

Weekly Economic Indicators

28 October 2016



Statistics Department

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 4.7 per cent in September 2016 from 4.5 per cent in August 2016, on year-on-year basis. Both Food and Non-food categories contributed towards the year-on-year inflation in September 2016. The change in the NCPI measured on an annual average basis increased to 3.8 per cent in September 2016 from 3.6 per cent in August 2016. When the monthly change is considered, the NCPI increased from 113.3 index points in August 2016 to 113.5 index points in September 2016. This monthly increase was mainly due to the increase in prices of the items in the Alcoholic Beverages and Tobacco category. The NCPI Core inflation, which reflects the underlying inflation in the economy decreased to 5.7 per cent in September 2016 from 6.0 per cent in August 2016, on year-on-year basis. Annual average NCPI Core inflation increased marginally to 5.7 per cent in September 2016 from 5.6 per cent in August 2016.

Inflation, as measured by the change in the Colombo Consumers' Price Index (CCPI) (2006/07=100) compiled by the Department of Census and Statistics decreased to 3.9 per cent in September 2016 from 4.0 per cent in August 2016, on year-on-year basis. Annual average inflation increased to 3.4 per cent in September 2016 from 3.0 per cent in August 2016. The monthly decrease in CCPI was 0.3 per cent. Core CCPI increased to 4.2 per cent in September 2016 from 4.1 per cent in August 2016, on year-on-year basis. Annual average core inflation remained unchanged at 5.0 per cent in September 2016.

The GDP grew by 3.9 per cent in real terms in the first half of 2016, mainly attributable to 4.9 per cent growth in Services activities and 5.2 per cent growth in Industry activities while Agriculture activities contracted by 2.5 per cent, in value added terms.

During the first eight months of 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 decreased by 6.6 per cent on a year-on-year basis in July 2016. This decrease was mainly due to decreased production of food products, wearing apparel, beverages and rubber and plastic products sub-sectors. This was mainly attributed to decreased domestic and international demand.

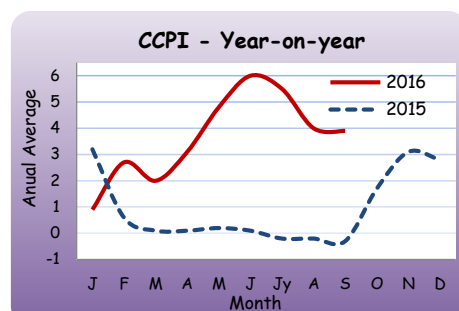
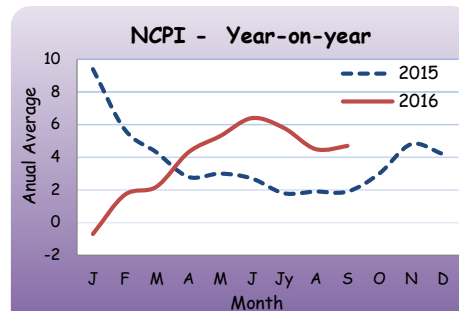
During the week, crude oil spot prices followed mixed performance. At the beginning of the week crude oil prices followed a declining trend over disagreement within producer cartel OPEC on who should cut how much production in a planned coordinated reduction to prop up prices, decline were further supported by a report of surging U.S. crude inventories, rising output in Nigeria. Moreover prices fell below US\$ 50 a barrel, over OPEC's ability to organize the coordinated production cut weighed on markets, however firm demand and concerns over Venezuela's stability curbed the oil price reduction. Towards the end of the week prices rose as commitments from Gulf OPEC members to cut production assuaged some lingering doubts in the market about cooperation from other producers.

Highlights

REAL SECTOR

1.1 Price Indices

Item	September 2016	Month Ago	Year Ago
(2013 = 100)			
National Consumer Price Index (NCPI)	113.5	113.3	108.4
Monthly Change %	0.2	-1.6	0.0
Annual Average Change %	3.8	3.6	-
Year - on - Year Change %	4.7	4.5	1.9
Core Inflation - (NCPI)	117.7	117.4	111.4
Annual Average Change %	5.7	5.6	-
Year - on - Year Change %	5.7	6.0	4.9
Item	September 2016	Month Ago	Year Ago
(2006 / 07 = 100)			
Colombo Consumers' Price Index (CCPI)	188.5	189.1	181.4
Annual Average Change %	3.4	3.0	0.7
Year - on - Year Change %	3.9	4.0	-0.3
Core Inflation - (CCPI)	187.7	187.4	180.2
Annual Average Change %	5.0	5.0	2.8
Year - on - Year Change %	4.2	4.1	4.2

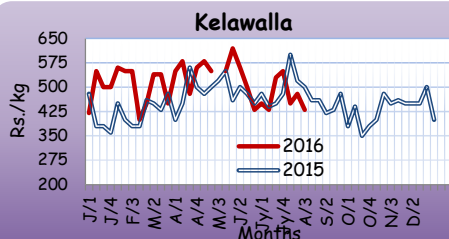
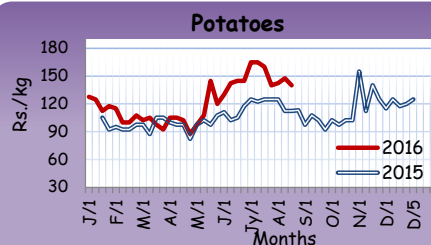
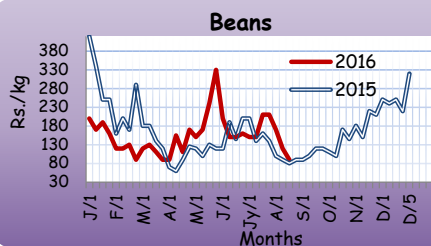
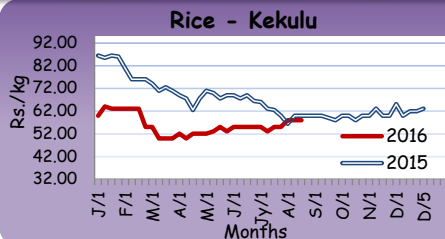


