

Weekly Economic Indicators

02 September 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, decreased to 5.8 per cent in July 2016 from 6.4 per cent in June 2016, on year-on-year basis. Both Food and Non-food categories contributed towards the year-on-year inflation in July 2016. The change in the NCPI measured on an annual average basis increased to 3.4 per cent in July 2016 from 3.1 per cent in June 2016. When the monthly change in the NCPI is considered, the NCPI decreased by 0.8 per cent from 116.1 index points in June 2016 to 115.2 index points in July 2016. This monthly decrease was mainly due to the decrease in prices of the items in the Food category. Meanwhile, NCPI Core inflation, which reflects the underlying inflation in the economy decreased to 6.8 percent in July 2016 from 7.5 per cent in June 2016, on year-on-year basis. Annual average NCPI Core inflation increased to 5.5 per cent in July 2016 from 5.3 per cent in June 2016.

Inflation, as measured by the change in the Colombo Consumer's Price Index (CCPI) (2006/07=100) compiled by the Department of Census and Statistics decreased to 4.0 per cent in August 2016 from 5.5 per cent in July 2016, on an year-on-year basis. Annual average inflation increased to 3.0 per cent in August 2016 from 2.7 per cent in July 2016. The monthly decrease in CCPI was 2.0 per cent. Core CCPI decreased to 4.1 per cent in August 2016 from 5.8 per cent in July 2016, on an year-on-year basis. Annual average core CCPI increased to 5.0 per cent in August 2016 from 4.9 per cent in July 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 2.0 per cent on a year-on-year basis in May 2016. This decline was mainly due to decreased production of food products, beverages, chemicals and chemical products and rubber and plastic products sub-sectors. This was mainly attributed to decreased domestic and international demand.

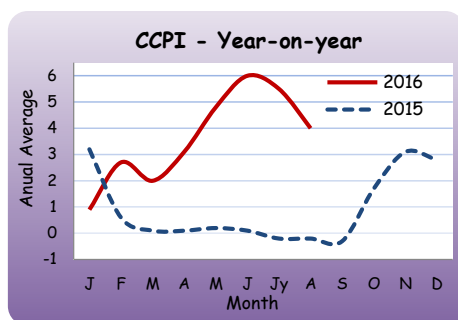
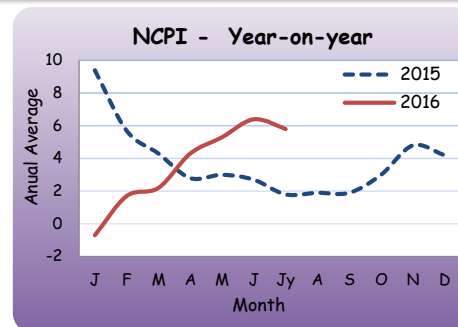
During the week crude oil spot prices followed a declining trend. Price declines were mainly due to renewed concerns about an oil glut and a stronger dollar. Iraq pledged to ship more crude after a ramp up of exports from its southern ports in August, while Nigerian rebels pledged to end conflicts against its oil industry, which they repeatedly attacked earlier this year. Further, the U.S. dollar held around three-week highs after comments by Fed Chair boosted expectations that a rate hike by the U.S. central bank at its September policy meeting could be on the horizon. Meanwhile, prices further fell after U.S. government data showed a large surprise weekly build in U.S. crude and distillate stockpiles and a smaller-than-expected drawdown in gasoline.

Highlights

REAL SECTOR

1.1 Price Indices

Item	July 2016	Month Ago	Year Ago
(2013 = 100)			
National Consumer Price Index (NCPI)	115.2	116.1	108.9
Monthly Change %	-0.8	2.1	-0.2
Year - on - Year Change %	5.8	6.4	1.8
Annual Average Change %	3.4	3.1	-
Core Inflation - (NCPI)	117.9	118.2	110.4
Annual Average Change %	5.5	5.3	-
Year - on - Year Change %	6.8	7.5	4.3
Item	August 2016	Month Ago	Year Ago
(2006 / 07 = 100)			
Colombo Consumers' Price Index (CCPI)	189.1	192.9	181.9
Annual Average Change %	3.0	2.7	1.0
Year - on - Year Change %	4.0	5.5	-0.2
Core Inflation - (CCPI)	187.4	189.2	180.0
Annual Average Change %	5.0	4.9	2.8
Year - on - Year Change %	4.1	5.8	3.9

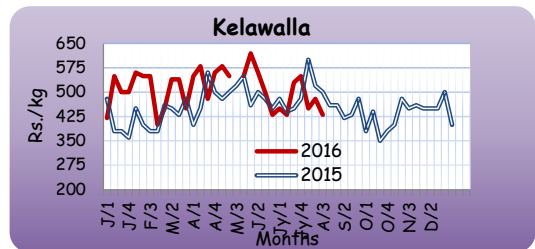
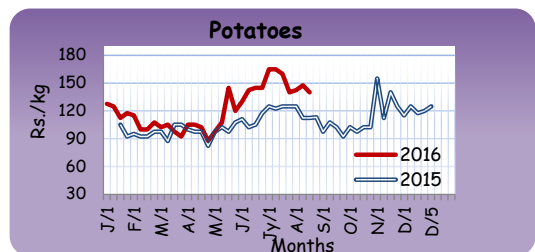
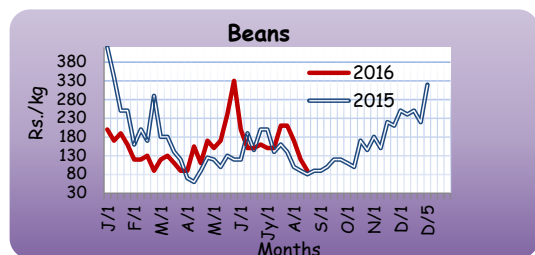
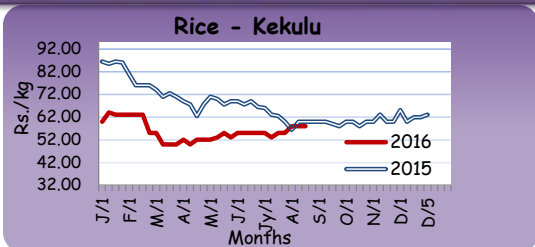


