

# Weekly Economic Indicators

30 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 4.5 per cent in August 2016 from 5.8 per cent in July 2016, on year-on-year basis. Both Food and Non-food categories contributed towards the year-on-year inflation in August 2016. The change in the NCPI measured on an annual average basis increased to 3.6 per cent in August 2016 from 3.4 per cent in July 2016. When the monthly change in the NCPI is considered, the NCPI decreased by 1.6 per cent to 113.3 index points in August 2016 from 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. The NCPI Core inflation, which reflects the underlying inflation in the economy decreased to 6.0 per cent in August 2016 from 6.8 per cent in July 2016, on year-on-year basis. Annual average NCPI Core inflation increased marginally to 5.6 per cent in August 2016 from 5.5 per cent in July 2016.

Inflation, as measured by the change in the Colombo Consumers' Price Index (CCPI) (2006/07=100) compiled by the Department of Census and Statistics decreased to 3.9 per cent in September 2016 from 4.0 per cent in August 2016, on year-on-year basis. Annual average inflation increased to 3.4 per cent in September 2016 from 3.0 per cent in August 2016. The monthly decrease in CCPI was 0.3 per cent. Core CCPI increased to 4.2 per cent in September 2016 from 4.1 per cent in August 2016, on year-on-year basis. Annual average core inflation remained unchanged at 5.0 per cent in September 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 seven months 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 increased by 1.4 per cent on a year-on-year basis in June 2016. This increase was mainly due to increased production of food products, wearing apparel, rubber and plastic products and other non-metallic mineral products sub-sectors. This was mainly attributed to increased domestic and international demand.

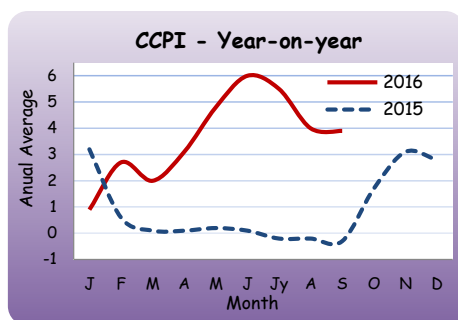
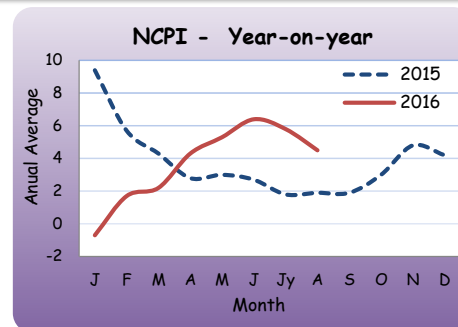
During the week crude oil spot prices largely followed an increasing trend. At the beginning of the week crude oil prices fell after Saudi Arabia and Iran dashed market hopes that the two major OPEC producers would find a compromise at the informal OPEC meeting in Algeria. Saudi Arabia energy minister said that he did not think there was a need to significantly adjust or cut supply while Iranian oil minister said Algiers talks is not the time for decision making. However, subsequently prices rose on a surprise move by OPEC to curb crude output as it agreed to limit its production to a range of 32.5 - 33.0 million barrels per day (bpd), which will remove around 700,000 bpd from the market. However, the effective date of the agreement, new quotas for member countries and the periods are left unanswered until its next policy meeting in November.

Highlights

# REAL SECTOR

## 1.1 Price Indices

Item	August 2016	Month Ago	Year Ago
<b>(2013 = 100)</b>			
National Consumer Price Index (NCPI)	113.3	115.2	108.4
Monthly Change %	-1.6	-0.8	-0.5
Year - on - Year Change %	4.5	5.8	1.9
Annual Average Change %	3.6	3.4	-
Core Inflation - ( NCPI )	117.4	117.9	110.8
Annual Average Change %	5.6	5.5	-
Year - on - Year Change %	6.0	6.8	4.3
Item	September 2016	Month Ago	Year Ago
<b>(2006 / 07 = 100)</b>			
Colombo Consumers' Price Index (CCPI)	188.5	189.1	181.4
Annual Average Change %	3.4	3.0	0.7
Year - on - Year Change %	3.9	4.0	-0.3
Core Inflation - ( CCPI )	187.7	187.4	180.2
Annual Average Change %	5.0	5.0	2.8
Year - on - Year Change %	4.2	4.1	4.2

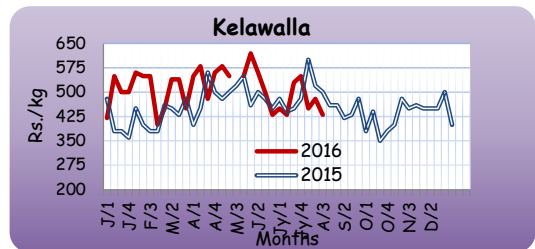
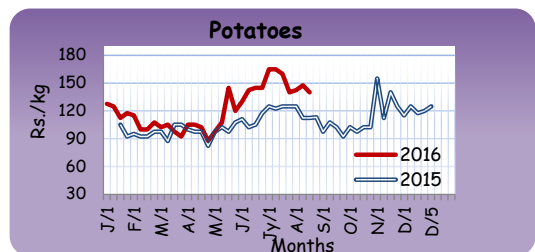
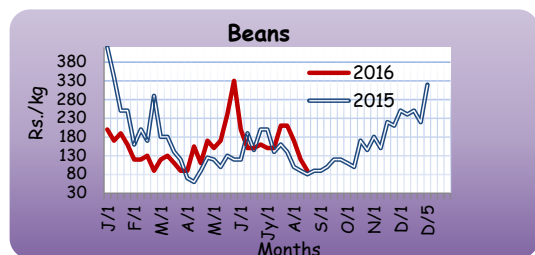
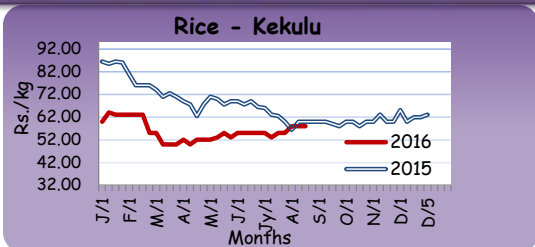


