

Weekly Economic Indicators

07 July 2017



Statistics Department
Central Bank of Sri Lanka

Real Sector

Inflation, as measured by the change in the National Consumer Price Index (NCPI) (2013=100), which is compiled by the Department of Census and Statistics (DCS), decelerated to 7.1 per cent in May 2017 from 8.4 per cent in April 2017, on year-on-year basis. This deceleration is mainly due to the base effect amid a monthly increase in NCPI. Both Food and Non-food categories contributed towards the year-on-year inflation in May 2017. The change in the NCPI measured on an annual average basis increased to 6.1 per cent in May 2017 from 6.0 per cent in April 2017. When the monthly change is considered, the NCPI increased from 121.0 index points in April 2017 to 121.8 index points in May 2017. This monthly increase was mainly due to the increase in prices of the items in the Food category. The NCPI Core inflation, which reflects the underlying inflation in the economy decreased significantly to 4.7 per cent in May 2017 from 5.9 per cent in April 2017 on a year-on-year basis. This decline is due to relatively low monthly increase and the base effect. Annual average NCPI Core inflation also declined from 6.6 per cent in April 2017 to 6.4 per cent in May 2017.

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

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

During the first five months of 2017, amidst the increasing trend of tea prices the domestic tea production decreased marginally and production of rubber decreased due to the slowdown of tapping activities. Meanwhile, the coconut production also declined during the similar 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.

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

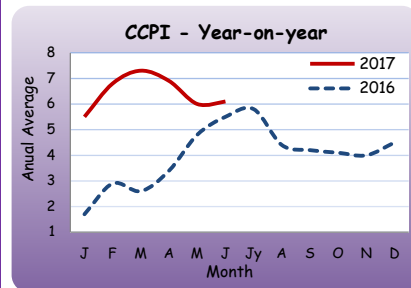
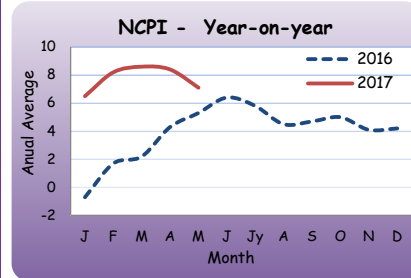
During the week, crude oil spot prices showed mixed performance, recording an increase in Brent price by US\$ 1.7 per barrel and a decline in WTI price by US\$ 0.5 per barrel. The upward trend of oil prices at the beginning of the week was mainly due to a reduction in U.S. oil output. However, prices started to reduce during the mid of the week largely due to stronger dollar and rising OPEC exports for the second consecutive month. Towards the end of the week, a reduction of U.S. crude inventories by 6.3 million barrels has led to an escalation of prices.

Highlights

REAL SECTOR

1.1 Price Indices

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

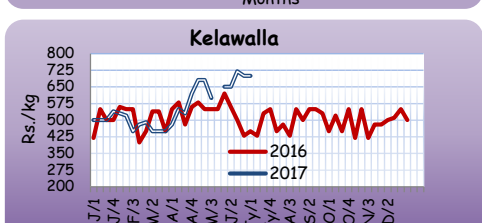
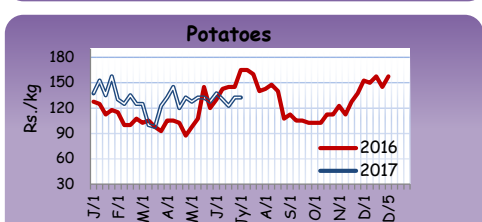
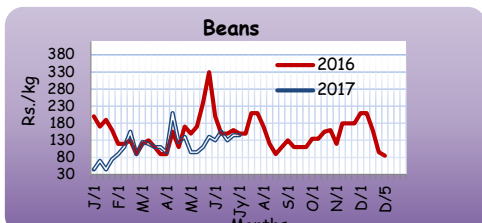
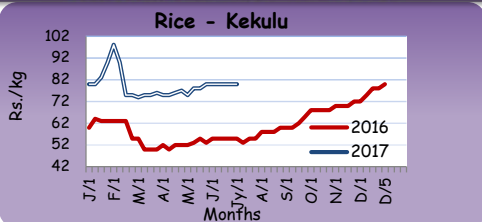


