

# Weekly Economic Indicators

09 October 2015



Statistics Department

# Real Sector

Inflation, as measured by the change in the Colombo Consumers' Price Index (CCPI) (2006/07=100), which is compiled by the Department of Census and Statistics, declined to -0.3 per cent in September 2015, compared to -0.2 per cent recorded in the previous month, on a year-on-year basis. Annual average inflation declined to 0.7 per cent in September 2015 from 1.0 per cent in August 2015. CCPI decreased by 0.3 per cent from August to September 2015

The GDP grew by 6.7 per cent in real terms during the second quarter of 2015, mainly attributable to 7.9 per cent growth in Services activities, supported by the growth in Industry activities by 2.0 per cent and Agriculture activities by 5.0 per cent in value added terms.

Tea production during the first seven months of 2015 declined by 2.1 per cent from 202.6 million kg to 198.4 million kg. Meanwhile, coconut production during the first Seven months of 2015 increased by 5.9 per cent. However, production of rubber during the first seven months of 2015 declined considerably by 15.9 per cent.

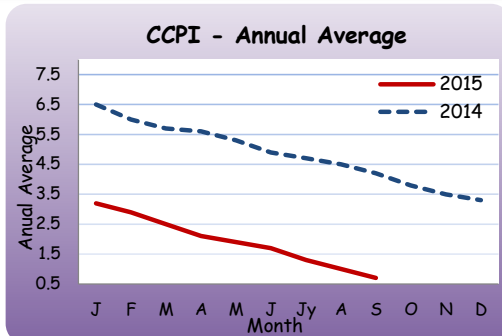
The FIPI increased by 14 per cent on a year-on-year basis in May 2015. This growth was mainly facilitated by increased production of tobacco, wearing apparel and other non-metallic mineral products sectors. They have recorded a significant growth of 16.9, 29.8 and 38.4 per cent respectively during this period. This was mainly attributed to increased domestic and international demand.

During the week crude oil spot prices followed an increasing trend. At the beginning of the week prices rose as investors seem to expect a possible reduction in oil output after Russia said it was prepared to meet OPEC and non-OPEC producers to discuss the situation in the global oil market, while a report showed a fifth weekly decline in the U.S. oil rig count. A meeting between Russian and Saudi officials was being planned for the end of October. Prices further rose after the U.S. Energy Information Administration (EIA) reported global oil demand is expected to increase by the most in six years in 2016 while supply from non-OPEC countries stalls. However, WTI price then fell as EIA reported U.S. crude stocks rose by 3.1 million barrels as refiners reduced inputs and idled capacity. Prices further rose after U.S. Federal Reserve minutes suggested there was no hurry to raise rates as policymakers are concerned that the global economic slowdown may affect the outlook for the U.S. Further, PIRA Energy Group, a closely watched forecaster that predicted the slump in oil prices a year ago, said it expects crude prices to rise to \$70 a barrel by the end of 2016 and \$75 a barrel in 2017.

# REAL SECTOR

## 1.1 Price Indices

Item	September 2015	Month Ago	Year Ago
(2006 / 07 = 100)			
Colombo Consumers' Price Index (CCPI)	181.4	181.9	181.9
Annual Average Change %	0.7	1.0	4.2
Year - on - Year Change %	-0.3	-0.2	3.5
Core Inflation - ( CCPI )	180.2	180.0	172.9
Annual Average Change %	2.8	2.8	3.2
Year - on - Year Change %	4.2	3.9	3.7



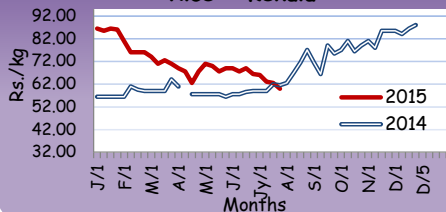
## 1.2 Pettah Market

Item	Average Wholesale Prices				Average Retail Prices			
	Week Ending 08 <sup>th</sup> Oct 2015	Week Ago	Month Ago	Year Ago Annual Avg	Week Ending 08 <sup>th</sup> Oct 2015	Week Ago	Month Ago	Year Ago Annual Avg
	Rs / Kg				Rs / Kg			
<b>Rice</b>								
Samba	82.50	85.00	82.00	78.30	88.00	88.00	88.00	84.04
Kekulu (Red)	60.00	60.00	59.25	67.44	70.00	70.00	69.00	74.33
<b>Vegetables</b>								
Beans	100.00	110.00	107.50	113.17	140.00	140.00	142.50	140.96
Cabbage	40.00	30.00	45.00	61.65	60.00	60.00	77.50	90.96
Carrots	50.00	50.00	67.50	109.81	80.00	80.00	102.50	138.08
Tomatoes	60.00	60.00	42.50	90.77	100.00	100.00	75.00	122.31
Pumpkins	35.00	40.00	36.25	37.38	60.00	60.00	60.00	56.83
Snake Gourd	80.00	60.00	52.50	69.90	120.00	100.00	80.00	96.73
Brinjals	50.00	60.00	56.25	71.35	80.00	100.00	90.00	98.65
Ash-Plantains	60.00	70.00	65.00	73.65	80.00	100.00	90.00	95.96
<b>Other Foods</b>								
Red-Onions (Local)	110.00	100.00	76.88	79.55	140.00	130.00	106.25	109.59
Big-Onions (Local)	77.50	75.00	78.75	75.42	120.00	120.00	107.50	99.07
Potatoes (N'Eliya)	97.50	102.50	100.00	104.64	120.00	120.00	122.50	127.69
Dried Chilies (Imported)	290.00	285.00	266.25	193.24	350.00	340.00	315.00	230.38
Dhal (Indian)	160.00	165.00	166.75	140.94	180.00	190.00	183.75	159.23
Eggs (Red)	14.50	14.00	14.00	12.04	15.00	15.00	14.75	12.57
Coconut (Each)	37.00	35.00	36.88	38.63	50.00	50.00	50.00	50.10
<b>Fish*</b>								
Kelawalla	440.00	380.00	447.50	433.85	600.00	480.00	590.00	532.40
Balaya	240.00	260.00	275.00	295.00	300.00	310.00	335.00	349.04
Salaya	120.00	140.00	127.50	112.31	160.00	180.00	167.50	151.35
Paraw (Small)	480.00	550.00	537.50	435.58	530.00	600.00	582.50	487.88

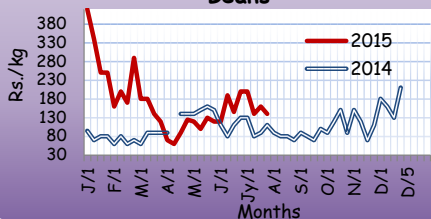
\* Prices collected from the Fisheries Trade Centre, Peliyagoda.

