

# Weekly Economic Indicators

15 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 3.9 per cent in real terms in the first half of 2016, mainly attributable to 4.9 per cent growth in Services activities and 5.2 per cent growth in Industry activities while Agriculture activities contracted by 2.5 per cent, 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.

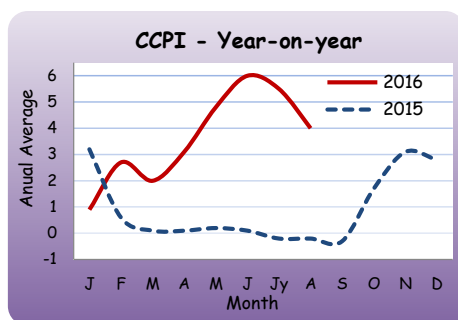
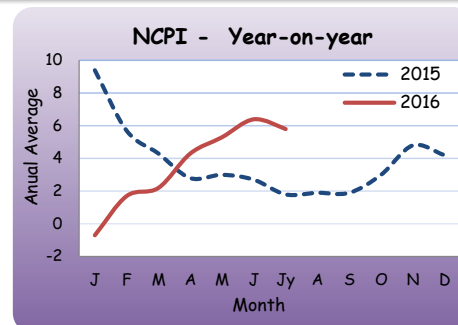
Crude oil prices followed a declining trend after the International Energy Agency (IEA) and OPEC revised forecasts that signaled the global crude oil glut could persist for much longer than expected. The IEA said a with sharp slowdown in oil demand growth, coupled with ballooning inventories and rising supply, the market will be oversupplied through the first half of 2017. The OPEC also pointed that there would be a larger surplus next year due to new fields in non-member countries. Further, the U.S. Energy Information Administration reported U.S. inventories of distillates, which include diesel and heating oil, rose by 4.6 million barrels to six-year seasonal highs and gasoline stockpiles also rose more than expected. However, crude inventories fell by 559,000 barrels during the last week against expectations of a build of 3.8 million barrels.

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

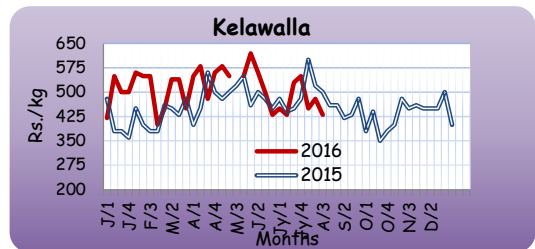
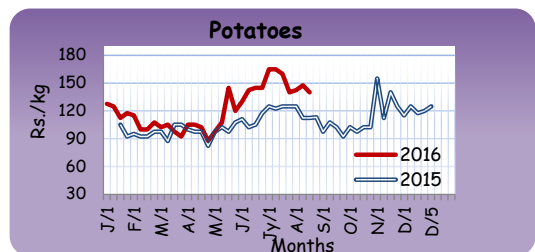
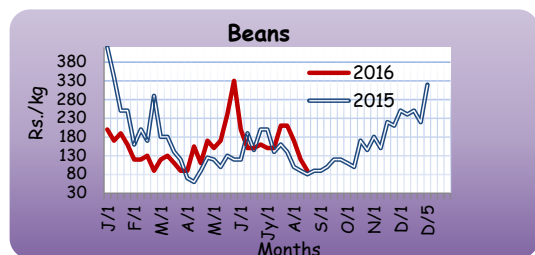
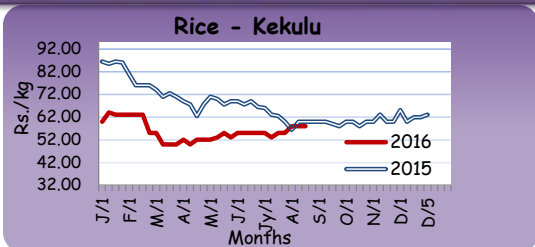


