

# Weekly Economic Indicators

19 August 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 6.4 per cent in June 2016 from 5.3 per cent in May 2016, on year-on-year basis. Both Food and Non-food categories contributed towards the year-on-year inflation in June 2016. The change in the NCPI measured on an annual average basis increased to 3.1 per cent in June 2016 from 2.7 per cent in May 2016. When the monthly change in the NCPI is considered, the NCPI increased by 2.1 per cent from 113.7 index points in May 2016 to 116.1 index points in June 2016. This monthly increase was mainly due to the increase in prices of the items in the Food category. Meanwhile, NCPI Core inflation, which reflects the underlying inflation in the economy increased to 7.5 per cent in June 2016 from 7.2 per cent in May 2016, on year-on-year basis. Annual average NCPI Core inflation increased to 5.3 per cent in June 2016 from 5.0 per cent in May 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 decreased to 5.5 per cent in July 2016 from 6.0 per cent in June 2016, on an year-on-year basis. Annual average inflation increased to 2.7 per cent in July 2016 from 2.2 per cent in June 2016. The monthly increase in CCPI was 0.2 per cent. Core CCPI decreased to 5.8 per cent in July 2016 from 6.4 per cent in June 2016, on an year-on-year basis. Annual average core CCPI increased to 4.9 per cent in July 2016 from 4.8 per cent in June 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.

During the first half of 2016 production of tea declined due to unfavourable weather conditions and low demand from prime export destinations while production of rubber declined due to the slowdown of tapping activities. However, the coconut production has recorded an increase during the same period.

The FIPI decreased by 8.4 per cent on a year-on-year basis in April 2016. This decline was mainly due to decreased production of food products, wearing apparel, beverages, tobacco products and rubber and plastic products sub-sectors. This was mainly attributed to decreased domestic and international demand.

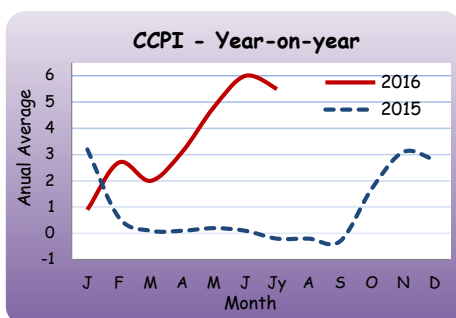
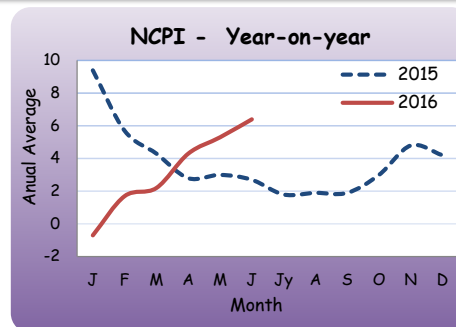
During the week crude oil spot prices followed an increasing trend reporting the sixth straight day of gains. Prices rose as speculation intensified over potential producer action to support prices when OPEC and other key exporters meet in Algeria in end of September 2016. Russian energy minister bolstered hopes that oil producing nations could take action to stabilise prices. Prices further rose supported by a weaker dollar due to the U.S. Federal Reserve's decision to wait again on rate hikes, and an unexpected drawdown in U.S. crude and gasoline inventories by 2.5 million barrels and 2.7 million barrels, respectively. However, traders said the price rally may not last, as a Reuters report pointed that Saudi Arabia could boost crude output in August to new records at 10.8-10.9 million barrels per day.

## Highlights

# REAL SECTOR

## 1.1 Price Indices

Item	June 2016	Month Ago	Year Ago
<b>(2013 = 100)</b>			
National Consumer Price Index (NCPI)	116.1	113.7	109.1
Monthly Change %	2.1	1.9	1.0
Year - on - Year Change %	6.4	5.3	2.7
Annual Average Change %	3.1	2.7	-
Core Inflation - ( NCPI )	118.2	117.5	110.0
Annual Average Change %	5.3	5.0	-
Year - on - Year Change %	7.5	7.2	4.2
Item	July 2016	Month Ago	Year Ago
<b>(2006 / 07 = 100)</b>			
Colombo Consumers' Price Index (CCPI)	192.9	192.5	182.8
Annual Average Change %	2.7	2.2	1.3
Year - on - Year Change %	5.5	6.0	-0.2
Core Inflation - ( CCPI )	189.2	188.8	178.9
Annual Average Change %	4.9	4.8	2.8
Year - on - Year Change %	5.8	6.4	3.5

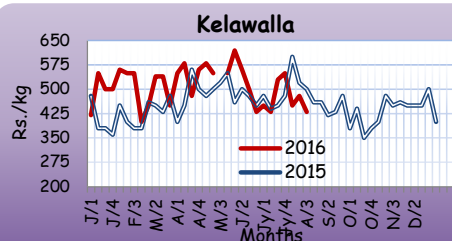
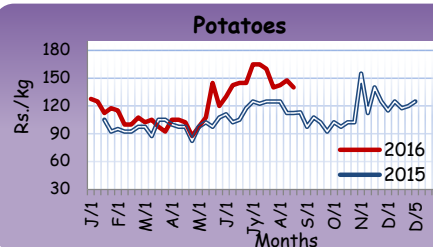
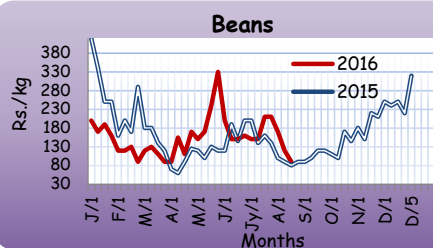
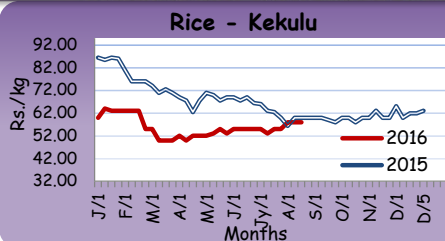