1.2 Pettah Market

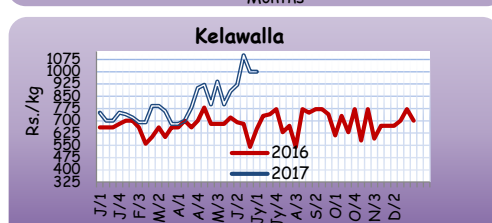
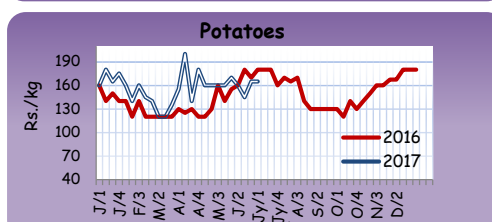
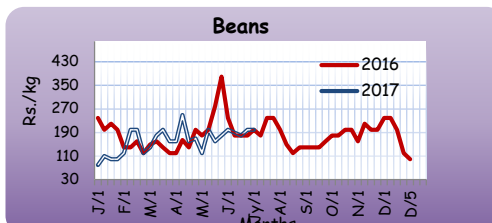
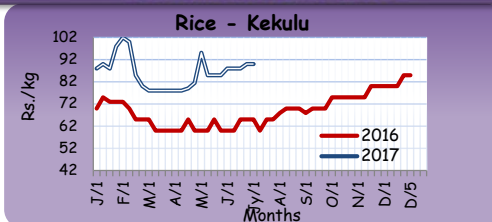
Item	Average Wholesale Prices				Average Retail Prices			
	Week Ending 07 th July 2017	Week Ago	Month Ago	Year Ago Annual Avg	Week Ending 07 th July 2017	Week Ago	Month Ago	Year Ago Annual Avg
	Rs / Kg				Rs / Kg			
Rice								
Samba	95.00	95.00	95.00	80.97	100.00	100.00	100.00	90.39
Kekulu (Red)	80.00	80.00	80.00	60.29	90.00	90.00	88.50	68.73
Vegetables								
Beans	115.00	145.00	123.75	147.16	180.00	200.00	185.00	179.12
Cabbage	90.00	100.00	100.00	76.62	140.00	140.00	160.00	115.10
Carrots	145.00	230.00	236.25	121.42	200.00	260.00	275.00	158.24
Tomatoes	135.00	115.00	101.25	75.00	160.00	140.00	135.00	107.06
Pumpkins	125.00	145.00	120.00	60.29	150.00	180.00	150.00	83.33
Snake Gourd	130.00	120.00	126.25	76.18	160.00	155.00	173.75	112.94
Brinjals	80.00	75.00	100.00	66.57	140.00	100.00	135.00	103.92
Ash-Plantains	60.00	70.00	67.50	67.65	100.00	100.00	105.00	95.69
Other Foods								
Red-Onions (Local)	250.00	400.00	372.50	92.66	295.00	480.00	435.00	131.74
Big-Onions (Local)	n.a.	n.a.	n.a.	74.50	n.a.	n.a.	n.a.	96.47
Potatoes (N'Eliya)	130.00	132.50	130.00	122.58	160.00	165.00	155.00	146.23
Dried Chillies (Imported)	165.00	170.00	160.00	293.68	220.00	240.00	210.00	350.78
Dhal (Indian)	135.00	140.00	140.00	160.16	155.00	155.00	156.50	171.41
Eggs	13.00	12.00	11.83	14.30	13.50	12.50	12.33	14.79
Coconut (Each)	49.00	50.00	50.75	34.69	60.00	65.00	63.75	47.60
Fish*								
Kelawalla	630.00	700.00	673.33	508.20	900.00	1000.00	1026.67	682.00
Balaya	350.00	350.00	365.00	327.29	450.00	460.00	470.00	424.79
Salaya	140.00	150.00	163.33	141.43	200.00	200.00	226.67	197.14
Paraw (Small)	630.00	650.00	616.67	540.36	740.00	750.00	723.33	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 06 th July 2017	
	Wholesale (Average)	Retail (Average)
Rice		
Samba	93.00	97.00
Kekulu (Red)	80.50	85.00
Vegetables		
Beans	128.50	148.50
Carrot	155.00	175.50
Tomatoes	99.50	119.50
Pumpkins	102.00	122.50
Snake Gourd	70.00	90.00
Ash-Plantains	61.00	81.00
Other Foods		
Red-Onions (Local)	258.50	270.50
Big-Onions (Local)	n.a.	n.a.
Potatoes (N'Eliya)	118.75	130.00
Dried Chilies(Imported)	158.00	170.00
Coconut (Each)	49.90	59.70

1.4 Narahenpita Economic Centre

Item (Rs / Kg)	Average Retail Prices	
	06 th July 2017	Week Ago
Rice		
Samba	96.00	96.00
Kekulu (Red)	88.00	88.00
Vegetables		
Beans	157.00	198.00
Cabbage	137.00	187.00
Carrots	197.00	297.00
Tomatoes	157.00	137.00
Pumpkins	177.00	157.00
Snake Gourd	197.00	197.00
Brinjals	157.00	157.00
Ash-Plantains	137.00	138.00
Other Foods		
Red-Onions (Imported)	n.a.	n.a.
Big-Onions (Imported)	87.00	88.00
Potatoes (Imported)	118.00	127.00
Dried Chilies (Imported)	217.00	207.00
Dhal (Indian)	160.00	158.00
Eggs (Red)(Each)	13.00	12.00
Coconut (Each)	68.00	68.00
Fish		
Kelawalla	1033.00	1133.00
Balaya	400.00	443.00
Salaya	203.00	277.00
Paraw (Small)	783.00	793.00

1.5 Maradaghamula Market

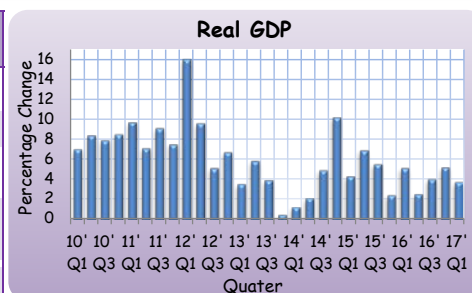
Average wholesale price of Rice				
Item (Rs / Kg)	Week Ending 07 th July	Week Ago	Month Ago	Year Ago
Samba	92.50	91.50	90.97	77.58
Sudu Kekulu	82.62	82.00	81.71	62.91
Raw Red	80.30	76.00	77.68	59.59
Nadu	90.10	89.17	87.50	66.62

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

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

(a) Provisional (b) Revised

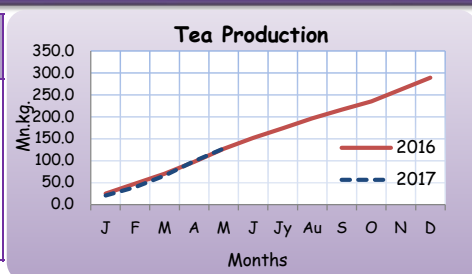
Source: Department of Census and Statistics



1.7 Agriculture Production

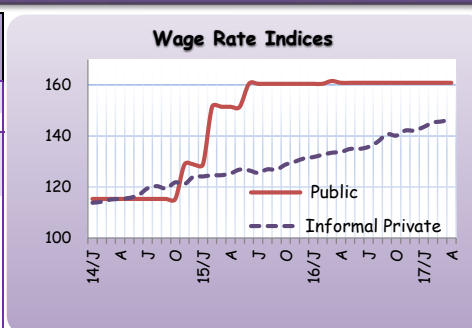
Item	Unit	2017(a) Jan-May	2016 Jan-May	% Change
Tea	(Mn Kg)	128.4	128.6	-0.1
Rubber	(Mn Kg)	38.4	42.5	-9.5
Coconuts	(Mn Nuts)	1,068.9	1,224.0	-12.7

(a) Provisional



1.8 Wage rate Indices

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



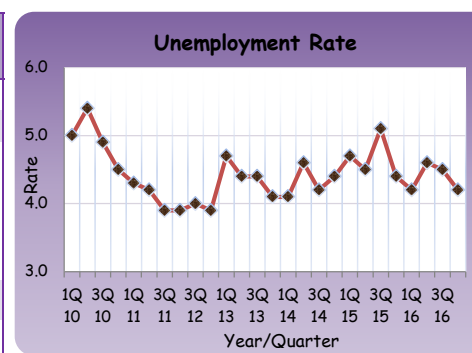
1.9 Employment (a)