1.2 Pettah Market

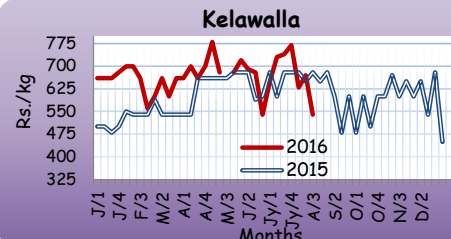
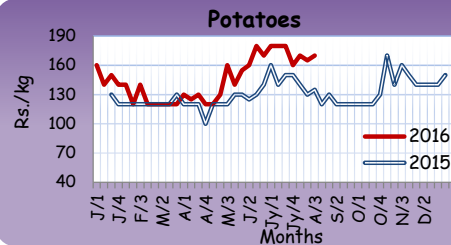
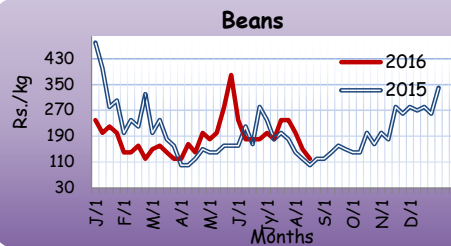
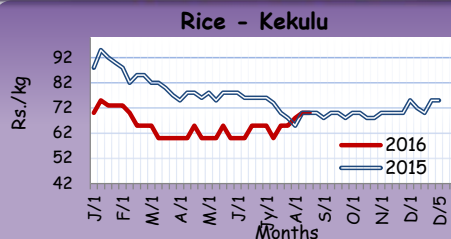
Item	Average Wholesale Prices				Average Retail Prices			
	Week Ending 26 th Oct 2016	Week Ago	Month Ago	Year Ago Annual Avg	Week Ending 26 th Oct 2016	Week Ago	Month Ago	Year Ago Annual Avg
	Rs / Kg				Rs / Kg			
Rice								
Samba	80.00	80.00	75.50	83.22	88.00	88.00	88.00	90.10
Kekulu (Red)	68.00	68.00	61.40	66.15	75.00	75.00	69.60	75.20
Vegetables								
Beans	160.00	155.00	114.00	160.49	200.00	200.00	147.00	196.86
Cabbage	35.00	35.00	55.00	79.31	80.00	80.00	100.00	117.94
Carrots	70.00	45.00	72.00	146.27	120.00	100.00	106.00	184.90
Tomatoes	45.00	35.00	44.00	89.80	60.00	70.00	76.00	126.18
Pumpkins	35.00	37.50	44.50	49.12	60.00	50.00	68.00	72.94
Snake Gourd	100.00	75.00	44.00	73.73	140.00	130.00	76.00	106.57
Brinjals	60.00	55.00	51.00	72.56	100.00	80.00	88.00	105.69
Ash-Plantains	60.00	45.00	70.00	81.08	80.00	80.00	104.00	110.59
Other Foods								
Red-Onions (Local)	95.00	95.00	83.50	105.28	120.00	120.00	122.00	135.34
Big-Onions (Local)	72.50	70.00	71.00	95.17	95.00	90.00	94.00	124.67
Potatoes (N'Eliya)	112.50	112.50	105.50	107.98	130.00	140.00	132.00	130.80
Dried Chilies (Imported)	290.00	290.00	298.00	248.90	350.00	350.00	352.00	291.08
Dhal (Indian)	160.00	160.00	160.00	161.98	169.00	169.00	169.00	177.43
Eggs	10.00	12.00	15.30	14.17	10.50	12.50	15.90	14.77
Coconut (Each)	42.50	39.00	32.10	41.00	55.00	55.00	46.00	53.18
Fish*								
Kelawalla	550.00	450.00	526.00	453.14	770.00	630.00	746.00	598.24
Balaya	330.00	n.a.	334.00	295.00	430.00	n.a.	454.00	361.20
Salaya	130.00	130.00	168.00	114.71	280.00	180.00	218.00	156.08
Paraw (Small)	500.00	350.00	489.50	484.69	600.00	450.00	608.00	547.96

* 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 27 th Oct 2016	
	Wholesale (Average)	Retail (Average)
Rice		
Samba	82.00	86.50
Kekulu (Red)	66.90	70.50
Vegetables		
Beans	145.50	178.00
Carrot	88.00	122.00
Tomatoes	29.50	49.00
Pumpkins	24.30	38.00
Snake Gourd	63.50	87.00
Ash-Plantains	52.50	80.00
Other Foods		
Red-Onions (Local)	88.00	120.00
Big-Onions (Local)	68.30	82.50
Potatoes (N'Eliya)	103.00	120.00
Dried Chilies(Imported)	292.50	345.00
Coconut (Each)	32.90	42.50

1.5 Maradaghamula Market

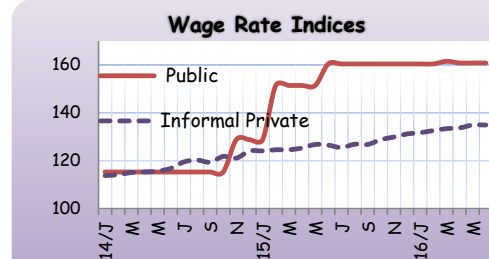
Average wholesale price of Rice				
Item (Rs / Kg)	Week Ending 28 th Oct	Week Ago	Month Ago	Year Ago
Samba	78.70	78.10	70.15	79.56
Sudu Kekulu	67.90	67.50	59.83	62.37
Raw Red	61.10	61.20	58.58	66.17
Nadu	73.30	72.00	63.55	64.24

1.4 Narahenpita Economic Centre

Item (Rs / Kg)	Average Retail Prices	
	27 th Oct 2016	Week Ago
Rice		
Samba	90.00	90.00
Kekulu (Red)	70.67	73.33
Vegetables		
Beans	256.67	156.67
Cabbage	116.67	123.33
Carrots	136.67	123.33
Tomatoes	80.00	76.67
Pumpkins	120.00	66.67
Snake Gourd	140.00	100.00
Brinjals	100.00	100.00
Ash-Plantains	136.67	116.67
Other Foods		
Red-Onions (Imported)	140.00	n.a.
Big-Onions (Imported)	90.00	n.a.
Potatoes (Imported)	90.00	90.00
Dried Chilies (Imported)	341.67	356.67
Dhal (Indian)	169.00	168.67
Eggs (Red)(Each)	11.00	15.17
Coconut (Each)	51.67	48.33
Fish		
Kelawalla	823.33	790.00
Balaya	446.67	353.33
Salaya	183.33	113.33
Paraw (Small)	740.00	636.67

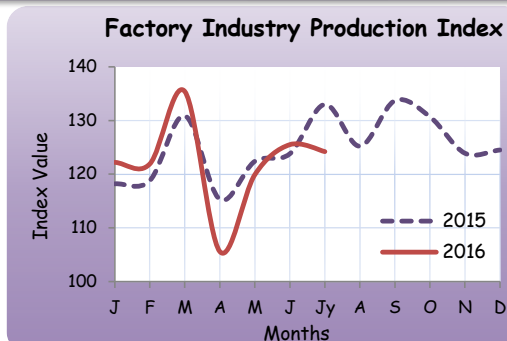
1.6 Wage rate Indices

Item	2016 July	2015 July	% Change
Public Sector Employees (2012 = 100)	160.8	160.4	0.2
Informal Private Sector Employees (2012 = 100)	135.7	125.5	8.1
Agriculture	136.3	126.6	7.7
Industry	139.5	128.7	8.4
Services	131.7	121.9	8.0



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

Item	2016 (b) July	2015 July	% Change
Factory Industry- Production Index	124.2	133.0	-6.6
Food products	102.8	112.4	-8.5
Beverages	102.0	123.8	-17.6
Tobacco products	107.0	106.5	0.4
Wearing apparel	164.5	187.1	-12.1
Chemicals and chemical products	85.3	78.5	8.7
Rubber and plastic products	152.4	146.2	4.2
Other non-metallic mineral products	132.5	129.1	2.6



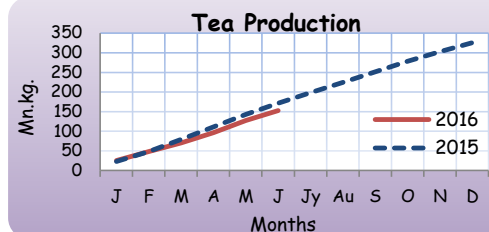
(a) Major 7 sub divisions of FIPI out of 17 sub divisions.