## 1.2 Pettah Market

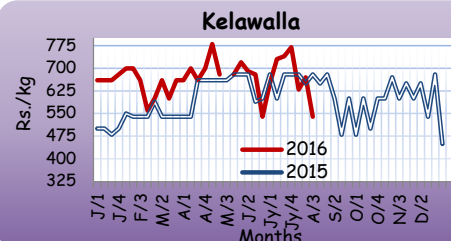
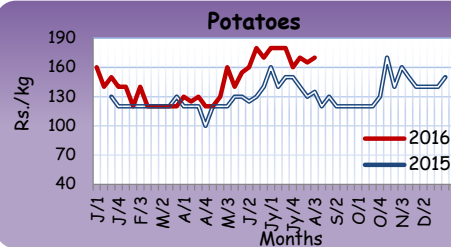
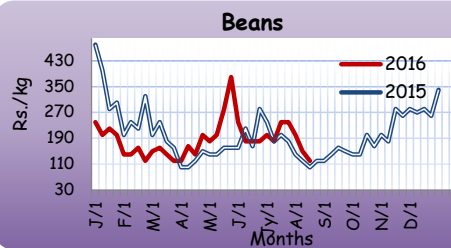
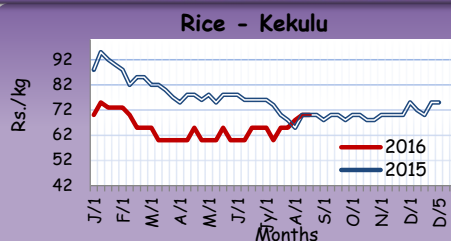
Item	Average Wholesale Prices				Average Retail Prices			
	Week Ending 18 <sup>th</sup> Aug 2016	Week Ago	Month Ago	Year Ago Annual Avg	Week Ending 18 <sup>th</sup> Aug 2016	Week Ago	Month Ago	Year Ago Annual Avg
	Rs / Kg				Rs / Kg			
<b>Rice</b>								
Samba	80.00	75.00	79.38	83.22	88.00	88.00	88.00	90.10
Kekulu (Red)	58.00	58.00	54.50	66.15	70.00	70.00	63.75	75.20
<b>Vegetables</b>								
Beans	90.00	120.00	180.00	160.49	120.00	150.00	215.00	196.86
Cabbage	60.00	80.00	145.00	79.31	100.00	120.00	185.00	117.94
Carrots	90.00	80.00	142.50	146.27	120.00	120.00	180.00	184.90
Tomatoes	35.00	50.00	152.50	89.80	60.00	80.00	190.00	126.18
Pumpkins	60.00	80.00	160.00	49.12	80.00	100.00	185.00	72.94
Snake Gourd	50.00	50.00	85.00	73.73	80.00	80.00	125.00	106.57
Brinjals	50.00	60.00	80.00	72.56	80.00	100.00	120.00	105.69
Ash-Plantains	70.00	80.00	87.50	81.08	100.00	100.00	115.00	110.59
<b>Other Foods</b>								
Red-Onions (Local)	57.50	65.00	112.50	105.28	100.00	120.00	162.50	135.34
Big-Onions (Local)	n.a.	n.a.	n.a.	95.17	n.a.	n.a.	n.a.	124.67
Potatoes (N'Eliya)	140.00	147.50	157.50	107.98	170.00	165.00	175.00	130.80
Dried Chilies (Imported)	300.00	300.00	300.00	248.90	360.00	350.00	360.00	291.08
Dhal (Indian)	155.00	155.00	160.75	161.98	169.00	169.00	173.25	177.43
Eggs (Red)	17.50	17.50	16.75	14.17	18.00	18.00	17.25	14.77
Coconut (Each)	27.50	28.50	26.50	41.00	35.00	40.00	38.75	53.18
<b>Fish*</b>								
Kelawalla	430.00	480.00	490.00	453.14	540.00	670.00	722.50	598.24
Balaya	380.00	300.00	325.00	295.00	460.00	400.00	425.00	361.20
Salaya	180.00	150.00	152.50	114.71	240.00	200.00	202.50	156.08
Paraw (Small)	n.a.	550.00	640.00	484.69	n.a.	650.00	737.50	547.96

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

### Pettah Market - Wholesale Prices



### Pettah Market - Retail Prices



### 1.3 Dambulla Market

Item (Rs / Kg)	Week Ending 18 <sup>th</sup> Aug 2016	
	Wholesale (Average)	Retail (Average)
<b>Rice</b>		
Samba	77.00	82.50
Kekulu (Red)	57.50	62.50
<b>Vegetables</b>		
Beans	125.00	171.25
Carrot	87.50	130.00
Tomatoes	22.50	51.25
Pumpkins	43.13	62.50
Snake Gourd	18.75	41.25
Ash-Plantains	58.75	83.13
<b>Other Foods</b>		
Red-Onions (Local)	56.25	86.25
Big-Onions (Local)	57.88	76.25
Potatoes (N'Eliya)	135.00	160.00
Dried Chilies(Imported)	302.50	360.00
Coconut (Each)	27.00	35.63

### 1.5 Maradagahamula Market

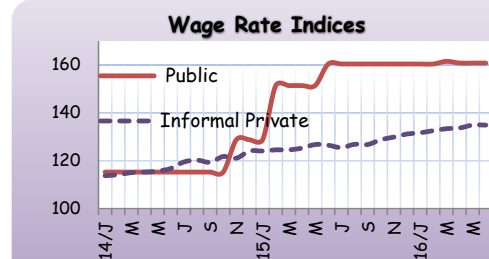
Average wholesale price of Rice				
Item (Rs / Kg)	Week Ending 19 <sup>th</sup> Aug	Week Ago	Month Ago	Year Ago
Samba	70.63	71.30	73.66	79.56
Sudu Kekulu	57.38	56.70	58.82	62.37
Raw Red	58.13	57.70	57.68	66.17
Nadu	63.25	63.10	64.32	64.24

### 1.4 Narahenpita Economic Centre

Item (Rs / Kg)	Average Retail Prices	
	19 <sup>th</sup> Aug 2016	Week Ago
<b>Rice</b>		
Samba	84.67	84.67
Kekulu (Red)	60.67	60.67
<b>Vegetables</b>		
Beans	116.67	116.67
Cabbage	116.67	136.67
Carrots	116.67	120.00
Tomatoes	46.67	76.67
Pumpkins	100.00	116.67
Snake Gourd	76.67	80.00
Brinjals	76.67	116.67
Ash-Plantains	116.67	136.67
<b>Other Foods</b>		
Red-Onions (Imported)	n.a.	n.a.
Big-Onions (Imported)	70.00	77.00
Potatoes (Imported)	100.00	90.00
Dried Chilies (Imported)	336.67	346.67
Dhal (Indian)	168.67	168.67
Eggs (Red)(Each)	18.33	19.17
Coconut (Each)	48.33	49.67
<b>Fish</b>		
Kelawalla	883.33	856.67
Balaya	416.67	376.67
Salaya	200.00	260.00
Paraw (Small)	876.67	856.67

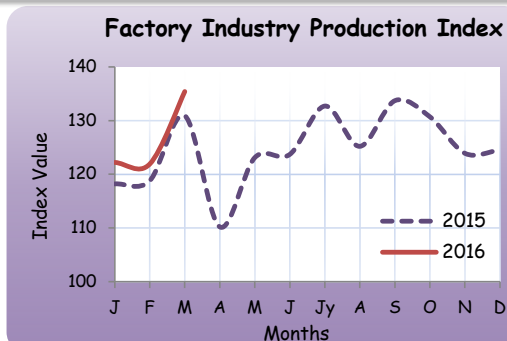
## 1.6 Wage rate Indices

Item	2016 June	2015 June	% Change
Public Sector Employees (2012 = 100)	160.8	160.4	0.2
Informal Private Sector Employees (2012 = 100)	134.9	126.5	6.6
Agriculture	134.5	128.4	4.8
Industry	139.3	129.6	7.5
Services	130.8	122.7	6.6



