

Weekly Economic Indicators

03 February 2017



Statistics Department
Central Bank of Sri Lanka

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, 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.

Department of Census and Statistics (DCS) has published a new rebased Colombo Consumers' Price Index (CCPI). Accordingly, inflation, as measured by the change in the Colombo Consumers' Price Index (CCPI) (2013=100) increased to 5.5 per cent in January 2017 from 4.5 per cent in December 2016, on year-on-year basis. Annual average inflation increased to 4.3 per cent in January 2017 from 4.0 per cent in December 2016. The monthly increase in CCPI was 1.2 per cent. CCPI Core inflation, which reflects the underlying inflation in the economy, increased to 7.0 per cent in January 2017 from 5.8 per cent in December 2016, on year-on-year basis. Annual average core inflation increased to 4.7 per cent in January 2017 from 4.4 per cent in December 2016. CCPI Core increased by 1.3 per cent from December 2016 to January 2017.

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 year 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.

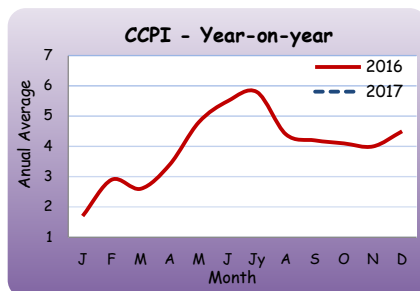
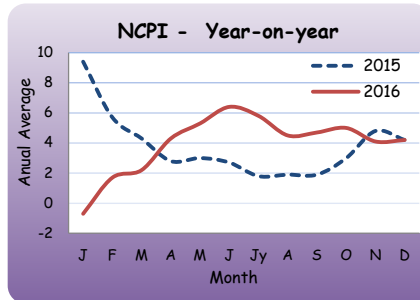
During the week crude oil prices showed mixed performance. At the beginning of the week crude oil prices fell as rising U.S. drilling activity offset efforts by OPEC and other producers to cut output. Subsequently, prices rose due to weakening of the U.S. dollar and news that the world's top producers have cut production more than forecasted. A Reuters survey showed that the OPEC has achieved 82 per cent compliance with its promised production cuts in January 2017. Price further increased due to geopolitical concerns after Iran confirmed a ballistic missile test. Conversely, price increase was limited after the U.S. Energy Information Administration reported that U.S. crude stocks have risen by 6.47 million barrels. However, towards the end of the week oil prices declined as traders were less concerned about tensions between the United States and Iran.

Highlights

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	January 2017	Month Ago	Year Ago
(2013 = 100)			
Colombo Consumers' Price Index (CCPI)	116.1	114.7	110.0
Annual Average Change %	4.3	4.0	2.1
Year - on - Year Change %	5.5	4.5	1.7
Core Inflation - (CCPI)	121.3	119.8	113.4
Annual Average Change %	4.7	4.4	4.9
Year - on - Year Change %	7.0	5.8	3.6

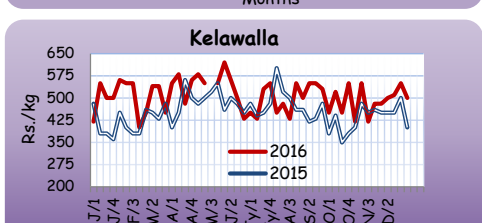
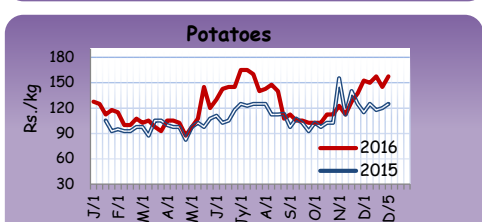
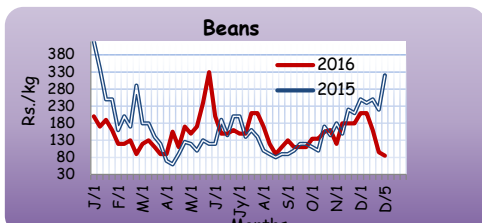
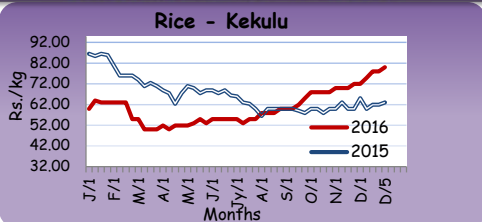