(b) Provisional

1.8 Agriculture Production

Item	Unit	2016(a) Jan-Aug	2015 Jan-Aug	% Change
Tea	(Mn Kg)	196.8	225.7	-12.8
Rubber	(Mn Kg)	58.5	63.5	-7.9
Coconuts	(Mn Nuts)	2,056.4	2,024.0	1.6

(a) Provisional

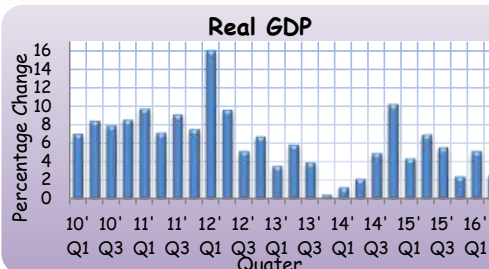


1.9 GDP by Industrial Origin at Constant (2010) Prices - Growth Rates in value added terms

Item	2016(a) 2 nd Quarter	2015(a) 2 nd Quarter	2015(a) Annual
Agriculture	-5.6	10.4	5.5
Industry	2.2	3.9	3.0
Services	4.9	6.9	5.3
GDP	2.6	7.0	4.8

(a)Provisional

Source: Department of Census and Statistics



1.10 Employment (a)(b)

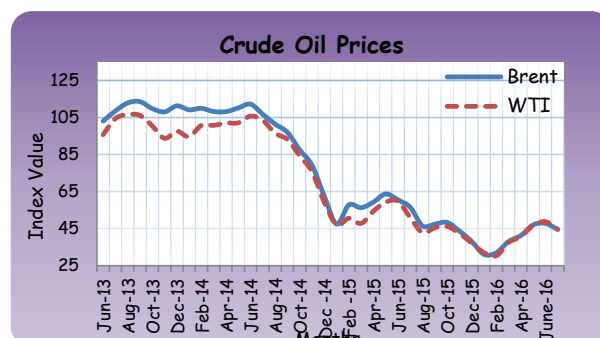
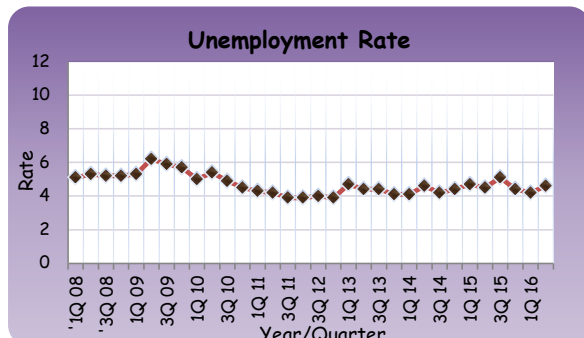
Item	2015 (c)(d) 2 nd Quarter	2016 (c) 2 nd Quarter	2015 Annual
Labour Force Participation rate	54.2	53.3	53.8
Unemployment rate	4.5	4.6	4.7
Employed Persons by Sectors (e) (as a % of total employment)			
Agriculture	28.9	25.1	28.7
Industry	25.5	27.1	25.8
Services	45.6	47.8	45.6

(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	2015			2016		
	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	47.46	47.11	55.47	31.10	31.96	31.87
February	57.81	50.58	69.52	31.93	30.32	35.36
March	56.30	47.82	-	38.06	37.55	36.85
April	59.32	54.45	-	41.25	40.75	44.05
May	63.76	59.26	63.09	47.00	46.69	48.84
June	60.53	59.82	66.17	47.82	48.76	50.95
July	56.48	50.90	60.49	44.54	44.65	46.10
August	46.43	42.87	54.92	45.50	44.72	46.71
September	47.41	45.48	48.65	46.80	45.20	46.99
October	48.36	46.22	49.26			
November	43.68	42.44	45.46			
December	38.08	37.21	41.21			
	2015			2016		
21 October	46.37	45.22		49.73	50.61	
24 October	-	-		49.15	50.18	
25 October	-	-		48.35	49.45	
26 October	46.49	43.19		48.28	48.75	
27 October	45.54	43.21		48.42	49.71	

Sources: Reuters

Energy Information Administration

Ceylon Petroleum Corporation

(*) CPC import prices are not directly comparable with spot prices of WTI and Brent as CPC import prices include freight charges and the price is weighted for average prices of different types of crude oil. Also Part of the imports of CPC are on a term contract basis.

Monetary Sector

Weekly AWPR for the week ending 28 October 2016 declined by 37 bps to 11.98 per cent compared to the previous week.

Broad money (M2b) expanded by 17.8 per cent on a year-on-year basis in July 2016.

Net Credit to the Government from the banking system showed an increase of Rs. 26.6 billion in July 2016.

Public Corporations recorded a net repayment of Rs. 12.8 billion in July 2016.

Credit extended to the private sector increased by Rs. 62.9 billion in July 2016.

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

The total outstanding market liquidity increased to a short position of Rs. 21.41 bn by end of the week, compared to a short position of Rs. 26.86 bn by the end of last week.

By 28 October 2016, All Share Price Index (ASPI) declined by 0.35 per cent to 6,425 points while S&P SL 20 Index declined by 0.62 per cent to 3,572 points, compared to the previous week.

Highlights

MONETARY SECTOR

2.1 Interest Rates

Item	Week Ending 2016 Oct 28	Week Ago	Year Ago
Policy Interest Rates			
Standing Deposit Facility Rate	7.00	7.00	6.00
Standing Lending Facility Rate	8.50	8.50	7.50
Average Weighted Call Money Rate (AWCMR)(Weekly Average)	8.42	8.42	6.35
Sri Lanka Inter Bank Offered Rate (SLIBOR)			
1 day	8.44	8.44	6.35
7 days	9.51	9.58	6.50
1 Month	10.57	10.56	6.83
3 Months	11.00	11.00	7.13
6 Months	11.51	11.50	7.38
12 Months	12.01	12.00	7.68
Treasury Bill Yields (Excluding 10% withholding tax)			
91 days	-	8.60	6.61
182 days	9.48	9.46	6.99
364 days	10.24	10.19	7.06
Licensed Commercial Banks			
Average Weighted Prime Lending Rate (AWPR)	11.98	12.35	7.17
	Aug 2016	Month Ago	Year Ago
Saving Deposits	0.50-9.00	0.50-9.00	0.50-8.50
One Year Fixed Deposits	4.50-15.00	4.50-15.00	3.50-15.00
	Sep 2016	Month Ago	Year Ago
Average Weighted Deposit Rate (AWDR)	7.56	7.32	6.00
Average Weighted Fixed Deposit Rate (AWFDR)	9.67	9.31	7.22
	Aug 2016	Month Ago	Year Ago
Average Weighted Lending Rate (AWLR)	12.54	12.35	11.03
National Savings Bank (NSB)			
	Aug 2016	Month Ago	Year Ago
Saving Deposits	4.50	4.50	5.00
One Year Fixed Deposits	10.00	10.00	6.50
Treasury Bonds Auction			
	(4 Y & 05 Months) 29/09/2016	(7 Y & 10 Months) 29/09/2016	(9 y & 10 Months) 29/09/2016
Coupon rate	10.75	11.00	11.50
Weighted Average Yield (Excluding 10% withholding tax)	10.61	10.96	11.06