## 1.2 Pettah Market

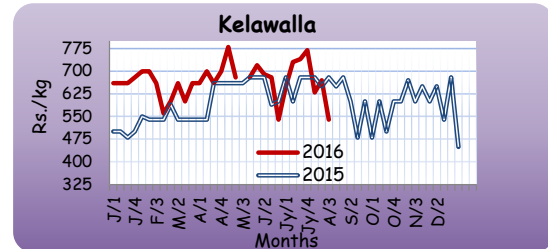
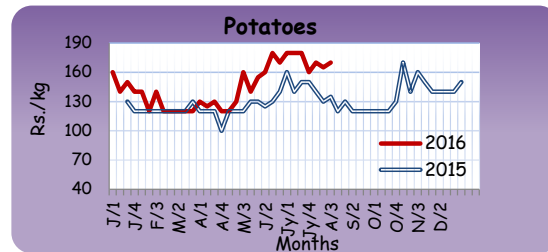
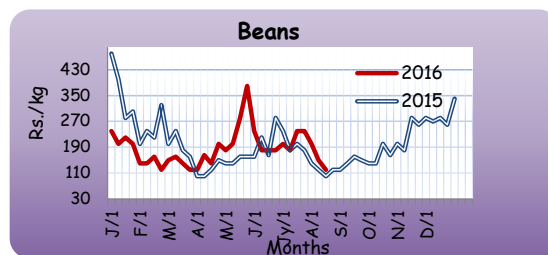
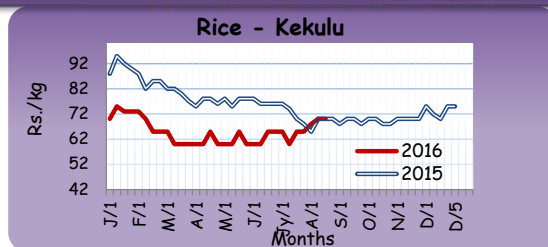
Item	Average Wholesale Prices				Average Retail Prices			
	Week Ending 28 <sup>th</sup> Sep 2016	Week Ago	Month Ago	Year Ago Annual Avg	Week Ending 28 <sup>th</sup> Sep 2016	Week Ago	Month Ago	Year Ago Annual Avg
	Rs / Kg				Rs / Kg			
<b>Rice</b>								
Samba	77.50	75.00	76.25	83.22	88.00	88.00	88.00	90.10
Kekulu (Red)	65.00	62.00	58.50	66.15	70.00	70.00	69.50	75.20
<b>Vegetables</b>								
Beans	110.00	110.00	122.50	160.49	160.00	140.00	152.50	196.86
Cabbage	35.00	60.00	70.00	79.31	100.00	100.00	110.00	117.94
Carrots	50.00	80.00	95.00	146.27	100.00	110.00	127.50	184.90
Tomatoes	50.00	40.00	41.25	89.80	80.00	80.00	75.00	126.18
Pumpkins	42.50	40.00	67.50	49.12	80.00	60.00	87.50	72.94
Snake Gourd	50.00	60.00	50.00	73.73	80.00	100.00	80.00	106.57
Brinjals	55.00	50.00	58.75	72.56	100.00	80.00	95.00	105.69
Ash-Plantains	60.00	70.00	82.50	81.08	120.00	100.00	105.00	110.59
<b>Other Foods</b>								
Red-Onions (Local)	85.00	85.00	63.12	105.28	120.00	140.00	112.50	135.34
Big-Onions (Local)	70.00	62.50	n.a.	95.17	80.00	100.00	n.a.	124.67
Potatoes (N'Eliya)	102.50	105.00	134.38	107.98	130.00	130.00	161.25	130.80
Dried Chilies (Imported)	290.00	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)	15.50	15.50	17.50	14.17	16.00	16.00	18.00	14.77
Coconut (Each)	39.00	33.50	27.88	41.00	55.00	45.00	38.75	53.18
<b>Fish*</b>								
Kelawalla	530.00	550.00	477.50	453.14	740.00	770.00	652.50	598.24
Balaya	300.00	360.00	320.00	295.00	400.00	460.00	415.00	361.20
Salaya	160.00	160.00	157.50	114.71	200.00	220.00	210.00	156.08
Paraw (Small)	550.00	550.00	566.67	484.69	650.00	650.00	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 29 <sup>th</sup> Sep 2016	
	Wholesale (Average)	Retail (Average)
<b>Rice</b>		
Samba	75.00	80.00
Kekulu (Red)	65.50	69.00
<b>Vegetables</b>		
Beans	113.00	145.00
Carrot	71.00	105.00
Tomatoes	47.50	68.00
Pumpkins	23.00	39.00
Snake Gourd	34.50	55.50
Ash-Plantains	56.50	80.00
<b>Other Foods</b>		
Red-Onions (Local)	84.50	120.00
Big-Onions (Local)	58.50	77.00
Potatoes (N'Eliya)	97.00	119.00
Dried Chilies(Imported)	297.50	350.00
Coconut (Each)	30.40	37.50

### 1.5 Maradaghamula Market

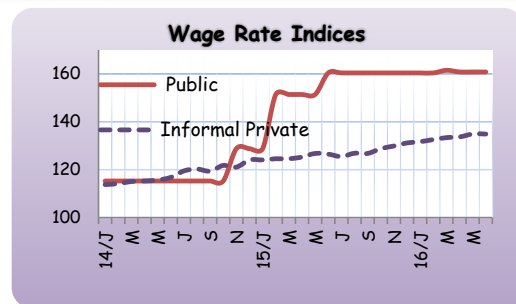
Average wholesale price of Rice				
Item (Rs / Kg)	Week Ending 30 <sup>th</sup> Sep	Week Ago	Month Ago	Year Ago
Samba	70.80	70.40	70.80	79.56
Sudu Kekulu	61.30	61.00	57.39	62.37
Raw Red	59.40	59.50	57.80	66.17
Nadu	64.50	64.30	63.18	64.24

### 1.4 Narahenpita Economic Centre

Item (Rs / Kg)	Average Retail Prices	
	30 <sup>th</sup> Sep 2016	Week Ago
<b>Rice</b>		
Samba	89.67	84.67
Kekulu (Red)	68.67	64.67
<b>Vegetables</b>		
Beans	156.67	136.67
Cabbage	116.67	80.00
Carrots	113.33	116.67
Tomatoes	96.67	90.00
Pumpkins	76.67	56.67
Snake Gourd	116.67	80.00
Brinjals	100.00	100.00
Ash-Plantains	113.33	100.00
<b>Other Foods</b>		
Red-Onions (Imported)	n.a.	120.00
Big-Onions (Imported)	n.a.	90.00
Potatoes (Imported)	n.a.	100.00
Dried Chilies (Imported)	316.67	346.67
Dhal (Indian)	168.67	174.67
Eggs (Red)(Each)	16.33	16.00
Coconut (Each)	48.33	48.33
<b>Fish</b>		
Kelawalla	856.67	856.67
Balaya	366.67	366.67
Salaya	250.00	250.00
Paraw (Small)	860.00	853.33

