

# Weekly Economic Indicators

09 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.

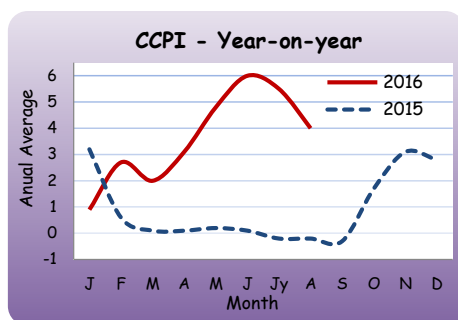
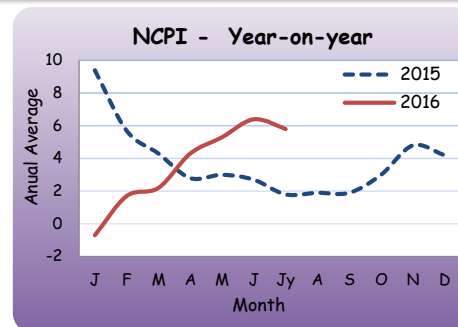
During the week crude oil spot prices largely followed an increasing trend. At the beginning of the week Brent crude oil price rose after Russian energy minister said that Russia and Saudi Arabia were moving towards a strategic energy partnership, while Saudi energy minister was optimistic about cooperation with other producers ahead of a meeting this month. However, Brent price subsequently fell as traders remained uncertain after Saudi foreign minister was cautioned that Iran, which is aiming to raise output to pre-sanction levels, could foil any attempt to limit output. Prices again rose after the American Petroleum Institute reported U.S. crude stocks likely show the largest weekly crude stock draw in over three decades and subsequently, U.S. government data confirmed a surprisingly huge drawdown in U.S. crude stocks by 14.5 million barrels, the biggest weekly drop in stockpiles since January 1999.

Highlights

# REAL SECTOR

## 1.1 Price Indices

Item	July 2016	Month Ago	Year Ago
<b>(2013 = 100)</b>			
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
<b>(2006 / 07 = 100)</b>			
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

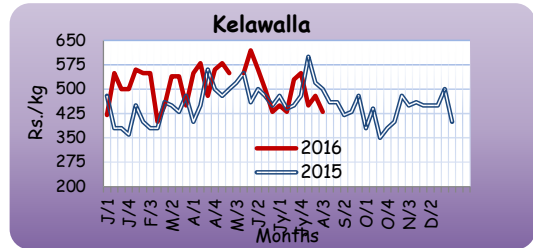
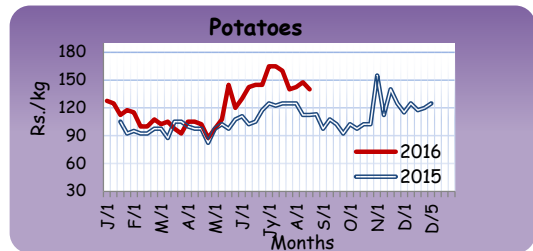
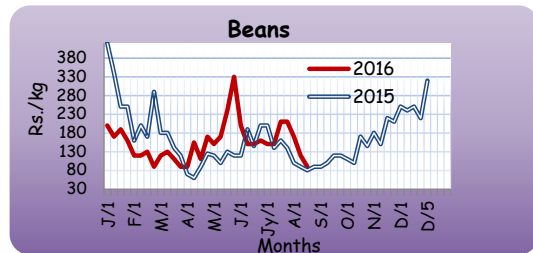
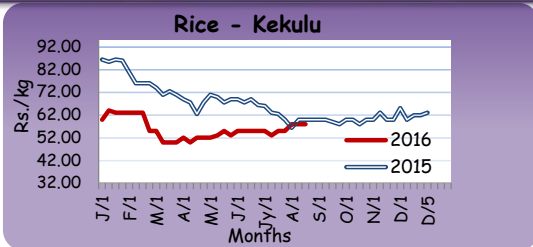


