

# Weekly Economic Indicators

22 May 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, remained unchanged at 0.1 per cent as recorded in the previous month, on an year-on-year basis, in April 2015. Annual average inflation declined from 2.5 per cent in March 2015 to 2.1 per cent in April 2015.

Core inflation, which reflects the underlying inflation in the economy, increased to 2.4 per cent in April 2015, from 1.4 per cent in March 2015 on an year-on-year basis. Annual average core inflation declined to 2.9 per cent in April 2015, from 3.0 per cent in March 2015.

The economy grew by 6.4 per cent in real terms during the fourth quarter of 2014, supported by the 8.5 per cent growth of the Industry sector and 6.7 per cent growth of the Services sector, while the Agriculture Sector contracted by 3.3 percent.

During the first two months of 2015 while tea production increased by 1.7 per cent, rubber and coconut production declined by -7.3 and -3.4 respectively.

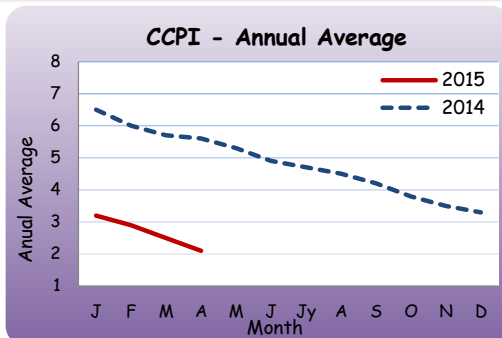
The FIPI increased by 10.6 per cent on a year-on-year basis in January 2015. This growth was mainly facilitated by increased production of beverages, tobacco and wearing apparel products sectors. They have recorded a significant growth of 23.1, 49.6 and 17.4 per cent respectively during this period. This was mainly attributed to increased domestic and international demand.

During the week crude oil spot prices showed mixed performance. At the beginning of the week, crude oil prices fell as signs that U.S. shale oil production was recovering after a recent price rally renewed concerns of a growing global supply glut. Rigs for drilling in the U.S. Permian shale basin rose last week for the first time this year after months of cutbacks. However, China's third rate cut in 6 months raised hopes that they will absorb more of the excessive supplies. Prices then increased after OPEC slightly raised its 2015 world oil demand growth forecast to 1.18 million barrels per day (bpd) and the U.S. government cut its 2015 forecast for crude output growth to 530,000 bpd from 550,000, and 2016 growth to 20,000 from 80,000. Further, Saudi-led air strikes in Yemen raised fears over the security of oil supplies in the Middle East. Towards the end of the week crude oil prices fell after a major U.S. oil producing state North Dakota posted a surprising output hike and ongoing high stockpiles were expected to weigh on import and production demand.

# REAL SECTOR

## 1.1 Price Indices

Item	April 2015	Month Ago	Year Ago
(2006 / 07 = 100)			
Colombo Consumers' Price Index (CCPI)	178.5	178.1	178.4
Annual Average Change %	2.1	2.5	5.6
Year - on - Year Change %	0.1	0.1	4.9
Core Inflation - ( CCPI )	176.1	173.9	171.9
Annual Average Change %	2.9	3.0	3.3
Year - on - Year Change %	2.4	1.4	3.4

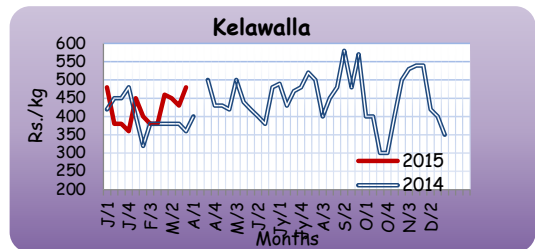
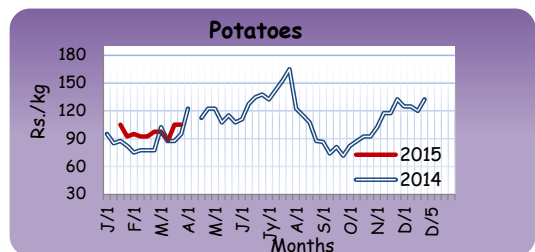
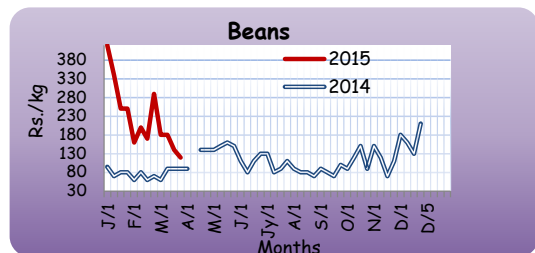
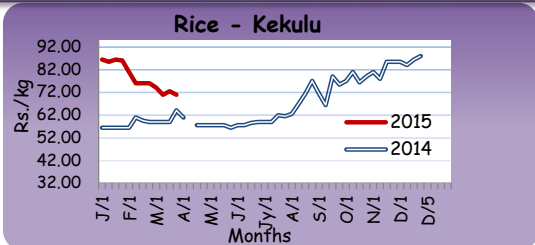


