

# Weekly Economic Indicators

08 July 2016



Statistics Department

# Real Sector

Inflation, as measured by the change in the National Consumer Price Index (NCPI) (2013=100), which is compiled by the Department of Census and Statistics, increased to 5.3 per cent in May 2016 from 4.3 per cent in April 2016, on year-on-year basis. Both Food and all Non-food categories except for the Housing, Water, Electricity, Gas, and Other Fuels sub-category contributed towards the year-on-year inflation. The change in the NCPI measured on an annual average basis increased to 2.7 per cent in May 2016 from 2.6 per cent in April 2016. When the monthly change is considered, the NCPI increased by 1.9 per cent from April 2016 to May 2016. This monthly increase was mainly due to the increase in prices of the items in the Non-food category. Core inflation, which reflects the underlying inflation in the economy increased to 7.2 per cent in May 2016 from 5.9 per cent in April 2016, on a year-on-year basis. Annual average NCPI Core inflation increased to 5.0 per cent in May 2016 from 4.7 per cent in April 2016.

Inflation, as measured by the change in the Colombo Consumers' Price Index (CCPI) (2006/07=100) compiled by the Department of Census and Statistics increased to 6.0 per cent in June 2016 from 4.8 per cent in May 2016, on an year-on-year basis. Annual average inflation increased to 2.2 per cent in June 2016 from 1.7 per cent in May 2016. The monthly change in CCPI in June 2016 was 2.1 per cent. Core CCPI decreased to 6.4 per cent in June 2016 from 6.6 per cent in May 2016, on an year-on-year basis. Annual average core CCPI increased to 4.8 per cent in June 2016 from 4.5 per cent in May 2016.

The GDP grew by 5.5 per cent in real terms in first quarter of 2016, mainly attributable to 4.9 per cent, 8.3 per cent and 1.9 per cent growth in Services activities, Industry activities and Agriculture activities, respectively, in value added terms.

The production of tea and rubber has recorded a decline of 12.9 per cent and 2.6 per cent respectively during the first four months of 2016. However, the coconut production has recorded an increase of 5.1 per cent during the similar period.

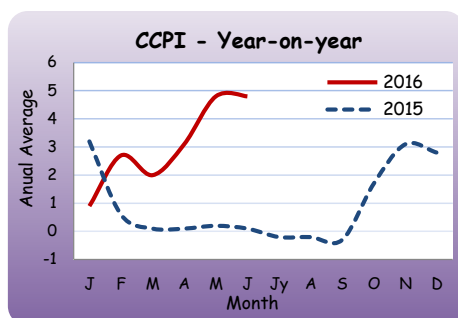
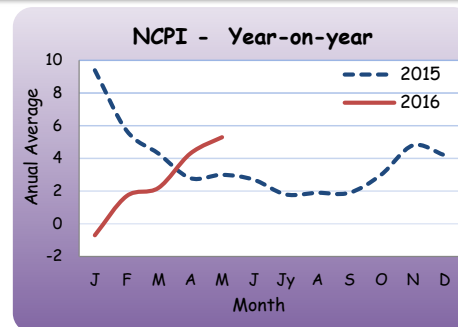
The FIPI increased by 3.4 per cent on a year-on-year basis in March 2016. This growth was mainly facilitated by increased production of tobacco products, other non-metallic mineral products and rubber and plastic products sectors. They have recorded significant growths of 19.9, 8.5 and 7.3 per cent respectively during this period. This was mainly attributed to increased domestic and international demand.

During the week, crude oil spot prices showed a mixed performance. At the beginning of the week prices rose supported by comments from the Saudi energy minister saying the oil market is heading towards balance and that prices are starting to settle. Subsequently, prices fell as economic concerns took centre stage. British bank Barclays said that the deterioration in the global economic outlook, financial market uncertainty and ripple effects on key areas of oil demand growth are likely to aggravate already lackluster industrial demand growth trends, while JP Morgan said that macro-economic risks may weigh on oil prices. Prices again rose after the American Petroleum Institute (API) reported U.S. crude stockpiles fell by 6.7 million barrels, declining for the seventh consecutive week.

# REAL SECTOR

## 1.1 Price Indices

Item	May 2016	Month Ago	Year Ago
<b>(2013 = 100)</b>			
National Consumer Price Index (NCPI)	113.7	111.6	108.0
Monthly Change %	1.9	1.5	0.9
Year - on - Year Change %	5.3	4.3	3.0
Annual Average Change %	2.7	2.6	-
Core Inflation - ( NCPI )	117.5	115.7	109.6
Annual Average Change %	5.0	4.7	-
Year - on - Year Change %	7.2	5.9	4.0
Item	June 2016	Month Ago	Year Ago
<b>(2006 / 07 = 100)</b>			
Colombo Consumers' Price Index (CCPI)	192.5	188.5	181.6
Annual Average Change %	2.2	1.7	1.7
Year - on - Year Change %	6.0	4.8	0.1
Core Inflation - ( CCPI )	188.8	188.1	177.5
Annual Average Change %	4.5	4.5	2.8
Year - on - Year Change %	6.6	6.6	2.8



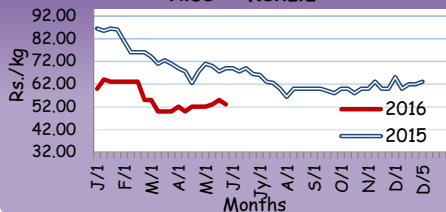
## 1.2 Pettah Market

Item	Average Wholesale Prices				Average Retail Prices			
	Week Ending 07 <sup>th</sup> July 2016	Week Ago	Month Ago	Year Ago Annual Avg	Week Ending 07 <sup>th</sup> July 2016	Week Ago	Month Ago	Year Ago Annual Avg
	Rs / Kg				Rs / Kg			
<b>Rice</b>								
Samba	80.00	80.00	79.80	83.22	88.00	88.00	88.80	90.10
Kekulu (Red)	55.00	55.00	55.00	66.15	65.00	65.00	63.00	75.20
<b>Vegetables</b>								
Beans	150.00	160.00	164.00	160.49	200.00	200.00	196.00	196.86
Cabbage	160.00	120.00	146.00	79.31	200.00	160.00	188.00	117.94
Carrots	180.00	170.00	194.00	146.27	220.00	200.00	232.00	184.90
Tomatoes	200.00	160.00	150.00	89.80	220.00	200.00	188.00	126.18
Pumpkins	180.00	100.00	79.00	49.12	200.00	140.00	110.00	72.94
Snake Gourd	100.00	80.00	112.00	73.73	140.00	120.00	156.00	106.57
Brinjals	80.00	60.00	100.00	72.56	120.00	100.00	140.00	105.69
Ash-Plantains	100.00	70.00	72.00	81.08	120.00	100.00	100.00	110.59
<b>Other Foods</b>								
Red-Onions (Local)	165.00	160.00	141.50	105.28	240.00	215.00	185.00	135.34
Big-Onions (Local)	n.a.	n.a.	n.a.	95.17	n.a.	n.a.	n.a.	124.67
Potatoes (N'Eliya)	165.00	159.00	144.30	107.98	180.00	170.00	167.00	130.80
Dried Chilies (Imported)	300.00	320.00	320.00	248.90	370.00	360.00	362.00	291.08
Dhal (Indian)	160.00	160.00	164.00	161.98	180.00	180.00	180.00	177.43
Eggs (Red)	14.50	14.50	13.70	14.17	15.00	15.00	14.20	14.77
Coconut (Each)	26.50	26.50	29.10	41.00	40.00	30.00	41.00	53.18
<b>Fish*</b>								
Kelawalla	450.00	500.00	522.00	453.14	650.00	680.00	662.00	598.24
Balaya	360.00	320.00	340.00	295.00	460.00	420.00	430.00	361.20
Salaya	150.00	140.00	160.00	114.71	200.00	180.00	200.00	156.08
Paraw (Small)	650.00	650.00	625.00	484.69	750.00	750.00	710.00	547.96

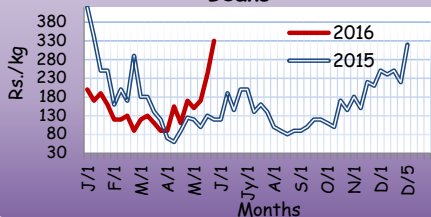
\* Prices collected from the Fisheries Trade Centre, Peliyagoda.