1.2 Pettah Market

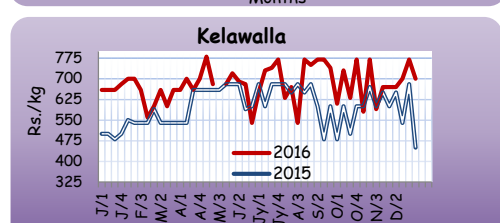
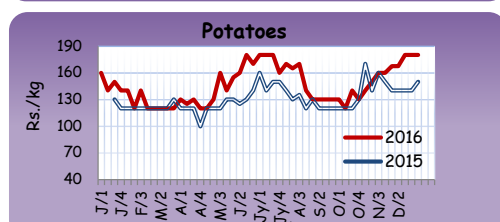
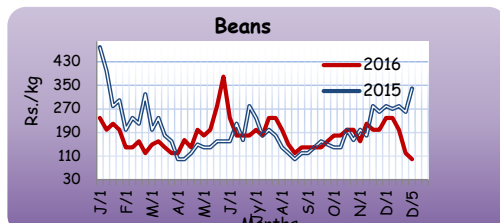
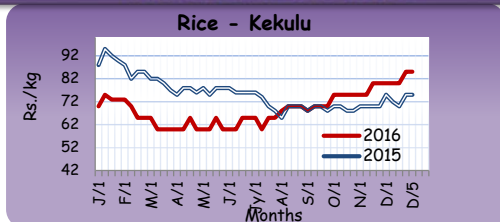
Item	Average Wholesale Prices				Average Retail Prices			
	Week Ending 02 nd Feb 2017	Week Ago	Month Ago	Year Ago Annual Avg	Week Ending 02 nd Feb 2017	Week Ago	Month Ago	Year Ago Annual Avg
	Rs / Kg				Rs / Kg			
Rice								
Samba	95.00	90.00	90.00	80.97	98.00	95.00	95.00	90.39
Kekulu (Red)	98.00	90.00	83.25	60.29	102.00	98.00	91.00	68.73
Vegetables								
Beans	90.00	75.00	58.75	147.16	120.00	100.00	97.50	179.12
Cabbage	20.00	17.50	21.25	76.62	45.00	60.00	60.00	115.10
Carrots	40.00	65.00	62.50	121.42	85.00	100.00	107.50	158.24
Tomatoes	55.00	60.00	85.00	75.00	80.00	100.00	145.00	107.06
Pumpkins	45.00	47.50	53.13	60.29	65.00	80.00	80.00	83.33
Snake Gourd	45.00	50.00	45.63	76.18	65.00	80.00	82.50	112.94
Brinjals	35.00	50.00	36.88	66.57	60.00	80.00	75.00	103.92
Ash-Plantains	55.00	65.00	68.75	67.65	95.00	100.00	102.50	95.69
Other Foods								
Red-Onions (Local)	n.a.	125.00	120.00	92.66	n.a.	150.00	160.00	131.74
Big-Onions (Local)	n.a.	n.a.	n.a.	74.50	n.a.	n.a.	n.a.	96.47
Potatoes (N'Eliya)	130.00	157.50	145.63	122.58	160.00	175.00	170.00	146.23
Dried Chillies (Imported)	280.00	230.00	225.00	293.68	300.00	300.00	305.00	350.78
Dhal (Indian)	150.00	145.00	160.00	160.16	160.00	168.00	168.00	171.41
The Eggs	13.00	12.50	12.50	14.30	14.00	13.00	13.13	14.79
Coconut (Each)	57.00	52.50	48.25	34.69	65.00	65.00	62.50	47.60
Fish*								
Kelawalla	530.00	540.00	510.00	508.20	740.00	750.00	725.00	682.00
Balaya	300.00	340.00	310.00	327.29	400.00	440.00	410.00	424.79
Salaya	90.00	90.00	105.00	141.43	150.00	150.00	162.50	197.14
Paraw (Small)	500.00	500.00	505.00	540.36	700.00	600.00	605.00	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 02 nd Feb 2017	
	Wholesale (Average)	Retail (Average)
Rice		
Samba	92.00	94.83
Kekulu (Red)	86.50	90.17
Vegetables		
Beans	80.00	105.83
Carrot	53.33	76.67
Tomatoes	36.67	58.33
Pumpkins	45.00	65.83
Snake Gourd	30.83	51.67
Ash-Plantains	52.50	65.83
Other Foods		
Red-Onions (Local)	73.33	95.83
Big-Onions (Local)	n.a.	n.a.
Potatoes (N'Eliya)	131.67	152.50
Dried Chilies(Imported)	200.00	216.67
Coconut (Each)	48.33	56.83

1.4 Narahenpita Economic Centre

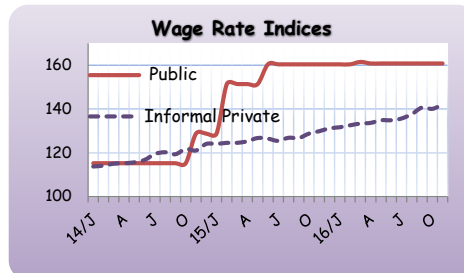
Item (Rs / Kg)	Average Retail Prices	
	03 rd Feb 2017	Week Ago
Rice		
Samba	98.00	95.00
Kekulu (Red)	98.00	95.00
Vegetables		
Beans	116.67	76.67
Cabbage	56.67	76.67
Carrots	96.67	96.67
Tomatoes	96.67	116.67
Pumpkins	86.67	96.67
Snake Gourd	116.67	96.67
Brinjals	76.67	96.67
Ash-Plantains	116.67	126.67
Other Foods		
Red-Onions (Imported)	96.67	86.67
Big-Onions (Imported)	76.67	76.67
Potatoes (Imported)	76.67	93.33
Dried Chilies (Imported)	296.67	246.67
Dhal (Indian)	158.33	153.33
Eggs (Red)(Each)	13.83	13.67
Coconut (Each)	49.33	48.33
Fish		
Kelawalla	826.67	846.67
Balaya	406.67	396.67
Salaya	146.67	176.67
Paraw (Small)	816.67	826.67

1.5 Maradaghamula Market

Average wholesale price of Rice				
Item (Rs / Kg)	Week Ending 03 rd Feb	Week Ago	Month Ago	Year Ago
Samba	88.90	89.30	87.63	77.58
Sudu Kekulu	87.90	88.70	87.05	62.91
Raw Red	87.20	86.30	81.18	59.59
Nadu	91.90	92.30	89.95	66.62

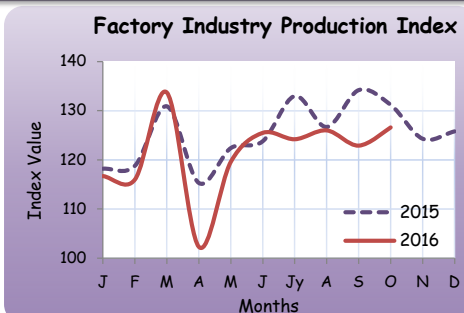
1.6 Wage rate Indices

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

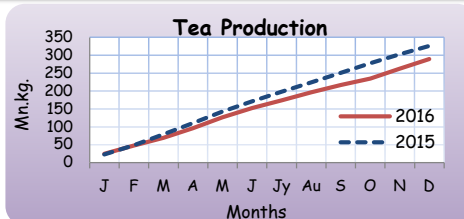


(a) Major 7 sub divisions of FIPI out of 17 sub divisions.