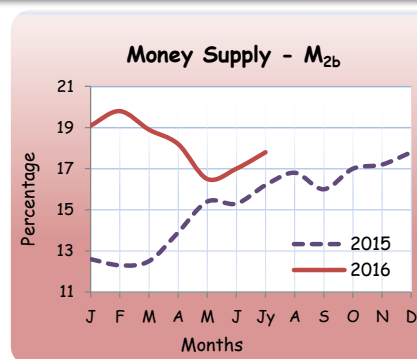
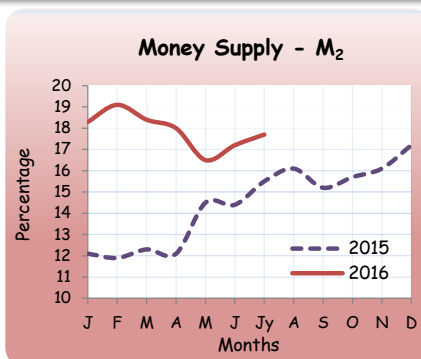
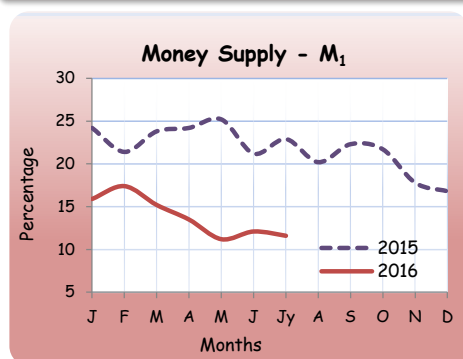
Bankwise- AWPR	Week ending 2016 Oct 28	Week Ago
Bank of Ceylon	12.40	12.40
People's Bank	12.35	12.72
Hatton National Bank	13.07	12.97
Commercial Bank of Ceylon	12.60	12.85
Sampath Bank	13.70	14.02
Seylan Bank	13.10	12.91
Union Bank of Colombo	14.96	14.78
Pan Asia Banking Corporation	14.77	15.33
Nations Trust Bank	12.55	12.52
DFCC Bank	13.92	14.24
NDB Bank	13.90	14.07
Amana Bank	12.31	12.37
Cargills Bank	14.00	14.33

Bankwise- AWPR	Week ending 2016 Oct 28	Week Ago
HSBC	8.48	9.40
Standard Chartered Bank	11.72	11.79
Citi Bank	12.42	12.42
Deutsche Bank	9.14	9.50
Habib Bank	10.87	10.87
Indian Bank	13.79	13.79
Indian Overseas Bank	14.29	14.29
MCB Bank	13.84	16.29
State Bank of India	13.16	13.16
Public Bank	10.25	10.25
ICICI Bank	12.83	13.40
Axis Bank	12.75	12.62

2.2 Money Supply

Item	Rs. Bn.			Annual Change (%)		
	2016 (a) July	Month Ago	Year Ago	2016 (a) July	Month Ago	Year Ago
Reserve Money	774.5	757.2	630.3	22.9	24.5	20.2
M ₁	716.6	705.6	642.1	11.6	12.1	22.9
M ₂	4,394.7	4,310.5	3,732.2	17.7	17.2	15.5
M _{2b}	4,940.4	4,843.7	4,193.9	17.8	17.0	16.2
Net Foreign Assets of the Banking System (b)	-437.6	-492.0	-241.2	-81.4	-139.4	-219.4
Monetary Authorities	416.8	413.5	515.3	-19.1	-23.2	-30.7
Commercial Banks	-854.4	-905.5	-756.5	-12.9	-21.7	-39.7
Domestic Banking Units (DBUs)	-287.0	-331.9	-261.7	-9.7	-33.2	-21.8
Offshore Banking Units (OBUs)	-567.5	-573.6	-494.9	-14.7	-15.9	-51.5
Net Domestic Assets of the Banking System (b)	5,378.0	5,335.7	4,435.1	21.3	22.8	30.2
Net Credit to the Government	2,032.0	2,005.4	1,735.6	17.1	19.8	23.8
Monetary Authorities	456.1	456.1	218.6	108.6	144.2	54.6
Commercial Banks	1,575.9	1,549.3	1,517.0	3.9	4.2	20.3
DBUs	1,185.2	1,157.6	1,210.6	-2.1	-4.2	14.6
OBUs	390.8	391.7	306.3	27.6	40.8	49.6
Credit to Public Corporations	472.1	484.9	475.8	-0.8	0.5	45.6
DBUs	266.5	261.3	218.4	22.0	29.1	34.2
OBUs	205.6	223.6	257.3	-20.1	-20.2	56.8
Credit to the Private Sector	3,860.9	3,798.1	3,004.1	28.5	28.2	21.0
DBUs	3,576.1	3,523.3	2,766.5	29.3	29.4	21.9
OBUs	284.8	274.8	237.5	19.9	14.0	12.1
Other Items (Net)	-987.0	-952.7	-780.3	-26.5	-23.2	3.1

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

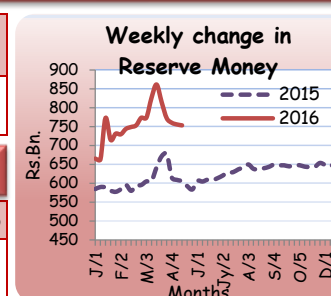


2.3 Weekly change in Reserve Money

Item	27 Oct 2016	Week Ago	Change
Reserve Money (Rs.Mn.)	789,672	799,326	-9,654

2.4 Money Market Activity (Overnight)

Item	24.10.2016	25.10.2016	26.10.2016	27.10.2016	28.10.2016
Call Money Market					
Weighted Average Rate (% p.a.)	8.42	8.42	8.42	8.42	8.42
Gross Volume (Rs. Mn)	11,840	10,110	10,120	8,150	14,145
Repo Market					
Weighted Average Rate (% p.a.)	8.67	8.73	8.68	8.67	8.68
Gross Volume (Rs. Mn)	29,450	18,911	29,274	31,559	28,805



2.5 CBSL Security Portfolio

Item	24.10.2016	25.10.2016	26.10.2016	27.10.2016	28.10.2016
CBSL Treasury Bill Holdings - Face Value (Rs.mn)	175,788	175,788	175,788	175,788	182,241
CBSL Treasury Bill Holdings - Book Value (Rs.mn)	172,970	173,017	173,063	173,108	179,196

2.6 Open Market Operations

Item	24.10.2016	25.10.2016	26.10.2016	27.10.2016	28.10.2016
Short-Term Auction					
Repo Amount Offered (Rs. bn)	0.00	0.00	0.00	0.00	0.00
Reverse Repo Amount Offered (Rs. bn)	26.00	30.00	27.00	27.00	22.00
Tenure (No. of Days)	1	1	1	1	1
Bids Received (Rs. bn)	30.09	48.66	33.39	29.75	28.96
Amount Accepted (Rs. bn)	26.00	30.00	27.00	27.00	22.00
Weighted Average Yield Rate (% p.a.)	8.50	8.50	8.50	8.50	8.50
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)	11.43	16.04	8.06	9.03	9.31
Standing Lending Facility (Rs. bn)	8.04	15.44	9.45	5.51	8.72
Total Outstanding Market Liquidity (Rs. bn)	-22.60	-29.41	-28.39	-23.48	-21.41