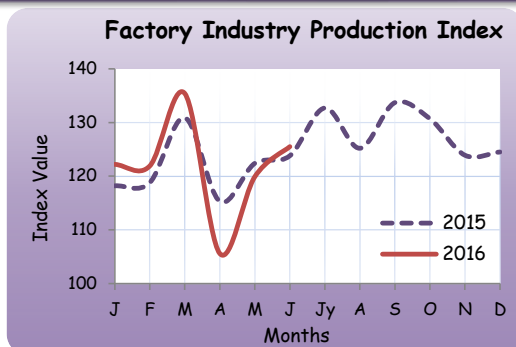
## 1.6 Wage rate Indices

Item	2016 July	2015 July	% Change
Public Sector Employees (2012 = 100)	160.8	160.4	0.2
Informal Private Sector Employees (2012 = 100)	135.7	125.5	8.1
Agriculture	136.3	126.6	7.7
Industry	139.5	128.7	8.4
Services	131.7	121.9	8.0



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

Item	2016 (b) June	2015 June	% Change
Factory Industry- Production Index	125.5	123.8	1.4
Food products	105.7	103.0	2.6
Beverages	95.5	119.6	-20.2
Tobacco products	94.3	101.8	-7.3
Wearing apparel	176.2	166.6	5.8
Chemicals and chemical products	94.5	95.2	-0.8
Rubber and plastic products	147.5	141.2	4.5
Other non-metallic mineral products	120.5	117.4	2.7

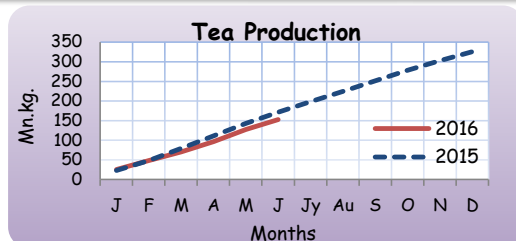


(a) Major 7 sub divisions of FIPI out of 17 sub divisions.

(b) Provisional

## 1.8 Agriculture Production

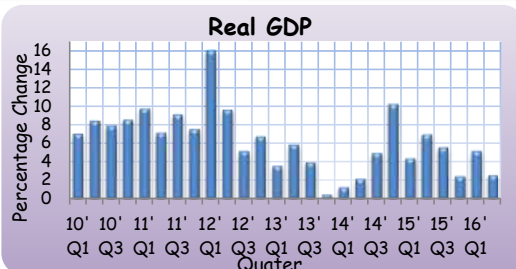
Item	Unit	2016(a) Jan-Jul	2015 Jan-Jul	% Change
Tea	(Mn Kg)	173.8	198.4	-12.4
Rubber	(Mn Kg)	53.1	57.0	-6.9
Coconuts	(Mn Nuts)	1,833.2	1,765.1	3.9



(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

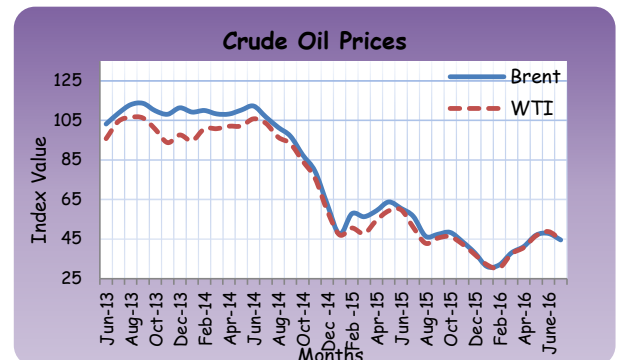
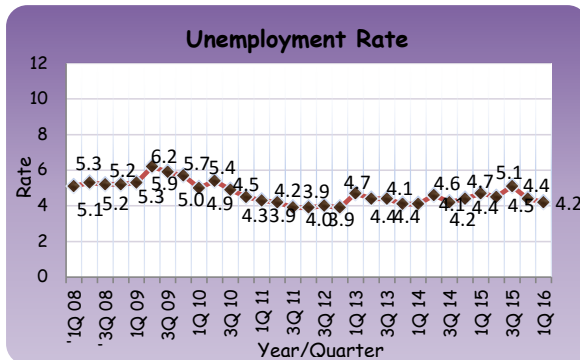
## 1.10 Employment (a)

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	46.71
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		
23 September	48.10	44.53		47.11	44.36	
26 September	-	-		47.01	45.60	
27 September	-	-		45.35	44.65	
28 September	45.99	44.4		45.89	47.07	
29 September	47.53	45.24		48.83	47.72	

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 30 September 2016 declined by 14 bps to 12.12 per cent compared to the previous week.

Broad money (M2b) expanded by 17.8 per cent on a year-on-year basis in July 2016.

Net Credit to the Government from the banking system showed an increase of Rs. 26.6 billion in July 2016.

Public Corporations recorded a net repayment of Rs. 12.8 billion in July 2016.

Credit extended to the private sector increased by Rs. 62.9 billion in July 2016.

The reserve money decreased compared to the previous week mainly due to decrease in currency in circulation and deposits held by commercial banks

The total outstanding market liquidity decreased to a short position of Rs. 54.22 bn by end of the week, compared to a short position of Rs. 27.42 bn by the end of last week.

By 30 September 2016, All Share Price Index (ASPI) increased by 0.86 per cent to 6,535 points while S&P SL 20 Index increased by 0.84 per cent to 3,617 points, compared to the previous week.