**Pettah Market - Wholesale Prices**

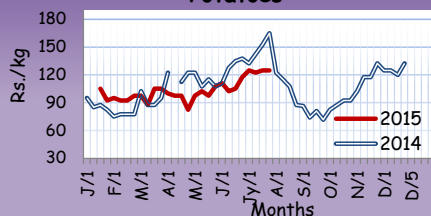
**Rice - Kekulu**



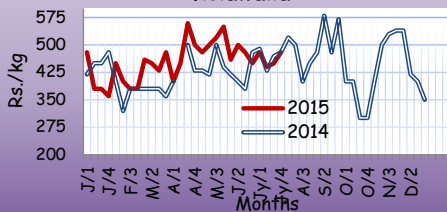
**Beans**



**Potatoes**

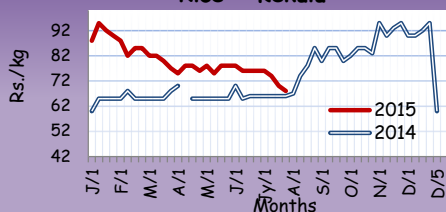


**Kelawalla**

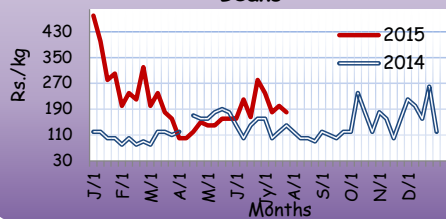


**Pettah Market - Retail Prices**

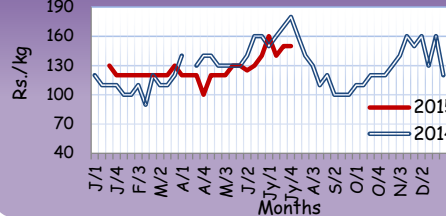
**Rice - Kekulu**



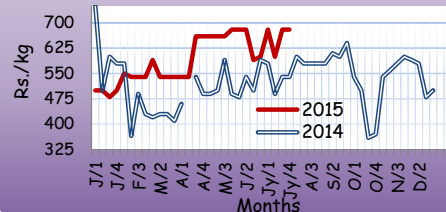
**Beans**



**Potatoes**



**Kelawalla**



**1.3 Dambulla Market**

Item (Rs / Kg)	Week Ending 08 <sup>th</sup> Oct 2015	
	Wholesale (Average)	Retail (Average)
<b>Rice</b>		
Samba	84.50	87.00
Kekulu (Red)	63.00	67.50
<b>Vegetables</b>		
Beans	111.00	151.00
Carrot	63.50	103.00
Tomatoes	60.50	82.00
Pumpkins	30.40	49.00
Snake Gourd	40.50	62.50
Ash-Plantains	49.50	75.00
<b>Other Foods</b>		
Red-Onions (Local)	95.50	115.00
Big-Onions (Local)	86.20	108.00
Potatoes (N'Eliya)	88.00	110.00
Dried Chilies(Imported)	285.00	320.00
Coconut (Each)	35.80	45.00

**1.5 Maradaghamula Market**

**Average wholesale price of Rice**

Item (Rs / Kg)	Week Ending 09 <sup>th</sup> Oct	Week Ago	Month Ago	Year Ago
Samba	78.20	80.00	79.16	75.74
Sudu Kekulu	56.90	58.10	57.65	69.11
Raw Red	58.10	57.84	57.64	67.25
Nadu	58.90	59.60	58.97	70.82

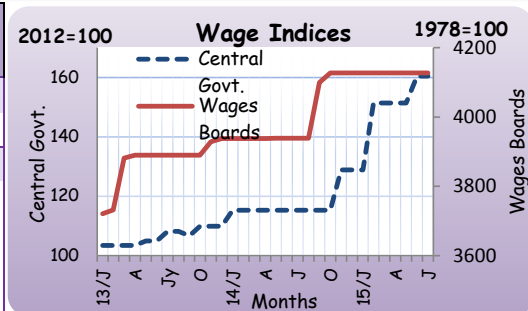
**1.4 Narahenpita Economic Centre**

Item (Rs / Kg)	Average Retail Prices	
	08 <sup>th</sup> Oct 2015	Week Ago
<b>Rice</b>		
Samba	85.00	85.00
Kekulu (Red)	65.00	68.00
<b>Vegetables</b>		
Beans	160.00	120.00
Cabbage	80.00	80.00
Carrots	120.00	120.00
Tomatoes	120.00	70.00
Pumpkins	80.00	80.00
Snake Gourd	140.00	140.00
Brinjals	90.00	100.00
Ash-Plantains	140.00	140.00
<b>Other Foods</b>		
Red-Onions (Imported)	n.a.	n.a.
Big-Onions (Imported)	n.a.	n.a.
Potatoes (Imported)	90.00	90.00
Dried Chilies (Imported)	310.00	267.00
Dhal (Indian)	186.67	190.00
Eggs (Red)(Each)	15.00	15.00
Coconut (Each)	55.00	60.00
<b>Fish</b>		
Kelawalla	756.67	787.00
Balaya	n.a.	n.a.
Salaya	156.67	163.00
Paraw (Small)	860.00	883.00

## 1.6 Wage rate Indices

Item	2015(a) Aug	2014 Aug	% Change
<b>(2012 = 100)</b>			
Central Government Employees	160.4	115.3	39.1
<b>(1978 = 100)</b>			
Workers in Wages Boards Trades	4,127.1	4,099.2	0.7
Agriculture	4,734.5	4,692.3	0.9
Industry & Commerce	3,459.1	3,459.1	0.0
Services	2,313.2	2,313.2	0.0

(a) Provisional

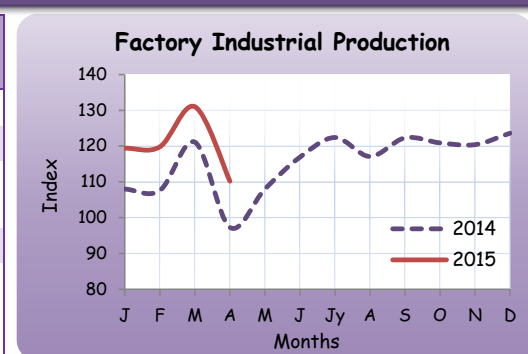


## 1.7 Factory Industry-Production (FIPI) ( 2010 = 100 ) (a)

Item	2015 (b) May	2014 May	% Change
<b>Factory Industry- Production Index</b>	<b>123.1</b>	<b>108.0</b>	<b>14.0</b>
Food products	103.3	100.5	2.8
Beverages	121.8	109.7	11.0
Tobacco products	96.2	82.3	16.9
Wearing apparel	168.2	129.6	29.8
Chemicals and chemical products	94.5	85.4	10.7
Rubber and plastic products	138.4	134.0	3.3
Other non-metallic mineral products	114.8	83.0	38.4

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

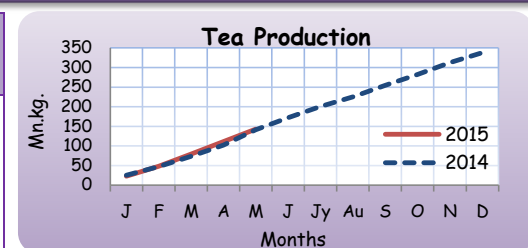
(b) Provisional



## 1.8 Agriculture Production

Item	Unit	2015(a) Jan - Jul	2014 Jan - Jul	% Change
Tea	(Mn Kg)	198.4	202.6	-2.1
Rubber	(Mn Kg)	57.0	67.8	-15.9
Coconuts	(Mn Nuts)	1,765.1	1,667.2	5.9

