

Weekly Economic Indicators

14 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 IIP in May 2017 has increased by 0.1 per cent in comparison with the corresponding month of 2016. Among the major sub divisions of the manufacturing industries; volume of products of 'Coke and refined petroleum products' (12.0%); 'Rubber and plastic products' (10.2%) and 'Other non-metallic mineral products' (6.9%) have shown remarkable increase in production during the month of May, 2017 compared to that of May, 2016 and 'Chemicals & chemical products' and 'Beverages' decreased by 21.1% and 5.7% respectively during this period.

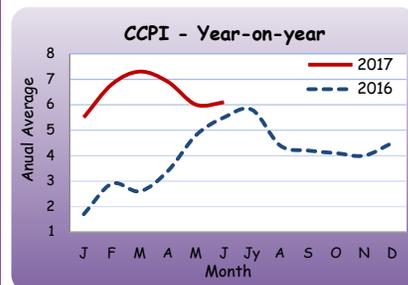
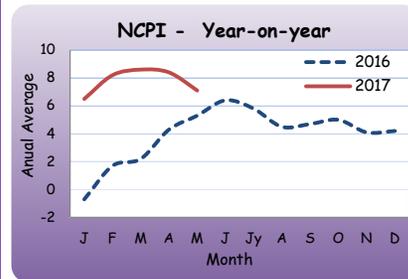
During the week, crude oil spot prices followed an increasing trend, recording an increase in Brent and WTI prices by US\$ 1.0 per barrel and US\$ 1.8 per barrel, respectively. The upward trend of oil prices at the beginning of the week was mainly due to the downward revision of the crude production outlook for 2018 by the USA. However, with the expected decline of the demand for crude oil in 2018 estimated by the OPEC, the Brent price fell during the mid of the week. Towards the end of the week, the stronger oil demand from China led to further 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

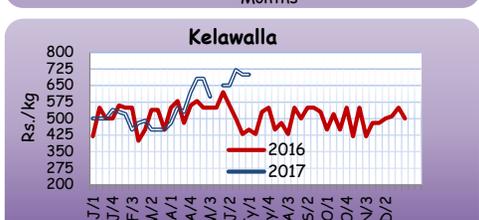
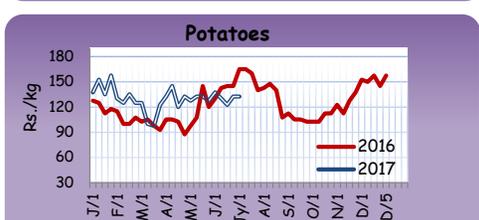
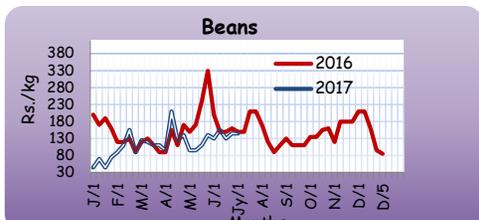
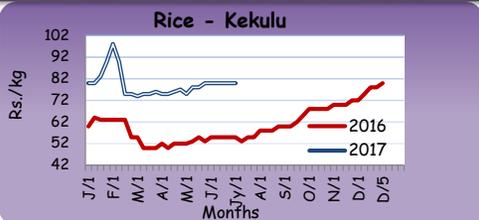