(b) Provisional

1.8 Agriculture Production

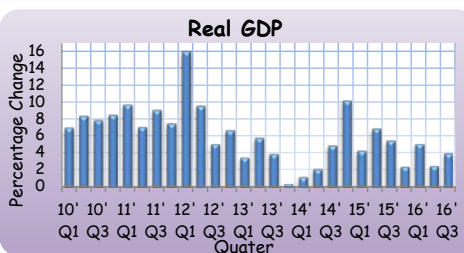
Item	Unit	2016(a) Jan-Dec	2015 Jan-Dec	% Change
Tea	(Mn Kg)	289.6	329.0	-12.0
Rubber	(Mn Kg)	79.1	88.6	-10.7
Coconuts	(Mn Nuts)	3,137.5	3,055.6	2.7



(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)

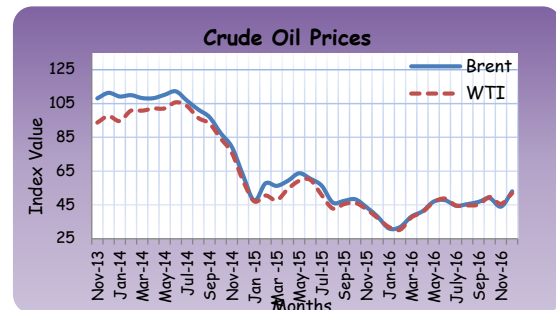
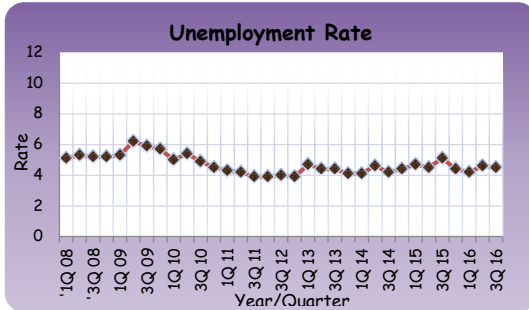
Item	2015 (c)(d) 3 rd Quarter	2016 (c) 3 rd Quarter	2015 Annual
Labour Force Participation rate	53.8	53.8	53.8
Unemployment rate	5.1	4.5	4.7
Employed Persons by Sectors (e) (as a % of total employment)			
Agriculture	27.8	27.1	28.7
Industry	27.0	26.8	25.8
Services	45.3	46.1	45.6

(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	2016			2017		
	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	31.10	31.96	31.87	54.41	52.50	
February	31.93	30.32	35.36			
March	38.06	37.55	36.85			
April	41.25	40.75	44.05			
May	47.00	46.69	48.84			
June	47.82	48.76	50.95			
July	44.54	44.65	46.10			
August	45.50	44.72	46.71			
September	46.80	45.20	46.99			
October	49.01	49.70	52.70			
November	44.01	45.66	47.66			
December	53.07	51.96	55.69			
	2016			2017		
27 January	31.58	32.32		54.85	53.18	
30 January	-	-		54.82	52.63	
31 January	-	-		55.30	52.75	
01 February	32.00	31.62		55.76	53.90	
02 February	30.53	29.90		55.64	53.55	

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 03 February 2017 increased by 27 bps to 11.49 per cent compared to the previous week.

Broad money (M2b) expanded by 18.0 per cent on a year-on-year basis in November 2016.

Net Credit to the Government from the banking system showed an increase of Rs. 2.1 billion in November 2016.

Public Corporations recorded an increase of Rs. 9.2 billion in November 2016.

Credit extended to the private sector increased by Rs. 81.3 billion in November 2016.

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

The total outstanding market liquidity decreased to Rs. 20.61 bn by end of the week, compared to Rs. 41.36 bn by the end of last week.

By 03 February 2017, All Share Price Index (ASPI) declined by 0.29 per cent to 6,120 points and S&P SL 20 Index increased by 0.64 per cent to 3,506 points, compared to the previous week.

MONETARY SECTOR

2.1 Interest Rates

Item	Week Ending 2017 Feb 03	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)	8.42	8.39	6.77
Sri Lanka Inter Bank Offered Rate (SLIBOR)			
1 day	8.41	8.41	6.81
7 days	9.38	9.35	7.10
1 Month	10.43	10.45	7.59
3 Months	10.86	10.86	7.90
6 Months	11.52	11.52	8.18
12 Months	12.00	12.00	8.75
Treasury Bill Yields (Excluding 10% withholding tax)			
91 days	9.08	9.03	7.01
182 days	10.05	10.07	7.40
364 days	10.42	10.37	7.87
Licensed Commercial Banks			
Average Weighted Prime Lending Rate (AWPR)	11.49	11.22	7.92
	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
	Jan 2017	Month Ago	Year Ago
Average Weighted Deposit Rate (AWDR)	8.42	8.17	6.26
Average Weighted Fixed Deposit Rate (AWFDR)	10.84	10.46	7.66
	Dec 2016	Month Ago	Year Ago
Average Weighted Lending Rate (AWLR)	13.20	13.11	11.00
National Savings Bank (NSB)			
	Nov 2016	Month Ago	Year Ago
Saving Deposits	4.25	4.25	5.00
One Year Fixed Deposits	11.00	11.00	7.25
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

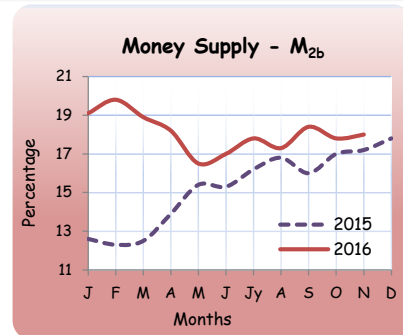
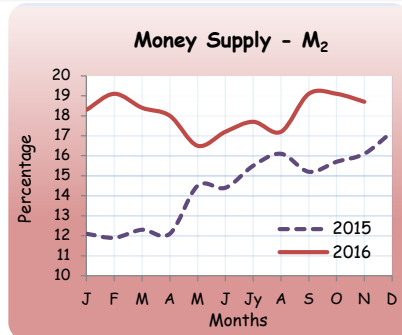
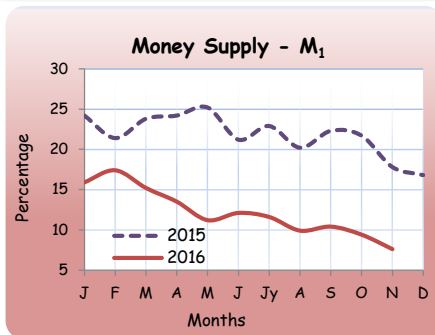
Bankwise- AWPR	Week ending 2017 Feb 03	Week Ago
Bank of Ceylon	12.08	12.44
People's Bank	12.72	11.75
Hatton National Bank	11.90	11.73
Commercial Bank of Ceylon	11.64	12.42
Sampath Bank	12.69	12.34
Seylan Bank	12.83	12.35
Union Bank of Colombo	14.46	13.60
Pan Asia Banking Corporation	15.36	14.31
Nations Trust Bank	11.93	12.04
DFCC Bank	12.56	13.79
NDB Bank	15.50	15.50
Amana Bank	12.17	12.16
Cargills Bank	12.19	12.61

