

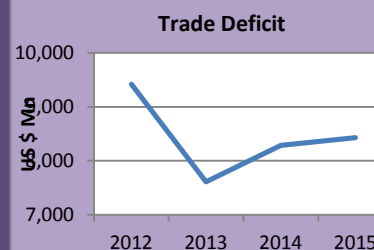
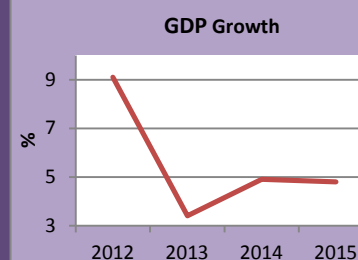
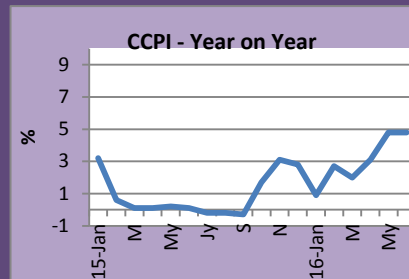


# WEEKLY ECONOMIC REPORT

July 15, 2016

## Department of Fiscal Policy

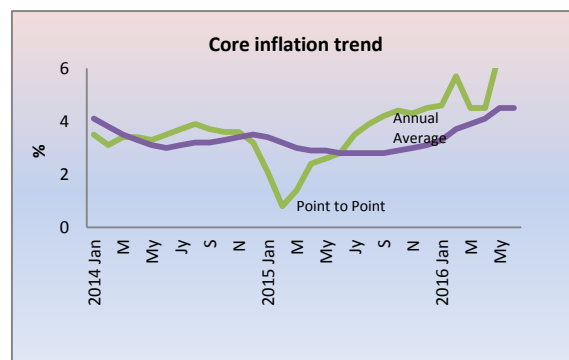
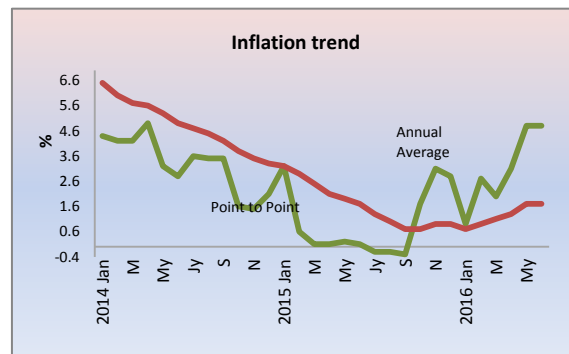
-  **GDP** grew by **5.5 %** in the first quarter 2016
-  **CCPI** increased to **6.0%** in June
-  **NCPI** increased to **5.3 %** in May
-  **Exchange rate** appreciated to **US\$1=Rs. 145.91**
-  **Credit to private sector** increased by **28.1 %** Apr. 2016
-  **Brent crude oil** increased to: **US\$ 46.81** per bbl
-  **Government revenue** enhanced by **21.7%** in 2015
-  **Tourist arrivals** up by **18.4 %** during Jan-June 2016
-  **Trade deficit** narrowed by **2.2 %** during Jan-Mar. 2016
-  **Unemployment rate** was **4.6 %** in 2015
-  **Workers Remittance** grew by **5.9%** during Jan- May 2016



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Month	CCPI (%)		Core Inflation (%)		NCPI (%)	
	(2006/2007=100)		(2006/2007=100)		(2013=100)	
	Point to Point	Annual Average	Point to Point	Annual Average	Monthly Change	Point to Point
Aug-14	3.5	4.5	3.9	3.2	-0.6	
Sep	3.5	4.2	3.7	3.2	0.0	
Oct	1.6	3.8	3.6	3.3	-0.4	
Nov	1.5	3.5	3.6	3.4	0.8	
Dec	2.1	3.3	3.2	3.5	1.6	
Jan-15	3.2	3.2	2.1	3.4	3.9	9.4
Feb	0.6	2.9	0.8	3.2	-3.5	5.7
Mar	0.1	2.5	1.4	3.0	-1.2	4.3
Apr	0.1	2.1	2.4	2.9	-0.6	2.8
May	0.2	1.9	2.6	2.9	0.9	3.0
Jun	0.1	1.7	2.8	2.8	1.0	2.7
Jul	-0.2	1.3	3.5	2.8	-0.2	1.8
Aug	-0.2	1.0	3.9	2.8	-0.5	1.9
Sep	-0.3	0.7	4.2	2.8	0.0	1.9
Oct	1.7	0.7	4.4	2.9	0.7	3.0
Nov	3.1	0.9	4.3	3.0	2.6	4.8
Dec	2.8	0.9	4.5	3.1	1.1	4.2
Jan-16	0.9	0.7	4.6	3.3	-1.1	-0.7
Feb	2.7	0.9	5.7	3.7	-1.1	1.7
Mar	2.0	1.1	4.5	3.9	-0.7	2.2
Apr	3.1	1.3	4.5	4.1	1.5	4.3
May	4.8	1.7	6.6	4.5	1.9	5.3
Jun	6.0	2.2	6.4	4.8		