1.2 Pettah Market

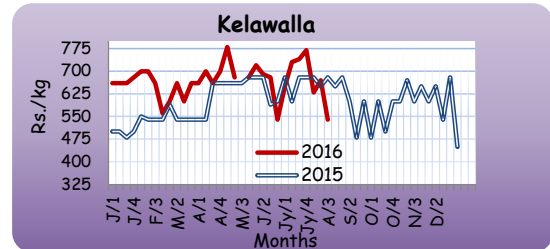
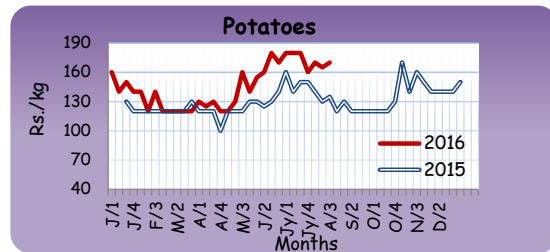
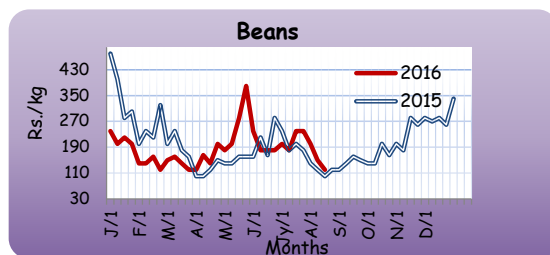
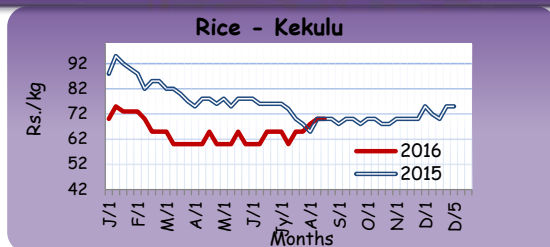
Item	Average Wholesale Prices				Average Retail Prices			
	Week Ending 01 st Sep 2016	Week Ago	Month Ago	Year Ago Annual Avg	Week Ending 01 st Sep 2016	Week Ago	Month Ago	Year Ago Annual Avg
	Rs / Kg				Rs / Kg			
Rice								
Samba	75.00	75.00	76.25	83.22	88.00	88.00	88.00	90.10
Kekulu (Red)	60.00	60.00	58.50	66.15	70.00	70.00	69.50	75.20
Vegetables								
Beans	130.00	110.00	122.50	160.49	155.00	140.00	152.50	196.86
Cabbage	60.00	60.00	70.00	79.31	100.00	100.00	110.00	117.94
Carrots	70.00	70.00	95.00	146.27	100.00	100.00	127.50	184.90
Tomatoes	30.00	40.00	41.25	89.80	60.00	80.00	75.00	126.18
Pumpkins	60.00	60.00	67.50	49.12	80.00	80.00	87.50	72.94
Snake Gourd	30.00	50.00	50.00	73.73	60.00	80.00	80.00	106.57
Brinjals	40.00	45.00	58.75	72.56	80.00	80.00	95.00	105.69
Ash-Plantains	80.00	80.00	82.50	81.08	100.00	100.00	105.00	110.59
Other Foods								
Red-Onions (Local)	90.00	80.00	63.12	105.28	120.00	100.00	112.50	135.34
Big-Onions (Local)	82.50	n.a.	n.a.	95.17	100.00	n.a.	n.a.	124.67
Potatoes (N'Eliya)	112.50	107.50	134.38	107.98	140.00	140.00	161.25	130.80
Dried Chilies (Imported)	300.00	300.00	300.00	248.90	350.00	360.00	357.50	291.08
Dhal (Indian)	160.00	160.00	157.00	161.98	169.00	169.00	169.00	177.43
Eggs (Red)	15.50	16.50	17.50	14.17	16.00	17.00	18.00	14.77
Coconut (Each)	26.00	27.50	27.88	41.00	40.00	40.00	38.75	53.18
Fish*								
Kelawalla	500.00	550.00	477.50	453.14	700.00	770.00	652.50	598.24
Balaya	350.00	300.00	320.00	295.00	450.00	400.00	415.00	361.20
Salaya	160.00	150.00	157.50	114.71	220.00	200.00	210.00	156.08
Paraw (Small)	580.00	600.00	566.67	484.69	680.00	700.00	666.67	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 01 st Sep 2016	
	Wholesale (Average)	Retail (Average)
Rice		
Samba	74.50	78.50
Kekulu (Red)	58.00	62.50
Vegetables		
Beans	123.00	159.00
Carrot	65.00	98.00
Tomatoes	25.50	50.00
Pumpkins	27.50	45.00
Snake Gourd	18.00	40.00
Ash-Plantains	56.50	81.00
Other Foods		
Red-Onions (Local)	66.00	90.00
Big-Onions (Local)	74.50	92.50
Potatoes (N'Eliya)	107.00	132.00
Dried Chilies(Imported)	302.50	360.00
Coconut (Each)	26.50	32.50

1.5 Maradaghamula Market

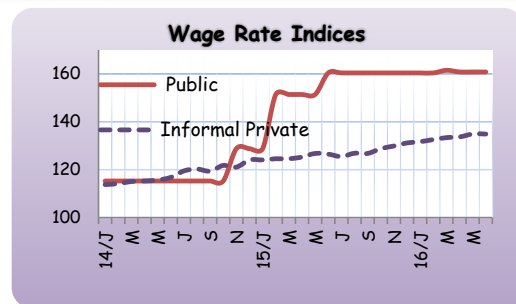
Average wholesale price of Rice				
Item (Rs / Kg)	Week Ending 02 nd Sep	Week Ago	Month Ago	Year Ago
Samba	69.60	70.10	70.80	79.56
Sudu Kekulu	57.90	58.30	57.39	62.37
Raw Red	57.80	58.50	57.80	66.17
Nadu	62.90	62.90	63.18	64.24

