

# Weekly Economic Indicators

11 November 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(DCS), 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) based on compilation by the (DCS), increased to 4.2 per cent in October 2016 from 3.9 per cent in September 2016, on year-on-year basis. Annual average inflation increased to 3.6 per cent in October 2016 from 3.4 per cent in September 2016. The monthly increase in CCPI was 0.6 per cent. Core CCPI remained unchanged at 4.2 per cent in October 2016, on year-on-year basis. Annual average core inflation decreased to 4.9 per cent in October 2016 from 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 nine 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 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.

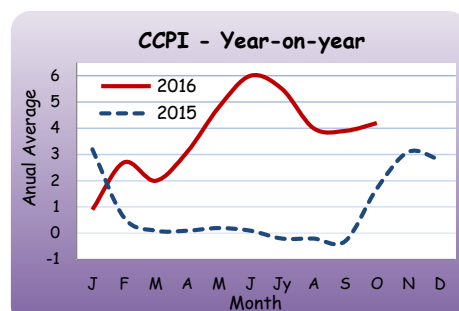
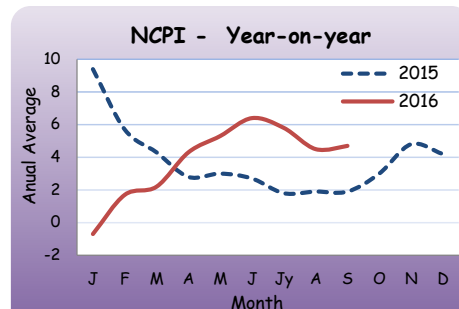
During the week, crude oil prices largely followed an increasing trend. At the beginning of the week Brent price marginally fell as signs of tensions reemerged between Saudi Arabia and Iran that could ruin a key supply cut deal. However, prices then rose after OPEC's Secretary General reiterated the cartel's commitment to a output cut deal made in Algiers late September. Later, markets recovered from an initial Brexit-like reaction to Donald Trump's surprise victory in the U.S. presidential election. Analysts said while Trump's victory raised concerns about future economic growth and oil demand, there were supportive factors for prices such as a potential shift in U.S. policy towards Iran. However, towards the end of the week prices fell on oversupply concerns. The OPEC meets on November 30 for talks on output cuts, but doubts remain over whether they can come to an agreement.

## 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	October 2016	Month Ago	Year Ago
(2006 / 07 = 100)			
Colombo Consumers' Price Index (CCPI)	189.7	188.5	182.1
Annual Average Change %	3.6	3.4	0.7
Year - on - Year Change %	4.2	3.9	1.7
Core Inflation - ( CCPI )	188.2	187.7	180.6
Annual Average Change %	4.9	5.0	2.9
Year - on - Year Change %	4.2	4.2	4.5

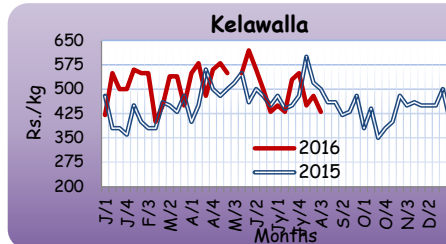
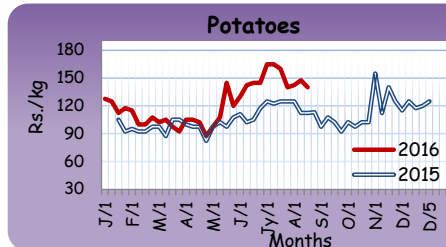
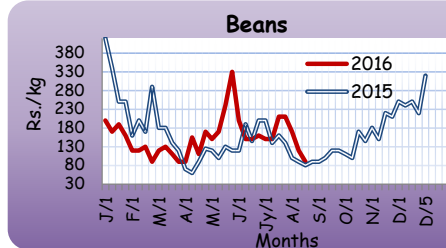
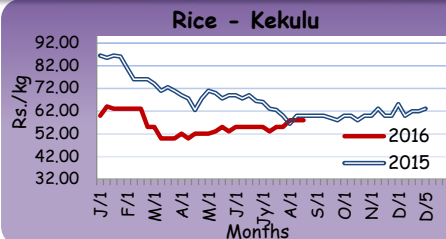