**Pettah Market - Wholesale Prices**

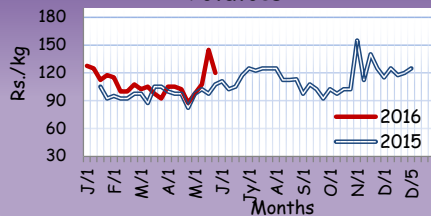
**Rice - Kekulu**



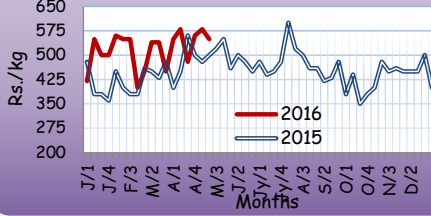
**Beans**



**Potatoes**

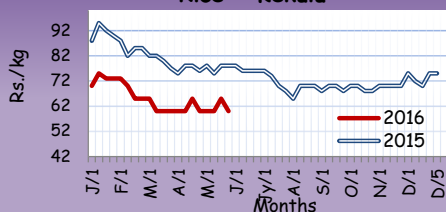


**Kelawalla**

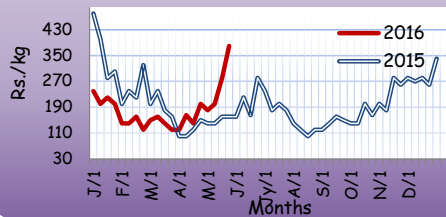


**Pettah Market - Retail Prices**

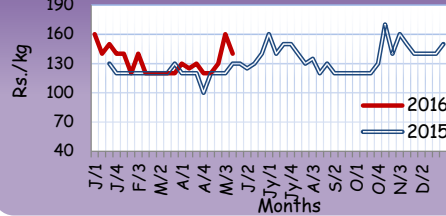
**Rice - Kekulu**



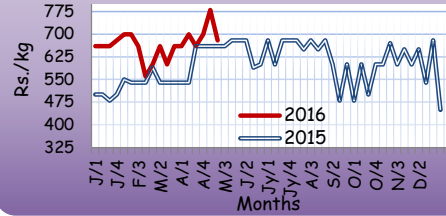
**Beans**



**Potatoes**



**Kelawalla**



**1.3 Dambulla Market**

Item (Rs / Kg)	Week Ending 07 <sup>th</sup> July 2016	
	Wholesale (Average)	Retail (Average)
<b>Rice</b>		
Samba	84.00	88.00
Kekulu (Red)	56.00	62.40
<b>Vegetables</b>		
Beans	136.00	184.00
Carrot	156.00	212.00
Tomatoes	163.00	217.00
Pumpkins	121.00	148.00
Snake Gourd	57.00	102.00
Ash-Plantains	64.00	84.00
<b>Other Foods</b>		
Red-Onions (Local)	101.50	159.00
Big-Onions (Local)	n.a.	n.a.
Potatoes (N'Eliya)	143.00	166.00
Dried Chilies(Imported)	316.50	360.00
Coconut (Each)	26.90	40.00

**1.5 Maradaghamula Market**

**Average wholesale price of Rice**

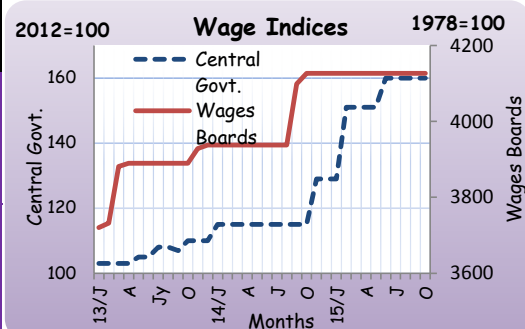
Item (Rs / Kg)	Week Ending 08 <sup>th</sup> July	Week Ago	Month Ago	Year Ago
Samba	75.25	77.70	80.18	79.56
Sudu Kekulu	60.75	62.90	63.25	62.37
Raw Red	57.75	58.00	58.91	66.17
Nadu	64.63	65.50	67.98	64.24

**1.4 Narahenpita Economic Centre**

Item (Rs / Kg)	Average Retail Prices	
	07 <sup>th</sup> July 2016	Week Ago
<b>Rice</b>		
Samba	89.67	89.67
Kekulu (Red)	69.33	69.33
<b>Vegetables</b>		
Beans	196.67	236.67
Cabbage	356.67	256.67
Carrots	233.33	236.67
Tomatoes	236.67	176.67
Pumpkins	156.67	160.00
Snake Gourd	176.67	200.00
Brinjals	113.33	123.33
Ash-Plantains	136.67	140.00
<b>Other Foods</b>		
Red-Onions (Imported)	216.67	216.67
Big-Onions (Imported)	80.00	80.00
Potatoes (Imported)	100.00	100.00
Dried Chilies (Imported)	346.67	346.67
Dhal (Indian)	166.67	166.67
Eggs (Red)(Each)	14.33	15.33
Coconut (Each)	53.33	53.33
<b>Fish</b>		
Kelawalla	886.67	816.67
Balaya	383.33	n.a.
Salaya	216.67	200.00
Paraw (Small)	916.67	876.67

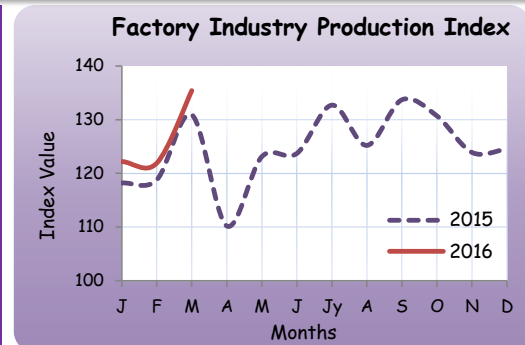
## 1.6 Wage rate Indices

Item	2016 April	2015 April	% Change
<b>(2012 = 100)</b>			
Central Government Employees	160.8	151.4	6.2
<b>(1978 = 100)</b>			
Workers in Wages Boards Trades	4,127.1	4,127.2	0.0
Agriculture	4,734.5	4,734.5	0.0
Industry & Commerce	3,459.1	3,459.1	0.0
Services	2,313.2	2,313.2	0.0



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

Item	2016 (b) Mar	2015 Mar	% Change
<b>Factory Industry- Production Index</b>	<b>135.4</b>	<b>130.9</b>	<b>3.4</b>
Food products	115.8	113.4	2.2
Beverages	151.0	143.6	5.2
Tobacco products	101.1	84.3	19.9
Wearing apparel	175.3	189.0	-7.2
Chemicals and chemical products	87.5	87.2	0.4
Rubber and plastic products	147.7	137.6	7.3
Other non-metallic mineral products	139.2	128.3	8.5

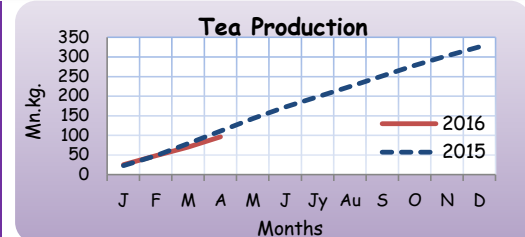


(a) Major 7 sub divisions of FIPI out of 17 sub divisions.

