

Weekly Economic Indicators

27 January 2017



Statistics Department

Real Sector

Highlights

Inflation, as measured by the change in the National Consumer Price Index (NCPI) (2013=100), which is compiled by the Department of Census and Statistics, increased marginally to 4.2 per cent in December 2016 from 4.1 per cent in November 2016, on year-on-year basis. Both Food and Non-food categories contributed towards the year-on-year inflation in December 2016. The change in the NCPI measured on an annual average basis remained unchanged from last month at 4.0 per cent in December 2016. When the monthly change is considered, the NCPI increased from 116.6 to 118.0 index points from November to December 2016. This monthly increase was mainly due to the increase in prices of the items in the Food category. The NCPI Core inflation, which reflects the underlying inflation in the economy decreased marginally to 6.7 per cent in December 2016 from 6.8 per cent in November 2016. Annual average NCPI Core inflation increased slightly to 5.9 per cent in December 2016 from 5.8 per cent in November 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, increased to 4.1 per cent in December 2016 from 3.4 per cent in November 2016, on year-on-year basis. Annual average inflation increased to 3.7 per cent in December 2016 from 3.6 per cent in November 2016. The monthly increase in CCPI was 1.0 per cent. CCPI Core inflation, which reflects the underlying inflation in the economy, increased to 6.3 per cent in December 2016 from 5.1 per cent in November, on year-on-year basis. Annual average core inflation increased to 5.1 per cent in December 2016 from 5.0 per cent in November 2016. CCPI Core increased by 1.1 per cent from November to December 2016.

The GDP grew by 4.0 per cent in real terms in the first nine months of 2016, mainly attributable to 4.8 per cent growth in Services activities and 5.7 per cent growth in Industry activities while Agriculture activities contracted by 2.5 per cent, in value added terms.

During the first eleven 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 similar period.

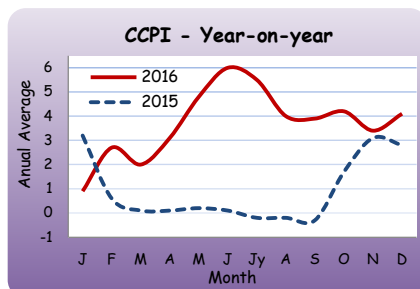
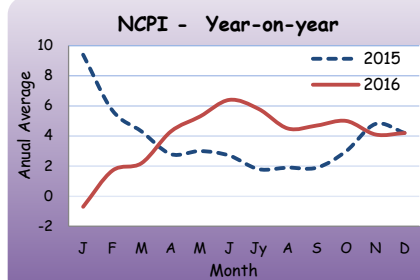
The FIPI decreased by 3.5 per cent on a year-on-year basis in October 2016. This decrease was mainly due to decreased production of food, beverages, tobacco products and wearing apparel sub-sectors. This was mainly attributed to decreased domestic and international demand.

During the week crude oil prices showed mixed performance. At the beginning of the week Brent crude oil price fell due to an increase in drilling activity in the U.S. but WTI price rose due to a weaker U.S. dollar. Subsequently, prices fell due to an increase in U.S. inventories, offsetting bullish momentum from production cuts of OPEC and other non-OPEC countries. The U.S. Energy Information Administration reported that U.S. commercial crude inventories have increased by 2.84 million barrels. However, towards the end of the week crude oil prices rose boosted by the ongoing rally in the U.S. stock market. The Dow Jones Industrial Average had lifted above 20,000 for the first time.

REAL SECTOR

1.1 Price Indices

Item	December 2016	Month Ago	Year Ago
(2013 = 100)			
National Consumer Price Index (NCPI)	118.0	116.6	113.2
Monthly Change %	1.2	1.7	1.1
Annual Average Change %	4.0	4.0	3.8
Year - on - Year Change %	4.2	4.1	4.2
Core Inflation - (NCPI)	120.5	120.4	112.9
Annual Average Change %	5.9	5.8	4.6
Year - on - Year Change %	6.7	6.8	5.8
Item	December 2016	Month Ago	Year Ago
(2006 / 07 = 100)			
Colombo Consumers' Price Index (CCPI)	192.8	190.9	185.2
Annual Average Change %	3.7	3.6	0.9
Year - on - Year Change %	4.1	3.4	2.8
Core Inflation - (CCPI)	192.0	190.0	180.7
Annual Average Change %	5.1	5.0	3.1
Year - on - Year Change %	6.3	5.1	4.5

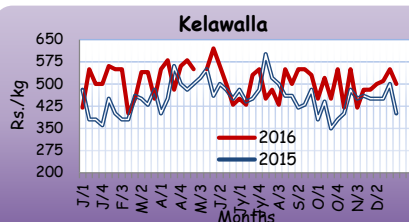
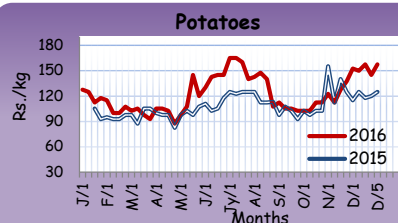
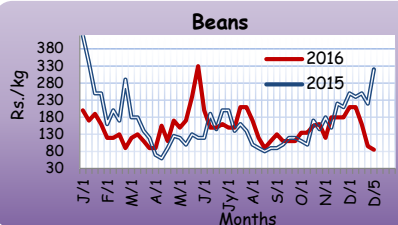
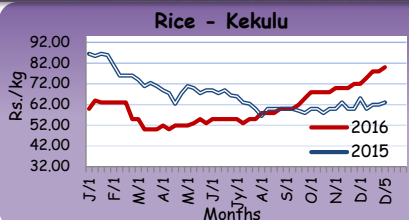