## 1.2 Pettah Market

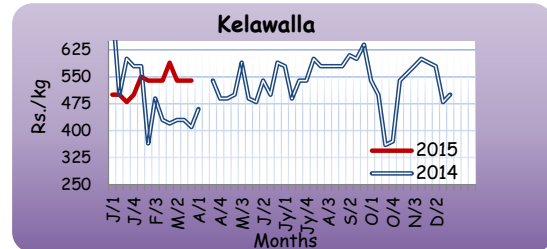
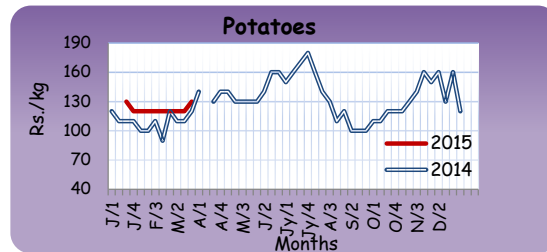
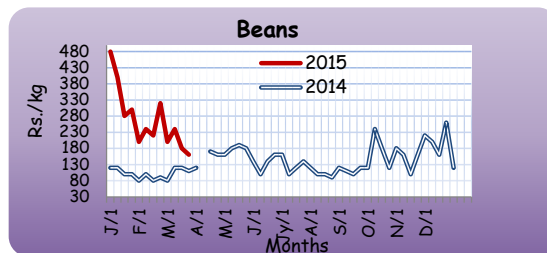
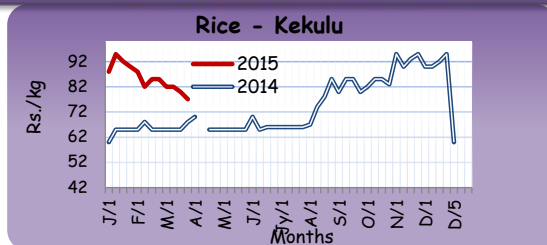
Item	Average Wholesale Prices				Average Retail Prices			
	Week Ending 21 <sup>st</sup> May 2015	Two Weeks Ago	Month Ago	Year Ago Annual Avg	Week Ending 21 <sup>st</sup> May 2015	Two Weeks Ago	Month Ago	Year Ago Annual Avg
	Rs / Kg				Rs / Kg			
<b>Rice</b>								
Samba	83.00	81.50	80.75	78.30	88.00	90.00	87.75	84.04
Kekulu (Red)	67.00	67.50	67.13	67.44	75.00	78.00	77.50	74.33
<b>Vegetables</b>								
Beans	120.00	130.00	98.75	113.17	160.00	160.00	127.50	140.96
Cabbage	50.00	50.00	47.50	61.65	80.00	90.00	80.00	90.96
Carrots	140.00	100.00	120.00	109.81	180.00	140.00	160.00	138.08
Tomatoes	25.00	50.00	55.00	90.77	50.00	90.00	87.50	122.31
Pumpkins	35.00	30.00	35.00	37.38	60.00	50.00	60.00	56.83
Snake Gourd	50.00	90.00	46.25	69.90	80.00	120.00	80.00	96.73
Brinjals	90.00	90.00	35.00	71.35	120.00	120.00	70.00	98.65
Ash-Plantains	50.00	70.00	67.50	73.65	80.00	100.00	100.00	95.96
<b>Other Foods</b>								
Red-Onions (Local)	112.50	65.00	63.75	79.55	140.00	100.00	100.00	109.59
Big-Onions (Local)	n.a	n.a	n.a.	75.42	n.a	n.a	n.a.	99.07
Potatoes (N'Eliya)	102.50	97.50	93.75	104.64	120.00	120.00	115.00	127.69
Dried Chilies (Imported)	215.00	210.00	208.00	193.24	240.00	240.00	250.00	230.38
Dhal (Indian)	172.00	177.00	154.25	140.94	190.00	190.00	168.75	159.23
Eggs (Red)	13.50	13.50	13.50	12.04	14.00	14.00	14.00	12.57
Coconut (Each)	41.00	45.50	47.50	38.63	55.00	55.00	61.25	50.10
<b>Fish*</b>								
Kelawalla	600.00	520.00	497.50	433.85	680.00	660.00	630.00	532.40
Balaya	380.00	330.00	300.00	295.00	480.00	390.00	370.00	349.04
Salaya	100.00	90.00	100.00	112.31	130.00	150.00	142.50	151.35
Paraw (Small)	500.00	580.00	475.00	435.58	580.00	680.00	552.50	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 21 <sup>st</sup> May 2015	
	Wholesale (Average)	Retail (Average)
<b>Rice</b>		
Samba	81.60	85.50
Kekulu (Red)	67.40	72.50
<b>Vegetables</b>		
Beans	119.00	156.00
Carrot	145.50	177.00
Tomatoes	31.00	61.00
Pumpkins	12.50	24.50
Snake Gourd	58.00	81.50
Ash-Plantains	42.50	68.00
<b>Other Foods</b>		
Red-Onions (Local)	78.00	102.00
Big-Onions (Local)	n.a.	n.a.
Potatoes (N'Eliya)	99.00	120.00
Dried Chilies(Imported)	214.50	260.00
Coconut (Each)	46.60	57.00

### 1.5 Maradaghamula Market

Average wholesale price of Rice				
Item (Rs / Kg)	Week Ending 22 <sup>nd</sup> May	Two Weeks Ago	Month Ago	Year Ago
Samba	78.40	78.60	76.58	75.74
Sudu Kekulu	62.20	61.90	62.50	69.11
Raw Red	67.40	69.10	72.84	67.25
Nadu	64.80	65.00	64.21	70.82

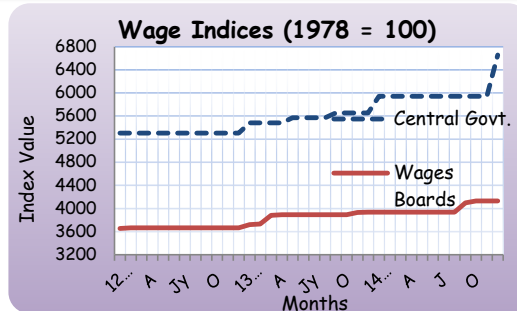
### 1.4 Narahenpita Economic Centre

Item (Rs / Kg)	Average Retail Prices	
	20 <sup>th</sup> May 2015	Two Weeks Ago
<b>Rice</b>		
Samba	91.67	88.00
Kekulu (Red)	71.67	75.00
<b>Vegetables</b>		
Beans	160.00	160.00
Cabbage	120.00	100.00
Carrots	193.33	160.00
Tomatoes	93.33	100.00
Pumpkins	60.00	60.00
Snake Gourd	140.00	140.00
Brinjals	120.00	120.00
Ash-Plantains	153.33	153.33
<b>Other Foods</b>		
Red-Onions (Imported)	140.00	120.00
Big-Onions (Imported)	110.00	120.00
Potatoes (Imported)	100.00	100.00
Dried Chilies (Imported)	243.33	253.33
Dhal (Indian)	183.33	166.67
Eggs (Red)(Each)	14.00	14.00
Coconut (Each)	56.67	55.00
<b>Fish</b>		
Kelawalla	780.00	790.00
Balaya	n.a.	n.a.
Salaya	158.33	108.33
Paraw (Small)	670.00	686.67

## 1.6 Wage rate Indices

Item	2015(a) Jan	2014 Jan	% Change
(1978 = 100)			
Central Government Employees (b)	6,653.0	5,939.0	12.0
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 (b) Non-executive officers and minor employees

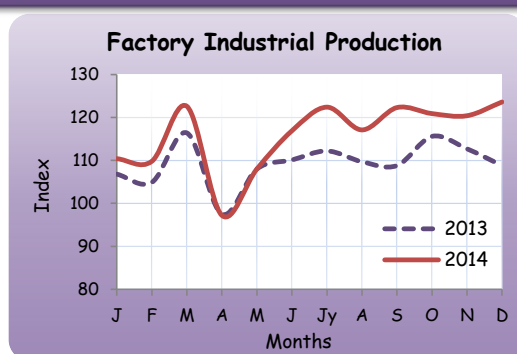


## 1.7 Factory Industry-Production (FIPI) ( 2010 = 100 ) (a)

Item	2015 (b) Jan	2014 Jan	% Change
<b>Factory Industry- Production Index</b>	<b>119.4</b>	<b>108.0</b>	<b>10.6</b>
Food products	100.5	94.6	6.2
Beverages	124.2	100.9	23.1
Tobacco products	103.9	69.4	49.6
Wearing apparel	161.4	137.5	17.4
Chemicals and chemical products	70.6	81.4	-13.2
Rubber and plastic products	132.7	132.6	0.1
Other non-metallic mineral products	108.4	104.4	3.8

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

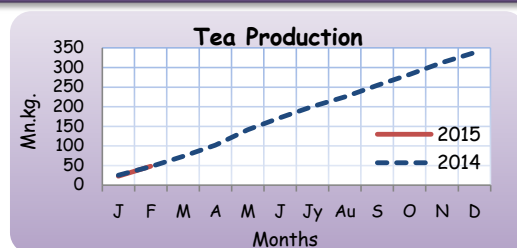
(b) Provisional



## 1.8 Agriculture Production

Item	Unit	2015(a) Jan - Feb	2014 Jan - Feb	% Change
Tea	(Mn Kg)	48.7	47.9	1.7
Rubber	(Mn Kg)	20.3	21.9	-7.3
Coconuts	(Mn Nuts)	449.4	465.0	-3.4

