

# Weekly Economic Indicators

03 March 2017



Statistics Department  
Central Bank of Sri Lanka

# Real Sector

Inflation, as measured by the change in the National Consumer Price Index (NCPI) (2013=100), which is compiled by the Department of Census and Statistics, increased to 6.5 per cent in January 2017 from 4.2 per cent in December 2016, on year-on-year basis. Both Food and Non-food categories contributed towards the year-on-year inflation in January 2017. The change in the NCPI measured on an annual average basis increased to 4.6 per cent in January 2017 from 4.0 per cent in December 2016. When the monthly change is considered, the NCPI increased from 118.0 index points to 119.3 index points from December 2016 to January 2017. This monthly increase was mainly due to the increase in prices of the items in the Food category. NCPI Core inflation, which reflects the underlying inflation in the economy increased to 7.1 per cent in January 2017 from 6.7 per cent in December 2016. Annual average NCPI Core inflation increased to 6.2 per cent in January 2017 from 5.9 per cent in December 2016.

Inflation, as measured by the change in the Colombo Consumer's Price Index (CCPI) (2013=100), which is compiled by the Department of Census and Statistics, increased to 6.8 per cent from 5.5 per cent in January 2017, on year-on-year basis. Annual average inflation increased to 4.6 per cent in February 2017 from 4.3 per cent in January 2017. The monthly increase in CCPI was 0.5 per cent. CCPI Core inflation, which reflects the underlying inflation in the economy increased to 7.1 per cent in February 2017 from 7.0 per cent in January 2017. Annual average CCPI Core inflation increased to 5.0 per cent in February 2017 from 4.7 per cent in January 2017.

The GDP grew by 4.0 per cent in real terms in the first nine months of 2016, mainly attributable to 4.8 per cent growth in Services activities and 5.7 per cent growth in Industry activities while Agriculture activities contracted by 2.5 per cent, in value added terms.

During the year 2016 production of tea declined due to unfavourable weather conditions and low demand from prime export destinations while production of rubber declined due to the slowdown of tapping activities. However, the coconut production has recorded an increase during the similar period.

The FIPI increased by 2.9 per cent on a year-on-year basis in December 2016. This increase was mainly due to increased Production of wearing apparel, Rubber and plastic products and Other non-metallic mineral products sub-sectors. This was mainly attributed to increased domestic and international demand.

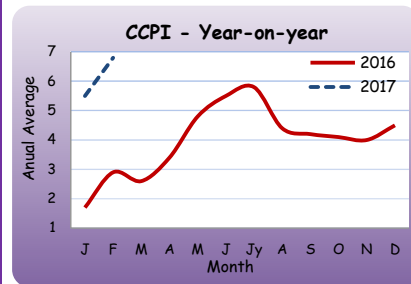
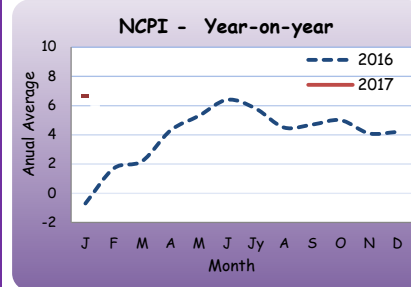
During the week, crude oil spot prices showed mixed performance. At the beginning of the week oil prices rose due to high compliance with OPEC's production cuts despite the market remains anchored by rising U.S. oil production. Subsequently oil prices fell due to concerns about rising U.S. crude inventories, though Brent price rose due to OPEC production cuts. Price decline witnessed towards the end of the week was supported by a notable increase in the U.S. crude stockpiles by 1.5 million to a record level of 520.2 million barrels and Russia's weak compliance with the global deal to curb supply. Russia's production cuts remained at 100,000 bpd, just a third of the levels pledged by Moscow under the agreement with the OPEC.

Highlights

# REAL SECTOR

## 1.1 Price Indices

Item	January 2017	Month Ago	Year Ago
<b>(2013 = 100)</b>			
National Consumer Price Index (NCPI)	119.3	118.0	112.0
Monthly Change %	1.1	1.2	-1.1
Annual Average Change %	4.6	4.0	2.9
Year - on - Year Change %	6.5	4.2	-0.7
Core Inflation - ( NCPI )	121.4	120.5	113.4
Annual Average Change %	6.2	5.9	4.3
Year - on - Year Change %	7.1	6.7	3.0
Item	February 2017	Month Ago	Year Ago
<b>(2013 = 100)</b>			
Colombo Consumers' Price Index (CCPI)	116.7	116.1	109.3
Annual Average Change %	4.6	4.3	2.1
Year - on - Year Change %	6.8	5.5	2.9
Core Inflation - ( CCPI )	121.6	121.3	113.5
Annual Average Change %	5.0	4.7	5.0
Year - on - Year Change %	7.1	7.0	4.4

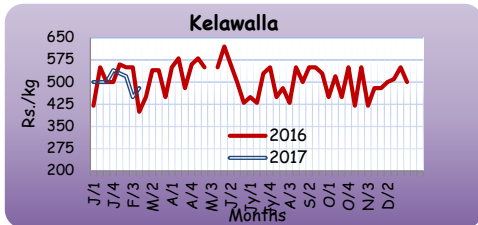
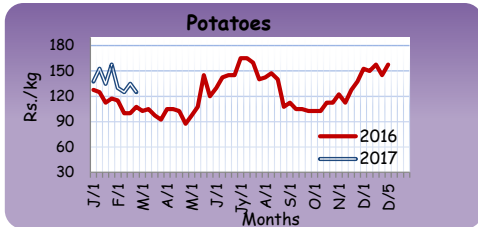
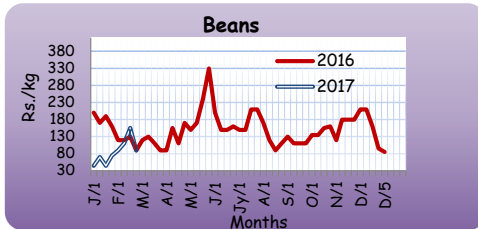
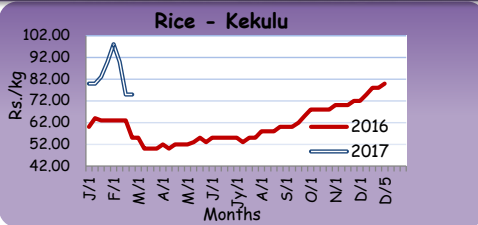