## 1.2 Pettah Market

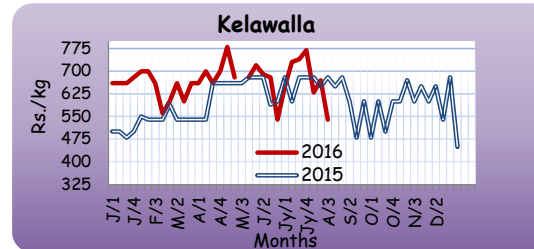
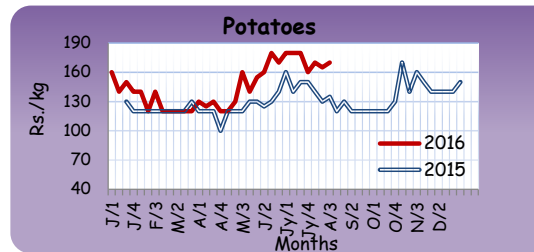
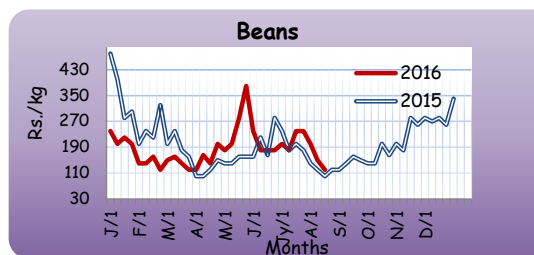
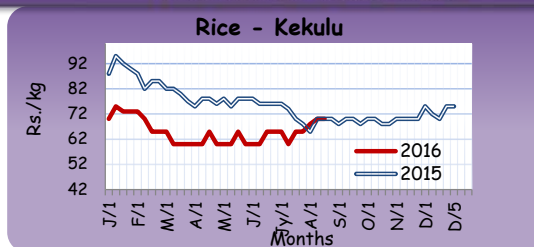
Item	Average Wholesale Prices				Average Retail Prices			
	Week Ending 14 <sup>th</sup> Sep 2016	Week Ago	Month Ago	Year Ago Annual Avg	Week Ending 14 <sup>th</sup> Sep 2016	Week Ago	Month Ago	Year Ago Annual Avg
	Rs / Kg				Rs / Kg			
<b>Rice</b>								
Samba	75.00	75.00	76.25	83.22	88.00	88.00	88.00	90.10
Kekulu (Red)	60.00	60.00	58.50	66.15	70.00	68.00	69.50	75.20
<b>Vegetables</b>								
Beans	110.00	110.00	122.50	160.49	140.00	140.00	152.50	196.86
Cabbage	60.00	60.00	70.00	79.31	100.00	100.00	110.00	117.94
Carrots	90.00	70.00	95.00	146.27	120.00	100.00	127.50	184.90
Tomatoes	50.00	50.00	41.25	89.80	80.00	80.00	75.00	126.18
Pumpkins	40.00	40.00	67.50	49.12	60.00	60.00	87.50	72.94
Snake Gourd	50.00	30.00	50.00	73.73	80.00	60.00	80.00	106.57
Brinjals	60.00	50.00	58.75	72.56	100.00	80.00	95.00	105.69
Ash-Plantains	70.00	70.00	82.50	81.08	100.00	100.00	105.00	110.59
<b>Other Foods</b>								
Red-Onions (Local)	82.50	75.00	63.12	105.28	120.00	110.00	112.50	135.34
Big-Onions (Local)	80.00	60.00	n.a.	95.17	100.00	90.00	n.a.	124.67
Potatoes (N'Eliya)	105.00	102.50	134.38	107.98	130.00	130.00	161.25	130.80
Dried Chilies (Imported)	300.00	300.00	300.00	248.90	360.00	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	15.00	17.50	14.17	16.00	15.50	18.00	14.77
Coconut (Each)	35.50	26.50	27.88	41.00	50.00	40.00	38.75	53.18
<b>Fish*</b>								
Kelawalla	550.00	500.00	477.50	453.14	770.00	750.00	652.50	598.24
Balaya	320.00	340.00	320.00	295.00	420.00	540.00	415.00	361.20
Salaya	180.00	180.00	157.50	114.71	230.00	220.00	210.00	156.08
Paraw (Small)	450.00	317.50	566.67	484.69	550.00	510.00	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 14 <sup>th</sup> Sep 2016	
	Wholesale (Average)	Retail (Average)
<b>Rice</b>		
Samba	75.00	79.00
Kekulu (Red)	59.50	63.50
<b>Vegetables</b>		
Beans	131.00	167.00
Carrot	67.50	99.00
Tomatoes	58.50	84.00
Pumpkins	26.00	42.00
Snake Gourd	32.50	54.00
Ash-Plantains	58.00	80.50
<b>Other Foods</b>		
Red-Onions (Local)	88.00	116.00
Big-Onions (Local)	66.80	88.50
Potatoes (N'Eliya)	104.00	126.50
Dried Chilies(Imported)	303.50	360.00
Coconut (Each)	29.20	37.50

### 1.5 Maradaghamula Market

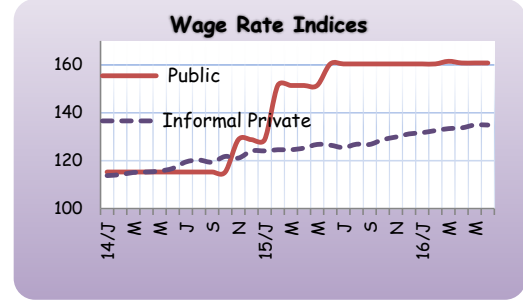
Average wholesale price of Rice				
Item (Rs / Kg)	Week Ending 15 <sup>th</sup> Sep	Week Ago	Month Ago	Year Ago
Samba	70.33	69.50	70.80	79.56
Sudu Kekulu	59.17	58.30	57.39	62.37
Raw Red	57.50	57.90	57.80	66.17
Nadu	63.50	62.30	63.18	64.24