(b) Provisional

## 1.8 Agriculture Production

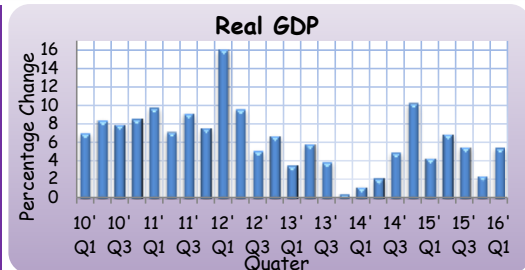
Item	Unit	2016(a) Jan-Apr	2015 Jan-Apr	% Change
Tea	(Mn Kg)	96.5	110.8	-12.9
Rubber	(Mn Kg)	36.7	37.7	-2.6
Coconuts	(Mn Nuts)	1,033.4	983.1	5.1



(a) Provisional

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

Item	2016(a) 1 <sup>st</sup> Quarter	2015(a) 1 <sup>st</sup> Quarter	2015(a) Annual
Agriculture	1.9	5.9	5.5
Industry	8.3	1.4	3.0
Services	4.9	5.4	5.3
<b>GDP</b>	<b>5.5</b>	<b>4.4</b>	<b>4.8</b>



(a)Provisional

Source: Department of Census and Statistics

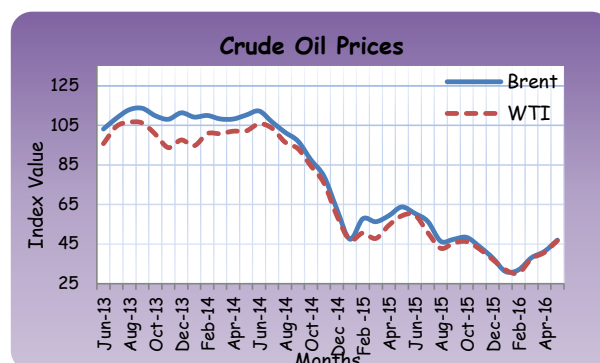
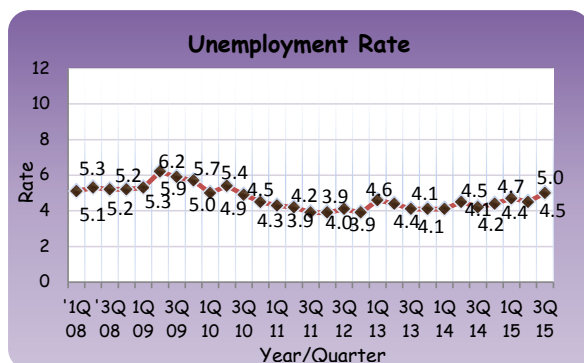
## 1.10 Employment (a)

Item	2015 (b) 4 <sup>th</sup> Quarter	2014 4 <sup>th</sup> Quarter	2015 Annual
Labour Force Participation rate	53.6	52.9	53.8
Unemployment rate	4.3	4.4	4.6
<b>Employed Persons by Sectors (c) (as a % of total employment)</b>			
Agriculture	27.5	30.4	28.2
Industry	25.3	25.4	26.0
Services	47.2	44.2	45.8

(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	2015			2016		
	Spot Prices (US \$/bbl)		CPC Import Prices (C&F) (US\$/bbl)(*)	Spot Prices (US \$/bbl)		CPC Import Prices (C&F) (US\$/bbl)(*)
	Brent (Benchmark price)	WTI (Benchmark price)		Brent (Benchmark price)	WTI (Benchmark price)	
January	47.46	47.11	55.47	31.10	31.96	31.87
February	57.81	50.58	69.52	31.93	30.32	35.36
March	56.30	47.82	-	38.06	37.55	36.85
April	59.32	54.45	-	41.25	40.75	44.05
May	63.76	59.26	63.09	47.00	46.69	
June	60.53	59.82	66.17	47.82	48.76	
July	56.48	50.90	60.49			
August	46.43	42.87	54.92			
September	47.41	45.48	48.65			
October	48.36	46.22	49.26			
November	43.68	42.44	45.46			
December	38.08	37.21	41.21			
	2015			2016		
01 July	60.20	56.94		47.05	49.02	
04 July	-	-		47.42		
05 July	-	-		45.04	46.73	
06 July	56.79	52.48		45.05	47.37	
07 July	54.32	52.33		45.28	45.22	

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 08 July 2016 declined by 06 bps to 10.64 per cent compared to the previous week.

Broad money ( $M_{2b}$ ) expanded by 18.2 per cent on a year-on-year basis in April 2016.

NFA of the banking system declined by Rs. 24.3 billion in April 2016.

NCG from the banking system showed an increase of Rs. 5.4 billion in April 2016.

Credit extended to the private sector increased by Rs. 27.4 billion in April 2016.

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

The total outstanding market liquidity decreased to a short position of Rs. 52.58 bn by end of the week, compared to an short position of Rs. 21.911 bn by the end of last week.

By 08 July 2016, All Share Price Index (ASPI) increased by 1.26 per cent to 6,366 points while S&P SL 20 Index increased by 1.84 per cent to 3,363 points, compared to the previous week.

# MONETARY SECTOR

## 2.1 Interest Rates

Item	Week Ending 2016 July 08	Week Ago	Year Ago	
<b>Policy Interest Rates</b>				
Standing Deposit Facility Rate	6.50	6.50	6.00	
Standing Lending Facility Rate	8.00	8.00	7.50	
<b>Average Weighted Call Money Rate (AWCMR)(Weekly Average)</b>	8.20	8.19	6.14	
<b>Sri Lanka Inter Bank Offered Rate ( SLIBOR )</b>				
1 day	8.20	8.20	6.15	
7 days	8.66	8.75	6.30	
1 Month	9.50	9.54	6.57	
3 Months	10.02	9.89	6.80	
6 Months	10.52	10.43	7.06	
12 Months	11.07	10.96	7.37	
<b>Treasury Bill Yields (Excluding 10% withholding tax)</b>				
91 days	8.87	8.88	6.14	
182 days	9.89	9.86	6.26	
364 days	10.56	10.55	6.28	
<b>Licensed Commercial Banks</b>				
Average Weighted Prime Lending Rate (AWPR)	10.64	10.70	7.00	
	April 2016	Month Ago	Year Ago	
Saving Deposits	0.50-8.00	0.50-8.00	0.50-8.00	
One Year Fixed Deposits	4.00-15.00	3.95-15.00	3.95-15.00	
	June 2016	Month Ago	Year Ago	
Average Weighted Deposit Rate (AWDR)	6.87	6.72	6.02	
Average Weighted Fixed Deposit Rate (AWFDR)	8.64	8.4	7.29	
	May 2016	Month Ago	Year Ago	
Average Weighted Lending Rate (AWLR)	11.89	11.66	11.39	
<b>National Savings Bank (NSB)</b>				
	April 2016	Month Ago	Year Ago	
Saving Deposits	4.50	4.50	5.00	
One Year Fixed Deposits	8.25	8.25	6.50	
<b>Treasury Bonds Auction</b>				
	(3 Y & 02 Months) 08/07/2016	(4 Y & 08 Months) 08/07/2016	(6 Y & 03 Months) 08/07/2016	(07 Y & 02 Month) 08/07/2016
Coupon rate	10.60	10.75	10.00	11.20
Weighted Average Yield (Excluding 10% withholding tax)	11.62	11.89	12.03	12.18