(a) Provisional



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

Item	2014(a) 4 <sup>th</sup> Quarter	2013 4 <sup>th</sup> Quarter	2014(a) Annual
Agriculture	-3.3	10.4	0.3
Industry	8.5	10.7	11.4
Services	6.7	6.5	6.5
<b>GDP</b>	<b>6.4</b>	<b>8.2</b>	<b>7.4</b>

(a)Provisional

Source: Department of Census and Statistics



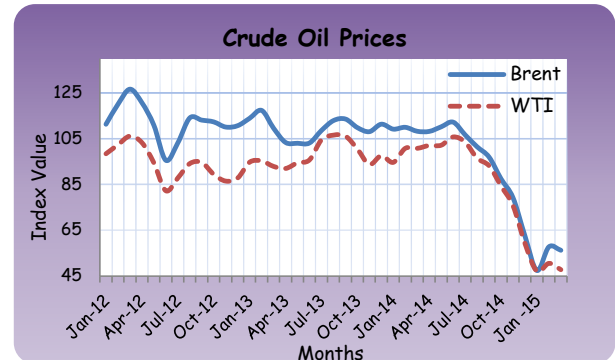
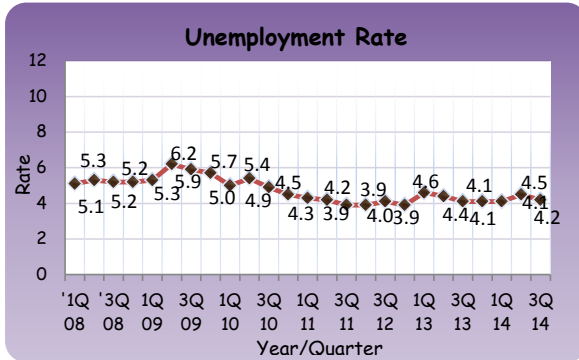
## 1.10 Employment (a)

Item	2014 (b) 4 <sup>th</sup> Quarter	2013 4 <sup>th</sup> Quarter	2014(b) Annual
Labour Force Participation rate	52.9	53.0	53.3
Unemployment rate	4.4	4.1	4.3
<b>Employed Persons by Sectors % (c)</b>			
Agriculture	30.4	30.6	28.5
Industry	25.4	25.2	26.5
Services	44.2	44.2	45.0

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

Source: Department of Census and Statistics

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



## 1.11 Average Crude Oil Prices

Month	2014			2015		
	Spot Prices (US \$/bbl)		CPC Import Prices (C&F) (US\$/bbl)(*)	Spot Prices (US \$/bbl)		CPC Import Prices (C&F) (US\$/bbl)(*)
	Brent (Benchmark price)	WTI (Benchmark price)		Brent (Benchmark price)	WTI (Benchmark price)	
January	109.21	94.71	113.84	47.46	47.11	55.47
February	110.01	100.82	110.62	57.81	50.58	69.52
March	108.28	100.82	111.17	56.30	47.82	-
April	108.22	102.07	110.25	59.32	54.45	-
May	110.22	102.18	109.80	-	-	-
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		
08 May	108.99	100.52		63.52	59.41	
11 May	-	-		62.52	59.23	
12 May	109.17	100.89		64.79	60.72	
13 May	109.58	102.01		66.03	60.50	
14 May	110.67	102.63		65.28	59.89	

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 22 May 2015 declined by 4 bps to 7.05 compared to the last week.

Broad money (M2b) expanded by 12.3 per cent in February 2015. NFA of the banking system declined by Rs. 3.3 billion in February 2015 compared to January 2015. NCG from the banking system showed an increase of Rs. 87.3 billion in February 2015 compared to January 2015, where credit to public corporations also showed an increase of Rs. 12.8 billion during the month. Credit extended to the private sector increased by Rs. 24.5 in February 2015 compared to January 2015.

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

The total outstanding market liquidity decreased to Rs. 107.08 bn by end of the week, compared to Rs. 116.94 bn by the end of last week.

By 22 May 2015, the All Share Price Index (ASPI) increased by 0.41 per cent to 7,289 points while the S&P SL 20 Index also increased by 0.41 per cent to 4,067 points, compared to the previous week.

# MONETARY SECTOR

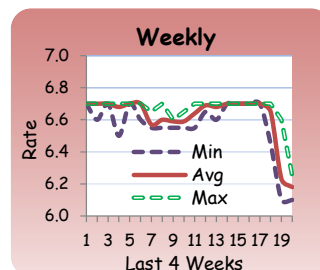
## 2.1 Interest Rates

Item	Week Ending 2015 May 22	Week Ago	Year Ago
Commercial Bank Average Weighted Prime Lending Rate (AWPR)	7.05	7.09	8.54
Treasury Bill Yield (Excluding 10% withholding tax)			
- 91 days	6.08	6.10	6.57
- 182 days	6.19	6.22	6.75
- 364 days	6.31	6.31	7.02
Standing Deposit Facility	6.00	6.00	6.50
Standing Lending Facility	7.50	7.50	8.00
Call Money Weekly Average (CMR)	6.11	6.13	6.95
Sri Lanka Inter Bank Offer Rate ( SLIBOR )			
1 day	6.13	6.12	6.99
7 days	6.31	6.30	7.42
1 Month	6.53	6.47	7.73
3 Months	6.77	6.69	8.01
6 Months	7.03	6.97	8.43
12 Months	7.32	7.24	8.90
Commercial Banks	January 2015	Month Ago	Year Ago
Saving Deposits -	0.50-8.00	0.50-8.00	0.75-9.00
One Year Fixed Deposits -	3.95-12.00	3.95-12.00	5.60-15.60
	Apr 2015	Month Ago	Year Ago
Commercial Bank Average Weighted Deposit Rate (AWDR)	5.83	5.83	8.06
Commercial Bank Average Weighted Fixed Deposit Rate (AWFDR)	6.87	6.87	9.91
	March 2015	Month Ago	Year Ago
Commercial Bank Average Weighted Lending Rate (AWLR)	11.50	11.62	14.44
NSB	January 2015	Month Ago	Year Ago
Saving Deposits -	5.00	5.00	5.00
One Year Fixed Deposits -	6.50	6.50	9.50
Treasury Bonds Auction	(7 y & 4 Months) 19/05/2015	(9 y & 10 Months) 19/05/2015	(8 Y & 5 Months) 26/03/2015
Coupon rate	10.00	10.25	11.20
Weighted Average Yield (Excluding 10% withholding tax)	-	9.01	9.73

Bankwise- AWPR	Week ending 2015 May 22	Week Ago
Bank of Ceylon	7.57	7.45
People's Bank	7.00	7.00
Hatton National Bank	7.35	7.55
Commercial Bank of Ceylon	6.85	6.88
Sampath Bank	7.20	7.36
Seylan Bank	7.11	7.43
Union Bank of Colombo	7.00	8.50
Pan Asia Banking Corporation	7.50	7.50
Nations Trust Bank	6.63	6.74
DFCC Vardhana Bank	7.59	7.59
NDB Bank	7.52	7.44
Amana Bank	8.00	8.00
Cargills Bank	7.50	7.51

