-9.00	0.50-8.50	
One Year Fixed Deposits	4.89-15.00	4.89-15.00	4.50-15.00	
	May-17	Month Ago	Year Ago	
Average Weighted Deposit Rate (AWDR)	8.99	8.89	6.72	
Average Weighted Fixed Deposit Rate (AWFDR)	11.52	11.43	8.40	
	Apr 2017	Month Ago	Year Ago	
Average Weighted Lending Rate (AWLR)	13.52	13.40	11.66	
<b>National Savings Bank (NSB)</b>				
	Apr 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>				
	04 Y & 02 Months 13/06/2017	05 Y & 11 Months 13/06/2017	07 Y & 09 Months 13/06/2017	10 Y & 00 Months 13/06/2017
Coupon rate	11.00	11.50	10.25	11.75
Weighted Average Yield (Excluding 10% withholding tax)	11.37	11.38	11.41	11.49

Bankwise- AWPR	Week ending 16 June 2017	Week Ago	Bankwise- AWPR	Week ending 16 June 2017	Week Ago
Bank of Ceylon	12.36	12.14	HSBC	9.73	9.74
People's Bank	12.58	12.44	Standard Chartered Bank	11.87	11.68
Hatton National Bank	12.51	12.78	Citi Bank	11.00	9.55
Commercial Bank of Ceylon	12.09	12.34	Deutsche Bank	9.93	10.05
Sampath Bank	13.34	13.03	Habib Bank	10.77	10.94
Seylan Bank	12.76	12.71	Indian Bank	13.24	13.24
Union Bank of Colombo	14.71	14.96	Indian Overseas Bank	13.67	13.67
Pan Asia Banking Corporation	14.05	15.03	MCB Bank	12.40	12.17
Nations Trust Bank	13.24	12.96	State Bank of India	12.56	12.56
DFCC Bank	13.37	13.56	Public Bank	13.50	13.50
NDB Bank	13.15	15.00	ICICI Bank	10.33	10.33
Amana Bank	13.75	14.27	Axis Bank	11.25	11.25
Cargills Bank	14.67	14.20			

## 2.2 Money Supply

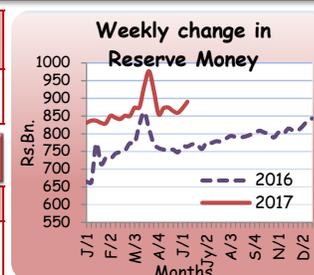
Item	Rs. bn			Annual Change (%)		
	2017	Month	Year	2017	Month	Year
	March (a)	Month Ago	Year Ago	March (a)	Month Ago	Year Ago
Reserve Money	892.2	847.6	791.6	12.7	14.6	27.8
M <sub>1</sub>	782.0	744.6	729.6	7.2	6.3	15.2
M <sub>2</sub>	5,096.2	4,951.3	4,206.4	21.2	19.1	18.4
M <sub>2b</sub>	5,677.4	5,552.0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



## 2.3 Weekly change in Reserve Money

Item	15 June 2017	Week Ago	Change
Reserve Money (Rs.Mn.)	890,754	872,549	18,204



## 2.4 Money Market Activity (Overnight)

Item	12.06.2017	13.06.2017	14.06.2017	15.06.2017	16.06.2017
<b>Call Money Market</b>					
Weighted Average Rate (% p.a.)	8.75	8.75	8.75	8.75	8.75
Gross Volume (Rs. Mn)	15,480	12,005	12,030	9,785	13,850
<b>Repo Market</b>					
Weighted Average Rate (% p.a.)	8.78	8.82	8.81	8.83	8.83
Gross Volume (Rs. Mn)	11,134	6,124	8,225	7,047	9,199

## 2.5 CBSL Security Portfolio

Item	12.06.2017	13.06.2017	14.06.2017	15.06.2017	16.06.2017
CBSL Treasury Bill Holdings -Face Value (Rs. Mn)	188,080	188,080	188,080	188,080	171,264
CBSL Treasury Bill Holdings -Book Value (Rs. Mn)	183,790	183,845	183,900	183,958	167,201