Highlights

# MONETARY SECTOR

## 2.1 Interest Rates

Item	Week Ending 2016 Sep 30	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>	8.42	8.41	6.35
<b>Sri Lanka Inter Bank Offered Rate ( SLIBOR )</b>			
1 day	8.44	8.43	6.35
7 days	9.54	9.50	6.53
1 Month	10.50	10.43	6.85
3 Months	11.00	11.00	7.11
6 Months	11.46	11.50	7.38
12 Months	11.98	11.98	7.65
<b>Treasury Bill Yields (Excluding 10% withholding tax)</b>			
91 days	8.55	8.71	6.78
182 days	9.39	9.69	7.07
364 days	10.11	10.38	-
<b>Licensed Commercial Banks</b>			
Average Weighted Prime Lending Rate (AWPR)	12.12	12.26	7.08
	Aug 2016	Month Ago	Year Ago
Saving Deposits	0.50-9.00	0.50-9.00	0.50-8.50
One Year Fixed Deposits	4.50-15.00	4.50-15.00	3.50-15.00
	Sep 2016	Month Ago	Year Ago
Average Weighted Deposit Rate (AWDR)	7.56	7.32	6.00
Average Weighted Fixed Deposit Rate (AWFDR)	9.67	9.31	7.22
	Aug 2016	Month Ago	Year Ago
Average Weighted Lending Rate (AWLR)	12.54	12.35	11.03
<b>National Savings Bank (NSB)</b>			
	Aug 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 & 05 Months) 29/09/2016	(7 Y & 10 Months) 29/09/2016	(9 y & 10 Months) 29/09/2016
Coupon rate	10.75	11.00	11.50
Weighted Average Yield (Excluding 10% withholding tax)	10.61	10.96	11.06

Bankwise- AWPR	Week ending 2016 Sep 30	Week Ago
Bank of Ceylon	12.02	12.15
People's Bank	12.75	12.75
Hatton National Bank	13.12	13.72
Commercial Bank of Ceylon	12.49	12.77
Sampath Bank	13.37	12.78
Seylan Bank	12.85	13.17
Union Bank of Colombo	14.35	14.68
Pan Asia Banking Corporation	16.34	15.96
Nations Trust Bank	12.75	13.19
DFCC Bank	13.15	13.37
NDB Bank	13.50	13.64
Amana Bank	12.31	12.27
Cargills Bank	12.67	13.53

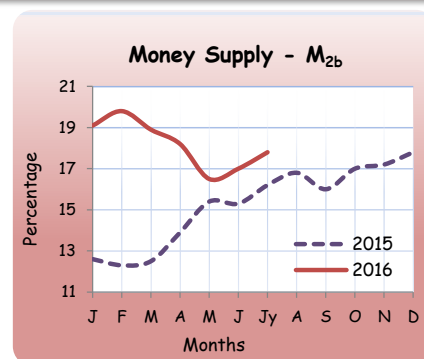
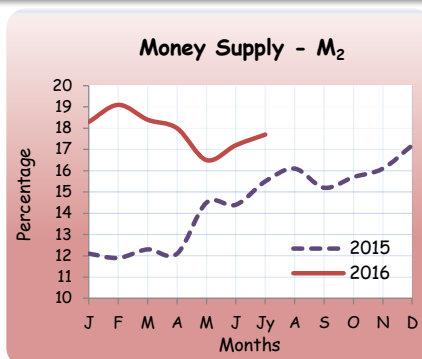
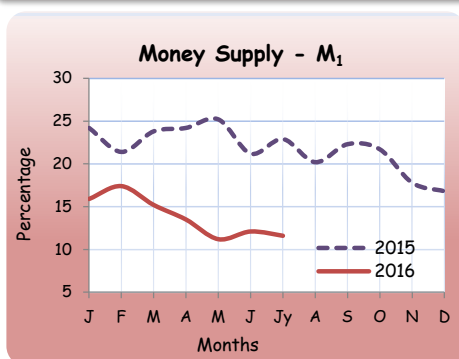
Bankwise- AWPR	Week ending 2016 Sep 30	Week Ago
HSBC	8.38	8.35
Standard Chartered Bank	11.62	11.48
Citi Bank	9.25	9.62
Deutsche Bank	9.71	9.55
Habib Bank	10.69	10.73
Indian Bank	13.19	13.19
Indian Overseas Bank	13.76	13.76
MCB Bank	11.51	12.95
State Bank of India	12.56	12.56
Public Bank	10.50	13.57
ICICI Bank	13.40	11.98
Axis Bank	12.53	12.54



## 2.2 Money Supply

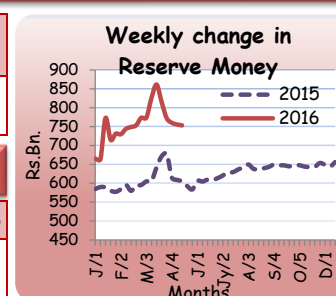
Item	Rs. Bn.			Annual Change (%)		
	2016 (a)	Month	Year	2016 (a)	Month	Year
	July	Ago	Ago	July	Ago	Ago
Reserve Money	774.5	757.2	630.3	22.9	24.5	20.2
M <sub>1</sub>	716.6	705.6	642.1	11.6	12.1	22.9
M <sub>2</sub>	4,394.7	4,310.5	3,732.2	17.7	17.2	15.5
M <sub>2b</sub>	4,940.4	4,843.7	4,193.9	17.8	17.0	16.2
Net Foreign Assets of the Banking System (b)	-437.6	-492.0	-241.2	-81.4	-139.4	-219.4
Monetary Authorities	416.8	413.5	515.3	-19.1	-23.2	-30.7
Commercial Banks	-854.4	-905.5	-756.5	-12.9	-21.7	-39.7
Domestic Banking Units (DBUs)	-287.0	-331.9	-261.7	-9.7	-33.2	-21.8
Offshore Banking Units (OBUs)	-567.5	-573.6	-494.9	-14.7	-15.9	-51.5
Net Domestic Assets of the Banking System (b)	5,378.0	5,335.7	4,435.1	21.3	22.8	30.2
Net Credit to the Government	2,032.0	2,005.4	1,735.6	17.1	19.8	23.8
Monetary Authorities	456.1	456.1	218.6	108.6	144.2	54.6
Commercial Banks	1,575.9	1,549.3	1,517.0	3.9	4.2	20.3
DBUs	1,185.2	1,157.6	1,210.6	-2.1	-4.2	14.6
OBUs	390.8	391.7	306.3	27.6	40.8	49.6
Credit to Public Corporations	472.1	484.9	475.8	-0.8	0.5	45.6
DBUs	266.5	261.3	218.4	22.0	29.1	34.2
OBUs	205.6	223.6	257.3	-20.1	-20.2	56.8
Credit to the Private Sector	3,860.9	3,798.1	3,004.1	28.5	28.2	21.0
DBUs	3,576.1	3,523.3	2,766.5	29.3	29.4	21.9
OBUs	284.8	274.8	237.5	19.9	14.0	12.1
Other Items (Net)	-987.0	-952.7	-780.3	-26.5	-23.2	3.1