1.4 Narahenpita Economic Centre

Item (Rs / Kg)	Average Retail Prices	
	02 nd Sep 2016	Week Ago
Rice		
Samba	84.67	89.67
Kekulu (Red)	61.67	69.33
Vegetables		
Beans	136.67	120.00
Cabbage	100.00	116.67
Carrots	100.00	120.00
Tomatoes	60.00	63.33
Pumpkins	76.67	76.67
Snake Gourd	66.67	73.33
Brinjals	76.67	96.67
Ash-Plantains	116.67	120.00
Other Foods		
Red-Onions (Imported)	120.00	n.a.
Big-Onions (Imported)	90.00	86.67
Potatoes (Imported)	100.00	100.00
Dried Chilies (Imported)	336.67	336.67
Dhal (Indian)	174.67	168.33
Eggs (Red)(Each)	14.67	15.00
Coconut (Each)	53.33	50.00
Fish		
Kelawalla	866.67	856.67
Balaya	366.67	376.67
Salaya	246.67	256.67
Paraw (Small)	850.00	856.67

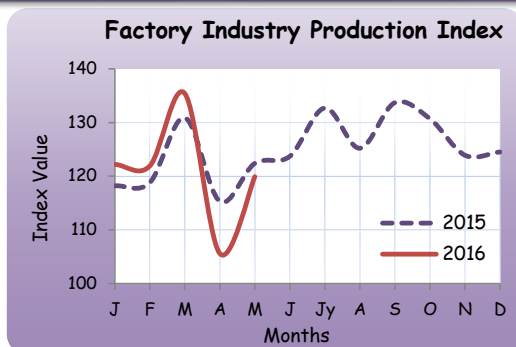
1.6 Wage rate Indices

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) May	2015 May	% Change
Factory Industry- Production Index	119.9	122.4	-2.0
Food products	97.8	103.3	-5.3
Beverages	99.6	121.8	-18.2
Tobacco products	107.5	96.2	11.7
Wearing apparel	169.7	168.2	0.9
Chemicals and chemical products	79.3	94.5	-16.1
Rubber and plastic products	137.6	138.4	-0.6
Other non-metallic mineral products	120.9	114.8	5.3

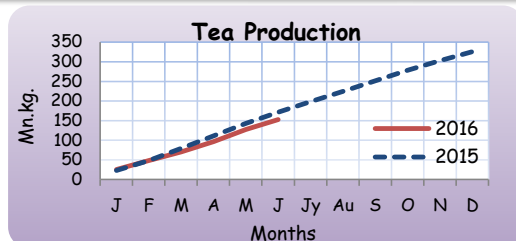


(a) Major 7 sub divisions of FIPI out of 17 sub divisions.

(b) Provisional

1.8 Agriculture Production

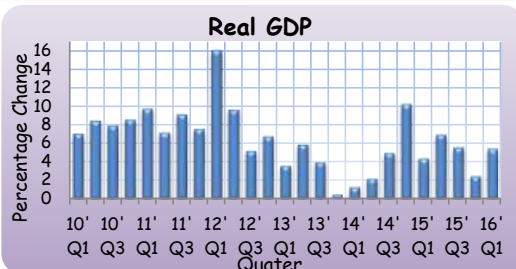
Item	Unit	2016(a) Jan-Jun	2015 Jan-Jun	% Change
Tea	(Mn Kg)	152.5	171.9	-11.3
Rubber	(Mn Kg)	47.9	50.4	-5.0
Coconuts	(Mn Nuts)	1,526.9	1,500.0	1.8



(a) Provisional

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

Item	2016(a) 1 st Quarter	2015(a) 1 st 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

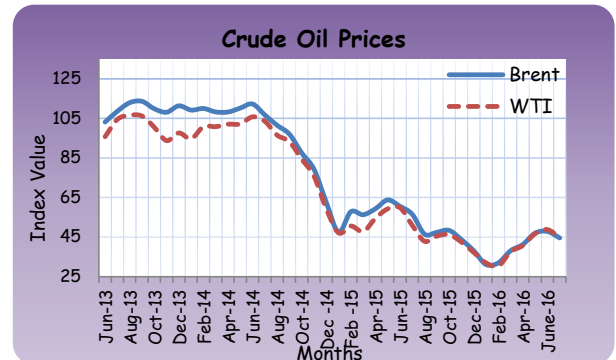
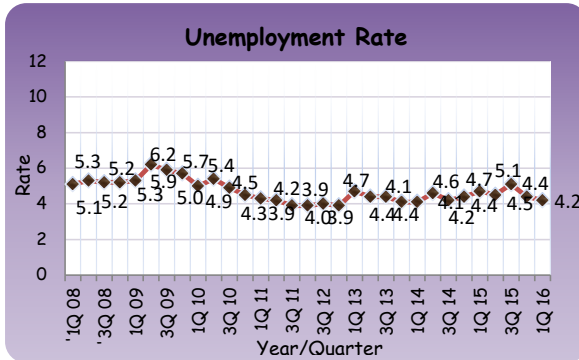
1.10 Employment (a)

Item	2015 (b) 1 st Quarter	2016 (b) 1 st Quarter	2015 Annual
Labour Force Participation rate	53.5	54.1	53.8
Unemployment rate	4.7	4.2	4.7
Employed Persons by Sectors (c) (as a % of total employment)			
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	46.10
August	46.43	42.87	54.92	45.50	44.72	
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		
26 August	41.46	38.5		49.66	47.64	
29 August	-	-		48.96	46.97	
30 August	-	-		47.74	46.32	
31 August	48.51	49.2		46.21	44.68	
01 September	48.50	45.38		44.65	43.17	

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 02 September 2016 increased by 14 bps to 12.03 per cent compared to the previous week.

Broad money (M2b) expanded by 17.0 per cent on a year-on-year basis in June 2016.

NFA of the banking system declined marginally by Rs. 24.5 billion in June 2016.

NCG from the banking system showed an increase of Rs. 39.9 billion in June 2016.

Credit extended to the private sector increased by Rs. 75.8 billion in June 2016.

The reserve money decreased compared to the previous week mainly due to decrease in currency in circulation.

The total outstanding market liquidity increased, to Rs. 6.73 bn by end of the week, compared to a short position of Rs. 1.30 bn by the end of last week.

By 02 September 2016, All Share Price Index (ASPI) declined by 0.18 per cent to 6,539 points while S&P SL 20 Index increased by 0.42 per cent to 3,600 points, compared to the previous week.

