

# Weekly Economic Indicators

23 January 2015



Statistics Department

# Real Sector & Inflation

Inflation, as measured by the change in the Colombo Consumers' Price Index (CCPI) (2006/07=100), which is computed by the Department of Census and Statistics, decreased to 2.1 per cent in December 2014 compared to 4.7 per cent in December 2013 on a year-on-year basis. Annual Average inflation which followed a declining trend for nineteen consecutive months reached 3.3 per cent in December 2014 from 6.9 per cent in December 2013.

Core inflation, which captures underlying long-term trend of inflation, decreased from 4.4 per cent in December 2013 to 3.5 per cent in December 2014 on an annual average basis. The year-on-year core inflation, which showed a mixed movement with low volatility, increased from 2.1 per cent in December 2013 to 3.2 per cent in December 2014.

The economy continued its growth momentum by recording a 7.7 per cent growth in real terms during the third quarter of 2014, supported by the 12.6 per cent growth of the Industry sector and 7.0 per cent growth of the Services sector, albeit the Agriculture Sector contracted by 2.0 percent.

While the production of tea recorded an increase of 0.9 per cent during January to November 2014, the rubber production showed a decline of 20.4 per cent during the same period. Meanwhile, the coconut production recorded an increase of 12.4 per cent during January to October 2014.

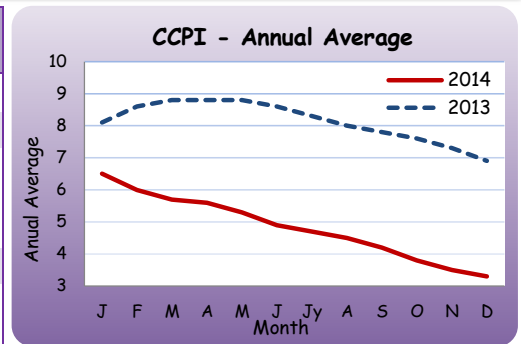
The FIPI increased significantly by 12.4 per cent on year-on-year basis in September 2014. This growth was mainly facilitated by increased production of beverages, wearing apparel as well as chemical and chemical products sectors. They have recorded a significant growth of 18.2, 23.6 and 23.5 per cent due to increased domestic and international demand during this period.

During the week crude oil spot prices largely followed a declining trend. Crude oil prices fell amid worries over ample supplies and sluggish demand. China's economic growth slowed to 7.3 per cent in the fourth quarter of 2014 and 2014 annual economic growth reached 7.4 per cent, the slowest pace in 24 years. The International Monetary Fund (IMF), in its latest World Economic Outlook, reduced its global economic growth forecast by 0.3 percentage points for this year and next, projecting 3.5 per cent growth for 2015 and 3.7 per cent for 2016. The price increases in the mid of the week have supported an optimism for a recovery, as energy companies cut production investment to alleviate a supply glut. However, OPEC defended its decision not to intervene to stop a collapse in oil prices since the middle of last year. Prices again fell after weekly U.S. government data showed a larger-than-expected U.S. crude oil stock build last week.

# REAL SECTOR & INFLATION

## 1.1 Price Indices

Item	Dec 2014	Month Ago	Year Ago
(2006 / 07 = 100)			
Colombo Consumers' Price Index (CCPI)	180.2	179.2	176.5
Annual Average Change %	3.3	3.5	6.9
Year - on - Year Change %	2.1	1.5	4.7
Core Inflation - (CCPI)	173.0	173.2	167.7
Annual Average Change %	3.5	3.4	4.4
Year - on - Year Change %	3.2	3.6	2.1



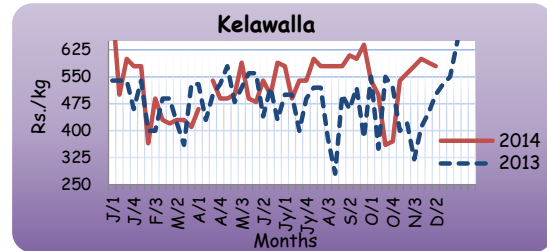
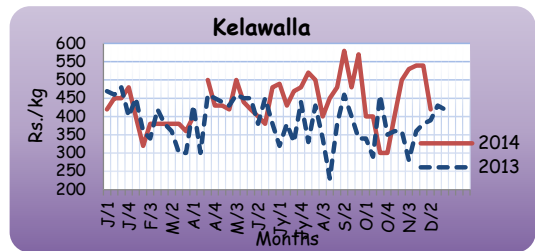
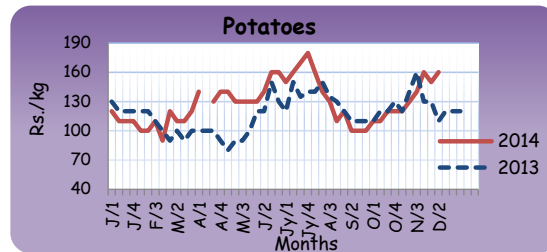
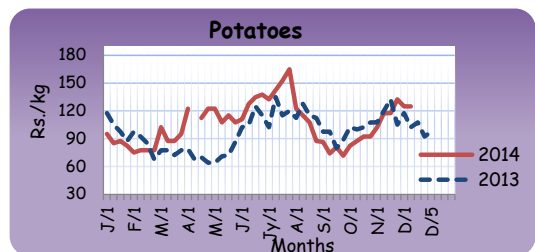
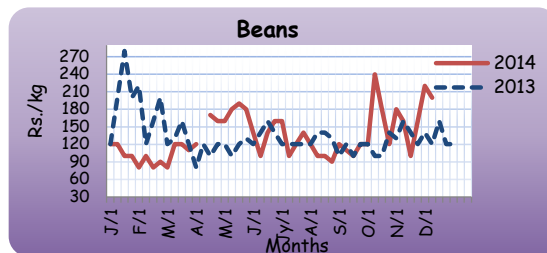
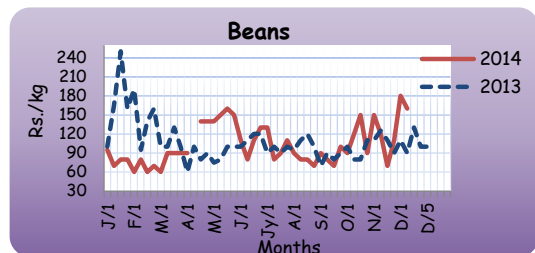
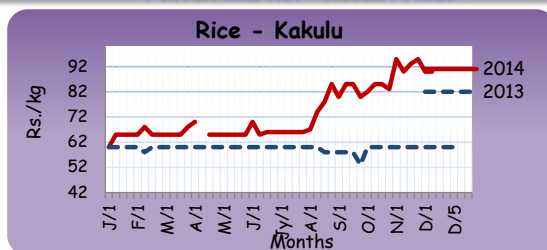
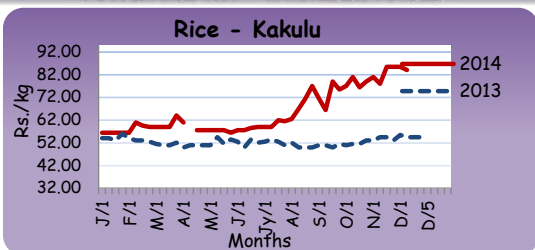
## 1.2 Pettah Market