Bankwise- AWPR	Week ending 2015 May 22	Week Ago
HSBC	6.73	6.73
Standard Chartered Bank	6.82	6.87
Citi Bank	6.76	7.85
Deutsche Bank	8.22	9.17
Habib Bank	6.16	6.16
Indian Bank	8.66	8.66
Indian Overseas Bank	9.16	9.16
MCB Bank	7.36	7.97
State Bank of India	8.87	8.87
Public Bank	7.09	7.09
ICICI Bank	8.44	8.44
Axis Bank	-	-

### Interest Rates - Call Money

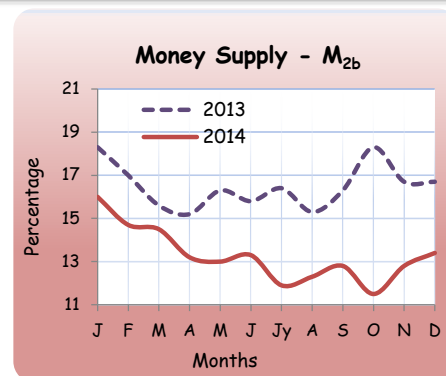
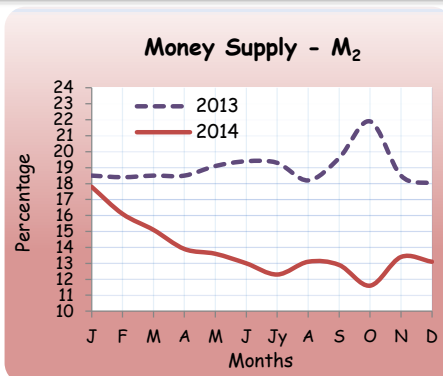
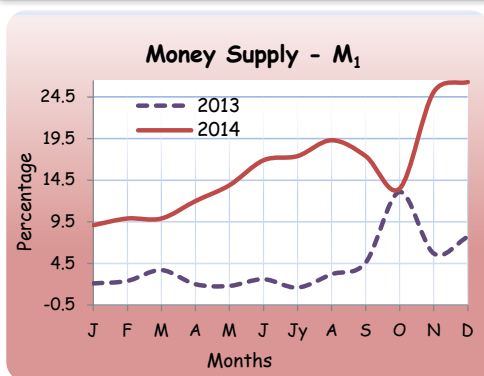




## 2.2 Money Supply

Item	Rs. Bn.			Annual Change (%)		
	2015 (a) February	Month Ago	Year Ago	2015 (a) February	Month Ago	Year Ago
M1	596.7	597.2	491.6	21.4	24.2	9.9
M2	3,492.6	3,467.6	3,120.2	11.9	12.1	16.1
M2b	3,926.6	3,896.0	3,495.4	12.3	12.6	14.7
Net Foreign Assets of the Banking System (b)	-121.6	-118.3	68.8	-276.8	-415.0	256.7
Monetary Authorities	618.8	613.4	618.7	0.0	16.4	60.6
Domestic Banking Units (DBUs)	-236.4	-245.8	-198.7	-19.0	-26.0	-56.1
Foreign currency Banking Units (FCBUs)	-504.0	-485.9	-351.3	-43.5	-36.9	-16.3
Net Domestic Assets of the Banking System (b)	4,048.2	4,014.3	3,426.6	18.1	15.2	10.8
DBUs	3,392.5	3,377.3	2,941.9	15.3	12.6	10.8
FCBUs	655.8	637.0	484.7	35.3	31.5	11.0
Net Credit to Government	1,644.8	1,557.5	1,344.6	22.3	13.7	20.5
Monetary Authorities	245.8	240.9	162.1	51.7	54.2	-33.9
DBUs	1,120.4	1,061.3	989.2	13.3	4.1	35.7
FCBUs	278.6	255.3	193.3	44.1	32.0	36.8
Credit to Corporations	481.7	468.9	339.8	41.8	30.8	13.3
DBUs	199.1	193.5	133.5	49.1	19.3	40.2
FCBUs	282.6	275.4	206.3	37.0	40.3	0.8
Credit to the Private Sector	2,803.7	2,779.2	2,490.7	12.6	11.5	4.4
DBUs	2,545.4	2,519.7	2,283.6	11.5	10.3	4.3
FCBUs	258.3	259.4	207.1	24.7	25.0	5.3
Reserve Money	583.0	576.1	494.6	17.9	18.7	1.6

(a) Provisional (b) In relation to M2b

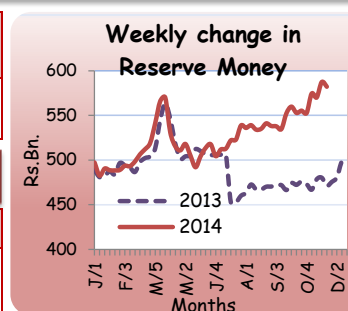


## 2.3 Weekly change in Reserve Money

Item	21 May 2015	Week Ago	Change
Reserve Money (Rs.Mn.)	592,539	605,043	-12,504

## 2.4 Money Market Activity (Overnight)

Item	18.05.2015	19.05.2015	20.05.2015	21.05.2015	22.05.2015
<b>Call Money Market</b>					
Weighted Average Rate (% p.a.)	6.12	6.12	6.12	6.11	6.11
Gross Volume (Rs. Mn)	5,180	8,150	10,250	8,425	6,820
<b>Repo Market</b>					
Weighted Average Rate (% p.a.)	5.82	5.78	5.79	5.79	5.80
Gross Volume (Rs. Mn)	4,156	2,250	2,585	8,812	9,596



## 2.5 CBSL Security Portfolio

Item	18.05.2015	19.05.2015	20.05.2015	21.05.2015	22.05.2015
CBSL T-Bill Holding (Rs. Mn)	60,275	60,288	60,301	60,314	48,654

## 2.6 Open Market Operations

Item	18.05.2015	19.05.2015	20.05.2015	21.05.2015	22.05.2015
<b>Short-Term Auction</b>					
Repo Amount Offered (Rs. bn)	0.00	0.00	0.00	0.00	0.00
Reverse Repo Amount Offered (Rs. bn)	0.00	0.00	0.00	0.00	0.00
Tenure (No. of Days)	0	0	0	0	0
Bids Received (Rs. bn)	0.00	0.00	0.00	0.00	0.00
Amount Accepted (Rs. bn)					
Weighted Average Yield Rate (% p.a.)	0.00	0.00	0.00	0.00	0.00
<b>Term Auction</b>					
Repo Amount Accepted (Rs. bn)	0.00	0.00	0.00	0.00	0.00
Reverse Repo Amount Accepted (Rs. bn)	0.00	0.00	0.00	0.00	0.00
<b>Standing Facility</b>					
Standing Deposit Facility (Rs. bn)	126.44	126.10	123.52	122.54	107.08
Standing Lending Facility (Rs. bn)	0.00	0.00	0.00	0.00	0.00
<b>Total Outstanding Market Liquidity (Rs. bn)</b>	<b>126.44</b>	<b>126.10</b>	<b>123.52</b>	<b>122.54</b>	<b>107.08</b>