### 1.4 Narahenpita Economic Centre

Item (Rs / Kg)	Average Retail Prices	
	15 <sup>th</sup> Sep 2016	Week Ago
<b>Rice</b>		
Samba	87.67	81.33
Kekulu (Red)	65.67	67.67
<b>Vegetables</b>		
Beans	156.67	146.67
Cabbage	100.00	80.00
Carrots	116.67	100.00
Tomatoes	93.33	60.00
Pumpkins	60.00	80.00
Snake Gourd	100.00	70.00
Brinjals	120.00	96.67
Ash-Plantains	136.67	120.00
<b>Other Foods</b>		
Red-Onions (Imported)	116.67	120.00
Big-Onions (Imported)	80.00	92.00
Potatoes (Imported)	106.67	116.67
Dried Chilies (Imported)	316.67	336.67
Dhal (Indian)	168.67	167.33
Eggs (Red)(Each)	17.00	17.50
Coconut (Each)	48.33	50.00
<b>Fish</b>		
Kelawalla	866.67	856.67
Balaya	366.67	340.00
Salaya	256.67	256.67
Paraw (Small)	856.67	840.00

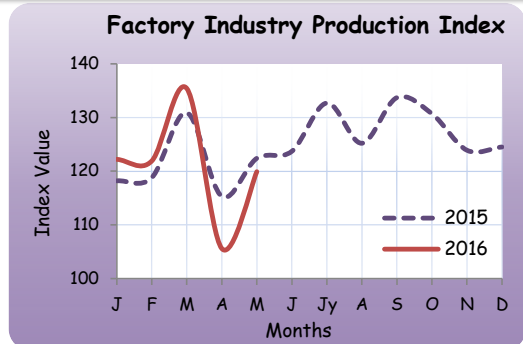
## 1.6 Wage rate Indices

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

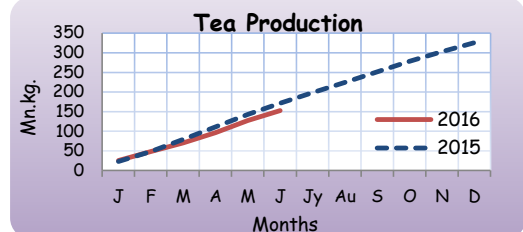


(a) Major 7 sub divisions of FIPI out of 17 sub divisions.

(b) Provisional

## 1.8 Agriculture Production

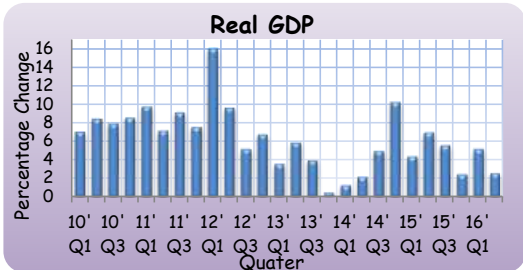
Item	Unit	2016(a) Jan-Jun	2015 Jan-Jun	% Change
Tea	(Mn Kg)	152.5	171.9	-11.3
Rubber	(Mn Kg)	47.9	50.4	-5.0
Coconuts	(Mn Nuts)	1,526.9	1,500.0	1.8



(a) Provisional

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

Item	2016(a) 2 <sup>nd</sup> Quarter	2015(a) 2 <sup>nd</sup> Quarter	2015(a) Annual
Agriculture	-5.6	10.4	5.5
Industry	2.2	3.9	3.0
Services	4.9	6.9	5.3
<b>GDP</b>	<b>2.6</b>	<b>7.0</b>	<b>4.8</b>



(a)Provisional

Source: Department of Census and Statistics

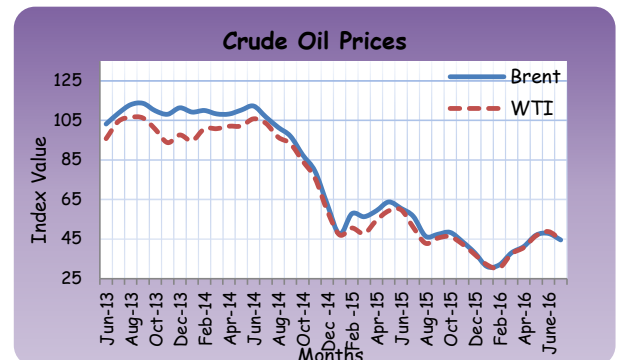
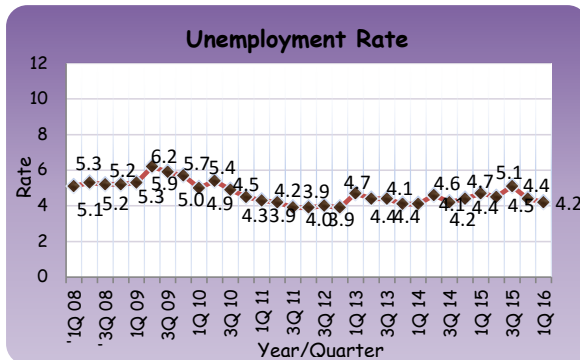
## 1.10 Employment (a)

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		
12 September	-	-		48.52	45.88	
13 September	-	-		48.07	46.28	
14 September	45.87	44.07		46.78	44.91	
15 September	45.91	44.58		45.95	43.62	

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 15 September 2016 increased by 35 bps to 12.57 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. 31.45 bn by end of the week, compared to a short position of Rs. 20.44 bn by the end of last week.