1.2 Pettah Market

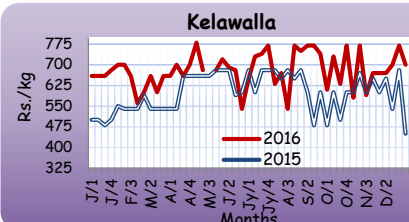
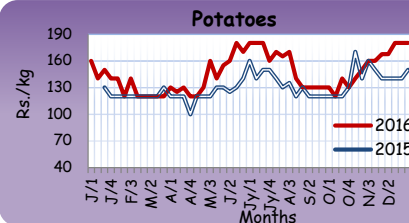
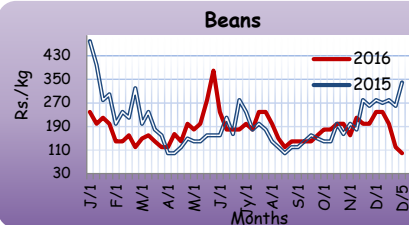
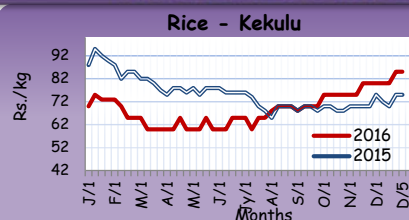
Item	Average Wholesale Prices				Average Retail Prices			
	Week Ending 26 th Jan 2017	Week Ago	Month Ago	Year Ago Annual Avg	Week Ending 26 th Jan 2017	Week Ago	Month Ago	Year Ago Annual Avg
	Rs / Kg				Rs / Kg			
Rice								
Samba	90.00	90.00	87.20	80.97	95.00	95.00	95.00	90.39
Kekulu (Red)	90.00	83.00	76.60	60.29	98.00	88.00	82.00	68.73
Vegetables								
Beans	75.00	45.00	152.00	147.16	100.00	100.00	180.00	179.12
Cabbage	17.50	25.00	27.00	76.62	60.00	60.00	58.00	115.10
Carrots	65.00	55.00	82.00	121.42	100.00	100.00	126.00	158.24
Tomatoes	60.00	65.00	46.50	75.00	100.00	140.00	74.00	107.06
Pumpkins	47.50	50.00	35.00	60.29	80.00	80.00	58.00	83.33
Snake Gourd	50.00	50.00	66.00	76.18	80.00	80.00	108.00	112.94
Brinjals	50.00	45.00	37.00	66.57	80.00	80.00	80.00	103.92
Ash-Plantains	65.00	70.00	64.00	67.65	100.00	100.00	94.00	95.69
Other Foods								
Red-Onions (Local)	125.00	115.00	98.33	92.66	150.00	170.00	136.67	131.74
Big-Onions (Local)	n.a.	n.a.	85.00	74.50	n.a.	n.a.	106.25	96.47
Potatoes (N'Elia)	157.50	135.00	152.50	122.58	175.00	165.00	177.50	146.23
Dried Chilies (Imported)	230.00	220.00	238.00	293.68	300.00	300.00	312.00	350.78
Dhal (Indian)	145.00	145.00	150.60	160.16	168.00	165.00	169.20	171.41
The Eggs	12.50	13.00	13.65	14.30	13.00	13.50	14.00	14.79
Coconut (Each)	52.50	52.50	44.40	34.69	65.00	65.00	59.50	47.60
Fish*								
Kelawalla	540.00	500.00	508.00	508.20	750.00	700.00	718.00	682.00
Balaya	340.00	300.00	294.00	327.29	440.00	400.00	394.00	424.79
Salaya	90.00	110.00	126.00	141.43	150.00	160.00	192.00	197.14
Paraw (Small)	500.00	500.00	464.00	540.36	600.00	600.00	602.00	638.54

* 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 26 th Jan 2017	
	Wholesale (Average)	Retail (Average)
Rice		
Samba	89.00	93.50
Kekulu (Red)	85.80	89.70
Vegetables		
Beans	33.50	59.50
Carrot	58.00	79.00
Tomatoes	35.00	57.00
Pumpkins	32.00	53.00
Snake Gourd	28.00	50.50
Ash-Plantains	48.00	68.00
Other Foods		
Red-Onions (Local)	65.83	85.83
Big-Onions (Local)	n.a.	n.a.
Potatoes (N'Elia)	133.50	150.50
Dried Chilies(Imported)	218.00	234.00
Coconut (Each)	47.50	56.50

1.5 Maradaghamula Market

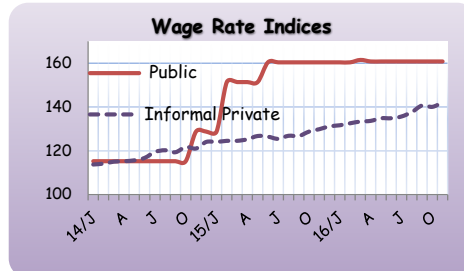
Average wholesale price of Rice				
Item (Rs / Kg)	Week Ending 27 th Jan	Week Ago	Month Ago	Year Ago
Samba	89.30	87.20	84.72	77.58
Sudu Kekulu	88.70	87.50	81.58	62.91
Raw Red	86.30	80.40	71.94	59.59
Nadu	92.30	90.50	83.64	66.62

1.4 Narahenpita Economic Centre

Item (Rs / Kg)	Average Retail Prices	
	26 th Jan 2017	Week Ago
Rice		
Samba	95.00	95.00
Kekulu (Red)	95.00	90.00
Vegetables		
Beans	76.67	96.67
Cabbage	76.67	76.67
Carrots	96.67	106.67
Tomatoes	116.67	106.67
Pumpkins	96.67	146.67
Snake Gourd	96.67	106.67
Brinjals	96.67	80.00
Ash-Plantains	126.67	126.67
Other Foods		
Red-Onions (Imported)	86.67	96.67
Big-Onions (Imported)	76.67	95.00
Potatoes (Imported)	93.33	93.33
Dried Chilies (Imported)	246.67	236.67
Dhal (Indian)	153.33	153.33
Eggs (Red)(Each)	13.67	14.33
Coconut (Each)	48.33	48.33
Fish		
Kelawalla	846.67	856.67
Balaya	396.67	396.67
Salaya	176.67	196.67
Paraw (Small)	826.67	856.67

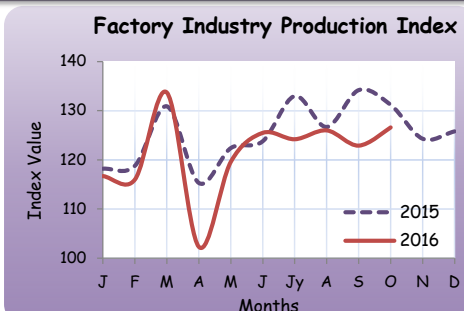
1.6 Wage rate Indices

Item	2016 November	2015 November	% Change
Public Sector Employees (2012 = 100)	160.8	160.4	0.2
Informal Private Sector Employees (2012 = 100)	142.1	129.9	9.4
Agriculture	144.0	130.7	10.2
Industry	148.6	132.1	12.5
Services	135.2	127.5	6.0



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

Item	2016 (b) October	2015 October	% Change
Factory Industry- Production Index	126.6	131.2	-3.5
Food products	106.6	117.9	-9.6
Beverages	93.4	130.9	-28.6
Tobacco products	90.9	93.4	-2.7
Wearing apparel	170.3	175.5	-3.0
Chemicals and chemical products	99.7	94.8	5.2
Rubber and plastic products	147.2	131.3	12.2
Other non-metallic mineral products	150.4	131.4	14.5



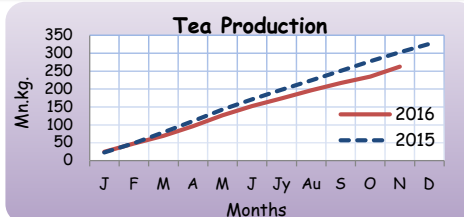
(a) Major 7 sub divisions of FIPI out of 17 sub divisions.