1.2 Pettah Market

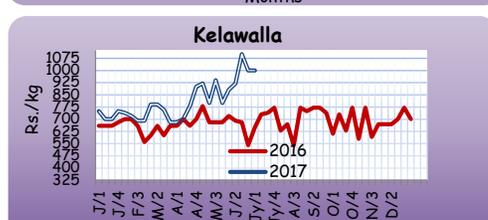
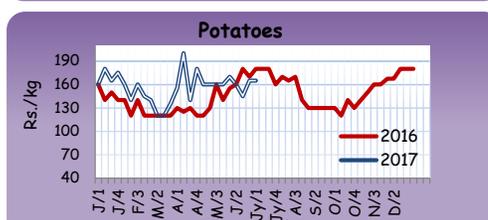
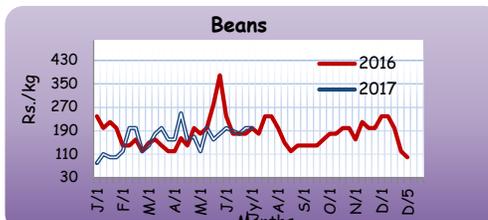
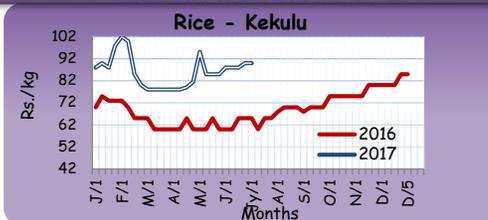
Item	Average Wholesale Prices				Average Retail Prices			
	Week Ending 14 th July 2017	Week Ago	Month Ago	Year Ago Annual Avg	Week Ending 14 th July 2017	Week Ago	Month Ago	Year Ago Annual Avg
	Rs / Kg				Rs / Kg			
Rice								
Samba	95.00	95.00	95.00	80.97	100.00	100.00	100.00	90.39
Kekulu (Red)	80.00	80.00	80.00	60.29	88.00	90.00	88.50	68.73
Vegetables								
Beans	95.00	115.00	123.75	147.16	130.00	180.00	185.00	179.12
Cabbage	110.00	90.00	100.00	76.62	160.00	140.00	160.00	115.10
Carrots	140.00	145.00	236.25	121.42	190.00	200.00	275.00	158.24
Tomatoes	90.00	135.00	101.25	75.00	130.00	160.00	135.00	107.06
Pumpkins	105.00	125.00	120.00	60.29	145.00	150.00	150.00	83.33
Snake Gourd	125.00	130.00	126.25	76.18	145.00	160.00	173.75	112.94
Brinjals	105.00	80.00	100.00	66.57	150.00	140.00	135.00	103.92
Ash-Plantains	75.00	60.00	67.50	67.65	105.00	100.00	105.00	95.69
Other Foods								
Red-Onions (Local)	200.00	250.00	372.50	92.66	240.00	295.00	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)	147.50	130.00	130.00	122.58	175.00	160.00	155.00	146.23
Dried Chillies (Imported)	160.00	165.00	160.00	293.68	210.00	220.00	210.00	350.78
Dhal (Indian)	140.00	135.00	140.00	160.16	155.00	155.00	156.50	171.41
Eggs	13.00	13.00	11.83	14.30	13.50	13.50	12.33	14.79
Coconut (Each)	49.00	49.00	50.75	34.69	65.00	60.00	63.75	47.60
Fish*								
Kelawalla	580.00	630.00	673.33	508.20	900.00	900.00	1026.67	682.00
Balaya	360.00	350.00	365.00	327.29	460.00	450.00	470.00	424.79
Salaya	160.00	140.00	163.33	141.43	240.00	200.00	226.67	197.14
Paraw (Small)	580.00	630.00	616.67	540.36	680.00	740.00	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 13 th July 2017	
	Wholesale (Average)	Retail (Average)
Rice		
Samba	93.00	97.00
Kekulu (Red)	80.50	85.00
Vegetables		
Beans	90.00	111.00
Carrot	181.00	202.50
Tomatoes	83.00	102.50
Pumpkins	100.00	120.00
Snake Gourd	81.50	101.50
Ash-Plantains	63.50	83.50
Other Foods		
Red-Onions (Local)	198.00	210.00
Big-Onions (Local)	n.a.	n.a.
Potatoes (N'Eliya)	125.00	135.50
Dried Chilies(Imported)	158.60	170.50
Coconut (Each)	51.20	59.30

1.5 Maradaghamula Market

Average wholesale price of Rice				
Item (Rs / Kg)	Week Ending 14 th July	Week Ago	Month Ago	Year Ago
Samba	92.20	92.50	90.97	77.58
Sudu Kekulu	82.50	82.62	81.71	62.91
Raw Red	80.40	80.30	77.68	59.59
Nadu	89.90	90.10	87.50	66.62