## 1.2 Pettah Market

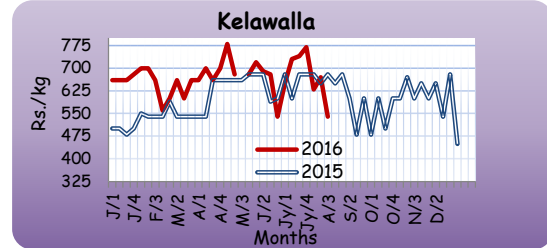
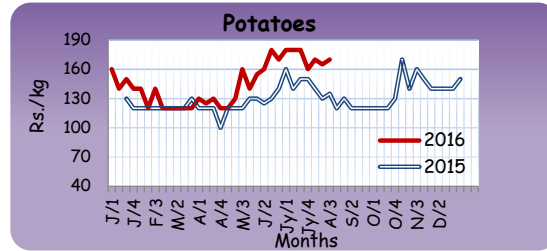
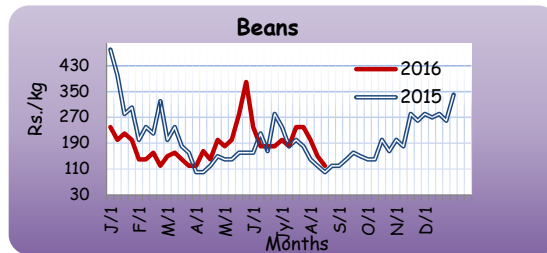
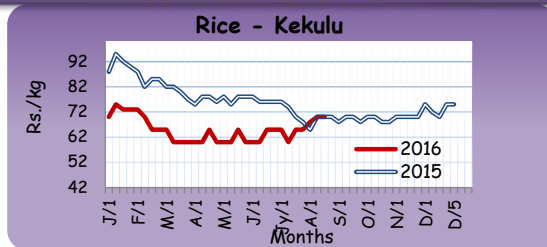
Item	Average Wholesale Prices				Average Retail Prices			
	Week Ending 08 <sup>th</sup> Sep 2016	Week Ago	Month Ago	Year Ago Annual Avg	Week Ending 08 <sup>th</sup> Sep 2016	Week Ago	Month Ago	Year Ago Annual Avg
	Rs / Kg				Rs / Kg			
<b>Rice</b>								
Samba	75.00	75.00	76.25	83.22	88.00	88.00	88.00	90.10
Kekulu (Red)	60.00	60.00	58.50	66.15	68.00	70.00	69.50	75.20
<b>Vegetables</b>								
Beans	110.00	130.00	122.50	160.49	140.00	155.00	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	50.00	30.00	41.25	89.80	80.00	60.00	75.00	126.18
Pumpkins	40.00	60.00	67.50	49.12	60.00	80.00	87.50	72.94
Snake Gourd	30.00	30.00	50.00	73.73	60.00	60.00	80.00	106.57
Brinjals	50.00	40.00	58.75	72.56	80.00	80.00	95.00	105.69
Ash-Plantains	70.00	80.00	82.50	81.08	100.00	100.00	105.00	110.59
<b>Other Foods</b>								
Red-Onions (Local)	75.00	90.00	63.12	105.28	110.00	120.00	112.50	135.34
Big-Onions (Local)	60.00	82.50	n.a.	95.17	90.00	100.00	n.a.	124.67
Potatoes (N'Eliya)	102.50	112.50	134.38	107.98	130.00	140.00	161.25	130.80
Dried Chilies (Imported)	300.00	300.00	300.00	248.90	350.00	350.00	357.50	291.08
Dhal (Indian)	160.00	160.00	157.00	161.98	169.00	169.00	169.00	177.43
Eggs (Red)	15.00	15.50	17.50	14.17	15.50	16.00	18.00	14.77
Coconut (Each)	26.50	26.00	27.88	41.00	40.00	40.00	38.75	53.18
<b>Fish*</b>								
Kelawalla	500.00	500.00	477.50	453.14	750.00	700.00	652.50	598.24
Balaya	340.00	350.00	320.00	295.00	540.00	450.00	415.00	361.20
Salaya	180.00	160.00	157.50	114.71	220.00	220.00	210.00	156.08
Paraw (Small)	317.50	580.00	566.67	484.69	510.00	680.00	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 08 <sup>th</sup> Sep 2016	
	Wholesale (Average)	Retail (Average)
<b>Rice</b>		
Samba	75.00	78.90
Kekulu (Red)	59.50	63.30
<b>Vegetables</b>		
Beans	127.50	167.00
Carrot	65.00	89.50
Tomatoes	33.13	49.50
Pumpkins	25.00	35.50
Snake Gourd	23.75	39.00
Ash-Plantains	57.50	80.00
<b>Other Foods</b>		
Red-Onions (Local)	72.50	91.00
Big-Onions (Local)	67.50	88.50
Potatoes (N'Eliya)	102.50	123.50
Dried Chilies(Imported)	302.50	360.00
Coconut (Each)	26.75	32.50

### 1.5 Maradaghamula Market

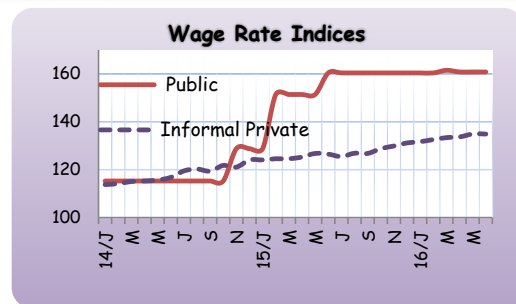
Average wholesale price of Rice				
Item (Rs / Kg)	Week Ending 09 <sup>th</sup> Sep	Week Ago	Month Ago	Year Ago
Samba	69.50	69.60	70.80	79.56
Sudu Kekulu	58.30	57.90	57.39	62.37
Raw Red	57.90	57.80	57.80	66.17
Nadu	62.30	62.90	63.18	64.24

### 1.4 Narahenpita Economic Centre

Item (Rs / Kg)	Average Retail Prices	
	08 <sup>th</sup> Sep 2016	Week Ago
<b>Rice</b>		
Samba	81.33	84.67
Kekulu (Red)	67.67	61.67
<b>Vegetables</b>		
Beans	146.67	136.67
Cabbage	80.00	100.00
Carrots	100.00	100.00
Tomatoes	60.00	60.00
Pumpkins	80.00	76.67
Snake Gourd	70.00	66.67
Brinjals	96.67	76.67
Ash-Plantains	120.00	116.67
<b>Other Foods</b>		
Red-Onions (Imported)	120.00	120.00
Big-Onions (Imported)	92.00	90.00
Potatoes (Imported)	116.67	100.00
Dried Chilies (Imported)	336.67	336.67
Dhal (Indian)	167.33	174.67
Eggs (Red)(Each)	17.50	14.67
Coconut (Each)	50.00	53.33
<b>Fish</b>		
Kelawalla	856.67	866.67
Balaya	340.00	366.67
Salaya	256.67	246.67
Paraw (Small)	840.00	850.00

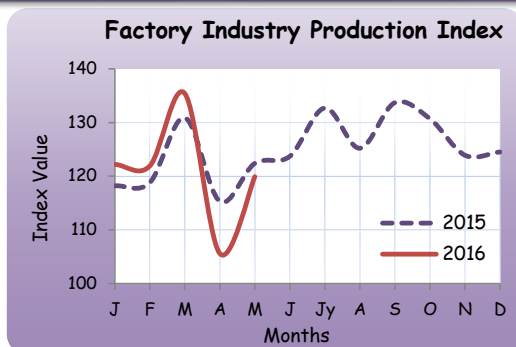
## 1.6 Wage rate Indices

Item	2016 June	2015 June	% Change
Public Sector Employees (2012 = 100)	160.8	160.4	0.2
<b>Informal Private Sector Employees (2012 = 100)</b>	<b>134.9</b>	<b>126.5</b>	<b>6.6</b>
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
<b>Factory Industry- Production Index</b>	<b>119.9</b>	<b>122.4</b>	<b>-2.0</b>
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

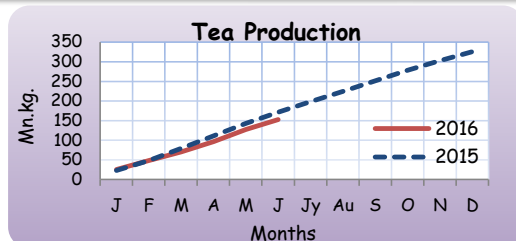


(a) Major 7 sub divisions of FIPI out of 17 sub divisions.