By 15 September 2016, All Share Price Index (ASPI) declined by 0.34 per cent to 6,472 points while S&P SL 20 Index declined by 0.10 per cent to 3,578 points, compared to the previous week.

# MONETARY SECTOR

## 2.1 Interest Rates

Item	Week Ending 2016 Sep 15	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	6.35
<b>Sri Lanka Inter Bank Offered Rate ( SLIBOR )</b>			
1 day	8.41	8.42	6.35
7 days	9.50	9.50	6.50
1 Month	10.48	10.45	6.80
3 Months	10.96	11.00	7.07
6 Months	11.48	11.50	7.34
12 Months	11.98	12.00	7.65
<b>Treasury Bill Yields (Excluding 10% withholding tax)</b>			
91 days	-	8.75	-
182 days	9.71	9.71	-
364 days	10.39	10.39	-
<b>Licensed Commercial Banks</b>			
Average Weighted Prime Lending Rate (AWPR)	12.57	12.22	6.86
	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 15	Week Ago
Bank of Ceylon	11.74	11.72
People's Bank	11.73	11.73
Hatton National Bank	15.11	12.84
Commercial Bank of Ceylon	13.05	12.59
Sampath Bank	13.07	13.38
Seylan Bank	13.06	12.70
Union Bank of Colombo	14.64	14.53
Pan Asia Banking Corporation	15.69	14.84
Nations Trust Bank	12.85	12.47
DFCC Bank	13.69	13.70
NDB Bank	14.50	13.00
Amana Bank	12.31	12.31
Cargills Bank	11.80	13.29

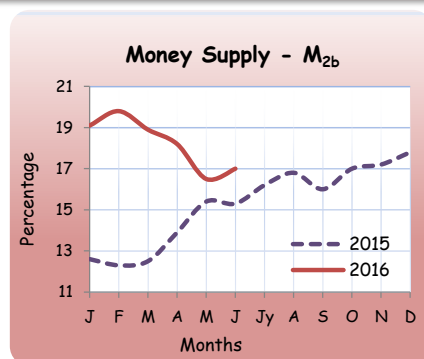
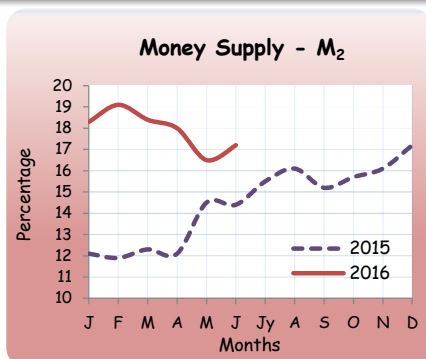
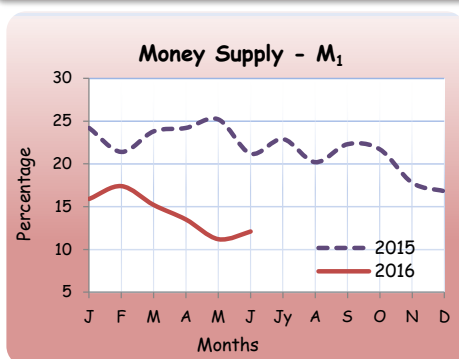
Bankwise- AWPR	Week ending 2016 Sep 15	Week Ago
HSBC	8.64	8.69
Standard Chartered Bank	11.43	11.34
Citi Bank	9.02	9.02
Deutsche Bank	9.48	9.69
Habib Bank	10.73	10.74
Indian Bank	13.19	13.19
Indian Overseas Bank	13.76	13.76
MCB Bank	12.19	13.21
State Bank of India	12.56	12.56
Public Bank	10.00	10.00
ICICI Bank	11.98	11.98
Axis Bank	12.65	12.35



## 2.2 Money Supply

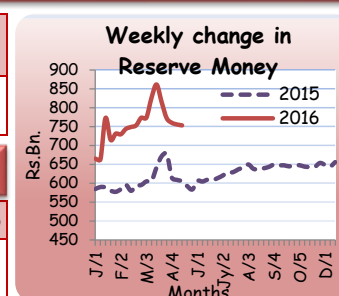
Item	Rs. Bn.			Annual Change (%)		
	2016 (a)	Month	Year	2016 (a)	Month	Year
	June	Ago	Ago	June	Ago	Ago
Reserve Money	757.2	733.3	608	24.5	24.3	19.8
M <sub>1</sub>	705.6	701.7	629.4	12.1	11.2	21.2
M <sub>2</sub>	4,310.5	4,241.0	3,677.5	17.2	16.5	14.4
M <sub>2b</sub>	4,843.7	4,781.1	4,141.1	17.0	16.5	15.3
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	14 Sep 2016	Week Ago	Change
Reserve Money (Rs.Mn.)	796,895	792,191	4,705



## 2.4 Money Market Activity (Overnight)

Item	13.09.2016	14.09.2016	15.09.2016
<b>Call Money Market</b>			
Weighted Average Rate (% p.a.)	8.40	8.40	8.40
Gross Volume (Rs. Mn)	10,245	10,750	14,432
<b>Repo Market</b>			
Weighted Average Rate (% p.a.)	8.61	8.62	8.64
Gross Volume (Rs. Mn)	32,828	31,333	23,025