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



## 2.3 Weekly change in Reserve Money

Item	29 Sep 2016	Week Ago	Change
Reserve Money (Rs.Mn.)	788,156	801,775	-13,618



## 2.4 Money Market Activity (Overnight)

Item	26.09.2016	27.09.2016	28.09.2016	29.09.2016	30.09.2016
<b>Call Money Market</b>					
Weighted Average Rate (% p.a.)	8.42	8.42	8.42	8.42	8.42
Gross Volume (Rs. Mn)	9,660	12,500	13,240	12,695	12,918
<b>Repo Market</b>					
Weighted Average Rate (% p.a.)	8.63	8.63	8.62	8.67	8.79
Gross Volume (Rs. Mn)	30,279	31,169	32,890	23,809	13,933

## 2.5 CBSL Security Portfolio

Item	26.09.2016	27.09.2016	28.09.2016	29.09.2016	30.09.2016
Net CBSL Treasury Bill Holdings <sup>1</sup> (Book Value)- (Rs.mn)	203,679	203,831	193,295	196,812	213,314

<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	26.09.2016	27.09.2016	28.09.2016	29.09.2016	30.09.2016
<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)	22.00	20.00	13.00	26.00	55.00
Tenure (No. of Days)	1	1	1	1	1
Bids Received (Rs. bn)	29.35	35.86	22.90	25.42	57.83
Amount Accepted (Rs. bn)	22.00	20.00	13.00	23.42	55.00
Weighted Average Yield Rate (% p.a.)	8.48	8.49	8.49	8.49	8.50
<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)	20.24	28.10	21.46	13.35	15.85
Standing Lending Facility (Rs. bn)	21.11	23.21	19.63	12.69	15.06
<b>Total Outstanding Market Liquidity (Rs. bn)</b>	<b>-22.87</b>	<b>-15.12</b>	<b>-11.17</b>	<b>-22.76</b>	<b>-54.22</b>

## 2.7 Credit Cards (a)

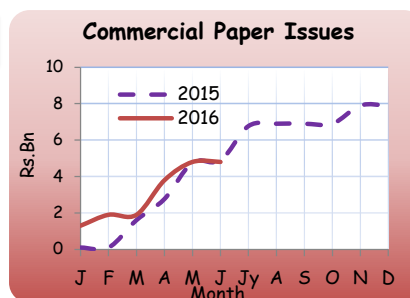
Item	2016 (b) End July	2016 End June	2015 End Dec
<b>Total Number of Active Cards</b>	1,226,820	1,205,422	1,142,231
Local (accepted only locally)	36,177	30,043	30,902
Global (accepted globally)	1,190,643	1,175,379	1,111,329
<b>Outstanding balance (Rs. Mn.)</b>	65,870	65,433	63,010
Local (accepted only locally)	804	804	1,226
Global (accepted globally)	65,066	64,630	61,784

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

## 2.8 Commercial Paper Issues (a)

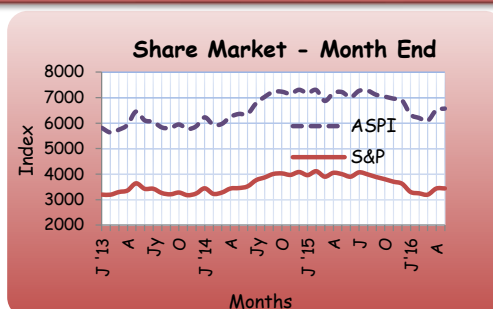
Item (Rs. bn.)	2016 End July(b)	2016 End June	2015 End Dec
Total Issues - Cumulative	4.9	4.8	7.9
Outstanding (as at end of the period)	4.5	4.5	4.5

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



## 2.9 Share Market

Item	Week Ending 30 Sep 2016	Week Ago	Year Ago
All Share Price Index (1985 = 100) (ASPI)	6,535	6,479	7,051
S & P Sri Lanka 20 Index (S&P SL20)	3,617	3,587	3,826
Average Daily Turnover (Rs. Mn)	871	1,040	1,278
Market Capitalisation (Rs.Bn.)	2,786	2,762	2,991



## Fiscal Sector

During the first half of 2016, government revenue as a percentage of estimated GDP increased to 6.0 per cent from 5.4 per cent in the corresponding period in 2015. In nominal terms, total revenue increased by 22.5 per cent to Rs. 741.8 billion during the first half of the year from Rs. 605.6 billion recorded during the same period in 2015. Average monthly revenue during this period was around Rs. 123.6 billion compared to Rs. 100.9 billion recorded in the same period of 2015. Tax revenue increased by 22.8 per cent to Rs. 684.9 billion during the first half of 2016 from Rs. 557.6 billion in the corresponding period of 2015, mainly due to increase in revenue from Value Added Tax (VAT), income taxes and import related taxes.

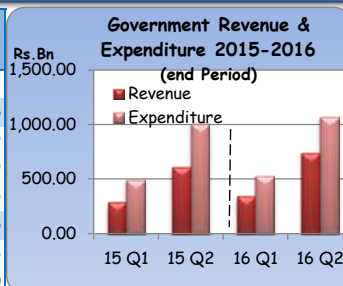
Total expenditure and net lending during the first half of 2016 declined to 8.7 per cent of estimated GDP from 8.9 per cent during the same period in 2015. The recurrent expenditure remained unchanged at 6.8 per cent of estimated GDP as in the same period in 2015 showing positive improvements in expenditure rationalisation efforts of the government. Capital expenditure and net lending as a percentage of GDP declined to 1.9 per cent during the first half of 2016 from 2.1 per cent in the corresponding period in 2015. In nominal terms, however, total expenditure and net lending is estimated at Rs. 1,070.6 billion, an increase of 6.3 per cent, during the first half of 2016 from Rs. 1,007.5 billion in the corresponding period of 2015.

Total outstanding debt increased by Rs. 559.0 billion to Rs. 9,062.2 billion as at end June 2016 from Rs. 8,503.2 billion at end 2015. Foreign debt increased by Rs. 127.0 billion to Rs. 3,671.1 billion, while domestic debt increased by Rs. 431.9 billion to Rs. 5,391.1 billion.