Bankwise- AWPR	Week ending 2017 Feb 03	Week Ago
HSBC	9.07	8.84
Standard Chartered Bank	11.03	11.21
Citi Bank	9.18	9.18
Deutsche Bank	9.57	9.21
Habib Bank	10.70	10.68
Indian Bank	12.98	13.23
Indian Overseas Bank	13.73	13.73
MCB Bank	13.94	15.73
State Bank of India	12.44	12.65
Public Bank	11.50	11.50
ICICI Bank	12.49	12.49
Axis Bank	10.98	11.25

2.2 Money Supply

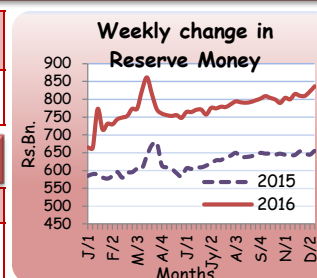
Item	Rs. Bn.			Annual Change (%)		
	2016 (a)	Month	Year	2016 (a)	Month	Year
	November	Ago	Ago	November	Ago	Ago
Reserve Money	799	792.8	651.1	22.7	23	18
M ₁	720.2	727.6	669.4	7.6	9.4	17.8
M ₂	4,683.2	4,616.8	3,945.7	18.7	19.1	16.1
M _{2b}	5,246.7	5,165.7	4,447.6	18.0	17.8	17.2
Net Foreign Assets of the Banking System (b)	-286.9	-283.6	-313.5	8.5	28.8	-1,251.6
Monetary Authorities	476.3	483.9	565.8	-15.8	9.8	-22.3
Commercial Banks	-763.2	-767.5	-879.3	13.2	8.5	-25.5
Domestic Banking Units (DBUs)	-331.8	-313.5	-310.6	-6.8	-8.9	-25.6
Offshore Banking Units (OBUs)	-431.4	-454.0	-568.7	24.1	17.6	-25.4
Net Domestic Assets of the Banking System (b)	5,533.7	5,449.4	4,761.1	16.2	13.9	26.4
Net Credit to the Government	1,960.3	1,958.2	1,704.8	15.0	8.2	19.6
Monetary Authorities	417.3	409.6	268.5	55.4	20.9	73.7
Commercial Banks	1,543.0	1,548.5	1,436.3	7.4	5.2	13.0
DBUs	1,256.5	1,254.3	1,067.6	17.7	13.1	0.5
OBUs	286.4	294.2	368.7	-22.3	-18.9	77.0
Credit to Public Corporations	469.1	459.8	524.0	-10.5	-13.4	21.4
DBUs	274.4	272.6	257.5	6.6	6.7	38.7
OBUs	194.7	187.2	266.5	-27.0	-32.0	8.4
Credit to the Private Sector	4,125.7	4,044.5	3,406.0	21.1	22.0	27.0
DBUs	3,826.6	3,752.1	3,140.5	21.8	22.8	29.3
OBUs	299.1	292.4	265.5	12.7	13.3	5.4
Other Items (Net)	-1,021.4	-1,013.1	-873.7	-16.9	-16.1	-13.4

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



2.3 Weekly change in Reserve Money

Item	01 Feb 2017	Week Ago	Change
Reserve Money (Rs.Mn.)	829,527	831,187	-1,660



2.4 Money Market Activity (Overnight)

Item	30.01.2017	31.01.2017	01.02.2017	02.02.2017	03.02.2017
Call Money Market					
Weighted Average Rate (% p.a.)	8.39	8.38	8.40	8.40	8.42
Gross Volume (Rs. Mn)	12,350	12,375	12,400	13,375	9,420
Repo Market					
Weighted Average Rate (% p.a.)	8.44	8.40	8.43	8.47	8.34
Gross Volume (Rs. Mn)	27,235	35,316	28,611	22,165	40,183

2.5 CBSL Security Portfolio

Item	30.01.2017	31.01.2017	01.02.2017	02.02.2017	03.02.2017
CBSL Treasury Bill Holdings -Face Value (Rs.mn)	250,652	250,652	250,652	250,652	235,673
CBSL Treasury Bill Holdings -Book Value (Rs.mn)	242,370	242,376	242,422	242,453	227,510

2.6 Open Market Operations

Item	30.01.2017	31.01.2017	01.02.2017	02.02.2017	03.02.2017
Short-Term Auction					
Repo Amount Offered (Rs. bn)	53.00	48.00	43.00	42.00	23.00
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)	51.00	46.40	44.05	49.52	25.62
Amount Accepted (Rs. bn)	49.25	46.40	43.00	42.00	23.00
Weighted Average Yield Rate (% p.a.)	7.53	7.53	7.53	7.52	7.51
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)	9.98	11.47	3.99	7.38	6.65
Standing Lending Facility (Rs. bn)	6.92	11.46	10.36	11.67	9.05
Total Outstanding Market Liquidity (Rs. bn)	52.31	46.41	36.63	37.71	20.61

2.7 Credit Cards (a)

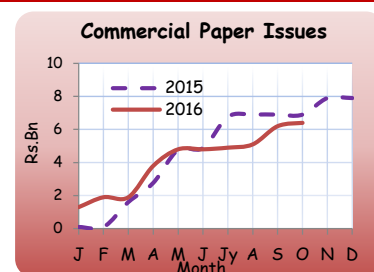
Item	2016 (b) End Oct	2016 End Sep	2015 End Dec
Total Number of Active Cards	1,279,629	1,276,698	1,142,231
Local (accepted only locally)	29,496	34,829	30,902
Global (accepted globally)	1,250,133	1,241,869	1,111,329
Outstanding balance (Rs. Mn.)	69,536	68,556	63,010
Local (accepted only locally)	809	802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