2.7 Credit Cards (a)

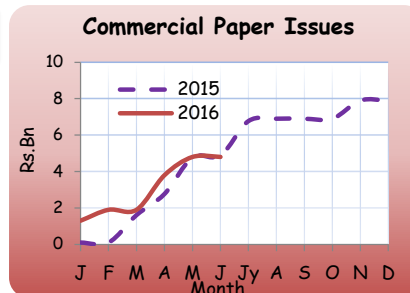
Item	2016 (b) End Aug	2016 End July	2015 End Dec
Total Number of Active Cards	1,253,876	1,226,820	1,142,231
Local (accepted only locally)	35,880	36,177	30,902
Global (accepted globally)	1,217,996	1,190,643	1,111,329
Outstanding balance (Rs. Mn.)	67,664	65,870	63,010
Local (accepted only locally)	813	804	1,226
Global (accepted globally)	66,851	65,066	61,784

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

2.8 Commercial Paper Issues (a)

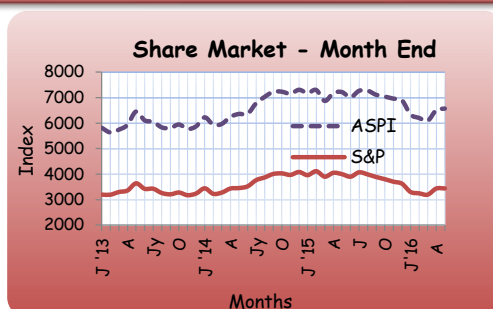
Item (Rs. bn.)	2016 End Aug(b)	2016 End July	2015 End Dec
Total Issues - Cumulative	5.1	4.9	7.9
Outstanding (as at end of the period)	4.0	4.5	4.5

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



2.9 Share Market

Item	Week Ending 28 Oct 2016	Week Ago	Year Ago
All Share Price Index (1985 = 100) (ASPI)	6,425	6,448	7,094
S & P Sri Lanka 20 Index (S&P SL20)	3,572	3,595	3,840
Average Daily Turnover (Rs. Mn)	248	536	869
Market Capitalisation (Rs.Bn.)	2,739	2,749	3,013



Fiscal Sector

During the first half of 2016, government revenue as a percentage of estimated GDP increased to 6.0 per cent from 5.4 per cent in the corresponding period in 2015. In nominal terms, total revenue increased by 22.5 per cent to Rs. 741.8 billion during the first half of the year from Rs. 605.6 billion recorded during the same period in 2015. Average monthly revenue during this period was around Rs. 123.6 billion compared to Rs. 100.9 billion recorded in the same period of 2015. Tax revenue increased by 22.8 per cent to Rs. 684.9 billion during the first half of 2016 from Rs. 557.6 billion in the corresponding period of 2015, mainly due to increase in revenue from Value Added Tax (VAT), income taxes and import related taxes.

Total expenditure and net lending during the first half of 2016 declined to 8.7 per cent of estimated GDP from 8.9 per cent during the same period in 2015. The recurrent expenditure remained unchanged at 6.8 per cent of estimated GDP as in the same period in 2015 showing positive improvements in expenditure rationalisation efforts of the government. Capital expenditure and net lending as a percentage of GDP declined to 1.9 per cent during the first half of 2016 from 2.1 per cent in the corresponding period in 2015. In nominal terms, however, total expenditure and net lending is estimated at Rs. 1,070.6 billion, an increase of 6.3 per cent, during the first half of 2016 from Rs. 1,007.5 billion in the corresponding period of 2015.

Total outstanding debt increased by Rs. 559.0 billion to Rs. 9,062.2 billion as at end June 2016 from Rs. 8,503.2 billion at end 2015. Foreign debt increased by Rs. 127.0 billion to Rs. 3,671.1 billion, while domestic debt increased by Rs. 431.9 billion to Rs. 5,391.1 billion.

Highlights

FISCAL SECTOR

3.1 Government Finance (Rs.bn)

Item	2015 2 nd Quarter	2016(a) 2 nd Quarter	Rs. Bn
Revenue and Grants	605.8	742.3	Government Revenue & Expenditure 2015-2016 (end Period)
Revenue	605.6	741.8	
Tax	557.6	684.9	
Non tax	48.1	56.9	
Grants	0.2	0.5	
Expenditure & Lending Minus Repayments	1,007.5	1,070.6	
Current	769.3	835.5	
Capital & Lending Minus Repayments	238.2	235.0	

(a) Provisional

3.2 Outstanding Central Government Debt (Rs.bn)

Item	End 2015	2016(a) 2 nd Quarter	Rs. Bn
Total domestic debt	4,959.2	5,391.1	Government Debt 2015-2016
of which			
Treasury bills	658.2	729.4	
Treasury bonds	3,305.2	3,610.5	
Rupee loans	24.1	24.1	
Total foreign debt	3,544.0	3,671.1	
Total outstanding govt. debt	8,503.2	9,062.2	

(a)Provisional

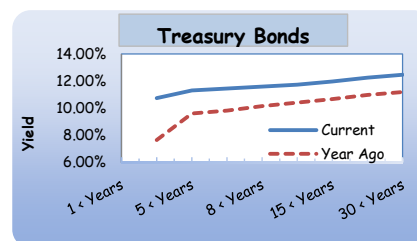
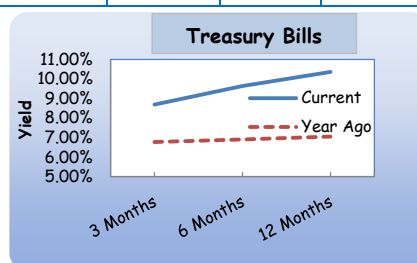
3.3 Government Securities - Primary and Secondary Market Yield Rates for the week ending - 26th October 2016

Security	Maturity	Primary Market(a)		Secondary Market			
		This Week	Last Week	This Week			Last Week Average
				Buying	Selling	Average	
Treasury Bills	3 Months	-	8.60%	8.74%	8.52%	8.63%	8.60%
	6 Months	9.48%	9.46%	9.57%	9.43%	9.50%	9.46%
	12 Months	10.24%	10.19%	10.24%	10.07%	10.16%	10.12%
Treasury Bonds	< 2 Years	-	-	11.07%	10.95%	11.01%	10.90%
	< 5 Years	-	-	11.73%	11.66%	11.69%	11.55%
	< 6Years	-	-	11.79%	11.65%	11.72%	11.60%
	< 8Years	-	-	11.86%	11.75%	11.81%	11.74%
	< 10Years	-	-	11.98%	11.86%	11.92%	11.83%
	< 15 Years	-	-	12.20%	12.09%	12.14%	12.03%
	< 20 Years	-	-	12.48%	12.38%	12.43%	12.27%
	< 30 Years	-	-	12.69%	12.56%	12.63%	12.46%

(a) Primary market transactions during the week ending 26/10/2016

The secondary market yield rates of T-bills and T-bonds 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%	4.97%	5.10%
	27-Jul-21	6.250%	5.10%	5.25%
	18-Jan-22	5.750%	5.30%	5.34%
	25-Jul-22	5.875%	5.36%	5.38%
	14-Jan-19	6.000%	4.43%	4.61%
	11-Apr-19	5.125%	4.42%	4.62%
	3-Jun-25	6.125%	5.95%	5.96%
	3-Nov-25	6.850%	5.97%	5.99%
	18-Jul-26	6.825%	5.97%	5.97%



3.4 Government Securities - Weekly Summary of Primary and Secondary Market Transactions (Week Ended - 26th October 2016)

Item	Volume in Rs Mn	
	This Week	Last Week
Outstanding Stock of Government Securities		
Treasury Bills	712,491.35	712,785.83
Treasury Bonds (a)	3,952,866.82	3,952,866.82
Total	4,665,358.17	4,665,652.65
T-bills and T-bonds held by Foreigners	300,720.70	307,930.59
Sri Lanka Development Bonds (SLDB)	577,280.28	577,280.28

The outstanding stock of T-bills and T-bonds held by Foreigners decreased by 2.34 per cent during the reporting week compared to the previous week.