(b) Provisional

## 1.8 Agriculture Production

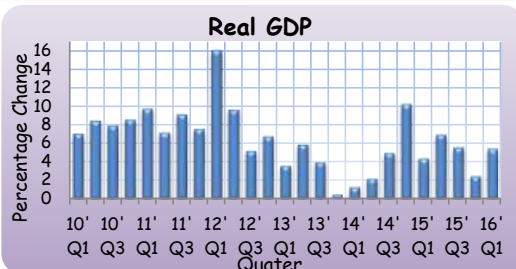
Item	Unit	2016(a) Jan-Jun	2015 Jan-Jun	% Change
Tea	(Mn Kg)	152.5	171.9	-11.3
Rubber	(Mn Kg)	47.9	50.4	-5.0
Coconuts	(Mn Nuts)	1,526.9	1,500.0	1.8



(a) Provisional

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

Item	2016(a) 1 <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

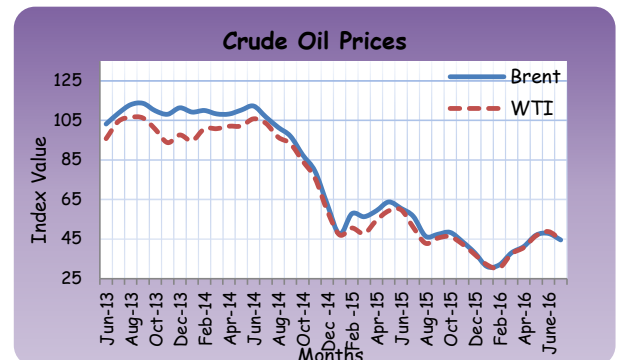
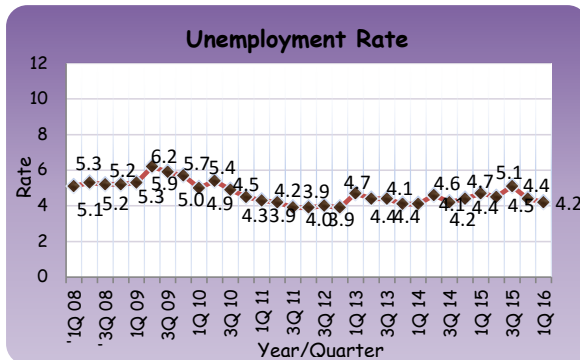
## 1.10 Employment (a)

Item	2015 (b) 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	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		
02 September	47.37	46.3		45.56	44.39	
05 September	-	-		46.67	-	
06 September	-	-		46.31	44.85	
07 September	45.87	-		47.10	45.47	
08 September	48.33	45.92		49.43	47.63	

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 09 September 2016 increased by 19 bps to 12.22 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 increased compared to the previous week mainly due to increase in currency in circulation.

The total outstanding market liquidity decreased to a short position of Rs. 20.44 bn by end of the week, compared to Rs. 6.73 bn by the end of last week.

By 09 September 2016, All Share Price Index (ASPI) declined by 0.68 per cent to 6,495 points while S&P SL 20 Index declined by 0.52 per cent to 3,581 points, compared to the previous week.

# MONETARY SECTOR

## 2.1 Interest Rates

Item	Week Ending 2016 Sep 09	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	6.34
<b>Sri Lanka Inter Bank Offered Rate ( SLIBOR )</b>			
1 day	8.42	8.40	6.34
7 days	9.50	9.50	6.51
1 Month	10.45	10.52	6.79
3 Months	11.00	11.00	7.10
6 Months	11.50	11.54	7.35
12 Months	12.00	11.97	7.65
<b>Treasury Bill Yields (Excluding 10% withholding tax)</b>			
91 days	8.75	9.03	-
182 days	9.71	9.94	-
364 days	10.39	10.73	-
<b>Licensed Commercial Banks</b>			
Average Weighted Prime Lending Rate (AWPR)	12.22	12.03	6.81
	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
<b>National Savings Bank (NSB)</b>			
	July 2016	Month Ago	Year Ago
Saving Deposits	4.50	4.50	5.00
One Year Fixed Deposits	10.00	10.00	6.50
<b>Treasury Bonds Auction</b>			
	(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 09	Week Ago
Bank of Ceylon	11.72	11.32
People's Bank	11.73	11.73
Hatton National Bank	12.84	12.84
Commercial Bank of Ceylon	12.59	12.65
Sampath Bank	13.38	12.63
Seylan Bank	12.70	12.58
Union Bank of Colombo	14.53	14.56
Pan Asia Banking Corporation	14.84	13.92
Nations Trust Bank	12.47	12.23
DFCC Bank	13.70	13.70
NDB Bank	13.00	13.15
Amana Bank	12.31	12.43
Cargills Bank	13.29	13.20