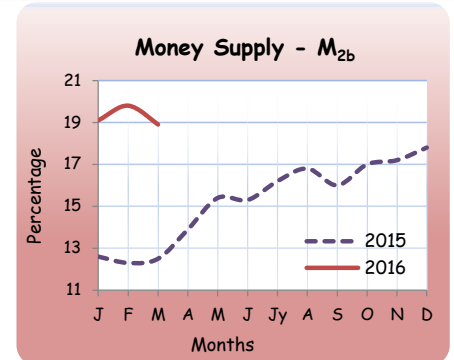
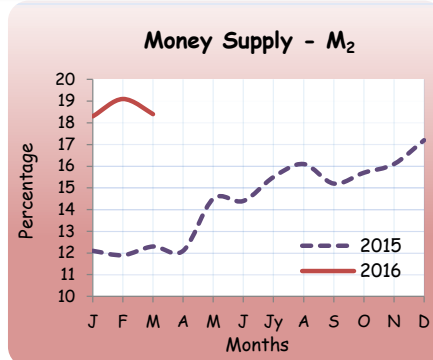
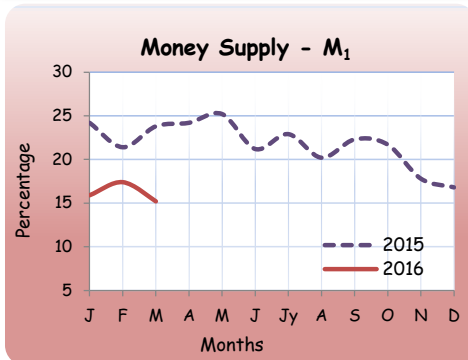
Bankwise- AWPR	Week ending 2016 July 08	Week Ago	Bankwise- AWPR	Week ending 2016 July 08	Week Ago
Bank of Ceylon	10.50	10.08	HSBC	7.81	7.54
People's Bank	11.73	11.73	Standard Chartered Bank	9.89	9.69
Hatton National Bank	11.74	11.15	Citi Bank	10.20	8.50
Commercial Bank of Ceylon	11.00	11.31	Deutsche Bank	8.88	8.67
Sampath Bank	11.16	11.13	Habib Bank	9.48	9.10
Seylan Bank	10.76	10.95	Indian Bank	11.86	11.57
Union Bank of Colombo	12.53	12.10	Indian Overseas Bank	12.48	12.10
Pan Asia Banking Corporation	15.21	14.00	MCB Bank	12.00	11.41
Nations Trust Bank	10.95	10.31	State Bank of India	11.92	11.92
DFCC Bank	12.81	12.07	Public Bank	10.25	10.25
NDB Bank	12.62	12.42	ICICI Bank	11.07	11.07
Amana Bank	11.20	11.23	Axis Bank	11.37	11.31
Cargills Bank	11.54	11.36			



## 2.2 Money Supply

Item	Rs. Bn.			Annual Change (%)		
	2016 (a) April	Month Ago	Year Ago	2016 (a) April	Month Ago	Year Ago
Reserve Money	763.1	791.6	612.7	24.6	27.8	18.9
M1	715.5	729.6	630.3	13.5	15.2	24.2
M2	4,242.0	4,206.4	3,593.4	18.0	18.4	13.2
M <sub>2b</sub>	4,772.1	4,731.6	4,038.2	18.2	18.9	13.9
Net Foreign Assets of the Banking System (b)	-464.2	-439.9	-171.3	-170.9	-171.5	-238.0
Monetary Authorities	437.6	473.9	573.4	-23.7	-18.0	-10.6
Commercial Banks	-901.8	-913.8	-744.8	-21.1	-23.5	-44.0
Domestic Banking Units (DBUs)	-312.7	-324.4	-234.3	-33.5	-44.6	-22.1
Offshore Banking Units (OBUs)	-589.1	-589.4	-510.5	-15.4	-14.3	-56.8
Net Domestic Assets of the Banking System (b)	5,236.3	5,171.5	4,209.5	24.4	24.8	23.0
Net Credit to the Government	1,959.4	1,954.1	1,626.8	20.5	21.1	17.3
Monetary Authorities	424.2	406.6	226.0	87.6	81.8	55.3
Commercial Banks	1,535.3	1,547.5	1,400.7	9.6	11.4	12.9
DBUs	1,142.3	1,141.2	1,132.6	0.9	1.3	8.4
OBUs	392.9	406.3	268.1	46.6	54.6	36.6
Credit to Public Corporations	511.5	514.9	497.8	2.8	6.2	50.4
DBUs	259.0	253.8	200.3	29.3	28.1	38.3
OBUs	252.6	261.1	297.5	-15.1	-8.9	59.8
Credit to the Private Sector	3,662.0	3,634.6	2,859.6	28.1	27.7	15.2
DBUs	3,396.7	3,368.7	2,619.0	29.7	29.1	15.1
OBUs	265.3	265.8	240.6	10.3	12.5	16.2
Other Items (Net)	-896.7	-931.9	-774.6	-15.8	-16.5	0.3

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

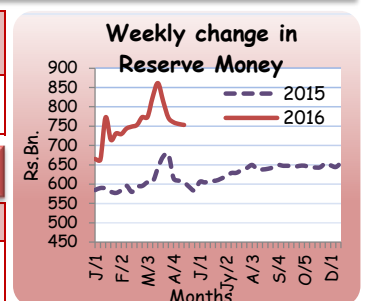


## 2.3 Weekly change in Reserve Money

Item	07 July 2016	Week Ago	Change
Reserve Money (Rs.Mn.)	775,767	757,119	18,648

## 2.4 Money Market Activity (Overnight)

Item	04.07.2016	05.07.2016	06.07.2016	07.07.2016	08.07.2016
<b>Call Money Market</b>					
Weighted Average Rate (% p.a.)	8.20	8.20	0.00	8.20	8.20
Gross Volume (Rs. Mn)	16,685	16,730	0	17,710	18,750
<b>Repo Market</b>					
Weighted Average Rate (% p.a.)	8.03	8.04	0.00	8.06	8.05
Gross Volume (Rs. Mn)	31,032	26,574	0	20,693	21,272



## 2.5 CBSL Security Portfolio

Item	04.07.2016	05.07.2016	06.07.2016	07.07.2016	08.07.2016
CBSL T-Bill Holding (Rs. Mn)	269,554	286,050	0	299,344	288,186

## 2.6 Open Market Operations

Item	04.07.2016	05.07.2016	06.07.2016	07.07.2016	08.07.2016
<b>Short-Term Auction</b>					
Repo Amount Offered (Rs. bn)	0.00	0.00	0.00	0.00	0.00
Reverse Repo Amount Offered (Rs. bn)	18.00	30.00	0.00	45.00	53.00
Tenure (No. of Days)	1	1	0	1	1
Bids Received (Rs. bn)	24.50	37.05	0.00	55.51	44.41
Amount Accepted (Rs. bn)	18.00	30.00	0.00	45.00	44.41
Weighted Average Yield Rate (% p.a.)	7.99	7.99	0.00	7.99	7.98
<b>Term Auction</b>					
Repo Amount Accepted (Rs. bn)	0.00	0.00	0.00	0.00	0.00
Reverse Repo Amount Accepted (Rs. bn)	0.00	0.00	0.00	0.00	0.00
<b>Standing Facility</b>					
Standing Deposit Facility (Rs. bn)	15.99	13.83	0.00	16.12	8.98
Standing Lending Facility (Rs. bn)	16.53	20.99	0.00	19.14	17.15
<b>Total Outstanding Market Liquidity (Rs. bn)</b>	-18.54	-37.16	0.00	-48.02	-52.58