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

Item	2016 (b) April	2015 April	% Change
Factory Industry- Production Index	105.6	115.3	-8.4
Food products	89.7	95.2	-5.9
Beverages	111.5	124.3	-10.2
Tobacco products	85.7	99.6	-14.0
Wearing apparel	147.7	157.9	-6.5
Chemicals and chemical products	64.0	71.6	-10.7
Rubber and plastic products	94.3	97.3	-3.1
Other non-metallic mineral products	107.8	87.1	23.8

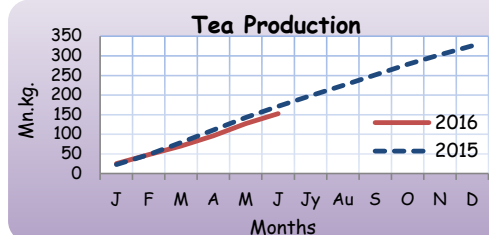


(a) Major 7 sub divisions of FIPI out of 17 sub divisions.

(b) Provisional

## 1.8 Agriculture Production

Item	Unit	2016(a) Jan-Jun	2015 Jan-Jun	% Change
Tea	(Mn Kg)	152.5	171.9	-11.3
Rubber	(Mn Kg)	47.9	50.4	-5.0
Coconuts	(Mn Nuts)	1,526.9	1,500.0	1.8



(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
GDP	5.5	4.4	4.8



(a)Provisional

Source: Department of Census and Statistics

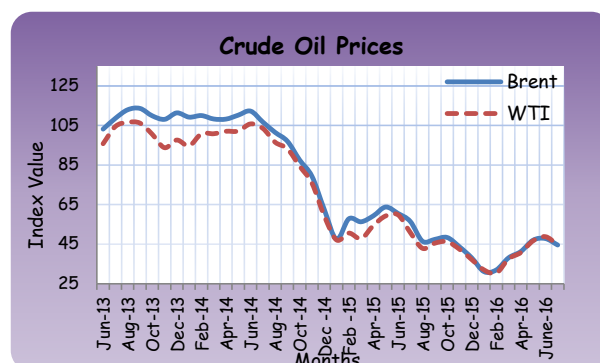
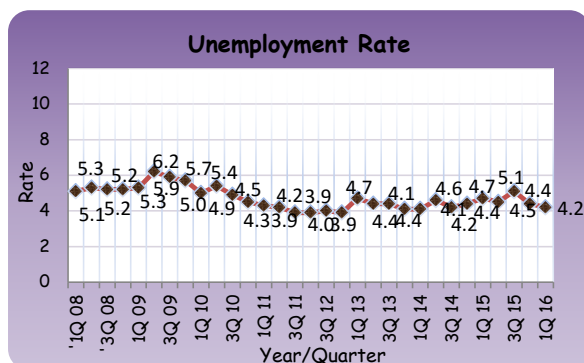
## 1.10 Employment (a)

Item	2015 (b) 1 <sup>st</sup> Quarter	2016 (b) 1 <sup>st</sup> Quarter	2015 Annual
Labour Force Participation rate	53.5	54.1	53.8
Unemployment rate	4.7	4.2	4.7
<b>Employed Persons by Sectors (c) (as a % of total employment)</b>			
Agriculture	29.9	28.5	28.7
Industry	25.6	26.0	25.8
Services	44.5	45.5	45.6

(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	48.84
June	60.53	59.82	66.17	47.82	48.76	50.95
July	56.48	50.90	60.49	44.54	44.65	
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		
12 August	47.79	43.22		44.67	44.47	
15 August	-	-		47.11	45.72	
16 August	-	-		48.17	46.57	
17 August	47.47	41.93		48.48	46.81	
18 August	46.70	42.58		49.36	48.20	

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

## Highlights

Weekly AWPR for the week ending 19 August 2016 declined by 6 bps to 11.68 per cent compared to the previous week.

Broad money (M2b) expanded by 16.5 per cent on a year-on-year basis in May 2016.

NFA of the banking system declined marginally by Rs. 3.3 billion in May 2016.

NCG from the banking system showed an increase of Rs. 6.1 billion in May 2016.

Credit extended to the private sector increased by Rs. 60.2 billion in May 2016.

The reserve money increased compared to the previous week mainly due to increase in currency in circulation.

The total outstanding market liquidity remained at short position of Rs. 25.17 bn by end of the week, compared to an short position of Rs. 40.10 bn by the end of last week.

By 19 August 2016, All Share Price Index (ASPI) increased by 1.23 per cent to 6,602 points while S&P SL 20 Index increased by 1.85 per cent to 3,633 points, compared to the previous week.

# MONETARY SECTOR

## 2.1 Interest Rates

Item	Week Ending 2016 Aug 19	Week Ago	Year Ago
<b>Policy Interest Rates</b>			
Standing Deposit Facility Rate	7.00	7.00	6.00
Standing Lending Facility Rate	8.50	8.50	7.50
<b>Average Weighted Call Money Rate (AWCMR)(Weekly Average)</b>	8.40	8.40	6.17
<b>Sri Lanka Inter Bank Offered Rate ( SLIBOR )</b>			
1 day	8.43	8.41	6.22
7 days	9.50	9.50	6.34
1 Month	10.54	10.54	6.53
3 Months	10.92	10.83	6.84
6 Months	11.42	11.42	7.12
12 Months	11.94	11.91	7.39
<b>Treasury Bill Yields (Excluding 10% withholding tax)</b>			
91 days	9.01	9.01	6.36
182 days	9.94	9.92	6.66
364 days	10.74	10.72	6.72
<b>Licensed Commercial Banks</b>			
Average Weighted Prime Lending Rate (AWPR)	11.68	11.74	6.79
	June 2016	Month Ago	Year Ago
Saving Deposits	0.50-9.00	0.50-8.50	0.50-8.00
One Year Fixed Deposits	4.50-15.00	4.50-15.00	3.50-15.00
	July 2016	Month Ago	Year Ago
Average Weighted Deposit Rate (AWDR)	7.10	6.87	6.00
Average Weighted Fixed Deposit Rate (AWFDR)	8.99	8.64	7.21
	June 2016	Month Ago	Year Ago
Average Weighted Lending Rate (AWLR)	12.09	11.89	11.25
<b>National Savings Bank (NSB)</b>	June 2016	Month Ago	Year Ago
Saving Deposits	4.50	4.50	5.00
One Year Fixed Deposits	10.00	8.50	6.50
<b>Treasury Bonds Auction</b>	(4 Y & 07 Months) 29/07/2016	(8 Years) 29/07/2016	(10 years) 29/07/2016
Coupon rate	10.75	11.00	11.50
Weighted Average Yield (Excluding 10% withholding tax)	12.07	12.61	12.86