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



1.10 Factory Industry-Production Index (FIPI) (2010=100) and Index of Industrial Production (IIP) (2015 = 100)

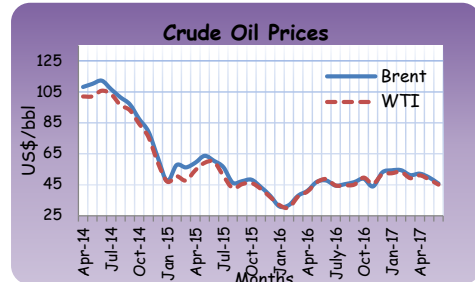
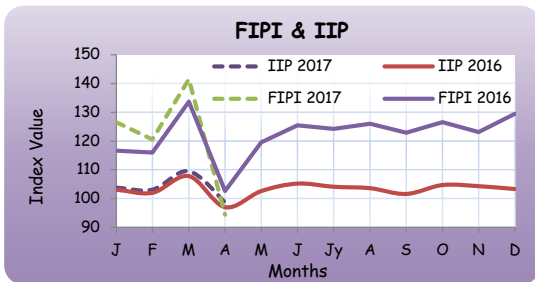
Item (a)	FIPI			IIP		
	April		% Change	April		% Change
	2017 (b)	2016 (b)		2017 (b)	2016 (c)	
Overall Index	94.4	102.6	-8.0	98.7	97.0	1.8
Food products	90.5	88.2	2.5	102.3	102.1	0.1
Wearing apparel	115.4	147.7	-21.9	97.0	94.9	2.1
Other non-metallic mineral products	111.5	108.5	2.7	112.5	101.9	10.4
Coke and refined petroleum products	69.0	64.3	7.3	93.4	85.2	9.6
Rubber and plastic products	98.2	94.3	4.2	95.8	95.6	0.2
Tobacco products	85.8	85.7	0.2	79.2	86.7	-8.6
Beverages	88.9	111.5	-20.3	92.7	101.1	-8.3
Chemicals and chemical products	63.8	64.0	-0.3	73.5	81.5	-9.8

(a) Major 8 sub divisions.

Source: IIP-Department of Census and Statistics

(b) Provisional

(c) Revised



1.11 Average Crude Oil Prices

Month	2016			2017		
	Spot Prices (US \$/bbl)	CPC Import Prices (CIF) (US\$/bbl)(*)	Spot Prices (US \$/bbl)	CPC Import Prices (CIF) (US\$/bbl)(*)	CPC Import Prices (CIF) (US\$/bbl)(*)	
	Brent (Benchmark price)		WTI (Benchmark price)			Brent (Benchmark price)
January	31.10	31.96	31.87	54.41	52.50	57.39
February	31.93	30.32	35.36	54.50	53.41	58.65
March	38.06	37.55	36.85	51.33	49.33	-
April	41.25	40.75	44.05	52.25	51.17	56.48
May	47.00	46.69	48.84	49.81	48.48	51.66
June	47.82	48.76	50.95	45.87	45.18	
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		
30 June	47.50	48.27		47.13	46.02	
03 July	-	-		49.23	-	
04 July	47.42	-		49.40	-	
05 July	45.04	46.73		47.88	45.11	
06 July	45.05	47.37		48.83	45.52	

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 07 July 2017 declined by 30 bp to 11.40% compared to the previous week.

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

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

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

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

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

The total outstanding market liquidity increased to a deficit of Rs. 15.09 bn by end of the week, compared to a deficit of Rs. 51.05 bn by the end of last week.

By 07 July 2017, the All Share Price Index (ASPI) declined by 0.14% to 6,738 points and the S&P SL20 Index declined by 0.62% to 3,909 points, compared to the previous week.

MONETARY SECTOR

2.1 Interest Rates

Item	Week Ending 07 July 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	8.20	
Sri Lanka Inter Bank Offered Rate (SLIBOR)				
1-day	8.75	8.75	8.20	
7-day	9.50	9.51	8.71	
1-Month	10.50	10.56	9.47	
3-Month	11.28	11.30	9.90	
6-Month	12.00	12.00	10.43	
12-Month	12.47	12.47	10.95	
Treasury Bill Yields (Excluding 10% withholding tax)				
91-day	9.60	9.60	8.87	
182-day	10.26	10.29	9.89	
364-day	10.45	10.47	10.56	
Licensed Commercial Banks				
Average Weighted Prime Lending Rate (AWPR)	11.40	11.70	10.70	
	May 2017	Month Ago	Year Ago	
Savings Deposits	0.50-09.00 (a)	0.50-9.00	0.50-8.50	
One Year Fixed Deposits	4.89-15.00	4.89-15.00	4.50-15.00	
	Jun-17	Month Ago	Year Ago	
Average Weighted Deposit Rate (AWDR)	9.13	8.99	6.87	
Average Weighted Fixed Deposit Rate (AWFDR)	11.66	11.52	8.64	
	May 2017	Month Ago	Year Ago	
Average Weighted Lending Rate (AWLR)	13.57	13.52	11.89	
National Savings Bank (NSB)				
	May 2017	Month Ago	Year Ago	
Savings Deposits	4.25	4.25	4.50	
One Year Fixed Deposits	11.00	11.00	8.50	
Treasury Bond Auction				
	04 Y & 02 Months 13/06/2017	05 Y & 11 Months 13/06/2017	07 Y & 09 Months 13/06/2017	10 Y & 00 Months 13/06/2017
Coupon rate	11.00	11.50	10.25	11.75
Weighted Average Yield (Excluding 10% withholding tax)	11.37	11.38	11.41	11.49

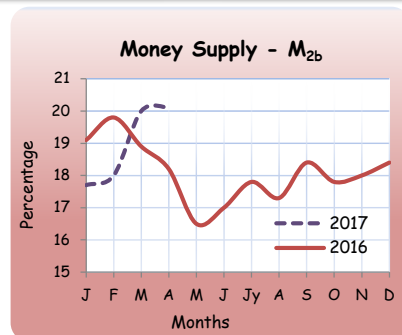
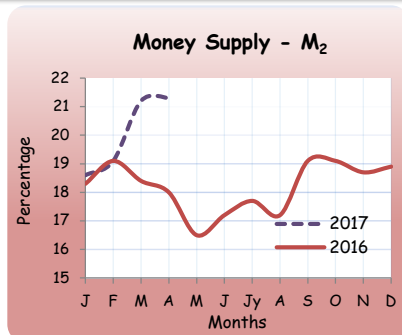
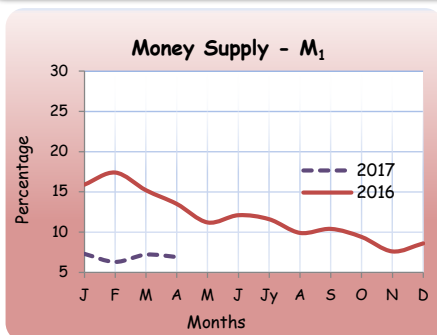
(a) Revised