MONETARY SECTOR

2.1 Interest Rates

Item	Week Ending 2016 Sep 02	Week Ago	Year Ago
Policy Interest Rates			
Standing Deposit Facility Rate	7.00	7.00	6.00
Standing Lending Facility Rate	8.50	8.50	7.50
Average Weighted Call Money Rate (AWCMR)(Weekly Average)	8.40	8.40	6.29
Sri Lanka Inter Bank Offered Rate (SLIBOR)			
1 day	8.40	8.41	6.33
7 days	9.50	9.53	6.50
1 Month	10.52	10.56	6.76
3 Months	11.00	11.12	7.03
6 Months	11.54	11.56	7.31
12 Months	11.97	11.99	7.62
Treasury Bill Yields (Excluding 10% withholding tax)			
91 days	9.03	9.04	6.79
182 days	9.94	9.94	7.07
364 days	10.73	10.75	7.17
Licensed Commercial Banks			
Average Weighted Prime Lending Rate (AWPR)	12.03	11.89	6.76
	July 2016	Month Ago	Year Ago
Saving Deposits	0.50-9.00	0.50-9.00	0.50-8.00
One Year Fixed Deposits	4.50-15.00	4.50-15.00	3.50-15.00
	August 2016	Month Ago	Year Ago
Average Weighted Deposit Rate (AWDR)	7.32	7.10	6.01
Average Weighted Fixed Deposit Rate (AWFDR)	9.31	8.99	7.23
	July 2016	Month Ago	Year Ago
Average Weighted Lending Rate (AWLR)	12.35	12.09	11.17
National Savings Bank (NSB)			
	July 2016	Month Ago	Year Ago
Saving Deposits	4.50	4.50	5.00
One Year Fixed Deposits	10.00	10.00	6.50
Treasury Bonds Auction			
	(4 Y & 06 Months) 25/08/2016	(7 Y & 11 Months) 25/08/2016	(9 y & 11 Months) 25/08/2016
Coupon rate	10.75	11.00	11.50
Weighted Average Yield (Excluding 10% withholding tax)	11.76	12.24	12.52

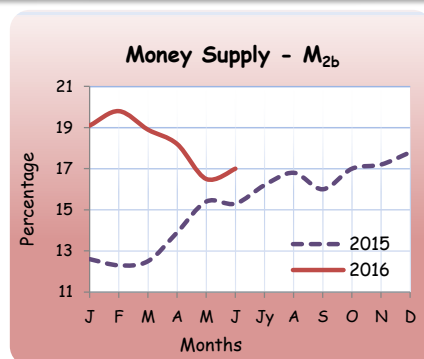
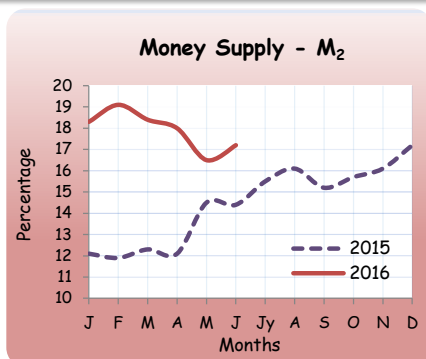
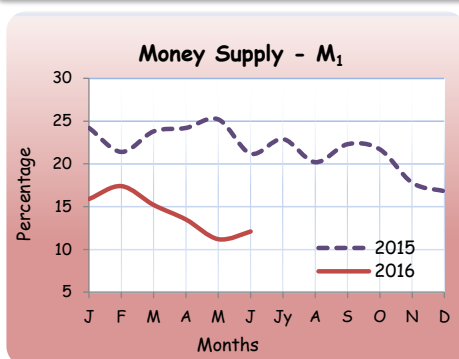
Bankwise- AWPR	Week ending 2016 Sep 02	Week Ago
Bank of Ceylon	11.32	11.21
People's Bank	11.73	11.73
Hatton National Bank	12.84	12.30
Commercial Bank of Ceylon	12.65	12.41
Sampath Bank	12.63	12.39
Seylan Bank	12.58	12.30
Union Bank of Colombo	14.56	12.99
Pan Asia Banking Corporation	13.92	15.83
Nations Trust Bank	12.23	11.99
DFCC Bank	13.70	12.31
NDB Bank	13.15	13.00
Amana Bank	12.43	12.23
Cargills Bank	13.20	11.54

Bankwise- AWPR	Week ending 2016 Sep 02	Week Ago
HSBC	8.17	8.81
Standard Chartered Bank	11.18	11.02
Citi Bank	9.15	10.57
Deutsche Bank	9.74	9.60
Habib Bank	10.74	10.77
Indian Bank	12.37	12.37
Indian Overseas Bank	12.87	12.87
MCB Bank	11.52	11.50
State Bank of India	12.56	12.44
Public Bank	10.25	10.25
ICICI Bank	11.98	11.98
Axis Bank	12.20	12.26

2.2 Money Supply

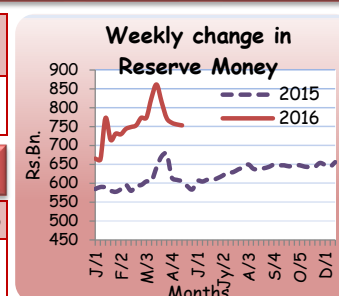
Item	Rs. Bn.			Annual Change (%)		
	2016 (a)	Month	Year	2016 (a)	Month	Year
	June	Ago	Ago	June	Ago	Ago
Reserve Money	757.2	733.3	608	24.5	24.3	19.8
M ₁	705.6	701.7	629.4	12.1	11.2	21.2
M ₂	4,310.5	4,241.0	3,677.5	17.2	16.5	14.4
M _{2b}	4,843.7	4,781.1	4,141.1	17.0	16.5	15.3
Net Foreign Assets of the Banking System (b)	-492.0	-467.5	-205.5	-139.4	-164.2	-225.6
Monetary Authorities	413.5	422.6	538.6	-23.2	-23.2	-23.8
Commercial Banks	-905.5	-890.1	-744.1	-21.7	-22.4	-36.9
Domestic Banking Units (DBUs)	-331.9	-330.5	-249.1	-33.2	-40.9	-17.1
Offshore Banking Units (OBUs)	-573.6	-559.6	-495.0	-15.9	-13.5	-49.7
Net Domestic Assets of the Banking System (b)	5,335.7	5,248.6	4,346.6	22.8	22.6	26.8
Net Credit to the Government	2,005.4	1,965.5	1,673.8	19.8	18.2	21.5
Monetary Authorities	456.1	407.2	186.7	144.2	102.1	30.8
Commercial Banks	1,549.3	1,558.3	1,487.0	4.2	6.6	20.4
DBUs	1,157.6	1,160.5	1,208.8	-4.2	-2.6	17.2
OBUs	391.7	397.8	278.3	40.8	47.3	37.0
Credit to Public Corporations	484.9	489.8	482.6	0.5	-1.4	38.2
DBUs	261.3	262.8	202.4	29.1	29.8	33.5
OBUs	223.6	227.0	280.3	-20.2	-22.9	41.8
Credit to the Private Sector	3,798.1	3,722.2	2,963.2	28.2	28.0	19.4
DBUs	3,523.3	3,450.6	2,722.0	29.4	29.7	20.1
OBUs	274.8	271.7	241.1	14.0	9.7	11.7
Other Items (Net)	-952.7	-928.9	-773.0	-23.2	-17.9	0.8