(a) Provisional

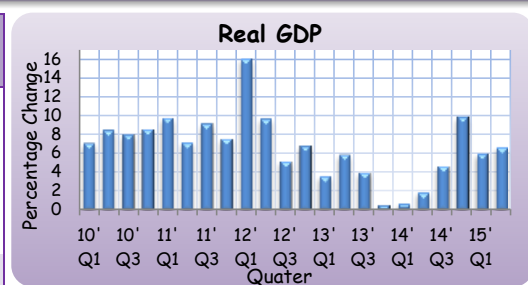


## 1.9 GDP by Industrial Origin at Constant (2010) Prices - Growth Rates in value added terms

Item	2015(a) 2 <sup>nd</sup> Quarter	2014(a) 2 <sup>nd</sup> Quarter	2014(a) Annual
Agriculture	5.0	-0.9	-2.2
Industry	2.0	-5.9	1.2
Services	7.9	5.5	6.5
<b>GDP</b>	<b>6.7</b>	<b>1.9</b>	<b>4.5</b>

(a)Provisional

Source: Department of Census and Statistics



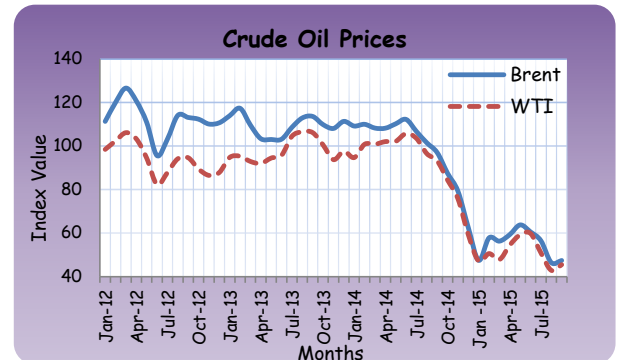
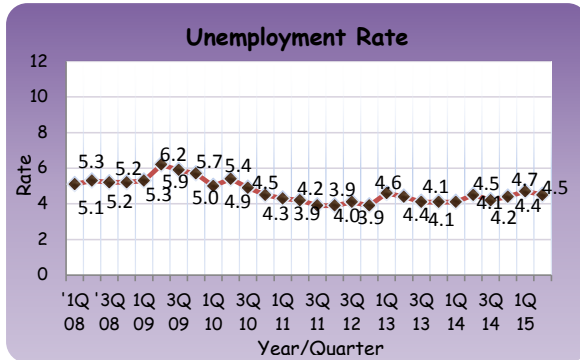
## 1.10 Employment (a)

Item	2015 (b) 2 <sup>nd</sup> Quarter	2014 2 <sup>nd</sup> Quarter	2014 Annual
Labour Force Participation rate	54.3	53.6	53.3
Unemployment rate	4.5	4.5	4.3
<b>Employed Persons by Sectors (c) (as a % of total employment)</b>			
Agriculture	28.4	28.2	28.5
Industry	25.7	26.0	26.5
Services	45.9	45.8	45.0

(a) The working age population aged 15 and above (b) Provisional

Source: Department of Census and Statistics

(c) Based on the International Standard Industrial Classification (ISIC) - Revision 4



## 1.11 Average Crude Oil Prices

Month	2014			2015		
	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	109.21	94.71	113.84	47.46	47.11	55.47
February	110.01	100.82	110.62	57.81	50.58	69.52
March	108.28	100.82	111.17	56.30	47.82	-
April	108.22	102.07	110.25	59.32	54.45	-
May	110.22	102.18	109.80	63.76	59.26	63.09
June	112.27	105.79	113.42	60.53	59.82	66.21
July	106.73	103.54	110.30	56.48	50.90	60.49
August	101.51	96.54	111.21	46.43	42.87	54.92
September	97.02	93.19	100.08	47.41	45.48	
October	87.51	84.40	99.39			
November	79.28	75.79	76.82			
December	62.55	59.29	75.98			
	2014			2015		
02 October	91.04	91.02		46.50	45.54	
05 October	-	-		49.40	46.28	
06 October	90.60	90.33		51.29	48.53	
07 October	90.85	88.89		51.61	47.86	
08 October	90.20	87.29		52.28	49.46	

Sources: Reuters

Energy Information Administration

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 09 October 2015 increased by 11 basis points to 7.15 compared to the previous week.

Broad money (M2b) expanded by 16.2 per cent on a year-on-year basis in July 2015.

NFA of the banking system declined by Rs. 35.7 billion in July 2015.

NCG from the banking system showed an increase of Rs. 61.8 billion in July 2015.

Credit extended to the private sector increased by Rs. 40.9 in July 2015.

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

The total outstanding market liquidity increased to Rs. 62.78 bn by end of the week, compared to Rs. 59.02bn by the end of last week.

By 09 October 2015, All Share Price Index (ASPI) declined by 0.13 per cent to 7,096 points and S&P SL 20 Index declined by 0.55 per cent to 3,820 points, compared to the previous week.

# MONETARY SECTOR

## 2.1 Interest Rates

Item	Week Ending 2015 Oct 09	Week Ago	Year Ago	
Commercial Bank Average Weighted Prime Lending Rate (AWPR)	7.15	7.04	6.32	
Treasury Bill Yield (Excluding 10% withholding tax)				
- 91 days	6.78	6.78	-	
- 182 days	7.07	7.07	-	
- 364 days	-	-	-	
Standing Deposit Facility	6.00	6.00	6.50	
Standing Lending Facility	7.50	7.50	8.00	
Call Money Weekly Average (CMR)	6.36	6.35	6.17	
Sri Lanka Inter Bank Offer Rate ( SLIBOR )				
1 day	6.36	6.35	6.23	
7 days	6.56	6.53	6.35	
1 Month	6.87	6.83	6.46	
3 Months	7.11	7.11	6.64	
6 Months	7.36	7.39	6.84	
12 Months	7.66	7.66	7.12	
Commercial Banks	Aug 2015	Month Ago	Year Ago	
Saving Deposits -	0.50-8.50	0.50-8.00	0.75-9.50	
One Year Fixed Deposits -	3.50-15.00	3.50-15.00	4.15-12.00	
	Sep 2015	Month Ago	Year Ago	
Commercial Bank Average Weighted Deposit Rate (AWDR)	6.00	6.01	6.83	
Commercial Bank Average Weighted Fixed Deposit Rate (AWFDR)	7.22	7.23	8.18	
	Aug 2015	Month Ago	Year Ago	
Commercial Bank Average Weighted Lending Rate (AWLR)	11.08	11.17	13.29	
NSB	Aug 2015	Month Ago	Year Ago	
Saving Deposits -	5.00	5.00	5.00	
One Year Fixed Deposits -	6.50	6.50	7.50	
<b>Treasury Bonds Auction</b>	(3 Y & 11 Months) 28/09/15	(5 Y & 10 Months) 28/09/15	(8 Y & 3 Months ) 28/09/15	(12 Y & 11 Months) 28/09/15
Coupon rate	10.60	11.00	11.40	11.50
Weighted Average Yield (Excluding 10% withholding tax)	9.50	9.90	-	11.04