## 2.6 Open Market Operations

Item	12.06.2017	13.06.2017	14.06.2017	15.06.2017	16.06.2017
<b>Short-Term Auction</b>					
Repo Amount Offered (Rs. bn)	0.00	0.00	0.00	0.00	0.00
Reverse Repo Amount Offered (Rs. bn)	9.00	11.00	15.00	19.00	29.00
Tenure (No. of Days)	1	1	1	1	1
Bids Received (Rs. bn)	10.01	7.64	6.96	26.34	19.19
Amount Accepted (Rs. bn)	9.00	7.64	6.96	19.00	15.69
Weighted Average Yield Rate (% p.a.)	8.75	8.75	8.75	8.75	8.75
<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)	17.22	15.06	13.64	14.80	3.88
Standing Lending Facility (Rs. bn)	15.39	14.81	16.77	14.67	16.47
<b>Total Outstanding Market Liquidity (Rs. bn)</b>	-7.18	-7.39	-10.10	-18.87	-28.28

## 2.7 Credit Cards (a)

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

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

## 2.8 Commercial Paper Issues (a)

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

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



## 2.9 Share Market

Item	Week Ending 16 June 2017	Week Ago	Year Ago
All Share Price Index (1985 = 100) (ASPI)	6,719	6,669	6,436
S&P Sri Lanka 20 Index (2004 = 1,000) (S&P SL20)	3,916	3,841	3,385
Average Daily Turnover (Rs. mn)	1,147	871	492
Market Capitalisation (Rs.bn)	2,974	2,952	2,742



## 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.

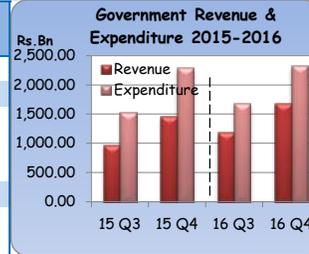
In 2016, the overall budget deficit of Rs. 640.3 billion was largely financed through foreign sources. Accordingly, foreign financing contributed to around 61.2 per cent of the total financing requirement in 2016 compared to 28.5 per cent in the previous year, while the balance was financed through domestic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

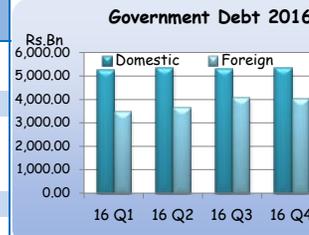
Item	2015	2016(a)
<b>Revenue and Grants</b>	<b>1,460.9</b>	<b>1,693.6</b>
<b>Revenue</b>	<b>1,454.9</b>	<b>1,686.1</b>
Tax	1,355.8	1,463.7
Non tax	99.1	222.4
<b>Grants</b>	<b>6.0</b>	<b>7.5</b>
<b>Expenditure &amp; Lending Minus Repayments</b>	<b>2,290.4</b>	<b>2,333.9</b>
Recurrent	1,701.7	1,757.8
Capital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



(a) Provisional

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

Item	End 2015	End 2016(a)
<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

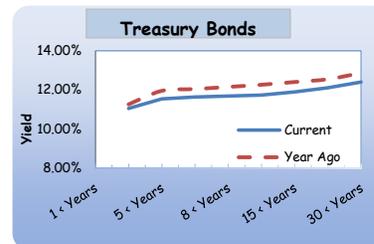
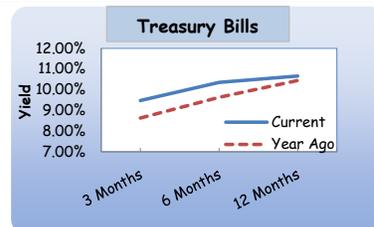
### 3.3 Government Securities - Primary and Secondary Market Yield Rates for the week ending - 14<sup>th</sup> June 2017