## 2.5 CBSL Security Portfolio

Item	13.09.2016	14.09.2016	15.09.2016
Net CBSL Treasury Bill Holdings <sup>1</sup> (Book Value)- (Rs.mn)	200,794	201,825	207,687

<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	13.09.2016	14.09.2016	15.09.2016
<b>Short-Term Auction</b>			
Repo Amount Offered (Rs. bn)	0.00	0.00	0.00
Reverse Repo Amount Offered (Rs. bn)	20.00	20.00	35.00
Tenure (No. of Days)	1	1	1
Bids Received (Rs. bn)	19.73	26.01	53.43
Amount Accepted (Rs. bn)	19.73	20.00	35.00
Weighted Average Yield Rate (% p.a.)	8.48	8.49	8.49
<b>Term Auction</b>			
Repo Amount Accepted (Rs. bn)	0.00	0.00	0.00
Reverse Repo Amount Accepted (Rs. bn)	0.00	0.00	0.00
<b>Standing Facility</b>			
Standing Deposit Facility (Rs. bn)	13.76	12.87	11.58
Standing Lending Facility (Rs. bn)	5.92	6.60	8.04
<b>Total Outstanding Market Liquidity (Rs. bn)</b>	<b>-11.89</b>	<b>-13.73</b>	<b>-31.45</b>

## 2.7 Credit Cards (a)

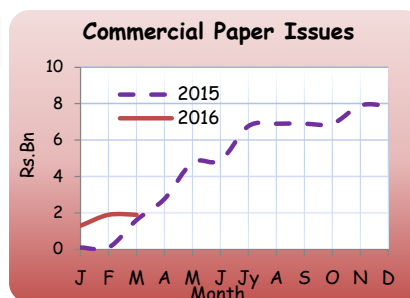
Item	2016 (b) End June	2016 End May	2015 End Dec
<b>Total Number of Active Cards</b>	1,205,422	1,191,448	1,142,231
Local (accepted only locally)	30,043	30,192	30,902
Global (accepted globally)	1,175,379	1,161,256	1,111,329
<b>Outstanding balance (Rs. Mn.)</b>	65,433	65,088	63,010
Local (accepted only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

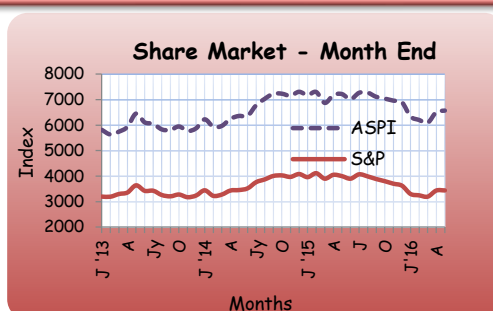
Item (Rs. bn.)	2016	2016	2015
	End June(b)	End May (c)	End Dec
Total Issues - Cumulative	4.8	4.8	7.9
Outstanding (as at end of the period)	4.5	4.5	4.5

(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 15 Sep 2016	Week Ago	Year Ago
All Share Price Index (1985 = 100) (ASPI)	6,472	6,495	7,152
S & P Sri Lanka 20 Index (S&P SL20)	3,578	3,581	3,915
Average Daily Turnover (Rs. Mn)	458	458	593
Market Capitalisation (Rs.Bn.)	2,759	2,769	3,039



## 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>	
<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>	
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

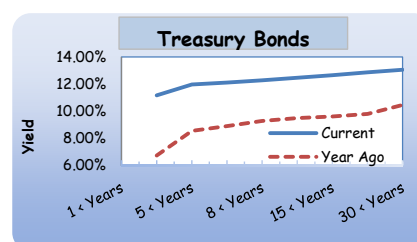
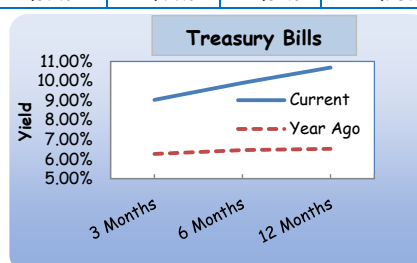
## 3.3 Government Securities - Primary and Secondary Market Yield Rates for the week ending - 14<sup>th</sup> September 2016

Security	Maturity	Primary Market(a)		Secondary Market			
		This Week	Last Week	This Week			Last Week
				Buying	Selling	Average	
Treasury Bills	3 Months	-	8.75%	8.81%	8.65%	8.73%	8.98%
	6 Months	9.71%	9.71%	9.77%	9.60%	9.68%	9.84%
	12 Months	10.39%	10.39%	10.45%	10.32%	10.38%	10.65%
Treasury Bonds	< 2 Years	-	-	10.80%	10.68%	10.74%	10.92%
	< 5 Years	-	-	11.32%	11.23%	11.27%	11.56%
	< 6 Years	-	-	11.44%	11.34%	11.39%	11.65%
	< 8 Years	-	-	11.61%	11.53%	11.57%	11.85%
	< 10 Years	-	-	11.79%	11.71%	11.75%	12.04%
	< 15 Years	-	-	12.06%	11.96%	12.01%	12.36%
	< 20 Years	-	-	12.35%	12.23%	12.29%	12.63%
< 30 Years	-	-	12.57%	12.44%	12.51%	12.78%	