## 1.2 Pettah Market

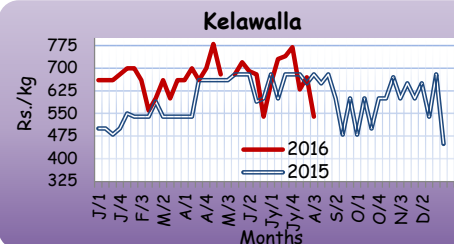
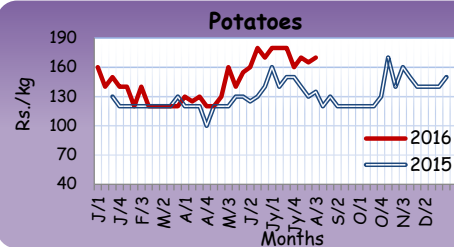
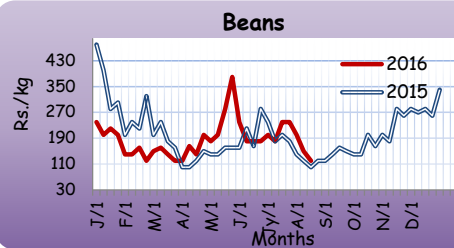
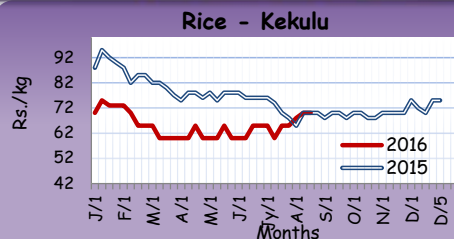
Item	Average Wholesale Prices				Average Retail Prices			
	Week Ending 10 <sup>th</sup> Nov 2016	Week Ago	Month Ago	Year Ago Annual Avg	Week Ending 10 <sup>th</sup> Nov 2016	Week Ago	Month Ago	Year Ago Annual Avg
	Rs / Kg				Rs / Kg			
<b>Rice</b>								
Samba	85.00	85.00	80.00	83.22	90.00	90.00	88.50	90.10
Kekulu (Red)	70.00	70.00	68.00	66.15	75.00	75.00	75.00	75.20
<b>Vegetables</b>								
Beans	180.00	120.00	146.25	160.49	220.00	160.00	190.00	196.86
Cabbage	25.00	25.00	38.13	79.31	50.00	70.00	77.50	117.94
Carrots	65.00	57.50	57.50	146.27	100.00	110.00	105.00	184.90
Tomatoes	32.50	37.50	46.25	89.80	80.00	70.00	70.00	126.18
Pumpkins	32.50	32.50	33.75	49.12	60.00	55.00	52.50	72.94
Snake Gourd	80.00	75.00	80.00	73.73	120.00	120.00	122.50	106.57
Brinjals	35.00	35.00	52.50	72.56	80.00	80.00	95.00	105.69
Ash-Plantains	65.00	65.00	52.50	81.08	100.00	90.00	85.00	110.59
<b>Other Foods</b>								
Red-Onions (Local)	75.00	105.00	87.50	105.28	135.00	140.00	120.00	135.34
Big-Onions (Local)	72.50	70.00	69.37	95.17	100.00	90.00	90.00	124.67
Potatoes (N'Eliya)	112.50	122.50	107.50	107.98	150.00	140.00	130.00	130.80
Dried Chilies (Imported)	270.00	275.00	286.25	248.90	350.00	350.00	352.50	291.08
Dhal (Indian)	160.00	165.00	160.00	161.98	169.00	169.00	169.00	177.43
Eggs	12.00	9.50	11.88	14.17	12.50	10.00	12.38	14.77
Coconut (Each)	43.50	43.50	39.88	41.00	55.00	55.00	55.00	53.18
<b>Fish*</b>								
Kelawalla	550.00	420.00	492.50	453.14	770.00	580.00	685.00	598.24
Balaya	300.00	250.00	340.00	295.00	400.00	350.00	440.00	361.20
Salaya	130.00	130.00	132.50	114.71	190.00	180.00	202.50	156.08
Paraw (Small)	480.00	350.00	480.00	484.69	580.00	450.00	575.00	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 10 <sup>th</sup> Nov 2016	
	Wholesale (Average)	Retail (Average)
<b>Rice</b>		
Samba	82.00	86.50
Kekulu (Red)	68.00	73.00
<b>Vegetables</b>		
Beans	120.00	160.00
Carrot	82.00	110.00
Tomatoes	23.50	49.00
Pumpkins	24.00	36.50
Snake Gourd	43.00	70.00
Ash-Plantains	45.50	69.00
<b>Other Foods</b>		
Red-Onions (Local)	87.00	122.00
Big-Onions (Local)	67.40	82.50
Potatoes (N'Eliya)	114.50	132.00
Dried Chilies(Imported)	283.20	345.00
Coconut (Each)	34.00	42.50

### 1.5 Maradaghamula Market

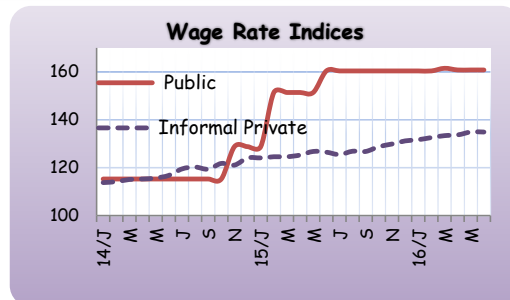
Average wholesale price of Rice				
Item (Rs / Kg)	Week Ending 11 <sup>th</sup> Nov	Week Ago	Month Ago	Year Ago
Samba	80.80	80.60	77.26	79.56
Sudu Kekulu	67.90	68.10	66.52	62.37
Raw Red	61.20	61.20	60.90	66.17
Nadu	74.50	72.50	70.26	64.24

### 1.4 Narahenpita Economic Centre

Item (Rs / Kg)	Average Retail Prices	
	11 <sup>th</sup> Nov 2016	Week Ago
<b>Rice</b>		
Samba	90.00	90.00
Kekulu (Red)	74.67	74.67
<b>Vegetables</b>		
Beans	236.67	156.67
Cabbage	93.33	116.67
Carrots	116.67	116.67
Tomatoes	86.67	63.33
Pumpkins	78.33	60.00
Snake Gourd	136.67	136.67
Brinjals	96.67	86.67
Ash-Plantains	116.67	120.00
<b>Other Foods</b>		
Red-Onions (Imported)	140.00	n.a.
Big-Onions (Imported)	n.a.	n.a.
Potatoes (Imported)	100.00	116.67
Dried Chilies (Imported)	326.67	336.67
Dhal (Indian)	173.33	168.67
Eggs (Red)(Each)	11.67	10.67
Coconut (Each)	53.33	48.33
<b>Fish</b>		
Kelawalla	836.67	686.67
Balaya	416.67	386.67
Salaya	200.00	156.67
Paraw (Small)	693.33	556.67

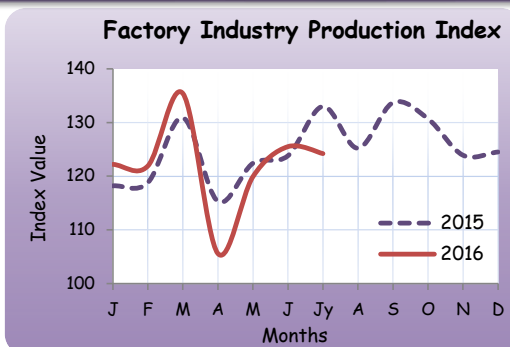
## 1.6 Wage rate Indices

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



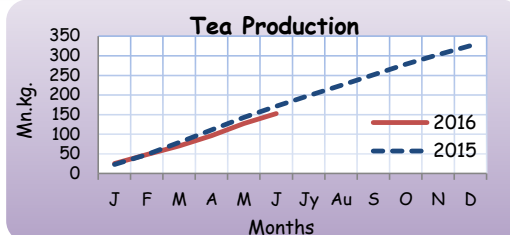
(a) Major 7 sub divisions of FIPI out of 17 sub divisions.