Bankwise- AWPR	Week ending 07 July 2017	Week Ago	Bankwise- AWPR	Week ending 07 July 2017	Week Ago
Bank of Ceylon	12.34	12.28	HSBC	8.83	9.71
People's Bank	12.13	12.38	Standard Chartered Bank	11.69	11.66
Hatton National Bank	12.12	12.06	Citi Bank	12.02	9.99
Commercial Bank of Ceylon	12.68	12.44	Deutsche Bank	9.87	10.11
Sampath Bank	13.36	12.19	Habib Bank	10.76	10.77
Seylan Bank	13.14	12.68	Indian Bank	13.34	13.24
Union Bank of Colombo	14.93	14.96	Indian Overseas Bank	13.84	13.67
Pan Asia Banking Corporation	12.57	15.72	MCB Bank	12.73	12.88
Nations Trust Bank	12.33	12.67	State Bank of India	12.54	12.56
DFCC Bank	14.59	13.28	Public Bank	13.00	13.00
NDB Bank	15.00	12.75	ICICI Bank	10.26	10.33
Amana Bank	13.85	13.86	Axis Bank	11.33	11.40
Cargills Bank	14.51	14.15			

2.2 Money Supply

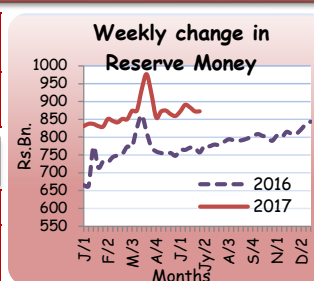
Item	Rs. bn			Annual Change (%)		
	2017	Month	Year	2017	Month	Year
	Apr (a)	Apr	Apr	Apr (a)	Apr	Apr
Reserve Money	885.6	892.2	763.1	16.0	12.7	24.6
M ₁	765.2	782.0	715.5	6.9	7.2	13.5
M ₂	5,146.8	5,096.2	4,242.1	21.3	21.2	18.1
M _{2b}	5,730.8	5,677.4	4,772.1	20.1	20.0	18.2
Net Foreign Assets of the Banking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

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



2.3 Weekly change in Reserve Money

Item	06 July 2017	Week Ago	Change
Reserve Money (Rs.Mn.)	888,667	872,554	16,112



2.4 Money Market Activity (Overnight)

Item	03.07.2017	04.07.2017	05.07.2017	06.07.2017	07.07.2017
Call Money Market					
Weighted Average Rate (% p.a.)	8.75	8.75	8.75	8.75	8.75
Gross Volume (Rs. Mn)	9,910	9,750	11,750	15,715	10,300
Repo Market					
Weighted Average Rate (% p.a.)	8.83	8.79	8.77	8.79	8.81
Gross Volume (Rs. Mn)	9,499	13,891	21,811	12,992	12,629

2.5 CBSL Security Portfolio

Item	03.07.2017	04.07.2017	05.07.2017	06.07.2017	07.07.2017
CBSL Treasury Bill Holdings -Face Value (Rs. Mn)	300,292	180,546	180,546	180,546	168,585
CBSL Treasury Bill Holdings -Book Value (Rs. Mn)	290,137	171,192	171,244	171,297	159,391

2.6 Open Market Operations

Item	03.07.2017	04.07.2017	05.07.2017	06.07.2017	07.07.2017
Short-Term Auction					
Repo Amount Offered (Rs. bn)	0.00	0.00	0.00	0.00	0.00
Reverse Repo Amount Offered (Rs. bn)	4.00	0.00	3.00	2.00	17.00
Tenure (No. of Days)	1	0	1	1	1
Bids Received (Rs. bn)	17.07	0.00	8.16	8.30	20.40
Amount Accepted (Rs. bn)	4.00	0.00	3.00	2.00	17.00
Weighted Average Yield Rate (% p.a.)	8.75	0.00	8.75	8.75	8.75
Term Auction					
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
Standing Facility					
Standing Deposit Facility (Rs. bn)	23.43	24.04	24.53	16.80	18.85
Standing Lending Facility (Rs. bn)	37.23	25.63	25.05	21.66	16.94
Total Outstanding Market Liquidity (Rs. bn)	-17.80	-1.59	-3.53	-6.85	-15.09

2.7 Credit Cards (a)

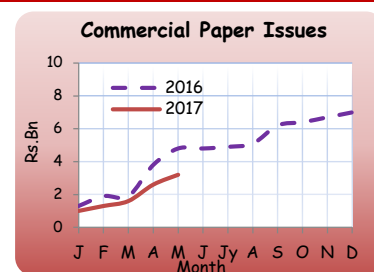
Item	2017 End May (b)	2017 End Apr	2016 End Dec
Total Number of Active Cards	1,368,764	1,354,971	1,309,248
Local (accepted only locally)	28,442	28,621	29,109
Global (accepted globally)	1,340,322	1,326,350	1,280,139
Outstanding balance (Rs.mn)	78,882	78,797	74,892
Local (accepted only locally)	742	771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

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

2.8 Commercial Paper Issues (a)

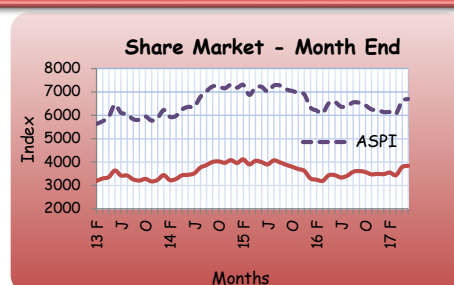
Item (Rs. bn.)	2017 End May (b)	2017 End Apr	2016 End Dec
Total Issues - Cumulative (c)	3.2	2.6	7.0
Outstanding (as at end of the period)	2.6	2.5	2.2

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



2.9 Share Market

Item	Week Ending 07 July 2017	Week Ago	Year Ago
All Share Price Index (1985 = 100) (ASPI)	6,738	6,747	6,311
S&P Sri Lanka 20 Index (2004 = 1,000) (S&P SL20)	3,909	3,934	3,326
Average Daily Turnover (Rs. mn)	696	1,150	538
Market Capitalisation (Rs.bn)	3,056	3,041	2,689



Fiscal Sector

Government revenue increased to 3.4 per cent of GDP in the first quarter of 2017 from 2.8 per cent in the first quarter of 2016 as a result of continued efforts taken by the government to enhance revenue collection. Tax revenue as a per cent of GDP in the first quarter of 2017 increased to 3.2 per cent from 2.6 per cent recorded in the first quarter of 2016. Non tax revenue as a per cent of GDP remained unchanged of 0.2 per cent. During the first quarter of 2017 total revenue in nominal terms increased by 26.2 per cent to Rs. 436.0 billion from Rs. 345.6 billion in the first quarter of 2016, reflecting increases in tax revenue.