(b) Provisional

1.8 Agriculture Production

Item	Unit	2016(a) Jan-Nov	2015 Jan-Nov	% Change
Tea	(Mn Kg)	262.5	303.3	-13.4
Rubber	(Mn Kg)	74.0	82.1	-9.9
Coconuts	(Mn Nuts)	2,888.5	2,799.1	3.2

(a) Provisional

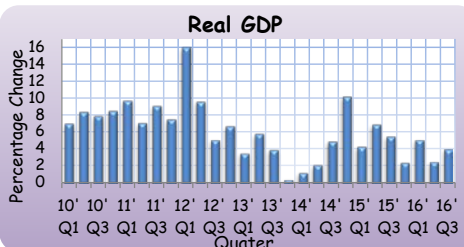


1.9 GDP by Industrial Origin at Constant (2010) Prices - Growth Rates in value added terms

Item	2016(a) 3 rd Quarter	2015(a)(b) 3 rd Quarter	2015(a) Annual
Agriculture	-1.9	7.3	5.5
Industry	6.8	4.9	3.0
Services	4.7	6.5	5.3
Taxes less subsidies on products	-3.1	0.9	6.2
GDP	4.1	5.6	4.8

(a) Provisional (b) Revised

Source: Department of Census and Statistics



1.10 Employment (a)(b)

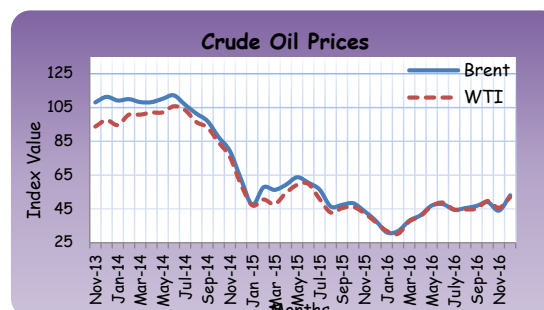
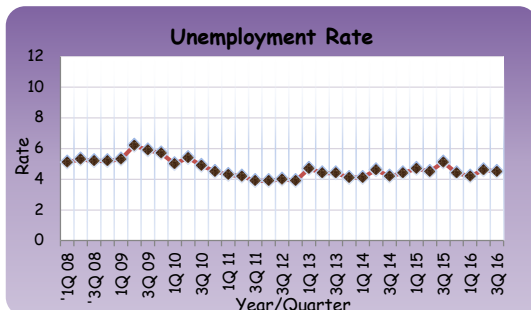
Item	2015 (c)(d) 3 rd Quarter	2016 (c) 3 rd Quarter	2015 Annual
Labour Force Participation rate	53.8	53.8	53.8
Unemployment rate	5.1	4.5	4.7
Employed Persons by Sectors (e) (as a % of total employment)			
Agriculture	27.8	27.1	28.7
Industry	27.0	26.8	25.8
Services	45.3	46.1	45.6

(a) The working age population aged 15 and above

Source: Department of Census and Statistics

(b) In July 2016, the Department of Census and Statistics published a re-weighted and revised labour force data series for 2011 onwards

(c) Provisional (d) Revised (e) 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	46.80	45.20	46.99
October	48.36	46.22	49.26	49.01	49.70	52.70
November	43.68	42.44	45.46	44.01	45.66	47.66
December	38.08	37.21	41.21	53.07	51.96	
	2016			2017		
20 January	25.76	26.68		54.99	52.33	
23 January	-	-		54.65	52.77	
24 January	-	-		54.55	52.38	
25 January	29.57	30.31		54.24	52.14	
26 January	30.69	29.535		55.89	53.24	

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 27 January 2017 declined by 16 bps to 11.22 per cent compared to the previous week.

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

Net Credit to the Government from the banking system showed an increase of Rs. 9.2 billion in October 2016.

Public Corporations recorded an increase of Rs. 7.6 billion in October 2016.

Credit extended to the private sector increased by Rs. 79.0 billion in October 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 Rs. 41.36 bn by end of the week, compared to Rs. 63.24 bn by the end of last week.

By 27 January 2017, All Share Price Index (ASPI) declined by 0.52 per cent to 6,138 points and S&P SL 20 Index declined by 0.70 per cent to 3,484 points, compared to the previous week.

Highlights

MONETARY SECTOR

2.1 Interest Rates

Item	Week Ending 2017 Jan 27	Week Ago	Year Ago
Policy Interest Rates			
Standing Deposit Facility Rate	7.00	7.00	6.00
Standing Lending Facility Rate	8.50	8.50	7.50
Average Weighted Call Money Rate (AWCMR)(Weekly Average)	8.39	8.38	6.82
Sri Lanka Inter Bank Offered Rate (SLIBOR)			
1 day	8.41	8.40	6.81
7 days	9.35	9.32	7.12
1 Month	10.45	10.40	7.64
3 Months	10.86	10.85	7.90
6 Months	11.52	11.52	8.20
12 Months	12.00	12.00	8.68
Treasury Bill Yields (Excluding 10% withholding tax)			
91 days	9.03	8.98	-
182 days	10.07	10.05	-
364 days	10.37	10.37	-
Licensed Commercial Banks			
Average Weighted Prime Lending Rate (AWPR)	11.22	11.38	7.79
	Oct 2016	Month Ago	Year Ago
Saving Deposits	0.50-12.25	0.50-12.25	0.50-8.00
One Year Fixed Deposits	4.50-15.00	4.50-15.00	3.95-15.00
	Dec 2016	Month Ago	Year Ago
Average Weighted Deposit Rate (AWDR)	8.17	8.00	6.20
Average Weighted Fixed Deposit Rate (AWFDR)	10.46	10.25	7.57
	Nov 2016	Month Ago	Year Ago
Average Weighted Lending Rate (AWLR)	13.11	13.08	11.00
National Savings Bank (NSB)	Oct 2016	Month Ago	Year Ago
Saving Deposits	4.25	4.25	5.00
One Year Fixed Deposits	11.00	11.00	6.50
Treasury Bonds Auction	01 Y & 11 Months 27/1/2017	04 Y & 10 Months 27/1/2017	07 Y & 06 Months 27/1/2017
Coupon rate	10.75	11.50	11.00
Weighted Average Yield (Excluding 10% withholding tax)	-	12.19	12.39

Bankwise- AWPR	Week ending 2017 Jan 27	Week Ago
Bank of Ceylon	12.44	12.27
People's Bank	11.75	12.15
Hatton National Bank	11.73	12.22
Commercial Bank of Ceylon	12.42	12.71
Sampath Bank	12.34	12.02
Seylan Bank	12.35	12.79
Union Bank of Colombo	13.60	14.20
Pan Asia Banking Corporation	14.31	12.34
Nations Trust Bank	12.04	11.97
DFCC Bank	13.79	12.78
NDB Bank	15.50	15.50
Amana Bank	12.16	12.31
Cargills Bank	12.61	14.37

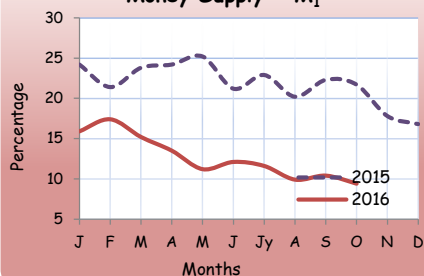
Bankwise- AWPR	Week ending 2017 Jan 27	Week Ago
HSBC	8.84	8.91
Standard Chartered Bank	11.21	11.39
Citi Bank	9.18	9.03
Deutsche Bank	9.21	9.00
Habib Bank	10.68	10.80
Indian Bank	13.23	13.23
Indian Overseas Bank	13.73	13.73
MCB Bank	15.73	11.94
State Bank of India	12.65	12.65
Public Bank	11.50	11.50
ICICI Bank	12.49	12.49
Axis Bank	11.25	12.30