(a) Primary market transactions during the week ending 14/09/2016

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%	5.09%	4.84%
	27-Jul-21	6.250%	5.23%	4.98%
	18-Jan-22	5.750%	5.32%	5.10%
	25-Jul-22	5.875%	5.47%	5.24%
	14-Jan-19	6.000%	4.82%	4.56%
	11-Apr-19	5.125%	4.86%	4.62%
	3-Jun-25	6.125%	5.98%	5.72%
	3-Nov-25	6.850%	6.03%	5.77%
18-Jul-26	6.825%	6.03%	5.76%	



### 3.4 Government Securities - Weekly Summary of Primary and Secondary Market Transactions (Week Ended - 14<sup>th</sup> September 2016 )

Item	Volume in Rs Mn	
	This Week	Last Week
Outstanding Stock of Government Securities		
Treasury Bills	730,730.78	742,410.78
Treasury Bonds (a)	3,966,436.82	3,966,436.82
<b>Total</b>	<b>4,697,167.60</b>	<b>4,708,847.60</b>
T-bills and T-bonds held by Foreigners	307,717.21	306,221.21
Sri Lanka Development Bonds (SLDB)	618,859.65	619,369.49

The stock of T-bills slightly decreased 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	26,000.00	11,000.00
Total Bids Received	59,707.00	87,625.00
Total Bids Accepted	13,353.00	11,000.00
<b>Treasury Bonds</b>		
Amount Offered		
Total Bids Received	No auction held	No auction held
Total Bids Accepted		

The weekly T-bill was over subscribed by 2.3 times.

Secondary Market Activities	Volume in Rs Mn	
	This Week	Last Week
<b>Treasury Bills</b>		
Outright Transaction (Sales / Purchases)	20,084.35	40,582.65
Repo Transaction (Sales / Purchases)	271,844.34	267,761.90
<b>Treasury Bonds</b>		
Outright Transaction (Sales / Purchases)	76,981.85	125,451.17
Repo Transaction (Sales / Purchases)	738,837.96	914,314.30

The total secondary market transactions decreased by 17.83 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) - 15/09/2016

Remaining Maturity	Average Buying Price	Yield %	Average Selling Price	Yield %	Buying & Selling Spread
1-7 Days	99.84	8.48	99.84	8.35	0.00
1 Month	99.29	8.63	99.31	8.48	0.01
2 Month	98.58	8.69	98.60	8.54	0.03
3 Month	97.84	8.79	97.88	8.64	0.04
4 Month	96.97	9.21	97.04	9.02	0.06
5 Month	96.12	9.44	96.20	9.24	0.08
6 Month	95.19	9.76	95.27	9.59	0.08
7 Month	94.31	9.89	94.41	9.71	0.10
8 Month	93.43	9.99	93.55	9.82	0.11
9 Month	92.55	10.07	92.67	9.91	0.12
10 Month	91.57	10.25	91.72	10.08	0.14
11 Month	90.72	10.26	90.85	10.12	0.13
12 Month	89.69	10.45	89.82	10.32	0.13