## 2.7 Credit Cards (a)

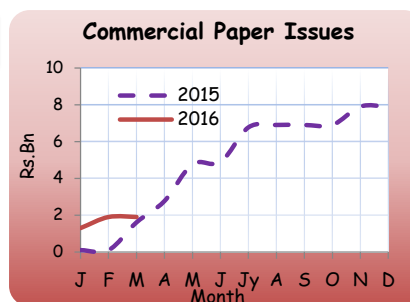
Item	2016 (b) End Mar	2016 End Feb	2015 End Dec
<b>Total Number of Active Cards</b>	1,169,321	1,157,280	1,142,231
Local (accepted only locally)	30,488	30,630	30,902
Global (accepted globally)	1,138,833	1,126,650	1,111,329
<b>Outstanding balance (Rs. Mn.)</b>	63,646	63,639	63,010
Local (accepted only locally)	806	804	1,226
Global (accepted globally)	62,841	62,836	61,784

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

## 2.8 Commercial Paper Issues (a)

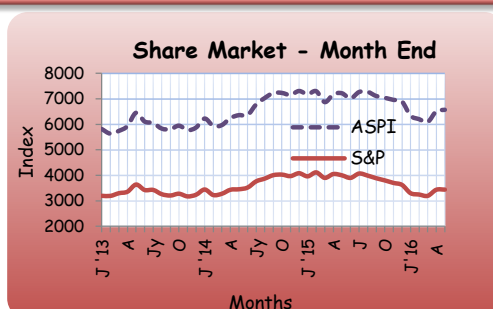
Item (Rs. bn.)	2016 End Mar(b)	2016 End Feb	2015 End Dec
Total Issues - Cumulative	1.9	1.9	7.9
Outstanding (as at end of the period)	4.0	4.8	4.5

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



## 2.9 Share Market

Item	Week Ending 08 July 2016	Week Ago	Year Ago
All Share Price Index (1985 = 100) (ASPI)	6,366	6,287	6,924
S & P Sri Lanka 20 Index (S&P SL20)	3,363	3,303	3,850
Average Daily Turnover (Rs. Mn)	615	544	917
Market Capitalisation (Rs.Bn.)	2,713	2,679	2,942



## Fiscal Sector

During the first quarter of 2016, government revenue as a percentage of estimated GDP increased to 2.8 per cent from 2.5 per cent in the corresponding period in 2015. Average monthly revenue during this period was around Rs. 115.2 billion compared to Rs. 95.2 billion recorded in the same period of 2015. Tax revenue increased by 26.3 per cent to Rs. 325.4 billion during the first quarter of 2016 from Rs. 257.7 billion in the corresponding period of 2015 mainly due to increase in revenue from excise taxes, income taxes and import related taxes. Non tax revenue declined by 27.5 per cent to Rs. 20.2 billion during the first quarter of 2016 compared to Rs. 27.9 billion in the corresponding period of 2015 mainly due to decline in profits and dividend from State Owned Business Enterprises (SOBEs).

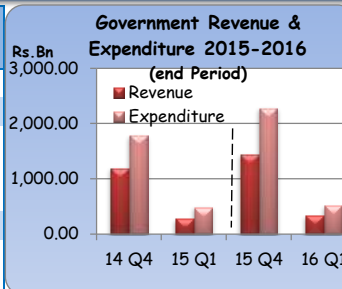
Total expenditure and net lending during the first quarter of 2016 is estimated to be declined to 4.3 per cent of estimated GDP from 4.4 per cent of GDP during the same period in 2015 mainly due to decline in recurrent expenditure to 3.5 per cent of estimated GDP from 3.6 per cent of GDP recorded in the same period in 2015. However, in nominal terms, total expenditure and net lending is estimated to be increased by 6.7 per cent to Rs. 526.3 billion during the first quarter of 2016 in comparison to Rs. 493.4 billion recorded in the same period of 2015, due to a considerable increase in expenditure on salaries and wages and pension.

In nominal terms, total outstanding government debt increased to Rs. 8,772.4 billion as at end March 2016 from Rs. 8,503.2 billion at end 2015. Foreign debt decreased by Rs. 38.9 billion to Rs. 3,505.1 billion while domestic debt increased by Rs. 308.1 billion to Rs. 5,267.3 billion.

# FISCAL SECTOR

## 3.1 Government Finance (Rs.bn)

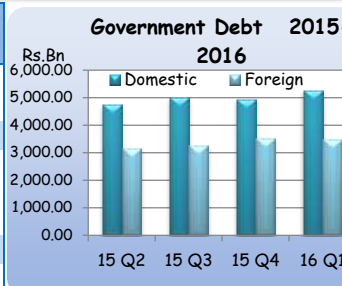
Item	2015	2016(a)
	1 <sup>st</sup> Quarter	1 <sup>st</sup> Quarter
<b>Revenue and Grants</b>	<b>285.6</b>	<b>345.6</b>
<b>Revenue</b>	<b>285.6</b>	<b>345.6</b>
Tax	257.7	325.4
Non tax	27.9	20.2
<b>Grants</b>	<b>0.1</b>	<b>0.0</b>
<b>Expenditure &amp; Lending Minus Repayments</b>	<b>493.4</b>	<b>526.3</b>
Current	410.9	426.5
Capital & Lending Minus Repayments	82.5	99.8



(a) Provisional

## 3.2 Outstanding Central Government Debt (Rs.bn)

Item	End 2015	2016(a)
		1 <sup>st</sup> Quarter
<b>Total domestic debt</b>	<b>4,959.2</b>	<b>5,267.3</b>
of which		
Treasury bills	658.2	649.4
Treasury bonds	3,305.2	3,493.1
Rupee loans	24.1	24.1
<b>Total foreign debt</b>	<b>3,544.0</b>	<b>3,505.1</b>
<b>Total outstanding govt. debt</b>	<b>8,503.2</b>	<b>8,772.4</b>



(a) Provisional

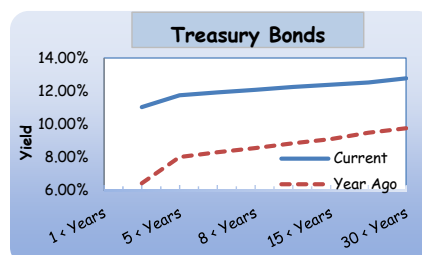
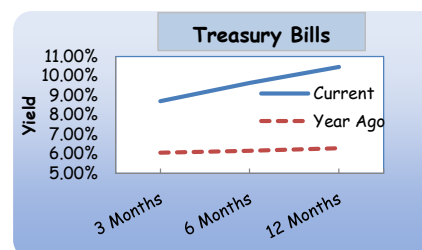
## 3.3 Government Securities - Primary and Secondary Market Yield Rates as for the week ending - 05<sup>th</sup> July 2016

Security	Maturity	Primary Market(a)		Secondary Market			
		This Week	Last Week	This Week			Last Week
				Buying	Selling	Average	Average
Treasury Bills	3 Months	8.87%	8.88%	8.88%	8.67%	8.77%	8.77%
	6 Months	9.89%	9.86%	9.83%	9.66%	9.74%	9.71%
	12 Months	10.56%	10.55%	10.55%	10.39%	10.47%	10.47%
Treasury Bonds(b)	< 2 Years	-	-	11.22%	11.02%	11.12%	11.06%
	< 5 Years	11.76%	11.88%	11.90%	11.77%	11.83%	11.82%
	< 6 Years	-	-	12.03%	11.89%	11.96%	11.97%
	< 8 Years	-	12.03%	12.25%	12.11%	12.18%	12.18%
	< 10 Years	12.55%	12.63%	12.49%	12.36%	12.42%	12.35%
	< 15 Years	-	-	12.61%	12.49%	12.55%	12.50%
	< 20 Years	-	-	12.77%	12.63%	12.70%	12.62%
< 30 Years	-	-	12.99%	12.74%	12.87%	12.80%	

(a) Primary market transactions during the week ending 05/07/2016

(b) Weighted Average Yield Rate is calculated, if there are two or more yield rates within same maturity Period.