Item	Average Wholesale Prices				Average Retail Prices			
	Week Ending 22 <sup>nd</sup> Jan 2015	Week Ago	Month Ago	Year Ago Annual Avg	Week Ending 22 <sup>nd</sup> Jan 2015	Week Ago	Month Ago	Year Ago Annual Avg
	Rs / Kg				Rs / Kg			
<b>Rice</b>								
Samba	82.50	82.50	88.70	78.30	95.00	92.00	93.20	84.04
Kekulu (Red)	86.00	86.50	86.10	67.44	90.00	92.00	91.00	74.33
<b>Vegetables</b>								
Beans	250.00	250.00	220.00	113.17	300.00	280.00	264.00	140.96
Cabbage	150.00	170.00	92.00	61.65	240.00	220.00	138.00	90.96
Carrots	170.00	280.00	178.00	109.81	260.00	300.00	220.00	138.08
Tomatoes	140.00	170.00	176.00	90.77	200.00	220.00	226.00	122.31
Pumpkins	80.00	40.00	41.00	37.38	100.00	70.00	64.00	56.83
Snake Gourd	120.00	170.00	102.00	69.90	140.00	200.00	134.00	96.73
Brinjals	240.00	230.00	144.00	71.35	280.00	300.00	184.00	98.65
Ash-Plantains	130.00	150.00	106.00	73.65	170.00	180.00	136.00	95.96
<b>Other Foods</b>								
Red-Onions (Local)	n.a	85.00	114.00	79.55	n.a	110.00	148.00	109.59
Big-Onions (Local)	n.a	n.a	91.00	75.42	n.a	n.a	114.00	99.07
Potatoes (N'Eliya)	92.50	105.00	124.00	104.64	120.00	130.00	150.00	127.69
Dried Chilies (Imported)	216.00	218.00	222.60	193.24	270.00	260.00	250.00	230.38
Dhal (Indian)	148.00	142.00	142.20	140.94	170.00	160.00	160.00	159.23
Eggs (Red)	14.50	14.50	12.50	12.04	15.00	15.00	13.10	12.57
Coconut (Each)	44.00	49.00	46.50	38.63	50.00	65.00	60.00	50.10
<b>Fish*</b>								
Kelawalla	360.00	380.00	438.00	433.85	500.00	480.00	530.00	532.40
Balaya	230.00	300.00	310.00	295.00	280.00	350.00	364.00	349.04
Salaya	110.00	100.00	120.00	112.31	140.00	150.00	156.00	151.35
Paraw (Small)	420.00	460.00	448.00	435.58	470.00	530.00	496.00	487.88

\* 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 22 <sup>nd</sup> Jan 2015	
	Wholesale (Average)	Retail (Average)
<b>Rice</b>		
Samba	86.10	88.80
Kekulu (Red)	87.70	90.60
<b>Vegetables</b>		
Beans	222.00	277.00
Carrot	190.00	237.00
Tomatoes	155.00	194.00
Pumpkins	54.80	75.00
Snake Gourd	115.00	156.00
Ash-Plantains	108.00	135.00
<b>Other Foods</b>		
Red-Onions (Local)	n.a.	n.a.
Big-Onions (Local)	n.a.	n.a.
Potatoes (N'Eliya)	90.88	112.50
Dried Chilies(Imported)	222.50	265.00
Coconut (Each)	41.60	52.50

1.4 Narahenpita Economic Centre

Item (Rs / Kg)	Average Retail Prices	
	21 <sup>st</sup> Jan 2015	Week Ago
<b>Rice</b>		
Samba	89.33	90.67
Kekulu (Red)	85.67	86.00
<b>Vegetables</b>		
Beans	280.00	280.00
Cabbage	240.00	240.00
Carrots	280.00	360.00
Tomatoes	243.33	193.33
Pumpkins	193.33	83.33
Snake Gourd	280.00	200.00
Brinjals	280.00	240.00
Ash-Plantains	186.67	180.00
<b>Other Foods</b>		
Red-Onions (Imported)	140.00	n.a
Big-Onions (Imported)	140.00	120.00
Potatoes (Imported)	93.33	120.00
Dried Chilies (Imported)	246.67	240.00
Dhal (Indian)	166.67	163.33
Eggs (Red)(Each)	14.83	15.00
Coconut (Each)	51.67	50.00
<b>Fish</b>		
Kelawalla	840.00	856.67
Balaya	360.00	n.a
Salaya	220.00	200.00
Paraw (Small)	860.00	840.00

1.5 Maradagamula Market

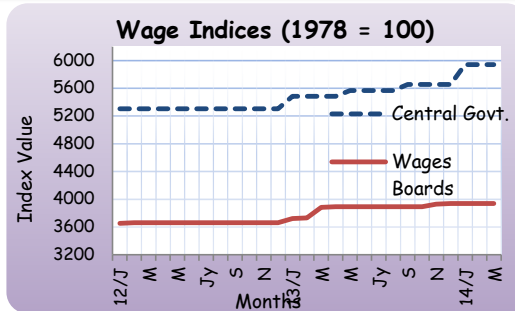
Average wholesale price of Rice

Item (Rs / Kg)	Week Ending 23 <sup>rd</sup> Jan	Week Ago	Month Ago	Year Ago
Samba	82.25	83.50	84.20	75.74
Sudu Kekulu	72.25	75.67	76.05	69.11
Raw Red	84.88	84.83	84.10	67.25
Nadu	75.00	76.50	76.18	70.82

## 1.6 Wage rate Indices

Item	2014(a) Nov	2013 Nov	% Change
(1978 = 100)			
Central Government Employees (b)	6,653.0	5,653.3	17.7
Workers in Wages Boards Trades	4,127.0	3,928.8	5.0
Agriculture	4,734.3	4,434.9	6.8
Industry & Commerce	3,459.1	3,459.1	0.0
Services	2,313.2	2,313.2	0.0

(a) Provisional

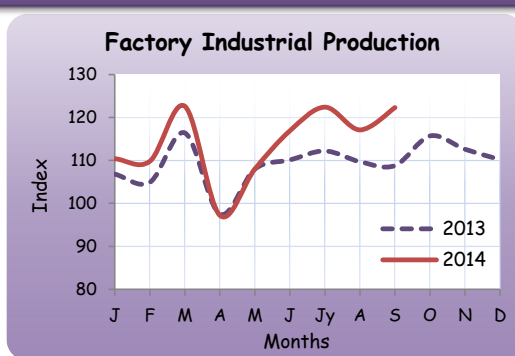


## 1.7 Factory Industry-Production (FIPI) ( 2010 = 100 ) (a)

Item	2014 (b) Sep	2013 Sep	% Change
<b>Factory Industry- Production Index</b>	<b>122.3</b>	<b>108.8</b>	<b>12.4</b>
Food products	101.7	101.0	0.7
Beverages	109.9	93.0	18.2
Tobacco products	96.6	94.2	2.5
Wearing apparel	156.8	126.9	23.6
Chemicals and chemical products	89.6	72.6	23.5
Rubber and plastic products	142.1	123.5	15.1
Other non-metallic mineral products	118.9	108.6	9.5

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

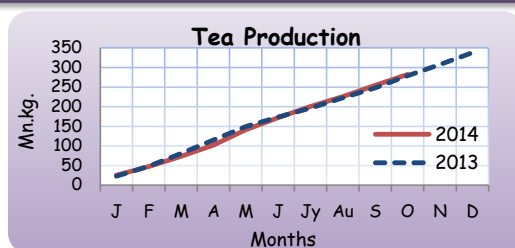
(b) Provisional



## 1.8 Agriculture Production

Item	Unit	2014*	2013	% Change
		Jan - Nov	Jan - Nov	
Tea	(Mn Kg)	312.6	309.8	0.9
Rubber	(Mn Kg)	92.8	116.6	-20.4
		Jan - Oct	Jan - Oct	
Coconuts	(Mn Nuts)	2,394.9	2,131.1	12.4