1.4 Narahenpita Economic Centre

Item (Rs / Kg)	Average Retail Prices	
	13 th July 2017	Week Ago
Rice		
Samba	98.00	96.00
Kekulu (Red)	85.00	88.00
Vegetables		
Beans	157.00	157.00
Cabbage	117.00	137.00
Carrots	277.00	197.00
Tomatoes	157.00	157.00
Pumpkins	157.00	177.00
Snake Gourd	197.00	197.00
Brinjals	137.00	157.00
Ash-Plantains	117.00	137.00
Other Foods		
Red-Onions (Imported)	n.a.	n.a.
Big-Onions (Imported)	90.00	87.00
Potatoes (Imported)	120.00	118.00
Dried Chilies (Imported)	183.00	217.00
Dhal (Indian)	153.00	160.00
Eggs (Red)(Each)	14.00	13.00
Coconut (Each)	55.00	68.00
Fish		
Kelawalla	1033.00	1033.00
Balaya	433.00	400.00
Salaya	183.00	203.00
Paraw (Small)	825.00	783.00

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

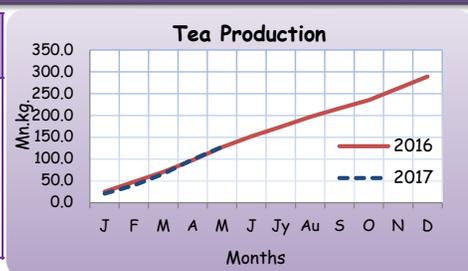
Source: Department of Census and Statistics



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 Index of Industrial Production (IIP) (2015 = 100) (a) (b)

Item	2017 May (c)	2016 May (d)	% Change
Index of Industrial Production	104.9	102.6	2.3
Food products	102.9	102.8	0.1
Wearing apparel	112.1	109.0	2.8
Other non-metallic mineral products	109.6	102.5	6.9
Coke and refined petroleum products	101.5	90.6	12.0
Rubber and plastic products	115.0	104.3	10.2
Chemicals and chemical products	80.6	101.9	-21.0
Beverages	88.1	93.4	-5.7

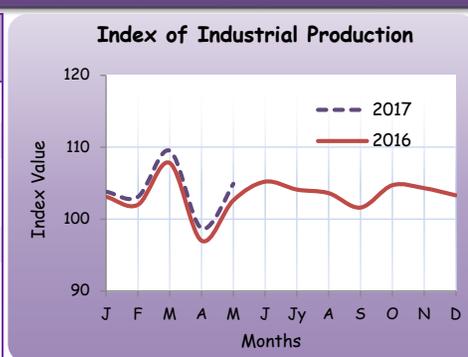
(a) Major 7 sub divisions of IIP.

Source: Department of Census and Statistics

(b) The Factory Industry-Production Index (FIPI)

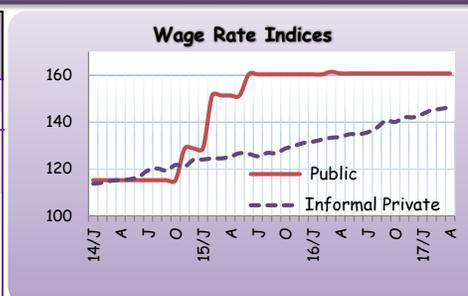
has been replaced with the Index of Industrial Production (IIP).

(c) Provisional (d) Revised



1.9 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



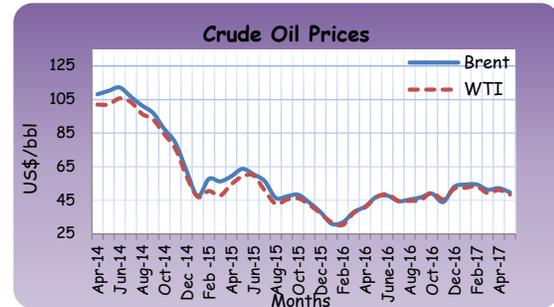
1.10 Employment (a)

Item	2016 1 st Quarter	2017 (b) 1 st Quarter	2016 (b) Annual
Labour Force Participation rate	54.1	54.7	53.8
Unemployment rate	4.2	4.1	4.4
Employed Persons by Sectors (c) (as a % of total employment)			
Agriculture	28.5	27.0	27.1
Industry	26.0	28.0	26.4
Services	45.5	45.0	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 (CIF) (US\$/bbl)(*)	Spot Prices (US \$/bbl)		CPC Import Prices (CIF) (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	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		
07 July	45.28	45.22		46.72	44.25	
10 July	-	-		46.82	44.40	
11 July	43.39	44.73		46.93	45.06	
12 July	46.07	46.82		46.68	45.48	
13 July	44.27	44.87		47.75	46.06	

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 14 July 2017 increased by 44 bp to 11.84% 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 decreased compared to the previous week due to decrease in currency in circulation.