\*The secondary market yield rates of T-bills for 6 months have increased, while the secondary market yield rates of T-bonds showed a varied behaviour among the different maturities during the reporting week, compared to the secondary market yield rates of the previous week.



Security	Maturity Date	Coupon Rate	Secondary Market	
			This Week	Last Week
International Sovereign Bonds	4-Oct-20	6.250%	5.47%	5.72%
	27-Jul-21	6.250%	5.87%	6.16%
	25-Jul-22	5.875%	6.30%	6.55%
	14-Jan-19	6.000%	4.93%	5.10%
	11-Apr-19	5.125%	4.92%	5.10%
	3-Jun-25	6.125%	6.92%	7.13%
3-Nov-25	6.850%	7.03%	7.25%	

### 3.4 Government Securities - Weekly Summary of Primary and Secondary Market Transactions (Week Ended - 05<sup>th</sup> July 2016 )

Item	Volume in Rs Mn	
	This Week	Last Week
Outstanding Stock of Government Securities		
Treasury Bills	735,826.56	679,633.62
Treasury Bonds (a)	3,918,840.11	3,858,284.11
<b>Total</b>	<b>4,654,666.67</b>	<b>4,537,917.73</b>
T-bills and T-bonds held by Foreigners	256,443.11	253,394.11
Sri Lanka Development Bonds (SLDB)	687,921.37	740,743.05

The outstanding stock of T-bills and T-bonds increased by 2.57 percent, while the outstanding stock of SLDBs decreased due to fewer new issuances over maturities, during the reporting week compared to the previous week.

Primary Market Activities	Volume in Rs Mn	
	This Week	Last Week
<b>Treasury Bills</b>		
Amount Offered	22,000.00	22,000.00
Total Bids Received	48,334.00	56,738.00
Total Bids Accepted	15,275.00	23,354.00
<b>Treasury Bonds</b>		
Amount Offered	34,000.00	30,000.00
Total Bids Received	146,259.00	157,666.00
Total Bids Accepted	36,644.00	23,912.00

The weekly T-bill and T-bond auctions were over subscribed by 2.2 and 4.3 times, respectively.

Secondary Market Activities	Volume in Rs Mn	
	This Week	Last Week
<b>Treasury Bills</b>		
Outright Transaction (Sales / Purchases)	24,236.45	48,165.69
Repo Transaction (Sales / Purchases)	194,688.24	138,753.83
<b>Treasury Bonds</b>		
Outright Transaction (Sales / Purchases)	80,771.01	42,560.24
Repo Transaction (Sales / Purchases)	668,706.17	877,918.23

The secondary market outright transactions increased by 15.74 per cent, where as the secondary market repo transactions increased by 15.08 per cent in the reporting week compared to the previous week.

(a) Excludes Treasury bonds amounting to Rs.4,397 million issued to CWE in November 2003, Rs. 78,441 million issued to settle dues to CPC in January 2012, Rs. 13,125 million issued to capitalize Sri Lankan Airlines in March 2013.

### 3.5 Two way Quotes (Treasury Bills) - 08/07/2016

Remaining Maturity	Average Buying Price	Yield %	Average Selling Price	Yield %	Buying & Selling Spread
1-7 Days	99.84	8.24	99.85	8.06	0.00
1 Month	99.31	8.47	99.32	8.28	0.02
2 Month	98.59	8.58	98.62	8.42	0.03
3 Month	97.82	8.88	97.87	8.67	0.05
4 Month	96.99	9.18	97.08	8.90	0.09
5 Month	96.14	9.41	96.24	9.18	0.10
6 Month	95.15	9.84	95.23	9.67	0.09
7 Month	94.30	9.90	94.39	9.76	0.08
8 Month	93.42	10.00	93.52	9.86	0.09
9 Month	92.50	10.13	92.62	9.98	0.11
10 Month	91.57	10.26	91.70	10.10	0.13
11 Month	90.64	10.36	90.78	10.20	0.14
12 Month	89.58	10.56	89.75	10.40	0.16

### 3.6 Two way Quotes (Treasury Bonds)- 08/07/2016

Treasury Bond By Series	Maturity Period (Years)	Maturity Date (DD/MM/YY)	Days to Maturity	Average Buying Price	Yield %	Average Selling Price	Yield %	Buying & Selling Spread
06.40%2016A	6	1-Aug-16	24	99.82	8.95	99.83	8.74	0.01
08.00%2016A	5	1-Sep-16	55	99.80	9.13	99.83	8.88	0.04
06.40%2016B	6	1-Oct-16	85	99.33	9.17	99.39	8.92	0.06
08.00%2017A	5	1-Jan-17	177	99.10	9.94	99.19	9.74	0.09
05.80%2017A	6	15-Jan-17	191	97.93	9.99	98.02	9.79	0.09
08.25%2017A	3	1-Mar-17	236	98.82	10.13	98.95	9.93	0.13
08.75%2017A	4	15-May-17	311	98.68	10.38	98.86	10.15	0.18
08.00%2017B	5	15-Jun-17	342	97.85	10.46	98.03	10.25	0.18
05.80%2017B	6	15-Jul-17	372	95.52	10.54	95.73	10.32	0.20
08.50%2018A	15	1-Feb-18	573	96.46	11.02	96.99	10.63	0.54
08.50%2018C	5	1-Apr-18	632	95.98	11.09	96.27	10.90	0.29
08.50%2018D	5	1-Jun-18	693	95.53	11.17	95.87	10.95	0.34
08.50%2018B	15	15-Jul-18	737	95.18	11.23	95.48	11.06	0.30
07.50%2018A	15	15-Aug-18	768	93.08	11.28	93.37	11.11	0.29
08.75%2018A	4	15-Oct-18	829	94.89	11.35	95.16	11.21	0.26
08.00%2018A	6	15-Nov-18	860	93.22	11.35	93.49	11.21	0.27
05.65%2019A	8	15-Jan-19	921	87.60	11.45	87.88	11.31	0.28
08.50%2019A	10	1-May-19	1,027	92.87	11.52	93.17	11.39	0.29
10.60%2019A	5	1-Jul-19	1,088	97.63	11.56	97.96	11.43	0.33
10.60%2019B	5	15-Sep-19	1,164	97.32	11.61	97.58	11.52	0.25
08.00%2019A	8	1-Nov-19	1,211	90.20	11.64	90.46	11.53	0.27
09.25%2020A	5	1-May-20	1,393	92.39	11.77	92.72	11.66	0.34
08.00%2020A	8	1-Jun-20	1,424	88.59	11.72	88.85	11.63	0.26
06.20%2020A	10	1-Aug-20	1,485	82.45	11.75	82.77	11.64	0.32
09.50%2020A	5	15-Dec-20	1,621	92.29	11.78	92.62	11.68	0.33
10.75%2021A	5	1-Mar-21	1,697	96.07	11.87	96.51	11.74	0.44
09.00%2021A	8	1-May-21	1,758	89.63	11.88	90.09	11.74	0.46
11.00%2021A	7	1-Aug-21	1,850	96.50	11.94	97.00	11.80	0.50
09.45%2021A	7	15-Oct-21	1,925	90.41	11.94	90.87	11.82	0.46
08.00%2022A	10	1-Jan-22	2,003	84.20	12.02	84.71	11.87	0.50
11.20%2022A	9	1-Jul-22	2,184	96.42	12.06	97.00	11.91	0.58
10.00%2022A	8	1-Oct-22	2,276	91.05	12.08	91.55	11.95	0.50
09.00%2023A	10	1-Sep-23	2,611	84.93	12.21	85.66	12.04	0.73
11.20%2023A	9	1-Sep-23	2,611	94.88	12.29	95.58	12.13	0.70
07.00%2023A	20	1-Oct-23	2,641	74.83	12.36	75.39	12.22	0.56
11.40%2024A	10	1-Jan-24	2,733	95.18	12.41	95.61	12.31	0.44
06.00%2024A	10	1-Dec-24	3,068	67.22	12.38	67.77	12.25	0.54
10.25%2025A	10	15-Mar-25	3,172	88.36	12.48	88.97	12.35	0.61
09.00%2025A	12	1-May-25	3,219	81.87	12.44	82.63	12.27	0.76
11.00%2025A	10	1-Aug-25	3,311	92.00	12.50	92.63	12.37	0.63
09.00%2026A	13	1-Feb-26	3,495	80.98	12.45	81.52	12.34	0.54
05.35%2026A	15	1-Mar-26	3,523	60.45	12.52	60.89	12.41	0.44
11.00%2026A	11	1-Jun-26	3,615	91.23	12.57	91.73	12.47	0.50
09.00%2028B	15	1-May-28	4,315	78.59	12.51	79.17	12.40	0.57
09.00%2028A	15	1-Jul-28	4,376	78.21	12.57	78.72	12.47	0.51
11.50%2028A	13	1-Sep-28	4,438	92.83	12.67	93.64	12.53	0.82
13.00%2029A	15	1-Jan-29	4,560	102.67	12.57	103.31	12.47	0.64
13.00%2029B	15	1-May-29	4,680	101.95	12.68	102.72	12.56	0.77
11.00%2030A	15	15-May-30	5,059	88.43	12.80	89.41	12.63	0.98
08.00%2032A	20	1-Jan-32	5,655	68.64	12.67	69.27	12.55	0.63
09.00%2032A	20	1-Oct-32	5,929	74.70	12.71	75.37	12.59	0.67
09.00%2033A	20	1-Jun-33	6,172	74.22	12.75	74.92	12.62	0.70
13.25%2033A	20	1-Jul-33	6,202	103.11	12.80	104.15	12.65	1.04
09.00%2033B	20	1-Nov-33	6,325	73.58	12.83	74.44	12.67	0.85
13.25%2034A	20	1-Jan-34	6,386	102.82	12.84	103.88	12.69	1.06
11.50%2035A	20	15-Mar-35	6,824	89.82	12.95	93.08	12.46	3.26
12.00%2041A	25	1-Jan-41	8,943	92.58	13.01	96.34	12.48	3.76
09.00%2043A	30	1-Jun-43	9,824	70.34	12.98	71.13	12.84	0.79
13.50%2044A	30	1-Jan-44	10,038	103.70	13.00	104.58	12.89	0.88
13.50%2044B	30	1-Jun-44	10,190	103.51	13.02	104.42	12.91	0.91
12.50%2045A	30	1-Mar-45	10,463	95.56	13.09	98.75	12.66	3.19