## 1.2 Pettah Market

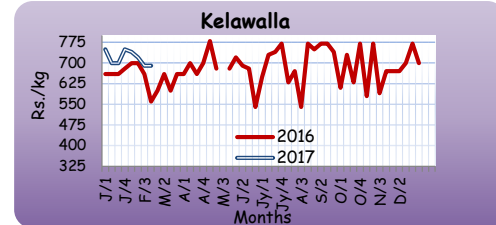
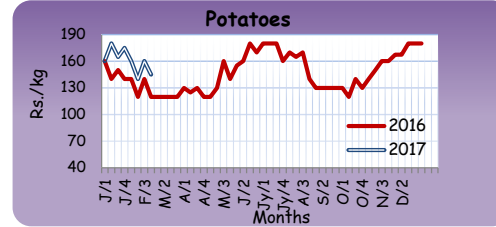
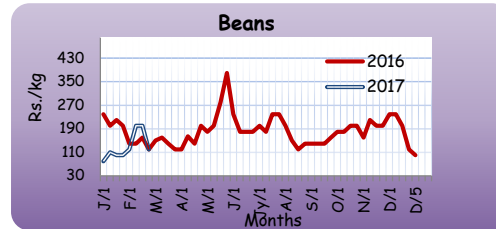
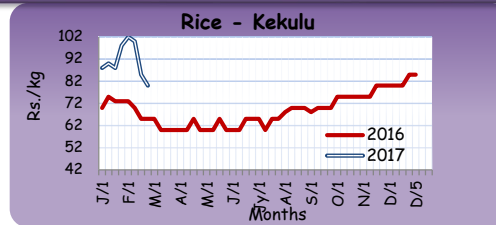
Item	Average Wholesale Prices				Average Retail Prices			
	Week Ending 02 <sup>nd</sup> Mar 2017	Week Ago	Month Ago	Year Ago Annual Avg	Week Ending 02 <sup>nd</sup> Mar 2017	Week Ago	Month Ago	Year Ago Annual Avg
	Rs / Kg				Rs / Kg			
<b>Rice</b>								
Samba	87.00	85.00	91.60	80.97	90.00	90.00	95.75	90.39
Kekulu (Red)	74.00	75.00	85.60	60.29	78.00	80.00	91.75	68.73
<b>Vegetables</b>								
Beans	125.00	90.00	111.25	147.16	140.00	120.00	160.00	179.12
Cabbage	17.50	25.00	20.00	76.62	60.00	60.00	53.75	115.10
Carrots	47.50	45.00	48.75	121.42	80.00	80.00	83.75	158.24
Tomatoes	30.00	35.00	42.50	75.00	80.00	80.00	77.50	107.06
Pumpkins	55.00	50.00	46.25	60.29	80.00	80.00	73.75	83.33
Snake Gourd	70.00	95.00	76.25	76.18	100.00	120.00	98.75	112.94
Brinjals	37.50	55.00	44.38	66.57	80.00	80.00	75.00	103.92
Ash-Plantains	55.00	65.00	63.75	67.65	100.00	70.00	86.25	95.69
<b>Other Foods</b>								
Red-Onions (Local)	100.00	125.00	116.25	92.66	140.00	170.00	155.00	131.74
Big-Onions (Local)	n.a.	n.a.	n.a.	74.50	n.a.	n.a.	n.a.	96.47
Potatoes (N' Eliya)	125.00	125.00	128.00	122.58	140.00	145.00	151.25	146.23
Dried Chillies (Imported)	190.00	200.00	217.50	293.68	230.00	250.00	267.50	350.78
Dhal (Indian)	140.00	140.00	142.50	160.16	155.00	158.00	155.75	171.41
The Eggs	12.75	12.75	12.69	14.30	13.00	13.00	13.25	14.79
Coconut (Each)	54.50	54.50	55.13	34.69	70.00	65.00	65.00	47.60
<b>Fish*</b>								
Kelawalla	490.00	480.00	495.00	508.20	790.00	690.00	710.00	682.00
Balaya	320.00	300.00	310.00	327.29	420.00	380.00	405.00	424.79
Salaya	80.00	70.00	90.00	141.43	140.00	120.00	145.00	197.14
Paraw (Small)	n.a.	580.00	565.00	540.36	n.a.	680.00	720.00	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 02 <sup>nd</sup> Mar 2017	
	Wholesale (Average)	Retail (Average)
<b>Rice</b>		
Samba	84.00	88.63
Kekulu (Red)	83.50	88.63
<b>Vegetables</b>		
Beans	71.25	97.50
Carrot	38.75	65.63
Tomatoes	37.50	60.00
Pumpkins	46.25	67.50
Snake Gourd	46.88	71.25
Ash-Plantains	58.75	83.13
<b>Other Foods</b>		
Red-Onions (Local)	80.00	100.83
Big-Onions (Local)	67.50	82.50
Potatoes (N'Eliya)	113.13	130.00
Dried Chilies(Imported)	197.50	217.50
Coconut (Each)	50.63	59.25

### 1.4 Narahenpita Economic Centre

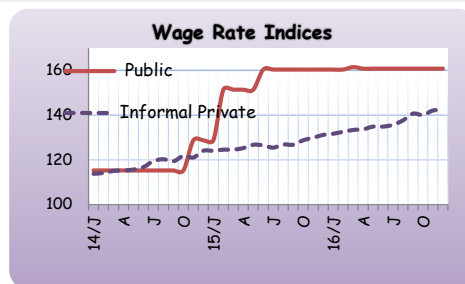
Item (Rs / Kg)	Average Retail Prices	
	02 <sup>nd</sup> Mar 2017	Week Ago
<b>Rice</b>		
Samba	90.00	90.00
Kekulu (Red)	76.67	76.33
<b>Vegetables</b>		
Beans	136.67	136.67
Cabbage	116.67	116.67
Carrots	88.33	96.67
Tomatoes	88.33	68.33
Pumpkins	96.67	96.67
Snake Gourd	116.67	156.67
Brinjals	96.67	116.67
Ash-Plantains	116.67	136.67
<b>Other Foods</b>		
Red-Onions (Imported)	146.67	146.67
Big-Onions (Imported)	116.67	96.67
Potatoes (Imported)	106.67	96.67
Dried Chilies (Imported)	236.67	236.67
Dhal (Indian)	157.67	157.67
Eggs (Red)(Each)	13.67	13.83
Coconut (Each)	48.33	48.33
<b>Fish</b>		
Kelawalla	833.33	836.67
Balaya	353.33	356.67
Salaya	213.33	213.33
Paraw (Small)	773.33	773.33

### 1.5 Maradaghamula Market

Average wholesale price of Rice				
Item (Rs / Kg)	Week Ending 03 <sup>rd</sup> Mar	Week Ago	Month Ago	Year Ago
Samba	85.70	86.88	88.97	77.58
Sudu Kekulu	73.70	73.50	83.81	62.91
Raw Red	73.60	73.38	84.50	59.59
Nadu	76.00	76.50	86.81	66.62

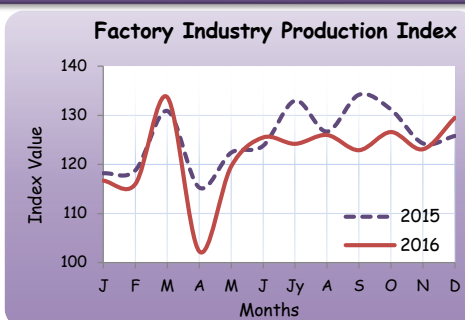
## 1.6 Wage rate Indices

Item	2016 December	2015 December	% Change
Public Sector Employees (2012 = 100)	160.8	160.4	0.2
<b>Informal Private Sector Employees (2012 = 100)</b>	<b>142.1</b>	<b>129.9</b>	<b>9.4</b>
Agriculture	143.0	130.6	9.5
Industry	147.6	133.6	10.5
Services	138.9	129.2	7.5



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

Item	2016 (b) December	2015 December	% Change
<b>Factory Industry- Production Index</b>	<b>129.5</b>	<b>125.8</b>	<b>2.9</b>
Food products	104.9	110.2	-4.8
Beverages	108.9	103.6	5.1
Tobacco products	61.3	89.7	-31.7
Wearing apparel	200.3	175.7	14.0
Chemicals and chemical products	96.2	112.8	-14.8
Rubber and plastic products	146.3	130.9	11.7
Other non-metallic mineral products	138.7	122.3	13.3

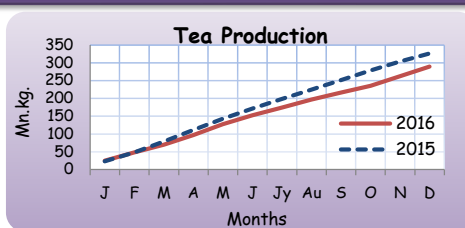


(a) Major 7 sub divisions of FIPI out of 17 sub divisions.