Security	Maturity	Primary Market(a)		Secondary Market			
		This Week	Last Week	This Week			Last Week
				Buying	Selling	Average	Average
Treasury Bills	3 Months	9.60%	9.60%	9.58%	9.39%	9.49%	9.51%
	6 Months	10.30%	10.34%	10.37%	10.23%	10.30%	10.33%
	12 Months	10.50%	10.61%	10.67%	10.53%	10.60%	10.65%
Treasury Bonds(b)	< 2 Years	-	-	10.98%	10.88%	10.93%	11.02%
	< 5 Years	11.37%	-	11.50%	11.40%	11.45%	11.55%
	< 6 Years	11.38%	-	11.60%	11.51%	11.56%	11.64%
	< 8 Years	11.41%	-	11.66%	11.55%	11.61%	11.70%
	< 10 Years	11.49%	-	11.72%	11.61%	11.67%	11.75%
	< 15 Years	-	-	11.91%	11.78%	11.85%	11.90%
	< 20 Years	-	-	12.19%	12.00%	12.10%	12.11%
< 30 Years	-	-	12.49%	12.30%	12.39%	12.46%	

(a) Primary market transactions during the week ending 14/06/2017

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

The secondary market yield rates of T-Bills and T-Bonds have marginally declined during the reporting week compared to the previous week.



Security	Maturity Date	Coupon Rate	Secondary Market	
			This Week	Last Week
International Sovereign Bonds	4-Oct-20	6.250%	4.01%	3.99%
	27-Jul-21	6.250%	4.35%	4.33%
	18-Jan-22	5.750%	4.63%	4.63%
	25-Jul-22	5.875%	4.82%	4.79%
	14-Jan-19	6.000%	3.44%	3.47%
	11-Apr-19	5.125%	3.50%	3.50%
	3-Jun-25	6.125%	5.53%	5.54%
	3-Nov-25	6.850%	5.71%	5.70%
	18-Jul-26	6.825%	5.76%	5.75%
	11-May-27	6.200%	5.88%	5.88%

### 3.4 Government Securities - Weekly Summary of Primary and Secondary Market Transactions (Week Ended - 14<sup>th</sup> June 2017)

Item	Volume in Rs Mn	
	This Week	Last Week
Outstanding Stock of Government Securities		
Treasury Bills	799,022.82	798,088.38
Treasury Bonds (a)	4,013,234.84	4,013,234.84
<b>Total</b>	<b>4,812,257.66</b>	<b>4,811,323.22</b>
T-bills and T-bonds held by Foreigners	228,546.60	220,616.60
Sri Lanka Development Bonds (SLDB)	644,760.85	644,670.37

The outstanding stock of T-bills and T-bonds held by foreigners was increased by 3.59 per cent during the reporting week.

Primary Market Activities	Volume in Rs Mn	
	This Week	Last Week
<b>Treasury Bills</b>		
Amount Offered	26,000.00	29,000.00
Total Bids Received	74,445.00	72,988.00
Total Bids Accepted	25,629.00	28,970.00
<b>Treasury Bonds</b>		
Amount Offered	45,000.00	-
Total Bids Received	155,184.00	-
Total Bids Accepted	45,000.00	-

The T-bond auction was over subscribed by 3.4 times and weekly T-bill auction was over subscribed by 2.9 times during the reporting week.

Secondary Market Activities	Volume in Rs Mn	
	This Week	Last Week
<b>Treasury Bills</b>		
Outright Transaction (Sales / Purchases)	22,931.56	18,170.86
Repo Transaction (Sales / Purchases)	123,389.42	139,133.57
<b>Treasury Bonds</b>		
Outright Transaction (Sales / Purchases)	44,458.04	42,854.90
Repo Transaction (Sales / Purchases)	592,594.76	796,473.31

The total secondary market transactions of T bills and T bonds decreased by 21.40 percent in the reporting week compared to the previous week.