(b) Provisional

## 1.8 Agriculture Production

Item	Unit	2016(a) Jan-Sep	2015 Jan-Sep	% Change
Tea	(Mn Kg)	216.7	251.3	-13.8
Rubber	(Mn Kg)	63.9	69.8	-8.5
Coconuts	(Mn Nuts)	2,364.7	2,295.1	3.0

(a) Provisional

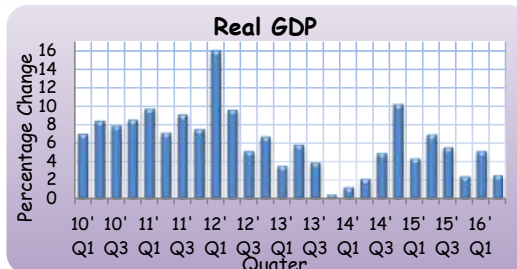


## 1.9 GDP by Industrial Origin at Constant (2010) Prices - Growth Rates in value added terms

Item	2016(a) 2 <sup>nd</sup> Quarter	2015(a) 2 <sup>nd</sup> 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)

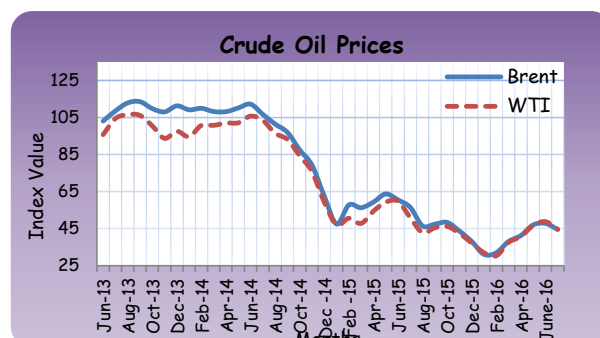
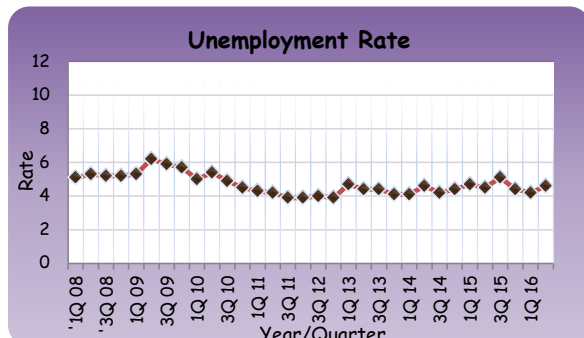
Item	2015 (c)(d) 2 <sup>nd</sup> Quarter	2016 (c) 2 <sup>nd</sup> Quarter	2015 Annual
Labour Force Participation rate	54.2	53.3	53.8
Unemployment rate	4.5	4.6	4.7
<b>Employed Persons by Sectors (e) (as a % of total employment)</b>			
Agriculture	28.9	25.1	28.7
Industry	25.5	27.1	25.8
Services	45.6	47.8	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	49.01	49.78	
November	43.68	42.44	45.46			
December	38.08	37.21	41.21			
	2015			2016		
04 November	46.06	46.32		42.46	44.07	
07 November	-	-		42.23	44.88	
08 November	-	-		42.72	44.96	
09 November	44.88	43.87		43.13	45.20	
10 November	45.94	44.23		42.92	44.62	

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 11 November 2016 declined by 19 bps to 11.95 per cent compared to the previous week.

Broad money (M2b) expanded by 17.3 per cent on year-on-year basis in August 2016.

Net Credit to the Government from the banking system showed a decline of Rs. 94.1 billion in August 2016.

Public Corporations recorded a net repayment of Rs. 30.6 billion in August 2016.

Credit extended to the private sector increased by Rs. 45.0 billion in August 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 decreased to a short position of Rs. 41.36 bn by end of the week, compared to a short position of Rs. 44.08 bn by the end of last week.

By 11 November 2016, All Share Price Index (ASPI) declined by 0.30 per cent to 6,416 points while S&P SL 20 Index declined by 0.51 per cent to 3,590 points, compared to the previous week.

Highlights

# MONETARY SECTOR

## 2.1 Interest Rates

Item	Week Ending 2016 Nov 11	Week Ago	Year Ago
<b>Policy Interest Rates</b>			
Standing Deposit Facility Rate	7.00	7.00	6.00
Standing Lending Facility Rate	8.50	8.50	7.50
<b>Average Weighted Call Money Rate (AWCMR)(Weekly Average)</b>	8.44	8.43	6.31
<b>Sri Lanka Inter Bank Offered Rate ( SLIBOR )</b>			
1 day	8.45	8.44	6.33
7 days	9.50	9.50	6.50
1 Month	10.54	10.52	6.77
3 Months	11.00	11.00	7.09
6 Months	11.49	11.50	7.32
12 Months	12.00	12.00	7.62
<b>Treasury Bill Yields (Excluding 10% withholding tax)</b>			
91 days	8.60	8.60	-
182 days	9.56	9.47	-
364 days	10.14	10.10	6.94
<b>Licensed Commercial Banks</b>			
Average Weighted Prime Lending Rate (AWPR)	11.95	12.14	7.28
	Aug 2016	Month Ago	Year Ago
Saving Deposits	0.50-12.25	0.50-9.00	0.50-8.00
One Year Fixed Deposits	4.50-15.00	4.50-15.00	3.95-15.00
	Oct 2016	Month Ago	Year Ago
Average Weighted Deposit Rate (AWDR)	7.79	7.56	6.05
Average Weighted Fixed Deposit Rate (AWFDR)	9.95	9.67	7.33
	Sep 2016	Month Ago	Year Ago
Average Weighted Lending Rate (AWLR)	12.88	12.54	11.00
<b>National Savings Bank (NSB)</b>			
	Sep 2016	Month Ago	Year Ago
Saving Deposits	4.25	4.25	5.00
One Year Fixed Deposits	11.00	10.00	6.50
<b>Treasury Bonds Auction</b>			
	(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 Nov 11	Week Ago
Bank of Ceylon	12.49	12.37
People's Bank	12.14	11.98
Hatton National Bank	12.83	13.15
Commercial Bank of Ceylon	12.49	12.69
Sampath Bank	13.41	12.92
Seylan Bank	12.99	12.89
Union Bank of Colombo	14.42	14.67
Pan Asia Banking Corporation	15.52	14.77
Nations Trust Bank	12.38	12.29
DFCC Bank	13.75	13.59
NDB Bank	13.85	13.99
Amana Bank	12.31	12.31
Cargills Bank	13.98	13.88