(b) Provisional

## 1.8 Agriculture Production

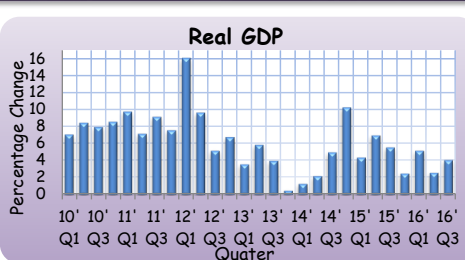
Item	Unit	2016(a) Jan-Dec	2015 Jan-Dec	% Change
Tea	(Mn Kg)	289.6	329.0	-12.0
Rubber	(Mn Kg)	79.1	88.6	-10.7
Coconuts	(Mn Nuts)	3,137.5	3,055.6	2.7



(a) Provisional

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

Item	2016(a) 3 <sup>rd</sup> Quarter	2015(a)(b) 3 <sup>rd</sup> Quarter	2015(a) Annual
Agriculture	-1.9	7.3	5.5
Industry	6.8	4.9	3.0
Services	4.7	6.5	5.3
Taxes less subsidies on products	-3.1	0.9	6.2
<b>GDP</b>	<b>4.1</b>	<b>5.6</b>	<b>4.8</b>



(a) Provisional (b) Revised

Source: Department of Census and Statistics

## 1.10 Employment (a)(b)

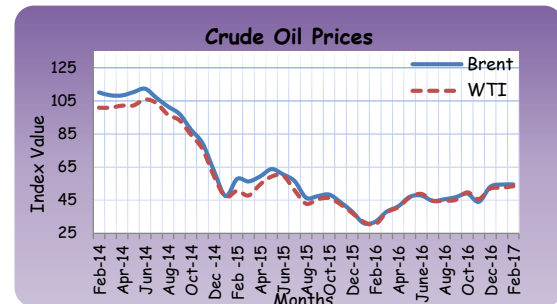
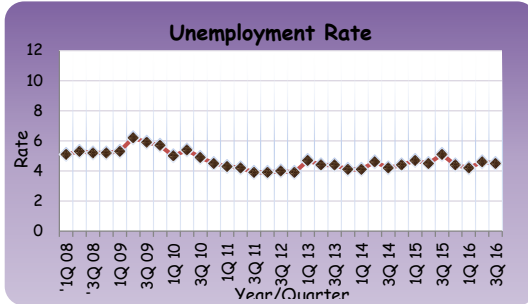
Item	2015 (c)(d) 3 <sup>rd</sup> Quarter	2016 (c) 3 <sup>rd</sup> Quarter	2015 Annual
Labour Force Participation rate	53.8	53.8	53.8
Unemployment rate	5.1	4.5	4.7
<b>Employed Persons by Sectors (e) (as a % of total employment)</b>			
Agriculture	27.8	27.1	28.7
Industry	27.0	26.8	25.8
Services	45.3	46.1	45.6

(a) The working age population aged 15 and above

Source: Department of Census and Statistics

(b) In July 2016, the Department of Census and Statistics published a re-weighted and revised labour force data series for 2011 onwards

(c) Provisional (d) Revised (e) 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	
February	31.93	30.32	35.36	54.50	53.41	
March	38.06	37.55	36.85			
April	41.25	40.75	44.05			
May	47.00	46.69	48.84			
June	47.82	48.76	50.95			
July	44.54	44.65	46.10			
August	45.50	44.72	46.71			
September	46.80	45.20	46.99			
October	49.01	49.70	52.70			
November	44.01	45.66	47.66			
December	53.07	51.96	55.69			
	2016			2017		
24 February	31.50	30.35		53.84	53.99	
27 February	-	-		54.37	54.04	
28 February	-	-		52.46	54.00	
01 March	35.88	34.39		55.52	53.82	
02 March	36.48	34.57		53.96	52.63	

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 03 March 2017 increased by 34 bps to 11.70% compared to the previous week.

Broad money ( $M_{2b}$ ) expanded by 18.4 %, on a year-on-year basis, in December 2016.

Net Credit to the Government from the banking system showed an increase of Rs. 11.9 bn in December 2016.

Credit to public corporations recorded an increase of Rs. 26.1 bn in December 2016.

Credit extended to the private sector increased by Rs. 78.7 bn in December 2016.

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

The total outstanding market liquidity increased to a short position of Rs. 7.03 bn by end of the week, compared to Rs. 38.64 bn by the end of last week.

By 03 March 2017, the All Share Price Index (ASPI) declined by 0.60% to 6,102 points and the S&P SL20 Index declined by 0.80% to 3,525 points, compared to the previous week.