2.2 Money Supply

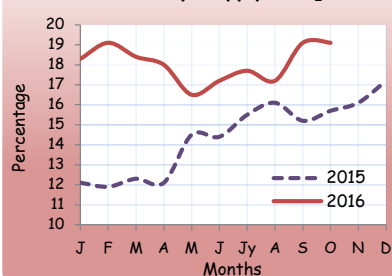
Item	Rs. Bn.			Annual Change (%)		
	2016 (a) October	Month Ago	Year Ago	2016 (a) October	Month Ago	Year Ago
Reserve Money	792.8	793.7	644.4	23.0	23.9	17.7
M ₁	727.6	729.3	665.1	9.4	10.4	21.7
M ₂	4,616.8	4,551.9	3,877.7	19.1	19.1	15.7
M _{2b}	5,165.7	5,096.2	4,384.8	17.8	18.4	17.0
Net Foreign Assets of the Banking System (b)	-283.6	-278.0	-398.4	28.8	23.3	-526.8
Monetary Authorities	483.9	498.5	440.8	9.8	15.6	-40.6
Commercial Banks	-767.5	-776.5	-839.2	8.5	2.2	-29.4
Domestic Banking Units (DBUs)	-313.5	-276.1	-287.9	-8.9	-6.4	-17.4
Offshore Banking Units (OBUs)	-454.0	-500.4	-551.3	17.6	6.4	-36.6
Net Domestic Assets of the Banking System (b)	5,449.4	5,374.2	4,783.3	13.9	15.1	30.9
Net Credit to the Government	1,958.2	1,948.9	1,810.2	8.2	9.6	29.2
Monetary Authorities	409.6	397.4	338.8	20.9	22.9	129.7
Commercial Banks	1,548.5	1,551.5	1,471.5	5.2	6.6	17.4
DBUs	1,254.3	1,215.9	1,108.8	13.1	7.7	6.0
OBUs	294.2	335.6	362.6	-18.9	2.8	74.6
Credit to Public Corporations	459.8	452.2	530.8	-13.4	-13.9	31.4
DBUs	272.6	266.8	255.5	6.7	11.1	38.2
OBUs	187.2	185.4	275.3	-32.0	-35.0	25.6
Credit to the Private Sector	4,044.5	3,965.4	3,314.6	22.0	25.6	26.3
DBUs	3,752.1	3,678.3	3,056.7	22.8	26.2	28.7
OBUs	292.4	287.1	258.0	13.3	18.3	3.8
Other Items (Net)	-1,013.1	-992.3	-872.4	-16.1	-25.2	-12.6

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

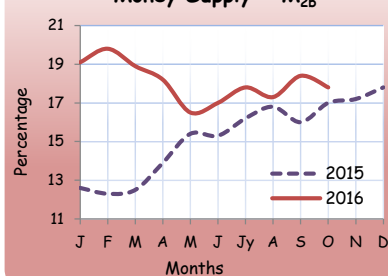
Money Supply - M₁



Money Supply - M₂



Money Supply - M_{2b}



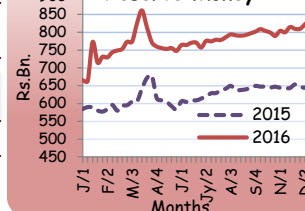
2.3 Weekly change in Reserve Money

Item	26 Jan 2017	Week Ago	Change
Reserve Money (Rs.Mn.)	831,187	836,972	-5,785

2.4 Money Market Activity (Overnight)

Item	23.01.2017	24.01.2017	25.01.2017	26.01.2017	27.01.2017
Call Money Market					
Weighted Average Rate (% p.a.)	8.40	8.40	8.39	8.39	8.37
Gross Volume (Rs. Mn)	14,535	13,055	5,650	6,400	8,450
Repo Market					
Weighted Average Rate (% p.a.)	8.46	8.43	8.43	8.42	8.46
Gross Volume (Rs. Mn)	25,366	28,990	28,307	30,772	23,992

Weekly change in
Reserve Money



2.5 CBSL Security Portfolio

Item	23.01.2017	24.01.2017	25.01.2017	26.01.2017	27.01.2017
CBSL Treasury Bill Holdings -Face Value (Rs.mn)	270,105	270,105	270,105	270,105	250,652
CBSL Treasury Bill Holdings -Book Value (Rs.mn)	261,319	261,374	267,084	261,545	242,192

2.6 Open Market Operations

Item	23.01.2017	24.01.2017	25.01.2017	26.01.2017	27.01.2017
Short-Term Auction					
Repo Amount Offered (Rs. bn)	62.00	58.00	63.00	60.00	46.00
Reverse Repo Amount Offered (Rs. bn)	0.00	0.00	0.00	0.00	0.00
Tenure (No. of Days)	1	1	1	1	1
Bids Received (Rs. bn)	57.87	56.62	63.80	65.35	47.17
Amount Accepted (Rs. bn)	57.87	54.62	63.00	60.00	46.00
Weighted Average Yield Rate (% p.a.)	7.54	7.54	7.54	7.54	7.54
Term Auction					
Repo Amount Accepted (Rs. bn)	0.00	0.00	0.00	0.00	0.00
Reverse Repo Amount Accepted (Rs. bn)	0.00	0.00	0.00	0.00	0.00
Standing Facility					
Standing Deposit Facility (Rs. bn)	9.50	9.07	4.91	7.71	4.23
Standing Lending Facility (Rs. bn)	5.95	8.07	5.63	8.52	8.87
Total Outstanding Market Liquidity (Rs. bn)	61.43	55.63	62.29	59.19	41.36

2.7 Credit Cards (a)

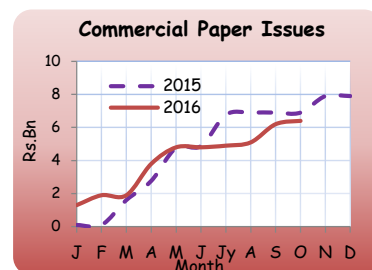
Item	2016 (b) End Oct	2016 End Sep	2015 End Dec
Total Number of Active Cards	1,279,629	1,276,698	1,142,231
Local (accepted only locally)	29,496	34,829	30,902
Global (accepted globally)	1,250,133	1,241,869	1,111,329
Outstanding balance (Rs. Mn.)	69,536	68,556	63,010
Local (accepted only locally)	809	802	1,226
Global (accepted globally)	68,726	67,754	61,784

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

2.8 Commercial Paper Issues (a)

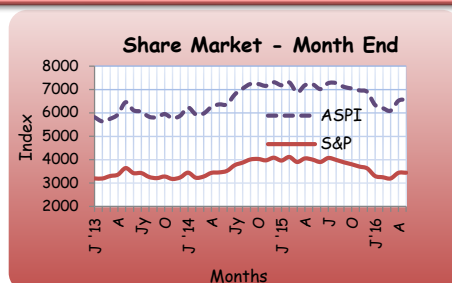
Item (Rs. bn.)	2016 End Oct(b)	2016 End Sep	2015 End Dec
Total Issues - Cumulative	6.4	6.2	7.9
Outstanding (as at end of the period)	4.4	4.4	4.5