Source: Department of Census and Statistics

The point to point inflation increased to 6.0 per cent in June 2016. The annual average increased to 2.2 per cent in June 2016. Core inflation that measures the price movements of the items in the CCPI basket excluding fresh food, energy, transport, rice and coconut, decreased to 6.4 per cent, on point to point basis, while annual average core inflation increased to 4.8 per cent, in June 2016. The National Consumer Price Index (NCPI) covering price movements in all provinces of the country increased to 5.3 percent in May 2016, on year on year basis.

Contribution of Food Items to CCPI from May 2016 to June 2016

Movements of the CCPI in Food Items

Commodity	Value Change Rs.	Change %
<b>Food</b>	<b>1,076.97</b>	<b>2.04</b>
Sugar	31.26	0.06
Potatoes	44.87	0.09
Fresh Fish	184.49	0.35
Dried Fish	11.79	0.02
Papaw	-77.23	-0.75
Red Onion	29.80	0.06
Rice	17.62	0.03
Vegetables	539.35	1.02
Chicken	7.49	0.01
Dhal	12.55	0.02
Big Onion	10.11	0.02
Coconut	100.77	0.19
Eggs	-8.78	-0.02

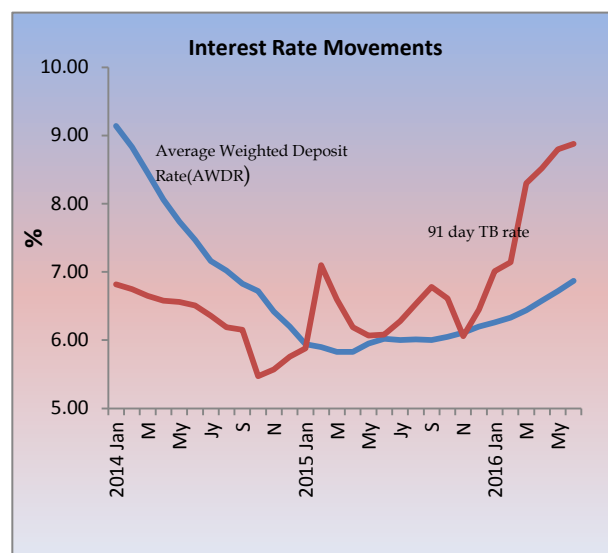
Source: Department of Census and Statistics

Month	% Change Month to Month	Inflation	
		Point to Point	Annual Average
Dec-14	1.8	7.0	3.8
Jan-15	3.8	12.0	4.7
Feb	-2.1	9.5	5.4
Mar	-2.8	6.3	5.8
Apr	-1.2	4.3	5.9
May	1.5	4.6	5.9
Jun	1.8	4.0	6.0
Jul	0.7	2.5	5.7
Aug	-1.5	2.2	5.5
Sep	-0.6	2.0	5.3
Oct	0.8	2.7	5.1
Nov	3.0	5.2	5.1
Dec	0.8	4.2	4.9
Jan-16	-0.5	-0.2	3.9
Feb	-1.1	0.8	3.2
Mar	-2.3	1.4	2.8
Apr	2.2	4.9	2.8
May	2.2	5.6	2.9
Jun	4.3	8.2	3.3