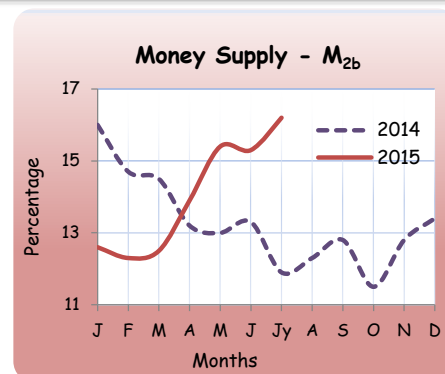
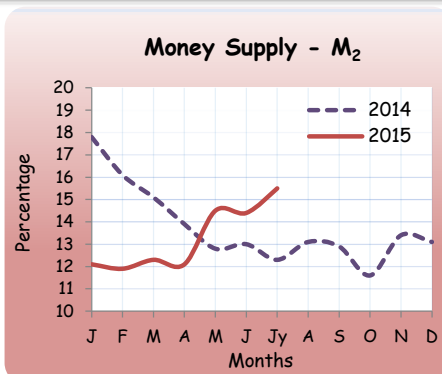
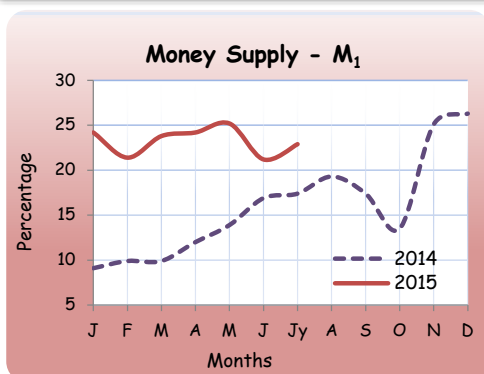
Bankwise- AWPR	Week ending 2015 Oct 09	Week Ago	Bankwise- AWPR	Week ending 2015 Oct 09	Week Ago
Bank of Ceylon	7.57	7.58	HSBC	6.34	6.33
People's Bank	7.54	7.06	Standard Chartered Bank	7.08	7.10
Hatton National Bank	7.54	7.31	Citi Bank	7.45	6.84
Commercial Bank of Ceylon	7.12	7.08	Deutsche Bank	6.66	6.56
Sampath Bank	7.63	8.22	Habib Bank	5.82	5.82
Seylan Bank	7.78	6.80	Indian Bank	8.44	8.32
Union Bank of Colombo	7.76	7.95	Indian Overseas Bank	8.91	8.82
Pan Asia Banking Corporation	7.50	7.50	MCB Bank	7.81	7.75
Nations Trust Bank	6.88	6.63	State Bank of India	8.38	8.38
DFCC Bank	8.08	7.58	Public Bank	8.60	8.23
NDB Bank	7.25	7.50	ICICI Bank	8.47	8.47
Amana Bank	8.42	8.47	Axis Bank	-	-
Cargills Bank	8.28	7.80			



## 2.2 Money Supply

Item	Rs. Bn.			Annual Change (%)		
	2015 (a)	Month	Year	2015 (a)	Month	Year
	July	Ag	Ag	July	Ag	Ag
M1	642.1	629.4	522.2	22.9	21.2	17.4
M2	3,732.2	3,677.5	3,230.6	15.5	14.4	12.3
M2b	4,193.9	4,141.1	3,608.0	16.2	15.3	11.9
Net Foreign Assets of the Banking System (b)	-241.2	-205.5	202.0	-219.4	-225.6	202.1
Monetary Authorities	515.3	538.6	743.4	-30.7	-23.8	99.5
Domestic Banking Units (DBUs)	-261.7	-249.1	-214.8	-21.8	-17.1	-16.1
Foreign currency Banking Units (FCBUs)	-494.9	-495.0	-326.6	-51.5	-49.7	15.3
Net Domestic Assets of the Banking System (b)	4,435.1	4,346.6	3,406.1	30.2	26.8	-0.5
DBUs	3,777.2	3,686.8	2,945.2	28.2	24.2	1.0
FCBUs	657.9	659.8	460.8	42.8	42.9	-9.2
Net Credit to Government	1,735.6	1,673.8	1,402.2	23.8	21.5	7.5
Monetary Authorities	218.6	186.7	141.4	54.6	30.8	-28.1
DBUs	1,210.6	1,208.8	1,056.0	14.6	17.2	11.9
FCBUs	306.3	278.3	204.8	49.6	37.0	24.5
Credit to Corporations	475.8	482.6	326.9	45.6	38.2	-10.1
DBUs	218.4	202.4	162.8	34.2	33.5	25.7
FCBUs	257.3	280.3	164.1	56.8	41.8	-29.9
Credit to the Private Sector	3,004.1	2,963.2	2,481.9	21.0	19.4	0.8
DBUs	2,766.5	2,722.0	2,270.0	21.9	20.1	0.8
FCBUs	237.5	241.1	211.9	12.1	11.7	1.1
Reserve Money	630.3	608.0	524.5	20.2	19.8	15.0

(a) Provisional (b) In relation to M2b

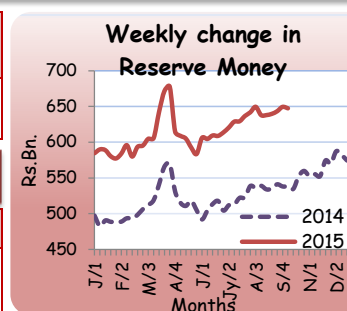


## 2.3 Weekly change in Reserve Money

Item	08 Oct 2015	Week Ago	Change
Reserve Money (Rs.Mn.)	647,254	644,704	2,551

## 2.4 Money Market Activity (Overnight)

Item	05.10.2015	06.10.2015	07.10.2015	08.10.2015	09.10.2015
<b>Call Money Market</b>					
Weighted Average Rate (% p.a.)	6.35	6.35	6.36	6.37	6.38
Gross Volume (Rs. Mn)	17,340	17,110	16,935	14,590	15,907
<b>Repo Market</b>					
Weighted Average Rate (% p.a.)	6.49	6.49	6.48	6.50	6.48
Gross Volume (Rs. Mn)	11,613	13,962	12,147	12,405	7,740



## 2.5 CBSL Security Portfolio

Item	05.10.2015	06.10.2015	07.10.2015	08.10.2015	09.10.2015
CBSL T-Bill Holding (Rs. Mn)	186,280	186,320	186,360	186,373	200,414

## 2.6 Open Market Operations

Item	05.10.2015	06.10.2015	07.10.2015	08.10.2015	09.10.2015
<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)	0.00	0.00	0.00	0.00	0.00
Tenure (No. of Days)	0	0	0	0	0
Bids Received (Rs. bn)	0.00	0.00	0.00	0.00	0.00
Amount Accepted (Rs. bn)	0.00	0.00	0.00	0.00	0.00
Weighted Average Yield Rate (% p.a.)	0.00	0.00	0.00	0.00	0.00
<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)	61.23	56.43	52.03	49.55	62.78
Standing Lending Facility (Rs. bn)	0.00	0.00	0.00	0.00	0.00
<b>Total Outstanding Market Liquidity (Rs. bn)</b>	<b>61.23</b>	<b>56.43</b>	<b>52.03</b>	<b>49.55</b>	<b>62.78</b>

## 2.7 Credit Cards (a)

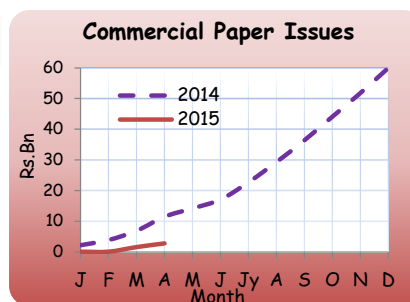
Item	2015 (b) End July	2015 End June	2014 End Dec
<b>Total Number of Active Cards</b>	1,046,030	1,083,977	1,032,833
Local (accepted only locally)	31,600	31,803	32,874
Global (accepted globally)	1,014,430	1,052,174	999,959
<b>Outstanding balance (Rs. Mn.)</b>	<b>55,452</b>	<b>57,396</b>	<b>57,621</b>
Local (accepted only locally)	1,177	1,212	1,234
Global (accepted globally)	54,275	56,184	56,387