Bankwise- AWPR	Week ending 2016 Aug 19	Week Ago
Bank of Ceylon	11.19	11.05
People's Bank	11.73	11.73
Hatton National Bank	13.04	12.77
Commercial Bank of Ceylon	12.38	12.11
Sampath Bank	12.53	12.81
Seylan Bank	11.99	12.34
Union Bank of Colombo	14.30	13.87
Pan Asia Banking Corporation	13.00	15.81
Nations Trust Bank	11.95	11.66
DFCC Bank	12.86	13.02
NDB Bank	13.00	12.97
Amana Bank	12.14	12.03
Cargills Bank	11.91	12.54

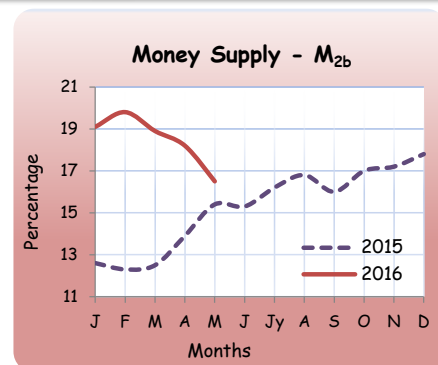
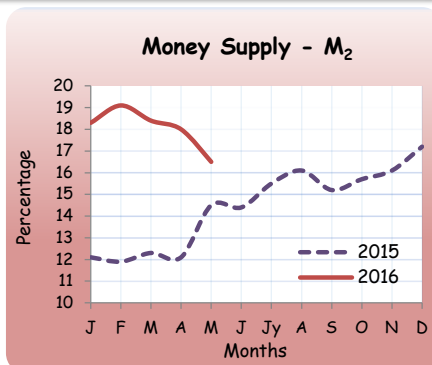
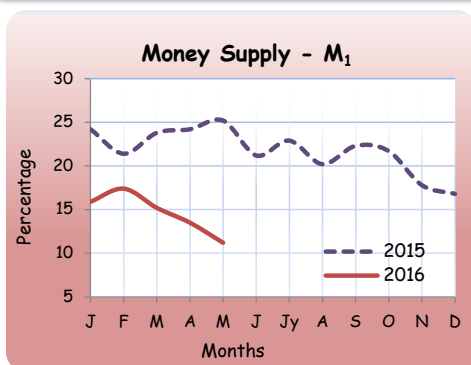
Bankwise- AWPR	Week ending 2016 Aug 19	Week Ago
HSBC	9.01	7.82
Standard Chartered Bank	10.25	10.96
Citi Bank	10.57	10.57
Deutsche Bank	9.36	9.53
Habib Bank	10.77	10.82
Indian Bank	12.37	12.37
Indian Overseas Bank	12.87	12.87
MCB Bank	11.99	12.74
State Bank of India	12.44	12.44
Public Bank	10.25	10.25
ICICI Bank	11.89	11.17
Axis Bank	12.23	11.99



## 2.2 Money Supply

Item	Rs. Bn.			Annual Change (%)		
	2016 (a) May	Month Ago	Year Ago	2016 (a) May	Month Ago	Year Ago
Reserve Money	733.3	763.1	589.8	24.3	24.6	18.1
M <sub>1</sub>	701.7	715.5	630.8	11.2	13.5	25.2
M <sub>2</sub>	4,241.0	4,242.0	3,641.3	16.5	18.0	14.5
M <sub>2b</sub>	4,781.1	4,772.1	4,102.8	16.5	18.2	15.4
Net Foreign Assets of the Banking System (b)	-467.5	-464.2	-177.0	-164.2	-170.9	-211.2
Monetary Authorities	422.6	437.6	550.5	-23.2	-23.7	-17.6
Commercial Banks	-890.1	-901.8	-727.5	-22.4	-21.1	-43.0
Domestic Banking Units (DBUs)	-330.5	-312.7	-234.6	-40.9	-33.5	-15.1
Offshore Banking Units (OBUs)	-559.6	-589.1	-492.8	-13.5	-15.4	-61.7
Net Domestic Assets of the Banking System (b)	5,248.6	5,236.3	4,279.7	22.6	24.4	26.0
Net Credit to the Government	1,965.5	1,959.4	1,662.7	18.2	20.5	20.9
Monetary Authorities	407.2	424.2	201.5	102.1	87.6	37.8
Commercial Banks	1,558.3	1,535.3	1,461.2	6.6	9.6	18.9
DBUs	1,160.5	1,142.3	1,191.2	-2.6	0.9	15.3
OBUs	397.8	392.9	270.0	47.3	46.6	37.9
Credit to Public Corporations	489.8	511.5	496.9	-1.4	2.8	50.4
DBUs	262.8	259.0	202.5	29.8	29.3	39.2
OBUs	227.0	252.6	294.4	-22.9	-15.1	59.3
Credit to the Private Sector	3,722.2	3,662.0	2,908.2	28.0	28.1	17.6
DBUs	3,450.6	3,396.7	2,660.6	29.7	29.7	17.1
OBUs	271.7	265.3	247.6	9.7	10.3	22.3
Other Items (Net)	-928.9	-896.7	-788.0	-17.9	-15.8	-0.7

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

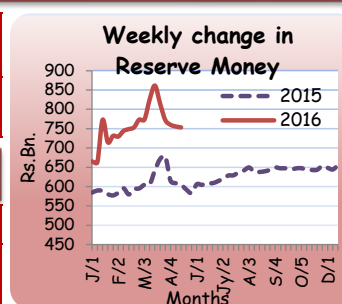


## 2.3 Weekly change in Reserve Money

Item	18 Aug 2016	Week Ago	Change
Reserve Money (Rs.Mn.)	793,985	786,353	7,632

## 2.4 Money Market Activity (Overnight)

Item	15.08.2016	16.08.2016	17.08.2016	18.08.2016	19.08.2016
<b>Call Money Market</b>					
Weighted Average Rate (% p.a.)	8.40	8.40	0.00	8.40	8.40
Gross Volume (Rs. Mn)	12,620	11,670	0	15,765	12,120
<b>Repo Market</b>					
Weighted Average Rate (% p.a.)	8.47	8.48	0.00	8.44	8.49
Gross Volume (Rs. Mn)	33,522	30,280	0	42,799	36,872



## 2.5 CBSL Security Portfolio

Item	15.08.2016	16.08.2016	17.08.2016	18.08.2016	19.08.2016
CBSL T-Bill Holding (Rs. Mn)	270,055	270,706	0	242,004	243,555