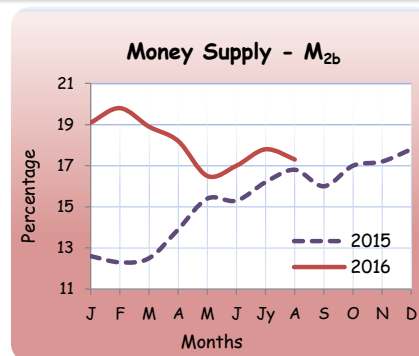
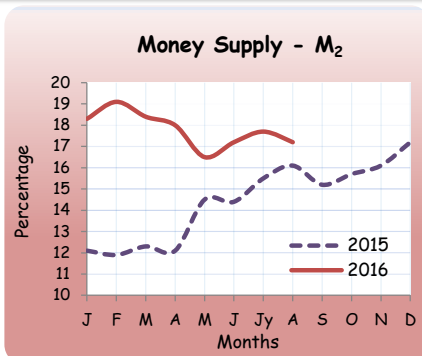
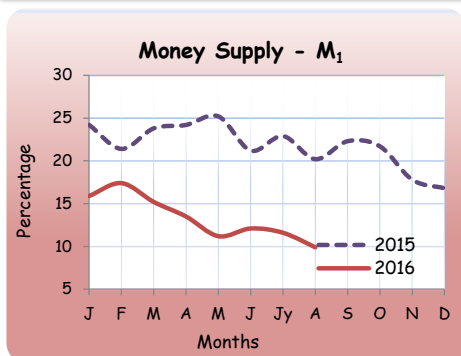
Bankwise- AWPR	Week ending 2016 Nov 11	Week Ago
HSBC	9.33	9.27
Standard Chartered Bank	11.66	11.15
Citi Bank	11.05	10.32
Deutsche Bank	9.15	9.46
Habib Bank	10.79	10.87
Indian Bank	13.75	13.75
Indian Overseas Bank	14.25	14.25
MCB Bank	13.54	13.44
State Bank of India	13.16	13.16
Public Bank	10.25	10.25
ICICI Bank	12.83	12.83
Axis Bank	12.82	12.84



## 2.2 Money Supply

Item	Rs. Bn.			Annual Change (%)		
	2016 (a) August	Month Ago	Year Ago	2016 (a) August	Month Ago	Year Ago
Reserve Money	785.7	774.5	637.2	23.3	22.9	19.8
M <sub>1</sub>	714.2	716.6	650.0	9.9	11.6	20.2
M <sub>2</sub>	4,434.8	4,394.7	3,783.9	17.2	17.7	16.1
M <sub>2b</sub>	4,988.6	4,940.4	4,252.5	17.3	17.8	16.8
Net Foreign Assets of the Banking System (b)	-281.5	-437.6	-278.8	-1.0	-81.4	-231.1
Monetary Authorities	499.0	416.8	450.9	10.7	-19.1	-43.0
Commercial Banks	-780.5	-854.4	-729.7	-7.0	-12.9	-26.1
Domestic Banking Units (DBUs)	-268.9	-287.0	-239.6	-12.2	-9.7	-0.9
Offshore Banking Units (OBUs)	-511.6	-567.5	-490.2	-4.4	-14.7	-43.6
Net Domestic Assets of the Banking System (b)	5,270.1	5,378.0	4,531.3	16.3	21.3	32.1
Net Credit to the Government	1,937.9	2,032.0	1,735.6	11.7	17.1	27.4
Monetary Authorities	396.5	456.1	244.5	62.2	108.6	67.9
Commercial Banks	1,541.4	1,575.9	1,491.1	3.4	3.9	22.6
DBUs	1,208.4	1,185.2	1,183.6	2.1	-2.1	16.1
OBUs	333.0	390.8	307.5	8.3	27.6	55.8
Credit to Public Corporations	441.5	472.1	482.5	-8.5	-0.8	42.8
DBUs	266.6	266.5	222.2	20.0	22.0	33.2
OBUs	174.9	205.6	260.3	-32.8	-20.1	52.2
Credit to the Private Sector	3,905.9	3,860.9	3,068.7	27.3	28.5	21.3
DBUs	3,616.6	3,576.1	2,833.6	27.6	29.3	23.9
OBUs	289.3	284.8	235.1	23.0	19.9	-3.4
Other Items (Net)	-1,015.2	-987.0	-755.5	-34.4	-26.5	5.6

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

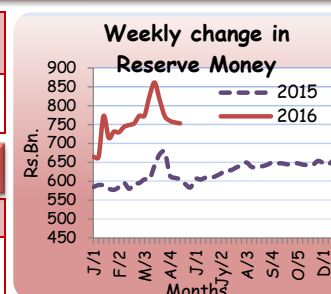


## 2.3 Weekly change in Reserve Money

Item	10 Nov 2016	Week Ago	Change
Reserve Money (Rs.Mn.)	799,877	803,960	-4,083

## 2.4 Money Market Activity (Overnight)

Item	07.11.2016	08.11.2016	09.11.2016	10.11.2016	11.11.2016
<b>Call Money Market</b>					
Weighted Average Rate (% p.a.)	8.44	8.44	8.44	8.44	8.44
Gross Volume (Rs. Mn)	15,540	16,010	15,285	8,920	11,958
<b>Repo Market</b>					
Weighted Average Rate (% p.a.)	8.68	8.69	8.74	8.69	8.66
Gross Volume (Rs. Mn)	26,939	21,412	17,361	22,344	29,196



## 2.5 CBSL Security Portfolio

Item	07.11.2016	08.11.2016	09.11.2016	10.11.2016	11.11.2016
CBSL Treasury Bill Holdings - Face Value (Rs.mn)	178,979	178,979	178,979	178,979	183,988
CBSL Treasury Bill Holdings - Book Value (Rs.mn)	176,331	176,377	176,424	176,471	181,125

## 2.6 Open Market Operations

Item	07.11.2016	08.11.2016	09.11.2016	10.11.2016	11.11.2016
<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)	40.00	42.00	43.00	46.00	41.00
Tenure (No. of Days)	1	1	1	1	1
Bids Received (Rs. bn)	41.63	47.60	61.67	45.69	30.94
Amount Accepted (Rs. bn)	40.00	42.00	43.00	45.69	30.94
Weighted Average Yield Rate (% p.a.)	8.49	8.49	8.50	8.49	8.49
<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)	15.47	16.35	11.52	7.24	8.97
Standing Lending Facility (Rs. bn)	14.09	14.14	12.33	8.71	19.39
<b>Total Outstanding Market Liquidity (Rs. bn)</b>	-38.62	-39.79	-43.81	-47.16	-41.36