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

## 2.8 Commercial Paper Issues (a)

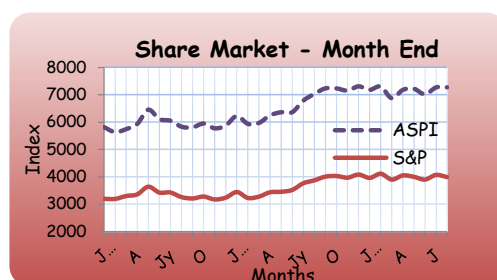
Item (Rs. bn.)	2015 End July(b)	2015 End June	2014 End Dec
Total Issues - Cumulative	6.8	4.9	8.2
Outstanding (as at end of the period)	7.6	6.0	3.5

(a) Based on the information provided by Licensed Commercial Banks and Licensed Specialised Banks (b) provisional



## 2.9 Share Market

Item	Week Ending 09 Oct 2015	Week Ago	Year Ago
All Share Price Index (1985 = 100) (ASPI)	7,096	7,106	7,386
S & P Sri Lanka 20 Index (S&P SL20)	3,820	3,841	4,151
Average Daily Turnover (Rs. Mn)	762	1,428	2,532
Market Capitalisation (Rs.Bn.)	3,010	3,014	3,141



## Fiscal Sector

During the first half of 2015, government revenue as a percentage of estimated GDP increased marginally to 5.4 per cent from 5.2 per cent in the corresponding period in 2014. In nominal terms, total revenue increased by 12.9 per cent to Rs. 605.7 billion during the first half of the year from Rs. 536.4 billion recorded during the same period in 2014. The total revenue collection during this period was only 40.3 per cent of the annual estimate of Rs. 1,504.7 billion in comparison to 37.3 per cent in the corresponding period of 2014. Average monthly revenue during this period was around Rs. 100.9 billion compared to the estimate of Rs. 125.4 billion in the Interim Budget for 2015.

Total expenditure and net lending during the first half of 2015 declined to 8.9 per cent of estimated GDP from 9.0 per cent during the same period in 2014. The recurrent expenditure increased significantly to 6.8 per cent of estimated GDP from 6.1 per cent of GDP recorded in the same period in 2014. Capital expenditure and net lending as a percentage of GDP declined to 2.1 per cent during the first half of 2015 from 2.7 per cent in the corresponding period in 2014.

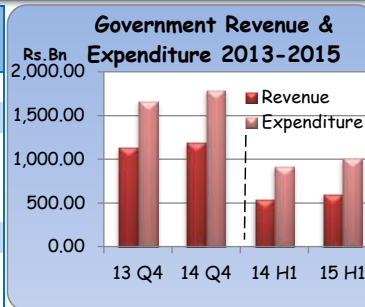
Total outstanding debt increased by Rs. 546.6 billion to Rs. 7,937.5 billion as at end June 2015 from Rs. 7,390.9 billion at end 2014. Foreign debt increased only by Rs. 68.6 billion to Rs. 3,181.8 billion and domestic debt increased by Rs. 477.9 billion to Rs. 4,755.7 billion.

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 June 2015. Accordingly, SCL on potatoes was reduced to Rs. 30 per kg from Rs. 50 per kg while SCL on B' Onions was reduced to Rs. 10 per kg from Rs. 30 per kg with effect from 6 June 2015. Meanwhile, SCL on Masoor dhal was reduced to Rs. 0.25 per kg from Rs. 5 per kg and SCL on crude oil for cooking purposes increased to Rs. 105 per kg from Rs. 90 per kg.

# FISCAL SECTOR

## 3.1 Government Finance (Rs.bn)

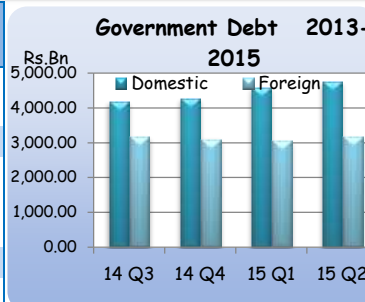
Item	2015 (a)	2014
	First Half	First Half
<b>Revenue and Grants</b>	<b>605.8</b>	<b>543.6</b>
<b>Revenue</b>	<b>605.7</b>	<b>536.4</b>
Tax	557.6	484.4
Non tax	48.1	52.0
<b>Grants</b>	<b>0.2</b>	<b>7.2</b>
<b>Expenditure &amp; Lending Minus Repayments</b>	<b>1,007.5</b>	<b>921.3</b>
Current	769.3	643.1
Capital & Lending Minus Repayments	238.2	278.2



(a) Provisional

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

Item	End June	End
	2015 (a)	2014
<b>Total domestic debt</b>	<b>4,755.7</b>	<b>4,277.8</b>
of which		
Treasury bills	757.3	694.8
Treasury bonds	3,104.4	2,844.1
Rupee loans	28.2	55.5
<b>Total foreign debt</b>	<b>3,181.8</b>	<b>3,113.1</b>
<b>Total outstanding govt. debt</b>	<b>7,937.5</b>	<b>7,390.9</b>



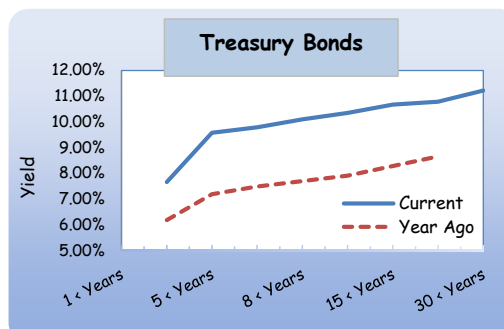
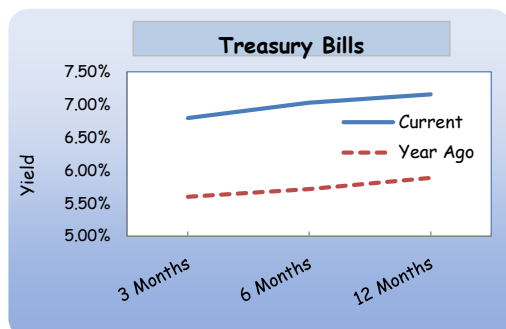
(a) Provisional

## 3.3 Government Securities - Primary and Secondary Market Yield Rates as for the week ending - 07<sup>th</sup> October 2015

Security	Maturity	Primary Market(a)		Secondary Market			Last Week Average
		This Week	Last Week	This Week			
				Buying	Selling	Average	
Treasury Bills	3 Months	6.78%	6.78%	6.88%	6.73%	6.80%	6.75%
	6 Months	7.07%	7.07%	7.11%	6.95%	7.03%	6.98%
	12 Months	7.18%	-	7.24%	7.07%	7.16%	7.12%
Treasury Bonds	2 < Years	-	-	7.75%	7.58%	7.66%	7.60%
	5 < Years	-	9.50%	9.64%	9.50%	9.57%	9.55%
	6 < Years	-	9.90%	9.85%	9.74%	9.79%	9.74%
	8 < Years	-	-	10.16%	10.04%	10.10%	10.07%
	10 < Years	-	-	10.42%	10.29%	10.35%	10.34%
	15 < Years	-	11.04%	10.75%	10.59%	10.67%	10.65%
	20 < Years	-	-	10.90%	10.67%	10.78%	10.83%
30 < Years	-	-	11.45%	10.99%	11.22%	11.15%	

(a) Primary market transactions during the week ending 07/10/2015

The secondary market yield rates of Tbills and T-bonds adjusted upward during the week compared against yield rates of the previous week.