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



2.9 Share Market

Item	Week Ending 27 Jan 2017	Week Ago	Year Ago
All Share Price Index (1985 = 100) (ASPI)	6,138	6,170	6,316
S & P Sri Lanka 20 Index (S&P SL20)	3,484	3,508	3,275
Average Daily Turnover (Rs. mn)	480	775	589
Market Capitalisation (Rs.Bn.)	2,706	2,720	2,697



Fiscal Sector

For the period of first nine months of 2016, government revenue as a percentage of estimated GDP increased to 9.6 per cent from 8.5 per cent in the corresponding period in 2015. In nominal terms, total revenue increased by 23.0 per cent to Rs. 1,179.3 billion during this period from Rs. 958.9 billion recorded during the same period in 2015. Average monthly revenue during this period was around Rs. 131.0 billion compared to Rs. 106.5 billion recorded in the same period of 2015.

Total expenditure and net lending for the first nine months of 2016 increased to 13.7 per cent of estimated GDP from 13.5 per cent during the same period in 2015. Recurrent expenditure declined to 10.6 per cent of estimated GDP during the first nine months of 2016 from 10.7 per cent in the corresponding period in 2015. Capital expenditure and net lending as a percentage of GDP increased to 3.1 per cent from 2.8 per cent in the corresponding period in 2015. In nominal terms, total expenditure and net lending is estimated to be increased by 10.0 per cent to Rs. 1,686.0 billion during first nine months of 2016 from Rs. 1,532.5 billion in the corresponding period of 2015.

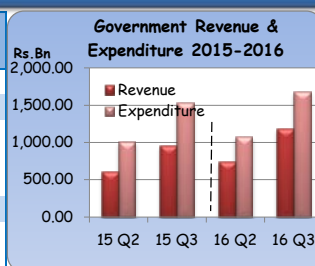
Total outstanding debt increased by Rs. 898.7 billion to Rs. 9,402.0 billion as at end September 2016 from Rs. 8,503.2 billion at end 2015. Foreign debt increased by Rs. 525.7 billion to Rs. 4,069.7 billion, while domestic debt increased by Rs. 373.1 billion to Rs. 5,332.3 billion.

Special Commodity Levy (SCL) was revised from time to time during the year, providing necessary protection for domestic agricultural producers while reducing volatility in commodity prices in the domestic market. Accordingly, SCL on several essential goods was revised during the months of September 2015. SCL on white crystalline sugar and other sugar was increased to Rs. 2 per kg and Rs. 15 per kg respectively from Rs. 0.25 per kg while SCL on whole and split (red and yellow) lentils was also increased to Rs. 5 per kg and Rs. 10 per kg respectively, from Rs. 0.25 per kg. Meanwhile, SCL on mackerel, peas, chickpeas, cowpeas and kurakkan was extended for a period of six months.

FISCAL SECTOR

3.1 Government Finance (Rs.bn)

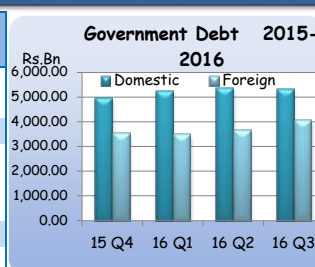
Item	2015 Jan - Sep	2016(a) Jan - Sep
Revenue and Grants	959.6	1,180.0
Revenue	958.9	1,179.3
Tax	888.2	1,067.3
Non tax	70.7	112.0
Grants	0.7	0.7
Expenditure & Lending Minus Repayments	1,532.5	1,686.0
Current	1,213.1	1,308.3
Capital & Lending Minus Repayments	319.5	377.7



(a) Provisional

3.2 Outstanding Central Government Debt (Rs.bn)

Item	End 2015	2016(a) End Sep
Total domestic debt	4,959.2	5,332.3
of which		
Treasury bills	658.2	699.6
Treasury bonds	3,305.2	3,663.2
Rupee loans	24.1	24.1
Total foreign debt	3,544.0	4,069.7
Total outstanding govt. debt	8,503.2	9,402.0



(a)Provisional

3.3 Government Securities - Primary and Secondary Market Yield Rates for the week ending - 25th January 2017

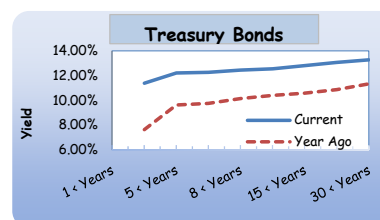
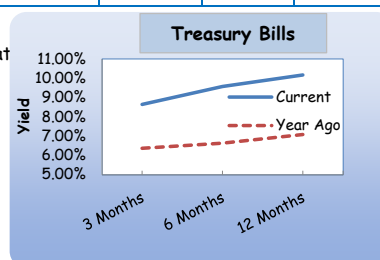
Security	Maturity	Primary Market(a)		Secondary Market			
		This Week	Last Week	This Week			Last Week
				Buying	Selling	Average	
Treasury Bills	3 Months	9.03%	8.98%	9.01%	8.78%	8.90%	8.91%
	6 Months	10.07%	10.05%	9.95%	9.80%	9.87%	9.83%
	12 Months	10.37%	10.37%	10.35%	10.19%	10.27%	10.24%
Treasury Bonds(b)	< 2 Years	-	-	11.48%	11.36%	11.42%	11.35%
	< 5 Years	-	-	12.18%	12.07%	12.12%	12.08%
	< 6 Years	-	-	12.23%	12.12%	12.18%	12.18%
	< 8 Years	-	-	12.35%	12.25%	12.30%	12.29%
	< 10 Years	-	-	12.43%	12.32%	12.38%	12.39%
	< 15 Years	-	-	12.58%	12.48%	12.53%	12.54%
	< 20 Years	-	-	12.72%	12.62%	12.67%	12.66%
	< 30 Years	-	-	12.95%	12.79%	12.87%	12.88%

(a) Primary market transactions during the week ending 25/01/2017

(b) Weighted Average Yield Rate is calculated, if there are two or more yield rates

The secondary market yield rates of all T-bills and T-bonds have increased except for 20 year and 30 year tenor T-Bonds.

Security	Maturity Date	Coupon Rate	Secondary Market	
			This Week	Last Week
International Sovereign Bonds	4-Oct-20	6.250%	5.05%	4.86%
	27-Jul-21	6.250%	5.43%	5.30%
	18-Jan-22	5.750%	5.52%	5.40%
	25-Jul-22	5.875%	5.58%	5.42%
	14-Jan-19	6.000%	4.34%	4.27%
	11-Apr-19	5.125%	4.25%	4.19%
	3-Jun-25	6.125%	6.46%	6.47%
	3-Nov-25	6.850%	6.60%	6.50%
	18-Jul-26	6.825%	6.63%	6.54%



3.4 Government Securities - Weekly Summary of Primary and Secondary Market Transactions (Week Ended - 25th January 2017)

Item	Volume in Rs Mn	
	This Week	Last Week
Outstanding Stock of Government Securities		
Treasury Bills	793,076.31	792,781.31
Treasury Bonds (a)	3,947,262.78	3,947,262.78
Total	4,740,339.09	4,740,044.09
T-bills and T-bonds held by Foreigners	239,523.78	240,791.12
Sri Lanka Development Bonds (SLDB)	607,319.21	573,483.13

The outstanding stock of T-bills and T-bonds held by Foreigners decreased by 0.53 per cent during the reporting week.