\* Provisional



## 1.9 GDP by Industrial Origin at Constant (2002) Prices - Growth Rates

Item	2014* 3 <sup>rd</sup> Quarter	2013 3 <sup>rd</sup> Quarter	2013 Annual
Agriculture	-2.0	7.2	4.7
Industry	12.6	8.1	9.9
Services	7.0	7.9	6.4
<b>GDP</b>	<b>7.7</b>	<b>7.9</b>	<b>7.3</b>

\* Provisional

Source: Department of Census and Statistics



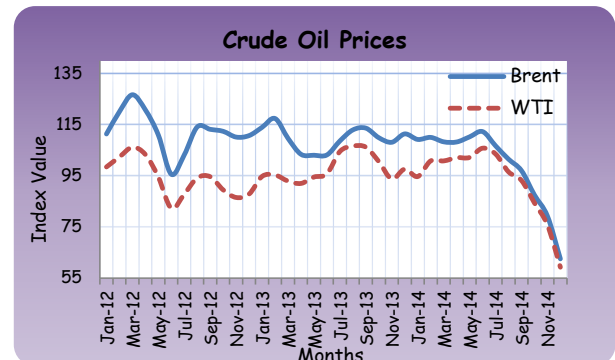
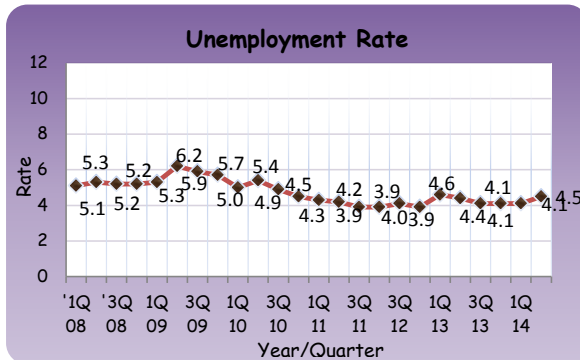
## 1.10 Employment (a)

Item	2014 2 <sup>nd</sup> Quarter	2013 2 <sup>nd</sup> Quarter	2013 Annual
Labour Force Participation rate	53.6	54.2	53.8
Unemployment rate	4.5	4.4	4.4
<b>Employed Persons by Sectors % (b)</b>			
Agriculture	28.2	31.5	29.7
Industry	26.0	26.2	26.2
Services	45.8	42.4	44.1

(a) The working age population aged 15 and above

Source: Department of Census and Statistics

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



## 1.11 Average Crude Oil Prices

Month	2013			2014		
	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	113.95	94.76	111.22	109.21	94.71	113.84
February	117.39	95.32	111.16	110.01	100.82	110.62
March	109.63	92.94	106.57	108.28	100.82	111.17
April	103.40	92.02	111.17	108.22	102.07	110.25
May	103.04	94.51	108.91	110.22	102.18	109.80
June	103.16	95.77	105.29	112.27	105.79	113.42
July	108.62	104.51	-	106.73	103.54	110.30
August	112.94	106.58	113.48	101.51	96.54	111.21
September	113.63	106.19	111.01	97.02	93.19	100.08
October	109.88	100.54	-	87.51	84.40	99.39
November	108.10	93.77	110.39	79.28	75.79	76.82
December	111.37	97.62	112.13	62.55	59.29	75.98
	2014			2015		
16 January	108.76	93.54		47.03	48.49	
19 January	-			46.08	-	
20 January	109.31	93.35		45.89	46.13	
21 January	110.47	94.51		45.90	47.85	
22 January	111.24	96.35		45.49	45.93	

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 23 January 2015 increased by 10 bps to 6.38 per cent compared to the previous week.

Broad money (M2b) expanded by 12.8 per cent in November 2014. NFA of the banking system declined by Rs. 64.7 billion in November 2014 compared to October 2014. NCG from the banking system showed a significant increment of Rs. 23.7 billion in November 2014 compared to October 2014, where credit to public corporations also showed a rapid increase of Rs. 27.4 billion during the month. Credit extended to the private sector increased by Rs. 57.8 in November 2014, compared to October 2014 .

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

The total outstanding market liquidity decreased to Rs. 321.99 bn by end of the week, compared to Rs. 345.54 bn by the end of last week. Majority of the liquidity has been absorbed through the Short-term Repo auctions and Long-term auctions.

By 23 January 2015, the All Share Price Index (ASPI) decreased by 3.16 per cent to 7,277 points while the S&P SL 20 Index decreased by 3.98 per cent to 4,079 points compared to the previous week.

# MONETARY SECTOR

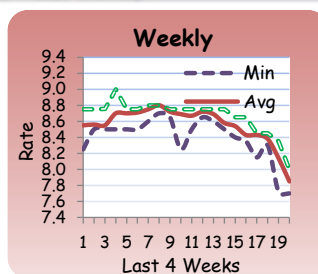
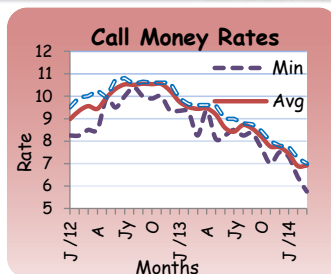
## 2.1 Interest Rates

Item	Week Ending 2015 Jan 23	Week Ago	Year Ago
Commercial Bank Average Weighted Prime Lending Rate (AWPR)	6.38	6.28	9.77
Treasury Bill Yield (Excluding 10% withholding tax)			
- 91 days	5.80	5.79	6.84
- 182 days	5.90	5.89	7.02
- 364 days	6.05	6.04	7.15
Standing Deposit Facility	6.50	6.50	6.50
Standing Lending Facility	8.00	8.00	8.00
Call Money Weekly Average (CMR)	5.82	5.97	7.42
Sri Lanka Inter Bank Offer Rate ( SLIBOR )			
1 day	5.93	6.00	7.49
7 days	6.19	6.21	8.12
1 Month	6.35	6.44	8.54
3 Months	6.57	6.69	9.29
6 Months	6.83	6.72	10.11
12 Months	7.10	7.18	11.07
Commercial Banks	Sep 2014	Month Ago	Year Ago
Saving Deposits -	0.75-9.50	0.75-9.50	0.75-9.00
One Year Fixed Deposits -	4.15-12.00	4.15-12.00	6.00-16.00
	Dec 2014	Month Ago	Year Ago
Commercial Bank Average Weighted Deposit Rate (AWDR)	6.20	6.42	9.37
Commercial Bank Average Weighted Fixed Deposit Rate (AWFDR)	7.33	7.63	11.78
	Nov 2014	Month Ago	Year Ago
Commercial Bank Average Weighted Lending Rate (AWLR)	12.29	12.57	15.18
NSB	Sep 2014	Month Ago	Year Ago
Saving Deposits -	5.00	5.00	5.00
One Year Fixed Deposits -	6.50	7.50	10.00
<b>Treasury Bonds Auction</b>	(06 Y & 07 Months) 30/12/2014	(10 Y & 04 Months) 30/12/2014	(14 Y & 10 Months) 10/07/2014
Coupon rate	11.00	9.00	13.00
Weighted Average Yield (Excluding 10% withholding tax)	7.05	7.88	10.58