### 3.6 Two way Quotes (Treasury Bonds)- 15/09/2016

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	16	99.88	8.83	99.89	8.58	0.01
08.00%2017A	5	1-Jan-17	108	99.58	9.33	99.64	9.10	0.07
05.80%2017A	6	15-Jan-17	122	98.83	9.35	98.91	9.11	0.08
08.25%2017A	3	1-Mar-17	167	99.40	9.57	99.48	9.40	0.07
08.75%2017A	4	15-May-17	242	99.13	10.10	99.31	9.80	0.18
08.00%2017B	5	15-Jun-17	273	98.41	10.22	98.60	9.95	0.19
05.80%2017B	6	15-Jul-17	303	96.50	10.27	96.68	10.04	0.18
08.50%2018A	15	1-Feb-18	504	97.44	10.53	97.79	10.24	0.36
08.50%2018C	5	1-Apr-18	563	97.07	10.60	97.23	10.48	0.16
08.50%2018D	5	1-Jun-18	624	96.65	10.68	96.82	10.57	0.17
08.50%2018B	15	15-Jul-18	668	96.32	10.75	96.51	10.63	0.19
07.50%2018A	15	15-Aug-18	699	94.39	10.81	94.59	10.69	0.21
08.75%2018A	4	15-Oct-18	760	96.14	10.87	96.33	10.76	0.19
08.00%2018A	6	15-Nov-18	791	94.49	10.91	94.71	10.79	0.22
05.65%2019A	8	15-Jan-19	852	89.31	10.96	89.51	10.85	0.20
08.50%2019A	10	1-May-19	958	94.46	10.97	94.70	10.86	0.24
10.60%2019A	5	1-Jul-19	1,019	99.07	10.98	99.31	10.88	0.24
10.60%2019B	5	15-Sep-19	1,095	98.76	11.10	99.00	11.00	0.24
08.00%2019A	8	1-Nov-19	1,142	92.04	11.07	92.22	11.00	0.18
09.25%2020A	5	1-May-20	1,324	94.41	11.16	94.68	11.06	0.26
08.00%2020A	8	1-Jun-20	1,355	90.54	11.18	90.70	11.12	0.16
06.20%2020A	10	1-Aug-20	1,416	84.64	11.19	84.94	11.08	0.31
09.50%2020A	5	15-Dec-20	1,552	94.33	11.20	94.68	11.09	0.35
10.75%2021A	5	1-Mar-21	1,628	98.30	11.24	98.53	11.18	0.22
09.00%2021A	8	1-May-21	1,689	91.96	11.27	92.31	11.17	0.35
11.00%2021A	7	1-Aug-21	1,781	98.88	11.30	99.18	11.22	0.30
09.45%2021A	7	15-Oct-21	1,856	92.88	11.33	93.16	11.25	0.28
08.00%2022A	10	1-Jan-22	1,934	86.74	11.40	87.03	11.32	0.30
11.20%2022A	9	1-Jul-22	2,115	99.06	11.42	99.47	11.32	0.42
10.00%2022A	8	1-Oct-22	2,207	93.70	11.47	94.06	11.38	0.36
09.00%2023A	10	1-Sep-23	2,542	87.88	11.58	88.19	11.51	0.31
11.20%2023A	9	1-Sep-23	2,542	98.48	11.52	98.88	11.44	0.40
07.00%2023A	20	1-Oct-23	2,572	78.32	11.58	78.62	11.51	0.30
11.40%2024A	10	1-Jan-24	2,664	98.83	11.63	99.28	11.54	0.45
11.00%2024A	8	1-Aug-24	2,877	96.56	11.67	97.04	11.58	0.48
06.00%2024A	10	1-Dec-24	2,999	70.34	11.72	70.68	11.64	0.33
10.25%2025A	10	15-Mar-25	3,103	92.02	11.76	92.46	11.67	0.44
09.00%2025A	12	1-May-25	3,150	85.32	11.75	85.67	11.68	0.35
11.00%2025A	10	1-Aug-25	3,242	96.03	11.73	96.48	11.64	0.45
09.00%2026A	13	1-Feb-26	3,426	83.90	11.89	84.32	11.81	0.41
05.35%2026A	15	1-Mar-26	3,454	63.76	11.81	64.07	11.74	0.31
11.00%2026A	11	1-Jun-26	3,546	95.40	11.80	95.84	11.72	0.44
11.50%2026A	10	1-Aug-26	3,607	97.97	11.85	98.49	11.76	0.52
09.00%2028B	15	1-May-28	4,246	81.31	12.02	81.99	11.90	0.67
09.00%2028A	15	1-Jul-28	4,307	81.60	11.94	82.13	11.85	0.53
11.50%2028A	13	1-Sep-28	4,369	96.85	12.00	97.45	11.90	0.59
13.00%2029A	15	1-Jan-29	4,491	105.58	12.11	106.20	12.01	0.62
13.00%2029B	15	1-May-29	4,611	105.82	12.08	106.26	12.02	0.44
11.00%2030A	15	15-May-30	4,990	92.80	12.08	93.45	11.98	0.65
08.00%2032A	20	1-Jan-32	5,586	71.06	12.22	71.61	12.12	0.56
09.00%2032A	20	1-Oct-32	5,860	77.39	12.25	77.93	12.16	0.54
09.00%2033A	20	1-Jun-33	6,103	76.91	12.28	77.42	12.19	0.51
13.25%2033A	20	1-Jul-33	6,133	106.36	12.34	107.04	12.25	0.68
09.00%2033B	20	1-Nov-33	6,256	76.01	12.41	76.70	12.29	0.69
13.25%2034A	20	1-Jan-34	6,317	105.69	12.43	106.53	12.32	0.83
11.50%2035A	20	15-Mar-35	6,755	93.60	12.39	94.62	12.24	1.01
12.00%2041A	25	1-Jan-41	8,874	96.42	12.47	97.78	12.28	1.37
09.00%2043A	30	1-Jun-43	9,755	72.78	12.55	73.26	12.47	0.48
13.50%2044A	30	1-Jan-44	9,969	106.95	12.59	107.68	12.50	0.74
13.50%2044B	30	1-Jun-44	10,121	106.74	12.61	107.65	12.50	0.91
12.50%2045A	30	1-Mar-45	10,394	98.91	12.64	100.38	12.45	1.47

## External Sector

During the year up to 15 September 2016 the rupee depreciated against the US dollar (1.1 per cent). Given the cross currency exchange rate movements, the Sri Lanka rupee appreciated against the pound sterling (10.6 per cent) and depreciated against Indian rupee (0.4 per cent), Japanese yen (16.1 per cent) and euro (3.9 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

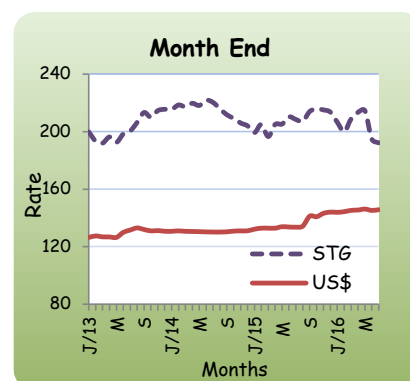
The average price of tea declined to US dollars 2.97 per kg in June 2016 from US dollars 2.98 per kg (in the Colombo auction) in June 2015.