## 2.7 Credit Cards (a)

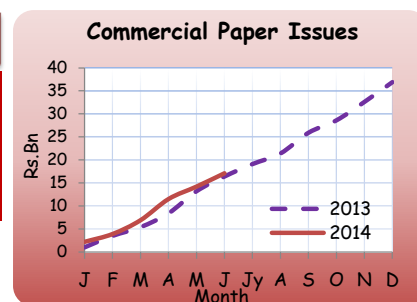
Item	2014 (b) End Dec	2014 End Nov	2013 End Dec
<b>Total Number of Active Cards</b>	1,032,833	1,017,947	951,625
Local (accepted only locally)	32,874	33,062	35,990
Global (accepted globally)	999,959	984,885	915,635
<b>Outstanding balance (Rs. Mn.)</b>	<b>57,621</b>	<b>55,533</b>	<b>51,172</b>
Local (accepted only locally)	1,234	1,212	1,260
Global (accepted globally)	56,387	54,321	49,913

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

## 2.8 Commercial Paper Issues (a)

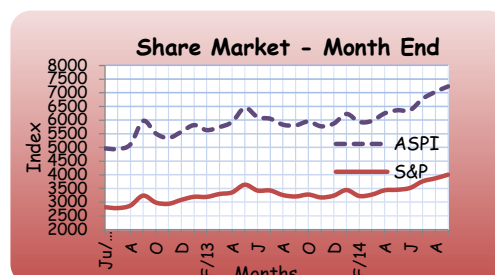
Item (Rs. bn.)	2014 End Dec(b)	2014 End Nov	2013 End Dec
Total Issues - Cumulative	8.2	7.7	28.3
Outstanding (as at end of the period)	3.5	3.5	7.4

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



## 2.9 Share Market

Item	Week Ending 22 May 2015	Week Ago	Year Ago
All Share Price Index (1985 = 100) (ASPI)	7,289	7,259	6,290
S & P Sri Lanka 20 Index (S&P SL20)	4,067	4,051	3,465
Average Daily Turnover (Rs. Mn)	1,477	1,853	835
Market Capitalisation (Rs.Bn.)	3,096	3,083	2,634



## Fiscal Sector

Total government revenue, as a percentage of GDP, declined to 12.2 per cent in 2014 from 13.1 per cent in the previous year, while tax revenue as a percentage of GDP declined significantly to 10.7 per cent from 11.6 per cent in 2013. Non tax revenue as a percentage of GDP remained unchanged at 1.5 per cent. However, total revenue in nominal terms, increased by 5.1 per cent to Rs. 1,195.2 billion in 2014 from Rs. 1,137.4 billion in 2013. Non tax revenue in nominal terms increased to Rs. 144.8 billion by 10.1 per cent in 2014 in contrast to the decline of 7.7 per cent in the previous year.

Total expenditure and net lending as a percentage of GDP declined to 18.3 per cent in 2014 from 19.2 per cent in 2013. The decline in total expenditure and net lending was a combined outcome of the reduction in recurrent expenditure by 0.4 percentage points to 13.5 per cent of GDP and capital expenditure and net lending by 0.6 percentage points to 4.8 per cent of GDP. However, in nominal terms total expenditure and net lending increased by 7.6 per cent to Rs. 1,795.9 billion in 2014 from Rs. 1,669.4 billion in 2013.

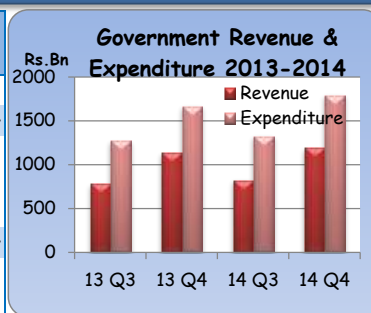
The declining trend in the government debt to GDP ratio continued in 2014. The total government debt to GDP ratio declined to 75.5 per cent from 78.3 per cent at end 2013. In nominal terms, total debt increased by Rs. 597.6 billion to Rs. 7,390.9 billion as at end 2014 from Rs. 6,793.2 billion at end 2013. Foreign debt increased by Rs. 152.7 billion to Rs. 3,113.1 billion, while domestic debt increased by Rs. 445 billion to Rs. 4,277.8 billion.

Several measures were introduced to increase revenue from VAT and NBT. Accordingly, the base of VAT and NBT was further broadened to enhance tax collection. Tax structure on motor vehicles, cigarettes and liquor was further simplified to enhance the revenue collection by removing several taxes at the point of import. SCL was revised from time to time during the year, providing necessary protection for domestic agricultural producers while reducing volatility in commodity prices in the domestic market. The income tax structure for Small and Medium scale Enterprises (SMEs) was further streamlined, while providing concessions for professionals.

# FISCAL SECTOR

## 3.1 Government Finance (Rs.bn)

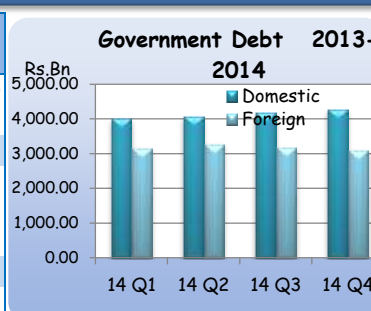
Item	2014 (a)	2013
<b>Revenue and Grants</b>	<b>1,204.6</b>	<b>1,153.3</b>
<b>Revenue</b>	<b>1,195.2</b>	<b>1,137.4</b>
Tax	1,050.4	1,005.9
Non tax	144.8	131.6
<b>Grants</b>	<b>9.4</b>	<b>15.9</b>
<b>Expenditure &amp; Lending Minus Repayments</b>	<b>1,795.9</b>	<b>1,669.4</b>
Current	1,322.9	1,205.2
Capital & Lending Minus Repayments	473.0	464.2



(a) Provisional

## 3.2 Government Debt (Rs.bn)

Item	2014(a)	2013
<b>Total domestic debt</b>	<b>4,277.8</b>	<b>3,832.8</b>
of which		
Treasury bills	694.8	700.1
Treasury bonds	2,844.1	2,452.4
Rupee loans	55.5	55.5
<b>Total foreign debt</b>	<b>3,113.1</b>	<b>2,960.4</b>
<b>Total outstanding govt. debt</b>	<b>7,390.9</b>	<b>6,793.2</b>



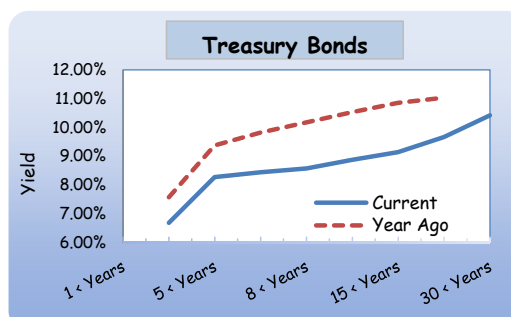
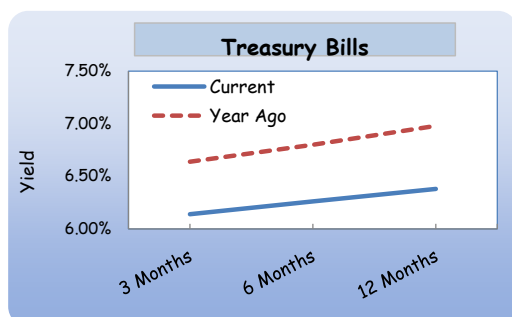
(a) Provisional

## 3.3 Government Securities - Primary and Secondary Market Yield Rates as for the week ending - 20<sup>th</sup> May 2015