# MONETARY SECTOR

## 2.1 Interest Rates

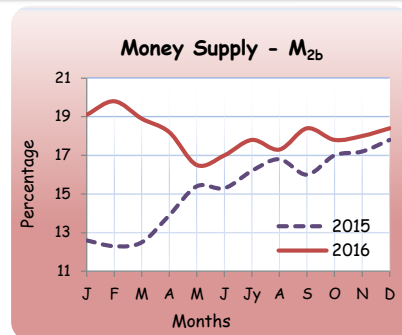
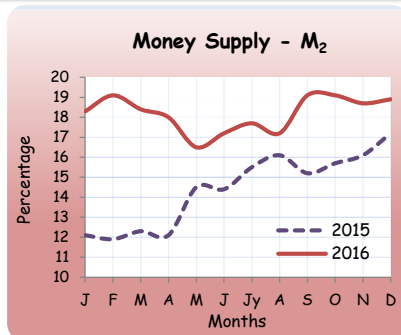
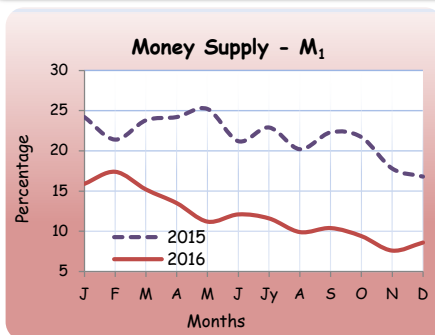
Item	Week Ending 2017 Mar 03	Week Ago	Year Ago				
<b>Policy Interest Rates</b>							
Standing Deposit Facility Rate	7.00	7.00	6.50				
Standing Lending Facility Rate	8.50	8.50	8.00				
<b>Average Weighted Call Money Rate (AWCMR)(Weekly Average)</b>	8.49	8.49	7.51				
<b>Sri Lanka Inter Bank Offered Rate ( SLIBOR )</b>							
1-day	8.50	8.49	7.50				
7-day	9.50	9.50	7.87				
1-Month	10.53	10.49	8.29				
3-Month	10.99	10.96	8.49				
6-Month	11.52	11.52	8.98				
12-Month	12.00	12.00	9.39				
<b>Treasury Bill Yields (Excluding 10% withholding tax)</b>							
91-day	9.38	9.32	7.68				
182-day	10.27	10.19	8.49				
364-day	10.66	10.58	9.00				
<b>Licensed Commercial Banks</b>							
Average Weighted Prime Lending Rate (AWPR)	11.70	11.36	8.37				
	Jan 2017	Month Ago	Year Ago				
Savings Deposits	0.50-12.25	0.50-12.25	0.50-8.50				
One Year Fixed Deposits	4.89-15.00	4.50-15.00	3.95-15.00				
	Feb 2017	Month Ago	Year Ago				
Average Weighted Deposit Rate (AWDR)	8.66	8.42	6.33				
Average Weighted Fixed Deposit Rate (AWFDR)	11.15	10.84	7.75				
	Jan 2017	Month Ago	Year Ago				
Average Weighted Lending Rate (AWLR)	13.28	13.20	11.15				
<b>National Savings Bank (NSB)</b>							
	Dec 2016	Month Ago	Year Ago				
Savings Deposits	4.25	4.25	5.00				
One Year Fixed Deposits	11.00	11.00	7.25				
<b>Treasury Bond Auction</b>							
	01 Y & 11 Months 23/02/2017	04 Y & 10 Months 23/02/2017	07 Y & 05 Months 23/02/2017	09 Y & 05 Months 23/02/2017			
Coupon rate	10.75	11.50	11.00	11.50			
Weighted Average Yield (Excluding 10% withholding tax)	12.10	12.89	12.89	12.91			
<b>Bankwise- AWPR</b>		<b>Week ending 2017 Mar 03</b>	<b>Week Ago</b>	<b>Bankwise- AWPR</b>		<b>Week ending 2017 Mar 03</b>	<b>Week Ago</b>
Bank of Ceylon	12.08	12.22	HSBC	9.49	9.16		
People's Bank	13.37	13.11	Standard Chartered Bank	11.32	11.52		
Hatton National Bank	11.92	12.70	Citi Bank	9.33	9.24		
Commercial Bank of Ceylon	11.85	12.15	Deutsche Bank	9.80	9.67		
Sampath Bank	11.93	13.11	Habib Bank	10.69	10.69		
Seylan Bank	12.99	13.00	Indian Bank	13.00	12.98		
Union Bank of Colombo	13.92	13.79	Indian Overseas Bank	13.48	13.48		
Pan Asia Banking Corporation	13.20	14.82	MCB Bank	13.72	12.66		
Nations Trust Bank	12.09	12.24	State Bank of India	12.73	12.44		
DFCC Bank	12.95	13.70	Public Bank	11.50	11.50		
NDB Bank	13.90	14.10	ICICI Bank	12.12	11.90		
Amana Bank	12.27	12.23	Axis Bank	12.48	11.61		
Cargills Bank	13.36	12.61					



## 2.2 Money Supply

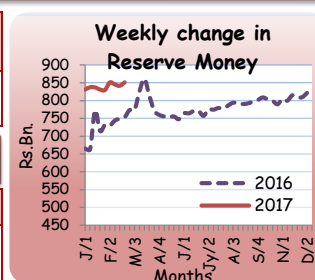
Item	Rs. bn			Annual Change (%)		
	2016 (a) December	Month Ago	Year Ago	2016 (a) December	Month Ago	Year Ago
Reserve Money	856.1	799.0	673.4	27.1	22.7	16.5
M <sub>1</sub>	776.6	720.2	715.0	8.6	7.6	16.8
M <sub>2</sub>	4,823.6	4,683.2	4,057.2	18.9	18.7	17.2
M <sub>2b</sub>	5,405.6	5,246.7	4,565.9	18.4	18.0	17.8
Net Foreign Assets of the Banking System (b)	-231.2	-286.9	-298.2	22.4	8.5	-2,071.2
Monetary Authorities	558.6	476.3	576.2	-3.1	-15.8	-16.3
Commercial Banks	-789.8	-763.2	-874.3	9.7	13.2	-29.9
Domestic Banking Units (DBUs)	-325.7	-331.8	-295.9	-10.1	-6.8	-33.9
Offshore Banking Units (OBUs)	-464.2	-431.4	-578.5	19.8	24.1	-28.0
Net Domestic Assets of the Banking System (b)	5,636.8	5,533.7	4,864.1	15.9	16.2	26.0
Net Credit to the Government	1,972.1	1,960.3	1,759.5	12.1	15.0	22.5
Monetary Authorities	413.0	417.3	229.9	79.6	55.4	53.6
Commercial Banks	1,559.1	1,543.0	1,529.6	1.9	7.4	18.9
DBUs	1,254.5	1,256.5	1,157.9	8.3	17.7	7.4
OBUs	304.6	286.4	371.7	-18.0	-22.3	78.6
Credit to Public Corporations	495.1	469.1	523.0	-5.3	-10.5	17.2
DBUs	289.7	274.4	254.1	14.0	6.6	32.3
OBUs	205.4	194.7	268.9	-23.6	-27.0	5.9
Credit to the Private Sector	4,204.4	4,125.7	3,449.6	21.9	21.1	25.1
DBUs	3,891.9	3,826.6	3,186.1	22.2	21.8	27.3
OBUs	312.6	299.1	263.5	18.6	12.7	3.4
Other Items (Net)	-1,034.8	-1,021.4	-868.0	-19.2	-16.9	-11.4

(a) Provisional (b) In relation to M<sub>2b</sub>



## 2.3 Weekly change in Reserve Money

Item	02 Mar 2017	Week Ago	Change
Reserve Money (Rs.Mn.)	851,223	841,505	9,718



## 2.4 Money Market Activity (Overnight)

Item	27.02.2017	28.02.2017	01.03.2017	02.03.2017	03.03.2017
<b>Call Money Market</b>					
Weighted Average Rate (% p.a.)	8.49	8.49	8.49	8.50	8.50
Gross Volume (Rs. Mn)	10,050	5,590	16,860	19,710	21,330
<b>Repo Market</b>					
Weighted Average Rate (% p.a.)	8.66	8.74	8.62	8.61	8.66
Gross Volume (Rs. Mn)	21,676	15,328	29,862	30,652	21,853

## 2.5 CBSL Security Portfolio

Item	27.02.2017	28.02.2017	01.03.2017	02.03.2017	03.03.2017
CBSL Treasury Bill Holdings -Face Value (Rs.mn)	211,317	211,317	211,317	211,317	213,633
CBSL Treasury Bill Holdings -Book Value (Rs.mn)	204,005	204,020	204,075	204,127	209,091

## 2.6 Open Market Operations

Item	27.02.2017	28.02.2017	01.03.2017	02.03.2017	03.03.2017
<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)	39.00	35.00	24.00	11.00	4.00
Tenure (No. of Days)	1	1	1	1	1
Bids Received (Rs. bn)	31.24	39.90	39.68	33.05	12.88
Amount Accepted (Rs. bn)	31.24	35.00	24.00	11.00	4.00
Weighted Average Yield Rate (% p.a.)	8.47	8.47	8.48	8.49	8.50
<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)	4.72	11.82	9.11	11.00	21.43
Standing Lending Facility (Rs. bn)	13.51	14.24	22.01	17.72	24.46
<b>Total Outstanding Market Liquidity (Rs. bn)</b>	<b>-40.03</b>	<b>-37.42</b>	<b>-36.90</b>	<b>-17.72</b>	<b>-7.03</b>