The total outstanding market liquidity increased to a deficit of Rs. 13.92 bn by end of the week, compared to a deficit of Rs. 15.09 bn by the end of last week.

By 14 July 2017, the All Share Price Index (ASPI) increased by 0.43% to 6,766 points and the S&P SL20 Index increased by 0.02% to 3,910 points, compared to the previous week.

MONETARY SECTOR

2.1 Interest Rates

Item	Week Ending 14 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	8.21	
Sri Lanka Inter Bank Offered Rate (SLIBOR)				
1-day	8.75	8.75	8.23	
7-day	9.43	9.50	8.68	
1-Month	10.44	10.50	9.55	
3-Month	11.26	11.28	10.01	
6-Month	11.98	12.00	10.59	
12-Month	12.43	12.47	11.03	
Treasury Bill Yields (Excluding 10% withholding tax)				
91-day	9.60	9.60	8.87	
182-day	10.23	10.26	9.89	
364-day	10.39	10.45	10.49	
Licensed Commercial Banks				
Average Weighted Prime Lending Rate (AWPR)	11.84	11.40	10.64	
	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 & 05 Months	05 Y & 10 Months	07 Y & 08 Months	09 Y & 11 Months
	11/7/2017	11/07/2017	11/07/2017	11/07/2017
Coupon rate	11.50	11.50	10.25	11.75
Weighted Average Yield (Excluding 10% withholding tax)	11.14	11.21	11.30	11.37

(a) Revised

Bankwise- AWPR	Week ending 14 July 2017	Week Ago	Bankwise- AWPR	Week ending 14 July 2017	Week Ago
Bank of Ceylon	12.23	12.34	HSBC	9.67	8.83
People's Bank	12.05	12.13	Standard Chartered Bank	11.39	11.69
Hatton National Bank	12.29	12.12	Citi Bank	9.70	12.02
Commercial Bank of Ceylon	12.28	12.68	Deutsche Bank	9.88	9.87
Sampath Bank	13.21	13.36	Habib Bank	10.76	10.76
Seylan Bank	12.93	13.14	Indian Bank	13.34	13.34
Union Bank of Colombo	15.14	14.93	Indian Overseas Bank	13.84	13.84
Pan Asia Banking Corporation	14.05	12.57	MCB Bank	12.34	12.73
Nations Trust Bank	12.04	12.33	State Bank of India	12.54	12.54
DFCC Bank	13.50	14.59	Public Bank	13.00	13.00
NDB Bank	15.00	15.00	ICICI Bank	10.26	10.26
Amana Bank	13.83	13.85	Axis Bank	12.50	11.33
Cargills Bank	14.24	14.51			

2.2 Money Supply

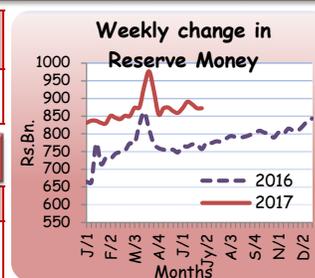
Item	Rs. bn			Annual Change (%)		
	2017 Apr (a)	Month Ago	Year Ago	2017 Apr (a)	Month Ago	Year Ago
Reserve Money	885.6	892.2	763.1	16.0	12.7	24.6
M ₁	765.2	782.0	715.5	6.9	7.2	13.5
M ₂	5,146.8	5,096.2	4,242.1	21.3	21.2	18.1
M _{2b}	5,730.8	5,677.4	4,772.1	20.1	20.0	18.2
Net Foreign Assets of the Banking 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	13 July 2017	Week Ago	Change
Reserve Money (Rs.Mn.)	885,979	888,667	-2,688