Bankwise- AWPR	Week ending 2015 Jan 23	Week Ago
Bank of Ceylon	6.94	6.85
People's Bank	8.74	8.74
Hatton National Bank	6.20	6.16
Commercial Bank of Ceylon	6.04	6.23
Sampath Bank	6.29	6.26
Seylan Bank	7.15	6.61
Union Bank of Colombo	6.65	6.54
Pan Asia Banking Corporation	7.00	7.00
Nations Trust Bank	5.94	6.42
DFCC Vardhana Bank	7.18	7.33
NDB Bank	6.57	6.65
Amana Bank	8.00	7.96
Cargills Bank	6.33	7.50

Bankwise- AWPR	Week ending 2015 Jan 23	Week Ago
HSBC	7.20	6.91
Standard Chartered Bank	5.96	5.93
Citi Bank	6.64	5.88
Deutsche Bank	8.03	7.73
Habib Bank	5.35	5.35
Indian Bank	7.85	7.85
Indian Overseas Bank	8.35	8.49
MCB Bank	6.19	6.63
State Bank of India	8.79	8.79
Public Bank	8.00	8.00
ICICI Bank	8.14	8.14
Axis Bank	-	-

### Interest Rates - Call Money

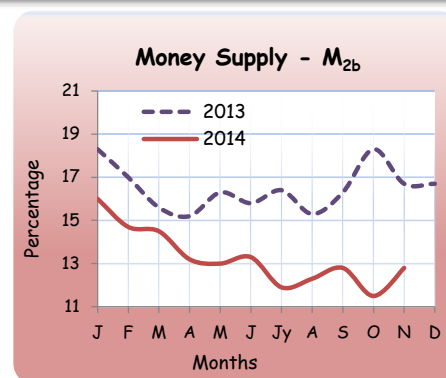
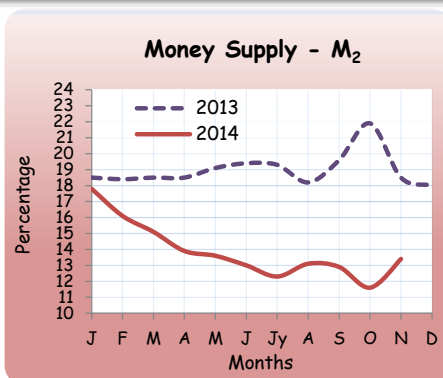
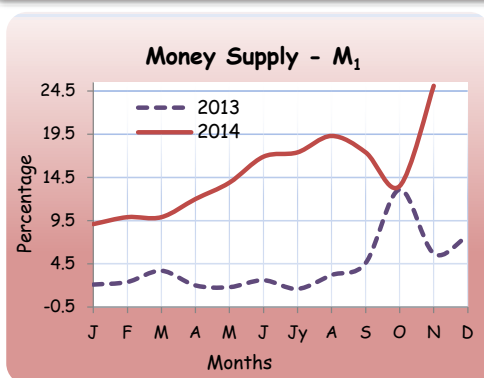




## 2.2 Money Supply

Item	Rs. Bn.			Annual Change (%)		
	2014 (a) November	Month Ago	Year Ago	2014 (a) November	Month Ago	Year Ago
M1	568.3	546.5	454.4	25.1	13.5	5.7
M2	3,398.5	3,351.3	2,997.7	13.4	11.6	18.5
M2b	3,794.8	3,747.6	3,363.1	12.8	11.5	16.7
Net Foreign Assets of the Banking System (b)	-44.0	20.7	-63.6	30.8	140.5	-154.0
Monetary Authorities	656.9	669.4	479.9	36.9	34.3	34.8
Domestic Banking Units (DBUs)	-247.2	-245.3	-197.4	-25.3	-25.7	-75.0
Foreign currency Banking Units (FCBUs)	-453.6	-403.5	-346.1	-31.1	-13.8	-29.1
Net Domestic Assets of the Banking System (b)	3,838.8	3,726.9	3,426.7	12.0	9.2	17.9
DBUs	3,249.6	3,180.4	2,947.5	10.2	8.5	17.2
FCBUs	589.2	546.5	479.2	23.0	13.1	22.9
Net Credit to Government	1,425.1	1,401.4	1,325.5	7.5	5.4	25.6
Monetary Authorities	154.6	147.5	127.8	21.0	15.2	-61.3
DBUs	1,062.2	1,046.3	1,005.4	5.7	3.4	70.6
FCBUs	208.3	207.6	192.4	8.3	10.0	41.8
Credit to Corporations	431.5	404.1	308.0	40.1	23.6	18.0
DBUs	185.7	184.9	124.5	49.1	50.1	72.1
FCBUs	245.8	219.2	183.5	34.0	7.6	-2.8
Credit to the Private Sector	2,681.7	2,623.9	2,519.0	6.5	5.1	7.3
DBUs	2,429.8	2,375.4	2,309.3	5.2	3.7	7.0
FCBUs	251.9	248.5	209.7	20.2	20.9	9.9
Reserve Money	551.8	547.7	472.0	16.9	17.3	-1.0

(a) Provisional (b) In relation to M2b

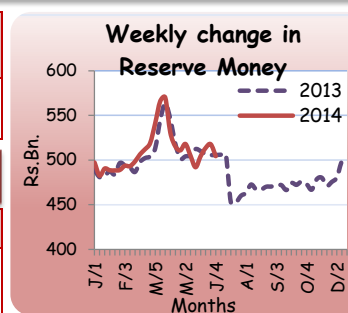


## 2.3 Weekly change in Reserve Money

Item	22 Jan 2015	Week Ago	Change
Reserve Money (Rs.Mn.)	580,450	588,921	-8,471

## 2.4 Money Market Activity (Overnight)

Item	19.01.2015	20.01.2015	21.01.2015	22.01.2015	23.01.2015
<b>Call Money Market</b>					
Weighted Average Rate (% p.a.)	5.85	5.82	5.80	5.81	5.80
Gross Volume (Rs. Mn)	10,645	9,170	9,137	8,160	8,767
<b>Repo Market</b>					
Weighted Average Rate (% p.a.)	5.22	5.18	5.20	5.17	5.18
Gross Volume (Rs. Mn)	3,689	3,101	2,829	3,544	964



## 2.5 CBSL Security Portfolio

Item	19.01.2015	20.01.2015	21.01.2015	22.01.2015	23.01.2015
CBSL T-Bill Holding (Rs. Mn)	81	7,057	23,298	28,208	9,042

## 2.6 Open Market Operations

Item	19.01.2015	20.01.2015	21.01.2015	22.01.2015	23.01.2015
<b>Short-Term Auction</b>					
Repo Amount Offered (Rs. bn)	60.00	15.00	60.00	0.00	40.00
Reverse Repo Amount Offered (Rs. bn)	0.00	0.00	0.00	0.00	0.00
Tenure (No. of Days)	2	3	2	0	7
Bids Received (Rs. bn)	63.99	14.66	57.92	0.00	38.72
Amount Accepted (Rs. bn)	60.00	14.66	57.92	0.00	38.72
Weighted Average Yield Rate (% p.a.)	5.87	5.88	5.86	0.00	5.92
<b>Term Auction</b>					
Repo Amount Accepted (Rs. bn)	0.00	0.00	0.00	0.00	81.50
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)	18.39	10.75	12.94	11.69	17.65
Standing Lending Facility (Rs. bn)	0.00	0.00	0.00	0.00	0.00
<b>Total Outstanding Market Liquidity (Rs. bn)</b>	<b>338.76</b>	<b>345.77</b>	<b>345.89</b>	<b>344.64</b>	<b>321.99</b>