Primary Market Activities	Volume in Rs Mn	
	This Week	Last Week
Treasury Bills		
Amount Offered	27,500.00	28,000.00
Total Bids Received	94,686.00	86,711.00
Total Bids Accepted	27,233.00	27,806.00
Treasury Bonds		
Amount Offered	No auction held	No auction held
Total Bids Received	No auction held	No auction held
Total Bids Accepted	No auction held	No auction held

The weekly T-bill auction was over subscribed by 3.4 times during the reporting week.

Secondary Market Activities	Volume in Rs Mn	
	This Week	Last Week
Treasury Bills		
Outright Transaction (Sales / Purchases)	26,244.71	14,134.32
Repo Transaction (Sales / Purchases)	92,704.21	74,900.22
Treasury Bonds		
Outright Transaction (Sales / Purchases)	49,245.86	72,537.66
Repo Transaction (Sales / Purchases)	502,192.15	385,062.08

The total secondary market transactions of T-bills and T-bonds increased by 22.64 per cent in the reporting week compared to the previous week.

(a) Excludes Treasury bonds amounting to Rs. 78,441 million issued to settle dues of CPC and Rs. 13,125 million issued to capitalize Sri Lankan Airlines in March 2013.

3.5 Two way Quotes (Treasury Bills) - 27/01/2017

Remaining Maturity	Average Buying Price	Yield %	Average Selling Price	Yield %	Buying & Selling Spread
1-7 Days	99.84	8.53	99.84	8.34	0.00
1 Month	99.29	8.66	99.30	8.49	0.01
2 Month	98.55	8.81	98.58	8.61	0.03
3 Month	97.77	9.06	97.82	8.83	0.06
4 Month	96.94	9.32	97.00	9.11	0.07
5 Month	96.08	9.54	96.16	9.33	0.08
6 Month	95.06	10.01	95.14	9.85	0.08
7 Month	94.24	10.01	94.32	9.88	0.08
8 Month	93.38	10.06	93.47	9.93	0.09
9 Month	92.52	10.12	92.62	9.98	0.10
10 Month	91.65	10.16	91.75	10.04	0.10
11 Month	90.73	10.25	90.87	10.10	0.14
12 Month	89.74	10.41	89.91	10.23	0.17

3.6 Two way Quotes (Treasury Bonds)- 27/01/2017

Treasury Bond By Series	Maturity Period (Years)	Maturity Date (DD/MM/YY)	Days to Maturity	Average Buying Price	Yield %	Average Selling Price	Yield %	Buying & Selling Spread
08.25%2017A	3	1-Mar-17	33	99.85	9.62	99.87	9.42	0.02
08.75%2017A	4	15-May-17	108	99.62	9.88	99.70	9.63	0.07
08.00%2017B	5	15-Jun-17	139	99.19	10.10	99.29	9.84	0.10
05.80%2017B	6	15-Jul-17	169	98.03	10.21	98.15	9.93	0.12
08.50%2018A	15	1-Feb-18	370	97.98	10.65	98.25	10.36	0.27
08.50%2018C	5	1-Apr-18	429	97.27	11.01	97.41	10.88	0.14
08.50%2018D	5	1-Jun-18	490	96.68	11.21	96.85	11.07	0.17
08.50%2018B	15	15-Jul-18	534	96.39	11.23	96.51	11.14	0.12
07.50%2018A	15	15-Aug-18	565	94.66	11.34	94.82	11.22	0.17
08.75%2018A	4	15-Oct-18	626	95.83	11.48	96.00	11.36	0.17
08.00%2018A	6	15-Nov-18	657	94.42	11.51	94.64	11.36	0.22
05.65%2019A	8	15-Jan-19	718	89.73	11.64	89.99	11.48	0.27
10.75%2019A	2	15-Jan-19	718	98.54	11.59	98.76	11.46	0.22
08.50%2019A	10	1-May-19	824	93.85	11.66	94.08	11.53	0.23
10.60%2019A	5	1-Jul-19	885	97.66	11.73	97.92	11.60	0.25
10.60%2019B	5	15-Sep-19	961	97.30	11.81	97.61	11.67	0.31
08.00%2019A	8	1-Nov-19	1,008	91.18	11.83	91.44	11.71	0.27
09.25%2020A	5	1-May-20	1,190	92.45	12.11	92.88	11.94	0.43
08.00%2020A	8	1-Jun-20	1,221	89.55	11.87	89.70	11.81	0.15
06.20%2020A	10	1-Aug-20	1,282	83.78	11.99	84.11	11.86	0.32
09.50%2020A	5	15-Dec-20	1,418	92.29	12.04	92.67	11.90	0.38
10.75%2021A	5	1-Mar-21	1,494	95.33	12.23	95.58	12.15	0.25
09.00%2021A	8	1-May-21	1,555	89.70	12.16	89.97	12.07	0.27
11.00%2021A	7	1-Aug-21	1,647	95.23	12.41	95.57	12.31	0.34
09.45%2021A	7	15-Oct-21	1,722	90.17	12.25	90.57	12.13	0.40
11.50%2021A	5	15-Dec-21	1,783	97.27	12.25	97.74	12.12	0.47
08.00%2022A	10	1-Jan-22	1,800	84.52	12.28	84.85	12.18	0.33
11.20%2022A	9	1-Jul-22	1,981	95.19	12.44	95.76	12.29	0.57
10.00%2022A	8	1-Oct-22	2,073	90.37	12.40	90.85	12.28	0.48
09.00%2023A	10	1-Sep-23	2,408	84.71	12.46	85.29	12.32	0.57
11.20%2023A	9	1-Sep-23	2,408	94.51	12.44	95.02	12.32	0.52
07.00%2023A	20	1-Oct-23	2,438	76.03	12.38	76.34	12.29	0.31
11.40%2024A	10	1-Jan-24	2,530	95.24	12.44	95.67	12.34	0.42
11.00%2024A	8	1-Aug-24	2,743	92.53	12.56	93.14	12.43	0.61
06.00%2024A	10	1-Dec-24	2,865	68.42	12.41	68.72	12.33	0.30
10.25%2025A	10	15-Mar-25	2,969	88.59	12.52	89.14	12.40	0.56
09.00%2025A	12	1-May-25	3,016	82.62	12.42	82.94	12.35	0.33
11.00%2025A	10	1-Aug-25	3,108	91.81	12.60	92.62	12.43	0.81
09.00%2026A	13	1-Feb-26	3,292	81.37	12.50	81.72	12.43	0.36
05.35%2026A	15	1-Mar-26	3,320	61.79	12.50	62.20	12.40	0.40
11.00%2026A	11	1-Jun-26	3,412	91.49	12.57	92.15	12.44	0.66
11.50%2026A	10	1-Aug-26	3,473	93.56	12.68	94.46	12.51	0.90
09.00%2028B	15	1-May-28	4,112	78.53	12.62	78.96	12.53	0.43
09.00%2028A	15	1-Jul-28	4,173	78.52	12.59	78.95	12.51	0.43
11.50%2028A	13	1-Sep-28	4,235	92.74	12.71	93.55	12.57	0.81
13.00%2029A	15	1-Jan-29	4,357	102.04	12.66	102.41	12.60	0.37
13.00%2029B	15	1-May-29	4,477	101.98	12.67	102.43	12.60	0.45
11.00%2030A	15	15-May-30	4,856	89.06	12.72	89.78	12.60	0.72
08.00%2032A	20	1-Jan-32	5,452	68.65	12.74	68.98	12.68	0.33
09.00%2032A	20	1-Oct-32	5,726	74.61	12.78	75.15	12.68	0.54
09.00%2033A	20	1-Jun-33	5,969	74.19	12.80	74.62	12.72	0.43
13.25%2033A	20	1-Jul-33	5,999	102.87	12.82	103.41	12.75	0.53
09.00%2033B	20	1-Nov-33	6,122	73.77	12.84	74.19	12.76	0.41
13.25%2034A	20	1-Jan-34	6,183	102.64	12.86	103.25	12.77	0.61
11.50%2035A	20	15-Mar-35	6,621	90.05	12.93	91.95	12.64	1.90
12.00%2041A	25	1-Jan-41	8,740	92.66	13.00	94.52	12.73	1.86
09.00%2043A	30	1-Jun-43	9,621	70.17	13.03	70.60	12.95	0.43
13.50%2044A	30	1-Jan-44	9,835	103.36	13.04	103.90	12.97	0.54
13.50%2044B	30	1-Jun-44	9,987	103.12	13.07	103.68	13.00	0.56
12.50%2045A	30	1-Mar-45	10,260	96.42	12.98	99.39	12.58	2.98