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

### 3.5 Two way Quotes (Treasury Bills) - 16/06/2017

Remaining Maturity	Average Buying Price	Yield %	Average Selling Price	Yield %	Buying & Selling Spread
1-7 Days	99.83	8.98	99.83	8.77	0.00
1 Month	99.25	9.19	99.26	8.97	0.02
2 Month	98.46	9.36	98.50	9.15	0.04
3 Month	97.63	9.59	97.69	9.39	0.05
4 Month	96.75	9.88	96.82	9.66	0.07
5 Month	95.82	10.17	95.90	9.97	0.08
6 Month	94.91	10.33	94.98	10.19	0.07
7 Month	94.01	10.41	94.09	10.27	0.08
8 Month	93.12	10.47	93.21	10.32	0.10
9 Month	92.21	10.53	92.31	10.39	0.10
10 Month	91.32	10.56	91.43	10.42	0.11
11 Month	90.42	10.59	90.55	10.45	0.13
12 Month	89.55	10.60	89.69	10.45	0.15

### 3.6 Two way Quotes (Treasury Bonds) - 16/06/2017

Treasury Bond By Series	Maturity Period (Years)	Maturity Date (DD/MM/YY)	Days to Maturity	Average Buying Price	Yield %	Average Selling Price	Yield %	Buying & Selling Spread
05.80%2017B	6	15-Jul-17	29	99.67	9.74	99.69	9.44	0.02
08.50%2018A	15	1-Feb-18	230	98.80	10.50	98.90	10.32	0.11
08.50%2018C	5	1-Apr-18	289	98.51	10.48	98.64	10.29	0.14
08.50%2018D	5	1-Jun-18	350	98.09	10.64	98.19	10.52	0.10
08.50%2018B	15	15-Jul-18	394	97.74	10.76	97.84	10.66	0.10
07.50%2018A	15	15-Aug-18	425	96.55	10.71	96.65	10.61	0.10
08.75%2018A	4	15-Oct-18	486	97.58	10.73	97.69	10.64	0.11
08.00%2018A	6	15-Nov-18	517	96.47	10.75	96.61	10.64	0.14
05.65%2019A	8	15-Jan-19	578	92.53	10.91	92.70	10.79	0.16
10.75%2019A	2	15-Jan-19	578	99.80	10.87	99.94	10.78	0.14
08.50%2019A	10	1-May-19	684	95.93	10.95	96.09	10.85	0.16
10.60%2019A	5	1-Jul-19	745	99.21	11.04	99.42	10.92	0.21
10.60%2019B	5	15-Sep-19	821	99.13	11.03	99.31	10.94	0.18
08.00%2019A	8	1-Nov-19	868	93.64	11.11	93.82	11.02	0.18
09.25%2020A	5	1-May-20	1,050	95.28	11.21	95.66	11.05	0.37
08.00%2020A	8	1-Jun-20	1,081	91.96	11.27	92.16	11.18	0.19
06.20%2020A	10	1-Aug-20	1,142	86.86	11.30	87.09	11.20	0.24
09.50%2020A	5	15-Dec-20	1,278	94.94	11.29	95.23	11.19	0.28
10.75%2021A	5	1-Mar-21	1,354	98.17	11.36	98.47	11.25	0.30
09.00%2021A	8	1-May-21	1,415	92.64	11.39	93.00	11.27	0.36
11.00%2021A	7	1-Aug-21	1,507	98.74	11.38	99.02	11.30	0.28
09.45%2021A	7	15-Oct-21	1,582	93.28	11.45	93.63	11.35	0.34
11.50%2021A	5	15-Dec-21	1,643	100.33	11.40	100.65	11.31	0.31
08.00%2022A	10	1-Jan-22	1,660	87.75	11.54	88.14	11.42	0.38
11.20%2022A	9	1-Jul-22	1,841	98.78	11.52	99.17	11.42	0.39
10.00%2022A	8	1-Oct-22	1,933	94.00	11.54	94.42	11.43	0.42
11.50%2023A	6	15-May-23	2,159	99.63	11.58	99.96	11.50	0.34
09.00%2023A	10	1-Sep-23	2,268	88.46	11.66	88.94	11.54	0.47
11.20%2023A	9	1-Sep-23	2,268	98.32	11.58	98.73	11.48	0.41
07.00%2023A	20	1-Oct-23	2,298	79.69	11.64	80.15	11.51	0.46
11.40%2024A	10	1-Jan-24	2,390	99.12	11.59	99.60	11.49	0.48
11.00%2024A	8	1-Aug-24	2,603	97.09	11.60	97.57	11.50	0.48
06.00%2024A	10	1-Dec-24	2,725	72.10	11.71	72.49	11.61	0.39
10.25%2025A	10	15-Mar-25	2,829	92.85	11.67	93.32	11.57	0.47
09.00%2025A	12	1-May-25	2,876	86.20	11.73	86.66	11.63	0.46
11.00%2025A	10	1-Aug-25	2,968	96.41	11.69	96.91	11.59	0.50
09.00%2026A	13	1-Feb-26	3,152	85.31	11.75	85.80	11.65	0.49
05.35%2026A	15	1-Mar-26	3,180	65.63	11.76	66.05	11.66	0.42
11.00%2026A	11	1-Jun-26	3,272	96.17	11.70	96.82	11.58	0.64
11.50%2026A	10	1-Aug-26	3,333	99.16	11.65	99.63	11.56	0.47
09.00%2028B	15	1-May-28	3,972	83.11	11.79	83.69	11.68	0.59
09.00%2028A	15	1-Jul-28	4,033	83.02	11.79	83.64	11.67	0.62
11.50%2028A	13	1-Sep-28	4,095	98.22	11.78	98.91	11.67	0.69
13.00%2029A	15	1-Jan-29	4,217	106.99	11.87	107.66	11.77	0.67
13.00%2029B	15	1-May-29	4,337	106.87	11.90	107.58	11.79	0.71
11.00%2030A	15	15-May-30	4,716	94.41	11.85	95.04	11.75	0.63
08.00%2032A	20	1-Jan-32	5,312	72.39	12.07	73.05	11.95	0.66
09.00%2032A	20	1-Oct-32	5,586	78.60	12.10	79.35	11.97	0.75
09.00%2033A	20	1-Jun-33	5,829	78.11	12.13	78.96	11.99	0.85
13.25%2033A	20	1-Jul-33	5,859	107.53	12.17	108.77	12.00	1.24
09.00%2033B	20	1-Nov-33	5,982	77.61	12.18	78.59	12.02	0.97
13.25%2034A	20	1-Jan-34	6,043	107.25	12.22	108.53	12.05	1.28
11.50%2035A	20	15-Mar-35	6,481	95.28	12.15	97.49	11.84	2.21
12.00%2041A	25	1-Jan-41	8,600	97.69	12.30	98.83	12.15	1.13
09.00%2043A	30	1-Jun-43	9,481	73.97	12.37	74.77	12.23	0.80
13.50%2044A	30	1-Jan-44	9,695	108.13	12.44	109.33	12.30	1.20
13.50%2044B	30	1-Jun-44	9,847	107.57	12.51	108.65	12.38	1.08
12.50%2045A	30	1-Mar-45	10,120	101.84	12.26	102.73	12.15	0.89