## 2.7 Credit Cards \*

Item	2014 (a) End August	2014 End July	2013 End Dec
<b>Total Number of Active Cards</b>	987,003	983,296	951,625
Local (accepted only locally)	33,771	34,013	35,990
Global (accepted globally)	953,232	949,283	915,635
<b>Outstanding balance (Rs. Mn.)</b>	54,433	53,643	51,172
Local (accepted only locally)	1,242	1,246	1,260
Global (accepted globally)	53,191	52,396	49,913

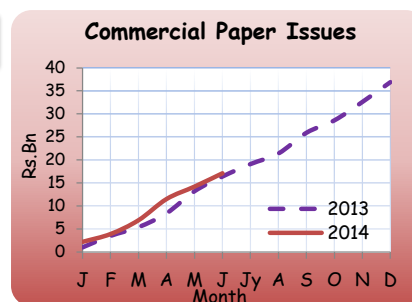
(a) Provisional

## 2.8 Commercial Paper Issues (1)

Item (Rs. bn.)	2014 End Aug*	2014 End July	2013 End Dec
Total Issues - Cumulative	6.6	5.6	28.3
Outstanding (as at end of the period)	4.8	4.7	7.4

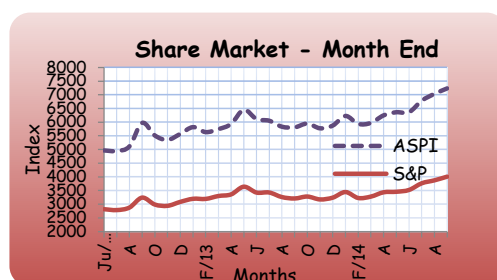
\* provisional

(1) Based on the information provided by Licensed Commercial Banks and Licensed Specialised Banks



## 2.9 Share Market

Item	Week Ending 23 Jan 2015	Week Ago	Year Ago
All Share Price Index (1985 = 100) (ASPI)	7,277	7,514	6,226
S & P Sri Lanka 20 Index (S&P SL20)	4,079	4,248	3,469
Average Daily Turnover (Rs. Mn)	893	1,628	1,202
Market Capitalisation (Rs.Bn.)	3,100	3,201	2,590



## Fiscal Sector

During the first nine months of 2014, total revenue as a percentage of estimated GDP marginally declined to 8.4 per cent from 9.1 per cent in the corresponding period of 2013. However, in nominal terms, total revenue increased by 5.6 per cent to Rs. 828.2 billion during the first nine months of the year from Rs. 784.2 billion recorded during the same period in 2013 reflecting increases in both tax revenue (by Rs. 41.5 billion) and non tax revenue (by Rs. 2.5 billion). However, average monthly revenue during this period was around Rs. 92 billion.

Total expenditure and net lending as a percentage of estimated GDP declined to 13.4 per cent during the first nine months of 2014 compared to 14.7 per cent recorded in the corresponding period in 2013 mainly due to decline in both recurrent expenditure and capital expenditure and net lending. In nominal terms, total expenditure and net lending increased by 3.7 per cent to Rs.1,326.7 billion during the first nine months of 2014 from Rs. 1,279.1 billion in the corresponding period of 2013.

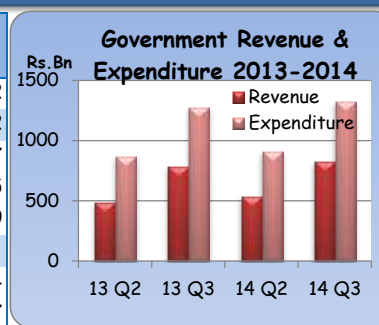
Total outstanding debt increased by Rs. 575.7 billion to Rs. 7,368.9 billion as at end September 2014 from Rs. 6,793.2 billion at end 2013. Foreign debt increased by Rs. 222.5 billion to Rs. 3,182.9 billion mainly due the issuance of International Sovereign Bond amounting to US dollars 1,000 million and US dollars 500 million in January and April 2014. Meanwhile, domestic debt increased by Rs. 353.2 billion to Rs. 4,186 billion.

The government made several changes to the Special Commodity Levy (SCL) during the month of September with a view to maintaining stable prices in the domestic market. Accordingly, SCL on the importation of rice was decreased from Rs. 5 per kg to Rs. 1 per kg for a period of three months while SCL on the importation of sugar was increased from Rs. 28 per kg to Rs. 33 per kg for a period of three months with effect from 05 September 2014. In addition, importation of fresh or chilled potatoes was suspended with effect from 06 September 2014.

# FISCAL SECTOR

## 3.1 Government Finance (Rs.bn)

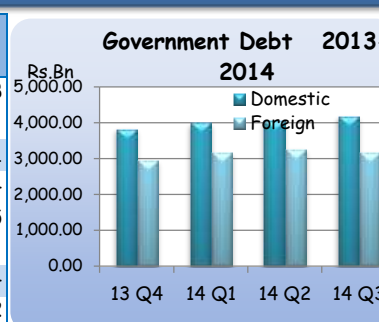
Item	2014 *	2013
	Jan-Sep	Jan-Sep
<b>Revenue and Grants</b>	<b>836.9</b>	<b>787.2</b>
<b>Revenue</b>	<b>828.2</b>	<b>784.2</b>
Tax	752.2	710.7
Non tax	76.0	73.5
<b>Grants</b>	<b>8.7</b>	<b>3.0</b>
<b>Expenditure &amp; Lending Minus Repayments</b>	<b>1,326.7</b>	<b>1,279.1</b>
Current	962.1	920.4
Capital & Lending Minus Repayments	364.6	358.7



\* Provisional \*\*Revised

## 3.2 Government Debt (Rs.bn)

Item	2014*	2013
	End Sep	End Dec
<b>Total domestic debt</b>	<b>4,186.0</b>	<b>3,832.8</b>
of which		
Treasury bills	620.1	700.1
Treasury bonds	2,821.0	2,452.4
Rupee loans	55.5	55.5
<b>Total foreign debt</b>	<b>3,182.9</b>	<b>2,960.4</b>
<b>Total outstanding govt. debt</b>	<b>7,368.9</b>	<b>6,793.2</b>



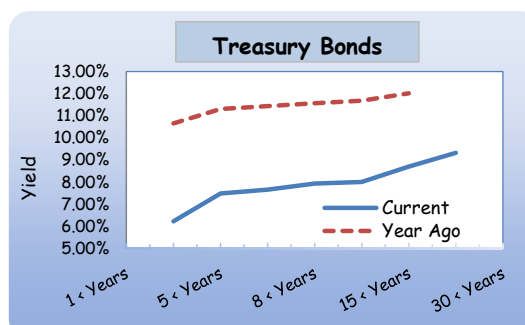
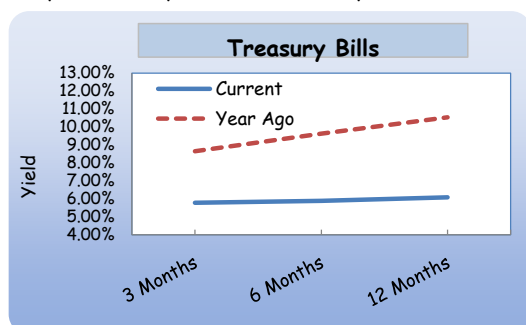
\* Provisional