### 3.4 Government Securities - Weekly Summary of Primary and Secondary Market Transactions (Week Ended - 07<sup>th</sup> October 2015 )

Item	Volume in Rs Mn	
	This Week	Last Week
Outstanding Stock of Government Securities		
Treasury Bills	844,331.99	841,689.41
Treasury Bonds (a)	3,518,112.80	3,504,952.80
<b>Total</b>	<b>4,362,444.79</b>	<b>4,346,642.21</b>
Government Securities held by Foreigners	321,648.89	328,732.31
Sri Lanka Development Bonds (SLDB)	607,850.78	608,724.86

Outstanding stock of T-bills and T-bonds increased during the week due to new issuances.

Primary Market Activities	Volume in Rs Mn	
	This Week	Last Week
<b>Treasury Bills</b>		
Amount Offered	22,000.00	20,000.00
Total Bids Received	45,314.00	44,526.00
Total Bids Accepted	9,756.00	5,878.00
<b>Treasury Bonds</b>		
Amount Offered		13,000.00
Total Bids Received	No auction held	64,228.00
Total Bids Accepted		13,160.00

T-bill auction was substantially oversubscribed during the week as the preference for government securities continued.

Secondary Market Activities	Volume in Rs Mn	
	This Week	Last Week
<b>Treasury Bills</b>		
Outright Transaction (Sales / Purchases)	26,327.04	29,019.04
Repo Transaction (Sales / Purchases)	193,692.02	166,780.71
<b>Treasury Bonds</b>		
Outright Transaction (Sales / Purchases)	111,301.80	81,672.05
Repo Transaction (Sales / Purchases)	791,980.27	592,494.74

Increased activities were observed in secondary market T-bond transactions and T-bill repo transactions during the week.

a) Excludes Treasury bonds amounting to Rs.4,397 million issued to CWE in November 2003, Rs. 78,441 million issued to settle dues to CPC in January 2012, Rs. 13,125 million issued to capitalize Sri Lankan Airlines in March 2013.

### 3.5 Two way Quotes (Treasury Bills) - 09/10/2015

Remaining Maturity	Average Buying Price	Yield %	Average Selling Price	Yield %	Buying & Selling Spread
1-7 Days	99.88	6.45	99.88	6.25	0.00
1 Month	99.46	6.59	99.47	6.40	0.01
2 Month	98.90	6.71	98.92	6.55	0.03
3 Month	98.31	6.85	98.35	6.70	0.04
4 Month	97.72	6.93	97.78	6.76	0.05
5 Month	97.13	7.00	97.20	6.83	0.07
6 Month	96.52	7.08	96.60	6.92	0.08
7 Month	95.92	7.11	96.02	6.94	0.09
8 Month	95.33	7.13	95.42	6.98	0.10
9 Month	94.72	7.16	94.83	7.01	0.11
10 Month	94.11	7.18	94.25	7.02	0.13
11 Month	93.50	7.21	93.65	7.04	0.15
12 Month	92.90	7.21	93.07	7.05	0.16

### 3.6 Two way Quotes (Treasury Bonds)- 09/10/2015

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
08.50%2015A	3	1-Nov-15	23	100.09	6.82	100.10	6.64	0.01
07.25%2016A	6	1-Apr-16	175	100.05	7.12	100.13	6.95	0.08
08.00%2016B	4	1-Jun-16	236	100.43	7.28	100.53	7.11	0.10
06.40%2016A	6	1-Aug-16	297	99.21	7.40	99.34	7.23	0.13
08.00%2016A	5	1-Sep-16	328	100.48	7.42	100.61	7.27	0.13
06.40%2016B	6	1-Oct-16	358	98.93	7.55	99.08	7.39	0.15
08.00%2017A	5	1-Jan-17	450	100.13	7.87	100.36	7.67	0.23
05.80%2017A	6	15-Jan-17	464	97.54	7.86	97.75	7.69	0.20
08.25%2017A	3	1-Mar-17	509	100.41	7.92	100.65	7.74	0.24
08.75%2017A	4	15-May-17	584	100.66	8.29	100.91	8.12	0.26
08.00%2017B	5	15-Jun-17	615	99.62	8.24	99.95	8.02	0.33
05.80%2017B	6	15-Jul-17	645	96.07	8.23	96.36	8.04	0.29
08.50%2018A	15	1-Feb-18	846	99.79	8.59	100.13	8.43	0.34
08.50%2018C	5	1-Apr-18	905	99.14	8.89	99.46	8.75	0.32
08.50%2018D	5	1-Jun-18	966	98.71	9.05	99.08	8.89	0.37
08.50%2018B	15	15-Jul-18	1,010	98.89	8.95	99.32	8.77	0.43
07.50%2018A	15	15-Aug-18	1,041	96.52	8.90	96.88	8.75	0.36
08.75%2018A	4	15-Oct-18	1,102	99.76	8.84	100.20	8.67	0.43
08.00%2018A	6	15-Nov-18	1,133	97.64	8.88	97.99	8.75	0.35
05.65%2019A	8	15-Jan-19	1,194	90.33	9.14	90.70	8.99	0.37
08.50%2019A	10	1-May-19	1,300	97.96	9.18	98.34	9.05	0.39
10.60%2019A	5	1-Jul-19	1,361	103.26	9.53	103.65	9.41	0.39
10.60%2019B	5	15-Sep-19	1,437	103.38	9.55	103.87	9.40	0.49
08.00%2019A	8	1-Nov-19	1,484	94.97	9.52	95.43	9.38	0.46
09.25%2020A	5	1-May-20	1,666	98.40	9.69	98.83	9.57	0.43
08.00%2020A	8	1-Jun-20	1,697	94.06	9.61	94.58	9.46	0.52
06.20%2020A	10	1-Aug-20	1,758	87.01	9.63	87.46	9.50	0.45
09.00%2021A	8	1-May-21	2,031	96.31	9.88	96.85	9.74	0.55
09.45%2021A	7	15-Oct-21	2,198	98.70	9.74	99.20	9.63	0.49
11.00%2021A	7	1-Aug-21	2,123	104.67	9.92	105.19	9.80	0.52
08.00%2022A	10	1-Jan-22	2,276	91.48	9.86	92.05	9.73	0.58
11.20%2022A	9	1-Jul-22	2,457	105.56	10.04	106.17	9.91	0.61
10.00%2022A	8	1-Oct-22	2,549	99.73	10.05	100.33	9.93	0.60
09.00%2023A	10	1-Sep-23	2,884	93.87	10.14	94.44	10.03	0.57
11.20%2023A	9	1-Sep-23	2,884	105.71	10.13	106.35	10.01	0.64
07.00%2023A	20	1-Oct-23	2,914	82.66	10.23	83.19	10.12	0.54
11.40%2024A	10	1-Jan-24	3,006	105.81	10.33	106.67	10.18	0.85
06.00%2024A	10	1-Dec-24	3,341	74.84	10.31	75.64	10.15	0.80
10.25%2025A	10	15-Mar-25	3,445	99.15	10.39	99.92	10.26	0.77
09.00%2025A	12	1-May-25	3,492	91.65	10.40	92.39	10.27	0.74
11.00%2025A	10	1-Aug-25	3,584	102.76	10.54	103.66	10.39	0.90
09.00%2026A	13	1-Feb-26	3,768	90.69	10.50	91.60	10.34	0.91
05.35%2026A	15	1-Mar-26	3,796	67.87	10.50	68.58	10.35	0.71
11.00%2026A	11	1-Jun-26	3,888	101.89	10.69	102.95	10.53	1.05
09.00%2028B	15	1-May-28	4,588	88.17	10.74	89.12	10.58	0.95
09.00%2028A	15	1-Jul-28	4,649	88.14	10.73	89.05	10.58	0.91
11.50%2028A	13	1-Sep-28	4,711	104.10	10.90	105.39	10.72	1.28
13.00%2029A	15	1-Jan-29	4,833	115.04	10.83	116.40	10.65	1.35
13.00%2029B	15	1-May-29	4,953	115.01	10.86	116.33	10.69	1.32
11.00%2030A	15	15-May-30	5,332	101.55	10.78	102.96	10.59	1.41
08.00%2032A	20	1-Jan-32	5,928	79.49	10.69	80.59	10.52	1.10
09.00%2032A	20	1-Oct-32	6,202	84.99	10.97	86.40	10.76	1.41
09.00%2033A	20	1-Jun-33	6,445	85.25	10.90	86.47	10.72	1.21
13.25%2033A	20	1-Jul-33	6,475	117.82	10.95	119.58	10.75	1.75
09.00%2033B	20	1-Nov-33	6,598	84.32	11.02	86.04	10.77	1.72
13.25%2034A	20	1-Jan-34	6,659	116.91	11.07	119.41	10.79	2.51
11.50%2035A	20	15-Mar-35	7,097	102.64	11.16	105.63	10.80	2.99
09.00%2043A	30	1-Jun-43	10,097	81.05	11.23	83.46	10.90	2.40
13.50%2044A	30	1-Jan-44	10,311	118.29	11.33	122.05	10.95	3.76
13.50%2044B	30	1-Jun-44	10,463	117.51	11.41	121.80	10.98	4.28
12.50%2045A	30	1-Mar-45	10,736	105.82	11.79	111.51	11.16	5.69

