

# Weekly Economic Indicators

27 February 2015



Statistics Department

# Real Sector

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 0.6 per cent, the lowest level recorded since February 2004 on a year-on-year basis. Annual average inflation also declined from 3.2 per cent recorded in January to 2.9 per cent in February 2015.

Core inflation, which reflects the underlying inflation in the economy, declined significantly from 2.1 per cent in January 2015 to 0.8 per cent in February 2015 on a year on year basis. Annual average core inflation during February 2015 was 3.2 per cent, compared to 3.4 per cent recorded in January 2015.

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.

During the year 2014, the tea and rubber production recorded a decrease of 0.6 per cent and 24.4 per cent respectively. Meanwhile, the coconut production showed an increase of 14.2 per cent in 2014.

The FIPI increased by 6.9 per cent on a year-on-year basis in November 2014. This growth was mainly facilitated by increased production of wearing apparel as well as rubber and plastic products sectors. They have recorded a significant growth of 17.2 and 9.5 per cent respectively during this period. This was mainly attributed to increased domestic and international demand.

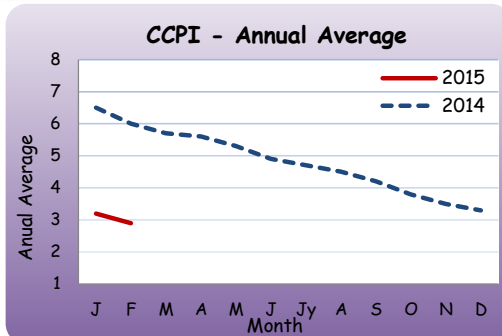
During the week crude oil spot prices showed mixed performance. Price declines at the beginning of the week were supported after the number of U.S. oil drilling rigs fell last week by just 37, the smallest drop in seven weeks, and as key oil producer Libya resumed oil exports from the port of Zueitina after an almost year-long halt. Libya is also testing a pipeline to restart exports from Hariga port. Prices further fell after two OPEC delegates said that OPEC has no plans for an emergency meeting before June, responding to earlier reports that Nigerian oil minister, the current president of the cartel, would call for one. However, price increases were reported after Saudi Arabia's oil minister said oil demand was growing and data showed China's factory sector expanded in February. Further, Energy Information Administration reported U.S. petrol, diesel and heating oil stocks fell.

## Highlights

# REAL SECTOR

## 1.1 Price Indices

Item	Feb 2015	Month Ago	Year Ago
(2006 / 07 = 100)			
Colombo Consumers' Price Index (CCPI)	178.9	183.2	177.8
Annual Average Change %	2.9	3.2	6.0
Year - on - Year Change %	0.6	3.2	4.2
Core Inflation - (CCPI)	172.0	173.6	170.6
Annual Average Change %	3.2	3.4	3.8
Year - on - Year Change %	0.8	2.1	3.1

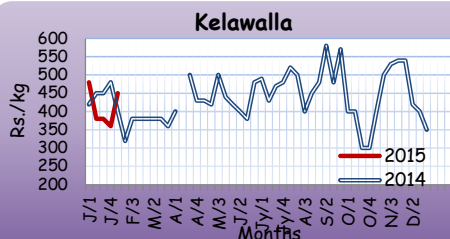
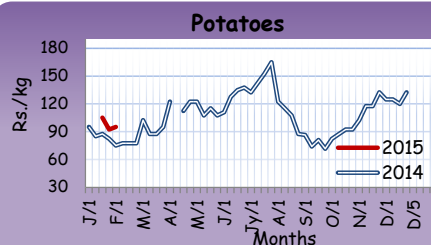
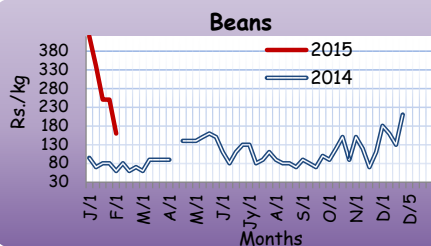
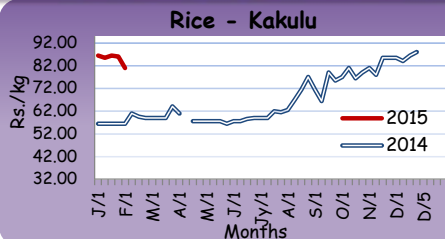