## 2.6 Open Market Operations

Item	15.08.2016	16.08.2016	17.08.2016	18.08.2016	19.08.2016
<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)	45.00	45.00	0.00	13.00	20.00
Tenure (No. of Days)	1	1	0	1	1
Bids Received (Rs. bn)	58.36	51.17	0.00	29.02	27.55
Amount Accepted (Rs. bn)	45.00	45.00	0.00	13.00	20.00
Weighted Average Yield Rate (% p.a.)	8.34	8.34	0.00	8.37	8.39
<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)	10.26	10.49	0.00	19.00	13.33
Standing Lending Facility (Rs. bn)	11.37	11.96	0.00	15.17	18.50
<b>Total Outstanding Market Liquidity (Rs. bn)</b>	-46.11	-46.47	0.00	-9.17	-25.17

## 2.7 Credit Cards (a)

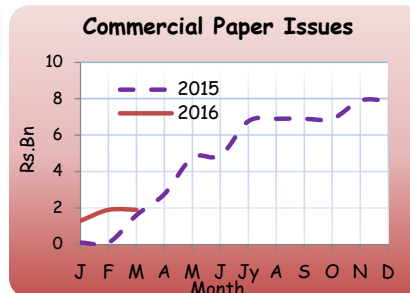
Item	2016 (b) End June	2016 End May	2015 End Dec
<b>Total Number of Active Cards</b>	1,205,422	1,191,448	1,142,231
Local (accepted only locally)	30,043	30,192	30,902
Global (accepted globally)	1,175,379	1,161,256	1,111,329
<b>Outstanding balance (Rs. Mn.)</b>	65,433	65,088	63,010
Local (accepted only locally)	804	808	1,226
Global (accepted globally)	64,630	64,281	61,784

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

## 2.8 Commercial Paper Issues (a)

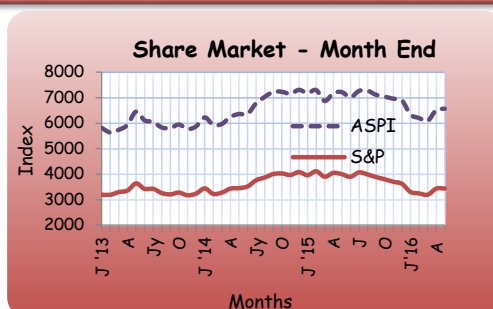
Item (Rs. bn.)	2016 End June(b)	2016 End May (c)	2015 End Dec
Total Issues - Cumulative	4.8	4.8	7.9
Outstanding (as at end of the period)	4.5	4.5	4.5

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



## 2.9 Share Market

Item	Week Ending 19 Aug 2016	Week Ago	Year Ago
All Share Price Index (1985 = 100) (ASPI)	6,602	6,522	7,499
S & P Sri Lanka 20 Index (S&P SL20)	3,633	3,567	4,164
Average Daily Turnover (Rs. Mn)	1,191	663	1,456
Market Capitalisation (Rs.Bn.)	2,814	2,779	3,186



## 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 1 <sup>st</sup> Quarter	2016(a) 1 <sup>st</sup> Quarter	Rs. Bn
<b>Revenue and Grants</b>	<b>285.6</b>	<b>345.6</b>	<b>Government Revenue &amp; Expenditure 2015-2016</b> (end Period) 
<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	Rs. Bn
<b>Total domestic debt</b>	<b>4,959.2</b>	<b>5,267.3</b>	<b>Government Debt 2015-2016</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

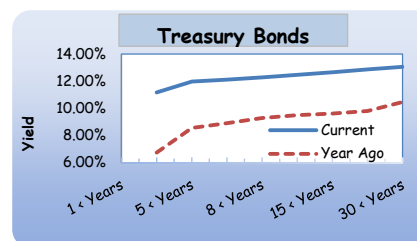
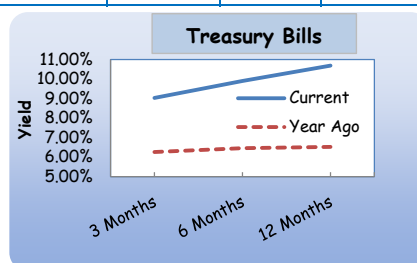
### 3.3 Government Securities - Primary and Secondary Market Yield Rates as for the week ending - 16<sup>th</sup> August 2016

Security	Maturity	Primary Market(a)		Secondary Market			
		This Week	Last Week	This Week			Last Week Average
				Buying	Selling	Average	
Treasury Bills	3 Months	9.01%	9.01%	9.18%	8.90%	9.04%	8.96%
	6 Months	9.94%	9.92%	10.00%	9.81%	9.91%	9.85%
	12 Months	10.74%	10.72%	10.79%	10.60%	10.70%	10.67%
Treasury Bonds	< 2 Years	-	-	11.23%	11.13%	11.18%	11.18%
	< 5 Years	-	-	12.01%	11.94%	11.97%	11.97%
	< 6 Years	-	-	12.18%	12.08%	12.13%	12.14%
	< 8 Years	-	-	12.34%	12.23%	12.29%	12.30%
	< 10 Years	-	-	12.51%	12.42%	12.47%	12.48%
	< 15 Years	-	-	12.72%	12.61%	12.67%	12.68%
	< 20 Years	-	-	12.92%	12.84%	12.88%	12.87%
	< 30 Years	-	-	13.13%	13.00%	13.07%	13.06%

(a) Primary market transactions during the week ending 16/08/2016

The secondary market yield rates of T-bills increased, while the secondary market yield rates of T-bonds showed a mixed behavior across all 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%	4.52%	4.67%
	27-Jul-21	6.250%	4.65%	4.88%
	18-Jan-22	5.750%	4.69%	4.92%
	25-Jul-22	5.875%	4.83%	5.11%
	14-Jan-19	6.000%	4.07%	4.11%
	11-Apr-19	5.125%	4.15%	4.18%
	3-Jun-25	6.125%	5.33%	5.79%
	3-Nov-25	6.850%	5.45%	5.88%
	18-Jul-26	6.825%	5.49%	5.93%



### 3.4 Government Securities - Weekly Summary of Primary and Secondary Market Transactions (Week Ended - 16<sup>th</sup> August 2016 )

Item	Volume in Rs Mn	
	This Week	Last Week
Outstanding Stock of Government Securities		
Treasury Bills	739,517.04	738,257.04
Treasury Bonds (a)	3,961,408.96	3,961,408.96
<b>Total</b>	<b>4,700,926.00</b>	<b>4,699,666.00</b>
T-bills and T-bonds held by Foreigners	295,716.08	290,881.59
Sri Lanka Development Bonds (SLDB)	689,124.38	689,598.00

The outstanding stock of T-bills and T-bonds held by foreigners increased by 1.66 percent 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	23,000.00	25,500.00
Total Bids Received	67,500.00	84,024.00
Total Bids Accepted	14,511.00	28,190.00
<b>Treasury Bonds</b>		
Amount Offered		
Total Bids Received	No auction held	No auction held
Total Bids Accepted		

The weekly T-bill auction was over subscribed by 2.9 times.