## 3.3 Government Securities - Primary and Secondary Market Yield Rates as for the week ending - 21<sup>st</sup> January 2015

Security	Maturity	Primary Market*		Secondary Market			Last Week Average
		This Week	Last Week	This Week			
				Buying	Selling	Average	
Treasury Bills	3 Months	5.80%	5.79%	5.82%	5.72%	5.77%	5.75%
	6 Months	5.90%	5.89%	5.95%	5.84%	5.89%	5.89%
	12 Months	6.05%	6.04%	6.13%	6.02%	6.08%	6.07%
Treasury Bonds	2 < Years	7.00%	6.90%	6.30%	6.18%	6.24%	6.33%
	5 < Years	-	-	7.58%	7.43%	7.50%	7.71%
	6 < Years	-	-	7.73%	7.61%	7.67%	7.93%
	8 < Years	7.65%	-	8.00%	7.89%	7.95%	8.23%
	10 < Years	7.75%	-	8.08%	7.95%	8.02%	8.34%
	15 < Years	8.62%	-	8.81%	8.60%	8.71%	8.91%
	20 < Years	-	-	9.42%	9.25%	9.34%	9.47%
30 < Years	-	-	9.57%	9.40%	9.48%	9.61%	

\* Primary market transactions during the week ending 21/1/2015

The secondary market yield rates of T-bonds remained marginally abated while T-bill rates marginally adjusted upward during the week compared with yield rates of the previous week.



### 3.4 Government Securities - Weekly Summary of Primary and Secondary Market Transactions (Week Ended - 21<sup>st</sup> January 2015 )

Item	Volume in Rs Mn	
	This Week	Last Week
Outstanding Stock of Government Securities		
Treasury Bills	821,847.40	753,112.03
Treasury Bonds (a)	3,258,760.39	3,272,613.26
<b>Total</b>	<b>4,080,607.79</b>	<b>4,025,725.29</b>
Government Securities held by Foreigners	452,781.11	453,227.34
Sri Lanka Development Bonds (SLDB)	433,337.97	391,594.60

The outstanding stocks of T-bills and SLDBs increased with new issuances during the week.

Primary Market Activities	Volume in Rs Mn	
	This Week	Last Week
<b>Treasury Bills</b>		
Amount Offered	10,000.00	15,000.00
Total Bids Received	27,545.00	44,157.00
Total Bids Accepted	10,891.00	19,785.00
<b>Treasury Bonds</b>		
Amount Offered		
Total Bids Received	No auction held	No auction held
Total Bids Accepted		

The primary market offers remained substantially oversubscribed continuing the market interest for government securities.

Secondary Market Activities	Volume in Rs Mn	
	This Week	Last Week
<b>Treasury Bills</b>		
Outright Transaction (Sales / Purchases)	34,073.16	21,784.35
Repo Transaction (Sales / Purchases)	137,523.78	109,732.67
<b>Treasury Bonds</b>		
Outright Transaction (Sales / Purchases)	83,438.25	21,336.97
Repo Transaction (Sales / Purchases)	638,736.81	531,896.28

Increased activities are observed in secondary market 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) - 23/01/2015

Remaining Maturity	Average Buying Price	Yield %	Average Selling Price	Yield %	Buying & Selling Spread
1-7 Days	99.89	5.59	99.90	5.45	0.00
1 Month	99.54	5.65	99.55	5.51	0.01
2 Month	99.06	5.73	99.08	5.61	0.02
3 Month	98.57	5.79	98.60	5.69	0.02
4 Month	98.09	5.82	98.12	5.72	0.03
5 Month	97.60	5.85	97.64	5.75	0.04
6 Month	97.08	5.91	97.14	5.81	0.05
7 Month	96.59	5.93	96.65	5.82	0.06
8 Month	96.08	5.96	96.15	5.85	0.08
9 Month	95.57	5.99	95.66	5.87	0.09
10 Month	95.05	6.02	95.15	5.90	0.10
11 Month	94.52	6.06	94.62	5.95	0.10
12 Month	93.98	6.11	94.09	6.00	0.11

### 3.6 Two way Quotes (Treasury Bonds)- 23/01/2015

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
11.75%2015A	6	15-Mar-15	51	100.80	5.79	100.82	5.66	0.02
06.20%2015B	4	15-Jun-15	143	100.17	5.73	100.19	5.66	0.03
06.50%2015A	5	15-Jul-15	173	100.26	5.94	100.32	5.81	0.06
11.00%2015A	6	1-Aug-15	190	102.54	6.01	102.62	5.85	0.08
11.00%2015B	6	1-Sep-15	221	102.88	6.04	102.99	5.85	0.12
12.50%2015A	2	20-Sep-15	240	104.12	5.96	104.21	5.83	0.09
08.50%2015A	3	1-Nov-15	282	101.73	6.14	101.84	5.99	0.11
07.25%2016A	6	1-Apr-16	434	100.92	6.42	101.14	6.23	0.22
08.00%2016B	4	1-Jun-16	495	102.07	6.37	102.25	6.23	0.17
06.40%2016A	6	1-Aug-16	556	99.84	6.51	100.03	6.38	0.19
08.00%2016A	5	1-Sep-16	587	102.09	6.60	102.28	6.48	0.19
06.40%2016B	6	1-Oct-16	617	99.50	6.71	99.63	6.63	0.13
08.00%2017A	5	1-Jan-17	709	101.92	6.92	102.15	6.79	0.23
05.80%2017A	6	15-Jan-17	723	97.97	6.92	98.21	6.78	0.24
08.25%2017A	3	1-Mar-17	768	102.37	7.01	102.59	6.90	0.22
08.75%2017A	4	15-May-17	843	103.50	7.07	103.72	6.97	0.22
08.00%2017B	5	15-Jun-17	874	102.02	7.06	102.33	6.92	0.31
05.80%2017B	6	15-Jul-17	904	97.06	7.11	97.42	6.95	0.36
08.50%2018A	15	1-Feb-18	1,105	103.36	7.24	103.66	7.13	0.29
08.50%2018C	5	1-Apr-18	1,164	103.68	7.18	103.96	7.08	0.28
08.50%2018D	5	1-Jun-18	1,225	103.77	7.21	104.02	7.13	0.26
08.50%2018B	15	15-Jul-18	1,269	103.68	7.28	104.04	7.17	0.36
07.50%2018A	15	15-Aug-18	1,300	100.80	7.24	101.14	7.13	0.34
08.00%2018A	6	15-Nov-18	1,392	102.41	7.26	102.86	7.13	0.45
05.65%2019A	8	15-Jan-19	1,453	94.51	7.26	94.91	7.14	0.40
08.50%2019A	10	1-May-19	1,559	104.13	7.35	104.69	7.20	0.56
10.60%2019A	6	1-Jul-19	1,620	112.35	7.29	112.78	7.18	0.43
10.60%2019B	5	15-Sep-19	1,696	111.91	7.51	112.78	7.30	0.86
08.00%2019A	8	1-Nov-19	1,743	101.62	7.58	102.25	7.43	0.63
08.00%2020A	8	1-Jun-20	1,956	101.50	7.65	102.16	7.50	0.66
06.20%2020A	10	1-Aug-20	2,017	93.49	7.67	94.18	7.51	0.68
09.00%2021A	8	1-May-21	2,290	106.42	7.69	107.26	7.52	0.84
11.00%2021A	7	1-Aug-21	2,382	116.73	7.69	117.29	7.59	0.56
08.00%2022A	10	1-Jan-22	2,535	101.05	7.80	101.76	7.67	0.71
11.20%2022A	9	1-Jul-22	2,716	119.16	7.76	119.85	7.65	0.68
10.00%2022A	8	1-Oct-22	2,808	112.18	7.86	112.98	7.73	0.80
09.00%2023A	10	1-Sep-23	3,143	106.98	7.87	107.86	7.73	0.87
11.20%2023A	9	1-Sep-23	3,143	120.20	7.92	121.42	7.74	1.22
07.00%2023A	20	1-Oct-23	3,173	93.53	8.05	94.64	7.86	1.12
11.40%2024A	10	1-Jan-24	3,265	120.43	8.14	121.77	7.95	1.34
06.00%2024A	10	1-Dec-24	3,600	85.01	8.25	86.53	8.00	1.52
09.00%2025A	12	1-May-25	3,751	103.01	8.55	104.40	8.35	1.39
09.00%2026A	13	1-Feb-26	4,027	101.39	8.80	102.95	8.58	1.56
05.35%2026A	15	1-Mar-26	4,055	74.84	8.98	77.19	8.58	2.35
09.00%2028B	15	1-May-28	4,847	95.88	9.55	99.21	9.10	3.33
09.00%2028A	15	1-Jul-28	4,908	97.90	9.28	99.80	9.03	1.90
13.00%2029A	15	1-Jan-29	5,092	126.72	9.50	128.56	9.30	1.84
13.00%2029B	15	1-May-29	5,212	127.55	9.44	130.22	9.16	2.68
08.00%2032A	20	1-Jan-32	6,187	85.25	9.80	87.48	9.50	2.22
09.00%2032A	20	1-Oct-32	6,461	91.37	10.05	93.00	9.84	1.63
09.00%2033A	20	1-Jun-33	6,704	92.99	9.83	95.47	9.53	2.48
13.25%2033A	20	1-Jul-33	6,734	126.30	10.08	128.54	9.86	2.23
09.00%2033B	20	1-Nov-33	6,857	90.79	10.10	92.52	9.88	1.73
13.25%2034A	20	1-Jan-34	6,918	126.14	10.12	128.39	9.90	2.25
09.00%2043A	30	1-Jun-43	10,356	89.42	10.14	91.30	9.92	1.88
13.50%2044A	30	1-Jan-44	10,570	132.00	10.08	136.31	9.73	4.31
13.50%2044B	30	1-Jun-44	10,722	132.00	10.08	136.33	9.73	4.33