Primary Market Activities	Volume in Rs Mn	
	This Week	Last Week
Treasury Bills		
Amount Offered	25,000.00	24,000.00
Total Bids Received	45,624.00	41,767.00
Total Bids Accepted	7,587.00	4,157.00
Treasury Bonds		
Amount Offered		
Total Bids Received	No auction held	No auction held
Total Bids Accepted		

The weekly T-bill auction was over subscribed by 1.8 times during the reporting week compared to the 1.7 times reported in the previous week.

Secondary Market Activities	Volume in Rs Mn	
	This Week	Last Week
Treasury Bills		
Outright Transaction (Sales / Purchases)	31,224.71	20,489.42
Repo Transaction (Sales / Purchases)	175,058.58	179,815.09
Treasury Bonds		
Outright Transaction (Sales / Purchases)	85,225.22	91,179.95
Repo Transaction (Sales / Purchases)	771,272.33	647,155.95

The secondary market transactions increased by 13.23 per cent, in the reporting week compared to the previous 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) - 28/10/2016

Remaining Maturity	Average Buying Price	Yield %	Average Selling Price	Yield %	Buying & Selling Spread
1-7 Days	99.84	8.47	99.84	8.30	0.00
1 Month	99.30	8.60	99.31	8.37	0.02
2 Month	98.59	8.61	98.61	8.45	0.03
3 Month	97.85	8.73	97.90	8.52	0.05
4 Month	97.02	9.06	97.09	8.85	0.07
5 Month	96.17	9.31	96.25	9.12	0.08
6 Month	95.29	9.56	95.36	9.41	0.07
7 Month	94.43	9.69	94.52	9.53	0.09
8 Month	93.58	9.76	93.69	9.60	0.11
9 Month	92.71	9.86	92.81	9.71	0.11
10 Month	91.81	9.96	91.93	9.81	0.12
11 Month	90.91	10.05	91.05	9.90	0.14
12 Month	89.93	10.21	90.08	10.06	0.14

3.6 Two way Quotes (Treasury Bonds)- 28/10/2016

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
08.00%2017A	5	1-Jan-17	65	99.76	9.12	99.79	8.96	0.03
05.80%2017A	6	15-Jan-17	79	99.26	9.14	99.31	8.93	0.05
08.25%2017A	3	1-Mar-17	124	99.50	9.64	99.57	9.43	0.07
08.75%2017A	4	15-May-17	199	99.28	10.11	99.44	9.80	0.16
08.00%2017B	5	15-Jun-17	230	98.56	10.38	98.68	10.18	0.12
05.80%2017B	6	15-Jul-17	260	96.92	10.35	97.00	10.23	0.08
08.50%2018A	15	1-Feb-18	461	97.36	10.78	97.53	10.63	0.17
08.50%2018C	5	1-Apr-18	520	96.86	10.93	96.97	10.84	0.12
08.50%2018D	5	1-Jun-18	581	96.50	10.94	96.66	10.83	0.15
08.50%2018B	15	15-Jul-18	625	96.22	10.96	96.35	10.88	0.13
07.50%2018A	15	15-Aug-18	656	94.34	11.04	94.51	10.93	0.17
08.75%2018A	4	15-Oct-18	717	95.96	11.09	96.18	10.96	0.22
08.00%2018A	6	15-Nov-18	748	94.38	11.14	94.59	11.01	0.21
05.65%2019A	8	15-Jan-19	809	89.46	11.14	89.59	11.07	0.14
08.50%2019A	10	1-May-19	915	94.01	11.31	94.24	11.19	0.23
10.60%2019A	5	1-Jul-19	976	98.16	11.40	98.39	11.30	0.22
10.60%2019B	5	15-Sep-19	1,052	97.93	11.45	98.21	11.33	0.28
08.00%2019A	8	1-Nov-19	1,099	91.37	11.47	91.63	11.36	0.26
09.25%2020A	5	1-May-20	1,281	93.25	11.65	93.64	11.50	0.39
08.00%2020A	8	1-Jun-20	1,312	89.82	11.54	90.02	11.46	0.21
06.20%2020A	10	1-Aug-20	1,373	83.84	11.62	84.09	11.53	0.25
09.50%2020A	5	15-Dec-20	1,509	93.16	11.63	93.42	11.54	0.27
10.75%2021A	5	1-Mar-21	1,585	96.86	11.68	97.22	11.57	0.36
09.00%2021A	8	1-May-21	1,646	90.11	11.89	90.98	11.63	0.86
11.00%2021A	7	1-Aug-21	1,738	97.46	11.70	97.69	11.64	0.23
09.45%2021A	7	15-Oct-21	1,813	91.64	11.72	91.89	11.65	0.25
08.00%2022A	10	1-Jan-22	1,891	85.96	11.68	86.14	11.63	0.17
11.20%2022A	9	1-Jul-22	2,072	97.58	11.79	98.05	11.67	0.47
10.00%2022A	8	1-Oct-22	2,164	92.42	11.81	93.10	11.64	0.68
09.00%2023A	10	1-Sep-23	2,499	87.24	11.76	87.72	11.65	0.48
11.20%2023A	9	1-Sep-23	2,499	97.07	11.83	97.79	11.67	0.73
07.00%2023A	20	1-Oct-23	2,529	77.53	11.84	77.96	11.73	0.44
11.40%2024A	10	1-Jan-24	2,621	97.71	11.88	98.22	11.77	0.51
11.00%2024A	8	1-Aug-24	2,834	95.63	11.87	96.33	11.73	0.71
06.00%2024A	10	1-Dec-24	2,956	70.02	11.86	70.41	11.77	0.38
10.25%2025A	10	15-Mar-25	3,060	91.34	11.91	91.97	11.78	0.63
09.00%2025A	12	1-May-25	3,107	84.69	11.91	85.13	11.82	0.44
11.00%2025A	10	1-Aug-25	3,199	95.06	11.92	95.71	11.79	0.65
09.00%2026A	13	1-Feb-26	3,383	83.41	12.01	84.00	11.89	0.59
05.35%2026A	15	1-Mar-26	3,411	63.39	11.96	63.79	11.86	0.40
11.00%2026A	11	1-Jun-26	3,503	94.79	11.92	95.45	11.80	0.66
11.50%2026A	10	1-Aug-26	3,564	97.47	11.94	98.17	11.81	0.70
09.00%2028B	15	1-May-28	4,203	81.27	12.05	81.67	11.98	0.40
09.00%2028A	15	1-Jul-28	4,264	81.24	12.03	81.51	11.98	0.27
11.50%2028A	13	1-Sep-28	4,326	96.31	12.09	97.04	11.97	0.73
13.00%2029A	15	1-Jan-29	4,448	105.29	12.15	105.94	12.05	0.66
13.00%2029B	15	1-May-29	4,568	105.44	12.14	106.01	12.06	0.58
11.00%2030A	15	15-May-30	4,947	91.75	12.26	92.99	12.06	1.24
08.00%2032A	20	1-Jan-32	5,543	70.59	12.33	71.12	12.23	0.53
09.00%2032A	20	1-Oct-32	5,817	76.60	12.40	77.16	12.30	0.56
09.00%2033A	20	1-Jun-33	6,060	76.23	12.41	76.62	12.34	0.40
13.25%2033A	20	1-Jul-33	6,090	105.70	12.43	105.96	12.39	0.26
09.00%2033B	20	1-Nov-33	6,213	75.70	12.48	75.98	12.43	0.28
13.25%2034A	20	1-Jan-34	6,274	105.02	12.53	105.57	12.45	0.55
11.50%2035A	20	15-Mar-35	6,712	92.83	12.50	94.10	12.31	1.27
12.00%2041A	25	1-Jan-41	8,831	95.72	12.56	97.19	12.36	1.47
09.00%2043A	30	1-Jun-43	9,712	72.23	12.65	72.66	12.58	0.43
13.50%2044A	30	1-Jan-44	9,926	106.23	12.68	106.80	12.61	0.57
13.50%2044B	30	1-Jun-44	10,078	106.18	12.69	106.66	12.63	0.49
12.50%2045A	30	1-Mar-45	10,351	98.06	12.75	100.35	12.45	2.29