Security	Maturity	Primary Market(a)		Secondary Market			
		This Week	Last Week	This Week			Last Week
				Buying	Selling	Average	
Treasury Bills	3 Months	6.08%	6.10%	6.14%	6.00%	6.07%	6.14%
	6 Months	6.19%	6.22%	6.24%	6.11%	6.17%	6.26%
	12 Months	6.31%	6.31%	6.36%	6.23%	6.30%	6.38%
Treasury Bonds	2 < Years	-	-	6.70%	6.59%	6.64%	6.68%
	5 < Years	-	8.15%	8.25%	8.15%	8.20%	8.27%
	6 < Years	-	-	8.42%	8.34%	8.38%	8.44%
	8 < Years	-	-	8.57%	8.46%	8.51%	8.58%
	10 < Years	9.01%	-	8.90%	8.81%	8.85%	8.88%
	15 < Years	-	-	9.20%	9.06%	9.13%	9.14%
	20 < Years	-	-	9.74%	9.57%	9.66%	9.66%
30 < Years	-	-	10.38%	10.17%	10.28%	10.42%	

(a) Primary market transactions during the week ending 13/5/2015

The secondary market yield rates of T-bonds and T-bills marginally declined during the week compared against yield rates of the previous week.



### 3.4 Government Securities - Weekly Summary of Primary and Secondary Market Transactions (Week Ended - 20<sup>th</sup> May 2015 )

Item	Volume in Rs Mn	
	This Week	Last Week
Outstanding Stock of Government Securities		
Treasury Bills	833,247.31	827,223.80
Treasury Bonds (a)	3,465,343.03	3,458,843.03
<b>Total</b>	<b>4,298,590.34</b>	<b>4,286,066.83</b>
Government Securities held by Foreigners	452,363.14	455,612.99
Sri Lanka Development Bonds (SLDB)	473,857.46	473,504.63

Outstanding stock of T-Bills and T-bonds increased with new issuances during the week.

Primary Market Activities	Volume in Rs Mn	
	This Week	Last Week
<b>Treasury Bills</b>		
Amount Offered	20,000.00	26,000.00
Total Bids Received	63,906.00	77,398.00
Total Bids Accepted	28,311.00	38,882.00
<b>Treasury Bonds</b>		
Amount Offered	4,000.00	10,000.00
Total Bids Received	26,210.00	38,975.00
Total Bids Accepted	3,290.00	6,500.00

T-bill and T-bond auctions were substantially oversubscribed during the week by 3.2 times and 6.6 times respectively, as the preference for government securities continued.

Secondary Market Activities	Volume in Rs Mn	
	This Week	Last Week
<b>Treasury Bills</b>		
Outright Transaction (Sales / Purchases)	33,202.84	27,157.80
Repo Transaction (Sales / Purchases)	143,364.59	159,819.04
<b>Treasury Bonds</b>		
Outright Transaction (Sales / Purchases)	86,937.72	63,785.54
Repo Transaction (Sales / Purchases)	712,402.67	721,992.97

Increased activities were observed in secondary market outright 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) - 22/05/2015

Remaining Maturity	Average Buying Price	Yield %	Average Selling Price	Yield %	Buying & Selling Spread
1-7 Days	99.88	6.05	99.89	5.80	0.00
1 Month	99.50	6.09	99.52	5.90	0.02
2 Month	98.99	6.12	99.02	5.95	0.03
3 Month	98.49	6.12	98.52	5.98	0.03
4 Month	97.97	6.18	98.02	6.02	0.05
5 Month	97.45	6.22	97.51	6.05	0.07
6 Month	96.93	6.24	96.99	6.11	0.06
7 Month	96.39	6.28	96.46	6.16	0.07
8 Month	95.82	6.36	95.93	6.19	0.11
9 Month	95.29	6.36	95.41	6.20	0.12
10 Month	94.57	6.62	94.91	6.21	0.34
11 Month	94.01	6.64	94.38	6.23	0.37
12 Month	93.44	6.67	93.86	6.24	0.43

### 3.6 Two way Quotes (Treasury Bonds)- 22/05/2015

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
06.20%2015B	4	15-Jun-15	24	100.00	6.10	100.01	5.91	0.01
06.50%2015A	5	15-Jul-15	54	100.03	6.16	100.05	6.02	0.02
11.00%2015A	6	1-Aug-15	71	100.85	6.38	100.88	6.25	0.03
11.00%2015B	6	1-Sep-15	102	101.22	6.36	101.26	6.23	0.04
12.50%2015A	2	20-Sep-15	121	101.93	6.36	101.97	6.24	0.04
08.50%2015A	3	1-Nov-15	163	100.92	6.34	100.97	6.21	0.06
07.25%2016A	6	1-Apr-16	315	100.55	6.56	100.70	6.39	0.14
08.00%2016B	4	1-Jun-16	376	101.29	6.68	101.38	6.59	0.09
06.40%2016A	6	1-Aug-16	437	99.70	6.65	99.85	6.53	0.14
08.00%2016A	5	1-Sep-16	468	101.38	6.84	101.54	6.71	0.16
06.40%2016B	6	1-Oct-16	498	99.38	6.87	99.48	6.80	0.09
08.00%2017A	5	1-Jan-17	590	101.52	6.98	101.66	6.89	0.13
05.80%2017A	6	15-Jan-17	604	98.25	6.93	98.34	6.88	0.09
08.25%2017A	3	1-Mar-17	649	101.91	7.08	102.04	7.00	0.13
08.75%2017A	4	15-May-17	724	103.07	7.06	103.30	6.94	0.23
08.00%2017B	5	15-Jun-17	755	101.41	7.25	101.59	7.16	0.18
05.80%2017B	6	15-Jul-17	785	97.00	7.33	97.21	7.22	0.21
08.50%2018A	15	1-Feb-18	986	102.60	7.41	102.85	7.31	0.24
08.50%2018C	5	1-Apr-18	1,045	101.99	7.71	102.20	7.62	0.21
08.50%2018D	5	1-Jun-18	1,106	101.96	7.76	102.16	7.69	0.20
08.50%2018B	15	15-Jul-18	1,150	101.99	7.77	102.27	7.67	0.28
07.50%2018A	15	15-Aug-18	1,181	98.76	7.93	99.04	7.84	0.28
08.00%2018A	6	15-Nov-18	1,273	100.13	7.96	100.32	7.89	0.19
05.65%2019A	8	15-Jan-19	1,334	93.27	7.80	93.46	7.74	0.19
08.50%2019A	10	1-May-19	1,440	101.92	7.92	102.23	7.83	0.30
10.60%2019A	5	1-Jul-19	1,501	108.14	8.22	108.42	8.14	0.27
10.60%2019B	5	15-Sep-19	1,577	108.66	8.17	109.01	8.08	0.35
08.00%2019A	8	1-Nov-19	1,624	99.70	8.08	100.10	7.97	0.40
09.25%2020A	5	1-May-20	1,806	103.09	8.47	103.49	8.37	0.41
08.00%2020A	8	1-Jun-20	1,837	98.88	8.28	99.32	8.17	0.44
06.20%2020A	10	1-Aug-20	1,898	91.37	8.27	91.75	8.18	0.39
09.00%2021A	8	1-May-21	2,171	102.02	8.56	102.35	8.49	0.33
11.00%2021A	7	1-Aug-21	2,263	112.09	8.45	112.54	8.36	0.45
08.00%2022A	10	1-Jan-22	2,416	97.30	8.54	97.81	8.44	0.51
11.20%2022A	9	1-Jul-22	2,597	113.61	8.60	114.20	8.49	0.59
10.00%2022A	8	1-Oct-22	2,689	107.22	8.65	107.69	8.57	0.47
09.00%2023A	10	1-Sep-23	3,024	102.06	8.64	102.95	8.49	0.89
11.20%2023A	9	1-Sep-23	3,024	114.15	8.76	114.60	8.69	0.44
07.00%2023A	20	1-Oct-23	3,054	89.28	8.84	89.83	8.74	0.54
11.40%2024A	10	1-Jan-24	3,146	114.50	8.95	115.16	8.84	0.66
06.00%2024A	10	1-Dec-24	3,481	81.21	8.98	81.63	8.90	0.42
10.25%2025A	10	15-Mar-25	3,585	107.98	9.00	108.56	8.92	0.58
09.00%2025A	12	1-May-25	3,632	99.83	9.03	100.15	8.98	0.32
09.00%2026A	13	1-Feb-26	3,908	99.08	9.13	99.98	9.00	0.90
05.35%2026A	15	1-Mar-26	3,936	74.15	9.18	74.85	9.05	0.70
11.00%2026A	11	1-Jun-26	4,028	112.12	9.23	113.05	9.10	0.93
09.00%2028B	15	1-May-28	4,728	98.31	9.23	99.80	9.03	1.49
09.00%2028A	15	1-Jul-28	4,789	96.88	9.42	98.23	9.23	1.35
13.00%2029A	15	1-Jan-29	4,973	127.39	9.39	128.77	9.24	1.37
13.00%2029B	15	1-May-29	5,093	122.55	9.97	124.21	9.78	1.66
08.00%2032A	20	1-Jan-32	6,068	85.24	9.82	86.21	9.68	0.97
09.00%2032A	20	1-Oct-32	6,342	94.29	9.68	97.42	9.30	3.13
09.00%2033A	20	1-Jun-33	6,585	94.49	9.65	95.10	9.58	0.61
13.25%2033A	20	1-Jul-33	6,615	129.21	9.78	130.50	9.65	1.29
09.00%2033B	20	1-Nov-33	6,738	92.43	9.90	93.42	9.78	1.00
13.25%2034A	20	1-Jan-34	6,799	127.95	9.93	129.24	9.80	1.29
11.50%2035A	20	15-Mar-35	7,237	112.21	10.06	113.15	9.96	0.94
09.00%2043A	30	1-Jun-43	10,237	85.54	10.63	87.32	10.40	1.78
13.50%2044A	30	1-Jan-44	10,451	123.03	10.87	126.46	10.55	3.43
13.50%2044B	30	1-Jun-44	10,603	124.62	10.73	125.98	10.6	1.37
12.50%2045A	30	1-Mar-45	10,876	113.03	11.00	116.41	10.66	3.38