## External Sector

During the year so far (up to 23 January 2015) the rupee depreciated against the US dollar (0.61 per cent). Given the cross currency exchange rate movements, the Sri Lanka rupee appreciated against the euro (6.39 per cent), pound sterling (3.04 per cent) and depreciated against the Japanese yen (1.47 per cent) and the Indian rupee (3.40 per cent) during this period.

Earnings from exports declined by 10.7 per cent, year-on-year, in November 2014 to US dollars 921 million, mainly due to the substantial growth in export earnings recorded in November 2013. The largest contribution to the decline in exports in November 2014 was from the industrial exports followed by agricultural exports. However, on a cumulative basis export earnings increased by 7.5 per cent to US dollars 10,108 million during the first eleven months of 2014. Major export destinations during January to November 2014 continued to be USA, UK, Italy, India and Germany accounting for around 50 per cent of total exports.

Expenditure on imports increased moderately by 4.8 per cent to US dollars 1,645 million in November 2014, while on a cumulative basis, imports grew by 7.1 per cent to US dollars 17,618 million during the first eleven months of 2014. The increase in import expenditure in November 2014 was mainly led by imports of consumer goods with significant increase in imports of personal vehicles such as motor cycles and motor cars as well as rice imports. During the first eleven months of 2014, the main import origins were India, China, UAE, Singapore and Japan accounting for about 59 per cent of total imports.

The significant increase in export prices over the decline in import prices resulted to improve the terms of trade in October 2014. Export price index increased by 18.7 per cent year-on-year to 104.9 index points, reflecting a significant price increase in industrial export category despite the decline in export prices of all other sub categories.

Accordingly, the terms of trade index improved significantly by 19.0 per cent to 98.0 index points in October 2014 from to 82.3 index points in October 2013.

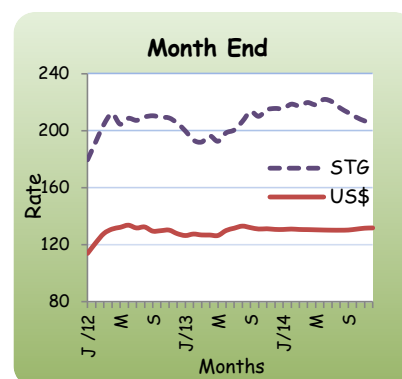
India, UK, China, Germany and Maldives were the top five sources of tourist arrivals upto December 2014, accounting for 46.1 per cent of total tourist arrivals during the year upto December 2014.

The average price of tea declined to US dollars 3.08 per kg (in the Colombo auction) in November 2014 from US dollars 3.44 per kg in October 2014 and US dollars 3.72 in November 2013.

# EXTERNAL SECTOR

## 4.1 Exchange Rates

Item (Rs Per Unit)*	Week Ending - 23 Jan 2015			Average Rate	
	Buying Rate	Selling Rate	Average Rate	Week Ago	Year Ago
US\$	131.43	134.25	132.84	132.19	130.80
STG	196.69	202.31	199.50	200.77	216.70
Yen	1.11	1.14	1.12	1.14	1.25
Euro	148.46	153.35	150.91	153.73	177.08
INR(1)			2.14	2.11	2.12
SDR (As at 22 Jan 2015)			187.71	186.48	200.98
<b>Central Bank purchases and sales** (US\$ Mn. )</b>			<b>December 2014</b>	<b>Month Ago</b>	<b>Year Ago</b>
Purchases			4.00	30.00	239.20
Sales			195.10	79.85	11.45



	Week Ending 16 Jan 2015	Week Ago	Year Ago
Average Daily Interbank Volume (US\$ Mn.) (spot, tom and cash transactions among commercial banks)	14.55	11.62	34.05
<b>Forward Transactions</b>			
Forward Rates (US\$) <sup>(2)</sup>			
1 Month	132.78	133.11	131.14
3 Months	133.36	134.28	132.01
Average Daily Interbank Forward Volume (US\$ mn)	34.60	24.93	31.50
Outstanding Forward Volume (US\$ mn) (As at 22 Jan 2015)	1,120.44	1,181.31	865.78

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

\*\*Central Bank purchases and sales of foreign exchange from commercial banks at market rates total for the Month

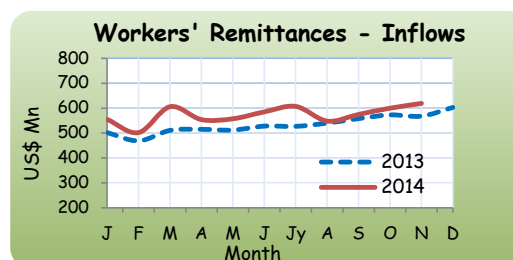
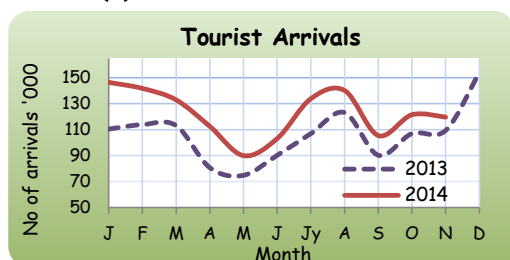
(1) Central Bank indicative rate (2) Weekly average based on actual transactions.