Source: Department of Census and Statistics

Month	CCPI (2006/07 =100)	CCPI Point to Point Change	CCPI Annual Average Change	91 Days T Bill Rate	Real Interest Rate (Y on Y)	Real Interest Rate (Annual Avg)
Dec-14	180.2	2.1	3.3	5.76	3.66	2.46
Jan-15	183.2	3.2	3.2	5.88	2.68	2.68
Feb	178.9	0.6	2.9	7.10	6.50	4.20
Mar	178.1	0.1	2.5	6.60	6.50	4.10
Apr	178.5	0.1	2.1	6.19	6.09	4.09
May	179.8	0.2	1.9	6.07	6.05	4.17
Jun	181.6	0.1	1.7	6.08	5.98	4.38
Jul	182.8	-0.2	1.3	6.28	6.48	4.98
Aug	181.9	-0.2	1.0	6.53	6.73	5.53
Sep	181.4	-0.3	0.7	6.78	7.08	6.08
Oct	182.1	1.7	0.7	6.61	4.91	5.91
Nov	184.7	3.1	0.9	6.06	2.96	5.16
Dec	185.2	2.8	0.9	6.45	3.65	5.55
Jan-16	184.9	0.9	0.7	7.01	6.11	6.31
Feb	183.8	2.7	0.9	7.14	4.44	6.24
Mar	181.7	2.0	1.1	8.30	6.30	7.20
Apr	184.1	3.1	1.3	8.45	5.35	7.15
May	188.5	4.8	1.7	8.80	4.00	7.10
Jun	192.5	6.0	2.2	8.86	2.86	6.66

Sources : Central Bank of Sri Lanka and Department of Census and Statistics



## Interest Rate Movements

Category	Week Ending 15 <sup>th</sup> Jul 2016	Week Ago	Month Ago	Year Ago
Standing Deposit Facility	6.50	6.50	6.50	6.00
Standing Lending Facility	8.00	8.00	8.00	7.50
Call Money Weekly Average	8.21	8.20	8.17	6.16
Treasury Bill (Yield rate)				
91 Days	-	8.87	8.82	6.14
182 Days	-	9.89	9.76	6.31
364 Days	10.49	10.56	10.53	6.31
Prime Lending Rate	10.89	10.64	10.47	6.85
	<b>Jun-16</b>		<b>Month Ago</b>	<b>Year Ago</b>
Commercial Bank Average Weighted Deposit Rate (AWDR)	6.87		6.72	6.02

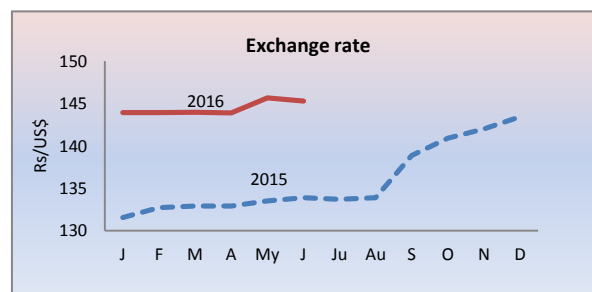
Source : Central Bank of Sri Lanka

Central Bank Standing Deposit Facility rate (SDF) and Standing Lending Facility rate (SLF) remained at 6.50 percent and 8.00 percent, respectively during this week. The Prime Lending rate increased to 10.89 per cent by week ending 15<sup>th</sup> July 2016 and Commercial Bank Average Weighted Deposit Rate (AWDR) for the month of June 2016 was 6.87 percent.

## Exchange Rates

Currency	Week Ending 15 <sup>th</sup> Jul 2016	Week Ago	Month Ago	Year Ago	% Change 2015/16
US Dollar	145.91	146.14	145.24	133.59	9.4
Sterling Pound	195.99	189.31	210.10	206.14	-8.2
Euro	162.25	161.86	164.16	146.78	10.3
Japanese Yen	1.38	1.45	1.36	1.09	33.0
Indian Rupee	2.17	2.15	2.18	2.11	1.9

Source : Central Bank of Sri Lanka



The Rupee depreciated against Sterling Pound, Euro and Indian Rupee while appreciated against US Dollar and Yen in this week.