## External Sector

During the year so far (up to 09 October 2015) the rupee depreciated against the US dollar (6.76 per cent). Given the cross currency exchange rate movements, the Sri Lanka rupee appreciated against the euro (0.56 per cent) and depreciated against the pound sterling (5.51 per cent), Japanese yen (6.31 per cent) and the Indian rupee (4.52 per cent) during this period.

On cumulative basis, exports earnings during the first seven months of 2015 recorded a decline of 0.9 per cent, year-on-year, to US dollars 6,348 million. The decline was led by agricultural exports and mineral exports which were declined by 7.4 per cent and 56.8 per cent, respectively, during the first seven months of 2015.

On cumulative basis, during the first seven months of 2015, expenditure on imports increased by 1.9 per cent, year-on-year, to US dollars 11,035 million mainly led by consumer goods imports followed by investment goods imports.

Large reduction in import price index compared to lower reduction in export price index resulted in a 8.7 per cent improvement in terms of trade in July 2015 compared to the corresponding month of previous year. The export unit value index declined by 1.1 per cent in July 2015 mainly due to a 48.8 per cent unit value decline recorded in petroleum products exports.

The import unit value index, declined by 9.1 per cent, year-on-year, in July 2015 mainly due to substantial price reduction recorded in intermediate goods, particularly, fuel, wheat and maize and diamond, precious stones and metals.

India, China, UK, Germany and France were the top five sources of tourist arrivals in September 2015, accounting for 50 per cent of total tourist arrivals upto the month of September 2015.

Auction prices for tea in the Colombo auctions declined significantly, year-on-year, in July 2015. Even though average prices declined year-on-year, price of tea remained unchanged at US dollars 2.97 per kg in July 2015 as per June 2015.

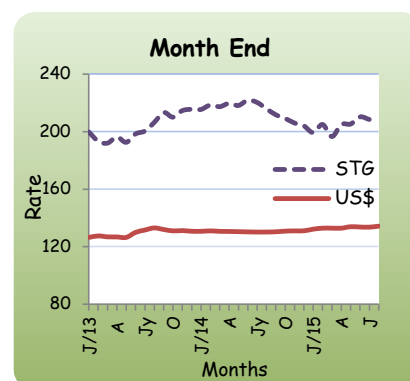
Further, the import prices of sugar, wheat and crude oil prices declined compared to the corresponding month of 2014.

Highlights

# EXTERNAL SECTOR

## 4.1 Exchange Rates

Item (Rs Per Unit)(a)	Week Ending - 09 Oct 2015			Average Rate	
	Buying Rate	Selling Rate	Average Rate	Week Ago	Year Ago
US\$	138.26	142.81	140.54	141.19	130.30
STG	211.51	220.12	215.82	213.75	210.74
Yen	1.15	1.20	1.17	1.18	1.21
Euro	154.84	161.85	158.35	157.95	165.85
INR <sup>(1)</sup>			2.17	2.15	2.12
SDR (As at 08 Oct 2015)			198.11	197.77	194.46
<b>Central Bank purchases and sales(b) (US\$ Mn. )</b>			<b>September 2015</b>	<b>Month Ago</b>	<b>Year Ago</b>
Purchases			0.00	0.00	96.60
Sales			523.80	447.25	173.90



	Week Ending 09 Oct 2015	Week Ago	Year Ago
Average Daily Interbank Volume (US\$ Mn.) (spot, tom and cash transactions among commercial banks)	53.13	58.81	49.74
<b>Forward Transactions</b>			
Forward Rates (US\$) <sup>(2)</sup>			
1 Month	141.70	141.82	130.85
3 Months	142.72	143.08	131.58
Average Daily Interbank Forward Volume (US\$ mn)	25.91	30.93	27.23
Outstanding Forward Volume (US\$ mn) (As at 08 Oct 2015)	1,368.51	1,365.67	1,186.47

(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

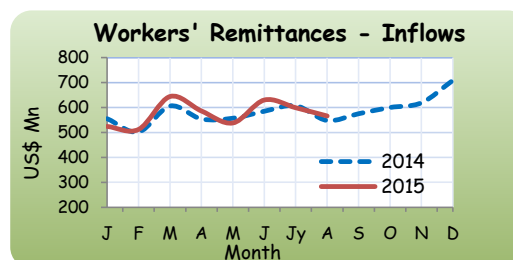
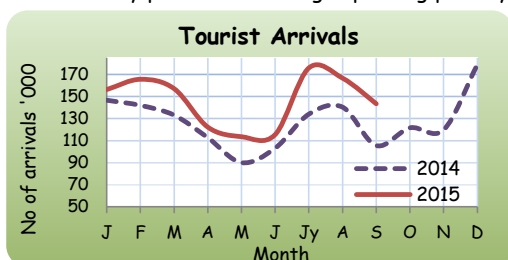
(1) Central Bank indicative rate (2) Weekly average based on actual transactions.