## 1.2 Pettah Market

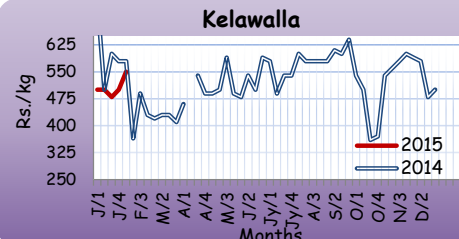
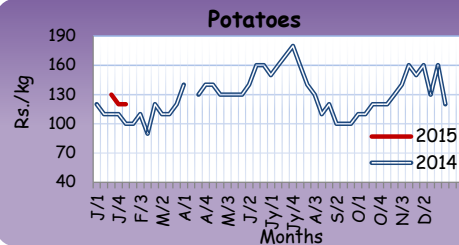
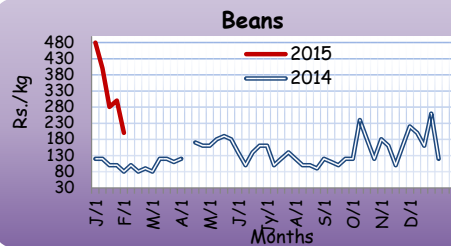
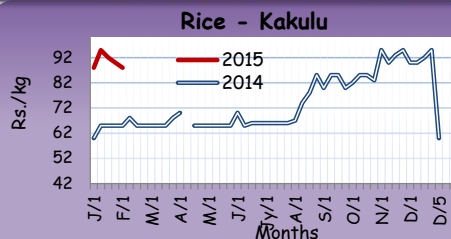
Item	Average Wholesale Prices				Average Retail Prices			
	Week Ending 25 <sup>th</sup> Feb 2015	Week Ago	Month Ago	Year Ago Annual Avg	Week Ending 25 <sup>th</sup> Feb 2015	Week Ago	Month Ago	Year Ago Annual Avg
	Rs / Kg				Rs / Kg			
<b>Rice</b>								
Samba	80.00	81.00	82.63	78.30	87.00	90.00	92.75	84.04
Kekulu (Red)	74.00	76.00	84.75	67.44	82.00	85.00	91.75	74.33
<b>Vegetables</b>								
Beans	180.00	290.00	250.00	113.17	200.00	320.00	295.00	140.96
Cabbage	110.00	90.00	145.00	61.65	140.00	120.00	205.00	90.96
Carrots	150.00	150.00	220.00	109.81	180.00	180.00	270.00	138.08
Tomatoes	140.00	120.00	153.75	90.77	180.00	160.00	202.50	122.31
Pumpkins	150.00	100.00	60.00	37.38	180.00	140.00	87.50	56.83
Snake Gourd	90.00	90.00	127.50	69.90	120.00	120.00	157.50	96.73
Brinjals	90.00	60.00	170.00	71.35	120.00	80.00	220.00	98.65
Ash-Plantains	130.00	120.00	132.50	73.65	160.00	150.00	167.50	95.96
<b>Other Foods</b>								
Red-Onions (Local)	65.00	62.50	85.00	79.55	100.00	100.00	110.00	109.59
Big-Onions (Local)	n.a	n.a	n.a.	75.42	n.a	n.a	n.a.	99.07
Potatoes (N'Elia)	97.50	97.50	97.50	104.64	120.00	120.00	123.33	127.69
Dried Chilies (Imported)	225.00	233.00	217.25	193.24	280.00	260.00	257.50	230.38
Dhal (Indian)	152.00	153.00	144.25	140.94	170.00	170.00	162.50	159.23
Eggs (Red)	14.50	14.50	14.50	12.04	15.00	15.00	15.00	12.57
Coconut (Each)	45.50	45.50	46.50	38.63	55.00	55.00	60.00	50.10
<b>Fish*</b>								
Kelawalla	460.00	380.00	392.50	433.85	590.00	540.00	507.50	532.40
Balaya	330.00	280.00	292.50	295.00	380.00	340.00	347.50	349.04
Salaya	60.00	100.00	105.00	112.31	100.00	130.00	145.00	151.35
Paraw (Small)	430.00	320.00	452.50	435.58	480.00	380.00	505.00	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 26 <sup>th</sup> Feb 2015	
	Wholesale (Average)	Retail (Average)
<b>Rice</b>		
Samba	83.50	87.50
Kekulu (Red)	73.50	78.00
<b>Vegetables</b>		
Beans	177.50	236.25
Carrot	130.00	185.00
Tomatoes	105.63	153.75
Pumpkins	103.75	136.25
Snake Gourd	73.75	120.00
Ash-Plantains	88.75	118.75
<b>Other Foods</b>		
Red-Onions (Local)	64.38	91.25
Big-Onions (Local)	n.a.	n.a.
Potatoes (N'Eliya)	87.50	110.00
Dried Chilies(Imported)	233.13	265.00
Coconut (Each)	46.00	52.50

### 1.5 Maradaghamula Market

Average wholesale price of Rice				
Item (Rs / Kg)	Week Ending 27 <sup>th</sup> Feb	Week Ago	Month Ago	Year Ago
Samba	76.50	77.25	82.07	75.74
Sudu Kekulu	67.70	70.63	73.47	69.11
Raw Red	77.52	77.38	84.76	67.25
Nadu	68.50	70.25	75.17	70.82

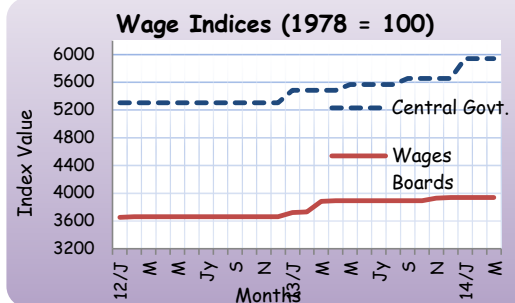
### 1.4 Narahenpita Economic Centre

Item (Rs / Kg)	Average Retail Prices	
	26 <sup>th</sup> Feb 2015	Week Ago
<b>Rice</b>		
Samba	90.00	90.00
Kekulu (Red)	78.33	82.00
<b>Vegetables</b>		
Beans	240.00	276.67
Cabbage	140.00	160.00
Carrots	160.00	180.00
Tomatoes	200.00	350.00
Pumpkins	173.33	140.00
Snake Gourd	153.33	153.33
Brinjals	80.00	80.00
Ash-Plantains	153.33	180.00
<b>Other Foods</b>		
Red-Onions (Imported)	140.00	160.00
Big-Onions (Imported)	80.00	80.00
Potatoes (Imported)	80.00	80.00
Dried Chilies (Imported)	243.33	243.33
Dhal (Indian)	163.33	163.33
Eggs (Red)(Each)	15.00	15.00
Coconut (Each)	51.67	51.67
<b>Fish</b>		
Kelawalla	790.00	780.00
Balaya	n.a.	470.00
Salaya	256.67	183.33
Paraw (Small)	680.00	840.00

## 1.6 Wage rate Indices

Item	2014(a) Dec	2013 Dec	% Change
(1978 = 100)			
Central Government Employees (b)	6,653.0	5,653.3	17.7
Workers in Wages Boards Trades	4,127.0	3,938.1	4.8
Agriculture	4,734.3	4,449.0	6.4
Industry & Commerce	3,459.1	3,459.1	0.0
Services	2,313.2	2,313.2	0.0

(a) Provisional

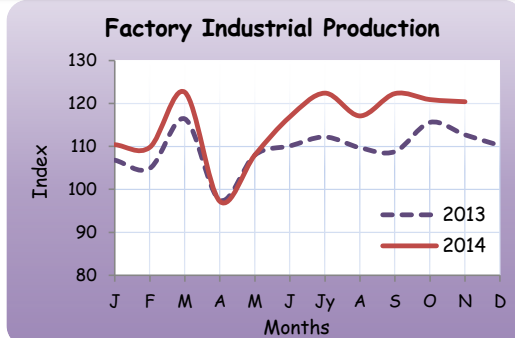


## 1.7 Factory Industry-Production (FIPI) ( 2010 = 100 ) (a)

Item	2014 (b) Nov	2013 Nov	% Change
<b>Factory Industry- Production Index</b>	<b>120.4</b>	<b>112.7</b>	<b>6.9</b>
Food products	107.2	102.6	4.5
Beverages	107.1	99.0	8.2
Tobacco products	84.2	103.0	-18.3
Wearing apparel	162.8	138.9	17.2
Chemicals and chemical products	85.8	84.3	1.8
Rubber and plastic products	134.1	122.5	9.5
Other non-metallic mineral products	104.9	100.8	4.1