# MONEY SUPPLY & CAPITAL MARKET

## Money Supply and Credit Growth

Item	Apr 2016	Mar 2016	Feb 2016	Apr 2015	Mar 2015	Feb 2015	Growth 2015Apr/2016 Apr(%)
M <sub>1</sub> (Rs Bn)	715.5	729.6	700.5	630.3	633.3	596.7	13.5
M <sub>2</sub> (Rs Bn)	4,242.0	4,206.4	4,158.4	3,593.4	3,553.6	3,492.6	18.0
M <sub>2b</sub> (Rs Bn)	4,772.1	4,731.6	4,703.8	4,038.2	3,980.7	3,926.6	18.2

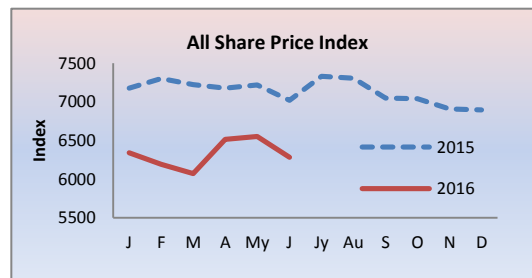
Source: Central Bank of Sri Lanka

Item	Apr 2016	Month Ago	Year Ago	Growth 2015Apr/2016 Apr(%)
<b>Credit to Private Sector (Rs.bn)</b>	<b>3,662.0</b>	<b>3,634.6</b>	<b>2,845.1</b>	<b>28.1</b>
DBUs	3,396.7	3,368.7	2,608.9	29.7
FCBUs	265.3	265.8	236.2	10.3

## Share Market

Indicator	Week ending 15 Jul -16	Week Ago	Year Ago
All Share Price Index (1985 = 100) (ASPI)	6,423	6,366	7,066
S & P Sri Lanka 20 Index (S & P SL20)	3,416	3,363	3,958
Average Daily Turnover (Rs.Mn)	867	615	674
Market Capitalization (Rs.Bn.)	2,737	2,713	3,002

Source: Colombo Stock Exchange



All Share Price Index (ASPI) increased by 57 index points and closed at 6,423 points compared to the first week of July. The S & P Sri Lanka 20 Index (S & P SL20) increased by 53 to 3,416 index points. The Average Daily Turnover increased by Rs. 252 million and stationed at Rs. 867 million. Market capitalization reached Rs. 2,737 billion compared to Rs. 3,002 billion in the same period of the last year.

## Equity Trading Statistics

Indicator	Jun 2016	Jun 2015	Jan - Jun 2016	Jan - Jun 2015
<b>Turnover -Equity (Rs. Mn.)</b>	<b>11,061.2</b>	<b>16,072.2</b>	<b>87,377.8</b>	<b>122,984.7</b>
Domestic (Rs. Mn.)	7,163.8	11,661.8	52,728.1	86,892.8
Foreign (Rs. Mn.)	3,897.4	4,410.5	34,649.7	36,091.9
Market Days	22	21	118	115
Daily Turnover Avg. Equity (Rs. Mn.)	502.8	765.3	740.5	1,069.4
<b>Trade Equity</b>	<b>81,370</b>	<b>124,085</b>	<b>533,657</b>	<b>770,450</b>
Domestic	76,437	118,886	504,047	731,275
Foreign	4,933	5,199	29,610	39,175
<b>Shares Traded Equity</b>	<b>483.7</b>	<b>697.9</b>	<b>3,734.6</b>	<b>4,712.3</b>
Domestic (Rs. Mn.)	415.7	593.2	2,970.8	4,101.7
Foreign (Rs. Mn.)	68.1	104.7	763.8	610.6
Companies Traded	269	276	274	278
Companies Listed	294	297	294	297

## Market Indicators

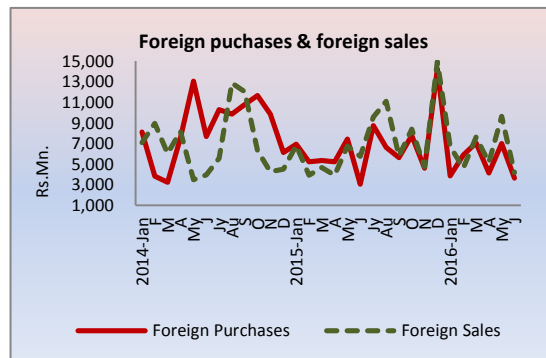
Price Indices	May 2016	Jun 2016
ASPI	6,550.51	6,283.27
S&P SL 20	3,425.57	3,300.20
<b>Total Return Indicators</b>		
ASTRI	8,638.87	8,291.43
S&P SL20 (TRI)	4,661.40	4,514.08
Market PER	14.04	12.98
Dividend Yield	2.64	3.06
Market Capitalization (Rs.Bn.)	2,791.18	2,677.63