2.4 Money Market Activity (Overnight)

Item	10.07.2017	11.07.2017	12.07.2017	13.07.2017	14.07.2017
Call Money Market					
Weighted Average Rate (% p.a.)	8.75	8.75	8.75	8.75	8.75
Gross Volume (Rs. Mn)	11,380	10,975	10,800	15,550	21,950
Repo Market					
Weighted Average Rate (% p.a.)	8.79	8.82	8.83	8.79	8.83
Gross Volume (Rs. Mn)	14,949	10,199	8,299	14,499	14,674

2.5 CBSL Security Portfolio

Item	10.07.2017	11.07.2017	12.07.2017	13.07.2017	14.07.2017
CBSL Treasury Bill Holdings -Face Value (Rs. Mn)	168,585	168,585	168,585	168,585	160,574
CBSL Treasury Bill Holdings -Book Value (Rs. Mn)	159,537	159,585	159,632	159,680	151,715

2.6 Open Market Operations

Item	10.07.2017	11.07.2017	12.07.2017	13.07.2017	14.07.2017
Short-Term Auction					
Repo Amount Offered (Rs. bn)	0.00	0.00	0.00	0.00	0.00
Reverse Repo Amount Offered (Rs. bn)	15.00	18.00	16.00	11.00	14.00
Tenure (No. of Days)	1	1	1	1	1
Bids Received (Rs. bn)	26.41	30.08	24.27	12.58	18.69
Amount Accepted (Rs. bn)	15.00	18.00	16.00	11.00	14.00
Weighted Average Yield Rate (% p.a.)	8.75	8.75	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)	16.36	6.07	10.74	10.46	19.33
Standing Lending Facility (Rs. bn)	13.07	8.07	9.00	6.80	19.25
Total Outstanding Market Liquidity (Rs. bn)	-11.71	-19.99	-14.26	-7.35	-13.92

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 14 July 2017	Week Ago	Year Ago
All Share Price Index (1985 = 100) (ASPI)	6,766	6,738	6,402
S&P Sri Lanka 20 Index (2004 = 1,000) (S&P SL20)	3,910	3,909	3,405
Average Daily Turnover (Rs. mn)	733	696	959
Market Capitalisation (Rs.bn)	3,068	3,056	2,728



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.

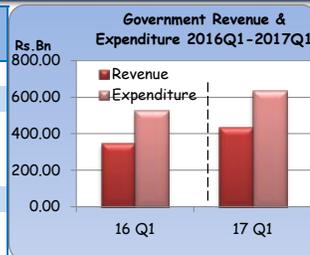
In the first quarter of 2017, the overall budget deficit of Rs. 199.7 billion was mainly financed through domestic sources. Accordingly, foreign financing was a net repayment of Rs. 50.7 billion compared to the net repayment of Rs. 85.7 in the corresponding period of previous year, while the overall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

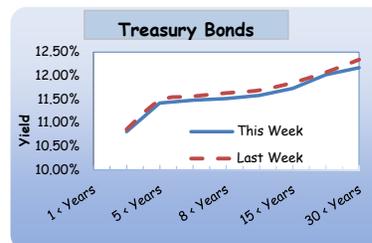
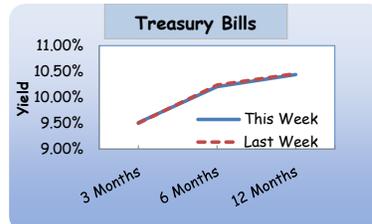
3.3 Government Securities - Primary and Secondary Market Yield Rates for the week ending - 12th July 2017

Security	Maturity	Primary Market(a)		Secondary Market			
		This Week	Last Week	This Week			Last Week Average
				Buying	Selling	Average	
Treasury Bills	3 Months	9.60%	9.60%	9.60%	9.39%	9.50%	9.51%
	6 Months	10.23%	10.26%	10.27%	10.12%	10.20%	10.21%
	12 Months	10.39%	10.45%	10.48%	10.35%	10.41%	10.44%
Treasury Bonds(b)	< 2 Years	-	-	10.80%	10.69%	10.75%	10.81%
	< 5 Years	11.14%	-	11.42%	11.31%	11.37%	11.42%
	< 6 Years	11.21%	-	11.49%	11.41%	11.45%	11.48%
	< 8 Years	11.30%	-	11.55%	11.46%	11.51%	11.51%
	< 10 Years	11.37%	-	11.62%	11.54%	11.58%	11.58%
	< 15 Years	-	-	11.79%	11.71%	11.75%	11.73%
	< 20 Years	-	-	12.07%	11.94%	12.01%	12.02%
	< 30 Years	-	-	12.27%	12.10%	12.19%	12.17%