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

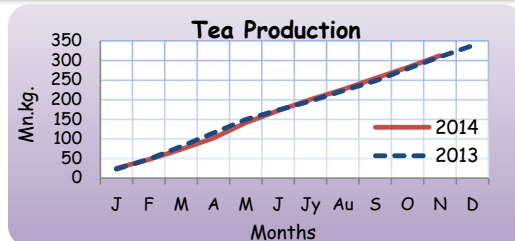
(b) Provisional



## 1.8 Agriculture Production

Item	Unit	2014* Jan - Dec	2013 Jan - Dec	% Change
Tea	(Mn Kg)	338.0	340.0	-0.6
Rubber	(Mn Kg)	98.6	130.4	-24.4
Coconuts	(Mn Nuts)	2,870.0	2,513.3	14.2

\* Provisional

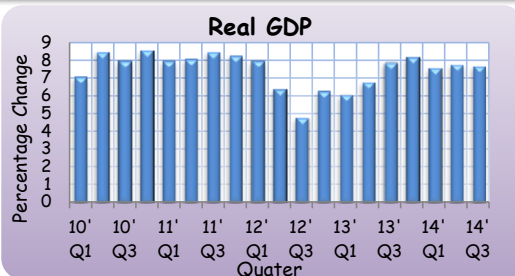


## 1.9 GDP by Industrial Origin at Constant (2002) Prices - Growth Rates

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



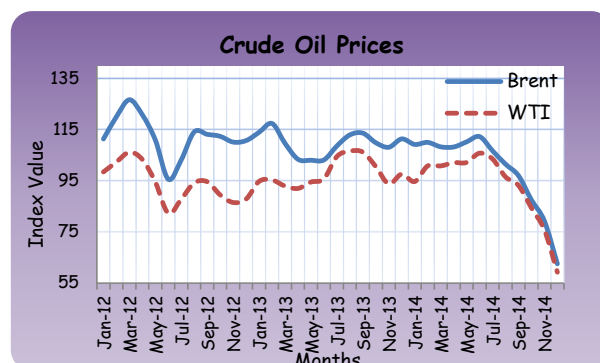
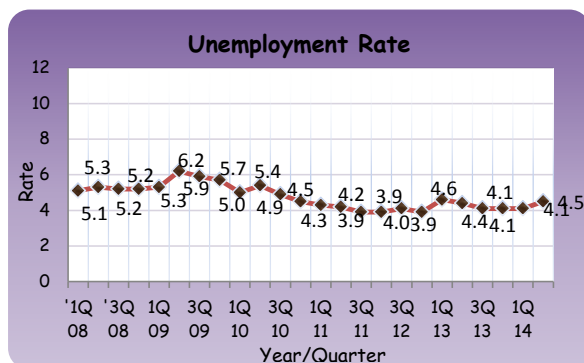
## 1.10 Employment (a)

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	2014			2015		
	Spot Prices (US \$/bbl)		CPC Import Prices (C&F) (US\$/bbl)(*)	Spot Prices (US \$/bbl)		CPC Import Prices (C&F) (US\$/bbl)(*)
	Brent (Benchmark price)	WTI (Benchmark price)		Brent (Benchmark price)	WTI (Benchmark price)	
January	109.21	94.71	113.84	47.46	47.11	55.47
February	110.01	100.82	110.62			
March	108.28	100.82	111.17			
April	108.22	102.07	110.25			
May	110.22	102.18	109.80			
June	112.27	105.79	113.42			
July	106.73	103.54	110.30			
August	101.51	96.54	111.21			
September	97.02	93.19	100.08			
October	87.51	84.40	99.39			
November	79.28	75.79	76.82			
December	62.55	59.29	75.98			
	2014			2015		
20 February	110.37	103.20		60.99	49.95	
23 February	-	-		59.78	49.56	
24 February	110.71	103.17		60.98	48.48	
25 February	110.14	102.20		60.42	50.25	
26 February	110.19	102.93		62.04	47.65	

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

### Highlights

Weekly AWPR for the week ending 27 February 2015 declined by 15 bps to 6.37 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 the previous month. 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 the previous month.

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 increased to Rs. 286.97 bn by end of the week, compared to Rs. 285.80 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 27 February 2015, the All Share Price Index (ASPI) declined by 0.19 per cent to 7,301 points while the S&P SL 20 Index declined by 0.41 per cent to 4,116 points compared to the previous week.

# MONETARY SECTOR

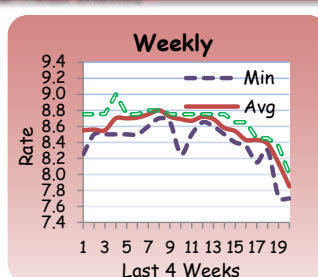
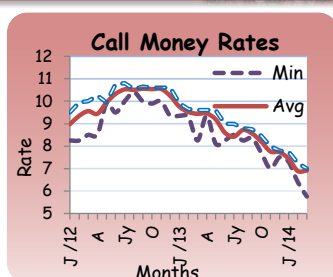
## 2.1 Interest Rates

Item	Week Ending 2015 Feb 27	Week Ago	Year Ago
Commercial Bank Average Weighted Prime Lending Rate (AWPR)	6.47	6.62	9.29
Treasury Bill Yield (Excluding 10% withholding tax)			
- 91 days	5.98	5.94	6.75
- 182 days	6.09	6.03	6.90
- 364 days	6.13	6.12	7.08
Standing Deposit Facility	6.50	6.50	6.50
Standing Lending Facility	8.00	8.00	8.00
Call Money Weekly Average (CMR)	6.04	6.03	6.96
Sri Lanka Inter Bank Offer Rate ( SLIBOR )			
1 day	6.12	6.04	7.01
7 days	6.36	6.32	7.61
1 Month	6.56	6.52	8.04
3 Months	6.71	6.67	8.50
6 Months	6.94	6.93	8.94
12 Months	7.24	7.20	9.47
Commercial Banks	Oct 2014	Month Ago	Year Ago
Saving Deposits -	0.75-8.50	0.75-9.50	0.75-9.00
One Year Fixed Deposits -	3.95-12.00	4.15-12.00	6.00-16.00
	Feb 2015	Month Ago	Year Ago
Commercial Bank Average Weighted Deposit Rate (AWDR)	5.90	5.94	8.83
Commercial Bank Average Weighted Fixed Deposit Rate (AWFDR)	6.95	7.02	10.99
	Jan 2015	Month Ago	Year Ago
Commercial Bank Average Weighted Lending Rate (AWLR)	11.68	11.91	14.83
NSB	Oct 2014	Month Ago	Year Ago
Saving Deposits -	5.00	5.00	5.00
One Year Fixed Deposits -	6.50	6.50	10.00
Treasury Bonds Auction	(30 years) 27/02/2015	(06 Y & 07 Months) 30/12/2014	(10 Y & 04 Months) 30/12/2014
Coupon rate	12.50	11.00	9.00
Weighted Average Yield (Excluding 10% withholding tax)	11.73	7.05	7.88