Source: Colombo Stock Exchange

## Stock Market - Foreign Purchases and Foreign Sales

Indicator	Jun 2016	Jan - Jun 2016
Purchases by Foreigners (Rs. Mn)	3,631.6	31,508.6
Sales by Foreigners (Rs. Mn)	4,163.7	37,882.9
Net Foreign Purchases (Rs. Mn)	-532.1	-6,374.3

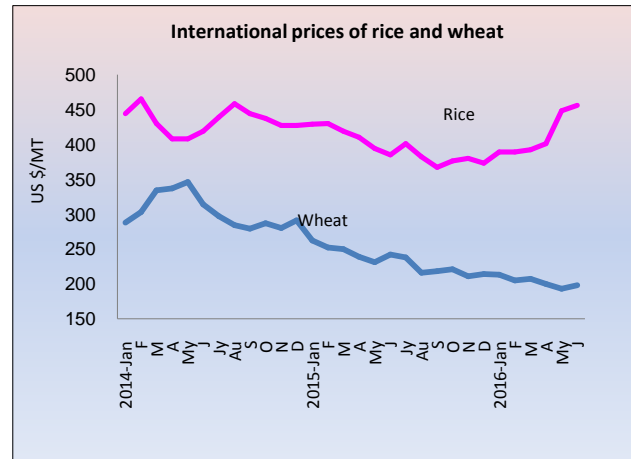
Source: Colombo Stock Exchange



# COMMODITY PRICES

## International Commodity Prices

Month	Milk Powder Average Price US\$/MT	Rice Thai,100% US\$/MT	Wheat (HRW) US\$/MT
Dec-2014	2,576	427	291
Jan-2015	2,573	429	262
Feb	2,913	430	252
Mar	3,225	419	250
Apr	2,780	410	239
May	2,637	394	231
Jun	2,455	385	242
Jul	2,164	401	238
Aug	1,912	382	216
Sep	2,148	367	218
Oct	2,597	376	221
Nov	2,420	380	211
Dec	2,279	375	212
Jan-2016	2,134	389	213
Feb	2,094	389	205
Mar	2,058	392	207
Apr	2,046	401	201
May	2,064	448	193
Jun	2,192	456	198



Source: FAO Web Site, Available at [fao.org/worldfoodsituation/foodpricesindex](http://fao.org/worldfoodsituation/foodpricesindex)

Commodity	Unit	Annual Averages			Monthly Averages		
		Jan-Dec 2013	Jan-Dec 2014	Jan-Dec 2015	Apr 2016	May 2016	Jun 2016
<b>Non Energy, Agriculture, Beverages</b>							
Cocoa	\$/kg	2.44	3.06	3.14	3.08	3.10	3.13
Coffee, Arabica	\$/kg	3.08	4.42	3.53	3.40	3.42	3.64
Tea, auctions (3) average	\$/kg	2.86	2.72	2.71	2.51	2.56	2.58
Tea, Colombo auctions	\$/kg	3.45	3.54	2.96	2.94	3.06	2.93
<b>Food, Fats &amp; Oils</b>							
Coconut Oil	\$/mt	941	1,280	1,110	1,586	1,445	1,563
Copra	\$/mt	627	854	736	1,045	963	1,048
Palm Oil	\$/mt	857	821	622	722	706	683
<b>Grains</b>							
Barley	\$/mt	202.2	137.6	194.3	172.0	171.7	171.5
Maize	\$/mt	259.4	192.9	169.8	164.4	169.0	179.0
Wheat, US HRW	\$/mt	312.2	284.9	203.2	187.5	171.8	173.9
<b>Other Food</b>							
Meat, Beef	\$/kg	4.07	4.95	4.42	3.91	3.96	4.00
Meat, Chicken	\$/kg	2.29	2.43	2.53	2.46	2.47	2.47
Sugar, World	\$/kg	0.57	0.37	0.30	0.34	0.38	0.43
<b>Raw Materials, Timber</b>							
Plywood	¢/sheets	560.2	517.3	451.2	498.4	501.2	517.7
Woodpulp	\$/mt	823.1	876.9	875.0	875.0	875.0	875.0
<b>Other Raw Materials</b>							
Rubber RSS3, US	\$/kg	2.79	1.96	1.56	1.72	1.67	1.58
<b>Fertilizers</b>							
Phosphate Rock	\$/mt	148.1	110.2	117.5	115.0	115.0	115.0
TSP	\$/mt	382.1	388.3	385.0	278.0	284.0	285.0
Urea	\$/mt	340.1	316.2	272.9	204.0	200.0	191.0
<b>Metals and Minerals</b>							
Aluminum	\$/mt	1,847	1,867	1,665	1,571	1,551	1,591
Gold	\$/toz	1,412	1,266	1,160	1,242	1,261	1,276
Iron ore	\$/dmt	135.0	97.0	56.0	61.0	55.0	52.0