External Sector

During the year up to 27 January 2017 the Sri Lanka rupee depreciated against the US dollar (0.3 per cent). Given the cross currency exchange rate movements, the Sri Lanka rupee appreciated against the Indian rupee (0.1 per cent) and depreciated against the pound sterling (2.7 per cent) euro (1.7 per cent) and Japanese yen (1.6 per cent) during this period.

Earnings from exports recorded a year-on-year growth for the second consecutive month in September 2016. Accordingly, earnings from exports grew by 5.7 per cent, year-on-year, to US dollars 898 million in September 2016, compared to US dollars 850 million recorded in September 2015. On a cumulative basis, export earnings during the first nine months of 2016 contracted by 3.0 per cent, year-on-year, to US dollars 7,763 million, mainly due to the decline in export earnings from transport equipment and petroleum products.

Expenditure on imports declined by 2.5 per cent to US dollars 1,543 million in September 2016 compared to the same month in 2015. Lower expenditure incurred on importation of personal motor vehicles and fuel contributed largely to this decline. On a cumulative basis, expenditure on imports during the period January to September 2016 decreased by 1.7 per cent to US dollars 13,946 million, mainly due to the declines recorded in the importation of vehicles for personal use and business purposes, fuel and rice.

The terms of trade improved by 6.9 per cent in September 2016 compared to the corresponding month of previous year due to increase in export prices compared to imports prices during the month. The export unit value index in September 2016 increased by 3.5 per cent, year-on-year, due to the increase in prices of all major exports categories. Reflecting the decreases recorded in intermediate goods and investment goods, the import unit value index decreased by 3.1 per cent, year-on-year, in September 2016.

India, China, UK, Germany and France were the top five sources of tourist arrivals, accounting for 51.0 per cent of total tourist arrivals up to the month of December 2016.

The average price of tea increased to US dollars 3.51 per kg in September 2016 from US dollars 2.64 per kg (in the Colombo auction) in September 2015 and US dollars 3.22 in August 2016.

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

Highlights

EXTERNAL SECTOR

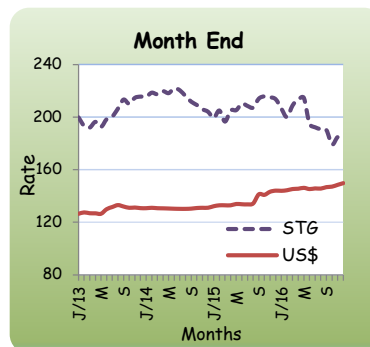
4.1 Exchange Rates

Item (Rs Per Unit)(a)	Week Ending - 27 Jan 2017			Average Rate	
	Buying Rate	Selling Rate	Average Rate	Week Ago	Year Ago
US\$	148.43	152.16	150.30	150.16	144.00
STG	186.20	192.54	189.37	185.67	206.45
Yen	1.29	1.33	1.31	1.31	1.22
Euro	157.57	163.59	160.58	160.37	156.23
INR ⁽¹⁾			2.20	2.21	2.12
SDR (As at 26 Jan 2017)			204.14	203.54	198.32
Central Bank purchases and sales(b) (US\$ Mn.)			December 2016	Month Ago	Year Ago
Purchases			179.31	9.45	-
Sales			71.73	116.91	272.00

Month End

Month	STG	US\$
J/13	190	120
M	185	125
S	200	130
J/14	210	135
M	220	140
S	210	145
J/15	200	140
M	210	145
S	220	150
J/16	210	155
M	220	160
S	200	165
J/17	190	170

	Week Ending 27 Jan 2017	Week Ago	Year Ago
Average Daily Interbank Volume (US\$ Mn.) (spot, tom and cash transactions among commercial banks)	31.02	39.31	24.63
Forward Transactions			
Forward Rates (US\$) ⁽²⁾			
1 Month	151.12	151.02	144.69
3 Months	152.78	152.37	145.82
Average Daily Interbank Forward Volume (US\$ mn)	38.14	56.67	25.90
Outstanding Forward Volume (US\$ mn)	1,446.13	1,436.19	1,443.00
(As at 27 Jan 2017)			



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

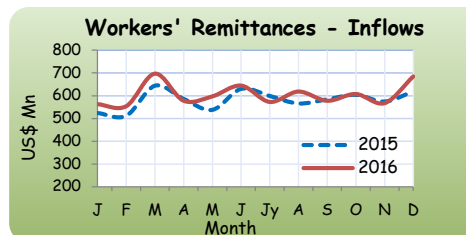
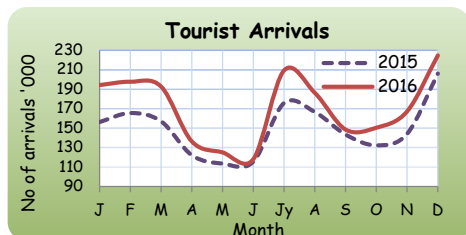
(b) Central Bank purchases and sales of foreign exchange from commercial banks at market rates total for the Month