## External Sector

During the year up to 08 July 2016 the rupee depreciated against the US dollar (0.8 per cent). Given the cross currency exchange rate movements, the Sri Lanka rupee appreciated against the pound sterling (13.6 per cent), Indian rupee (0.8 per cent) and depreciated against Japanese yen (17.1 per cent), euro (2.2 per cent) during this period.

Earnings from exports declined by 11.2 per cent, year-on-year, to US dollars 945 million in March 2016. The largest contribution to this decline was from transport equipment, followed by exports of spices. On a cumulative basis, earnings from exports declined by 5.4 per cent to US dollars 2,728 million during the first three months of 2016.

Expenditure on imports declined marginally by 0.9 per cent, year-on-year, to US dollars 1,566 million in March 2016. This decline was led by the reduction recorded in imports of transport equipment followed by personal motor vehicles and wheat and maize. On a cumulative basis, expenditure on imports during the first three months of 2016 decreased by 4.1 per cent to US dollars 4,594 million, mainly driven by the decline recorded in fuel imports.

In March 2016, the terms of trade contracted by 5.3 per cent compared to the corresponding month of previous year due to deteriorating of export prices compared to import prices.

The export unit value index declined by 13.0 per cent, year-on-year in March 2016, mainly due to decline recorded in prices of industrial exports followed by agricultural exports.

The import unit value index declined by 8.1 per cent, year-on-year, in March 2016, owing to declines recorded in unit price indices of intermediate goods and investment goods.

India, China, UK, Germany and France were the top five sources of tourist arrivals in June 2016, accounting for 52.6 per cent of total tourist arrivals upto the month of June 2016

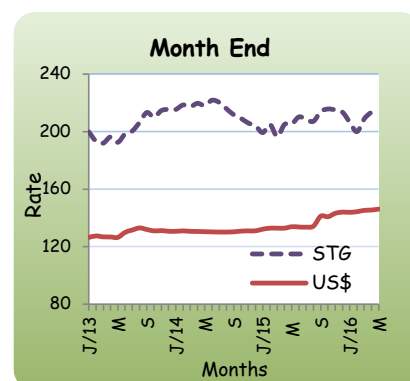
The average price of tea declined to US dollars 2.83 per kg in March 2016 from US dollars 3.11 per kg (in the Colombo auction) in March 2015.

Further, the import prices of rice and sugar increased compared to the corresponding month of 2015.

# EXTERNAL SECTOR

## 4.1 Exchange Rates

Item (Rs Per Unit)(a)	Week Ending - 08 July 2016			Average Rate	
	Buying Rate	Selling Rate	Average Rate	Week Ago	Year Ago
US\$	144.32	147.96	146.14	146.05	133.59
STG	186.06	192.55	189.31	194.93	206.14
Yen	1.42	1.48	1.45	1.42	1.09
Euro	158.78	164.94	161.86	162.20	146.78
INR <sup>(1)</sup>			2.15	2.15	2.11
SDR (As at 07 July 2016)			202.35	203.18	186.36
<b>Central Bank purchases and sales(b) (US\$ Mn. )</b>			<b>June 2016</b>	<b>Month Ago</b>	<b>Year Ago</b>
Purchases			178.78	123.83	0.00
Sales			194.02	36.20	352.58



	Week Ending 08 July 2016	Week Ago	Year Ago
Average Daily Interbank Volume (US\$ Mn.) (spot, tom and cash transactions among commercial banks)	14.69	21.40	20.14
<b>Forward Transactions</b>			
Forward Rates (US\$) <sup>(2)</sup>			
1 Month	147.24	146.91	134.16
3 Months	147.64	147.50	135.32
Average Daily Interbank Forward Volume (US\$ mn)	38.18	34.36	23.37
Outstanding Forward Volume (US\$ mn) (As at 07 July 2016)	1,587.81	1,553.48	1,294.96

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

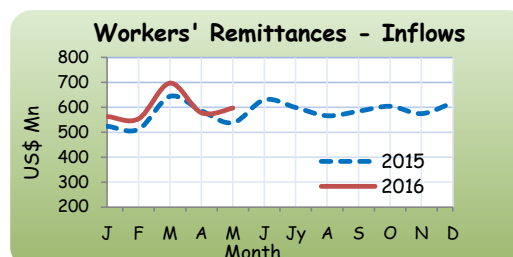
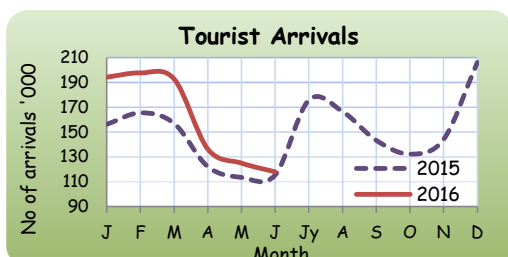
(b) Central Bank purchases and sales of foreign exchange from commercial banks at market rates total for the Month