Source: The World Bank, Available at [worldbank.org/WBSITE/EXTERNAL/EXTDEC/EXTDECPROPECTS](http://worldbank.org/WBSITE/EXTERNAL/EXTDEC/EXTDECPROPECTS)

¢= US cent

\$= US dollar

## Crude Oil Prices - Singapore Plattes Prices (US\$/bbl)

Item	Jul 11	Jul 12	Jul 13	Jul 14	Jul 15	Week Ago	Month Ago	Year Ago
Brent (New York Closing Prices) (US \$/bbl.)	46.42	46.37	48.04	46.68	46.81	46.81	48.92	64.00
WTI (US\$/bbl.)	45.01	44.86	46.39	45.20	45.12	45.48	47.57	58.41
Petrol	44.80	49.65	49.60	49.60	-	48.50	54.65	79.70
Diesel	55.38	55.29	55.50	53.82	-	55.44	58.23	75.49
Kerosene	55.82	55.75	55.93	54.05	-	55.72	57.50	76.01

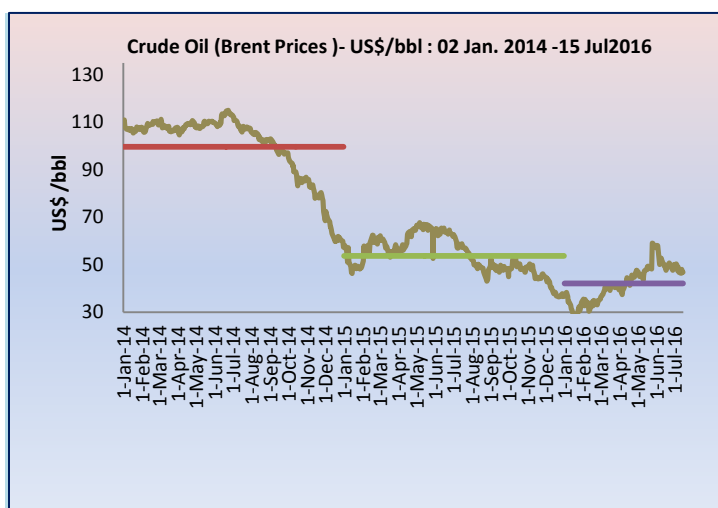
Source: Central Bank of Sri Lanka

## Crude Oil Prices (Monthly Average)

Month	WTI European Market (US\$/bbl)	Brent (US\$/bbl)
Nov	76.59	80.28
Dec	60.65	64.55
Jan-15	48.82	51.89
Feb	50.75	58.47
Mar	47.81	57.38
Apr	54.38	60.67
May	63.65	65.24
Jun	63.85	60.16
Jul	51.52	57.11
Aug	42.64	47.92
Sep	45.60	48.87
Oct	46.35	49.34
Nov	43.56	46.79
Dec	37.55	39.36
Jan-16	32.09	32.23
Feb	31.13	33.63
Mar	37.64	39.66
Apr	40.80	42.86
May	47.58	46.84
Jun	48.83	49.82
Jul*	46.53	47.98