## 2.7 Credit Cards (a)

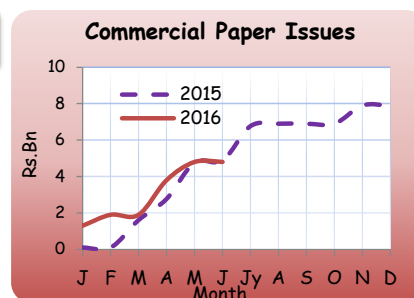
Item	2016 (b) End Aug	2016 End July	2015 End Dec
<b>Total Number of Active Cards</b>	1,253,876	1,226,820	1,142,231
Local (accepted only locally)	35,880	36,177	30,902
Global (accepted globally)	1,217,996	1,190,643	1,111,329
<b>Outstanding balance (Rs. Mn.)</b>	67,664	65,870	63,010
Local (accepted only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

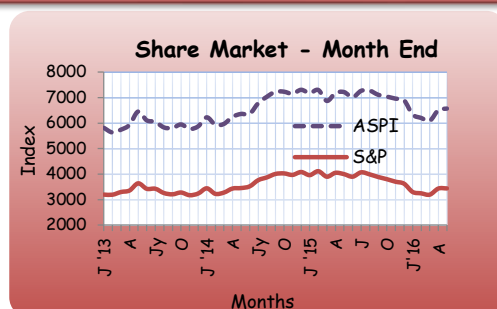
Item (Rs. bn.)	2016 End Aug(b)	2016 End July	2015 End Dec
Total Issues - Cumulative	5.1	4.9	7.9
Outstanding (as at end of the period)	4.0	4.5	4.5

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



## 2.9 Share Market

Item	Week Ending 11 Nov 2016	Week Ago	Year Ago
All Share Price Index (1985 = 100) (ASPI)	6,416	6,435	7,019
S & P Sri Lanka 20 Index (S&P SL20)	3,590	3,609	3,791
Average Daily Turnover (Rs. Mn)	282	313	891
Market Capitalisation (Rs. Bn.)	2,733	2,741	2,980



## 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.

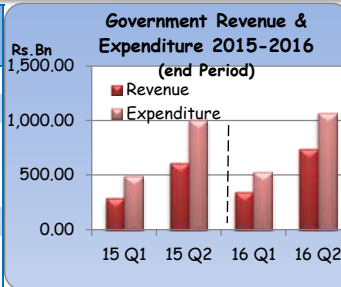
Total outstanding debt increased by Rs. 559.0 billion to Rs. 9,062.2 billion as at end June 2016 from Rs. 8,503.2 billion at end 2015. Foreign debt increased by Rs. 127.0 billion to Rs. 3,671.1 billion, while domestic debt increased by Rs. 431.9 billion to Rs. 5,391.1 billion.

## Highlights

## FISCAL SECTOR

### 3.1 Government Finance (Rs.bn)

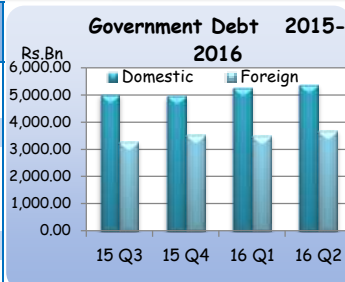
Item	2015 2 <sup>nd</sup> Quarter	2016(a) 2 <sup>nd</sup> Quarter	Rs. Bn
<b>Revenue and Grants</b>	<b>605.8</b>	<b>742.3</b>	
<b>Revenue</b>	<b>605.6</b>	<b>741.8</b>	
Tax	557.6	684.9	
Non tax	48.1	56.9	
<b>Grants</b>	<b>0.2</b>	<b>0.5</b>	
<b>Expenditure &amp; Lending Minus Repayments</b>	<b>1,007.5</b>	<b>1,070.6</b>	
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 <sup>nd</sup> Quarter	Rs. Bn
<b>Total domestic debt</b>	<b>4,959.2</b>	<b>5,391.1</b>	
of which			
Treasury bills	658.2	729.4	
Treasury bonds	3,305.2	3,610.5	
Rupee loans	24.1	24.1	
<b>Total foreign debt</b>	<b>3,544.0</b>	<b>3,671.1</b>	
<b>Total outstanding govt. debt</b>	<b>8,503.2</b>	<b>9,062.2</b>	



(a) Provisional

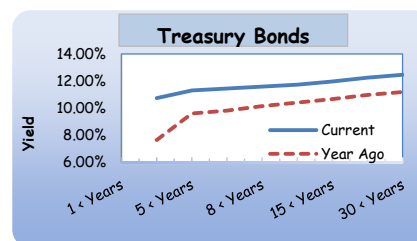
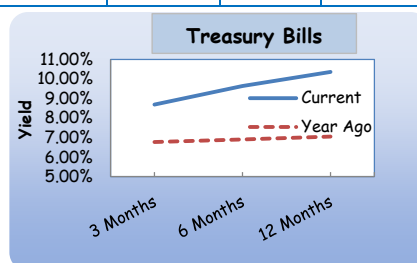
### 3.3 Government Securities - Primary and Secondary Market Yield Rates for the week ending - 09<sup>th</sup> November 2016

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%	8.60%	8.72%	8.52%	8.62%	8.62%
	6 Months	9.56%	9.47%	9.57%	9.42%	9.50%	9.49%
	12 Months	10.14%	10.10%	10.23%	10.06%	10.15%	10.14%
Treasury Bonds	< 2 Years	-	-	11.06%	10.96%	11.01%	10.99%
	< 5 Years	-	-	11.73%	11.66%	11.70%	11.68%
	< 6 Years	-	-	11.83%	11.71%	11.77%	11.73%
	< 8 Years	-	-	11.89%	11.77%	11.83%	11.79%
	< 10 Years	-	-	11.99%	11.88%	11.93%	11.89%
	< 15 Years	-	-	12.15%	12.05%	12.10%	12.10%
	< 20 Years	-	-	12.45%	12.38%	12.41%	12.42%
	< 30 Years	-	-	12.65%	12.51%	12.58%	12.58%

(a) Primary market transactions during the week ending 09/11/2016

The secondary market yield rates of T-bills and T-bonds slightly 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%	4.94%	4.87%
	27-Jul-21	6.250%	5.25%	5.15%
	18-Jan-22	5.750%	5.45%	5.39%
	25-Jul-22	5.875%	5.58%	5.45%
	14-Jan-19	6.000%	4.41%	4.31%
	11-Apr-19	5.125%	4.41%	4.30%
	3-Jun-25	6.125%	6.16%	6.06%
	3-Nov-25	6.850%	6.17%	6.07%
	18-Jul-26	6.825%	6.18%	6.09%