Secondary Market Activities	Volume in Rs Mn	
	This Week	Last Week
<b>Treasury Bills</b>		
Outright Transaction (Sales / Purchases)	29,519.00	38,037.79
Repo Transaction (Sales / Purchases)	223,833.88	180,524.98
<b>Treasury Bonds</b>		
Outright Transaction (Sales / Purchases)	60,444.01	68,890.61
Repo Transaction (Sales / Purchases)	588,511.01	713,984.66

The secondary market repo transactions on T-bills increased by 23.99 per cent, yet the total secondary market transactions decreased by 9.90 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) - 19/08/2016

Remaining Maturity	Average Buying Price	Yield %	Average Selling Price	Yield %	Buying & Selling Spread
1-7 Days	99.84	8.56	99.84	8.35	0.00
1 Month	99.29	8.72	99.30	8.49	0.02
2 Month	98.55	8.87	98.58	8.67	0.03
3 Month	97.76	9.12	97.81	8.89	0.06
4 Month	96.92	9.40	96.99	9.18	0.07
5 Month	96.04	9.63	96.13	9.42	0.08
6 Month	95.08	9.97	95.18	9.78	0.09
7 Month	94.19	10.10	94.29	9.92	0.10
8 Month	93.29	10.20	93.41	10.02	0.12
9 Month	92.37	10.31	92.51	10.13	0.14
10 Month	91.44	10.41	91.59	10.23	0.15
11 Month	90.48	10.52	90.64	10.35	0.15
12 Month	89.36	10.79	89.53	10.61	0.17

### 3.6 Two way Quotes (Treasury Bonds)- 19/08/2016

Treasury Bond By Series	Maturity Period (Years)	Maturity Date (DD/MM/YY)	Days to Maturity	Average Buying Price	Yield %	Average Selling Price	Yield %	Buying & Selling Spread
08.00%2016A	5	1-Sep-16	13	99.94	9.23	99.95	9.01	0.01
06.40%2016B	6	1-Oct-16	43	99.63	9.33	99.65	9.16	0.02
08.00%2017A	5	1-Jan-17	135	99.26	9.97	99.34	9.76	0.07
05.80%2017A	6	15-Jan-17	149	98.32	10.05	98.41	9.83	0.09
08.25%2017A	3	1-Mar-17	194	99.02	10.16	99.13	9.95	0.11
08.75%2017A	4	15-May-17	269	98.81	10.43	99.00	10.15	0.19
08.00%2017B	5	15-Jun-17	300	98.03	10.53	98.22	10.29	0.18
05.80%2017B	6	15-Jul-17	330	95.99	10.55	96.18	10.32	0.19
08.50%2018A	15	1-Feb-18	531	96.76	10.97	97.13	10.68	0.37
08.50%2018C	5	1-Apr-18	590	96.33	11.03	96.48	10.92	0.16
08.50%2018D	5	1-Jun-18	651	95.88	11.09	96.02	11.00	0.14
08.50%2018B	15	15-Jul-18	695	95.53	11.16	95.67	11.07	0.15
07.50%2018A	15	15-Aug-18	726	93.54	11.21	93.72	11.10	0.18
08.75%2018A	4	15-Oct-18	787	95.34	11.23	95.60	11.09	0.26
08.00%2018A	6	15-Nov-18	818	93.67	11.26	93.87	11.16	0.20
05.65%2019A	8	15-Jan-19	879	88.14	11.42	88.28	11.35	0.14
08.50%2019A	10	1-May-19	985	93.23	11.47	93.42	11.38	0.19
10.60%2019A	5	1-Jul-19	1,046	97.81	11.51	98.04	11.41	0.23
10.60%2019B	5	15-Sep-19	1,122	97.29	11.67	97.57	11.56	0.28
08.00%2019A	8	1-Nov-19	1,169	90.54	11.61	90.77	11.52	0.23
09.25%2020A	5	1-May-20	1,351	92.76	11.71	92.94	11.64	0.19
08.00%2020A	8	1-Jun-20	1,382	88.74	11.76	88.90	11.71	0.16
06.20%2020A	10	1-Aug-20	1,443	82.47	11.89	82.66	11.81	0.19
09.50%2020A	5	15-Dec-20	1,579	92.33	11.81	92.66	11.70	0.32
10.75%2021A	5	1-Mar-21	1,655	95.90	11.94	96.22	11.85	0.32
09.00%2021A	8	1-May-21	1,716	89.59	11.95	89.86	11.87	0.27
11.00%2021A	7	1-Aug-21	1,808	96.49	11.95	96.73	11.89	0.24
09.45%2021A	7	15-Oct-21	1,883	90.38	12.00	90.62	11.93	0.24
08.00%2022A	10	1-Jan-22	1,961	84.19	12.08	84.44	12.01	0.24
11.20%2022A	9	1-Jul-22	2,142	96.29	12.09	96.61	12.01	0.32
10.00%2022A	8	1-Oct-22	2,234	90.94	12.13	91.35	12.03	0.40
09.00%2023A	10	1-Sep-23	2,569	85.09	12.22	85.48	12.13	0.38
11.20%2023A	9	1-Sep-23	2,569	95.13	12.25	95.60	12.14	0.47
07.00%2023A	20	1-Oct-23	2,599	75.31	12.30	75.70	12.20	0.39
11.40%2024A	10	1-Jan-24	2,691	95.54	12.33	96.10	12.21	0.56
11.00%2024A	8	1-Aug-24	2,904	93.18	12.37	93.69	12.26	0.51
06.00%2024A	10	1-Dec-24	3,026	67.22	12.45	67.59	12.36	0.37
10.25%2025A	10	15-Mar-25	3,130	88.65	12.44	89.11	12.34	0.46
09.00%2025A	12	1-May-25	3,177	81.68	12.51	82.06	12.43	0.37
11.00%2025A	10	1-Aug-25	3,269	91.95	12.52	92.46	12.42	0.50
09.00%2026A	13	1-Feb-26	3,453	80.51	12.58	80.90	12.50	0.39
05.35%2026A	15	1-Mar-26	3,481	60.50	12.57	60.74	12.51	0.24
11.00%2026A	11	1-Jun-26	3,573	91.13	12.59	91.61	12.50	0.48
11.50%2026A	10	1-Aug-26	3,634	93.63	12.64	94.16	12.54	0.53
09.00%2028B	15	1-May-28	4,273	77.67	12.71	78.22	12.60	0.56
09.00%2028A	15	1-Jul-28	4,334	77.64	12.69	78.06	12.61	0.43
11.50%2028A	13	1-Sep-28	4,396	92.51	12.73	93.18	12.61	0.67
13.00%2029A	15	1-Jan-29	4,518	101.34	12.78	101.92	12.68	0.59
13.00%2029B	15	1-May-29	4,638	101.29	12.78	101.85	12.70	0.56
11.00%2030A	15	15-May-30	5,017	88.81	12.74	89.74	12.58	0.93
08.00%2032A	20	1-Jan-32	5,613	67.89	12.83	68.22	12.77	0.33
09.00%2032A	20	1-Oct-32	5,887	73.97	12.86	74.33	12.80	0.36
09.00%2033A	20	1-Jun-33	6,130	73.48	12.89	73.86	12.82	0.38
13.25%2033A	20	1-Jul-33	6,160	102.23	12.92	102.79	12.84	0.56
09.00%2033B	20	1-Nov-33	6,283	72.96	12.96	73.40	12.87	0.44
13.25%2034A	20	1-Jan-34	6,344	101.45	13.03	102.13	12.93	0.69
11.50%2035A	20	15-Mar-35	6,782	89.53	13.00	91.23	12.74	1.70
12.00%2041A	25	1-Jan-41	8,901	92.42	13.03	93.48	12.88	1.07
09.00%2043A	30	1-Jun-43	9,782	69.46	13.15	69.89	13.07	0.43
13.50%2044A	30	1-Jan-44	9,996	102.10	13.21	102.76	13.12	0.66
13.50%2044B	30	1-Jun-44	10,148	101.58	13.28	102.21	13.19	0.63
12.50%2045A	30	1-Mar-45	10,421	94.40	13.26	96.05	13.03	1.65