## External Sector

During the year so far (up to 22 May 2015) the rupee depreciated against the US dollar (1.98 per cent). Given the cross currency exchange rate movements, the Sri Lanka rupee appreciated against the euro (7.09 per cent) and depreciated against the pound sterling (2.64 per cent), the Japanese yen (0.70 per cent) and the Indian rupee (1.65 per cent) during this period.

Cumulative export earnings during the first two months of 2015 amounted to US dollars 1,801 million with an increase of 3.1 per cent mainly led by industrial products, particularly petroleum products and textiles and garments. Meanwhile, earnings from agricultural exports recorded a marginal increase during the period, with significant increase in exports of spices and coconut products amidst the decline in exports of sea food and tea.

The reduction in import price index year-on-year, over the decline in export price index resulted in an improvement of 5.7% in the terms of trade in January 2015.

In line with the significant price reduction recorded for some key commodities in international markets such as petroleum products and wheat and maize, the import price index declined by 14.5% in January 2015.

The export price index decreased by 9.6%, mainly due to decrease of prices of tea, rubber, spices, petroleum products etc over the increase in prices of textiles and garments, gems, diamonds and jewellery.

India, China, UK, Germany and France were the top five sources of tourist arrivals in April 2015, accounting for 49.0 per cent of total tourist arrivals upto the month of April 2015.

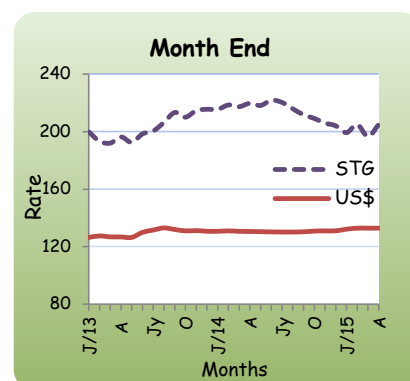
The average price of tea in the Colombo auction decreased in February 2015 compared to the corresponding month of 2014, mainly due to subdued demand from main export markets such as Russia.

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

# EXTERNAL SECTOR

## 4.1 Exchange Rates

Item (Rs Per Unit)(a)	Week Ending - 22 May 2015			Average Rate	
	Buying Rate	Selling Rate	Average Rate	Week Ago	Year Ago
US\$	133.35	136.19	134.77	134.57	130.34
STG	208.26	214.19	211.23	212.24	220.13
Yen	1.10	1.13	1.12	1.13	1.29
Euro	147.50	152.37	149.94	153.50	178.20
INR <sup>(1)</sup>			2.10	2.10	2.22
SDR (As at 21 May 2015)			188.04	188.89	201.40
<b>Central Bank purchases and sales(b) (US\$ Mn. )</b>			<b>April 2015</b>	<b>Month Ago</b>	<b>Year Ago</b>
Purchases			60.50	18.10	257.60
Sales			159.50	101.65	11.75



	Week Ending 22 May 2015	Week Ago	Year Ago
Average Daily Interbank Volume (US\$ Mn.) (spot, tom and cash transactions among commercial banks)	22.00	25.09	55.45
<b>Forward Transactions</b>			
Forward Rates (US\$) <sup>(2)</sup>			
1 Month	134.16	134.11	130.85
3 Months	135.92	135.50	131.79
Average Daily Interbank Forward Volume (US\$ mn)	23.30	28.30	33.59
Outstanding Forward Volume (US\$ mn) (As at 21 May 2015)	1,210.58	1,160.58	991.31

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

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

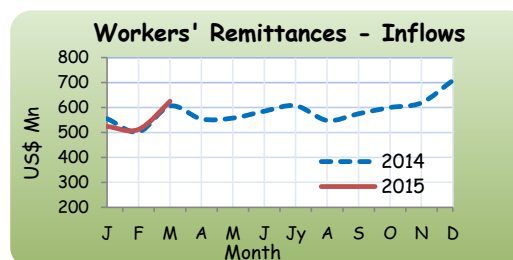
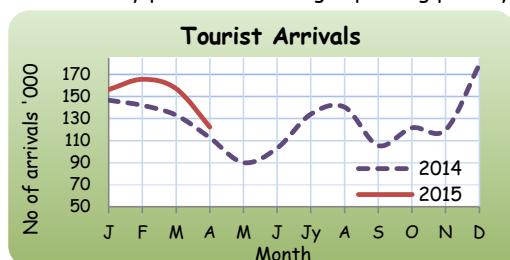
(1) Central Bank indicative rate (2) Weekly average based on actual transactions.