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

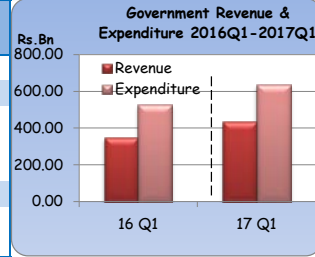
In the first quarter of 2017, the overall budget deficit of Rs. 199.7 billion was mainly financed through domestic sources. Accordingly, foreign financing was a net repayment of Rs. 50.7 billion compared to the net repayment of Rs. 85.7 in the corresponding period of previous year, while the overall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

As at end March 2017, government debt increased by 3.4 per cent to Rs. 9,702.8 billion from Rs. 9,387.3 billion recorded at the end of 2016. The domestic debt increased by Rs. 284.7 billion to Rs. 5,625.2 billion as at end March 2017 from Rs. 5,341.5 billion recorded as at end March 2016, while the foreign debt increased to Rs. 4,076.7 billion by end March 2017 from Rs. 4,045.8 billion in end March 2016.

FISCAL SECTOR

3.1 Government Finance (Rs.bn)

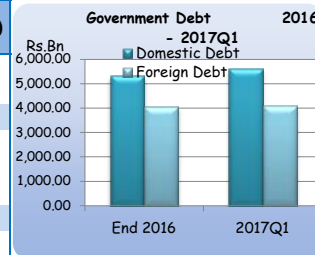
Item	2016 Q1	2017 Q1(a)
Revenue and Grants	345.6	436.7
Revenue	345.6	436.0
Tax	325.4	415.1
Non tax	20.2	20.9
Grants	0.0	0.7
Expenditure & Lending Minus Repayments	526.3	636.3
Recurrent	426.5	484.2
Capital & Lending Minus Repayments	99.8	152.1



(a) Provisional

3.2 Outstanding Central Government Debt (Rs.bn)

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



(a) Provisional

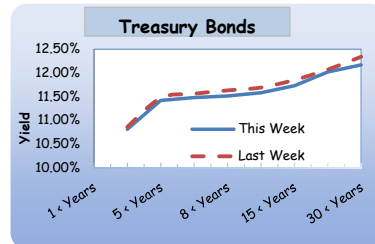
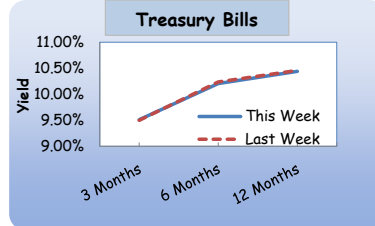
3.3 Government Securities - Primary and Secondary Market Yield Rates for the week ending - 05th July 2017

Security	Maturity	Primary Market(a)		Secondary Market			
		This Week	Last Week	This Week			Last Week
				Buying	Selling	Average	
Treasury Bills	3 Months	9.60%	9.60%	9.61%	9.40%	9.51%	9.50%
	6 Months	10.26%	10.29%	10.29%	10.13%	10.21%	10.24%
	12 Months	10.45%	10.47%	10.52%	10.36%	10.44%	10.46%
Treasury Bonds(b)	< 2 Years	-	-	10.88%	10.75%	10.81%	10.86%
	< 5 Years	-	-	11.47%	11.36%	11.42%	11.47%
	< 6 Years	-	-	11.53%	11.44%	11.48%	11.56%
	< 8 Years	-	-	11.56%	11.46%	11.51%	11.63%
	< 10 Years	-	-	11.63%	11.52%	11.58%	11.69%
	< 15 Years	-	-	11.78%	11.67%	11.73%	11.85%
	< 20 Years	-	-	12.08%	11.97%	12.02%	12.07%
	< 30 Years	-	-	12.24%	12.10%	12.17%	12.34%

(a) Primary market transactions during the week ending 05/07/2017

(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 decreased 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%	4.32%	4.17%
	27-Jul-21	6.250%	4.58%	4.47%
	18-Jan-22	5.750%	4.88%	4.78%
	25-Jul-22	5.875%	5.07%	4.98%
	14-Jan-19	6.000%	3.63%	3.50%
	11-Apr-19	5.125%	3.68%	3.61%
	3-Jun-25	6.125%	5.78%	5.69%
	3-Nov-25	6.850%	5.97%	5.88%
	18-Jul-26	6.825%	6.03%	5.93%
11-May-27	6.200%	6.15%	6.08%	

3.4 Government Securities - Weekly Summary of Primary and Secondary Market Transactions (Week Ended - 05th July 2017)

Item	Volume in Rs Mn	
	This Week	Last Week
Outstanding Stock of Government Securities		
Treasury Bills	825,704.90	800,912.69
Treasury Bonds (a)	4,011,665.33	4,011,665.33
Total	4,837,370.23	4,812,578.02
T-bills and T-bonds held by Foreigners	234,103.52	236,205.16
Sri Lanka Development Bonds (SLDB)	650,007.83	648,002.83

The outstanding stock of T-bills and T-bonds held by foreigners was decreased by 0.89 per cent during the reporting week.

Primary Market Activities	Volume in Rs Mn	
	This Week	Last Week
Treasury Bills		
Amount Offered	31,000.00	29,500.00
Total Bids Received	86,301.00	46,468.00
Total Bids Accepted	30,873.00	5,405.00
Treasury Bonds		
Amount Offered	-	-
Total Bids Received	-	-
Total Bids Accepted	-	-

The weekly T-bill auction was over subscribed by 2.8 times during the reporting week.