## External Sector

During the year up to 19 August 2016 the rupee depreciated against the US dollar (1.0 per cent). Given the cross currency exchange rate movements, the Sri Lanka rupee appreciated against the pound sterling (11.7 per cent) and depreciated against Indian rupee (0.4 per cent), Japanese yen (17.6 per cent) and euro (4.6 per cent) during this period.

Earnings from exports declined by 12.0 per cent, Year on Year, to US dollars 776 million in May 2016, reflecting contractions in all major categories of exports. The subdued performance in tea exports, rubber products and textiles and garments contributed mainly to the overall decline in export earnings. On a cumulative basis, earnings from exports declined by 6.0 per cent, Year on Year, to US dollars 4,211 million during the first five months of 2016 largely due to the reduction in export earnings from transport equipment, petroleum products, tea and spices.

Expenditure on imports grew marginally by 0.3 per cent, year-on-year, to US dollars 1,590 million in May 2016. This growth was largely contributed by the increase in import expenditure on investment goods, despite the decline recorded in consumer goods and intermediate goods imports. On a cumulative basis, expenditure on imports during the first five months of 2016 decreased by 2.8 per cent to US dollars 7,645 million mainly due to the declines recorded in fuel, transport equipment and rice imports.

The terms of trade improved by 5.4 per cent in May 2016 compared to the corresponding month of previous year due to deteriorating of import prices compared to export prices. The export unit value index declined by 4.0 per cent, year-on-year, in May 2016, led by significant decline recorded in prices of agricultural exports. The import unit value index declined by 8.9 per cent, year-on-year, in May 2016, as a result of declines recorded in unit price indices of intermediate goods and investment goods. However, import unit value index for consumer goods increased by 4.6 per cent on a year-on year basis.

India, China, UK, Germany and France were the top five sources of tourist arrivals in July 2016, accounting for 52.1 per cent of total tourist arrivals upto the month of July 2016

The average price of tea increased by 4.0 per cent to US dollars 3.08 per kg in May 2016 from US dollars 2.96 per kg (in the Colombo auction) in May 2015.

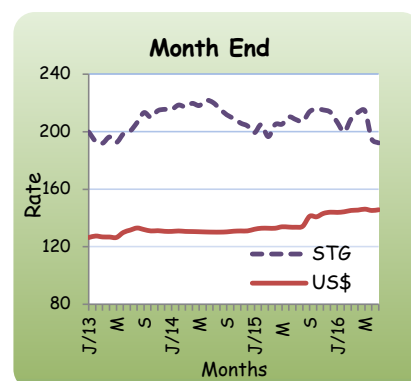
Further, the import prices of rice and wheat decreased compared to the corresponding month of 2015.

## Highlights

# EXTERNAL SECTOR

## 4.1 Exchange Rates

Item (Rs Per Unit)(a)	Week Ending - 19 Aug 2016			Average Rate	
	Buying Rate	Selling Rate	Average Rate	Week Ago	Year Ago
US\$	143.39	147.17	145.28	145.27	134.08
STG	187.69	194.22	190.96	188.55	210.12
Yen	1.42	1.48	1.45	1.43	1.08
Euro	161.61	167.86	164.74	161.82	148.02
INR <sup>(1)</sup>			2.18	2.18	2.05
SDR (As at 18 Aug 2016)			204.51	203.12	187.55
Central Bank purchases and sales(b) (US\$ Mn. )			July 2016	Month Ago	Year Ago
Purchases			204.56	178.78	0.00
Sales			53.90	194.02	352.58



	Week Ending 19 Aug 2016	Week Ago	Year Ago
Average Daily Interbank Volume (US\$ Mn.) (spot, tom and cash transactions among commercial banks)	41.13	24.00	33.36
Forward Transactions			
Forward Rates (US\$) <sup>(2)</sup>			
1 Month	146.39	146.52	134.55
3 Months	148.15	148.31	135.64
Average Daily Interbank Forward Volume (US\$ mn)	22.06	31.96	28.75
Outstanding Forward Volume (US\$ mn) (As at 18 Aug 2016)	1,286.81	1,432.54	1,311.96

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

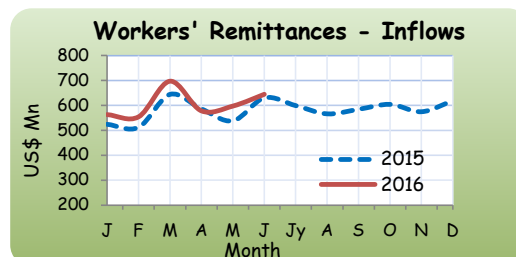
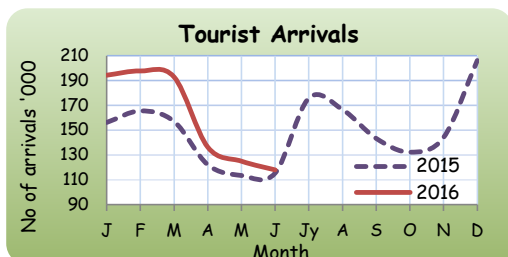
(b) Central Bank purchases and sales of foreign exchange from commercial banks at market rates total for the Month

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

## 4.2 Tourism & Workers' Remittances

Item		2015 July (a)(c)	2016 July (b)(d)	2015(a) Jan-Jul (c)	2016(b) Jan-Jul (d)	% Change
Tourist Arrivals	Number	175,804	209,351	1,005,855	1,173,618	16.7
Earnings from Tourism(d)	US\$ Mn.	291.4	347.0	1,667.1	1,945.2	16.7
	Rs.bn.	39.0	50.5	221.7	281.1	26.8
		2015 June (a)	2016 June (b)	2015 Jan-Jun(a)	2016 Jan-Jun(b)	% Change
Workers' Remittances (Inflows)	US\$ Mn.	629.6	644.5	3,432.7	3,613.1	5.3
	Rs. bn.	84.3	93.6	456.4	521.9	14.4