(a) Primary market transactions during the week ending 12/07/2017

(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 shown a mixed behaviour 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%	4.31%	4.32%
	27-Jul-21	6.250%	4.58%	4.58%
	18-Jan-22	5.750%	4.89%	4.88%
	25-Jul-22	5.875%	5.07%	5.07%
	14-Jan-19	6.000%	3.74%	3.63%
	11-Apr-19	5.125%	3.78%	3.68%
	3-Jun-25	6.125%	5.85%	5.78%
	3-Nov-25	6.850%	5.98%	5.97%
	18-Jul-26	6.825%	6.05%	6.03%
11-May-27	6.200%	6.15%	6.15%	

3.4 Government Securities - Weekly Summary of Primary and Secondary Market Transactions (Week Ended - 12th July 2017)

Item	Volume in Rs Mn	
	This Week	Last Week
Outstanding Stock of Government Securities		
Treasury Bills	826,439.97	825,704.90
Treasury Bonds (a)	4,011,665.33	4,011,665.33
Total	4,838,105.30	4,837,370.23
T-bills and T-bonds held by Foreigners	237,414.30	234,103.52
Sri Lanka Development Bonds (SLDB)	649,757.93	650,007.83

The outstanding stock of T-bills and T-bonds held by foreigners was increased by 1.41 per cent during the reporting week.

Primary Market Activities	Volume in Rs Mn	
	This Week	Last Week
Treasury Bills		
Amount Offered	29,500.00	31,000.00
Total Bids Received	88,143.00	86,301.00
Total Bids Accepted	29,429.00	30,873.00
Treasury Bonds		
Amount Offered	65,000.00	-
Total Bids Received	193,080.00	-
Total Bids Accepted	63,598.00	-

The weekly T-bill auction was over subscribed by 3.0 times and the T-Bond auction was over subscribed by 3.0 times during the reporting week

Secondary Market Activities	Volume in Rs Mn	
	This Week	Last Week
Treasury Bills		
Outright Transaction (Sales / Purchases)	13,880.39	17,326.75
Repo Transaction (Sales / Purchases)	253,971.94	192,034.80
Treasury Bonds		
Outright Transaction (Sales / Purchases)	67,748.41	173,980.55
Repo Transaction (Sales / Purchases)	724,697.10	680,012.89

The total secondary market transactions of T bills and T bonds decreased by 0.29 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) - 14/07/2017

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	9.03	0.02
2 Month	98.46	9.38	98.49	9.18	0.03
3 Month	97.63	9.61	97.68	9.40	0.05
4 Month	96.78	9.81	96.84	9.61	0.07
5 Month	95.86	10.07	95.93	9.90	0.07
6 Month	94.96	10.22	95.04	10.07	0.08
7 Month	94.10	10.26	94.17	10.14	0.07
8 Month	93.22	10.31	93.31	10.18	0.09
9 Month	92.34	10.35	92.43	10.24	0.08
10 Month	91.47	10.38	91.56	10.26	0.09
11 Month	90.60	10.39	90.71	10.28	0.10
12 Month	89.73	10.41	89.87	10.27	0.14