Secondary Market Activities	Volume in Rs Mn	
	This Week	Last Week
Treasury Bills		
Outright Transaction (Sales / Purchases)	17,326.75	27,496.14
Repo Transaction (Sales / Purchases)	192,034.80	137,338.25
Treasury Bonds		
Outright Transaction (Sales / Purchases)	173,980.55	80,106.78
Repo Transaction (Sales / Purchases)	680,012.89	499,285.73

The total secondary market transactions of T bills and T bonds increased by 42.88 percent in the reporting week compared to the previous week.

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

3.5 Two way Quotes (Treasury Bills) - 07/07/2017

Remaining Maturity	Average Buying Price	Yield %	Average Selling Price	Yield %	Buying & Selling Spread
1-7 Days	99.83	9.06	99.83	8.86	0.00
1 Month	99.24	9.22	99.26	9.01	0.02
2 Month	98.46	9.38	98.49	9.18	0.03
3 Month	97.63	9.60	97.68	9.39	0.05
4 Month	96.77	9.83	96.84	9.61	0.07
5 Month	95.85	10.11	95.92	9.92	0.08
6 Month	94.93	10.27	95.01	10.12	0.08
7 Month	94.07	10.31	94.15	10.17	0.08
8 Month	93.18	10.37	93.28	10.22	0.10
9 Month	92.31	10.40	92.40	10.27	0.09
10 Month	91.43	10.42	91.54	10.29	0.11
11 Month	90.55	10.45	90.68	10.31	0.12
12 Month	89.67	10.48	89.79	10.35	0.13

3.6 Two way Quotes (Treasury Bonds) - 07/07/2017

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	8	99.91	9.61	99.92	9.36	0.01
08.50%2018A	15	1-Feb-18	209	99.14	10.08	99.27	9.83	0.13
08.50%2018C	5	1-Apr-18	268	98.65	10.41	98.81	10.18	0.16
08.50%2018D	5	1-Jun-18	329	98.24	10.58	98.33	10.47	0.10
08.50%2018B	15	15-Jul-18	373	97.93	10.69	98.03	10.58	0.10
07.50%2018A	15	15-Aug-18	404	96.82	10.60	96.95	10.47	0.13
08.75%2018A	4	15-Oct-18	465	97.80	10.62	97.92	10.52	0.12
08.00%2018A	6	15-Nov-18	496	96.75	10.62	96.86	10.53	0.11
05.65%2019A	8	15-Jan-19	557	92.93	10.81	93.07	10.71	0.14
10.75%2019A	2	15-Jan-19	557	100.05	10.71	100.16	10.63	0.11
08.50%2019A	10	1-May-19	663	96.36	10.74	96.53	10.63	0.17
10.60%2019A	5	1-Jul-19	724	99.46	10.91	99.72	10.76	0.26
10.60%2019B	5	15-Sep-19	800	99.50	10.84	99.71	10.74	0.20
08.00%2019A	8	1-Nov-19	847	94.20	10.88	94.38	10.79	0.17
09.25%2020A	5	1-May-20	1,029	95.88	10.98	96.19	10.84	0.31
08.00%2020A	8	1-Jun-20	1,060	92.38	11.14	92.51	11.08	0.12
06.20%2020A	10	1-Aug-20	1,121	87.35	11.18	87.49	11.12	0.15
09.50%2020A	5	15-Dec-20	1,257	95.40	11.14	95.64	11.05	0.24
10.75%2021A	5	1-Mar-21	1,333	98.55	11.23	98.75	11.16	0.20
09.00%2021A	8	1-May-21	1,394	93.08	11.27	93.30	11.20	0.22
11.00%2021A	7	1-Aug-21	1,486	99.11	11.27	99.37	11.19	0.26
09.45%2021A	7	15-Oct-21	1,561	93.57	11.38	93.80	11.31	0.23
11.50%2021A	5	15-Dec-21	1,622	100.72	11.28	100.98	11.21	0.26
08.00%2022A	10	1-Jan-22	1,639	88.08	11.47	88.38	11.38	0.30
11.20%2022A	9	1-Jul-22	1,820	99.06	11.45	99.44	11.35	0.39
10.00%2022A	8	1-Oct-22	1,912	94.58	11.39	94.98	11.29	0.40
11.50%2023A	6	15-May-23	2,138	100.04	11.48	100.40	11.40	0.36
09.00%2023A	10	1-Sep-23	2,247	89.07	11.52	89.31	11.46	0.24
11.20%2023A	9	1-Sep-23	2,247	99.01	11.42	99.29	11.36	0.28
07.00%2023A	20	1-Oct-23	2,277	80.07	11.57	80.34	11.50	0.28
11.40%2024A	10	1-Jan-24	2,369	99.68	11.47	100.12	11.37	0.45
11.00%2024A	8	1-Aug-24	2,582	97.94	11.43	98.27	11.36	0.33
06.00%2024A	10	1-Dec-24	2,704	72.60	11.62	72.96	11.53	0.36
10.25%2025A	10	15-Mar-25	2,808	93.57	11.53	94.00	11.44	0.42
09.00%2025A	12	1-May-25	2,855	86.69	11.63	87.04	11.56	0.35
11.00%2025A	10	1-Aug-25	2,947	97.21	11.54	97.69	11.44	0.48
09.00%2026A	13	1-Feb-26	3,131	85.81	11.66	86.18	11.58	0.37
05.35%2026A	15	1-Mar-26	3,159	66.13	11.67	66.44	11.59	0.32
11.00%2026A	11	1-Jun-26	3,251	96.61	11.62	97.30	11.49	0.69
11.50%2026A	10	1-Aug-26	3,312	100.14	11.47	100.57	11.40	0.42
11.75%2027A	10	15-Jun-27	3,630	100.41	11.68	100.91	11.59	0.51
09.00%2028B	15	1-May-28	3,951	100.41	11.68	100.91	11.59	0.51
09.00%2028A	15	1-Jul-28	4,012	83.76	11.68	84.23	11.59	0.47
11.50%2028A	13	1-Sep-28	4,074	83.56	11.70	83.95	11.62	0.40
13.00%2029A	15	1-Jan-29	4,196	98.92	11.67	99.39	11.59	0.47
13.00%2029B	15	1-May-29	4,316	108.33	11.66	108.98	11.57	0.65
11.00%2030A	15	15-May-30	4,695	107.75	11.76	108.17	11.70	0.42
08.00%2032A	20	1-Jan-32	5,291	94.82	11.79	95.16	11.73	0.34
09.00%2032A	20	1-Oct-32	5,565	74.37	11.72	75.04	11.60	0.67
09.00%2033A	20	1-Jun-33	5,808	79.09	12.02	79.55	11.94	0.47
13.25%2033A	20	1-Jul-33	5,838	78.72	12.03	79.16	11.96	0.44
09.00%2033B	20	1-Nov-33	5,961	108.31	12.07	109.02	11.97	0.71
13.25%2034A	20	1-Jan-34	6,022	78.23	12.08	78.82	11.98	0.59
11.50%2035A	20	15-Mar-35	6,460	108.09	12.11	108.92	12.00	0.83
12.00%2041A	25	1-Jan-41	8,579	95.45	12.13	96.18	12.02	0.74
09.00%2043A	30	1-Jun-43	9,460	99.80	12.03	102.16	11.73	2.36
13.50%2044A	30	1-Jan-44	9,674	75.03	12.19	75.58	12.10	0.55
13.50%2044B	30	1-Jun-44	9,826	109.72	12.26	110.49	12.17	0.77
12.50%2045A	30	1-Mar-45	10,099	109.04	12.34	110.06	12.22	1.02