### 3.4 Government Securities - Weekly Summary of Primary and Secondary Market Transactions (Week Ended - 09<sup>th</sup> November 2016 )

Item	Volume in Rs Mn	
	This Week	Last Week
Outstanding Stock of Government Securities		
Treasury Bills	712,870.64	712,541.23
Treasury Bonds (a)	3,948,469.82	3,952,866.82
<b>Total</b>	<b>4,661,340.46</b>	<b>4,665,408.05</b>
T-bills and T-bonds held by Foreigners	282,480.71	292,210.70
Sri Lanka Development Bonds (SLDB)	564,356.99	563,017.02

The outstanding stock of T-bills and T-bonds held by Foreigners decreased by 3.33 per cent during the reporting week .

Primary Market Activities	Volume in Rs Mn	
	This Week	Last Week
<b>Treasury Bills</b>		
Amount Offered	28,000.00	22,500.00
Total Bids Received	52,905.00	54,274.00
Total Bids Accepted	10,435.00	18,986.00
<b>Treasury Bonds</b>		
Amount Offered		
Total Bids Received	No auction held	No auction held
Total Bids Accepted		

The weekly T-bill auction was over subscribed by 1.9 times during the reporting week compared to the 2.4 times reported in the previous week.

Secondary Market Activities	Volume in Rs Mn	
	This Week	Last Week
<b>Treasury Bills</b>		
Outright Transaction (Sales / Purchases)	22,014.99	20,234.07
Repo Transaction (Sales / Purchases)	236,537.81	228,056.07
<b>Treasury Bonds</b>		
Outright Transaction (Sales / Purchases)	74,468.42	81,264.64
Repo Transaction (Sales / Purchases)	698,462.03	740,639.32

The secondary market T-bills transactions increased by 4.13 per cent while T-bonds transactions decreased by 5.96 per cent. As a result, total secondary market transactions decreased by 3.62 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) - 11/11/2016

Remaining Maturity	Average Buying Price	Yield %	Average Selling Price	Yield %	Buying & Selling Spread
1-7 Days	99.84	8.45	99.84	8.28	0.00
1 Month	99.30	8.50	99.32	8.34	0.01
2 Month	98.59	8.58	98.61	8.43	0.02
3 Month	97.85	8.72	97.90	8.52	0.05
4 Month	97.02	9.05	97.09	8.84	0.07
5 Month	96.18	9.30	96.26	9.11	0.08
6 Month	95.27	9.60	95.34	9.45	0.07
7 Month	94.42	9.69	94.51	9.55	0.08
8 Month	93.58	9.76	93.68	9.62	0.10
9 Month	92.71	9.86	92.80	9.73	0.10
10 Month	91.81	9.96	91.92	9.83	0.11
11 Month	90.91	10.05	91.04	9.91	0.13
12 Month	89.92	10.22	90.07	10.07	0.16

### 3.6 Two way Quotes (Treasury Bonds)- 11/11/2016

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	51	99.82	9.05	99.83	8.95	0.01
05.80%2017A	6	15-Jan-17	65	99.40	9.09	99.43	8.89	0.03
08.25%2017A	3	1-Mar-17	110	99.59	9.48	99.63	9.35	0.04
08.75%2017A	4	15-May-17	185	99.41	9.96	99.49	9.80	0.08
08.00%2017B	5	15-Jun-17	216	98.74	10.22	98.83	10.06	0.09
05.80%2017B	6	15-Jul-17	246	97.18	10.20	97.26	10.07	0.08
08.50%2018A	15	1-Feb-18	447	97.47	10.74	97.65	10.58	0.18
08.50%2018C	5	1-Apr-18	506	96.92	10.93	97.08	10.81	0.15
08.50%2018D	5	1-Jun-18	567	96.57	10.95	96.74	10.83	0.16
08.50%2018B	15	15-Jul-18	611	96.28	10.98	96.42	10.88	0.15
07.50%2018A	15	15-Aug-18	642	94.43	11.05	94.60	10.94	0.17
08.75%2018A	4	15-Oct-18	703	95.95	11.14	96.13	11.03	0.18
08.00%2018A	6	15-Nov-18	734	94.44	11.16	94.61	11.06	0.18
05.65%2019A	8	15-Jan-19	795	89.62	11.14	89.75	11.07	0.14
08.50%2019A	10	1-May-19	901	93.93	11.38	94.15	11.27	0.22
10.60%2019A	5	1-Jul-19	962	98.10	11.44	98.32	11.34	0.22
10.60%2019B	5	15-Sep-19	1,038	97.79	11.52	97.95	11.45	0.16
08.00%2019A	8	1-Nov-19	1,085	91.38	11.51	91.63	11.40	0.26
09.25%2020A	5	1-May-20	1,267	93.19	11.69	93.52	11.57	0.34
08.00%2020A	8	1-Jun-20	1,298	89.91	11.54	90.11	11.46	0.20
06.20%2020A	10	1-Aug-20	1,359	83.97	11.62	84.19	11.54	0.22
09.50%2020A	5	15-Dec-20	1,495	93.13	11.65	93.40	11.56	0.27
10.75%2021A	5	1-Mar-21	1,571	96.55	11.78	96.87	11.68	0.32
09.00%2021A	8	1-May-21	1,632	90.54	11.78	90.81	11.70	0.27
11.00%2021A	7	1-Aug-21	1,724	97.23	11.77	97.53	11.69	0.30
09.45%2021A	7	15-Oct-21	1,799	91.34	11.81	91.72	11.71	0.37
08.00%2022A	10	1-Jan-22	1,877	85.87	11.73	86.10	11.67	0.23
11.20%2022A	9	1-Jul-22	2,058	97.20	11.89	97.57	11.80	0.36
10.00%2022A	8	1-Oct-22	2,150	91.96	11.93	92.47	11.80	0.51
09.00%2023A	10	1-Sep-23	2,485	86.98	11.83	87.51	11.71	0.53
11.20%2023A	9	1-Sep-23	2,485	96.40	11.98	97.07	11.83	0.67
07.00%2023A	20	1-Oct-23	2,515	77.54	11.86	77.84	11.78	0.30
11.40%2024A	10	1-Jan-24	2,607	97.14	12.00	97.64	11.89	0.50
11.00%2024A	8	1-Aug-24	2,820	95.06	11.99	95.74	11.85	0.67
06.00%2024A	10	1-Dec-24	2,942	69.91	11.91	70.29	11.82	0.38
10.25%2025A	10	15-Mar-25	3,046	90.80	12.02	91.39	11.90	0.59
09.00%2025A	12	1-May-25	3,093	84.49	11.96	84.93	11.87	0.44
11.00%2025A	10	1-Aug-25	3,185	94.43	12.04	95.11	11.91	0.68
09.00%2026A	13	1-Feb-26	3,369	83.45	12.01	84.04	11.89	0.59
05.35%2026A	15	1-Mar-26	3,397	63.33	11.99	63.73	11.90	0.40
11.00%2026A	11	1-Jun-26	3,489	93.95	12.08	94.66	11.95	0.71
11.50%2026A	10	1-Aug-26	3,550	96.67	12.08	97.40	11.95	0.73
09.00%2028B	15	1-May-28	4,189	81.29	12.05	81.69	11.98	0.40
09.00%2028A	15	1-Jul-28	4,250	81.18	12.04	81.45	11.99	0.27
11.50%2028A	13	1-Sep-28	4,312	95.71	12.19	96.59	12.04	0.87
13.00%2029A	15	1-Jan-29	4,434	105.29	12.15	105.94	12.05	0.65
13.00%2029B	15	1-May-29	4,554	105.42	12.14	106.00	12.06	0.57
11.00%2030A	15	15-May-30	4,933	91.38	12.33	92.61	12.13	1.23
08.00%2032A	20	1-Jan-32	5,529	70.62	12.33	71.15	12.23	0.53
09.00%2032A	20	1-Oct-32	5,803	76.61	12.40	77.17	12.30	0.56
09.00%2033A	20	1-Jun-33	6,046	76.25	12.41	76.65	12.34	0.40
13.25%2033A	20	1-Jul-33	6,076	105.71	12.43	105.96	12.39	0.26
09.00%2033B	20	1-Nov-33	6,199	75.71	12.48	75.99	12.43	0.28
13.25%2034A	20	1-Jan-34	6,260	105.03	12.53	105.57	12.45	0.55
11.50%2035A	20	15-Mar-35	6,698	92.91	12.49	94.02	12.33	1.10
12.00%2041A	25	1-Jan-41	8,817	95.36	12.61	97.01	12.39	1.65
09.00%2043A	30	1-Jun-43	9,698	72.24	12.65	72.67	12.58	0.43
13.50%2044A	30	1-Jan-44	9,912	106.24	12.68	106.80	12.61	0.57
13.50%2044B	30	1-Jun-44	10,064	106.19	12.69	106.67	12.63	0.49
12.50%2045A	30	1-Mar-45	10,337	98.43	12.70	100.81	12.39	2.39