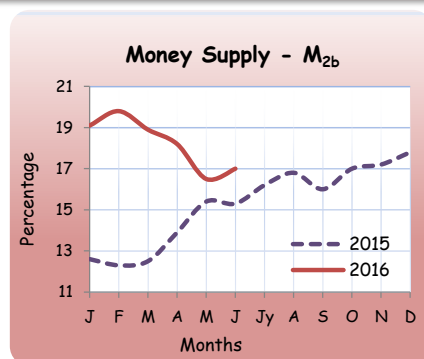
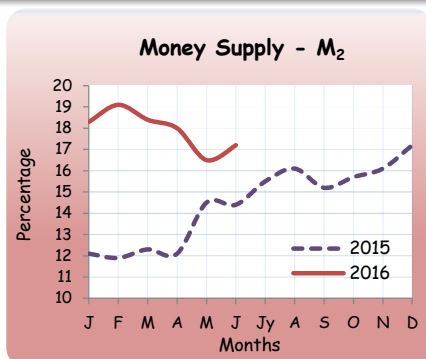
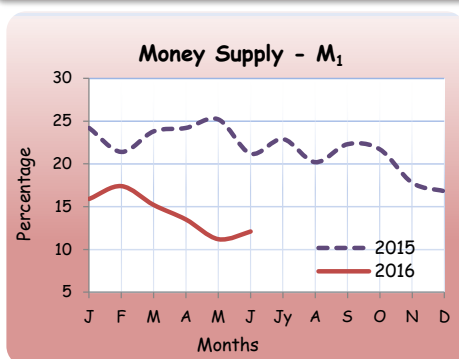
Bankwise- AWPR	Week ending 2016 Sep 09	Week Ago
HSBC	8.69	8.17
Standard Chartered Bank	11.34	11.18
Citi Bank	9.02	9.15
Deutsche Bank	9.69	9.74
Habib Bank	10.74	10.74
Indian Bank	13.19	12.37
Indian Overseas Bank	13.76	12.87
MCB Bank	13.21	11.52
State Bank of India	12.56	12.56
Public Bank	10.00	10.25
ICICI Bank	11.98	11.98
Axis Bank	12.35	12.20



## 2.2 Money Supply

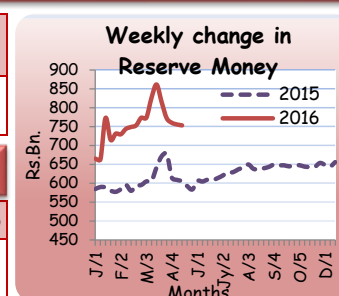
Item	Rs. Bn.			Annual Change (%)		
	2016 (a)	Month	Year	2016 (a)	Month	Year
	June	Ago	Ago	June	Ago	Ago
Reserve Money	757.2	733.3	608	24.5	24.3	19.8
M <sub>1</sub>	705.6	701.7	629.4	12.1	11.2	21.2
M <sub>2</sub>	4,310.5	4,241.0	3,677.5	17.2	16.5	14.4
M <sub>2b</sub>	4,843.7	4,781.1	4,141.1	17.0	16.5	15.3
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<sub>2b</sub>



## 2.3 Weekly change in Reserve Money

Item	08 Sep 2016	Week Ago	Change
Reserve Money (Rs.Mn.)	792,191	790,269	1,922



## 2.4 Money Market Activity (Overnight)

Item	05.09.2016	06.09.2016	07.09.2016	08.09.2016	09.09.2016
<b>Call Money Market</b>					
Weighted Average Rate (% p.a.)	8.40	8.40	8.40	8.40	8.40
Gross Volume (Rs. Mn)	14,880	15,015	16,230	15,230	11,905
<b>Repo Market</b>					
Weighted Average Rate (% p.a.)	8.55	8.57	8.57	8.58	8.63
Gross Volume (Rs. Mn)	38,977	35,711	36,480	42,076	28,497

## 2.5 CBSL Security Portfolio

Item	05.09.2016	06.09.2016	07.09.2016	08.09.2016	09.09.2016
Net CBSL Treasury Bill Holdings <sup>1</sup> (Book Value)- (Rs.mn)	208,066	213,569	214,948	209,808	207,933

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

## 2.6 Open Market Operations

Item	05.09.2016	06.09.2016	07.09.2016	08.09.2016	09.09.2016
<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)	0.00	0.00	0.00	0.00	0.00
Tenure (No. of Days)	0	0	0	0	0
Bids Received (Rs. bn)	0.00	0.00	0.00	0.00	0.00
Amount Accepted (Rs. bn)	0.00	0.00	0.00	0.00	0.00
Weighted Average Yield Rate (% p.a.)	0.00	0.00	0.00	0.00	0.00
<b>Term Auction</b>					
Repo Amount Accepted (Rs. bn)	0.00	0.00	0.00	0.00	0.00
Reverse Repo Amount Accepted (Rs. bn)	0.00	0.00	0.00	0.00	0.00
<b>Standing Facility</b>					
Standing Deposit Facility (Rs. bn)	19.21	15.93	14.04	23.01	12.54
Standing Lending Facility (Rs. bn)	12.37	17.81	19.14	13.94	16.98
<b>Total Outstanding Market Liquidity (Rs. bn)</b>	6.84	-1.88	-5.10	9.07	-20.44

## 2.7 Credit Cards (a)

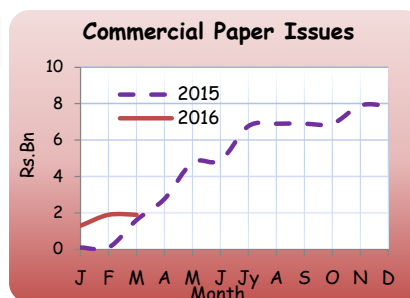
Item	2016 (b) End June	2016 End May	2015 End Dec
<b>Total Number of Active Cards</b>	1,205,422	1,191,448	1,142,231
Local (accepted only locally)	30,043	30,192	30,902
Global (accepted globally)	1,175,379	1,161,256	1,111,329
<b>Outstanding balance (Rs. Mn.)</b>	65,433	65,088	63,010
Local (accepted only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