External Sector

During the year up to 28 October 2016 the rupee depreciated against the US dollar (2.0 per cent). Given the cross currency exchange rate movements, the Sri Lanka rupee appreciated against the pound sterling (19.3 per cent) and depreciated against Indian rupee (1.3 per cent), Japanese yen (14.4 per cent) and euro (1.8 per cent) during this period.

Earnings from exports declined by 4.4 per cent, year-on-year, to US dollars 891 million in July 2016 from US dollars 932 million in July 2015. The subdued performance in agricultural and industrial exports, owing to lower international commodity prices and lower domestic supply, mainly contributed to this decline. On a cumulative basis, earnings from exports during the first seven months of 2016 contracted by 5.6 per cent, year-on-year, to US dollars 5,999 million mainly due to reductions in export earnings from transport equipment, petroleum products, tea and spices.

Expenditure on imports contracted by 6.6 per cent, year-on-year, to US dollars 1,433 million in July 2016 compared to US dollars 1,534 million in July 2015. A significant decline in expenditure on vehicle imports, followed by fuel and wheat imports, contributed largely to this reduction. On a cumulative basis, expenditure on imports during the first seven months of 2016 contracted by 2.9 per cent to US dollars 10,754 million, mainly due to reductions recorded in fuel, vehicle and rice imports.

The terms of trade improved by 4.6 per cent compared to the corresponding month of previous year due to deteriorating of import prices compared to export prices. The export unit value index declined by 2.8 per cent, year-on-year, in June 2016, due to price declines recorded in all major export categories. The import unit value index declined by 7.0 per cent, year-on-year, in June 2016, as a result of declines recorded in unit price indices of intermediate goods and investment goods. However, import unit value index for consumer goods increased by 4.7 per cent on a year-on year basis.

India, China, UK, Germany and France were the top five sources of tourist arrivals in September 2016, accounting for 51.9 per cent of total tourist arrivals upto the month of September 2016

The average price of tea increased to US dollars 3.11 per kg in July 2016 from US dollars 3.00 per kg (in the Colombo auction) in July 2015.

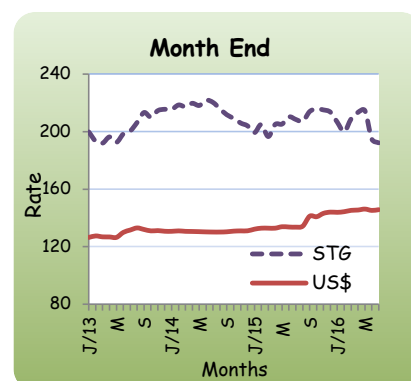
Further, the import prices of rice, wheat and crude oil prices declined compared to the corresponding month of 2015.

Highlights

EXTERNAL SECTOR

4.1 Exchange Rates

Item (Rs Per Unit)(a)	Week Ending - 28 Oct 2016			Average Rate	
	Buying Rate	Selling Rate	Average Rate	Week Ago	Year Ago
US\$	145.93	149.69	147.81	147.08	140.77
STG	177.06	183.22	180.14	180.27	215.42
Yen	1.38	1.43	1.41	1.42	1.17
Euro	158.16	164.27	161.22	160.64	155.19
INR ⁽¹⁾			2.20	2.20	2.17
SDR (As at 27 Oct 2016)			201.81	202.42	196.98
Central Bank purchases and sales(b) (US\$ Mn.)			September 2016	Month Ago	Year Ago
Purchases			131.29	190.77	0.00
Sales			15.20	57.58	523.80



	Week Ending 28 Oct 2016	Week Ago	Year Ago
Average Daily Interbank Volume (US\$ Mn.) (spot, tom and cash transactions among commercial banks)	23.05	31.36	35.44
Forward Transactions			
Forward Rates (US\$) ⁽²⁾			
1 Month	148.45	147.93	141.59
3 Months	150.46	149.48	142.71
Average Daily Interbank Forward Volume (US\$ mn)	39.78	26.42	26.83
Outstanding Forward Volume (US\$ mn) (As at 27 Oct 2016)	1,406.40	1,346.54	1,421.65

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

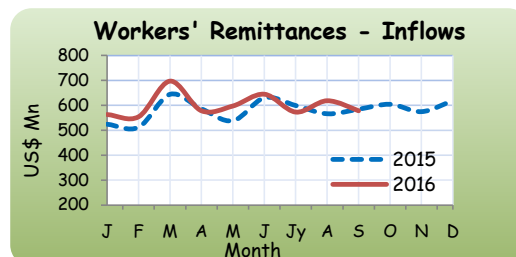
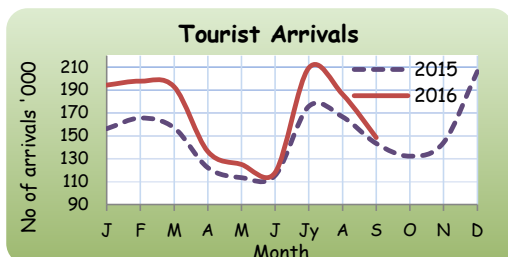
(b) Central Bank purchases and sales of foreign exchange from commercial banks at market rates total for the Month