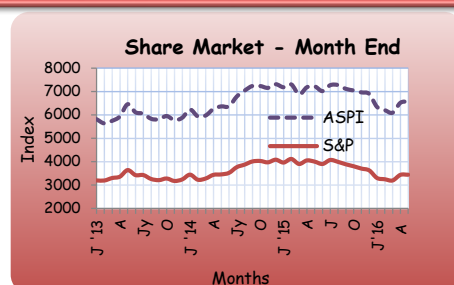
Item (Rs. bn.)	2016 End Oct(b)	2016 End Sep	2015 End Dec
Total Issues - Cumulative	6.4	6.2	7.9
Outstanding (as at end of the period)	4.4	4.4	4.5

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



2.9 Share Market

Item	Week Ending 03 Feb 2017	Week Ago	Year Ago
All Share Price Index (1985 = 100) (ASPI)	6,120	6,138	6,403
S & P Sri Lanka 20 Index (S&P SL20)	3,506	3,484	3,336
Average Daily Turnover (Rs. mn)	693	480	1,093
Market Capitalisation (Rs. Bn.)	2,698	2,706	2,733



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.

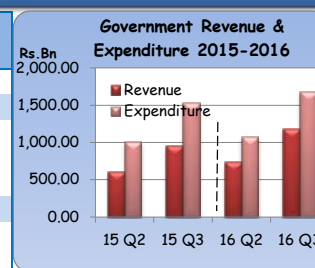
Total outstanding debt increased by Rs. 898.7 billion to Rs. 9,402.0 billion as at end September 2016 from Rs. 8,503.2 billion at end 2015. Foreign debt increased by Rs. 525.7 billion to Rs. 4,069.7 billion, while domestic debt increased by Rs. 373.1 billion to Rs. 5,332.3 billion.

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)

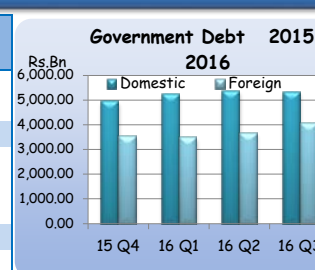
Item	2015	2016(a)
	Jan - Sep	Jan - Sep
Revenue and Grants	959.6	1,180.0
Revenue	958.9	1,179.3
Tax	888.2	1,067.3
Non tax	70.7	112.0
Grants	0.7	0.7
Expenditure & Lending Minus Repayments	1,532.5	1,686.0
Current	1,213.1	1,308.3
Capital & Lending Minus Repayments	319.5	377.7



(a) Provisional

3.2 Outstanding Central Government Debt (Rs.bn)

Item	End 2015	2016(a)
	End Sep	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 - 01st February 2017

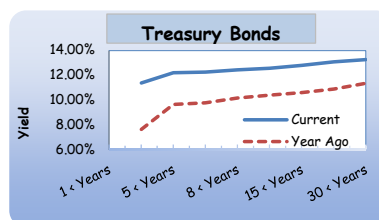
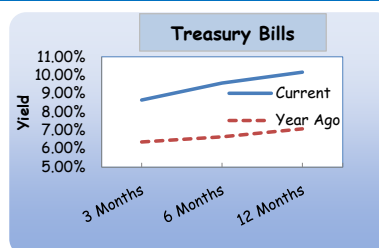
Security	Maturity	Primary Market(a)		Secondary Market			
		This Week	Last Week	This Week			Last Week
				Buying	Selling	Average	
Treasury Bills	3 Months	9.08%	9.03%	9.16%	8.88%	9.02%	8.90%
	6 Months	10.05%	10.07%	10.08%	9.90%	9.99%	9.87%
	12 Months	10.42%	10.37%	10.49%	10.27%	10.38%	10.27%
Treasury Bonds(b)	< 2 Years	-	-	11.66%	11.53%	11.59%	11.42%
	< 5 Years	12.19%	-	12.49%	12.36%	12.43%	12.12%
	< 6 Years	-	-	12.49%	12.35%	12.42%	12.18%
	< 8 Years	12.39%	-	12.55%	12.43%	12.49%	12.30%
	< 10 Years	-	-	12.57%	12.47%	12.52%	12.38%
	< 15 Years	-	-	12.71%	12.59%	12.65%	12.53%
	< 20 Years	-	-	12.81%	12.73%	12.77%	12.67%
< 30 Years	-	-	13.01%	12.86%	12.94%	12.87%	

(a) Primary market transactions during the week ending 01/02/2017

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

The secondary market yield rates for all the T-bills and T-Bonds across all the maturities have increased during the reporting week.

Security	Maturity Date	Coupon Rate	Secondary Market	
			This Week	Last Week
International Sovereign Bonds	4-Oct-20	6.250%	5.20%	5.05%
	27-Jul-21	6.250%	5.58%	5.43%
	18-Jan-22	5.750%	5.67%	5.52%
	25-Jul-22	5.875%	5.78%	5.58%
	14-Jan-19	6.000%	4.41%	4.34%
	11-Apr-19	5.125%	4.25%	4.25%
	3-Jun-25	6.125%	6.69%	6.46%
	3-Nov-25	6.850%	6.79%	6.60%
18-Jul-26	6.825%	6.78%	6.63%	



3.4 Government Securities - Weekly Summary of Primary and Secondary Market Transactions (Week Ended - 01st February 2017)

Item	Volume in Rs Mn	
	This Week	Last Week
Outstanding Stock of Government Securities		
Treasury Bills	793,285.43	793,076.31
Treasury Bonds (a)	3,957,807.78	3,947,262.78
Total	4,751,093.21	4,740,339.09
T-bills and T-bonds held by Foreigners	233,959.97	239,523.78
Sri Lanka Development Bonds (SLDB)	608,025.43	607,319.21

The outstanding stock of T-bills and T-bonds held by Foreigners decreased by 2.32 per cent during the reporting week.