Bankwise- AWPR	Week ending 2015 Feb 27	Week Ago
Bank of Ceylon	6.98	6.72
People's Bank	8.74	8.74
Hatton National Bank	6.59	6.18
Commercial Bank of Ceylon	6.21	6.11
Sampath Bank	6.17	6.29
Seylan Bank	7.34	7.17
Union Bank of Colombo	6.34	6.65
Pan Asia Banking Corporation	7.35	7.35
Nations Trust Bank	6.01	6.04
DFCC Vardhana Bank	7.08	7.08
NDB Bank	6.56	6.89
Amana Bank	8.00	8.00
Cargills Bank	6.46	7.50

Bankwise- AWPR	Week ending 2015 Feb 27	Week Ago
HSBC	7.19	7.47
Standard Chartered Bank	6.12	6.12
Citi Bank	6.06	6.40
Deutsche Bank	6.45	8.04
Habib Bank	5.36	5.36
Indian Bank	7.85	7.85
Indian Overseas Bank	8.35	8.35
MCB Bank	7.07	6.36
State Bank of India	9.34	9.34
Public Bank	8.00	8.00
ICICI Bank	8.40	8.43
Axis Bank	-	-

### Interest Rates - Call Money

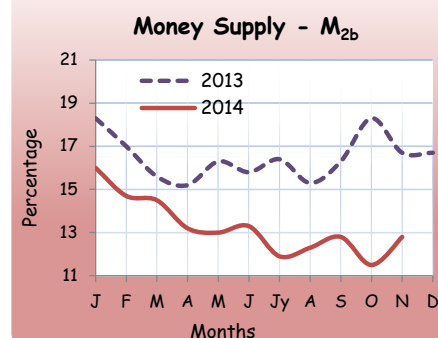
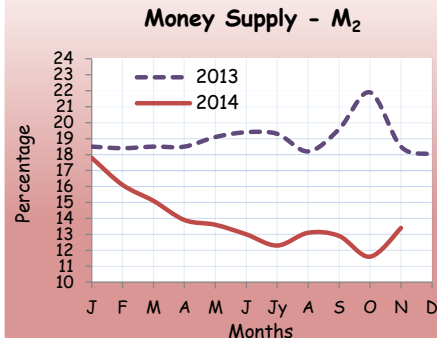
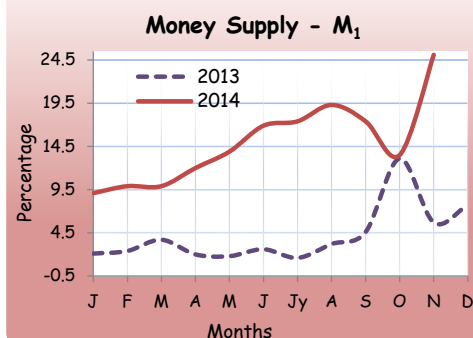




## 2.2 Money Supply

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

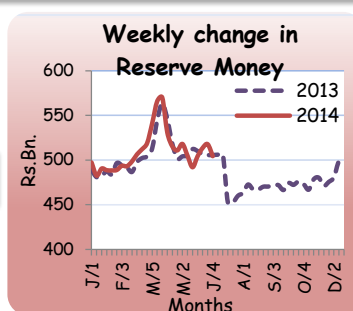


## 2.3 Weekly change in Reserve Money

Item	26 Feb 2015	Week Ago	Change
Reserve Money (Rs.Mn.)	579,922	595,921	-15,999

## 2.4 Money Market Activity (Overnight)

Item	23.02.2015	24.02.2015	25.02.2015	26.02.2015	27.02.2015
<b>Call Money Market</b>					
Weighted Average Rate (% p.a.)	6.00	6.02	6.00	6.01	6.18
Gross Volume (Rs. Mn)	12,835	16,485	17,158	18,262	7,864
<b>Repo Market</b>					
Weighted Average Rate (% p.a.)	5.62	5.59	5.57	5.61	5.90
Gross Volume (Rs. Mn)	5,851	5,682	4,584	4,120	9,663



## 2.5 CBSL Security Portfolio

Item	23.02.2015	24.02.2015	25.02.2015	26.02.2015	27.02.2015
CBSL T-Bill Holding (Rs. Mn)	6,113	8,263	948	948	1,136

## 2.6 Open Market Operations

Item	23.02.2015	24.02.2015	25.02.2015	26.02.2015	27.02.2015
<b>Short-Term Auction</b>					
Repo Amount Offered (Rs. bn)	10.00	10.00	10.00	0.00	10.00
Reverse Repo Amount Offered (Rs. bn)	0.00	0.00	0.00	0.00	0.00
Tenure (No. of Days)	1	3	2	0	1
Bids Received (Rs. bn)	13.98	7.84	14.08	0.00	12.21
Amount Accepted (Rs. bn)	10.00	7.84	10.00	0.00	10.00
Weighted Average Yield Rate (% p.a.)	5.91	5.93	5.90	0.00	6.13
<b>Term Auction</b>					
Repo Amount Accepted (Rs. bn)	0.00	0.00	0.00	0.00	50.00
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)	9.24	8.97	7.83	16.23	21.32
Standing Lending Facility (Rs. bn)	0.00	0.00	0.00	0.00	0.00
<b>Total Outstanding Market Liquidity (Rs. bn)</b>	<b>283.92</b>	<b>281.49</b>	<b>290.35</b>	<b>298.74</b>	<b>286.97</b>

## 2.7 Credit Cards \*

Item	2014 (a) End Sep	2014 End Aug	2013 End Dec
<b>Total Number of Active Cards</b>	997,309	987,003	951,625
Local (accepted only locally)	33,455	33,771	35,990
Global (accepted globally)	963,854	953,232	915,635
<b>Outstanding balance (Rs. Mn.)</b>	55,104	54,433	51,172
Local (accepted only locally)	1,232	1,242	1,260
Global (accepted globally)	53,872	53,191	49,913