## 2.7 Credit Cards (a)

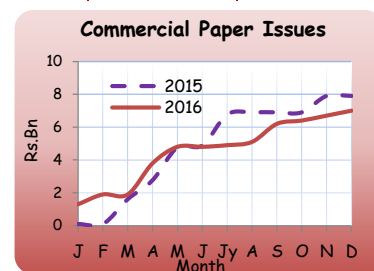
Item	2016	2016	2015
	End Dec (b)	End Nov	End Dec
<b>Total Number of Active Cards</b>	1,309,248	1,293,880	1,142,231
Local (accepted only locally)	29,109	29,297	30,902
Global (accepted globally)	1,280,139	1,264,583	1,111,329
<b>Outstanding balance (Rs.mn)</b>	74,892	70,501	63,010
Local (accepted only locally)	839	816	1,226
Global (accepted globally)	74,053	69,684	61,784

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

## 2.8 Commercial Paper Issues (a)

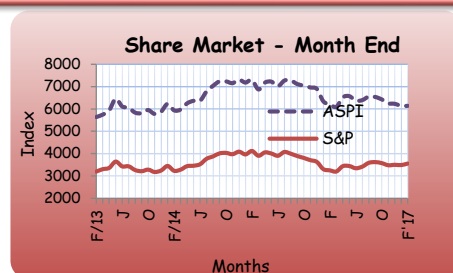
Item (Rs. bn.)	2017	2016	2015
	End Jan (b)	End Dec	End Dec
Total Issues - Cumulative (c)	1.0	7.0	7.9
Outstanding (as at end of the period)	2.2	2.2	4.5

(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 03 Mar 2017	Week Ago	Year Ago
All Share Price Index (1985 = 100) (ASPI)	6,102	6,138	6,061
S&P Sri Lanka 20 Index (2004 = 1,000) (S&P SL20)	3,525	3,553	3,206
Average Daily Turnover (Rs. mn)	1,226	467	665
Market Capitalisation (Rs.bn)	2,679	2,700	2,590



## Fiscal Sector

For the period of first nine months of 2016, government revenue as a percentage of estimated GDP increased to 9.6 per cent from 8.5 per cent in the corresponding period in 2015. In nominal terms, total revenue increased by 23.0 per cent to Rs. 1,179.3 billion during this period from Rs. 958.9 billion recorded during the same period in 2015. Average monthly revenue during this period was around Rs. 131.0 billion compared to Rs. 106.5 billion recorded in the same period of 2015.

Total expenditure and net lending for the first nine months of 2016 increased to 13.7 per cent of estimated GDP from 13.5 per cent during the same period in 2015. Recurrent expenditure declined to 10.6 per cent of estimated GDP during the first nine months of 2016 from 10.7 per cent in the corresponding period in 2015. Capital expenditure and net lending as a percentage of GDP increased to 3.1 per cent from 2.8 per cent in the corresponding period in 2015. In nominal terms, total expenditure and net lending is estimated to be increased by 10.0 per cent to Rs. 1,686.0 billion during first nine months of 2016 from Rs. 1,532.5 billion in the corresponding period of 2015.

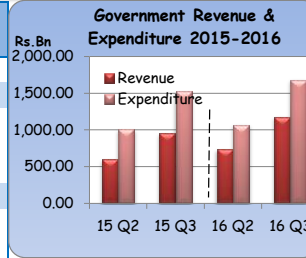
Total outstanding debt increased by Rs. 898.7 billion to Rs. 9,402.0 billion as at end September 2016 from Rs. 8,503.2 billion at end 2015. Foreign debt increased by Rs. 525.7 billion to Rs. 4,069.7 billion, while domestic debt increased by Rs. 373.1 billion to Rs. 5,332.3 billion.

Special Commodity Levy (SCL) was revised from time to time during the year, providing necessary protection for domestic agricultural producers while reducing volatility in commodity prices in the domestic market. Accordingly, SCL on several essential goods was revised during the months of September 2015. SCL on white crystalline sugar and other sugar was increased to Rs. 2 per kg and Rs. 15 per kg respectively from Rs. 0.25 per kg while SCL on whole and split (red and yellow) lentils was also increased to Rs. 5 per kg and Rs. 10 per kg respectively, from Rs. 0.25 per kg. Meanwhile, SCL on mackerel, peas, chickpeas, cowpeas and kurakkan was extended for a period of six months.

# FISCAL SECTOR

## 3.1 Government Finance (Rs.bn)

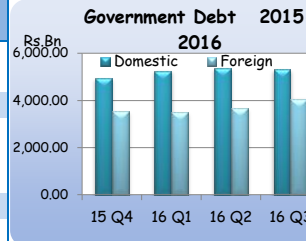
Item	2015	2016(a)
	Jan - Sep	Jan - Sep
<b>Revenue and Grants</b>	<b>959.6</b>	<b>1,180.0</b>
<b>Revenue</b>	<b>958.9</b>	<b>1,179.3</b>
Tax	888.2	1,067.3
Non tax	70.7	112.0
<b>Grants</b>	<b>0.7</b>	<b>0.7</b>
<b>Expenditure &amp; Lending Minus Repayments</b>	<b>1,532.5</b>	<b>1,686.0</b>
Current	1,213.1	1,308.3
Capital & Lending Minus Repayments	319.5	377.7



(a) Provisional

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

Item	End 2015	2016(a)
	End Sep	End Sep
<b>Total domestic debt</b>	<b>4,959.2</b>	<b>5,332.3</b>
of which		
Treasury bills	658.2	699.6
Treasury bonds	3,305.2	3,663.2
Rupee loans	24.1	24.1
<b>Total foreign debt</b>	<b>3,544.0</b>	<b>4,069.7</b>
<b>Total outstanding govt. debt</b>	<b>8,503.2</b>	<b>9,402.0</b>



(a) Provisional

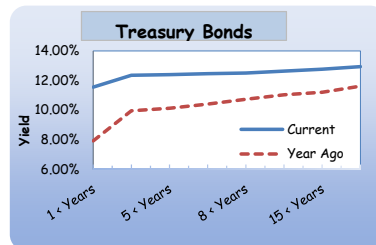
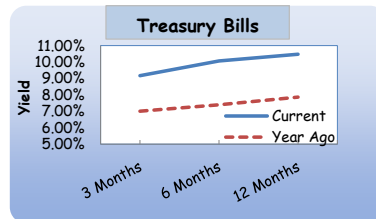
## 3.3 Government Securities - Primary and Secondary Market Yield Rates for the week ending - 01<sup>st</sup> March 2017

Security	Maturity	Primary Market(a)		Secondary Market			
		This Week	Last Week	This Week			Last Week
				Buying	Selling	Average	Average
Treasury Bills	3 Months	9.38%	9.32%	9.44%	9.18%	9.31%	9.14%
	6 Months	10.27%	10.19%	10.26%	10.08%	10.17%	10.05%
	12 Months	10.66%	10.58%	10.67%	10.43%	10.55%	10.48%
Treasury Bonds(b)	< 2 Years	12.10%	-	11.83%	11.68%	11.75%	11.62%
	< 5 Years	12.89%	-	12.70%	12.58%	12.64%	12.37%
	< 6 Years	-	-	12.70%	12.54%	12.62%	12.43%
	< 8 Years	12.89%	-	12.81%	12.65%	12.73%	12.49%
	< 10 Years	12.91%	-	12.83%	12.69%	12.76%	12.52%
	< 15 Years	-	-	13.01%	12.85%	12.93%	12.66%
	< 20 Years	-	-	13.18%	13.08%	13.13%	12.88%
< 30 Years	-	-	13.36%	13.15%	13.25%	13.02%	

(a) Primary market transactions during the week ending 01/03/2017

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

The secondary market yield rates of all T-Bills and T-Bonds have increased across all maturities during the reporting week.