Primary Market Activities	Volume in Rs Mn	
	This Week	Last Week
Treasury Bills		
Amount Offered	28,000.00	27,500.00
Total Bids Received	67,710.00	94,686.00
Total Bids Accepted	27,085.00	27,233.00
Treasury Bonds		
Amount Offered	33,000.00	No auction held
Total Bids Received	84,720.00	No auction held
Total Bids Accepted	10,545.00	No auction held

The weekly T-bill & T-Bond Auction were over subscribed by 2.4 times during the reporting week

Secondary Market Activities	Volume in Rs Mn	
	This Week	Last Week
Treasury Bills		
Outright Transaction (Sales / Purchases)	22,408.36	26,244.71
Repo Transaction (Sales / Purchases)	125,506.74	92,704.21
Treasury Bonds		
Outright Transaction (Sales / Purchases)	66,868.28	49,245.86
Repo Transaction (Sales / Purchases)	491,941.08	502,192.15

The total secondary market transactions of T-bills and T-bonds increased by 5.42 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) - 03/02/2017

Remaining Maturity	Average Buying Price	Yield %	Average Selling Price	Yield %	Buying & Selling Spread
1-7 Days	99.84	8.53	99.84	8.33	0.00
1 Month	99.29	8.66	99.30	8.49	0.01
2 Month	98.55	8.80	98.59	8.60	0.03
3 Month	97.72	9.25	97.81	8.90	0.09
4 Month	96.93	9.35	97.00	9.13	0.07
5 Month	96.07	9.57	96.15	9.37	0.08
6 Month	95.05	10.03	95.12	9.89	0.07
7 Month	94.21	10.06	94.31	9.89	0.10
8 Month	93.38	10.07	93.46	9.95	0.08
9 Month	92.51	10.13	92.61	9.99	0.10
10 Month	91.64	10.17	91.75	10.04	0.11
11 Month	90.74	10.24	90.87	10.10	0.13
12 Month	89.65	10.49	89.86	10.28	0.21

3.6 Two way Quotes (Treasury Bonds)- 03/02/2017

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	26	99.89	9.41	99.91	9.22	0.01
08.75%2017A	4	15-May-17	101	99.64	9.88	99.71	9.64	0.07
08.00%2017B	5	15-Jun-17	132	99.23	10.10	99.31	9.86	0.08
05.80%2017B	6	15-Jul-17	162	98.07	10.28	98.21	9.96	0.13
08.50%2018A	15	1-Feb-18	363	97.96	10.72	98.18	10.47	0.22
08.50%2018C	5	1-Apr-18	422	97.21	11.11	97.37	10.96	0.16
08.50%2018D	5	1-Jun-18	483	96.69	11.24	96.84	11.11	0.15
08.50%2018B	15	15-Jul-18	527	96.21	11.41	96.36	11.29	0.15
07.50%2018A	15	15-Aug-18	558	94.55	11.47	94.67	11.38	0.12
08.75%2018A	4	15-Oct-18	619	95.67	11.62	95.85	11.50	0.18
08.00%2018A	6	15-Nov-18	650	94.17	11.71	94.36	11.58	0.19
05.65%2019A	8	15-Jan-19	711	89.72	11.70	89.95	11.56	0.22
10.75%2019A	2	15-Jan-19	711	98.38	11.69	98.60	11.56	0.22
08.50%2019A	10	1-May-19	817	93.68	11.78	93.91	11.65	0.23
10.60%2019A	5	1-Jul-19	878	97.31	11.91	97.59	11.77	0.28
10.60%2019B	5	15-Sep-19	954	96.95	11.98	97.24	11.85	0.28
08.00%2019A	8	1-Nov-19	1,001	90.96	11.95	91.19	11.85	0.23
09.25%2020A	5	1-May-20	1,183	92.23	12.21	92.68	12.03	0.45
08.00%2020A	8	1-Jun-20	1,214	88.96	12.12	89.13	12.06	0.17
06.20%2020A	10	1-Aug-20	1,275	83.43	12.16	83.78	12.02	0.34
09.50%2020A	5	15-Dec-20	1,411	91.89	12.19	92.21	12.07	0.32
10.75%2021A	5	1-Mar-21	1,487	94.62	12.47	94.95	12.36	0.34
09.00%2021A	8	1-May-21	1,548	88.54	12.56	88.84	12.46	0.30
11.00%2021A	7	1-Aug-21	1,640	94.69	12.58	95.06	12.47	0.37
09.45%2021A	7	15-Oct-21	1,715	89.68	12.41	89.97	12.32	0.29
11.50%2021A	5	15-Dec-21	1,776	96.58	12.45	97.13	12.29	0.55
08.00%2022A	10	1-Jan-22	1,793	84.12	12.41	84.40	12.33	0.28
11.20%2022A	9	1-Jul-22	1,974	94.61	12.60	95.20	12.44	0.59
10.00%2022A	8	1-Oct-22	2,066	89.63	12.61	90.22	12.45	0.59
09.00%2023A	10	1-Sep-23	2,401	84.55	12.51	85.08	12.38	0.53
11.20%2023A	9	1-Sep-23	2,401	93.59	12.66	94.44	12.46	0.84
07.00%2023A	20	1-Oct-23	2,431	75.79	12.45	76.10	12.37	0.31
11.40%2024A	10	1-Jan-24	2,523	94.85	12.53	95.32	12.42	0.47
11.00%2024A	8	1-Aug-24	2,736	92.14	12.65	92.84	12.50	0.69
06.00%2024A	10	1-Dec-24	2,858	68.22	12.47	68.67	12.36	0.44
10.25%2025A	10	15-Mar-25	2,962	88.30	12.59	88.97	12.44	0.67
09.00%2025A	12	1-May-25	3,009	82.36	12.48	82.74	12.40	0.38
11.00%2025A	10	1-Aug-25	3,101	91.30	12.70	92.23	12.51	0.93
09.00%2026A	13	1-Feb-26	3,285	81.39	12.50	81.75	12.43	0.36
05.35%2026A	15	1-Mar-26	3,313	61.60	12.56	61.95	12.47	0.35
11.00%2026A	11	1-Jun-26	3,405	91.12	12.64	91.78	12.51	0.66
11.50%2026A	10	1-Aug-26	3,466	93.14	12.77	94.24	12.55	1.10
09.00%2028B	15	1-May-28	4,105	78.55	12.62	78.98	12.53	0.43
09.00%2028A	15	1-Jul-28	4,166	78.35	12.63	78.71	12.56	0.36
11.50%2028A	13	1-Sep-28	4,228	92.38	12.78	93.42	12.59	1.04
13.00%2029A	15	1-Jan-29	4,350	102.03	12.66	102.40	12.60	0.37
13.00%2029B	15	1-May-29	4,470	101.82	12.70	102.19	12.64	0.37
11.00%2030A	15	15-May-30	4,849	88.46	12.83	89.59	12.63	1.13
08.00%2032A	20	1-Jan-32	5,445	68.66	12.74	68.99	12.68	0.33
09.00%2032A	20	1-Oct-32	5,719	74.63	12.78	75.16	12.68	0.54
09.00%2033A	20	1-Jun-33	5,962	74.20	12.80	74.63	12.72	0.43
13.25%2033A	20	1-Jul-33	5,992	102.86	12.82	103.40	12.75	0.53
09.00%2033B	20	1-Nov-33	6,115	73.78	12.84	74.20	12.76	0.41
13.25%2034A	20	1-Jan-34	6,176	102.63	12.86	103.24	12.77	0.61
11.50%2035A	20	15-Mar-35	6,614	90.05	12.93	91.89	12.65	1.84
12.00%2041A	25	1-Jan-41	8,733	92.66	13.00	94.34	12.76	1.69
09.00%2043A	30	1-Jun-43	9,614	70.17	13.03	70.61	12.95	0.43
13.50%2044A	30	1-Jan-44	9,828	103.35	13.04	103.89	12.97	0.54
13.50%2044B	30	1-Jun-44	9,980	103.11	13.07	103.67	13.00	0.56
12.50%2045A	30	1-Mar-45	10,253	96.42	12.98	99.21	12.60	2.79