## 4.2 Tourism & Workers' Remittances

Item(a)		2013 Dec (b)	2014 Dec	2013 Jan-Dec (b)	2014 Jan-Dec	% Change
Tourist Arrivals	Number	153,918	178,672	1,274,593	1,527,153	19.8
Earnings from Tourism	US\$ Mn.	207.2	258.1	1,715.5	2,206.40	28.6
	Rs.bn.	27.1	33.8	221.7	288.1	30.0
Workers' Remittances (Inflows)		2013 Nov (b)	2014 Nov	2013 Jan-Nov(b)	2014 Jan-Nov	% Change
	US\$ Mn.	567.8	619.3	5,804.1	6,309.0	8.7
	Rs. bn.	74.4	81.1	748.8	823.5	10.0

(a) Provisional

(b) Revised





### 4.3 International Reserves & Foreign Currency Liquidity as at 30 November 2014<sup>(a)</sup>

Official Reserve Assets (USD mn)					
<b>Official Reserve Assets<sup>(b)</sup></b>				<b>8,330.88</b>	
(1) Foreign currency reserves				7,365.59	
(a) Securities				3,361.74	
(b) Total currency and deposits with				4,003.85	
(i) other national central banks, BIS				1,353.27	
(ii) banks headquartered inside the reporting country of which located abroad				1.06	
(iii) banks headquartered outside the reporting country of which located in the reporting country				2,649.52	
(2) Reserve position in the IMF				70.07	
(3) SDRs				9.26	
(4) Gold				884.96	
(5) Other reserve assets				1.01	
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	-3,538.23	-131.42	-1,516.41	-1,890.40
	Interest	-1,031.35	-22.51	-315.46	-693.38
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>					
		-2,253.89	-619.52	-59.70	-1,574.68
(b) Long positions (+)					
3. Other (specify)					
inflows related to reverse repos (+)					
		-0.07	-0.07		
other accounts payable (-)					
		-0.07	-0.07		

(a) Provisional

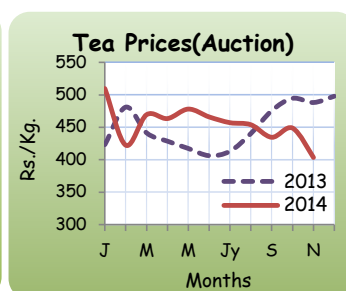
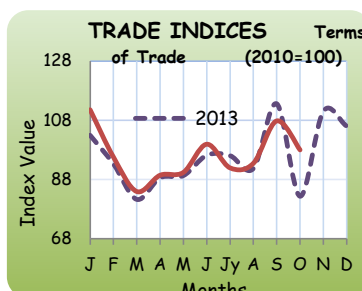
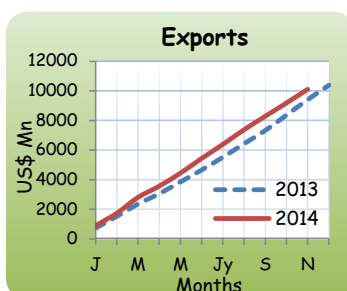
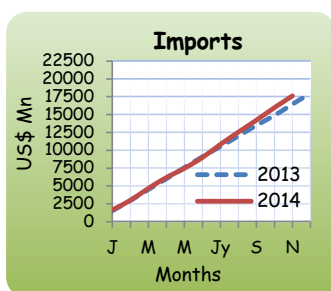
(b) By end November 2014, the gross official reserves were equivalent to 5.2 months of imports

(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

## 4.4 External Trade

Item	US\$ Bn			Rs Bn		
	Jan-Nov 2014	Jan-Nov 2013	% Change	Jan-Nov 2014	Jan-Nov 2013	% Change
<b>Exports</b>	<b>10.11</b>	<b>9.41</b>	<b>7.5</b>	<b>1,319.25</b>	<b>1,214.84</b>	<b>8.6</b>
Agricultural	2.54	2.34	8.8	332.09	302.26	9.9
Industrial	7.49	7.01	6.9	977.94	904.63	8.1
Food, Beverages and Tobacco	0.26	0.21	23.5	34.52	27.66	24.8
Textiles and Apparel	4.48	4.05	10.5	584.59	523.66	11.6
Petroleum Products	0.31	0.40	-20.9	40.95	51.05	-19.8
Leather, Rubber etc	0.94	0.86	9.5	123.15	111.26	10.7
Other	1.49	1.48	0.8	194.74	191.00	2.0
Mineral	0.06	0.05	14.4	7.45	6.50	14.5
Other	0.01	0.01	20.9	1.77	1.44	22.3
<b>Imports</b>	<b>17.62</b>	<b>16.45</b>	<b>7.1</b>	<b>2,299.44</b>	<b>2,120.20</b>	<b>8.5</b>
Consumer Goods	3.43	2.88	19.1	447.71	371.46	20.5
Intermediate Goods	10.46	9.62	8.8	1,365.12	1,239.24	10.2
Investment Goods	3.72	3.94	-5.8	484.91	507.93	-4.5
Other	0.01	0.01	6.8	1.70	1.57	8.1
<b>Trade Balance</b>	<b>-7.51</b>	<b>-7.05</b>	<b>6.6</b>	<b>-980.19</b>	<b>-905.36</b>	<b>8.3</b>

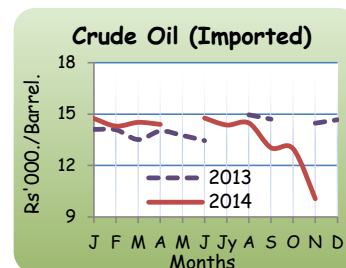
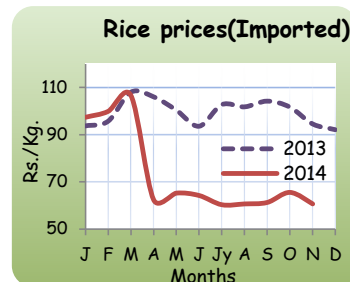


## 4.5 Trade Indices (2010= 100 )

Item	2014**	Month Ago	Year Ago
	Oct	Ago	Ago
<b>Total Exports</b>			
Value	125.05	125.72	144.93
Quantity	119.18	118.58	163.96
Unit Value	104.93	106.02	88.39
<b>Total Imports</b>			
Value	156.64	149.23	124.73
Quantity	146.23	151.68	116.14
Unit Value	107.12	98.38	107.40
<b>Terms of Trade</b>	97.96	107.76	82.30

\* In US\$ Terms

\*\* Provisional



## 4.6 International Commodity Prices

Item	Nov 2014	Nov 2013	% Change	Nov 2014	Nov 2013	% Change
<b>Colombo Auction Price</b>	US\$ / Kg			Rs / Kg		
Tea Prices	3.08	3.72	-17.20	403.56	488.24	-17.30
<b>Imports (C I F)</b>	US\$ / MT			Rs / MT		
Rice	463.21	721.23	-35.80	60,652.00	94,540.55	-35.80
White Sugar	497.04	493.96	0.60	65,081.85	64,749.98	0.50
Wheat	313.16	312.78	0.10	41,004.96	40,999.55	0.00
	US\$ / Barrel			Rs / Barrel		
Crude Oil	76.82	110.39	-30.40	10,058.98	14,470.60	-30.50