## External Sector

During the year up to 11 November 2016 the rupee depreciated against the US dollar (2.5 per cent). Given the cross currency exchange rate movements, the Sri Lanka rupee appreciated against the pound sterling (15.1 per cent) and depreciated against Indian rupee (1.9 per cent), Japanese yen (13.9 per cent) and euro (2.4 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 marginally by 0.7 per cent, in July 2016 compared to the corresponding month of previous year due to deteriorating of import prices compared to export prices. The export unit value index in July 2016 declined by 2.3 per cent, year-on-year mainly driven by price reduction in agricultural exports. Reflecting the declines recorded in almost all sub categories of intermediate goods and investment goods, the import unit value index declined by 3.0 per cent, year-on-year, in July 2016. However, import unit value index for consumer goods increased by 7.4 per cent year-on year.

India, China, UK, Germany and France were the top five sources of tourist arrivals in October 2016, accounting for 52.4 per cent of total tourist arrivals upto the month of October 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.

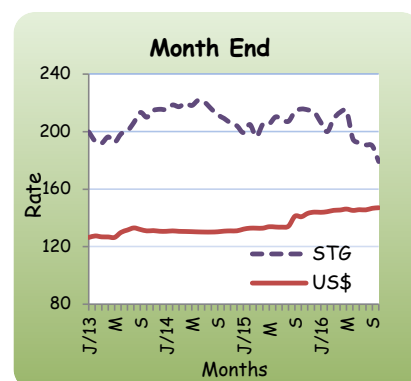
Further, the import prices of rice, wheat and crude oil prices declined compared to the corresponding month of 2015.

## Highlights

# EXTERNAL SECTOR

## 4.1 Exchange Rates

Item (Rs Per Unit)(a)	Week Ending - 11 Nov 2016			Average Rate	
	Buying Rate	Selling Rate	Average Rate	Week Ago	Year Ago
US\$	145.85	149.61	147.73	148.45	141.96
STG	182.33	188.64	185.49	184.83	215.28
Yen	1.36	1.42	1.39	1.44	1.16
Euro	157.94	164.05	161.00	164.80	152.53
INR <sup>(1)</sup>			2.21	2.21	2.14
SDR (As at 10 Nov 2016)			202.59	203.92	195.53
Central Bank purchases and sales(b) (US\$ Mn. )			October 2016	Month Ago	Year Ago
Purchases			88.33	131.29	27.60
Sales			163.78	15.20	305.55



	Week Ending 11 Nov 2016	Week Ago	Year Ago
Average Daily Interbank Volume (US\$ Mn.) (spot, tom and cash transactions among commercial banks)	14.05	12.50	43.29
Forward Transactions			
Forward Rates (US\$) <sup>(2)</sup>			
1 Month	148.81	149.22	141.93
3 Months	150.45	150.58	142.89
Average Daily Interbank Forward Volume (US\$ mn)	34.52	27.89	30.19
Outstanding Forward Volume (US\$ mn) (As at 10 Nov 2016 )	1,396.34	1,322.73	1,455.35