## 4.2 Tourism & Workers' Remittances

Item		2014	2015	2014	2015(b)	% Change
		April (a)	Apr (b)(c)	Jan-Apr(a)	Jan-Apr(c)	
Tourist Arrivals	Number	112,631	122,217	534,132	601,055	12.5
Earnings from Tourism	US\$ Mn.	179.3	194.6	850.3	956.80	12.5
	Rs.bn.	23.4	25.9	111.1	126.8	14.1
Workers' Remittances (Inflows)	US\$ Mn. Rs. bn.	2014	2015	2014	2015 Jan-	% Change
		March	March(b)	Jan-Mar	Mar(b)	
		605.9	625.5	1,663.4	1,660.7	-0.2
		79.1	83.1	217.4	219.9	1.1

(a) Revised

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



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

Official Reserve Assets (USD Mn)	7,432.99
(1) Foreign currency reserves	6,506.57
(2) Reserve position in the IMF	67.30
(3) SDRs	8.90
(4) Gold	849.30
(5) Other reserve assets	0.92

(a) Provisional

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

Official Reserve Assets (USD mn)	
<b>Official Reserve Asset<sup>(b)</sup></b>	<b>6,819.55</b>
(1) Foreign currency reserves	5,894.96
(a) Securities	3,196.52
(b) Total currency and deposits with	2,698.44
(i) other national central banks, BIS	1,297.43
(ii) banks headquartered inside the reporting country of which located abroad	0.99
(iii) banks headquartered outside the reporting country of which located in the reporting country	1,400.02
(2) Reserve position in the IMF	66.02
(3) SDRs	8.85
(4) Gold	848.8
(5) Other reserve assets	0.92

#### 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	-3,025.54	-58.52	-779.95	-2,187.07
Interest	-996.12	-96.11	-43.86	-856.14
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>	-2,215.33	-820.40	-342.00	-1,052.93
(b) Long positions (+)				
3. Other (specify)	-0.12	-0.12		
inflows related to reverse repos (+)				
other accounts payable (-)	-0.12	-0.12		

(a) Provisional

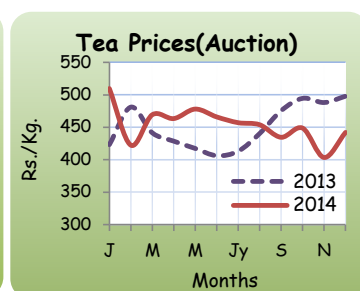
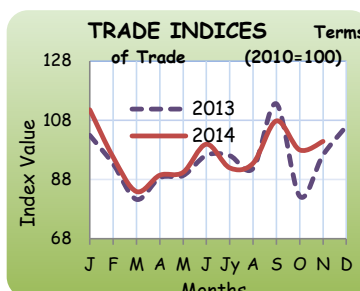
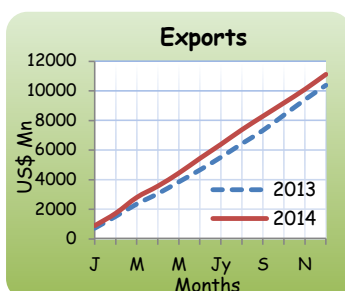
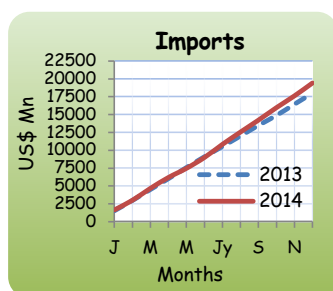
(b) By end March 2015, the gross official reserves were equivalent to 4.2 months of imports

(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-Feb 2014	Jan-Feb 2015	% Change	Jan-Feb 2014	Jan-Feb 2015	% Change
<b>Exports</b>	<b>1.7</b>	<b>1.8</b>	<b>3.1</b>	<b>228.4</b>	<b>238.0</b>	<b>4.2</b>
Agricultural	0.4	0.4	0.1	52.9	53.5	1.2
Industrial	1.3	1.4	3.9	174.6	183.3	5.0
Food, Beverages and Tobacco	0.1	0.0	-24.3	7.3	5.6	-23.5
Textiles and Apparel	0.8	0.8	2.7	105.7	109.7	3.7
Petroleum Products	0.1	0.1	44.8	8.2	12.0	46.1
Leather, Rubber etc	0.2	0.2	-3.7	21.4	20.8	-2.7
Other	0.2	0.3	8.8	32.1	35.3	10.0
Mineral	0.0	0.0	59.0	0.6	0.9	60.8
Other	0.0	0.0	5.8	0.3	0.3	6.9
<b>Imports</b>	<b>3.1</b>	<b>3.2</b>	<b>4.4</b>	<b>402.2</b>	<b>424.2</b>	<b>5.5</b>
Consumer Goods	0.5	0.7	57.1	62.4	99.1	58.7
Intermediate Goods	1.9	1.7	-14.5	253.4	218.8	-13.7
Investment Goods	0.7	0.8	22.1	86.2	106.2	23.3
Other	0.0	0.0	-25.8	0.2	0.2	-25.1
<b>Trade Balance</b>	<b>-1.3</b>	<b>-1.4</b>	<b>6.0</b>	<b>-173.9</b>	<b>-186.2</b>	<b>7.1</b>

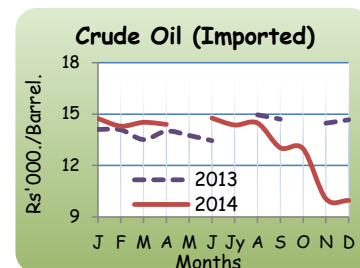
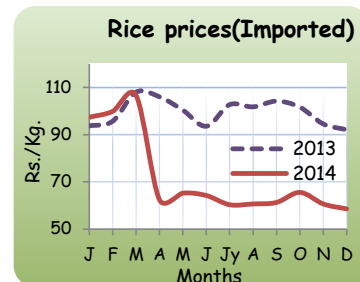


## 4.5 Trade Indices (2010= 100 ) (a)

Item	2015		
	Jan(b)	Month Ago	Year Ago
<b>Total Exports</b>			
Value	126.62	139.89	125.81
Quantity	119.78	123.51	107.60
Unit Value	105.71	113.26	116.92
<b>Total Imports</b>			
Value	150.50	160.87	148.16
Quantity	165.68	158.15	139.45
Unit Value	90.84	101.72	106.24
<b>Terms of Trade</b>	116.37	111.35	110.05

(a) In US\$ Terms

(b) Provisional



## 4.6 International Commodity Prices

Item	Feb 2014	Feb 2015	% Change	Feb 2014	Feb 2015	% Change
	<b>Colombo Auction Price</b>	US\$ / Kg			Rs / Kg	
Tea Prices	3.68	3.14	-14.6	481.15	416.90	-13.4
<b>Imports (C I F)</b>	US\$ / MT			Rs / MT		
Rice	763.56	474.00	-37.9	99,889.17	62,913.62	-37.0
White Sugar	459.93	450.50	-2.1	60,168.58	59,794.10	-0.6
Wheat	312.84	326.45	4.3	40,925.91	43,329.20	5.9
	US\$ / Barrel			Rs / Barrel		
Crude Oil	110.62	69.52	-37.2	14,471.53	9,226.91	-36.2