3.6 Two way Quotes (Treasury Bonds) - 14/07/2017

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	1	99.99	9.58	99.99	9.36	0.00
08.50%2018A	15	1-Feb-18	202	99.28	9.86	99.39	9.64	0.11
08.50%2018C	5	1-Apr-18	261	98.75	10.31	98.90	10.09	0.15
08.50%2018D	5	1-Jun-18	322	98.34	10.50	98.44	10.38	0.10
08.50%2018B	15	15-Jul-18	366	98.11	10.54	98.21	10.43	0.10
07.50%2018A	15	15-Aug-18	397	97.01	10.47	97.09	10.38	0.09
08.75%2018A	4	15-Oct-18	458	98.01	10.46	98.11	10.37	0.10
08.00%2018A	6	15-Nov-18	489	96.93	10.51	97.04	10.41	0.12
05.65%2019A	8	15-Jan-19	550	93.16	10.70	93.30	10.59	0.14
10.75%2019A	2	15-Jan-19	550	100.27	10.55	100.40	10.45	0.13
08.50%2019A	10	1-May-19	656	96.60	10.61	96.74	10.52	0.14
10.60%2019A	5	1-Jul-19	717	99.61	10.82	99.85	10.68	0.24
10.60%2019B	5	15-Sep-19	793	99.66	10.76	99.89	10.64	0.23
08.00%2019A	8	1-Nov-19	840	94.38	10.81	94.59	10.70	0.21
09.25%2020A	5	1-May-20	1,022	96.01	10.93	96.35	10.78	0.34
08.00%2020A	8	1-Jun-20	1,053	92.65	11.04	92.81	10.97	0.16
06.20%2020A	10	1-Aug-20	1,114	87.73	11.05	87.87	10.98	0.15
09.50%2020A	5	15-Dec-20	1,250	95.73	11.03	95.96	10.94	0.24
10.75%2021A	5	1-Mar-21	1,326	98.70	11.18	98.91	11.11	0.20
09.00%2021A	8	1-May-21	1,387	93.28	11.21	93.63	11.09	0.36
11.00%2021A	7	1-Aug-21	1,479	99.35	11.20	99.61	11.12	0.26
09.45%2021A	7	15-Oct-21	1,554	93.85	11.30	94.09	11.23	0.23
11.50%2021A	5	15-Dec-21	1,615	101.01	11.20	101.27	11.12	0.26
08.00%2022A	10	1-Jan-22	1,632	88.33	11.41	88.62	11.31	0.30
11.20%2022A	9	1-Jul-22	1,813	99.23	11.41	99.64	11.29	0.41
10.00%2022A	8	1-Oct-22	1,905	94.80	11.34	95.19	11.24	0.39
11.50%2023A	6	15-May-23	2,131	100.51	11.37	100.81	11.30	0.30
09.00%2023A	10	1-Sep-23	2,240	89.28	11.48	89.58	11.40	0.30
11.20%2023A	9	1-Sep-23	2,240	99.14	11.39	99.46	11.32	0.32
07.00%2023A	20	1-Oct-23	2,270	80.35	11.51	80.64	11.43	0.29
11.40%2024A	10	1-Jan-24	2,362	99.98	11.40	100.42	11.30	0.44
11.00%2024A	8	1-Aug-24	2,575	98.14	11.39	98.49	11.31	0.35
06.00%2024A	10	1-Dec-24	2,697	72.88	11.56	73.27	11.46	0.39
10.25%2025A	10	15-Mar-25	2,801	93.91	11.46	94.30	11.38	0.39
09.00%2025A	12	1-May-25	2,848	87.00	11.57	87.37	11.49	0.37
11.00%2025A	10	1-Aug-25	2,940	97.52	11.48	97.96	11.39	0.44
09.00%2026A	13	1-Feb-26	3,124	86.14	11.60	86.53	11.52	0.39
05.35%2026A	15	1-Mar-26	3,152	66.43	11.61	66.76	11.53	0.33
11.00%2026A	11	1-Jun-26	3,244	97.14	11.52	97.73	11.41	0.59
11.50%2026A	10	1-Aug-26	3,305	100.40	11.43	100.81	11.35	0.41
11.75%2027A	10	15-Jun-27	3,623	101.11	11.56	101.58	11.48	0.47
09.00%2028B	15	1-May-28	3,944	83.90	11.65	84.28	11.58	0.38
09.00%2028A	15	1-Jul-28	4,005	83.91	11.63	84.33	11.56	0.42
11.50%2028A	13	1-Sep-28	4,067	99.29	11.61	99.84	11.52	0.55
13.00%2029A	15	1-Jan-29	4,189	107.88	11.73	108.30	11.67	0.42
13.00%2029B	15	1-May-29	4,309	107.81	11.75	108.16	11.70	0.36
11.00%2030A	15	15-May-30	4,688	95.74	11.64	96.41	11.54	0.68
08.00%2032A	20	1-Jan-32	5,284	73.00	11.97	73.43	11.89	0.43
09.00%2032A	20	1-Oct-32	5,558	79.33	11.98	79.77	11.91	0.44
09.00%2033A	20	1-Jun-33	5,801	78.82	12.02	79.37	11.92	0.56
13.25%2033A	20	1-Jul-33	5,831	108.56	12.03	109.31	11.93	0.75
09.00%2033B	20	1-Nov-33	5,954	78.39	12.06	79.03	11.95	0.65
13.25%2034A	20	1-Jan-34	6,015	108.31	12.08	109.10	11.97	0.80
11.50%2035A	20	15-Mar-35	6,453	96.59	11.96	98.19	11.74	1.60
12.00%2041A	25	1-Jan-41	8,572	98.91	12.14	99.60	12.05	0.69
09.00%2043A	30	1-Jun-43	9,453	74.94	12.21	75.49	12.12	0.55
13.50%2044A	30	1-Jan-44	9,667	109.46	12.29	110.48	12.17	1.02
13.50%2044B	30	1-Jun-44	9,819	108.78	12.37	110.26	12.19	1.49
12.50%2045A	30	1-Mar-45	10,092	103.06	12.11	105.99	11.76	2.93