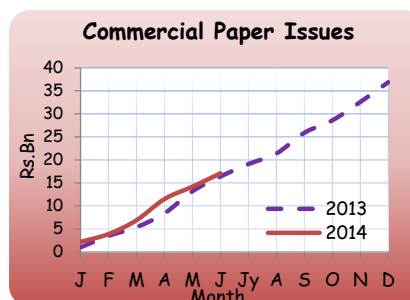
(a) Provisional

## 2.8 Commercial Paper Issues (1)

Item (Rs. bn.)	2014 End Sep*	2014 End Aug	2013 End Dec
Total Issues - Cumulative	7.1	6.6	28.3
Outstanding (as at end of the period)	3.9	4.8	7.4

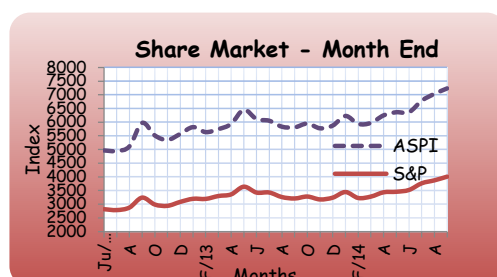
\* provisional

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



## 2.9 Share Market

Item	Week Ending 27 Feb 2015	Week Ago	Year Ago
All Share Price Index (1985 = 100) (ASPI)	7,301	7,315	5,873
S & P Sri Lanka 20 Index (S&P SL20)	4,116	4,133	3,189
Average Daily Turnover (Rs. Mn)	1,114	1,090	611
Market Capitalisation (Rs.Bn.)	3,095	3,100	2,452



## *Fiscal Sector*

During the first nine months of 2014, total revenue as a percentage of estimated GDP declined marginally to 8.4 per cent from 9.1 per cent in the corresponding period of 2013. However total revenue in nominal terms 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 respectively. Meanwhile, domestic debt increased by Rs. 353.2 billion to Rs. 4,186

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.

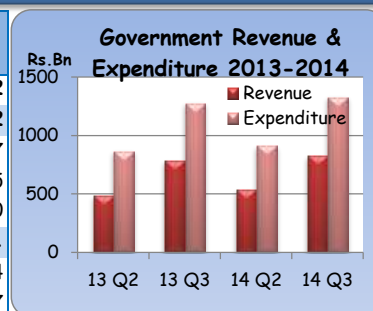
## Highlights

## FISCAL SECTOR

### 3.1 Government Finance (Rs.bn)

Item	2014 * Jan-Sep	2013 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

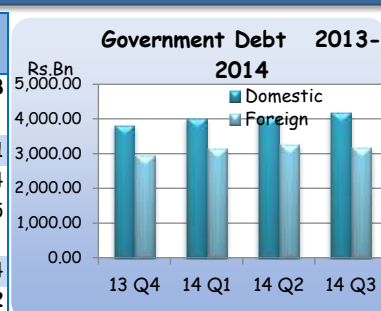
\* Provisional \*\*Revised



### 3.2 Government Debt (Rs.bn)

Item	2014* End Sep	2013 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

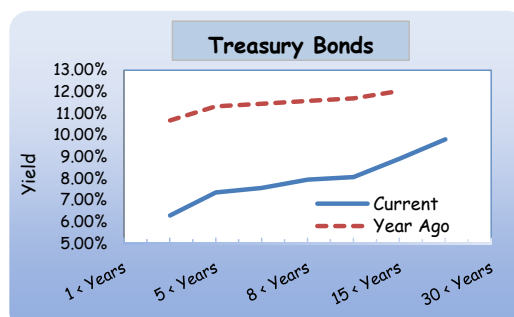
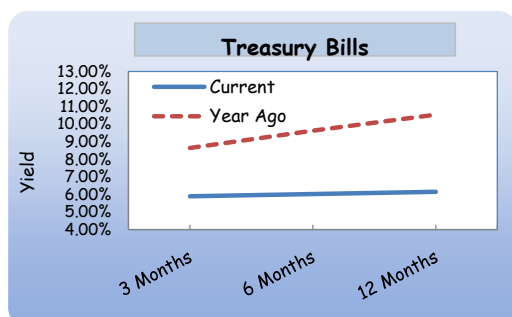


### 3.3 Government Securities - Primary and Secondary Market Yield Rates as for the week ending - 25<sup>th</sup> February 2015

Security	Maturity	Primary Market*		Secondary Market			
		This Week	Last Week	This Week			Last Week Average
				Buying	Selling	Average	
Treasury Bills	3 Months	5.98%	5.94%	5.97%	5.83%	5.90%	5.86%
	6 Months	6.09%	6.03%	6.08%	5.97%	6.02%	5.97%
	12 Months	6.13%	6.12%	6.21%	6.10%	6.15%	6.12%
Treasury Bonds	2 < Years	7.00%	6.98%	6.36%	6.22%	6.29%	6.29%
	5 < Years	7.39%	-	7.43%	7.30%	7.36%	7.27%
	6 < Years	-	-	7.64%	7.49%	7.56%	7.49%
	8 < Years	-	-	8.00%	7.89%	7.95%	7.84%
	10 < Years	-	-	8.13%	8.01%	8.07%	7.99%
	15 < Years	-	-	9.05%	8.77%	8.91%	8.70%
	20 < Years	-	-	9.92%	9.68%	9.80%	9.33%
	30 < Years	-	-	10.14%	9.92%	10.03%	9.48%

\* Primary market transactions during the week ending 25/02/2015

The secondary market yield rates of T-bonds and T-bills yield rates elevated during the week compared against yield rates of last week.



### 3.4 Government Securities - Weekly Summary of Primary and Secondary Market Transactions (Week Ended - 25<sup>th</sup> February 2015 )

Item	Volume in Rs Mn	
	This Week	Last Week
Outstanding Stock of Government Securities		
Treasury Bills	816,176.05	812,140.34
Treasury Bonds (a)	3,288,884.85	3,288,834.85
<b>Total</b>	<b>4,105,060.90</b>	<b>4,100,975.19</b>
Government Securities held by Foreigners	453,422.51	456,180.44
Sri Lanka Development Bonds (SLDB)	464,384.01	453,413.73

Outstanding stock 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	12,000.00	10,000.00
Total Bids Received	36,914.00	22,909.00
Total Bids Accepted	11,089.00	8,534.00
<b>Treasury Bonds</b>		
Amount Offered		
Total Bids Received	No auction held	No auction held
Total Bids Accepted		

The primary market issuances remained substantially oversubscribed continuing the market preference for short term government securities.