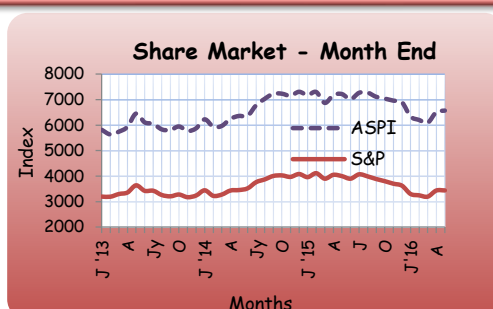
Item (Rs. bn.)	2016	2016	2015
	End June(b)	End May (c)	End Dec
Total Issues - Cumulative	4.8	4.8	7.9
Outstanding (as at end of the period)	4.5	4.5	4.5

(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 09 Sep 2016	Week Ago	Year Ago
All Share Price Index (1985 = 100) (ASPI)	6,495	6,539	7,183
S & P Sri Lanka 20 Index (S&P SL20)	3,581	3,600	3,937
Average Daily Turnover (Rs. Mn)	458	955	557
Market Capitalisation (Rs.Bn.)	2,769	2,787	3,052



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

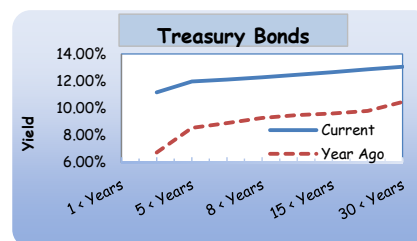
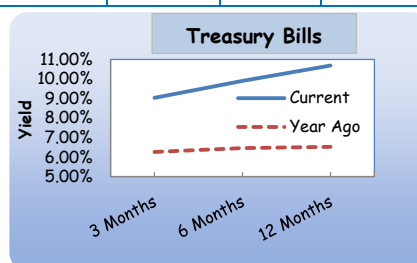
## 3.3 Government Securities - Primary and Secondary Market Yield Rates for the week ending - 07<sup>th</sup> September 2016

Security	Maturity	Primary Market(a)		Secondary Market			
		This Week	Last Week	This Week			Last Week Average
				Buying	Selling	Average	
Treasury Bills	3 Months	8.75%	9.03%	9.09%	8.87%	8.98%	9.00%
	6 Months	9.71%	9.94%	9.93%	9.75%	9.84%	9.89%
	12 Months	10.39%	10.73%	10.72%	10.58%	10.65%	10.71%
Treasury Bonds	< 2 Years	-	-	10.97%	10.86%	10.92%	11.14%
	< 5 Years	-	11.76%	11.60%	11.52%	11.56%	11.86%
	< 6 Years	-	-	11.69%	11.60%	11.65%	12.08%
	< 8 Years	-	12.24%	11.89%	11.80%	11.85%	12.20%
	< 10 Years	-	12.52%	12.08%	12.00%	12.04%	12.39%
	< 15 Years	-	-	12.40%	12.32%	12.36%	12.59%
	< 20 Years	-	-	12.67%	12.58%	12.63%	12.84%
< 30 Years	-	-	12.84%	12.72%	12.78%	12.96%	

(a) Primary market transactions during the week ending 07/09/2016

The secondary market yield rates of T-bills and T-bonds decreased across all maturities 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%	4.84%	4.75%
	27-Jul-21	6.250%	4.98%	4.87%
	18-Jan-22	5.750%	5.10%	4.98%
	25-Jul-22	5.875%	5.24%	5.17%
	14-Jan-19	6.000%	4.56%	4.45%
	11-Apr-19	5.125%	4.62%	4.51%
	3-Jun-25	6.125%	5.72%	5.67%
	3-Nov-25	6.850%	5.77%	5.77%
18-Jul-26	6.825%	5.76%	5.77%	



### 3.4 Government Securities - Weekly Summary of Primary and Secondary Market Transactions (Week Ended - 07<sup>th</sup> September 2016 )

Item	Volume in Rs Mn	
	This Week	Last Week
Outstanding Stock of Government Securities		
Treasury Bills	742,410.78	741,050.78
Treasury Bonds (a)	3,966,436.82	3,961,408.96
<b>Total</b>	<b>4,708,847.60</b>	<b>4,702,459.74</b>
T-bills and T-bonds held by Foreigners	306,221.21	304,120.71
Sri Lanka Development Bonds (SLDB)	619,369.49	620,231.99

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
<b>Treasury Bills</b>		
Amount Offered	11,000.00	26,000.00
Total Bids Received	87,625.00	73,570.00
Total Bids Accepted	11,000.00	26,929.00
<b>Treasury Bonds</b>		
Amount Offered		45,000.00
Total Bids Received	No auction held	242,714.00
Total Bids Accepted		49,472.00

The weekly T-bill was significantly over subscribed by 8.0 times.

Secondary Market Activities	Volume in Rs Mn	
	This Week	Last Week
<b>Treasury Bills</b>		
Outright Transaction (Sales / Purchases)	40,582.65	32,192.03
Repo Transaction (Sales / Purchases)	267,761.90	267,287.84
<b>Treasury Bonds</b>		
Outright Transaction (Sales / Purchases)	125,451.17	57,161.62
Repo Transaction (Sales / Purchases)	914,314.30	987,057.11

The total secondary market transactions slightly increased 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) - 09/09/2016

Remaining Maturity	Average Buying Price	Yield %	Average Selling Price	Yield %	Buying & Selling Spread
1-7 Days	99.84	8.47	99.84	8.35	0.00
1 Month	99.29	8.63	99.31	8.47	0.01
2 Month	98.57	8.71	98.60	8.55	0.03
3 Month	97.83	8.83	97.87	8.66	0.04
4 Month	96.96	9.24	97.02	9.05	0.06
5 Month	96.11	9.46	96.19	9.28	0.07
6 Month	95.19	9.75	95.27	9.59	0.08
7 Month	94.31	9.88	94.40	9.73	0.09
8 Month	93.43	9.99	93.53	9.83	0.10
9 Month	92.55	10.07	92.66	9.93	0.11
10 Month	91.58	10.25	91.71	10.09	0.13
11 Month	90.73	10.26	90.85	10.12	0.12
12 Month	89.69	10.46	89.82	10.32	0.14