External Sector

During the year up to 07 July 2017 the Sri Lanka rupee depreciated against the US dollar (2.5 per cent). Given the cross currency exchange rate movements, the Sri Lanka rupee depreciated against the pound sterling (7.7 per cent), euro (10.0 per cent), Japanese yen (4.7 per cent) and Indian rupee (7.1 per cent) during this period.

Earnings from exports at US dollars 795 million in April 2017 increased for the second consecutive month, registering a year-on-year growth of 11.9 per cent. On a cumulative basis, exports earnings during the first four months of 2017 at US dollars 3,569 million, grew by 3.5 per cent (year-on-year) with higher earnings from tea, spices, machinery and mechanical appliances, petroleum products and seafood exports.

Expenditure on imports increased by 9.8 per cent (year-on-year) to US dollars 1,604 million in April 2017. On a cumulative basis, import expenditure at US dollars 6,883 million during the first four months of 2017 increased by 13.7 per cent (year-on-year), largely due to increased imports of fuel, gold and rice.

The export unit value index increased by 1.2 per cent in April 2017, year-on-year, reflecting price increase in agricultural exports. The import unit value index increased by 1.5 per cent, year-on-year, in April 2017 mainly due to price increases in intermediate goods and consumer goods imports. The terms of trade deteriorated marginally by 0.2 per cent to 108.3 index points in April 2017 compared to the corresponding month of previous year due to higher increase in import prices (1.5%) relative to the increase in export prices (1.2%) during the month.

India, China, UK, Germany and France were the top five sources of tourist arrivals, accounting for 51.7 per cent of total tourist arrivals upto the month of June 2017.

The average price of tea increased to US dollars 4.28 per kg in April 2017 from US dollars 2.97 per kg (in the Colombo auction) in April 2016.

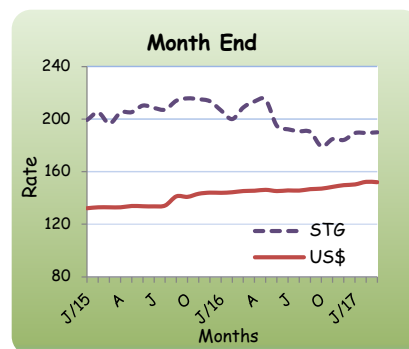
Further, the import prices of rice and wheat decreased compared to the corresponding month of 2016.

EXTERNAL SECTOR

4.1 Exchange Rates

Item (Rs Per Unit)(a)	Week Ending - 07 July 2017			Average Rate	
	Buying Rate	Selling Rate	Average Rate	Week Ago	Year Ago
US\$	151.58	155.38	153.48	153.30	146.78
STG	195.83	202.45	199.14	199.74	190.02
Yen	1.33	1.38	1.35	1.37	1.46
Euro	171.94	178.42	175.18	175.38	162.76
INR ⁽¹⁾			2.37	2.37	2.15
SDR (As at 06 July 2017)			213.38	213.20	202.89
Central Bank purchases and sales(b) (US\$ Mn.)			May 2017	Month Ago	Year Ago
Purchases			183.47	257.92	123.83
Sales			35.00	-	36.20

	Week Ending 07 July 2017	Week Ago	Year Ago
Average Daily Interbank Volume (US\$ Mn.) (spot, tom and cash transactions among commercial banks)	27.96	66.21	19.50
Forward Transactions			
Forward Rates (US\$) ⁽²⁾			
1 Month	154.68	154.46	147.08
3 Months	-	156.34	147.64
Average Daily Interbank Forward Volume (US\$ mn)	18.99	37.19	30.62
Outstanding Forward Volume (US\$ mn) (As at 06 July 2017)	1,348.36	1,374.92	1,587.81



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

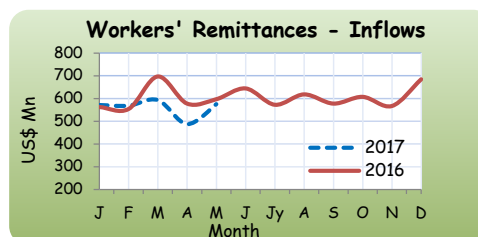
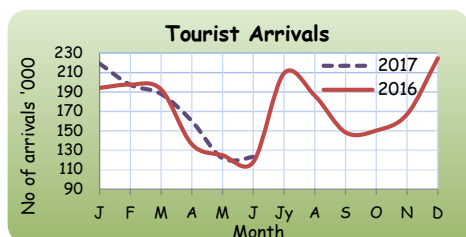
(b) Central Bank purchases and sales of foreign exchange from commercial banks at market rates total for the Month

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

4.2 Tourism & Workers' Remittances

Item		2016	2017	2016	2017	% Change
		Jun (a)(b)	Jun (c)(d)	Jan-Jun(a)(b)	Jan-Jun(c)(d)	
Tourist Arrivals	Number	118,038	123,351	964,267	1,010,444	4.8
Earnings from Tourism(d)	US\$ Mn.	202.5	211.6	1,654.3	1,733.6	4.8
	Rs.bn.	29.4	32.3	238.8	262.4	9.9
Workers' Remittances (Inflows)		2016	2017	2016	2017	% Change
	US\$ Mn.	May	May (c)	Jan-May	Jan-May (c)	
	US\$ Mn.	597.2	575.4	2,968.6	2,797.0	-5.8
	Rs. bn.	87.0	87.6	428.3	423.1	-1.2