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

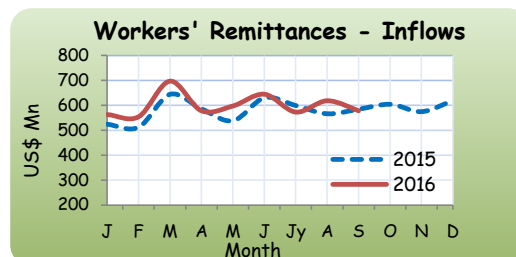
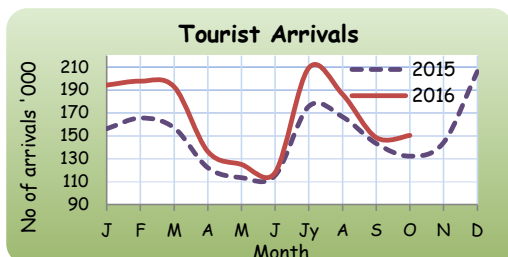
(b) Central Bank purchases and sales of foreign exchange from commercial banks at market rates total for the Month

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

## 4.2 Tourism & Workers' Remittances

Item		2015 Oct (a)(c)	2016 Oct (b)(d)	2015(a) Jan-Oct (c)	2016(b) Jan-Oct(d)	% Change
Tourist Arrivals	Number	132,280	150,419	1,448,119	1,658,824	14.6
Earnings from Tourism(d)	US\$ Mn.	219.2	249.3	2,400.1	2,749.4	14.6
	Rs.bn.	30.9	36.6	322.6	398.6	23.6
		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 31<sup>st</sup> October 2016<sup>(a)</sup>

Official Reserve Assets (USD Mn)	
(1) Foreign Currency Reserves	5,083.44
(2) Reserve position in the IMF	65.75
(3) SDRs	4.03
(4) Gold	911.20
(5) Other Reserve Assets	1.01

(a) Provisional

#### 4.4 International Reserves & Foreign Currency Liquidity as at 30<sup>th</sup> September 2016 <sup>(a)</sup>

Official Reserve Assets (USD mn)					
Official Reserve Assets					6,455.72
(1) Foreign currency reserves					5,434.13
(a) Securities					2,119.62
(b) Total currency and deposits with					3,314.51
(i) other national central banks, BIS					1,615.16
(ii) banks headquartered inside the reporting country of which located abroad					1.19
(iii) banks headquartered outside the reporting country					1,698.16
(2) Reserve position in the IMF					66.80
(3) SDRs					4.09
(4) Gold					949.7
(5) Other reserve assets					1.01
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	-4,202.35	-410.50	-602.71	-3,189.13
	Interest	-1,065.04	-71.83	-130.27	-862.95
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>		-2,867.81	-322.57	-1300.24	-1,245.00
(b) Long positions (+)					
3. Other (specify)		-0.96	-0.96		
inflows related to reverse repos (+)					
other accounts payable (-)		-0.96	-0.96		

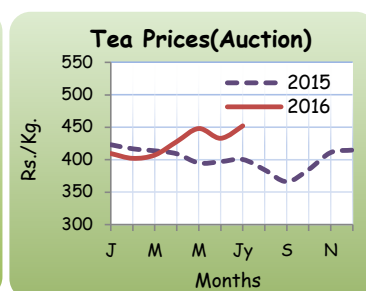
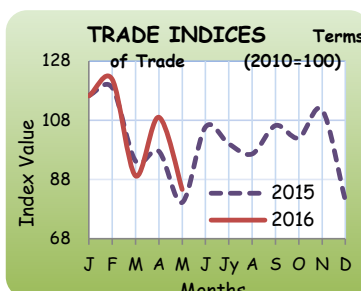
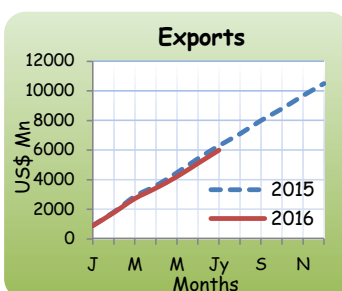
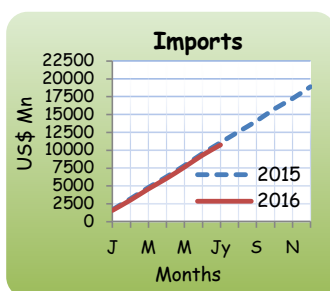
(a) Provisional

(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
<b>Exports</b>	<b>5,998.9</b>	<b>6,356.5</b>	<b>-5.6</b>	<b>867,303.7</b>	<b>845,587.2</b>	<b>2.6</b>
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
<b>Imports</b>	<b>10,753.8</b>	<b>11,080.6</b>	<b>-2.9</b>	<b>1,554,929.5</b>	<b>1,473,903.1</b>	<b>5.5</b>
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
<b>Trade Balance</b>	<b>-4,754.9</b>	<b>-4,724.1</b>	<b>0.7</b>	<b>-687,625.8</b>	<b>-628,315.9</b>	<b>9.4</b>

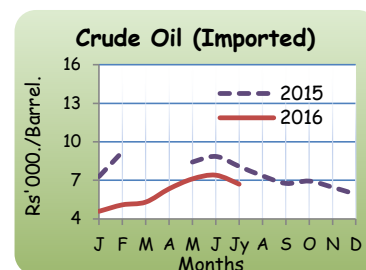
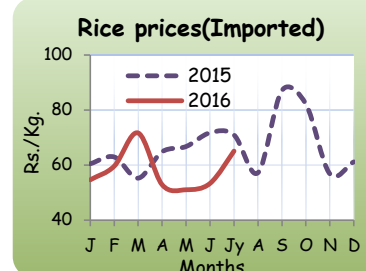


## 4.6 Trade Indices (2010= 100 ) (a)

Item	2016 July (b)	Month Ago	Year Ago
<b>Total Exports</b>			
Value	124.0	124.8	129.7
Quantity	131.3	122.1	134.1
Unit Value	94.5	102.2	96.7
<b>Total Imports</b>			
Value	128.2	150.0	137.3
Quantity	137.0	162.8	142.3
Unit Value	93.6	92.1	96.5
<b>Terms of Trade</b>	<b>100.9</b>	<b>111.0</b>	<b>100.3</b>

(a) In US\$ Terms

(b) Provisional



## 4.7 International Commodity Prices

Item	July 2016	July 2015	% Change	July 2016	July 2015	% Change
<b>Colombo Auction Price</b>	<b>US\$ / Kg</b>			<b>Rs / Kg</b>		
Tea Prices	3.11	3.00	3.8	452.28	400.47	12.9
<b>Imports (C I F)</b>	<b>US\$ / MT</b>			<b>Rs / MT</b>		
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
	<b>US\$ / Barrel</b>			<b>Rs / Barrel</b>		
Crude Oil	46.10	60.49	-23.8	6,703.93	8,086.61	-17.1