Secondary Market Activities	Volume in Rs Mn	
	This Week	Last Week
<b>Treasury Bills</b>		
Outright Transaction (Sales / Purchases)	25,708.09	21,785.37
Repo Transaction (Sales / Purchases)	241,915.80	211,087.05
<b>Treasury Bonds</b>		
Outright Transaction (Sales / Purchases)	24,574.70	18,424.89
Repo Transaction (Sales / Purchases)	679,757.58	577,713.99

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) - 27/02/2015

Remaining Maturity	Average Buying Price	Yield %	Average Selling Price	Yield %	Buying & Selling Spread
1-7 Days	99.89	5.74	99.89	5.56	0.00
1 Month	99.52	5.82	99.54	5.64	0.01
2 Month	99.03	5.89	99.06	5.73	0.03
3 Month	98.53	5.95	98.57	5.82	0.03
4 Month	98.04	5.97	98.08	5.85	0.04
5 Month	97.53	6.01	97.58	5.88	0.05
6 Month	96.99	6.11	97.04	5.99	0.05
7 Month	96.47	6.13	96.55	6.00	0.08
8 Month	95.96	6.14	96.04	6.02	0.08
9 Month	95.45	6.15	95.53	6.04	0.08
10 Month	94.93	6.17	95.03	6.05	0.10
11 Month	94.39	6.21	94.50	6.08	0.11
12 Month	93.85	6.23	93.97	6.11	0.12

### 3.6 Two way Quotes (Treasury Bonds)- 27/02/2015

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	16	100.25	5.78	100.26	5.63	0.01
06.20%2015B	4	15-Jun-15	108	100.07	5.90	100.09	5.81	0.03
06.50%2015A	5	15-Jul-15	138	100.15	6.04	100.20	5.92	0.05
11.00%2015A	6	1-Aug-15	155	102.05	6.05	102.10	5.93	0.05
11.00%2015B	6	1-Sep-15	186	102.39	6.12	102.49	5.93	0.09
12.50%2015A	2	20-Sep-15	205	103.40	6.20	103.46	6.08	0.07
08.50%2015A	3	1-Nov-15	247	101.46	6.23	101.54	6.11	0.08
07.25%2016A	6	1-Apr-16	399	100.81	6.46	100.97	6.31	0.16
08.00%2016B	4	1-Jun-16	460	101.79	6.48	101.95	6.35	0.16
06.40%2016A	6	1-Aug-16	521	99.69	6.63	99.90	6.47	0.22
08.00%2016A	5	1-Sep-16	552	101.76	6.75	101.93	6.63	0.17
06.40%2016B	6	1-Oct-16	582	99.35	6.84	99.44	6.78	0.09
08.00%2017A	5	1-Jan-17	674	101.82	6.92	102.01	6.81	0.19
05.80%2017A	6	15-Jan-17	688	97.93	6.99	98.10	6.89	0.17
08.25%2017A	3	1-Mar-17	733	102.30	7.00	102.49	6.90	0.19
08.75%2017A	4	15-May-17	808	103.32	7.09	103.51	7.00	0.19
08.00%2017B	5	15-Jun-17	839	101.86	7.10	102.07	7.00	0.21
05.80%2017B	6	15-Jul-17	869	97.24	7.08	97.44	6.98	0.20
08.50%2018A	15	1-Feb-18	1,070	103.53	7.14	103.79	7.04	0.25
08.50%2018C	5	1-Apr-18	1,129	103.24	7.30	103.48	7.22	0.23
08.50%2018D	5	1-Jun-18	1,190	103.55	7.25	103.70	7.20	0.15
08.50%2018B	15	15-Jul-18	1,234	103.69	7.25	103.96	7.16	0.27
07.50%2018A	15	15-Aug-18	1,265	100.39	7.37	100.64	7.29	0.25
08.00%2018A	6	15-Nov-18	1,357	102.27	7.29	102.40	7.25	0.13
05.65%2019A	8	15-Jan-19	1,418	94.44	7.32	94.65	7.26	0.20
08.50%2019A	10	1-May-19	1,524	104.05	7.35	104.51	7.23	0.45
10.60%2019A	6	1-Jul-19	1,585	111.57	7.43	111.94	7.33	0.37
10.60%2019B	5	15-Sep-19	1,661	111.77	7.49	112.23	7.38	0.46
08.00%2019A	8	1-Nov-19	1,708	102.07	7.46	102.62	7.33	0.54
08.00%2020A	8	1-Jun-20	1,921	101.69	7.60	102.12	7.50	0.43
06.20%2020A	10	1-Aug-20	1,982	93.78	7.62	94.36	7.48	0.58
09.00%2021A	8	1-May-21	2,255	106.13	7.73	106.75	7.61	0.62
11.00%2021A	7	1-Aug-21	2,347	116.48	7.70	116.94	7.62	0.46
08.00%2022A	10	1-Jan-22	2,500	101.29	7.75	101.76	7.66	0.46
11.20%2022A	9	1-Jul-22	2,681	117.89	7.94	118.39	7.85	0.51
10.00%2022A	8	1-Oct-22	2,773	111.62	7.93	112.41	7.80	0.79
09.00%2023A	10	1-Sep-23	3,108	106.31	7.97	107.01	7.86	0.70
11.20%2023A	9	1-Sep-23	3,108	119.75	7.96	120.44	7.86	0.69
07.00%2023A	20	1-Oct-23	3,138	93.27	8.10	94.06	7.97	0.78
11.40%2024A	10	1-Jan-24	3,230	119.24	8.28	120.14	8.16	0.89
06.00%2024A	10	1-Dec-24	3,565	84.10	8.42	84.51	8.35	0.41
09.00%2025A	12	1-May-25	3,716	103.00	8.55	104.38	8.35	1.38
09.00%2026A	13	1-Feb-26	3,992	101.37	8.80	102.93	8.58	1.55
05.35%2026A	15	1-Mar-26	4,020	74.98	8.98	77.32	8.58	2.34
09.00%2028B	15	1-May-28	4,812	98.28	9.23	101.13	8.85	2.85
09.00%2028A	15	1-Jul-28	4,873	97.90	9.28	99.79	9.03	1.89
13.00%2029A	15	1-Jan-29	5,057	128.08	9.34	129.94	9.14	1.87
13.00%2029B	15	1-May-29	5,177	128.45	9.34	130.34	9.14	1.89
08.00%2032A	20	1-Jan-32	6,152	84.38	9.93	86.01	9.70	1.63
09.00%2032A	20	1-Oct-32	6,426	91.40	10.05	93.02	9.84	1.63
09.00%2033A	20	1-Jun-33	6,669	92.99	9.83	95.47	9.53	2.48
13.25%2033A	20	1-Jul-33	6,699	126.23	10.08	128.46	9.86	2.23
09.00%2033B	20	1-Nov-33	6,822	90.81	10.10	92.54	9.88	1.73
13.25%2034A	20	1-Jan-34	6,883	126.08	10.12	128.33	9.90	2.25
09.00%2043A	30	1-Jun-43	10,321	89.42	10.14	91.30	9.92	1.88
13.50%2044A	30	1-Jan-44	10,535	131.07	10.15	133.48	9.95	2.40
13.50%2044B	30	1-Jun-44	10,687	131.02	10.16	133.43	9.96	2.41