Source: Central Bank of Sri Lanka

\*upto 15<sup>th</sup> Jul 2016

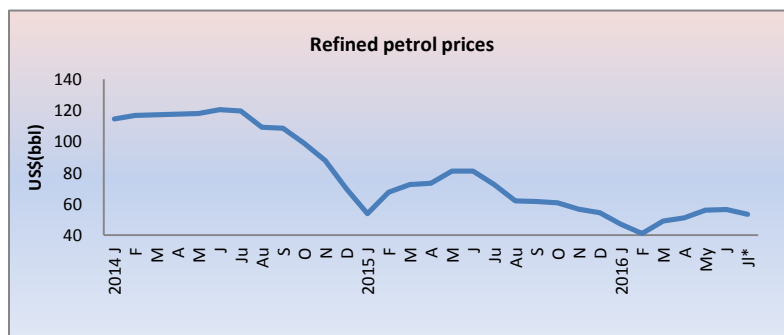


## Monthly Average Refined Product Prices -Singapore Plattes Prices (US\$/bbl)

Month	Petrol	Diesel	Kerosene
Nov	87.90	93.26	96.40
Dec	70.74	77.33	79.63
Jan-15	53.70	60.88	62.82
Feb	67.53	71.63	73.74
Mar	72.52	69.39	70.00
Apr	73.19	71.60	72.13
May	81.07	77.27	77.68
Jun	80.99	74.32	71.36
Jul	72.52	64.50	65.91
Aug	61.90	56.30	57.25
Sep	61.59	58.72	58.61
Oct	60.75	58.34	59.32
Nov	56.66	57.19	58.10
Dec	54.36	48.30	47.38
Jan-16	47.08	35.76	38.07
Feb	41.29	38.11	41.00
Mar	49.20	45.23	47.13
Apr	51.26	47.94	49.52
May	55.98	54.28	55.19
Jun	56.48	57.97	58.14
Jul*	50.49	56.25	56.47

Source: Central Bank of Sri Lanka

\*upto 14<sup>th</sup> Jul 2016



## Local Market Prices of Petroleum Products

Item	Unit	End 2013	End 2014	End 2015	Current Price 2016
Auto Diesel	1 liter	121.00	111.00	95.00	95.00
Petrol (Octane 92)	1 liter	162.00	150.00	117.00	117.00
Kerosene oil	1 liter	106.00	81.00	55.00	55.00
L P Gas	12.5 kg	2,396.00	1,896.00	1,346.00	1,346.00

**Pettah Market**

**Dambulla Market**

Average Wholesale Prices	Week Ending 14/07/16	Week Ago	% Change	Year Ago Annual Avg.
<b>Rice (Rs/Kg)</b>				
Samba	77.50	80.00	-3.1	83.22
Kekulu (Red)	53.00	55.00	-3.6	66.15
<b>Vegetable</b>				
Beans	150.00	150.00	0.0	160.49
Cabbage	140.00	160.00	-12.5	79.31
Carrots	130.00	180.00	-27.8	146.27
Tomatoes	160.00	200.00	-20.0	89.80
Pumpkins	140.00	180.00	-22.2	49.12
Snake Gourd	80.00	100.00	-20.0	73.73
Brinjals	60.00	80.00	-25.0	72.56
Ash Plantains	70.00	100.00	-30.0	81.08
<b>Other Foods</b>				
Red-Onions (Local)	100.00	165.00	-39.4	105.28
Big Onions (Local)	n.a.	n.a.	-	95.17
Potatoes (N'Eliya)	165.00	165.00	0.0	107.98
Dried Chilies (Imported)	300.00	300.00	0.0	248.90
Dhal (Indian)	163.00	160.00	1.9	161.98
Eggs (Red) (Each)	16.50	14.50	13.8	14.17
Coconut (Each)	25.00	26.50	-5.7	41.00
<b>Fish (Rs/Kg)</b>				
Kelawalla	430.00	450.00	-4.4	453.14
Balaya	300.00	360.00	-16.7	295.00
Salaya	100.00	150.00	-33.3	114.71
Paraw (Small)	600.00	650.00	-7.7	484.69