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

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	22	99.84	8.87	99.85	8.62	0.02
08.00%2017A	5	1-Jan-17	114	99.54	9.39	99.61	9.17	0.07
05.80%2017A	6	15-Jan-17	128	98.72	9.51	98.83	9.20	0.10
08.25%2017A	3	1-Mar-17	173	99.29	9.78	99.39	9.57	0.09
08.75%2017A	4	15-May-17	248	99.09	10.12	99.25	9.87	0.16
08.00%2017B	5	15-Jun-17	279	98.36	10.25	98.53	10.01	0.17
05.80%2017B	6	15-Jul-17	309	96.41	10.31	96.58	10.10	0.17
08.50%2018A	15	1-Feb-18	510	97.33	10.59	97.70	10.30	0.36
08.50%2018C	5	1-Apr-18	569	96.97	10.65	97.13	10.53	0.16
08.50%2018D	5	1-Jun-18	630	96.55	10.73	96.71	10.61	0.17
08.50%2018B	15	15-Jul-18	674	96.22	10.80	96.40	10.68	0.18
07.50%2018A	15	15-Aug-18	705	94.35	10.81	94.53	10.70	0.19
08.75%2018A	4	15-Oct-18	766	96.11	10.86	96.30	10.75	0.19
08.00%2018A	6	15-Nov-18	797	94.46	10.91	94.67	10.79	0.21
05.65%2019A	8	15-Jan-19	858	89.12	11.03	89.31	10.92	0.19
08.50%2019A	10	1-May-19	964	94.33	11.02	94.56	10.91	0.23
10.60%2019A	5	1-Jul-19	1,025	99.05	10.99	99.31	10.88	0.26
10.60%2019B	5	15-Sep-19	1,101	98.90	11.04	99.18	10.92	0.28
08.00%2019A	8	1-Nov-19	1,148	91.89	11.12	92.08	11.04	0.19
09.25%2020A	5	1-May-20	1,330	94.45	11.13	94.69	11.05	0.23
08.00%2020A	8	1-Jun-20	1,361	90.27	11.26	90.43	11.20	0.16
06.20%2020A	10	1-Aug-20	1,422	84.55	11.20	84.83	11.10	0.28
09.50%2020A	5	15-Dec-20	1,558	93.89	11.34	94.63	11.11	0.74
10.75%2021A	5	1-Mar-21	1,634	98.38	11.22	98.66	11.14	0.28
09.00%2021A	8	1-May-21	1,695	91.93	11.27	92.28	11.17	0.35
11.00%2021A	7	1-Aug-21	1,787	98.74	11.34	99.01	11.26	0.27
09.45%2021A	7	15-Oct-21	1,862	92.66	11.38	92.94	11.30	0.28
08.00%2022A	10	1-Jan-22	1,940	86.37	11.49	86.66	11.41	0.30
11.20%2022A	9	1-Jul-22	2,121	98.98	11.44	99.37	11.34	0.39
10.00%2022A	8	1-Oct-22	2,213	93.73	11.46	94.14	11.36	0.41
09.00%2023A	10	1-Sep-23	2,548	87.73	11.61	88.07	11.53	0.34
11.20%2023A	9	1-Sep-23	2,548	98.44	11.53	98.84	11.45	0.40
07.00%2023A	20	1-Oct-23	2,578	77.85	11.69	78.16	11.62	0.31
11.40%2024A	10	1-Jan-24	2,670	98.64	11.67	99.10	11.58	0.47
11.00%2024A	8	1-Aug-24	2,883	96.46	11.69	96.90	11.60	0.44
06.00%2024A	10	1-Dec-24	3,005	69.90	11.81	70.23	11.73	0.33
10.25%2025A	10	15-Mar-25	3,109	92.06	11.75	92.51	11.66	0.45
09.00%2025A	12	1-May-25	3,156	84.80	11.85	85.16	11.78	0.35
11.00%2025A	10	1-Aug-25	3,248	95.91	11.75	96.35	11.67	0.44
09.00%2026A	13	1-Feb-26	3,432	83.27	12.02	83.68	11.93	0.41
05.35%2026A	15	1-Mar-26	3,460	63.28	11.92	63.59	11.84	0.31
11.00%2026A	11	1-Jun-26	3,552	95.28	11.82	95.70	11.75	0.42
11.50%2026A	10	1-Aug-26	3,613	97.87	11.87	98.31	11.79	0.44
09.00%2028B	15	1-May-28	4,252	80.64	12.14	81.30	12.02	0.65
09.00%2028A	15	1-Jul-28	4,313	81.04	12.04	81.55	11.95	0.51
11.50%2028A	13	1-Sep-28	4,375	96.53	12.05	97.16	11.95	0.63
13.00%2029A	15	1-Jan-29	4,497	104.77	12.23	105.38	12.14	0.61
13.00%2029B	15	1-May-29	4,617	105.19	12.18	105.65	12.11	0.45
11.00%2030A	15	15-May-30	4,996	92.55	12.12	93.12	12.03	0.57
08.00%2032A	20	1-Jan-32	5,592	70.44	12.34	70.94	12.24	0.51
09.00%2032A	20	1-Oct-32	5,866	76.72	12.37	77.23	12.28	0.51
09.00%2033A	20	1-Jun-33	6,109	76.23	12.40	76.71	12.31	0.48
13.25%2033A	20	1-Jul-33	6,139	105.54	12.45	106.19	12.36	0.65
09.00%2033B	20	1-Nov-33	6,262	75.43	12.51	76.06	12.40	0.63
13.25%2034A	20	1-Jan-34	6,323	104.93	12.54	105.74	12.43	0.80
11.50%2035A	20	15-Mar-35	6,761	93.02	12.47	94.37	12.28	1.34
12.00%2041A	25	1-Jan-41	8,880	95.84	12.55	97.16	12.37	1.32
09.00%2043A	30	1-Jun-43	9,761	72.22	12.65	72.69	12.56	0.47
13.50%2044A	30	1-Jan-44	9,975	106.14	12.69	106.86	12.60	0.72
13.50%2044B	30	1-Jun-44	10,127	105.91	12.72	106.76	12.61	0.85
12.50%2045A	30	1-Mar-45	10,400	98.15	12.74	99.63	12.55	1.48