# FISCAL SECTOR

## 3.1 Government Finance (Rs.bn)

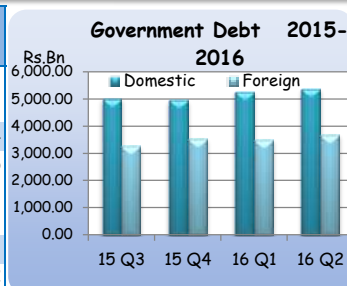
Item	2015	2016(a)
	2 <sup>nd</sup> Quarter	2 <sup>nd</sup> Quarter
<b>Revenue and Grants</b>	<b>605.8</b>	<b>742.3</b>
<b>Revenue</b>	<b>605.6</b>	<b>741.8</b>
Tax	557.6	684.9
Non tax	48.1	56.9
<b>Grants</b>	<b>0.2</b>	<b>0.5</b>
<b>Expenditure &amp; Lending Minus Repayments</b>	<b>1,007.5</b>	<b>1,070.6</b>
Current	769.3	835.5
Capital & Lending Minus Repayments	238.2	235.0



(a) Provisional

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

Item	End 2015	2016(a)
		2 <sup>nd</sup> Quarter
<b>Total domestic debt</b>	<b>4,959.2</b>	<b>5,391.1</b>
of which		
Treasury bills	658.2	729.4
Treasury bonds	3,305.2	3,610.5
Rupee loans	24.1	24.1
<b>Total foreign debt</b>	<b>3,544.0</b>	<b>3,671.1</b>
<b>Total outstanding govt. debt</b>	<b>8,503.2</b>	<b>9,062.2</b>



(a) Provisional

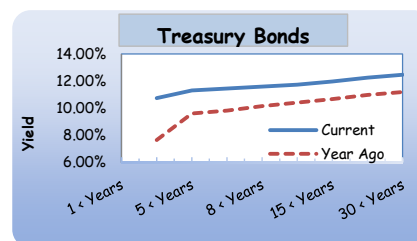
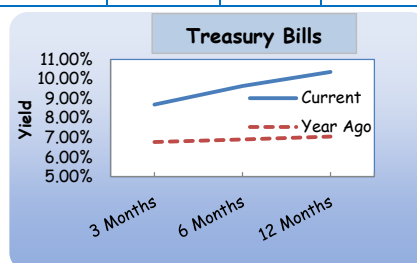
## 3.3 Government Securities - Primary and Secondary Market Yield Rates for the week ending - 28<sup>th</sup> September 2016

Security	Maturity	Primary Market(a)		Secondary Market			
		This Week	Last Week	This Week			Last Week
				Buying	Selling	Average	
Treasury Bills	3 Months	8.55%	8.71%	8.71%	8.56%	8.63%	8.69%
	6 Months	9.39%	9.69%	9.63%	9.48%	9.56%	9.65%
	12 Months	10.11%	10.38%	10.34%	10.19%	10.26%	10.36%
Treasury Bonds	< 2 Years	-	-	10.74%	10.64%	10.69%	10.76%
	< 5 Years	-	-	11.32%	11.23%	11.27%	11.33%
	< 6 Years	-	-	11.41%	11.31%	11.36%	11.46%
	< 8 Years	-	-	11.54%	11.46%	11.50%	11.60%
	< 10 Years	-	-	11.66%	11.57%	11.62%	11.75%
	< 15 Years	-	-	11.96%	11.86%	11.91%	11.99%
	< 20 Years	-	-	12.29%	12.18%	12.23%	12.27%
< 30 Years	-	-	12.52%	12.39%	12.46%	12.48%	

(a) Primary market transactions during the week ending 28/09/2016

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%	4.89%	5.12%
	27-Jul-21	6.250%	5.10%	5.26%
	18-Jan-22	5.750%	5.19%	5.28%
	25-Jul-22	5.875%	5.26%	5.38%
	14-Jan-19	6.000%	4.51%	4.79%
	11-Apr-19	5.125%	4.53%	4.75%
	3-Jun-25	6.125%	5.74%	5.94%
	3-Nov-25	6.850%	5.78%	5.95%
18-Jul-26	6.825%	5.78%	5.95%	



### 3.4 Government Securities - Weekly Summary of Primary and Secondary Market Transactions (Week Ended - 28<sup>th</sup> September 2016 )

Item	Volume in Rs Mn	
	This Week	Last Week
Outstanding Stock of Government Securities		
Treasury Bills	719,331.60	731,427.09
Treasury Bonds (a)	3,966,436.82	3,966,436.82
<b>Total</b>	<b>4,685,768.42</b>	<b>4,697,863.91</b>
T-bills and T-bonds held by Foreigners	314,469.39	310,317.21
Sri Lanka Development Bonds (SLDB)	615,682.65	620,873.43

The stock of T-bills and T-bonds held by foreigners slightly increased by 1.34 per cent 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	21,000.00	16,000.00
Total Bids Received	85,025.00	51,315.00
Total Bids Accepted	21,301.00	15,911.00
<b>Treasury Bonds</b>		
Amount Offered		
Total Bids Received	No auction held	No auction held
Total Bids Accepted		

The weekly T-bill auction was over subscribed by 4.0 times compared to the over subscription rate of 3.2 times reported in the previous week.

Secondary Market Activities	Volume in Rs Mn	
	This Week	Last Week
<b>Treasury Bills</b>		
Outright Transaction (Sales / Purchases)	24,684.86	21,987.62
Repo Transaction (Sales / Purchases)	282,853.29	253,505.85
<b>Treasury Bonds</b>		
Outright Transaction (Sales / Purchases)	69,919.72	103,960.09
Repo Transaction (Sales / Purchases)	712,873.77	635,278.13

The total secondary market transactions increased by 7.45 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) - 30/09/2016

Remaining Maturity	Average Buying Price	Yield %	Average Selling Price	Yield %	Buying & Selling Spread
1-7 Days	99.84	8.39	99.84	8.26	0.00
1 Month	99.30	8.54	99.31	8.38	0.01
2 Month	98.60	8.54	98.62	8.42	0.02
3 Month	97.88	8.60	97.92	8.47	0.03
4 Month	97.03	9.03	97.09	8.85	0.06
5 Month	96.20	9.25	96.28	9.05	0.08
6 Month	95.33	9.46	95.43	9.27	0.09
7 Month	94.44	9.67	94.56	9.46	0.12
8 Month	93.59	9.74	93.71	9.56	0.12
9 Month	92.73	9.83	92.85	9.67	0.12
10 Month	91.76	10.02	91.91	9.85	0.15
11 Month	90.93	10.03	91.08	9.87	0.15
12 Month	89.97	10.17	90.13	10.01	0.16