(a) Provisional (b) In relation to M_{2b}



2.3 Weekly change in Reserve Money

Item	01 Sep 2016	Week Ago	Change
Reserve Money (Rs.Mn.)	790,269	791,519	-1,250



2.4 Money Market Activity (Overnight)

Item	29.08.2016	30.08.2016	31.08.2016	01.09.2016	02.09.2016
Call Money Market					
Weighted Average Rate (% p.a.)	8.40	8.40	8.40	8.40	8.40
Gross Volume (Rs. Mn)	15,530	13,615	8,752	13,745	15,455
Repo Market					
Weighted Average Rate (% p.a.)	8.49	8.51	8.52	8.54	8.55
Gross Volume (Rs. Mn)	55,956	51,788	60,888	41,293	39,223

2.5 CBSL Security Portfolio

Item	29.08.2016	30.08.2016	31.08.2016	01.09.2016	02.09.2016
Net CBSL Treasury Bill Holdings ¹ (Book Value)- (Rs.mn)	214,460	212,769	212,411	211,938	207,451

¹ Gross book value of Treasury Bills plus (minus) total value of reverse repos (repos) with the CBSL.

2.6 Open Market Operations

Item	29.08.2016	30.08.2016	31.08.2016	01.09.2016	02.09.2016
Short-Term Auction					
Repo Amount Offered (Rs. bn)	0.00	0.00	0.00	0.00	0.00
Reverse Repo Amount Offered (Rs. bn)	10.00	0.00	0.00	0.00	0.00
Tenure (No. of Days)	1	0	0	0	0
Bids Received (Rs. bn)	12.41	0.00	0.00	0.00	0.00
Amount Accepted (Rs. bn)	10.00	0.00	0.00	0.00	0.00
Weighted Average Yield Rate (% p.a.)	8.44	0.00	0.00	0.00	0.00
Term Auction					
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
Standing Facility					
Standing Deposit Facility (Rs. bn)	17.44	20.07	30.63	25.58	18.64
Standing Lending Facility (Rs. bn)	2.15	10.40	10.00	9.46	11.91
Total Outstanding Market Liquidity (Rs. bn)	5.29	9.67	20.63	16.12	6.73

2.7 Credit Cards (a)

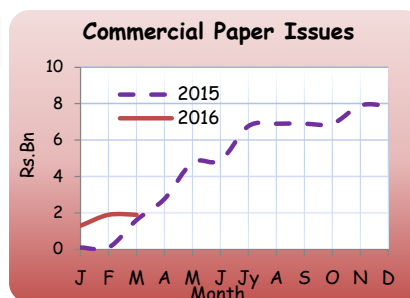
Item	2016 (b) End June	2016 End May	2015 End Dec
Total Number of Active Cards	1,205,422	1,191,448	1,142,231
Local (accepted only locally)	30,043	30,192	30,902
Global (accepted globally)	1,175,379	1,161,256	1,111,329
Outstanding balance (Rs. Mn.)	65,433	65,088	63,010
Local (accepted only locally)	804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

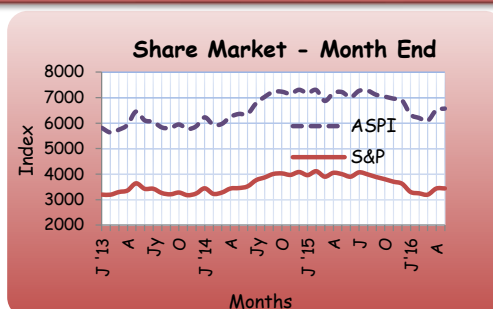
Item (Rs. bn.)	2016	2016	2015
	End June(b)	End May (c)	End Dec
Total Issues - Cumulative	4.8	4.8	7.9
Outstanding (as at end of the period)	4.5	4.5	4.5

(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 02 Sep 2016	Week Ago	Year Ago
All Share Price Index (1985 = 100) (ASPI)	6,539	6,551	7,240
S & P Sri Lanka 20 Index (S&P SL20)	3,600	3,585	3,980
Average Daily Turnover (Rs. Mn)	955	1,014	885
Market Capitalisation (Rs.Bn.)	2,787	2,792	3,076



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)	Rs. Bn
	1 st Quarter	1 st Quarter	
Revenue and Grants	285.6	345.6	
Revenue	285.6	345.6	
Tax	257.7	325.4	
Non tax	27.9	20.2	
Grants	0.1	0.0	
Expenditure & Lending Minus Repayments	493.4	526.3	
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)	Rs. Bn
		1 st Quarter	
Total domestic debt	4,959.2	5,267.3	
of which			
Treasury bills	658.2	649.4	
Treasury bonds	3,305.2	3,493.1	
Rupee loans	24.1	24.1	
Total foreign debt	3,544.0	3,505.1	
Total outstanding govt. debt	8,503.2	8,772.4	

(a) Provisional

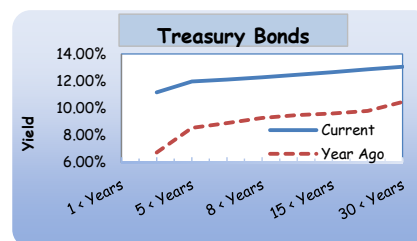
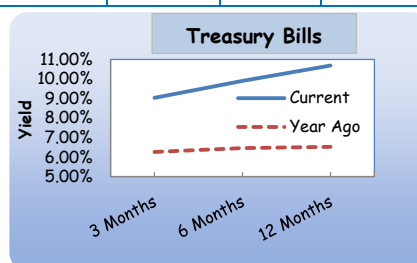
3.3 Government Securities - Primary and Secondary Market Yield Rates for the week ending - 31st August 2016