## External Sector

During the year up to 09 September 2016 the rupee depreciated against the US dollar (0.9 per cent). Given the cross currency exchange rate movements, the Sri Lanka rupee appreciated against the pound sterling (10.3 per cent) and depreciated against Indian rupee (0.9 per cent), Japanese yen (16.0 per cent) and euro (4.0 per cent) during this period.

Earnings from exports declined by 5.0 per cent, year-on-year, to US dollars 897 million in June 2016 from US dollars 944 million recorded in June 2015, led by lower export performance recorded in petroleum products, transport equipment and spices. On a cumulative basis, earnings from exports during the first half of 2016 contracted by 5.8 per cent, year-on-year, to US dollars 5,108 million mainly due to reduction in export earnings from transport equipment, petroleum products, tea and spices.

Expenditure on imports declined marginally by 0.2 per cent, year-on-year, to US dollars 1,676 million in June 2016. Import expenditure on vehicles, wheat and fertilizer declined significantly during the month. On a cumulative basis, expenditure on imports during the first six months of 2016 contracted by 2.4 per cent to US dollars 9,321 million, mainly due to the declines recorded in fuel, transport equipment, personal motor vehicles 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.

China, India, UK, Germany and France were the top five sources of tourist arrivals in August 2016, accounting for 52.0 per cent of total tourist arrivals upto the month of August 2016

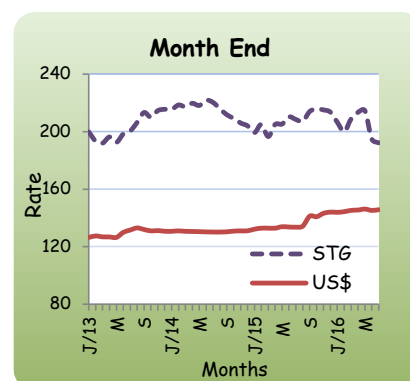
The average price of tea declined to US dollars 2.97 per kg in June 2016 from US dollars 2.98 per kg (in the Colombo auction) in June 2015.

Further, the import prices of rice, wheat and crude oil prices declined compared to the corresponding month of 2015.

# EXTERNAL SECTOR

## 4.1 Exchange Rates

Item (Rs Per Unit)(a)	Week Ending - 09 Sep 2016			Average Rate	
	Buying Rate	Selling Rate	Average Rate	Week Ago	Year Ago
US\$	143.06	146.84	144.95	145.33	138.03
STG	189.85	196.44	193.15	193.17	212.52
Yen	1.39	1.45	1.42	1.41	1.15
Euro	160.31	166.52	163.42	162.73	154.41
INR <sup>(1)</sup>			2.19	2.18	2.08
SDR (As at 08 Sep 2016)			204.35	203.11	192.96
<b>Central Bank purchases and sales(b) (US\$ Mn. )</b>			<b>August 2016</b>	<b>Month Ago</b>	<b>Year Ago</b>
Purchases			190.77	204.56	0.00
Sales			57.58	53.90	523.80



	Week Ending 09 Sep 2016	Week Ago	Year Ago
Average Daily Interbank Volume (US\$ Mn.) (spot, tom and cash transactions among commercial banks)	38.36	25.80	31.96
<b>Forward Transactions</b>			
Forward Rates (US\$) <sup>(2)</sup>			
1 Month	146.30	146.51	136.52
3 Months	-	148.16	138.07
Average Daily Interbank Forward Volume (US\$ mn)	23.78	19.11	23.30
Outstanding Forward Volume (US\$ mn) (As at 08 Sep 2016)	1,087.21	1,148.19	1,388.66

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

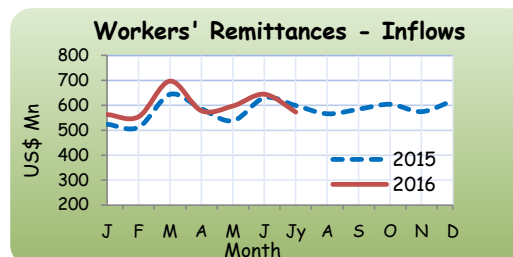
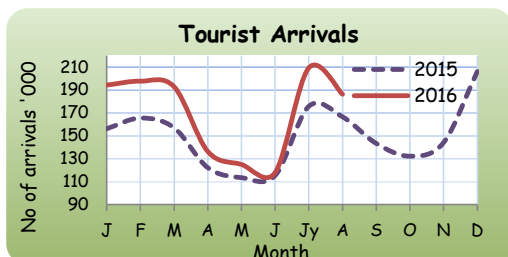
(b) Central Bank purchases and sales of foreign exchange from commercial banks at market rates total for the Month

(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
		Aug (a)(c)	Aug (b)(d)	Jan-Aug (c)	Jan-Aug(d)	
Tourist Arrivals	Number	166,610	186,288	1,172,465	1,359,906	16.0
Earnings from Tourism(d)	US\$ Mn.	276.1	308.8	1,943.3	2,253.9	16.0
	Rs.bn.	37.0	45.0	258.7	326.1	26.1
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 Official Reserve Assets as at 31<sup>st</sup> August 2016<sup>(a)</sup>