External Sector

During the year up to 14 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 (7.5 per cent), euro (9.9 per cent), Japanese yen (5.0 per cent) and Indian rupee (7.5 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 - 14 July 2017			Average Rate	
	Buying Rate	Selling Rate	Average Rate	Week Ago	Year Ago
US\$	151.64	155.44	153.54	153.48	146.07
STG	195.48	202.13	198.81	199.14	194.21
Yen	1.33	1.38	1.36	1.35	1.40
Euro	171.87	178.35	175.11	175.18	161.60
INR ⁽¹⁾			2.38	2.37	2.17
SDR (As at 13 July 2017)			213.55	213.38	202.18
Central Bank purchases and sales(b) (US\$ Mn.)			June 2017	Month Ago	Year Ago
Purchases			136.00	183.47	178.78
Sales			-	35.00	194.02
Average Daily Interbank Volume (US\$ Mn.) (spot, tom and cash transactions among commercial banks)			Week Ending 14 July 2017	Week Ago	Year Ago
			54.85	27.96	11.25
Forward Transactions					
Forward Rates (US\$) ⁽²⁾					
1 Month			154.80	154.68	146.12
3 Months			156.73	-	147.80
Average Daily Interbank Forward Volume (US\$ mn)			32.77	18.99	45.65
Outstanding Forward Volume (US\$ mn) (As at 13 July 2017)			1,414.23	1,348.36	1,583.05



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

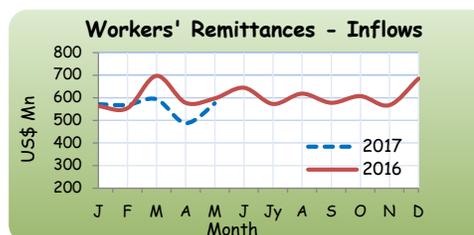
(b) Central Bank purchases and sales of foreign exchange from commercial banks at market rates total for the Month

(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)	US\$ Mn.	2016	2017	2016	2017	% Change
		May	May (c)	Jan-May	Jan-May (c)	
		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

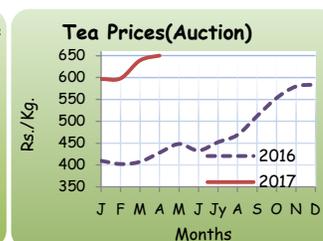
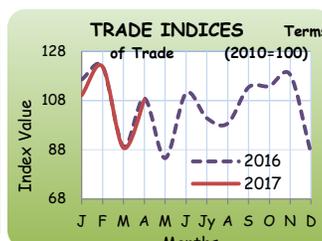
(b) This mainly includes only the predetermined outflows

(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

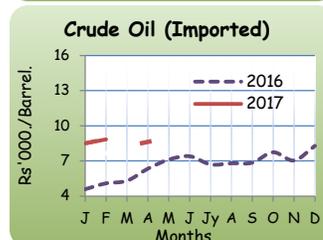
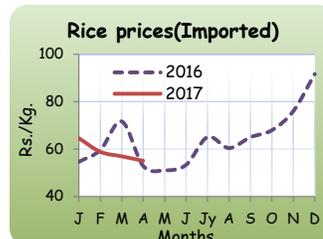
(a) Provisional (b) Revised



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