Security	Maturity Date	Coupon Rate	Secondary Market	
			This Week	Last Week
International Sovereign Bonds	4-Oct-20	6.250%	4.32%	4.71%
	27-Jul-21	6.250%	4.62%	5.12%
	18-Jan-22	5.750%	4.87%	5.33%
	25-Jul-22	5.875%	5.05%	5.49%
	14-Jan-19	6.000%	3.69%	3.96%
	11-Apr-19	5.125%	3.63%	3.93%
	3-Jun-25	6.125%	5.97%	6.26%
	3-Nov-25	6.850%	6.19%	6.55%
18-Jul-26	6.825%	6.22%	6.56%	

### 3.4 Government Securities - Weekly Summary of Primary and Secondary Market Transactions (Week Ended - 01<sup>st</sup> March 2017 )

Item	Volume in Rs Mn	
	This Week	Last Week
Outstanding Stock of Government Securities		
Treasury Bills	793,864.22	793,920.52
Treasury Bonds (a)	3,951,714.14	3,957,807.78
<b>Total</b>	<b>4,745,578.36</b>	<b>4,751,728.30</b>
T-bills and T-bonds held by Foreigners	196,821.59	196,120.94
Sri Lanka Development Bonds (SLDB)	611,768.44	611,738.51

The outstanding stock of T-bills and T-bonds held by Foreigners increased by 0.36 per cent during the reporting week.

Primary Market Activities	Volume in Rs Mn	
	This Week	Last Week
<b>Treasury Bills</b>		
Amount Offered	24,000.00	25,500.00
Total Bids Received	38,379.00	36,906.00
Total Bids Accepted	6,749.00	7,860.00
<b>Treasury Bonds</b>		
Amount Offered	66,000.00	16,500.00
Total Bids Received	132,746.00	61,559.00
Total Bids Accepted	57,746.00	-

The weekly T-bill and T-bond auctions were over subscribed by 1.6 times and 2.01 times respectively during the reporting week.

Secondary Market Activities	Volume in Rs Mn	
	This Week	Last Week
<b>Treasury Bills</b>		
Outright Transaction (Sales / Purchases)	12,350.09	24,550.02
Repo Transaction (Sales / Purchases)	142,437.69	99,099.52
<b>Treasury Bonds</b>		
Outright Transaction (Sales / Purchases)	79,232.16	164,580.36
Repo Transaction (Sales / Purchases)	610,536.12	678,725.92

The total secondary market transactions of T-bills and T-bonds decreased by 12.66 per cent in the reporting week compared to the previous week.

(a) Excludes Treasury bonds amounting to Rs. 78,441 million issued to settle dues of CPC and Rs. 13,125 million issued to capitalize Sri Lankan Airlines in March 2013.

### 3.5 Two way Quotes (Treasury Bills) - 03/03/2017

Remaining Maturity	Average Buying Price	Yield %	Average Selling Price	Yield %	Buying & Selling Spread
1-7 Days	99.83	8.64	99.84	8.44	0.00
1 Month	99.28	8.82	99.29	8.62	0.02
2 Month	98.52	9.02	98.55	8.84	0.03
3 Month	97.68	9.42	97.74	9.18	0.06
4 Month	96.85	9.58	96.92	9.38	0.07
5 Month	95.96	9.82	96.05	9.62	0.08
6 Month	94.94	10.27	95.02	10.10	0.08
7 Month	94.09	10.28	94.15	10.16	0.07
8 Month	93.21	10.33	93.29	10.21	0.08
9 Month	92.33	10.37	92.42	10.25	0.09
10 Month	91.43	10.42	91.54	10.29	0.11
11 Month	90.52	10.49	90.65	10.34	0.14
12 Month	89.48	10.67	89.70	10.45	0.22

### 3.6 Two way Quotes (Treasury Bonds)- 03/03/2017

Treasury Bond By Series	Maturity Period (Years)	Maturity Date (DD/MM/YY)	Days to Maturity	Average Buying Price	Yield %	Average Selling Price	Yield %	Buying & Selling Spread
08.75%2017A	4	15-May-17	73	99.70	10.00	99.76	9.73	0.06
08.00%2017B	5	15-Jun-17	104	99.34	10.22	99.42	9.91	0.09
05.80%2017B	6	15-Jul-17	134	98.39	10.25	98.49	9.95	0.11
08.50%2018A	15	1-Feb-18	335	97.92	10.93	98.21	10.58	0.29
08.50%2018C	5	1-Apr-18	394	97.35	11.16	97.51	10.99	0.16
08.50%2018D	5	1-Jun-18	455	96.67	11.41	96.84	11.26	0.17
08.50%2018B	15	15-Jul-18	499	96.27	11.50	96.43	11.37	0.16
07.50%2018A	15	15-Aug-18	530	94.66	11.58	94.85	11.44	0.18
08.75%2018A	4	15-Oct-18	591	95.81	11.65	95.97	11.54	0.15
08.00%2018A	6	15-Nov-18	622	94.31	11.77	94.52	11.63	0.21
05.65%2019A	8	15-Jan-19	683	89.94	11.79	90.16	11.65	0.21
10.75%2019A	2	15-Jan-19	683	97.99	11.96	98.15	11.86	0.16
08.50%2019A	10	1-May-19	789	93.50	11.98	93.71	11.87	0.21
10.60%2019A	5	1-Jul-19	850	96.93	12.13	97.23	11.98	0.30
10.60%2019B	5	15-Sep-19	926	96.76	12.12	97.07	11.97	0.31
08.00%2019A	8	1-Nov-19	973	90.80	12.13	91.10	11.99	0.30
09.25%2020A	5	1-May-20	1,155	91.72	12.49	92.17	12.30	0.45
08.00%2020A	8	1-Jun-20	1,186	88.75	12.30	89.03	12.18	0.28
06.20%2020A	10	1-Aug-20	1,247	83.15	12.39	83.47	12.26	0.32
09.50%2020A	5	15-Dec-20	1,383	91.38	12.41	91.74	12.28	0.37
10.75%2021A	5	1-Mar-21	1,459	94.42	12.57	94.87	12.42	0.45
09.00%2021A	8	1-May-21	1,520	88.39	12.66	88.84	12.51	0.45
11.00%2021A	7	1-Aug-21	1,612	94.31	12.72	94.75	12.58	0.44
09.45%2021A	7	15-Oct-21	1,687	89.22	12.59	89.56	12.49	0.34
11.50%2021A	5	15-Dec-21	1,748	95.35	12.82	95.69	12.72	0.34
08.00%2022A	10	1-Jan-22	1,765	83.60	12.63	84.01	12.50	0.41
11.20%2022A	9	1-Jul-22	1,946	94.01	12.77	94.74	12.57	0.73
10.00%2022A	8	1-Oct-22	2,038	89.07	12.79	89.79	12.60	0.72
09.00%2023A	10	1-Sep-23	2,373	83.60	12.79	84.29	12.62	0.68
11.20%2023A	9	1-Sep-23	2,373	92.98	12.83	93.69	12.65	0.72
07.00%2023A	20	1-Oct-23	2,403	74.97	12.73	75.37	12.62	0.40
11.40%2024A	10	1-Jan-24	2,495	93.42	12.87	94.14	12.70	0.71
11.00%2024A	8	1-Aug-24	2,708	91.05	12.91	91.76	12.74	0.71
06.00%2024A	10	1-Dec-24	2,830	67.53	12.71	67.87	12.61	0.35
10.25%2025A	10	15-Mar-25	2,934	87.12	12.87	87.80	12.72	0.68
09.00%2025A	12	1-May-25	2,981	81.42	12.72	81.82	12.63	0.39
11.00%2025A	10	1-Aug-25	3,073	90.38	12.90	91.09	12.75	0.71
09.00%2026A	13	1-Feb-26	3,257	79.89	12.85	80.32	12.75	0.44
05.35%2026A	15	1-Mar-26	3,285	60.82	12.81	61.22	12.71	0.40
11.00%2026A	11	1-Jun-26	3,377	89.98	12.88	90.78	12.72	0.80
11.50%2026A	10	1-Aug-26	3,438	92.05	12.98	92.82	12.83	0.77
09.00%2028B	15	1-May-28	4,077	76.68	13.01	77.37	12.87	0.69
09.00%2028A	15	1-Jul-28	4,138	76.92	12.93	77.40	12.83	0.48
11.50%2028A	13	1-Sep-28	4,200	91.01	13.03	92.19	12.82	1.18
13.00%2029A	15	1-Jan-29	4,322	99.56	13.07	100.11	12.97	0.56
13.00%2029B	15	1-May-29	4,442	100.12	12.97	100.58	12.90	0.46
11.00%2030A	15	15-May-30	4,821	87.36	13.02	88.43	12.84	1.07
08.00%2032A	20	1-Jan-32	5,417	66.86	13.12	67.32	13.03	0.46
09.00%2032A	20	1-Oct-32	5,691	72.85	13.13	73.33	13.04	0.48
09.00%2033A	20	1-Jun-33	5,934	72.25	13.18	72.87	13.06	0.62
13.25%2033A	20	1-Jul-33	5,964	100.28	13.20	100.98	13.10	0.69
09.00%2033B	20	1-Nov-33	6,087	71.86	13.21	72.38	13.11	0.52
13.25%2034A	20	1-Jan-34	6,148	100.06	13.23	100.78	13.13	0.72
11.50%2035A	20	15-Mar-35	6,586	88.31	13.21	90.43	12.88	2.12
12.00%2041A	25	1-Jan-41	8,705	90.37	13.34	92.47	13.03	2.10
09.00%2043A	30	1-Jun-43	9,586	68.48	13.35	69.17	13.22	0.69
13.50%2044A	30	1-Jan-44	9,800	100.41	13.44	101.19	13.33	0.78
13.50%2044B	30	1-Jun-44	9,952	100.33	13.45	101.16	13.33	0.83
12.50%2045A	30	1-Mar-45	10,225	92.89	13.48	95.97	13.04	3.07