## 4.2 Tourism & Workers' Remittances

Item		2014	2015	2014	2015(b)	% Change
		Sep (a)	Sep (b)(c)	Jan-Sep (a)	Jan-Sep (c)	
Tourist Arrivals	Number	105,535	143,374	1,107,178	1,315,839	18.8
Earnings from Tourism	US\$ Mn.	168.0	228.2	1,762.5	2,094.70	18.8
	Rs.bn.	21.9	31.7	230.0	280.1	21.8
Workers' Remittances (Inflows)	US\$ Mn. Rs. bn.	2014	2015	2014	2015 Jan-	% Change
		Aug	Aug (b)	Jan-Aug	Aug(a)	
		548.1	566	4,514.7	4,598.0	1.8
		71.4	75.8	589.1	612.3	3.9

(a) Revised

(b) Provisional (c) May be revised based on Sri Lanka Tourism Development Authority survey results on average stay period and average spending per day estimates for 2015





#### 4.3 Official Reserve Assets as at 30<sup>st</sup> September 2015<sup>(a)</sup>

Official Reserve Assets (USD Mn)	6,797.7
(1) Foreign currency reserves	5,922.1
(2) Reserve position in the IMF	67.2
(3) SDRs	9.1
(4) Gold	798.3
(5) Other reserve assets	1.0

(a) Provisional

#### 4.4 International Reserves & Foreign Currency Liquidity as at 31<sup>st</sup> August 2015 <sup>(a)</sup>

Official Reserve Assets (USD mn)	
<b>Official Reserve Assets<sup>(b)</sup></b>	<b>6,457.72</b>
(1) Foreign currency reserves	5,572.66
(a) Securities	2,789.53
(b) Total currency and deposits with	2,783.13
(i) other national central banks, BIS	2,408.11
(ii) banks headquartered inside the reporting country of which located abroad	1.03
(iii) banks headquartered outside the reporting country	373.99
(2) Reserve position in the IMF	67.18
(3) SDRs	9.10
(4) Gold	807.76
(5) Other reserve assets	1.02

#### Predetermined Short-Term Net Drains on Foreign Currency Assets<sup>(c)</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	-3,359.10	-417.20	-243.41	-2,698.49
Interest	-1,097.65	-70.19	-122.14	-905.32
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>(d)</sup>	-3,389.58	-571.58	-539.00	-2,279.00
(b) Long positions (+)				
3. Other (specify)	-0.94	-0.94		
inflows related to reverse repos (+)				
other accounts payable (-)	-0.94	-0.94		

(a) Provisional

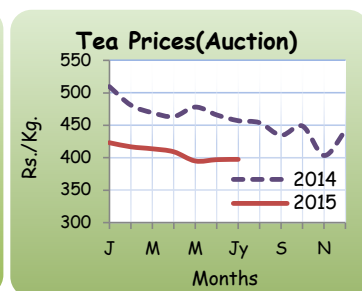
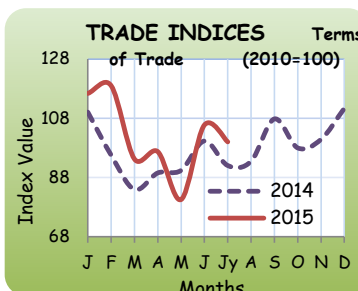
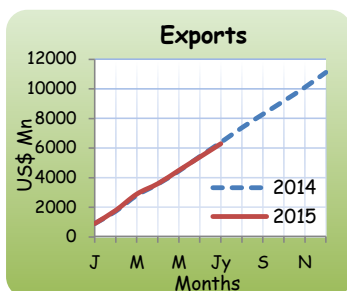
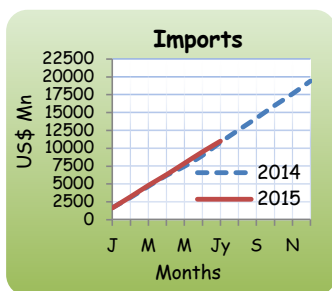
(b) By end August 2015, the total foreign assets were equivalent to 5.1 months of imports and gross official reserves were equivalent to 4.0 months of imports

(c) This mainly includes only the predetermined outflows

(d) 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\$ Bn			Rs Bn		
	Jan-Jul 2015	Jan-Jul 2014	% Change	Jan-Jul 2015	Jan-Jul 2014	% Change
<b>Exports</b>	<b>6.3</b>	<b>6.4</b>	<b>-0.9</b>	<b>844.4</b>	<b>836.3</b>	<b>1.0</b>
Agricultural	1.5	1.6	-7.4	198.3	210.0	-5.6
Industrial	4.8	4.7	1.8	642.2	619.0	3.7
Food, Beverages and Tobacco	0.2	0.2	-6.4	20.7	21.7	-4.6
Textiles and Apparel	2.8	2.8	-0.3	374.9	369.1	1.6
Petroleum Products	0.3	0.2	24.3	35.1	27.7	26.6
Leather, Rubber etc	0.6	0.6	-6.9	73.7	77.7	-5.2
Other	1.0	0.9	10.1	137.7	122.7	12.2
Mineral	0.0	0.0	-56.8	2.7	6.2	-56.0
Other	0.0	0.0	15.6	1.2	1.0	17.8
<b>Imports</b>	<b>11.0</b>	<b>10.8</b>	<b>1.9</b>	<b>1,467.8</b>	<b>1,413.7</b>	<b>3.8</b>
Consumer Goods	2.7	2.0	38.8	362.1	255.9	41.5
Intermediate Goods	5.7	6.7	-15.3	752.7	871.7	-13.6
Investment Goods	2.6	2.2	21.0	351.5	285.2	23.3
Other	0.0	0.0	48.0	1.5	1.0	50.8
<b>Trade Balance</b>	<b>-4.7</b>	<b>-4.4</b>	<b>6.0</b>	<b>-623.4</b>	<b>-577.5</b>	<b>8.0</b>

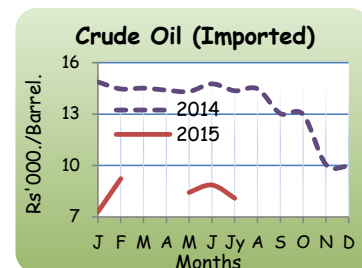
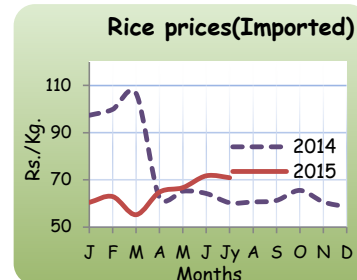


## 4.6 Trade Indices (2010= 100 ) (a)

Item	2015 July (b)	Month Ago	Year Ago
<b>Total Exports</b>			
Value	129.7	131.4	133.1
Quantity	134.5	124.7	136.5
Unit Value	96.4	105.3	97.6
<b>Total Imports</b>			
Value	137.3	146.2	165.2
Quantity	142.3	146.7	155.7
Unit Value	96.5	99.6	106.1
<b>Terms of Trade</b>	100.0	105.7	92.0

(a) In US\$ Terms

(b) Provisional



## 4.7 International Commodity Prices

Item	July 2015	July 2014	% Change	July 2015	July 2014	% Change
<b>Colombo Auction Price</b>	US\$ / Kg			Rs / Kg		
Tea Prices	2.97	3.51	-15.3	397.53	457.13	-13.0
<b>Imports (C I F)</b>	US\$ / MT			Rs / MT		
Rice	530.34	463.05	14.5	70,899.61	60,308.39	17.6
White Sugar	381.93	508.81	-24.9	51,058.51	66,267.87	-23.0
Wheat	282.28	322.96	-12.6	37,736.95	42,063.02	-10.3
	US\$ / Barrel			Rs / Barrel		
Crude Oil	60.49	110.30	-45.2	8,086.61	14,365.34	-43.7