Security	Maturity	Primary Market(a)		Secondary Market			
		This Week	Last Week	This Week			Last Week Average
				Buying	Selling	Average	
Treasury Bills	3 Months	9.03%	9.04%	9.11%	8.90%	9.00%	9.01%
	6 Months	9.94%	9.94%	9.98%	9.80%	9.89%	9.88%
	12 Months	10.73%	10.75%	10.79%	10.63%	10.71%	10.70%
Treasury Bonds	< 2 Years	-	-	11.19%	11.10%	11.14%	11.18%
	< 5 Years	11.76%	-	11.90%	11.82%	11.86%	11.98%
	< 6 Years	-	-	12.13%	12.03%	12.08%	12.12%
	< 8 Years	12.24%	-	12.25%	12.16%	12.20%	12.29%
	< 10 Years	12.52%	-	12.43%	12.35%	12.39%	12.50%
	< 15 Years	-	-	12.64%	12.54%	12.59%	12.67%
	< 20 Years	-	-	12.88%	12.80%	12.84%	12.88%
< 30 Years	-	-	13.03%	12.90%	12.96%	13.07%	

(a) Primary market transactions during the week ending 31/08/2016

The secondary market yield rates of T-bills for 91 days maturity and the secondary market yield rates of T-bonds decreased during the reporting week, compared to the previous week.

Security	Maturity Date	Coupon Rate	Secondary Market	
			This Week	Last Week
International Sovereign Bonds	4-Oct-20	6.250%	4.75%	4.68%
	27-Jul-21	6.250%	4.87%	4.78%
	18-Jan-22	5.750%	4.98%	4.90%
	25-Jul-22	5.875%	5.17%	5.09%
	14-Jan-19	6.000%	4.45%	4.42%
	11-Apr-19	5.125%	4.51%	4.37%
	3-Jun-25	6.125%	5.67%	5.60%
	3-Nov-25	6.850%	5.77%	5.72%
18-Jul-26	6.825%	5.77%	5.76%	



3.4 Government Securities - Weekly Summary of Primary and Secondary Market Transactions (Week Ended - 31st August 2016)

Item	Volume in Rs Mn	
	This Week	Last Week
Outstanding Stock of Government Securities		
Treasury Bills	741,050.78	739,907.74
Treasury Bonds (a)	3,961,408.96	3,961,408.96
Total	4,702,459.74	4,701,316.70
T-bills and T-bonds held by Foreigners	304,120.71	302,416.27
Sri Lanka Development Bonds (SLDB)	620,231.99	619,720.88

The stock of T-bills and T-bonds held by foreign investors slightly increased during the reporting week compared to the previous week.

Primary Market Activities	Volume in Rs Mn	
	This Week	Last Week
Treasury Bills		
Amount Offered	26,000.00	27,000.00
Total Bids Received	73,570.00	67,451.00
Total Bids Accepted	26,929.00	23,772.00
Treasury Bonds		
Amount Offered	45,000.00	
Total Bids Received	242,714.00	No auction held
Total Bids Accepted	49,472.00	

The weekly T-bill and T-bond auctions were over subscribed by 2.8 times and 5.4 times respectively.

Secondary Market Activities	Volume in Rs Mn	
	This Week	Last Week
Treasury Bills		
Outright Transaction (Sales / Purchases)	32,192.03	18,765.43
Repo Transaction (Sales / Purchases)	267,287.84	251,985.93
Treasury Bonds		
Outright Transaction (Sales / Purchases)	57,161.62	87,973.15
Repo Transaction (Sales / Purchases)	987,057.11	827,085.69

The total secondary market transactions increased by 13.31 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) - 02/09/2016

Remaining Maturity	Average Buying Price	Yield %	Average Selling Price	Yield %	Buying & Selling Spread
1-7 Days	99.84	8.59	99.84	8.40	0.00
1 Month	99.28	8.73	99.30	8.52	0.02
2 Month	98.54	8.88	98.57	8.71	0.03
3 Month	97.76	9.11	97.81	8.90	0.05
4 Month	96.93	9.37	96.99	9.19	0.06
5 Month	96.04	9.63	96.12	9.44	0.08
6 Month	95.08	9.97	95.16	9.81	0.08
7 Month	94.18	10.12	94.28	9.94	0.10
8 Month	93.28	10.22	93.41	10.03	0.12
9 Month	92.36	10.33	92.50	10.14	0.14
10 Month	91.42	10.44	91.57	10.26	0.16
11 Month	90.46	10.56	90.61	10.38	0.16
12 Month	89.36	10.79	89.50	10.65	0.14