External Sector

During the year up to 03 February 2017 the Sri Lanka rupee depreciated against the US dollar (0.5 per cent). Given the cross currency exchange rate movements, the Sri Lanka rupee depreciated against the pound sterling (2.3 per cent) euro (2.5 per cent) Japanese yen (3.7 per cent) and Indian rupee (1.5 per cent) during this period.

Earnings from exports at US dollars 855 million in October 2016 reflected a marginal growth of 0.9 per cent from US dollars 847 million in October 2015. On a cumulative basis, export earnings during the first ten months of 2016 at US dollars 8,618 million, contracted by 2.6 per cent, year-on-year, reflecting lower proceeds from transport equipment and petroleum products.

Expenditure on imports increased by 16.4 per cent, year-on-year, to US dollars 1,906 million in October 2016. The increase in expenditure on imports was mainly due to the importation of a dredger vessel by CHEC Port City Colombo (Pvt) Ltd, which was categorised under investment goods. Expenditure on imports at US dollars 15,852 million during the first ten months of 2016 increased marginally by 0.2 per cent from the corresponding period of the previous year.

The terms of trade improved by 10.6 per cent in October 2016 compared to the corresponding month of the previous year due to the increase in export prices and the decline in imports prices during the month. The export unit value index in October 2016 increased by 5.8 per cent, year-on-year. The import unit value index decreased by 4.4 per cent, year-on-year, in October 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 upto the month of December 2016.

The average price of tea increased to US dollars 3.77 per kg in October 2016 from US dollars 2.73 per kg (in the Colombo auction) in October 2015 and US dollars 3.51 in September 2016.

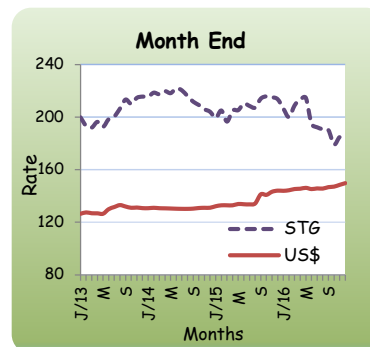
Further, the import prices of rice, wheat and crude oil prices declined compared to the corresponding month of 2015.

EXTERNAL SECTOR

4.1 Exchange Rates

Item (Rs Per Unit)(a)	Week Ending - 03 Feb 2017			Average Rate	
	Buying Rate	Selling Rate	Average Rate	Week Ago	Year Ago
US\$	148.54	152.27	150.41	150.30	144.03
STG	185.25	191.56	188.41	189.37	207.44
Yen	1.31	1.36	1.34	1.31	1.20
Euro	158.89	164.93	161.91	160.58	157.26
INR ⁽¹⁾			2.24	2.20	2.11
SDR (As at 02 Feb 2017)			205.41	204.14	198.92
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

	Week Ending 03 Feb 2017	Week Ago	Year Ago
Average Daily Interbank Volume (US\$ Mn.) (spot, tom and cash transactions among commercial banks)	40.64	31.02	39.03
Forward Transactions			
Forward Rates (US\$) ⁽²⁾			
1 Month	151.31	151.12	144.70
3 Months	153.10	152.78	145.90
Average Daily Interbank Forward Volume (US\$ mn)	43.81	38.14	39.03
Outstanding Forward Volume (US\$ mn) (As at 03 Feb 2017)	1,518.32	1,446.13	1,529.03



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

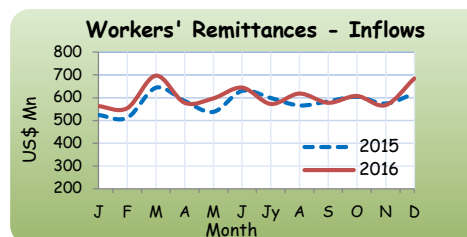
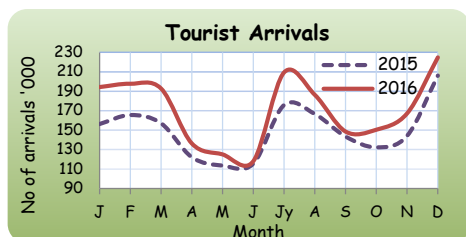
(b) Central Bank purchases and sales of foreign exchange from commercial banks at market rates total for the Month

(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
		Dec (a)(c)	Dec (b)(d)	Jan-Dec (c)	Jan-Dec (d)	
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 International Reserves & Foreign Currency Liquidity as at 31st December 2016 ^(a)