## External Sector

During the year up to 16 June 2017 the Sri Lanka rupee depreciated against the US dollar (1.8 per cent). Given the cross currency exchange rate movements, the Sri Lanka rupee depreciated against the pound sterling (5.6 per cent), euro (7.1 per cent), Japanese yen (6.2 per cent) and Indian rupee (6.6 per cent) during this period.

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

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

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

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

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

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

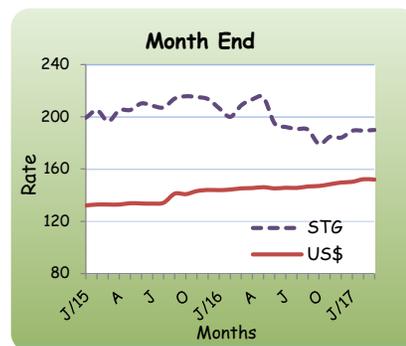
# EXTERNAL SECTOR

## 4.1 Exchange Rates

Item (Rs Per Unit)(a)	Week Ending - 16 June 2017			Average Rate	
	Buying Rate	Selling Rate	Average Rate	Week Ago	Year Ago
US\$	150.87	154.67	152.77	152.68	144.73
STG	192.06	198.61	195.34	195.02	205.42
Yen	1.35	1.40	1.38	1.39	1.38
Euro	167.20	173.52	170.36	170.92	163.07
INR <sup>(1)</sup>			2.36	2.37	2.16
SDR (As at 15 June 2017)			210.79	211.28	203.51
<b>Central Bank purchases and sales(b) (US\$ Mn. )</b>			<b>May 2017</b>	<b>Month Ago</b>	<b>Year Ago</b>
Purchases			183.47	257.92	123.83
Sales			35.00	-	36.20