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



4.3 Official Reserve Assets as at 30th June 2017^(a)

Official Reserve Assets (USD Mn)	6,953.60
(1) Foreign Currency Reserves	5,995.78
(2) Reserve position in the IMF	66.59
(3) SDRs	0.20
(4) Gold	890.03
(5) Other Reserve Assets	1.00
(a) Provisional	

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

Official Reserve Assets (USD mn)				
Official Reserve Assets				6,759.70
(1) Foreign currency reserves				5,787.15
(a) Securities				2,172.83
(b) Total currency and deposits with				3,614.32
(i) other national central banks, BIS				2,338.78
(ii) banks headquartered inside the reporting country of which located abroad				1.17
(iii) banks headquartered outside the reporting country				1,274.37
(2) Reserve position in the IMF				66.25
(3) SDRs				0.20
(4) Gold				905.1
(5) Other reserve assets				1.00
Predetermined Short-Term Net Drains on Foreign Currency Assets ^(b)				
Item	Total	Maturity breakdown (residual maturity)		
		Up to 1 month	More than 1 and up to 3 months	More than 3 months and up to 1 year
1. Foreign currency loans, securities, and deposits				
outflows (-)				
Principal	-3,562.27	-726.92	-539.49	-2,295.86
Interest	-1,194.87	-62.23	-236.19	-896.46
inflows (+)				
Principal				
Interest				
2. Aggregate short and long positions in forwards and futures in foreign currencies vis-à-vis the domestic currency (including the forward leg of currency swaps)				
(a) Short positions (-) ^(c)	-1,925.74	-185.00	-424.31	-1,316.43
(b) Long positions (+)				
3. Other (specify)	-0.08	-0.08		
inflows related to reverse repos (+)				
other accounts payable (-)	-0.08	-0.08		

(a) Provisional

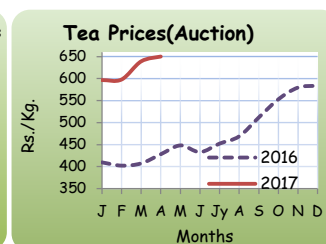
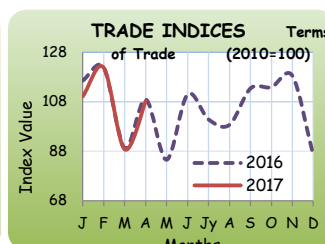
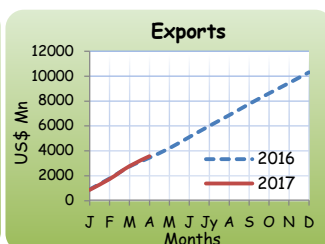
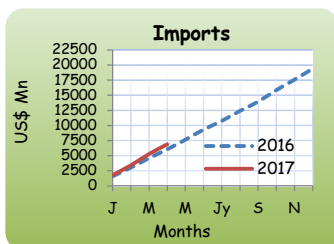
(b) This mainly includes only the predetermined outflows

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

4.5 External Trade

Item	US\$ Mn			Rs Mn		
	Jan - Apr 2017 (a)	Jan - Apr 2016	% Change	Jan - Apr 2017 (a)	Jan - Apr 2016	% Change
Exports	3,569.0	3,449.6 (b)	3.5	539,027.2	496,514.4 (b)	8.6
Agricultural	851.7	721.8	18.0	128,654.5	103,885.7	23.8
Industrial	2,701.5	2,713.5 (b)	-0.4	407,978.7	390,572.3 (b)	4.5
Food, Beverages and Tobacco	101.4	117.4 (b)	-13.6	15,323.9	16,896.0 (b)	-9.3
Textiles and Garments	1,626.3	1,709.8	-4.9	245,571.6	246,092.7	-0.2
Petroleum Products	120.1	92.3	30.1	18,142.2	13,290.3	36.5
Leather, Rubber products etc	297.7	301.4	-1.3	44,953.2	43,388.9	3.6
Other	556.0	492.6	12.9	83,987.9	70,904.5	18.5
Mineral	9.9	9.2	8.0	1,503.3	1,325.5	13.4
Other	5.9	5.1	16.1	890.7	730.9	21.8
Imports	6,883.3	6,055.4	13.7	1,039,473.8	871,563.9	19.3
Consumer Goods	1,515.6	1,425.5	6.3	228,931.4	205,176.0	11.6
Intermediate Goods	3,692.2	3,019.2	22.3	557,573.1	434,562.0	28.3
Investment Goods	1,614.6	1,607.8	0.4	243,824.5	231,420.5	5.4
Other	60.9	2.8	2,061.4	9,144.7	405.5	2,155.4
Trade Balance	-3,314.3	-2,605.8 (b)	27.2	-500,446.5	-375,049.5 (b)	33.4

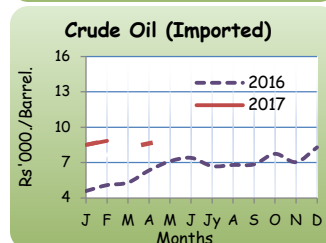
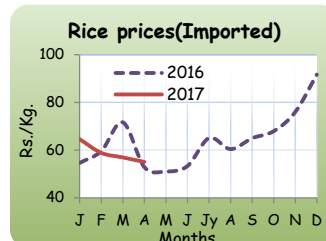
(a) Provisional (b) Revised



4.6 Trade Indices (2010= 100) (a)

Item	2017 Apr (b)	Month Ago (b)	Year Ago
Total Exports			
Value	110.6	145.0	98.9 (c)
Quantity	111.0	176.3	100.4 (c)
Unit Value	99.6	82.2	98.4 (c)
Total Imports			
Value	143.5	167.3	130.7
Quantity	156.0	180.7	144.2
Unit Value	92.0	92.6	90.7
Terms of Trade	108.3	88.8	108.6 (c)

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



4.7 International Commodity Prices

Item	April 2017	April 2016	% Change	April 2017	April 2016	% Change
	US\$ / Kg			Rs / Kg		
Tea Prices	4.28	2.97	44.0	650.10	428.04	51.9
Imports (CIF)	US\$ / MT			Rs / MT		
Rice	362.67	367.19	-1.2	55,038.95	52,838.83	4.2
Sugar	570.03	448.08	27.2	86,506.89	64,479.00	34.2
Wheat	225.91	231.81	-2.5	34,283.56	33,357.78	2.8
	US\$ / Barrel			Rs / Barrel		
Crude Oil	56.48	44.05	28.2	8,571.40	6,338.30	35.2