Official Reserve Assets (USD mn)					
Official Reserve Assets				6,019.06	
(1) Foreign currency reserves				5,121.25	
(a) Securities				2,478.26	
(b) Total currency and deposits with				2,642.99	
(i) other national central banks, BIS				758.27	
(ii) banks headquartered inside the reporting country of which located abroad				1.12	
(iii) banks headquartered outside the reporting country				1,883.60	
(2) Reserve position in the IMF				64.33	
(3) SDRs				2.03	
(4) Gold				830.48	
(5) Other reserve assets				0.97	
Predetermined Short-Term Net Drains on Foreign Currency Assets ^(b)					
Item	Total	Maturity breakdown (residual maturity)			
		Up to 1 month	More than 1 and up to 3 months	More than 3 months and up to 1 year	
1. Foreign currency loans, securities, and deposits					
outflows (-)	Principal	-3,708.42	-677.81	-1,114.51	-1,916.10
	Interest	-1,020.66	-208.7	-127.3	-684.66
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)		-2,850.91	0.00	-1,075.17	-1,775.74
(b) Long positions (+)					
3. Other (specify)					
inflows related to reverse repos (+)		-0.53	-0.53		
other accounts payable (-)		-0.53	-0.53		

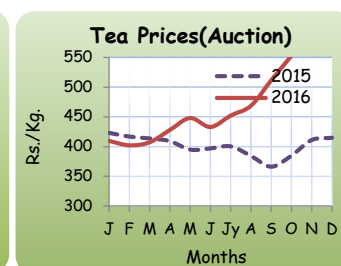
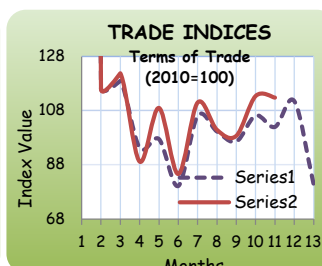
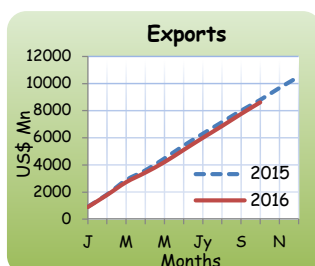
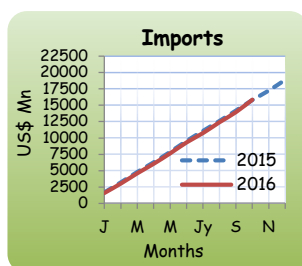
(a) Provisional

(b) This mainly includes only the predetermined outflows

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

4.4 External Trade

Item	US\$ Mn			Rs Mn		
	Jan-Oct 2016	Jan-Oct 2015	% Change	Jan-Oct 2016	Jan-Oct 2015	% Change
Exports	8,618.1	8,852.3	-2.6	1,249,919.3	1,189,914.9	5.0
Agricultural	1,942.3	2,091.0	-7.1	281,795.0	281,274.5	0.2
Industrial	6,638.5	6,718.3	-1.2	962,714.2	902,845.7	6.6
Food, Beverages and Tobacco	253.9	218.5	16.2	36,823.9	29,386.5	25.3
Textiles and Apparel	4,107.5	4,016.6	2.3	595,569.0	540,102.8	10.3
Petroleum Products	231.6	325.9	-28.9	33,595.9	43,591.7	-22.9
Leather, Rubber etc	784.9	761.7	3.0	113,853.9	102,369.2	11.2
Other	1,260.6	1,395.7	-9.7	182,871.5	187,395.5	-2.4
Mineral	24.9	25.8	-3.2	3,619.2	3,453.0	4.8
Other	12.4	17.3	-28.5	1,790.9	2,341.7	-23.5
Imports	15,851.9	15,825.0	0.2	2,299,925.3	2,128,484.0	8.1
Consumer Goods	3,576.8	3,938.7	-9.2	518,805.1	529,763.9	-2.1
Intermediate Goods	7,983.6	8,092.2	-1.3	1,158,281.4	1,088,447.7	6.4
Investment Goods	4,280.3	3,780.1	13.2	621,222.4	508,392.2	22.2
Other	11.1	14.0	-20.6	1,616.3	1,880.2	-14.0
Trade Balance	-7,233.7	-6,972.7	3.7	-1,050,006.1	-938,569.1	11.9

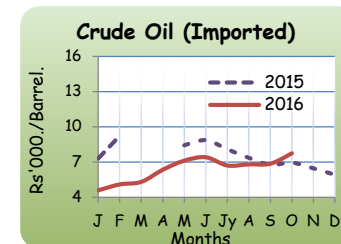
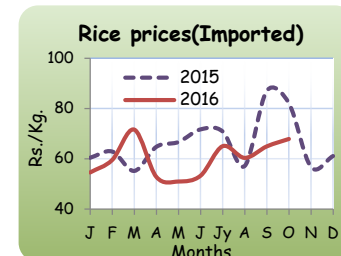


4.5 Trade Indices (2010= 100) (a)

Item	2016 Oct (b)	Month Ago	Year Ago
Total Exports			
Value	119.0	124.9	117.9
Quantity	124.4	125.6	130.4
Unit Value	95.7	99.5	90.4
Total Imports			
Value	170.6	138.1	146.6
Quantity	201.2	157.4	165.3
Unit Value	84.8	87.7	88.7
Terms of Trade	112.8	113.4	102.0

(a) In US\$ Terms

(b) Provisional



4.6 International Commodity Prices

Item	October 2016	October 2015	% Change	October 2016	October 2015	% Change
	US\$ / Kg			Rs / Kg		
Tea Prices	3.77	2.73	37.8	553.01	384.97	43.7
Imports (C I F)	US\$ / MT			Rs / MT		
Rice	462.45	582.87	-20.7	67,920.83	82,123.24	-17.3
White Sugar	606.07	364.26	66.4	89,014.42	51,322.15	73.4
Wheat	251.05	251.22	-0.1	36,872.08	35,395.54	4.2
	US\$ / Barrel			Rs / Barrel		
Crude Oil	52.70	49.26	7.0	7,740.68	6,941.15	11.5