## External Sector

During the year up to 03 March 2017 the Sri Lanka rupee depreciated against the US dollar (1.0 per cent). Given the cross currency exchange rate movements, the Sri Lanka rupee depreciated against the pound sterling (0.8 per cent) euro (0.7 per cent) Japanese yen (2.8 per cent) and Indian rupee (2.6 per cent) during this period.

Earnings from exports at US dollars 855 million in October 2016 reflected a marginal growth of 0.9 per cent from US dollars 847 million in October 2015. On a cumulative basis, export earnings during the first ten months of 2016 at US dollars 8,618 million, contracted by 2.6 per cent, year-on-year, reflecting lower proceeds from transport equipment and petroleum products.

Expenditure on imports increased by 16.4 per cent, year-on-year, to US dollars 1,906 million in October 2016. The increase in expenditure on imports was mainly due to the importation of a dredger vessel by CHEC Port City Colombo (Pvt) Ltd, which was categorised under investment goods. Expenditure on imports at US dollars 15,852 million during the first ten months of 2016 increased marginally by 0.2 per cent from the corresponding period of the previous year.

The terms of trade improved by 5.4 per cent in November 2016 compared to the corresponding month of the previous year due to the increase in export prices and the decline in imports prices during the month. The export unit value index in November 2016 increased by 4.6 per cent, year-on-year. The import unit value index decreased marginally by 0.7 per cent, year-on-year, in November 2016.

China, India, UK, Germany and France were the top five sources of tourist arrivals, accounting for 48.1 per cent of total tourist arrivals in the month of January 2017

The average price of tea increased to US dollars 3.77 per kg in October 2016 from US dollars 2.73 per kg (in the Colombo auction) in October 2015 and US dollars 3.51 in September 2016.

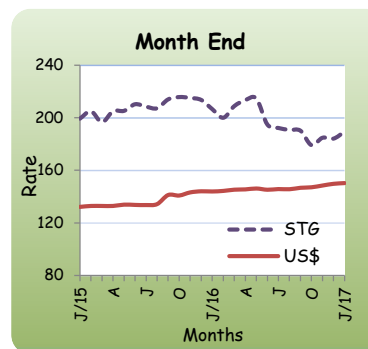
Further, the import prices of rice, wheat and crude oil prices declined compared to the corresponding month of 2015.



# EXTERNAL SECTOR

## 4.1 Exchange Rates

Item (Rs Per Unit)(a)	Week Ending - 03 Mar 2017			Average Rate		
	Buying Rate	Selling Rate	Average Rate	Week Ago	Year Ago	
US\$	149.29	153.16	151.23	152.27	144.75	
STG	182.42	188.81	185.62	189.49	203.77	
Yen	1.30	1.35	1.33	1.35	1.27	
Euro	155.99	162.09	159.04	160.70	157.21	
INR <sup>(1)</sup>			2.26	2.26	2.14	
SDR	(As at 02 Mar 2017)		203.72	204.02	198.64	
<b>Central Bank purchases and sales(b)</b> (US\$ Mn.)			<b>January 2017</b>	<b>Month Ago</b>	<b>Year Ago</b>	
Purchases			64.66	179.31	-	
Sales			204.50	71.73	303.50	
Average Daily Interbank Volume (US\$ Mn.) (spot, tom and cash transactions among commercial banks)				<b>Week Ending 03 Mar 2017</b>	<b>Week Ago</b>	<b>Year Ago</b>
				40.38	28.70	17.70
<b>Forward Transactions</b>						
Forward Rates (US\$) <sup>(2)</sup>						
1 Month				152.76	152.98	144.76
3 Months				154.59	154.28	146.11
Average Daily Interbank Forward Volume (US\$ mn)				59.25	43.35	38.60
Outstanding Forward Volume (US\$ mn) (As at 02 Mar 2017)				1,649.53	1,516.61	1,586.98



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

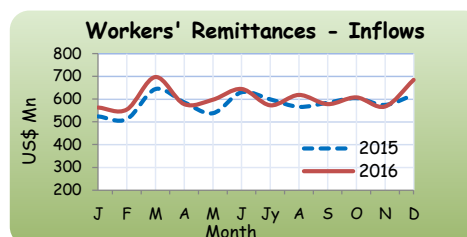
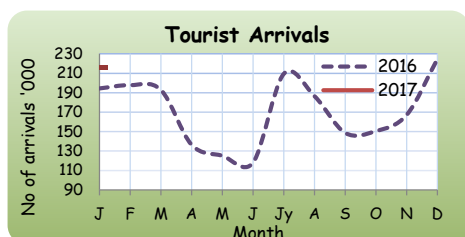
(b) Central Bank purchases and sales of foreign exchange from commercial banks at market rates total for the Month