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

## 4.2 Tourism & Workers' Remittances

Item		2015	2016	2015(a)	2016(b)	% Change
		June (a)(c)	June (b)(d)	Jan-Jun (c)	Jan-Jun (d)	
Tourist Arrivals	Number	115,467	118,038	830,051	964,267	16.2
Earnings from Tourism(d)	US\$ Mn.	191.4	195.6	1,375.7	1,598.20	16.2
	Rs.bn.	25.6	28.4	182.7	230.7	26.2
Workers' Remittances (Inflows)		2015	2016	2015	2016	% Change
		May (a)	May (b)	Jan-May(a)	Jan-May(b)	
	US\$ Mn.	537.7	597.2	2,803.1	2,968.6	5.9
	Rs. bn.	71.8	87.0	372.1	428.3	15.1

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



#### 4.3 Official Reserve Assets as at 30<sup>th</sup> June 2016<sup>(a)</sup>

Official Reserve Assets (USD Mn)	5,272.14
(1) Foreign currency reserves	4,256.22
(2) Reserve position in the IMF	66.95
(3) SDRs	5.45
(4) Gold	942.55
(5) Other reserve assets	0.97

(a) Provisional

#### 4.4 International Reserves & Foreign Currency Liquidity as at 31<sup>st</sup> May 2016 <sup>(a)</sup>

Official Reserve Assets (USD mn)	
<b>Official Reserve Assets</b>	<b>5,645.14</b>
(1) Foreign currency reserves	4,705.22
(a) Securities	2,136.34
(b) Total currency and deposits with	2,568.89
(i) other national central banks, BIS	720.51
(ii) banks headquartered inside the reporting country of which located abroad	1.34
(iii) banks headquartered outside the reporting country	1,847.04
(2) Reserve position in the IMF	67.14
(3) SDRs	5.47
(4) Gold	866.34
(5) Other reserve assets	0.97

#### Predetermined Short-Term Net Drains on Foreign Currency Assets<sup>(b)</sup>

Item	Total	Maturity breakdown (residual maturity)		
		Up to 1 month	More than 1 and up to 3 months	More than 3 months and up to 1 year
1. Foreign currency loans, securities, and deposits				
outflows (-) Principal	-4,549.00	-662.86	-1,008.69	-2,877.45
Interest	-961.92	-56.94	-196.01	-708.97
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>	-3,334.81	-1149.38	-199.00	-1,986.43
(b) Long positions (+)				
3. Other (specify)	-5.70	-5.70		
inflows related to reverse repos (+)				
other accounts payable (-)	-5.70	-5.70		

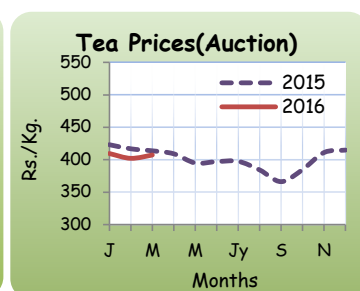
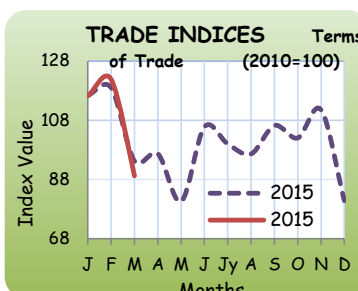
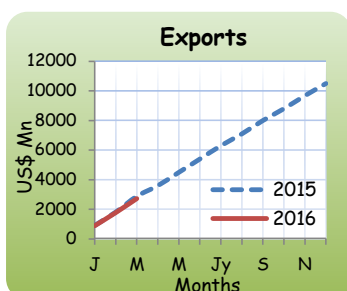
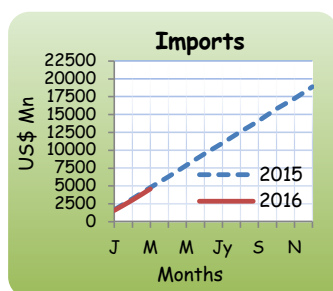
(a) Provisional

(b) This mainly includes only the predetermined outflows

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

## 4.5 External Trade

Item	US\$ Mn			Rs Mn		
	Jan - Mar 2016	Jan - Mar 2015	% Change	Jan - Mar 2016	Jan - Mar 2015	% Change
<b>Exports</b>	<b>2,728.0</b>	<b>2,884.4</b>	<b>-5.4</b>	<b>392,670.5</b>	<b>381,942.5</b>	<b>2.8</b>
Agricultural	562.2	618.9	-9.2	80,928.6	81,949.8	-1.2
Industrial	2,154.4	2,251.5	-4.3	310,103.8	298,139.5	4.0
Food, Beverages and Tobacco	81.4	66.9	21.8	11,724.1	8,852.5	32.4
Textiles and Apparel	1,369.3	1,258.0	8.9	197,099.7	166,556.7	18.3
Petroleum Products	74.2	127.9	-42.0	10,676.7	16,907.0	-36.9
Leather, Rubber etc	242.3	248.3	-2.4	34,873.8	32,875.8	6.1
Other	387.2	550.5	-29.7	55,729.5	72,947.5	-23.6
Mineral	7.6	10.0	-23.5	1,100.4	1,322.8	-16.8
Other	3.7	4.0	-6.7	537.7	530.4	1.4
<b>Imports</b>	<b>4,594.5</b>	<b>4,792.1</b>	<b>-4.1</b>	<b>661,341.6</b>	<b>634,337.6</b>	<b>4.3</b>
Consumer Goods	1,109.2	1,191.3	-6.9	159,668.1	157,733.0	1.2
Intermediate Goods	2,240.3	2,397.0	-6.5	322,480.0	317,279.8	1.6
Investment Goods	1,243.5	1,201.7	3.5	179,000.5	159,045.3	12.5
Other	1.3	2.1	-36.5	192.9	279.5	-31.0
<b>Trade Balance</b>	<b>-1,866.5</b>	<b>-1,907.7</b>	<b>2.2</b>	<b>-268,671.1</b>	<b>-252,395.0</b>	<b>6.4</b>

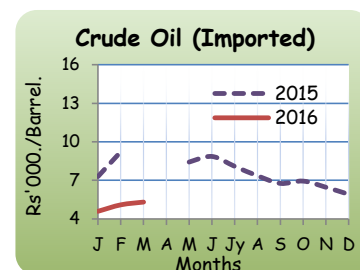
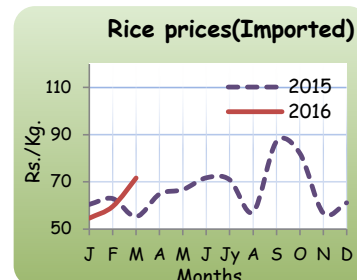


## 4.6 Trade Indices (2010= 100 ) (a)

Item	2016 Mar (b)	Month Ago	Year Ago
<b>Total Exports</b>			
Value	131.6	123.5	148.2
Quantity	159.4	115.2	156.3
Unit Value	82.5	107.3	94.8
<b>Total Imports</b>			
Value	140.2	128.8	141.5
Quantity	151.5	146.3	140.6
Unit Value	92.5	88.1	100.6
<b>Terms of Trade</b>	89.2	121.8	94.2

(a) In US\$ Terms

(b) Provisional



## 4.7 International Commodity Prices

Item	March 2016	March 2015	% Change	March 2016	March 2015	% Change
<b>Colombo Auction Price</b>	US\$ / Kg			Rs / Kg		
Tea Prices	2.83	3.11	-9.1	407.35	413.83	-1.6
<b>Imports (C I F)</b>	US\$ / MT			Rs / MT		
Rice	497.63	415.52	19.8	71,637.95	55,222.56	29.7
White Sugar	436.61	433.04	0.8	62,854.27	57,550.91	9.2
Wheat	291.05	300.44	-3.1	41,899.83	39,928.83	4.9
	US\$ / Barrel			Rs / Barrel		
Crude Oil	36.85	-	-	5,304.87	-	-