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



### 4.3 Official Reserve Assets as at 31<sup>st</sup> July 2016<sup>(a)</sup>

Official Reserve Assets (USD Mn)	
(1) Foreign Currency Reserves	5,448.27
(2) Reserve position in the IMF	66.69
(3) SDRs	5.43
(4) Gold	964.26
(5) Other Reserve Assets	0.97

(a) Provisional

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

Official Reserve Assets (USD mn)					
Official Reserve Assets					5,292.27
(1) Foreign currency reserves					4,277.70
(a) Securities					1,935.47
(b) Total currency and deposits with					2,342.23
(i) other national central banks, BIS					1,018.33
(ii) banks headquartered inside the reporting country of which located abroad					1.23
(iii) banks headquartered outside the reporting country					1,322.67
(2) Reserve position in the IMF					66.94
(3) SDRs					4.11
(4) Gold					942.55
(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	-4,480.51	-250.83	-1,092.65	-3,137.02
	Interest	-967.52	-172.11	-124.5	-670.91
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>		-2,989.88	-493.38	-963.07	-1,533.43
(b) Long positions (+)					
3. Other (specify)		-0.73	-0.73		
inflows related to reverse repos (+)					
other accounts payable (-)		-0.73	-0.73		

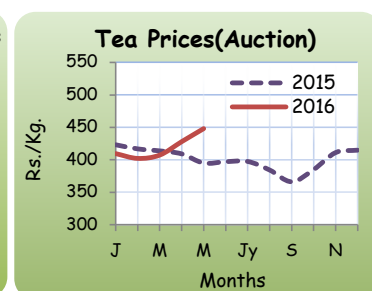
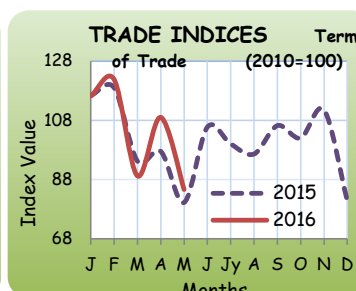
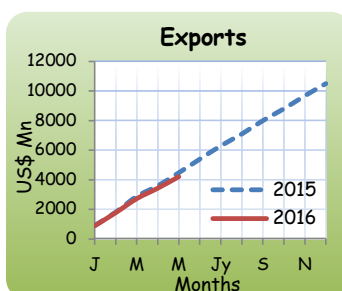
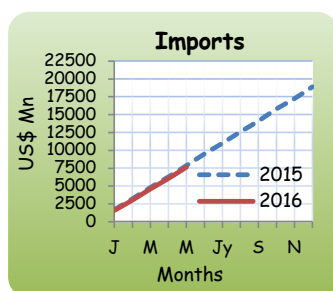
(a) Provisional

(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-May 2016	Jan-May 2015	% Change	Jan-May 2016	Jan-May 2015	% Change
<b>Exports</b>	<b>4,210.9</b>	<b>4,480.3</b>	<b>-6.0</b>	<b>607,420.4</b>	<b>594,563.6</b>	<b>2.2</b>
Agricultural	890.5	1,018.0	-12.5	128,463.5	135,113.0	-4.9
Industrial	3,302.7	3,440.5	-4.0	476,405.5	456,563.1	4.3
Food, Beverages and Tobacco	126.5	110.5	14.4	18,242.2	14,668.8	24.4
Textiles and Apparel	2,084.5	1,981.0	5.2	300,667.2	262,888.5	14.4
Petroleum Products	109.2	175.8	-37.9	15,747.2	23,285.7	-32.4
Leather, Rubber etc	371.0	394.4	-5.9	53,512.2	52,342.9	2.2
Other	611.6	778.9	-21.5	88,236.7	103,377.1	-14.6
Mineral	11.5	15.1	-24.0	1,655.6	2,003.1	-17.3
Other	6.2	6.7	-6.8	895.7	884.4	1.3
<b>Imports</b>	<b>7,645.2</b>	<b>7,868.0</b>	<b>-2.8</b>	<b>1,103,124.4</b>	<b>1,044,069.3</b>	<b>5.7</b>
Consumer Goods	1,753.6	1,916.1	-8.5	252,967.5	254,260.5	-0.5
Intermediate Goods	3,870.7	4,042.3	-4.2	558,575.1	536,469.8	4.1
Investment Goods	2,016.7	1,900.7	6.1	290,967.3	252,147.5	15.4
Other	4.3	9.0	-52.6	614.6	1,191.5	-48.4
<b>Trade Balance</b>	<b>-3,434.3</b>	<b>-3,387.7</b>	<b>-1.4</b>	<b>-495,704.0</b>	<b>-449,505.7</b>	<b>-10.3</b>

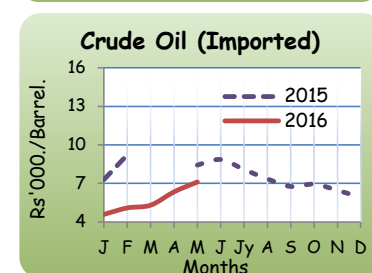
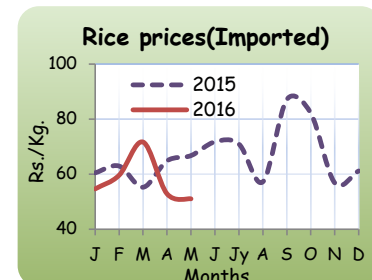


## 4.6 Trade Indices (2010= 100 ) (a)

Item	2016 May (b)	Month Ago	Year Ago
<b>Total Exports</b>			
Value	108.0	98.3	122.8
Quantity	136.3	99.5	148.8
Unit Value	79.2	98.8	82.5
<b>Total Imports</b>			
Value	142.3	130.7	141.9
Quantity	151.9	144.2	138.0
Unit Value	93.7	90.7	102.9
<b>Terms of Trade</b>	<b>84.6</b>	<b>109.0</b>	<b>80.2</b>

(a) In US\$ Terms

(b) Provisional



## 4.7 International Commodity Prices

Item	May 2016	May 2015	% Change	May 2016	May 2015	% Change
<b>Colombo Auction Price</b>	<b>US\$ / Kg</b>			<b>Rs / Kg</b>		
Tea Prices	3.08	2.96	4.0	448.15	395.06	13.4
<b>Imports (C I F)</b>	<b>US\$ / MT</b>			<b>Rs / MT</b>		
Rice	350.22	499.73	-29.9	51,008.91	66,711.37	-23.5
White Sugar	474.95	394.81	20.3	69,175.93	52,705.65	31.2
Wheat	264.07	290.90	-9.2	38,461.24	38,833.74	-1.0
	<b>US\$ / Barrel</b>			<b>Rs / Barrel</b>		
Crude Oil	48.84	63.09	-22.6	7,113.87	8,422.19	-15.5