3.6 Two way Quotes (Treasury Bonds)- 02/09/2016

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%2016B	6	1-Oct-16	29	99.77	9.14	99.78	8.91	0.02
08.00%2017A	5	1-Jan-17	121	99.36	9.86	99.42	9.70	0.05
05.80%2017A	6	15-Jan-17	135	98.51	9.93	98.58	9.73	0.07
08.25%2017A	3	1-Mar-17	180	99.16	10.02	99.24	9.84	0.08
08.75%2017A	4	15-May-17	255	98.96	10.28	99.10	10.07	0.14
08.00%2017B	5	15-Jun-17	286	98.16	10.47	98.30	10.28	0.13
05.80%2017B	6	15-Jul-17	316	96.11	10.60	96.27	10.39	0.16
08.50%2018A	15	1-Feb-18	517	96.85	10.95	97.21	10.66	0.36
08.50%2018C	5	1-Apr-18	576	96.47	10.98	96.61	10.88	0.14
08.50%2018D	5	1-Jun-18	637	96.02	11.05	96.17	10.95	0.15
08.50%2018B	15	15-Jul-18	681	95.72	11.09	95.86	11.00	0.14
07.50%2018A	15	15-Aug-18	712	93.81	11.11	93.95	11.03	0.14
08.75%2018A	4	15-Oct-18	773	95.58	11.14	95.77	11.04	0.19
08.00%2018A	6	15-Nov-18	804	93.95	11.16	94.12	11.07	0.16
05.65%2019A	8	15-Jan-19	865	88.42	11.36	88.58	11.27	0.16
08.50%2019A	10	1-May-19	971	93.45	11.41	93.65	11.32	0.20
10.60%2019A	5	1-Jul-19	1,032	98.05	11.41	98.27	11.32	0.22
10.60%2019B	5	15-Sep-19	1,108	97.93	11.42	98.16	11.33	0.23
08.00%2019A	8	1-Nov-19	1,155	90.84	11.53	91.05	11.44	0.21
09.25%2020A	5	1-May-20	1,337	93.19	11.57	93.41	11.50	0.21
08.00%2020A	8	1-Jun-20	1,368	89.09	11.67	89.23	11.62	0.14
06.20%2020A	10	1-Aug-20	1,429	83.23	11.65	83.47	11.57	0.23
09.50%2020A	5	15-Dec-20	1,565	92.77	11.68	93.04	11.60	0.28
10.75%2021A	5	1-Mar-21	1,641	96.69	11.72	96.96	11.64	0.27
09.00%2021A	8	1-May-21	1,702	90.24	11.77	90.55	11.68	0.31
11.00%2021A	7	1-Aug-21	1,794	97.00	11.82	97.27	11.74	0.27
09.45%2021A	7	15-Oct-21	1,869	90.90	11.87	91.18	11.79	0.28
08.00%2022A	10	1-Jan-22	1,947	84.66	11.97	84.96	11.88	0.30
11.20%2022A	9	1-Jul-22	2,128	96.78	11.97	97.15	11.88	0.37
10.00%2022A	8	1-Oct-22	2,220	91.38	12.04	91.81	11.93	0.43
09.00%2023A	10	1-Sep-23	2,555	85.47	12.14	85.86	12.05	0.38
11.20%2023A	9	1-Sep-23	2,555	95.76	12.12	96.16	12.03	0.40
07.00%2023A	20	1-Oct-23	2,585	75.69	12.23	76.04	12.14	0.34
11.40%2024A	10	1-Jan-24	2,677	96.05	12.22	96.54	12.12	0.49
11.00%2024A	8	1-Aug-24	2,890	94.12	12.17	94.55	12.08	0.43
06.00%2024A	10	1-Dec-24	3,012	67.89	12.30	68.20	12.22	0.32
10.25%2025A	10	15-Mar-25	3,116	89.54	12.26	89.92	12.18	0.38
09.00%2025A	12	1-May-25	3,163	82.36	12.37	82.71	12.29	0.36
11.00%2025A	10	1-Aug-25	3,255	92.92	12.33	93.30	12.25	0.38
09.00%2026A	13	1-Feb-26	3,439	80.83	12.52	81.22	12.44	0.39
05.35%2026A	15	1-Mar-26	3,467	61.06	12.46	61.34	12.38	0.29
11.00%2026A	11	1-Jun-26	3,559	92.27	12.38	92.76	12.29	0.50
11.50%2026A	10	1-Aug-26	3,620	94.72	12.44	95.21	12.35	0.49
09.00%2028B	15	1-May-28	4,259	78.09	12.64	78.65	12.53	0.56
09.00%2028A	15	1-Jul-28	4,320	78.36	12.55	78.80	12.47	0.44
11.50%2028A	13	1-Sep-28	4,382	93.15	12.62	93.68	12.53	0.53
13.00%2029A	15	1-Jan-29	4,504	101.61	12.73	102.20	12.64	0.58
13.00%2029B	15	1-May-29	4,624	102.13	12.65	102.63	12.57	0.51
11.00%2030A	15	15-May-30	5,003	89.73	12.58	90.28	12.49	0.55
08.00%2032A	20	1-Jan-32	5,599	68.06	12.80	68.39	12.74	0.33
09.00%2032A	20	1-Oct-32	5,873	74.16	12.83	74.53	12.76	0.37
09.00%2033A	20	1-Jun-33	6,116	73.63	12.87	74.00	12.80	0.38
13.25%2033A	20	1-Jul-33	6,146	102.37	12.89	102.89	12.82	0.51
09.00%2033B	20	1-Nov-33	6,269	73.22	12.91	73.62	12.84	0.40
13.25%2034A	20	1-Jan-34	6,330	101.97	12.96	102.65	12.86	0.68
11.50%2035A	20	15-Mar-35	6,768	90.09	12.92	90.98	12.78	0.90
12.00%2041A	25	1-Jan-41	8,887	93.17	12.92	94.25	12.77	1.08
09.00%2043A	30	1-Jun-43	9,768	70.07	13.03	70.49	12.96	0.42
13.50%2044A	30	1-Jan-44	9,982	103.03	13.08	103.67	13.00	0.64
13.50%2044B	30	1-Jun-44	10,134	102.73	13.12	103.34	13.04	0.61
12.50%2045A	30	1-Mar-45	10,407	95.17	13.15	96.75	12.93	1.58

External Sector

During the year up to 02 September 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 (10.5 per cent) and depreciated against Indian rupee (0.5 per cent), Japanese yen (15.0 per cent) and euro (3.4 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

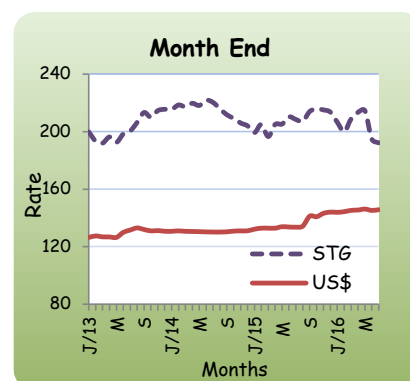
The average price of tea increased by 4.0 per cent to US dollars 3.08 per kg in May 2016 from US dollars 2.96 per kg (in the Colombo auction) in May 2015.