	Week Ending 16 June 2017	Week Ago	Year Ago
Average Daily Interbank Volume (US\$ Mn.) (spot, tom and cash transactions among commercial banks)	28.34	20.95	33.26
<b>Forward Transactions</b>			
Forward Rates (US\$) <sup>(2)</sup>			
1 Month	153.85	153.79	145.79
3 Months	155.64	155.80	147.15
Average Daily Interbank Forward Volume (US\$ mn)	50.76	29.65	36.19
Outstanding Forward Volume (US\$ mn) (As at 15 June 2017)	1,411.02	1,340.02	1,464.67



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

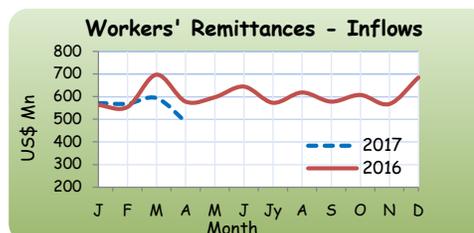
(b) Central Bank purchases and sales of foreign exchange from commercial banks at market rates total for the Month

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

## 4.2 Tourism & Workers' Remittances

Item		2016	2017	2016	2017	% Change
		May (a)(b)	May (c)(d)	Jan-May(a)(b)	Jan-May(c)(d)	
Tourist Arrivals	Number	125,044	121,891	846,229	887,093	4.8
Earnings from Tourism(d)	US\$ Mn.	214.5	209.1	1,451.8	1,521.9	4.8
	Rs.bn.	31.2	31.9	209.3	230	9.9
Workers' Remittances (Inflows)		2016	2017	2016	2017	% Change
	US\$ Mn.	Apr	Apr (c)	Jan-Apr	Jan-Apr (c)	
	US\$ Mn.	578.0	487.9	2,371.4	2,221.7	-6.3
	Rs. bn.	83.2	74.1	341.3	335.5	-1.7

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



#### 4.3 Official Reserve Assets as at 31<sup>st</sup> May 2017<sup>(a)</sup>

Official Reserve Assets (USD Mn)	6,745.50
(1) Foreign Currency Reserves	5,770.94
(2) Reserve position in the IMF	66.25
(3) SDRs	2.22
(4) Gold	905.10
(5) Other Reserve Assets (a) Provisional	0.99

#### 4.4 International Reserves & Foreign Currency Liquidity as at 30<sup>th</sup> April 2017 <sup>(a)</sup>

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

(a) Provisional

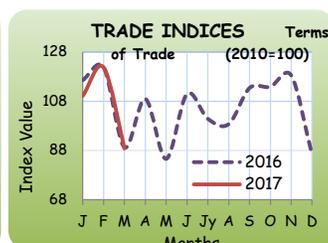
(b) This mainly includes only the predetermined outflows

(c) A major share of SWAP outstanding will be rolled over. This mainly includes SWAP arrangements with state banks which mobilised long-term foreign finance from international bond issuances

## 4.5 External Trade

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

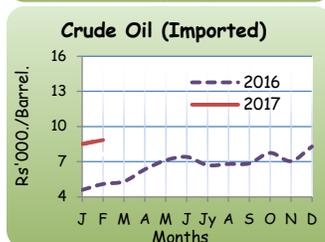
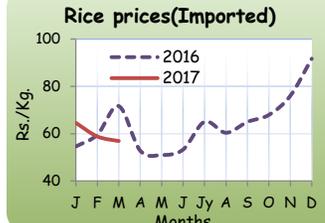
(a) Provisional (b) Revised



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

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

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



## 4.7 International Commodity Prices

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