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

4.2 Tourism & Workers' Remittances

Item		2015 Dec (a)(c)	2016 Dec (b)(d)	2015(a) Jan-Dec (c)	2016(b) Jan-Dec (d)	% Change
Tourist Arrivals	Number	206,114	224,791	1,798,380	2,050,832	14.0
Earnings from Tourism(d)	US\$ Mn.	341.6	372.6	2,980.7	3,399.1	14.0
	Rs.bn.	49.0	55.5	405.5	495.0	22.1
Workers' Remittances (Inflows)	US\$ Mn.	618.5	684.6	6,980.3	7,241.5	3.7
	Rs. bn.	88.7	101.9	949.0	1,054.50	11.1

(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 30th December 2016^(a)

Official Reserve Assets (USD Mn)	
(1) Foreign Currency Reserves	5,164.89
(2) Reserve position in the IMF	64.34
(3) SDRs	2.02
(4) Gold	830.48
(5) Other Reserve Assets	0.98

(a) Provisional

4.4 International Reserves & Foreign Currency Liquidity as at 30th November 2016 ^(a)

Official Reserve Assets (USD mn)					
Official Reserve Assets				5,644.13	
(1) Foreign currency reserves				4,727.60	
(a) Securities				2,515.35	
(b) Total currency and deposits with				2,212.25	
(i) other national central banks, BIS				946.17	
(ii) banks headquartered inside the reporting country of which located abroad				1.14	
(iii) banks headquartered outside the reporting country				1,264.93	
(2) Reserve position in the IMF				64.78	
(3) SDRs				2.04	
(4) Gold				848.73	
(5) Other reserve assets				0.98	
Predetermined Short-Term Net Drains on Foreign Currency Assets ^(b)					
Item		Total	Maturity breakdown (residual maturity)		
			Up to 1 month	More than 1 and up to 3 months	More than 3 months and up to 1 year
1. Foreign currency loans, securities, and deposits					
outflows (-)	Principal	-3,605.66	-57.35	-786.94	-2,761.36
	Interest	-1,035.46	-50.5	-227.69	-757.26
inflows (+)	Principal				
	Interest				
2. Aggregate short and long positions in forwards and futures in foreign currencies vis-à-vis the domestic currency (including the forward leg of currency swaps)					
(a) Short positions (-) ^(c)		-2,883.65	-70.00	-582.22	-2,231.43
(b) Long positions (+)					
3. Other (specify)		-3.39	-3.39		
inflows related to reverse repos (+)					
other accounts payable (-)		-3.39	-3.39		

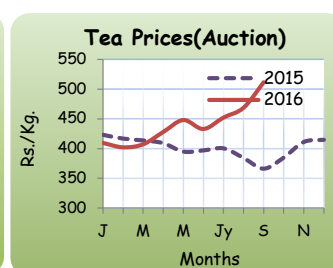
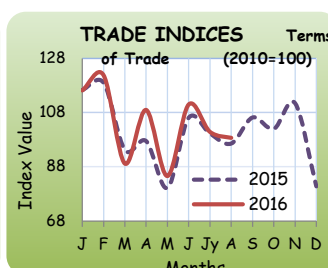
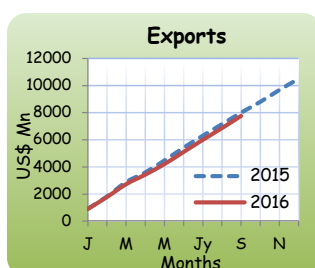
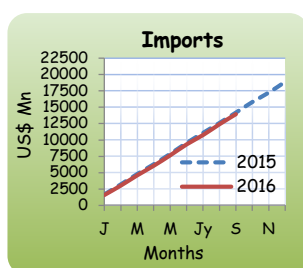
(a) Provisional

(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

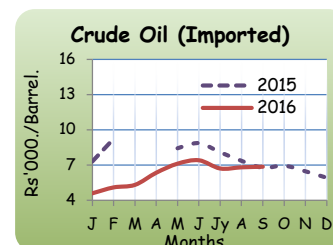
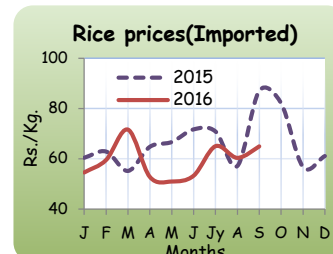
Item	US\$ Mn			Rs Mn		
	Jan-Sep 2016	Jan-Sep 2015	% Change	Jan-Sep 2016	Jan-Sep 2015	% Change
Exports	7,762.9	8,005.0	-3.0	1,124,301.9	1,070,533.9	5.0
Agricultural	1,744.6	1,873.5	-6.9	252,746.7	250,627.8	0.8
Industrial	5,984.3	6,091.4	-1.8	866,631.4	814,515.8	6.4
Food, Beverages and Tobacco	230.2	195.5	17.8	33,344.6	26,146.8	27.5
Textiles and Apparel	3,715.8	3,629.9	2.4	538,049.0	485,616.6	10.8
Petroleum Products	204.2	307.1	-33.5	29,565.8	40,943.8	-27.8
Leather, Rubber etc	705.8	687.7	2.6	102,239.9	91,937.2	11.2
Other	1,128.3	1,271.3	-11.2	163,432.1	169,871.3	-3.8
Mineral	22.7	24.1	-5.6	3,295.2	3,216.4	2.4
Other	11.2	16.1	-30.0	1,628.7	2,173.8	-25.1
Imports	13,945.7	14,186.7	-1.7	2,019,963.9	1,897,660.7	6.4
Consumer Goods	3,199.7	3,534.8	-9.5	463,411.5	472,856.0	-2.0
Intermediate Goods	7,084.6	7,271.7	-2.6	1,026,246.4	972,834.3	5.5
Investment Goods	3,651.7	3,367.0	8.5	528,887.4	450,193.5	17.5
Other	9.8	13.3	-26.3	1,418.7	1,776.9	-20.2
Trade Balance	-6,182.9	-6,181.7	0.0	-895,662.0	-827,126.8	8.3



4.6 Trade Indices (2010= 100) (a)

Item	2016 Sep (b)	Month Ago	Year Ago
Total Exports			
Value	124.9	120.6	118.2
Quantity	125.6	125.3	123.0
Unit Value	99.5	96.2	96.1
Total Imports			
Value	138.1	147.6	141.6
Quantity	157.4	151.4	156.5
Unit Value	87.7	97.5	90.5
Terms of Trade	113.4	98.7	106.2

(a) In US\$ Terms (b) Provisional



4.7 International Commodity Prices

Item	September 2016	September 2015	% Change	September 2016	September 2015	% Change
	US\$ / Kg			Rs / Kg		
Tea Prices	3.51	2.64	33.1	511.68	366.31	39.7
Imports (C I F)	US\$ / MT			Rs / MT		
Rice	445.72	626.93	-28.9	64,978.85	87,066.30	-25.4
White Sugar	580.28	384.33	51.0	84,596.11	53,374.39	58.5
Wheat	228.50	270.00	-15.4	33,312.47	37,496.26	-11.2
	US\$ / Barrel			Rs / Barrel		
Crude Oil	46.99	48.65	-3.4	6,850.06	6,756.05	1.4