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

EXTERNAL SECTOR

4.1 Exchange Rates

Item (Rs Per Unit)(a)	Week Ending - 02 Sep 2016			Average Rate	
	Buying Rate	Selling Rate	Average Rate	Week Ago	Year Ago
US\$	143.44	147.22	145.33	145.58	135.09
STG	189.88	196.46	193.17	192.32	206.72
Yen	1.38	1.44	1.41	1.45	1.13
Euro	159.64	165.82	162.73	164.38	152.19
INR ⁽¹⁾			2.18	2.18	2.02
SDR (As at 01 Sep 2016)			203.11	204.39	189.36
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 02 Sep 2016	Week Ago	Year Ago
Average Daily Interbank Volume (US\$ Mn.) (spot, tom and cash transactions among commercial banks)	25.80	21.28	28.64
Forward Transactions			
Forward Rates (US\$) ⁽²⁾			
1 Month	146.51	146.48	134.96
3 Months	148.16	148.08	135.90
Average Daily Interbank Forward Volume (US\$ mn)	19.11	21.28	28.10
Outstanding Forward Volume (US\$ mn) (As at 01 Sep 2016)	1,148.19	1,219.77	1,360.62

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

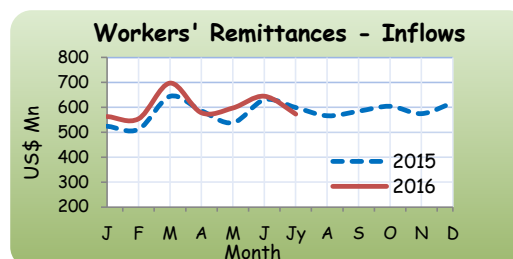
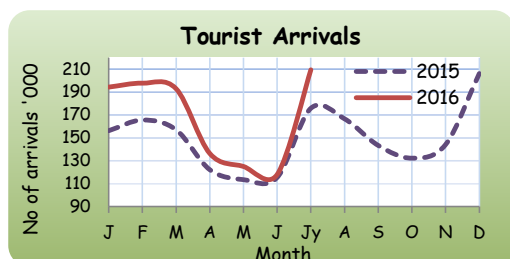
(b) Central Bank purchases and sales of foreign exchange from commercial banks at market rates total for the Month

(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
		July (a)(c)	July (b)(d)	Jan-Jul (c)	Jan-Jul(d)	
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
Workers' Remittances (Inflows)		2015	2016	2015(a)	2016(a)	% Change
		July (a)	July (b)	Jan-Jul	Jan-Jul(b)	
	US\$ Mn.	599.3	572.8	4,032.0	4,185.9	3.8
	Rs. bn.	80.1	83.3	536.5	605.2	12.8

(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 International Reserves & Foreign Currency Liquidity as at 31th July 2016 ^(a)

Official Reserve Assets (USD mn)					
Official Reserve Assets					6,489.19
(1) Foreign currency reserves					5,451.79
(a) Securities					1,932.61
(b) Total currency and deposits with					3,519.18
(i) other national central banks, BIS					2,265.24
(ii) banks headquartered inside the reporting country of which located abroad					1.21
(iii) banks headquartered outside the reporting country					1,252.73
(2) Reserve position in the IMF					66.68
(3) SDRs					5.49
(4) Gold					964.26
(5) Other reserve assets					0.97
Predetermined Short-Term Net Drains on Foreign Currency Assets ^(b)					
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	-4,472.77	-537.57	-841.73	-3,093.48
	Interest	-1,060.73	-27.94	-167.81	-864.98
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 (-) ^(c)					
		-2,820.81	-374.38	-885.50	-1,560.93
(b) Long positions (+)					
3. Other (specify)					
inflows related to reverse repos (+)		-1.71	-1.71		
other accounts payable (-)		-1.71	-1.71		

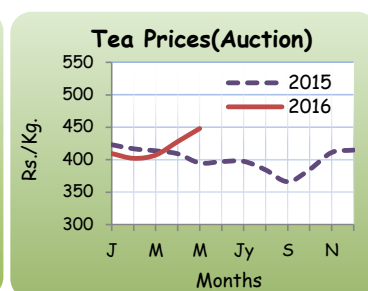
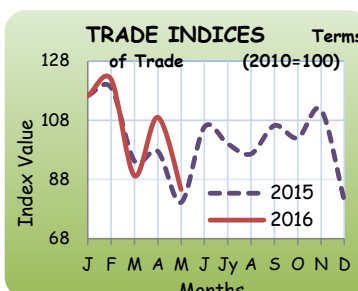
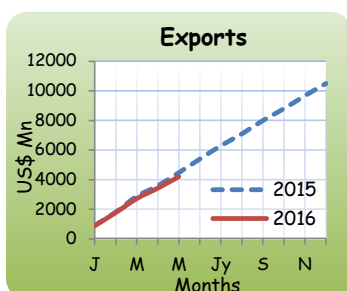
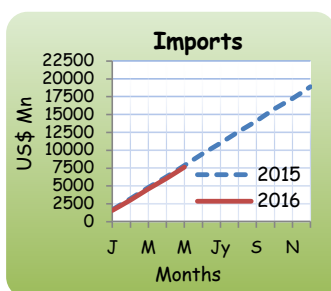
(a) Provisional

(b) This mainly includes only the predetermined outflows

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

4.4 External Trade

Item	US\$ Mn			Rs Mn		
	Jan-May 2016	Jan-May 2015	% Change	Jan-May 2016	Jan-May 2015	% Change
Exports	4,210.9	4,480.3	-6.0	607,420.4	594,563.6	2.2
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
Imports	7,645.2	7,868.0	-2.8	1,103,124.4	1,044,069.3	5.7
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
Trade Balance	-3,434.3	-3,387.7	-1.4	-495,704.0	-449,505.7	-10.3

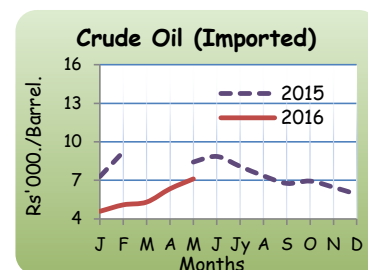
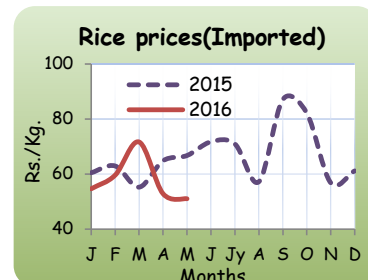


4.5 Trade Indices (2010= 100) (a)

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

(a) In US\$ Terms

(b) Provisional



4.6 International Commodity Prices

Item	May 2016	May 2015	% Change	May 2016	May 2015	% Change
Colombo Auction Price	US\$ / Kg			Rs / Kg		
Tea Prices	3.08	2.96	4.0	448.15	395.06	13.4
Imports (C I F)	US\$ / MT			Rs / MT		
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
	US\$ / Barrel			Rs / Barrel		
Crude Oil	48.84	63.09	-22.6	7,113.87	8,422.19	-15.5