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

4.2 Tourism & Workers' Remittances

Item		2015 Sep (a)(c)	2016 Sep (b)(d)	2015(a) Jan-Sep (c)	2016(b) Jan-Sep(d)	% Change
Tourist Arrivals	Number	143,374	148,499	1,315,839	1,508,405	14.6
Earnings from Tourism(d)	US\$ Mn.	237.6	246.1	2,180.9	2,500.0	14.6
	Rs.bn.	33.0	35.9	291.7	361.9	24.1
		2015 Sep (a)	2016 Sep (b)	2015(a) Jan-Sep	2016(a) Jan-Sep(b)	% Change
Workers' Remittances (Inflows)	US\$ Mn.	584.2	577.9	5,182.2	5,382.0	3.9
	Rs. bn.	81.1	84.2	693.4	779.5	12.4

(a) Revised (b) Provisional (c) Revised based on Sri Lanka Tourism Development Authority survey results on average stay period and average spending per day estimates for 2015 (d) May be revised based on Sri Lanka Tourism Development Authority survey results on average stay period and average spending per day estimates for 2016



4.3 Official Reserve Assets as at 30th September 2016^(a)

Official Reserve Assets (USD Mn)	
(1) Foreign Currency Reserves	5,437.11
(2) Reserve position in the IMF	66.80
(3) SDRs	5.50
(4) Gold	949.70
(5) Other Reserve Assets	0.97

(a) Provisional

4.4 International Reserves & Foreign Currency Liquidity as at 31st August 2016 ^(a)

Official Reserve Assets (USD mn)					
Official Reserve Assets				6,598.94	
(1) Foreign currency reserves				5,586.73	
(a) Securities				1,843.28	
(b) Total currency and deposits with				3,743.45	
(i) other national central banks, BIS				2,811.05	
(ii) banks headquartered inside the reporting country of which located abroad				1.20	
(iii) banks headquartered outside the reporting country				931.20	
(2) Reserve position in the IMF				66.72	
(3) SDRs				4.08	
(4) Gold				940.44	
(5) Other reserve assets				0.97	
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	-4,122.38	-490.25	-582.14	-3,050.00
	Interest	-1,057.52	-98.79	-143.5	-815.23
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)		-3,070.81	-762.38	-317.50	-1,990.93
(b) Long positions (+)					
3. Other (specify)		-2.59	-2.59		
inflows related to reverse repos (+)					
other accounts payable (-)		-2.59	-2.59		

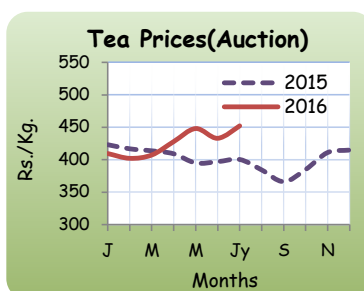
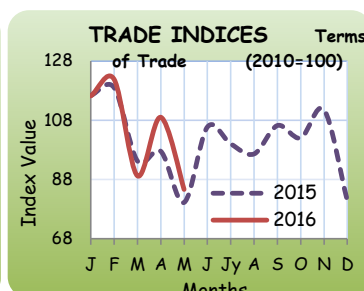
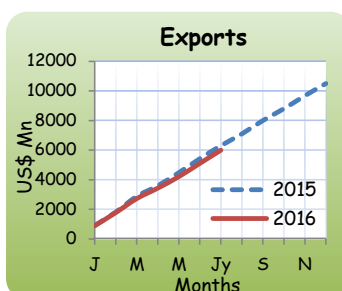
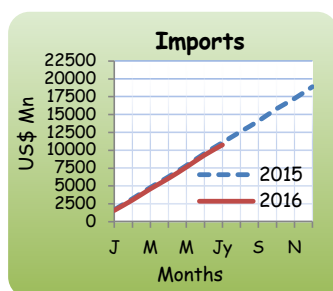
(a) Provisional

(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-July 2016	Jan-July 2015	% Change	Jan-July 2016	Jan-July 2015	% Change
Exports	5,998.9	6,356.5	-5.6	867,303.7	845,587.2	2.6
Agricultural	1,312.6	1,490.1	-11.9	189,812.3	198,271.1	-4.3
Industrial	4,660.4	4,836.7	-3.6	673,742.4	643,365.5	4.7
Food, Beverages and Tobacco	173.9	155.8	11.6	25,139.6	20,732.7	21.3
Textiles and Apparel	2,940.2	2,818.5	4.3	425,049.5	374,937.4	13.4
Petroleum Products	162.4	264.1	-38.5	23,475.3	35,105.7	-33.1
Leather, Rubber etc	541.4	554.1	-2.3	78,283.1	73,719.8	6.2
Other	842.5	1,044.1	-19.3	121,794.9	138,869.9	-12.3
Mineral	17.2	20.6	-16.6	2,483.2	2,739.4	-9.4
Other	8.8	9.1	-3.8	1,265.8	1,211.2	4.5
Imports	10,753.8	11,080.6	-2.9	1,554,929.5	1,473,903.1	5.5
Consumer Goods	2,431.1	2,722.1	-10.7	351,437.0	362,095.1	-2.9
Intermediate Goods	5,485.1	5,703.9	-3.8	793,209.7	758,799.6	4.5
Investment Goods	2,829.9	2,643.6	7.0	409,160.2	351,546.4	16.4
Other	7.7	11.0	-29.5	1,122.6	1,462.0	-23.2
Trade Balance	-4,754.9	-4,724.1	0.7	-687,625.8	-628,315.9	9.4

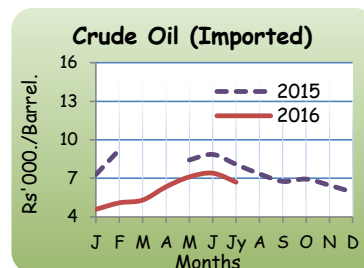
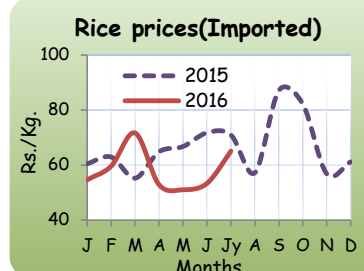


4.6 Trade Indices (2010= 100) (a)

Item	2016 June (b)	Month Ago	Year Ago
Total Exports			
Value	124.8	108.0	131.4
Quantity	122.1	136.3	125.0
Unit Value	102.2	79.2	105.2
Total Imports			
Value	150.0	142.3	150.2
Quantity	162.8	151.9	151.6
Unit Value	92.1	93.7	99.1
Terms of Trade	111.0	84.6	106.1

(a) In US\$ Terms

(b) Provisional



4.7 International Commodity Prices

Item	July 2016	July 2015	% Change	July 2016	July 2015	% Change
Colombo Auction Price	US\$ / Kg			Rs / Kg		
Tea Prices	3.11	3.00	3.8	452.28	400.47	12.9
Imports (C I F)	US\$ / MT			Rs / MT		
Rice	447.38	530.34	-15.6	65,052.61	70,899.61	-8.2
White Sugar	537.45	381.93	40.7	78,148.80	51,058.51	53.1
Wheat	250.06	282.28	-11.4	36,360.49	37,736.95	-3.6
	US\$ / Barrel			Rs / Barrel		
Crude Oil	46.10	60.49	-23.8	6,703.93	8,086.61	-17.1