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

## 4.2 Tourism & Workers' Remittances

Item		2016	2017	% Change
		Jan (a)(b)	Jan (c)(d)	
Tourist Arrivals	Number	194,280	219,360	12.9
Earnings from Tourism(d)	US\$ Mn.	333.3	376.3	12.9
	Rs.bn.	48.0	56.5	17.7
Workers' Remittances (Inflows)	US\$ Mn.	<b>2016</b>	<b>2017</b>	% Change
		<b>January</b>	<b>January(c)</b>	
		563.4	571.6	1.4
	Rs. bn.	81.1	85.8	5.8

(a) Provisional (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 International Reserves & Foreign Currency Liquidity as at 31<sup>st</sup> January 2017 <sup>(a)</sup>

Official Reserve Assets (USD mn)					
<b>Official Reserve Assets</b>				<b>5,453.21</b>	
(1) Foreign currency reserves				4,527.59	
(a) Securities				2,354.37	
(b) Total currency and deposits with				2,173.21	
(i) other national central banks, BIS				867.61	
(ii) banks headquartered inside the reporting country of which located abroad				1.12	
(iii) banks headquartered outside the reporting country				1,304.48	
(2) Reserve position in the IMF				65.03	
(3) SDRs				2.05	
(4) Gold				857.56	
(5) Other reserve assets				0.98	
Predetermined Short-Term Net Drains on Foreign Currency Assets <sup>(b)</sup>					
Item	Total	Maturity breakdown (residual maturity)			
		Up to 1 month	More than 1 and up to 3 months	More than 3 months and up to 1 year	
1. Foreign currency loans, securities, and deposits					
outflows (-)	Principal	-3,818.51	-61.71	-1,637.55	-2,119.24
	Interest	-1,043.04	-18.61	-177.54	-846.89
inflows (+)	Principal				
	Interest				
2. Aggregate short and long positions in forwards and futures in foreign currencies vis-à-vis the domestic currency (including the forward leg of currency swaps)					
	(a) Short positions (-) <sup>(c)</sup>	-2,830.91	-50.00	-1,705.00	-1,075.91
	(b) Long positions (+)				
3. Other (specify)					
	inflows related to reverse repos (+)	-1.58	-1.58		
	other accounts payable (-)	-1.58	-1.58		

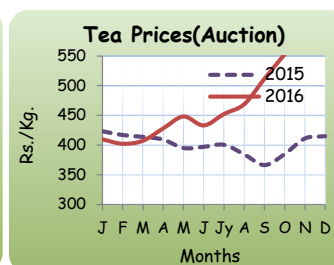
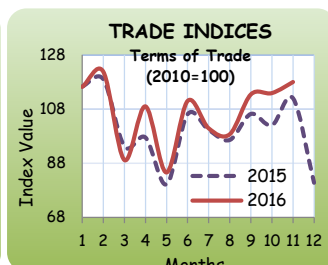
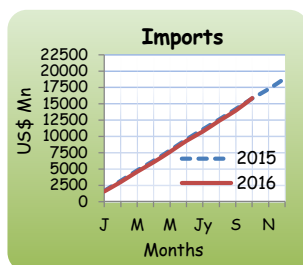
(a) Provisional

(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

## 4.4 External Trade

Item	US\$ Mn			Rs Mn		
	Jan-Oct 2016	Jan-Oct 2015	% Change	Jan-Oct 2016	Jan-Oct 2015	% Change
<b>Exports</b>	<b>8,618.1</b>	<b>8,852.3</b>	<b>-2.6</b>	<b>1,249,919.3</b>	<b>1,189,914.9</b>	<b>5.0</b>
Agricultural	1,942.3	2,091.0	-7.1	281,795.0	281,274.5	0.2
Industrial	6,638.5	6,718.3	-1.2	962,714.2	902,845.7	6.6
Food, Beverages and Tobacco	253.9	218.5	16.2	36,823.9	29,386.5	25.3
Textiles and Apparel	4,107.5	4,016.6	2.3	595,569.0	540,102.8	10.3
Petroleum Products	231.6	325.9	-28.9	33,595.9	43,591.7	-22.9
Leather, Rubber etc	784.9	761.7	3.0	113,853.9	102,369.2	11.2
Other	1,260.6	1,395.7	-9.7	182,871.5	187,395.5	-2.4
Mineral	24.9	25.8	-3.2	3,619.2	3,453.0	4.8
Other	12.4	17.3	-28.5	1,790.9	2,341.7	-23.5
<b>Imports</b>	<b>15,851.9</b>	<b>15,825.0</b>	<b>0.2</b>	<b>2,299,925.3</b>	<b>2,128,484.0</b>	<b>8.1</b>
Consumer Goods	3,576.8	3,938.7	-9.2	518,805.1	529,763.9	-2.1
Intermediate Goods	7,983.6	8,092.2	-1.3	1,158,281.4	1,088,447.7	6.4
Investment Goods	4,280.3	3,780.1	13.2	621,222.4	508,392.2	22.2
Other	11.1	14.0	-20.6	1,616.3	1,880.2	-14.0
<b>Trade Balance</b>	<b>-7,233.7</b>	<b>-6,972.7</b>	<b>3.7</b>	<b>-1,050,006.1</b>	<b>-938,569.1</b>	<b>11.9</b>



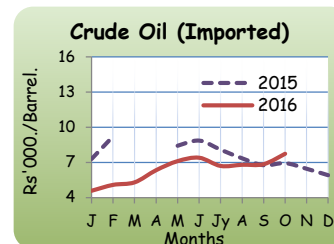
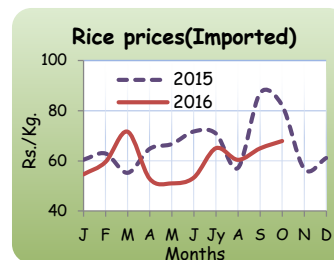
## 4.5 Trade Indices (2010= 100 ) (a)

Item	2016 Nov (b)	Month Ago	Year Ago
<b>Total Exports</b>			
Value	112.7	119.0	116.7 (c)
Quantity	103.4	123.2 (c)	112.0
Unit Value	109.0	96.6 (c)	104.1 (c)
<b>Total Imports</b>			
Value	154.9	170.6	131.1
Quantity	167.7	201.2	141.0
Unit Value	92.4	84.8	93.0
<b>Terms of Trade</b>	118.0	113.9 (c)	112.0 (c)

(a) In US\$ Terms

(b) Provisional

(c) Revised



## 4.6 International Commodity Prices

Item	October 2016	October 2015	% Change	October 2016	October 2015	% Change
	US\$ / Kg			Rs / Kg		
Tea Prices	3.77	2.73	37.8	553.01	384.97	43.7
<b>Imports (C I F)</b>	US\$ / MT			Rs / MT		
Rice	462.45	582.87	-20.7	67,920.83	82,123.24	-17.3
White Sugar	606.07	364.26	66.4	89,014.42	51,322.15	73.4
Wheat	251.05	251.22	-0.1	36,872.08	35,395.54	4.2
	US\$ / Barrel			Rs / Barrel		
Crude Oil	52.70	49.26	7.0	7,740.68	6,941.15	11.5