### 3.6 Two way Quotes (Treasury Bonds)- 30/09/2016

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	1	99.99	8.80	99.99	8.54	0.00
08.00%2017A	5	1-Jan-17	93	99.71	9.01	99.74	8.86	0.04
05.80%2017A	6	15-Jan-17	107	99.04	9.09	99.09	8.89	0.06
08.25%2017A	3	1-Mar-17	152	99.57	9.26	99.65	9.06	0.08
08.75%2017A	4	15-May-17	227	99.37	9.78	99.56	9.46	0.19
08.00%2017B	5	15-Jun-17	258	98.69	9.93	98.86	9.67	0.17
05.80%2017B	6	15-Jul-17	288	96.79	10.11	96.93	9.92	0.14
08.50%2018A	15	1-Feb-18	489	97.73	10.34	98.05	10.08	0.32
08.50%2018C	5	1-Apr-18	548	97.42	10.40	97.57	10.28	0.15
08.50%2018D	5	1-Jun-18	609	97.02	10.47	97.19	10.36	0.17
08.50%2018B	15	15-Jul-18	653	96.70	10.56	96.87	10.45	0.17
07.50%2018A	15	15-Aug-18	684	94.85	10.59	95.05	10.47	0.20
08.75%2018A	4	15-Oct-18	745	96.63	10.62	96.90	10.47	0.27
08.00%2018A	6	15-Nov-18	776	94.97	10.70	95.16	10.59	0.19
05.65%2019A	8	15-Jan-19	837	89.71	10.83	89.88	10.74	0.17
08.50%2019A	10	1-May-19	943	94.81	10.85	95.04	10.74	0.23
10.60%2019A	5	1-Jul-19	1,004	99.47	10.81	99.72	10.71	0.24
10.60%2019B	5	15-Sep-19	1,080	99.40	10.84	99.70	10.72	0.30
08.00%2019A	8	1-Nov-19	1,127	92.49	10.93	92.74	10.82	0.25
09.25%2020A	5	1-May-20	1,309	95.07	10.94	95.32	10.85	0.25
08.00%2020A	8	1-Jun-20	1,340	90.98	11.05	91.14	10.99	0.16
06.20%2020A	10	1-Aug-20	1,401	85.21	11.03	85.48	10.93	0.27
09.50%2020A	5	15-Dec-20	1,537	95.06	10.99	95.42	10.88	0.36
10.75%2021A	5	1-Mar-21	1,613	99.07	11.02	99.43	10.91	0.37
09.00%2021A	8	1-May-21	1,674	92.49	11.13	92.84	11.02	0.35
11.00%2021A	7	1-Aug-21	1,766	99.26	11.19	99.51	11.12	0.26
09.45%2021A	7	15-Oct-21	1,841	93.23	11.24	93.55	11.16	0.32
08.00%2022A	10	1-Jan-22	1,919	86.93	11.37	87.24	11.28	0.31
11.20%2022A	9	1-Jul-22	2,100	99.63	11.28	100.07	11.18	0.43
10.00%2022A	8	1-Oct-22	2,192	94.53	11.28	94.94	11.18	0.41
09.00%2023A	10	1-Sep-23	2,527	88.51	11.45	88.86	11.36	0.35
11.20%2023A	9	1-Sep-23	2,527	99.34	11.34	99.90	11.22	0.55
07.00%2023A	20	1-Oct-23	2,557	78.68	11.52	79.04	11.43	0.37
11.40%2024A	10	1-Jan-24	2,649	100.00	11.39	100.49	11.29	0.49
11.00%2024A	8	1-Aug-24	2,862	98.03	11.38	98.55	11.28	0.52
06.00%2024A	10	1-Dec-24	2,984	71.10	11.56	71.42	11.48	0.32
10.25%2025A	10	15-Mar-25	3,088	93.65	11.44	94.25	11.32	0.60
09.00%2025A	12	1-May-25	3,135	86.09	11.60	86.55	11.50	0.46
11.00%2025A	10	1-Aug-25	3,227	97.66	11.42	98.23	11.32	0.57
09.00%2026A	13	1-Feb-26	3,411	84.52	11.77	85.07	11.66	0.55
05.35%2026A	15	1-Mar-26	3,439	64.46	11.66	64.92	11.56	0.46
11.00%2026A	11	1-Jun-26	3,531	97.41	11.44	98.06	11.33	0.65
11.50%2026A	10	1-Aug-26	3,592	100.19	11.46	100.78	11.36	0.59
09.00%2028B	15	1-May-28	4,231	82.23	11.86	82.91	11.73	0.69
09.00%2028A	15	1-Jul-28	4,292	82.66	11.75	83.20	11.66	0.54
11.50%2028A	13	1-Sep-28	4,354	98.49	11.74	99.18	11.63	0.69
13.00%2029A	15	1-Jan-29	4,476	106.58	11.96	107.20	11.86	0.62
13.00%2029B	15	1-May-29	4,596	107.31	11.86	107.80	11.79	0.49
11.00%2030A	15	15-May-30	4,975	94.83	11.77	95.60	11.65	0.77
08.00%2032A	20	1-Jan-32	5,571	71.94	12.06	72.59	11.94	0.65
09.00%2032A	20	1-Oct-32	5,845	78.08	12.14	78.91	11.99	0.82
09.00%2033A	20	1-Jun-33	6,088	77.57	12.17	78.39	12.03	0.82
13.25%2033A	20	1-Jul-33	6,118	107.36	12.20	108.44	12.06	1.08
09.00%2033B	20	1-Nov-33	6,241	76.93	12.25	77.86	12.09	0.94
13.25%2034A	20	1-Jan-34	6,302	106.77	12.29	108.00	12.13	1.23
11.50%2035A	20	15-Mar-35	6,740	94.67	12.23	96.00	12.04	1.33
12.00%2041A	25	1-Jan-41	8,859	97.40	12.33	99.44	12.07	2.04
09.00%2043A	30	1-Jun-43	9,740	73.62	12.41	74.34	12.29	0.72
13.50%2044A	30	1-Jan-44	9,954	108.13	12.44	109.09	12.33	0.96
13.50%2044B	30	1-Jun-44	10,106	107.93	12.47	108.87	12.36	0.95
12.50%2045A	30	1-Mar-45	10,379	100.27	12.46	102.10	12.23	1.83

## External Sector

During the year up to 30 September 2016 the rupee depreciated against the US dollar (1.8 per cent). Given the cross currency exchange rate movements, the Sri Lanka rupee appreciated against the pound sterling (12.3 per cent) and depreciated against Indian rupee (1.2 per cent), Japanese yen (17.7 per cent) and euro (4.4 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

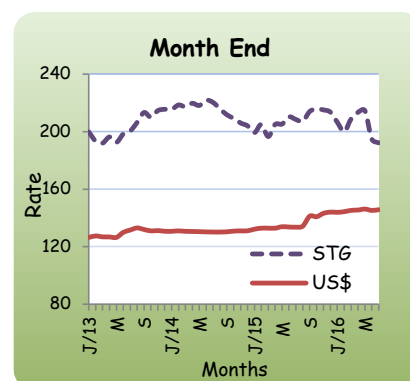
The average price of tea declined to US dollars 2.97 per kg in June 2016 from US dollars 2.98 per kg (in the Colombo auction) in June 2015.