## External Sector

During the year so far (up to 27 February 2015) the rupee depreciated against the US dollar (1.39 per cent). Given the cross currency exchange rate movements, the Sri Lanka rupee appreciated against the euro (7.06 per cent) and depreciated against the pound sterling (0.47 per cent), the Japanese yen (1.47 per cent) and the Indian rupee (3.74 per cent) during this period.

Exports increased by 7.0 per cent to US dollars 11,118 million in 2014 compared to 6.4 per cent growth recorded in the previous year reflecting significant improvements in Textiles and Garments, Coconut Products and Tea exports.

Major export destinations during 2014 continued to be USA, UK, Italy, India and Germany accounting for around 50 per cent of total exports. However, exports to both traditional and emerging markets increased in 2014.

Expenditure on imports which contracted in 2012 and 2013 increased moderately in 2014 mainly due to the substantial increase in import expenditure during the last quarter of 2014. Expenditure on imports in 2014 increased by 7.8 per cent to US dollars 19,415 million, from US dollars 18,003 million in 2013 reflecting increases in expenditure on consumer and intermediate goods imports. The relative share of investment goods to total imports decreased by 2.2 per cent to 21.4 per cent in 2014, increasing the share of intermediate and consumer goods. During 2014, the main import origins were India, China, UAE, Singapore and Japan accounting for about 59 per cent of total imports.

An increase in export prices and reduction in import prices resulted in a significant improvement in the terms of trade in 2014. The export price index increased marginally by 1.8 per cent year-on-year to 105.4 index points, while the import price index declined by 1.5 per cent to 108.1 index points.

Accordingly, the terms of trade improved by 3.4 per cent to 97.5 index points in 2014 from 94.3 index points in 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.

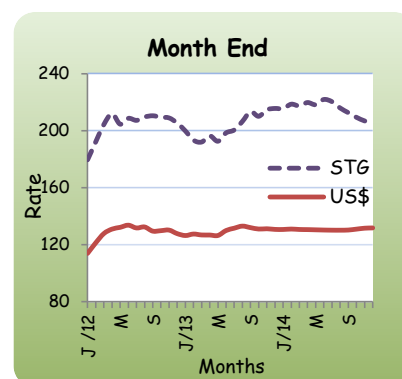
The average price of tea increased to US dollars 3.37 per kg (in the Colombo auction) in December 2014 from US dollars 3.08 per kg in November 2014 but recorded a decline compared to December 2013.

## Highlights

# EXTERNAL SECTOR

## 4.1 Exchange Rates

Item (Rs Per Unit)*	Week Ending - 27 Feb 2015			Average Rate	
	Buying Rate	Selling Rate	Average Rate	Week Ago	Year Ago
US\$	131.80	134.58	133.19	133.16	131.03
STG	202.60	208.33	205.47	205.47	218.47
Yen	1.10	1.14	1.12	1.12	1.28
Euro	146.75	151.61	149.18	151.35	179.98
INR(1)			2.15	2.14	2.11
SDR (As at 26 Feb 2015)			187.95	187.57	202.39
Central Bank purchases and sales** (US\$ Mn. )			January 2015	Month Ago	Year Ago
Purchases			0.00	4.00	73.75
Sales			173.81	195.10	50.45



			Week Ending 27 Feb 2015	Week Ago	Year Ago
Average Daily Interbank Volume (US\$ Mn.) (spot, tom and cash transactions among commercial banks)			31.68	28.64	38.76
Forward Transactions					
Forward Rates (US\$) <sup>(2)</sup>					
1 Month			133.55	133.49	131.62
3 Months			134.68	134.54	132.48
Average Daily Interbank Forward Volume (US\$ mn)			37.49	23.39	29.50
Outstanding Forward Volume (US\$ mn)			1,148.99	1,163.28	957.31
			(As at 19 Feb 2015)		

\*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

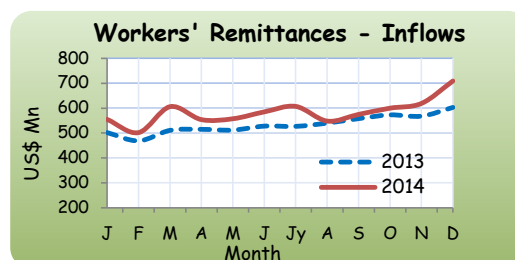
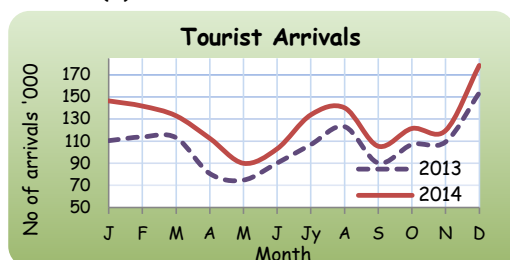
(1) Central Bank indicative rate (2) Weekly average based on actual transactions.