Official Reserve Assets (USD Mn)	6,613.93
(1) Foreign Currency Reserves	5,600.30
(2) Reserve position in the IMF	66.73
(3) SDRs	5.49
(4) Gold	940.44
(5) Other Reserve Assets	0.97

(a) Provisional

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

Official Reserve Assets (USD mn)	
<b>Official Reserve Assets</b>	<b>6,489.19</b>
(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<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	-4,472.77	-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 (-) <sup>(c)</sup>	-2,820.81	-374.38	-885.50	-1,560.93
(b) Long positions (+)				
3. Other (specify)	-1.71	-1.71		
inflows related to reverse repos (+)				
other accounts payable (-)	-1.71	-1.71		

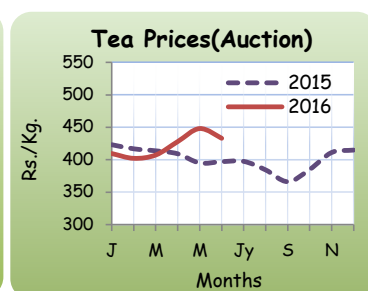
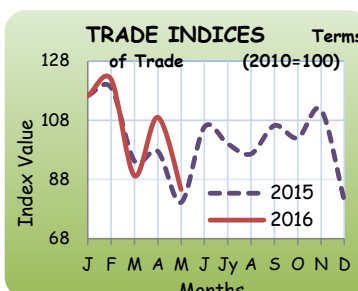
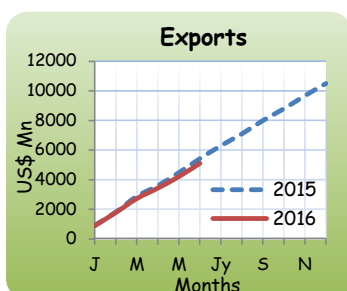
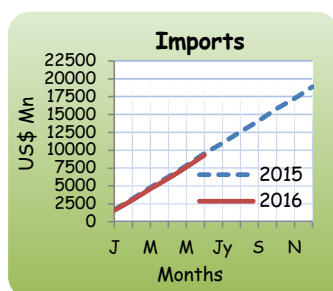
(a) Provisional

(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

## 4.5 External Trade

Item	US\$ Mn			Rs Mn		
	Jan-June 2016	Jan-June 2015	% Change	Jan-June 2016	Jan-June 2015	% Change
<b>Exports</b>	<b>5,107.7</b>	<b>5,424.4</b>	<b>-5.8</b>	<b>737,714.7</b>	<b>720,974.6</b>	<b>2.3</b>
Agricultural	1,104.7	1,244.7	-11.3	159,575.3	165,471.6	-3.6
Industrial	3,981.9	4,154.4	-4.2	575,080.3	552,140.1	4.2
Food, Beverages and Tobacco	151.4	133.3	13.6	21,869.1	17,721.5	23.4
Textiles and Apparel	2,514.7	2,405.4	4.5	363,169.3	319,705.3	13.6
Petroleum Products	132.2	224.1	-41.0	19,091.8	29,750.9	-35.8
Leather, Rubber etc	453.6	469.7	-3.4	65,521.0	62,433.8	4.9
Other	730.0	921.9	-20.8	105,429.2	122,528.6	-14.0
Mineral	13.7	17.4	-21.6	1,975.0	2,317.4	-14.8
Other	7.5	7.9	-4.6	1,084.1	1,045.5	3.7
<b>Imports</b>	<b>9,321.0</b>	<b>9,546.7</b>	<b>-2.4</b>	<b>1,346,590.5</b>	<b>1,268,844.7</b>	<b>6.1</b>
Consumer Goods	2,107.7	2,307.4	-8.7	304,409.9	306,657.4	-0.7
Intermediate Goods	4,780.4	4,951.9	-3.5	690,743.4	658,272.1	4.9
Investment Goods	2,426.7	2,277.8	6.5	350,541.0	302,640.0	15.8
Other	6.2	9.6	-35.4	896.2	1,275.1	-29.7
<b>Trade Balance</b>	<b>-4,213.3</b>	<b>-4,122.3</b>	<b>-2.2</b>	<b>-608,875.8</b>	<b>-547,870.0</b>	<b>-11.1</b>

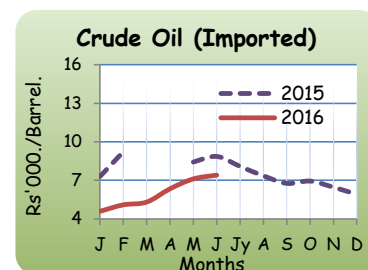
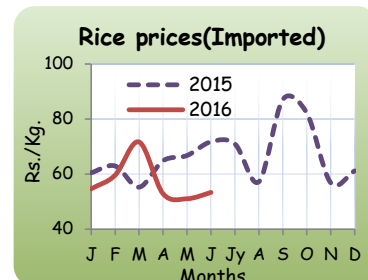


## 4.6 Trade Indices (2010= 100 ) (a)

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>	84.6	109.0	80.2

(a) In US\$ Terms

(b) Provisional



## 4.7 International Commodity Prices

Item	June 2016	June 2015	% Change	June 2016	June 2015	% Change
<b>Colombo Auction Price</b>	US\$ / Kg			Rs / Kg		
Tea Prices	2.98	2.97	0.5	433.08	397.06	9.1
<b>Imports (C I F)</b>	US\$ / MT			Rs / MT		
Rice	366.93	535.70	-31.5	53,309.19	71,727.60	-25.7
White Sugar	506.90	401.16	26.4	73,644.20	53,713.03	37.1
Wheat	204.38	275.49	-25.8	29,693.06	36,886.25	-19.5
	US\$ / Barrel			Rs / Barrel		
Crude Oil	50.95	66.17	-23.0	7,401.97	8,859.51	-16.5