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 - 30 Sep 2016			Average Rate	
	Buying Rate	Selling Rate	Average Rate	Week Ago	Year Ago
US\$	144.66	148.46	146.56	146.09	141.11
STG	186.85	193.32	190.09	190.86	213.76
Yen	1.42	1.48	1.45	1.45	1.18
Euro	161.29	167.50	164.40	163.64	158.64
INR <sup>(1)</sup>			2.20	2.19	2.14
SDR (As at 29 Sep 2016)			204.83	204.47	141.24
<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 30 Sep 2016	Week Ago	Year Ago
Average Daily Interbank Volume (US\$ Mn.) (spot, tom and cash transactions among commercial banks)	48.61	24.47	53.79
<b>Forward Transactions</b>			
Forward Rates (US\$) <sup>(2)</sup>			
1 Month	147.24	146.83	141.66
3 Months	148.95	148.28	142.94
Average Daily Interbank Forward Volume (US\$ mn)	55.93	25.75	30.84
Outstanding Forward Volume (US\$ mn) (As at 29 Sep 2016)	1,263.53	1,127.95	1,365.67

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

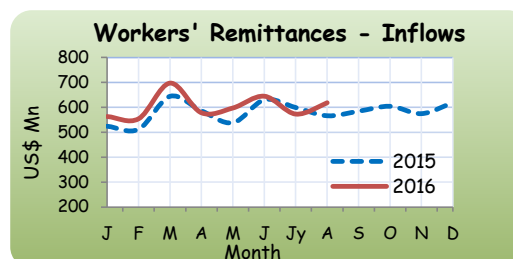
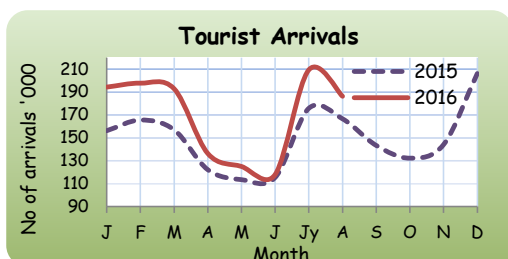
(b) Central Bank purchases and sales of foreign exchange from commercial banks at market rates total for the Month

(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
		Aug (a)	Aug (b)	Jan-Aug	Jan-Aug(b)	
	US\$ Mn.	566.0	618.3	4,598.0	4,804.1	4.5
	Rs. bn.	75.8	90.0	612.3	695.2	13.6

(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 31<sup>st</sup> August 2016 <sup>(a)</sup>

Official Reserve Assets (USD mn)				
<b>Official Reserve Assets</b>				<b>6,598.94</b>
(1) Foreign currency reserves				5,586.73
(a) Securities				1,843.28
(b) Total currency and deposits with				3,743.45
(i) other national central banks, BIS				2,811.05
(ii) banks headquartered inside the reporting country of which located abroad				1.20
(iii) banks headquartered outside the reporting country				931.20
(2) Reserve position in the IMF				66.72
(3) SDRs				4.08
(4) Gold				940.44
(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	-4,122.38	-490.25	-582.14	-3,050.00
Interest	-1,057.52	-98.79	-143.5	-815.23
inflows (+) Principal				
Interest				
2. Aggregate short and long positions in forwards and futures in foreign currencies vis-à-vis the domestic currency (including the forward leg of currency swaps)				
(a) Short positions (-) <sup>(c)</sup>	-3,070.81	-762.38	-317.50	-1,990.93
(b) Long positions (+)				
3. Other (specify)	-2.59	-2.59		
inflows related to reverse repos (+)				
other accounts payable (-)	-2.59	-2.59		

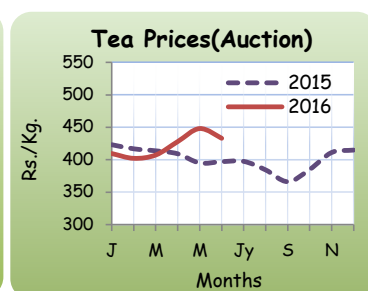
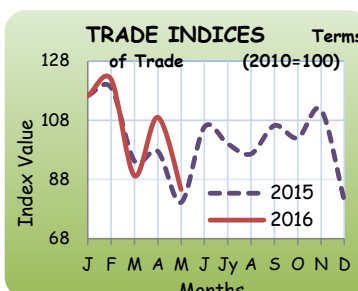
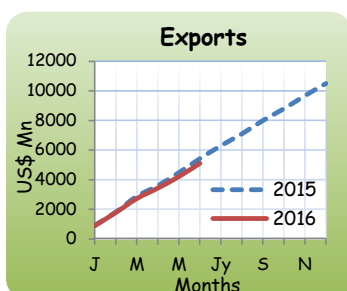
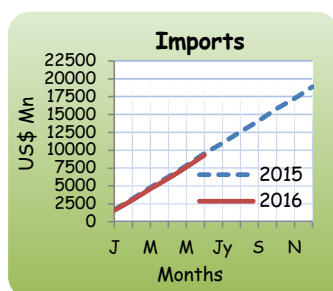
(a) Provisional

(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>

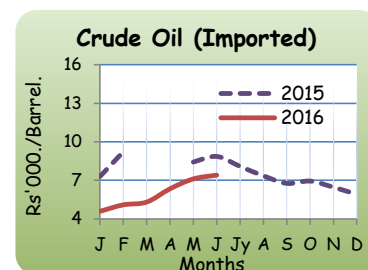
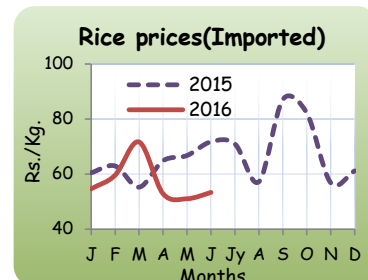


## 4.6 Trade Indices (2010= 100 ) (a)

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