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 - 15 Sep 2016			Average Rate	
	Buying Rate	Selling Rate	Average Rate	Week Ago	Year Ago
US\$	143.52	147.30	145.41	144.95	139.74
STG	189.58	196.17	192.88	193.15	215.43
Yen	1.40	1.45	1.43	1.42	1.16
Euro	160.42	166.62	163.52	163.42	157.99
INR <sup>(1)</sup>			2.18	2.19	2.11
SDR (As at 14 Sep 2016)			203.30	204.35	196.14
<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 15 Sep 2016	Week Ago	Year Ago
Average Daily Interbank Volume (US\$ Mn.) (spot, tom and cash transactions among commercial banks)	51.37	38.36	40.80
<b>Forward Transactions</b>			
Forward Rates (US\$) <sup>(2)</sup>			
1 Month	146.08	146.30	140.08
3 Months	147.39	-	141.09
Average Daily Interbank Forward Volume (US\$ mn)	35.23	23.78	23.12
Outstanding Forward Volume (US\$ mn) (As at 14 Sep 2016)	1,127.88	1,087.21	1,372.11

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

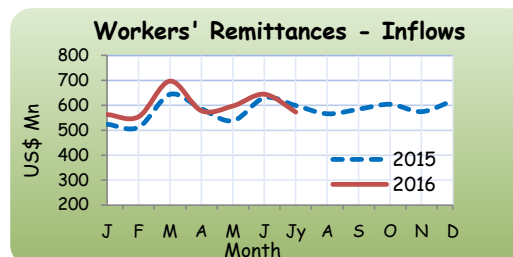
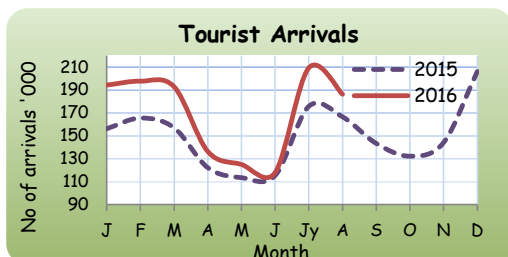
(b) Central Bank purchases and sales of foreign exchange from commercial banks at market rates total for the Month

(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		

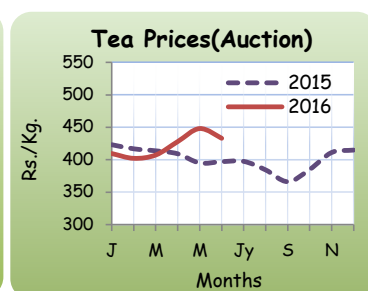
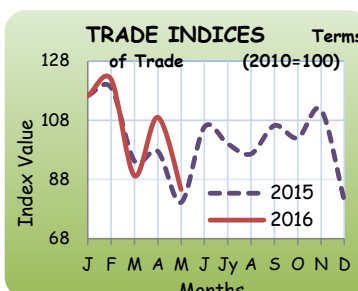
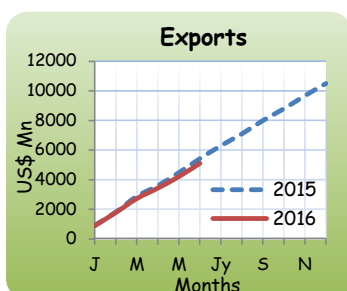
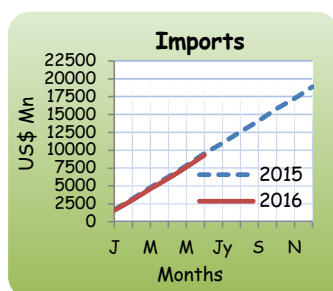
(a) Provisional

(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>

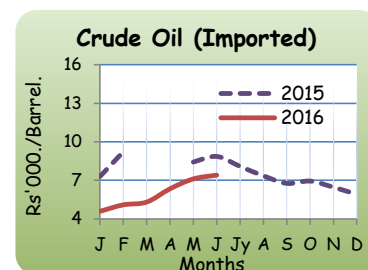
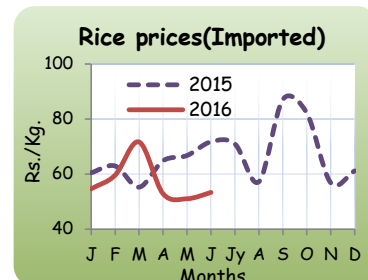


## 4.6 Trade Indices (2010= 100 ) (a)

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>	<b>84.6</b>	<b>109.0</b>	<b>80.2</b>

(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