## 4.2 Tourism & Workers' Remittances(a)

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
		2013 Dec (b)	2014 Dec	2013 Jan-Dec(b)	2014 Jan-Dec	% Change
Workers' Remittances (Inflows)	US\$ Mn.	602.8	708.8	6,407.0	7,017.8	9.5
	Rs. bn.	78.9	92.9	827.7	916.3	10.7

(a) Provisional

(b) Revised



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

Official Reserve Assets (USD mn)				
<b>Official Reserve Asset</b>				<b>7,252.43</b>
(1) Foreign currency reserves				6,272.15
(a) Securities				2,963.62
(b) Total currency and deposits with				3,308.53
(i) other national central banks, BIS				1,252.86
(ii) banks headquartered inside the reporting country of which located abroad				1.01
(iii) banks headquartered outside the reporting country of which located in the reporting country				2,054.66
(2) Reserve position in the IMF				67.47
(3) SDRs				8.91
(4) Gold				902.96
(5) Other reserve assets				0.94
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	-2,813.13	-81.75	-818.00	-1,913.39
Interest	-983.19	-26.87	-166.56	-789.77
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>	-2,111.17	-381.49	-704.75	-1,024.93
(b) Long positions (+)				
3. Other (specify)	-0.05	-0.05		
inflows related to reverse repos (+)				
other accounts payable (-)	-0.05	-0.05		

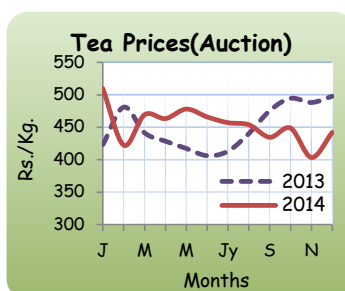
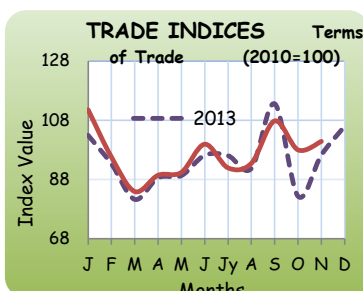
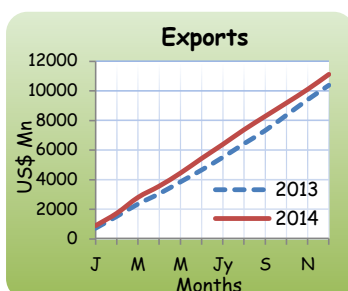
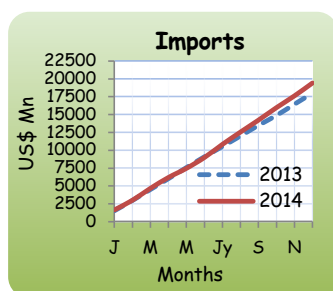
(a) Provisional

(b) This mainly includes only the predetermined outflows

(c) A major share of SWAP outstanding will be rolled over. This mainly includes SWAP arrangements with state banks which mobilised long-term foreign finance from international bond issuances

## 4.4 External Trade

Item	US\$ Bn			Rs Bn		
	Jan-Dec 2014	Jan-Dec 2013	% Change	Jan-Dec 2014	Jan-Dec 2013	% Change
<b>Exports</b>	<b>11.12</b>	<b>10.39</b>	<b>7.0</b>	<b>1,451.55</b>	<b>1,344.05</b>	<b>8.0</b>
Agricultural	2.79	2.58	8.2	364.76	333.94	9.2
Industrial	8.25	7.75	6.5	1,077.10	1,001.81	7.5
Food, Beverages and Tobacco	0.29	0.24	23.0	37.77	30.43	24.1
Textiles and Apparel	4.93	4.51	9.4	643.69	583.05	10.4
Petroleum Products	0.34	0.43	-21.0	44.13	55.13	-19.9
Leather, Rubber etc	1.03	0.96	6.6	134.30	124.75	7.7
Other	1.66	1.61	3.1	217.21	208.46	4.2
Mineral	0.06	0.05	15.3	7.76	6.73	15.4
Other	0.01	0.01	20.7	1.92	1.58	22.0
<b>Imports</b>	<b>19.42</b>	<b>18.00</b>	<b>7.9</b>	<b>2,535.16</b>	<b>2,323.13</b>	<b>9.1</b>
Consumer Goods	3.85	3.18	21.1	503.02	411.00	22.4
Intermediate Goods	11.40	10.55	8.0	1,488.09	1,361.74	9.3
Investment Goods	4.15	4.25	-2.4	542.17	548.60	-1.2
Other	0.01	0.01	4.1	1.88	1.79	5.3
<b>Trade Balance</b>	<b>-8.30</b>	<b>-7.61</b>	<b>9.1</b>	<b>-1,083.61</b>	<b>-979.07</b>	<b>10.7</b>

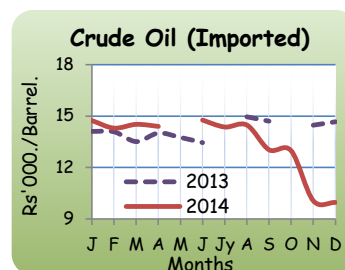
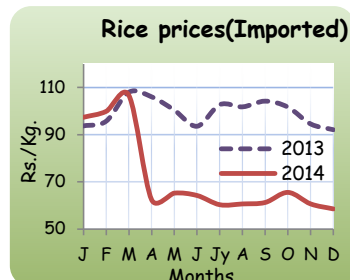


## 4.5 Trade Indices (2010= 100 )

Item	2014** Nov	Month Ago	Year Ago
<b>Total Exports</b>			
Value	128.19	125.05	143.61
Quantity	117.22	119.18	121.17
Unit Value	109.37	104.93	118.52
<b>Total Imports</b>			
Value	147.39	156.64	140.48
Quantity	135.89	146.23	114.04
Unit Value	108.46	107.12	123.18
<b>Terms of Trade</b>	<b>100.84</b>	<b>97.96</b>	<b>96.22</b>

\* In US\$ Terms

\*\* Provisional



## 4.6 International Commodity Prices

Item	Dec 2014	Dec 2013	% Change	Dec 2014	Dec 2013	% Change
<b>Colombo Auction Price</b>	<b>US\$ / Kg</b>			<b>Rs / Kg</b>		
Tea Prices	3.37	3.81	-11.30	442.16	497.97	-11.20
<b>Imports (C I F)</b>	<b>US\$ / MT</b>			<b>Rs / MT</b>		
Rice	446.74	704.00	-36.50	58,532.13	92,102.85	-36.40
White Sugar	481.48	480.75	0.20	63,083.79	62,895.08	0.30
Wheat	300.95	310.85	-3.20	39,431.33	40,668.40	-3.00
	<b>US\$ / Barrel</b>			<b>Rs / Barrel</b>		
Crude Oil	75.98	112.13	-32.20	9,955.38	14,670.19	-32.10