Source: Central Bank of Sri Lanka

Food Item	Wholesale (Average)
<b>Rice (Rs/Kg)</b>	
Samba	82.80
Kekulu (Red)	55.60
<b>Vegetables</b>	
Pumpkins	133.00
Snake Gourd	50.00
Ash Plantains	63.50
Beans	115.00
Carrots	161.00
Tomatoes	122.00
<b>Other Foods</b>	
Potatoes (N'Eliya)	148.00
Dried Chilies (Imported)	307.50
Big-Onions (Local)	n.a.
Red-Onions (Local)	87.00
Coconut (Each)	26.40

Source: Central Bank of Sri Lanka

**Marandagahamula Average Price of Rice (Rs /Kg)**

Item	Week Ending 14/07/16	Week Ago	Month Ago	Year Ago
Samba	73.10	75.25	80.18	79.56
Sudu Kekulu	58.72	60.75	63.25	62.37
Raw Red	57.30	57.75	58.91	66.17
Nadu	68.30	68.30	65.35	64.24

Source: Central Bank of Sri Lanka

Wholesale prices of most of the rice, vegetable and fish varieties decreased during this week. Prices of other commodities showed a mixed performance during this week.

Item	Unit	This Week	Week Ago	% Change	Rs. Year Ago
Rice					
Samba(Avg.)	1 kg	92.08	91.98	0.1	90.28
No. 1	1 kg	95.90	95.70	0.2	93.07
No. 2	1kg	88.25	88.26	0.0	87.48
Nadu Red	1kg	77.54	78.47	-1.2	85.15
Raw Red (Avg)	1kg	65.53	64.90	1.0	74.82
No. 1	1kg	68.75	68.24	0.7	78.66
No. 2	1kg	62.31	61.57	1.2	70.99
Wheat Flour	1 kg	94.31	92.96	1.5	86.26
Bread	450g	58.00	58.00	0.0	53.22
Sugar	1 kg	120.39	117.59	2.4	82.22
Lakspray	400g	325.00	325.00	0.0	325.00
Potatoes (Import)	1 kg	113.17	118.08	-4.2	105.04
Potatoes (Local)	1kg	179.43	178.36	0.6	155.48
Red Dhal(Avg)	1kg	200.21	200.48	-0.1	190.72
Cowpea (Avg)	1kg	255.31	257.23	-0.7	258.17
Green Gram(Avg)	1kg	251.33	254.37	-1.2	259.11
Kadalai (Avg)	1kg	234.21	228.75	2.4	162.34
Meat					
Beef	1kg	805.00	806.00	-0.1	673.94
Chicken					
Fresh	1kg	584.12	581.25	0.5	526.65
Broiler	1kg	380.00	380.00	0.0	380.00
Fresh Fish					
Paraw	1 kg	993.80	985.33	0.9	876.82
Balaya	1 kg	652.00	648.89	0.5	687.96
Kelawalla	1 kg	917.27	873.20	5.0	818.24
Salaya	1 kg	212.50	210.67	0.9	182.16
Dried Fish					
Sprats	1 kg	713.13	723.57	-1.4	580.93
Eggs	Each	15.46	14.22	8.7	15.49
Coconut	Each	45.57	45.71	-0.3	48.58
Coconut Oil	750ml	218.39	214.17	2.0	208.54
Red Onions	1 kg	168.68	174.88	-3.5	162.63
B- Onions (Import)	1 kg	82.73	83.13	-0.5	100.93
Brinjal	1kg	147.37	155.35	-5.1	96.50
Beans Green	1 kg	232.34	233.89	-0.7	221.46
Cabbage	1 kg	192.66	228.03	-15.5	123.23
Leeks	1 kg	194.85	234.00	-16.7	163.53
Beet Root	1kg	226.25	260.00	-13.0	175.32
Carrot	1kg	232.22	301.33	-22.9	213.76
Tomatoes	1kg	270.81	244.00	11.0	125.18
Radish	1kg	141.18	170.15	-17.0	129.60
Vetakolu	1kg	196.53	213.10	-7.8	142.73
Snake Gourd	1kg	176.23	187.43	-6.0	129.78
Bandakka	1kg	140.00	166.49	-15.9	129.93
Kolikuttu	1kg	213.00	203.48	4.7	167.40
Papaw	1kg	93.71	94.19	-0.5	104.65
Pineapple	1kg	128.79	129.28	-0.4	120.27

*The average retail prices of most of the rice and fish varieties increased and prices of vegetable varieties decreased during this week.*

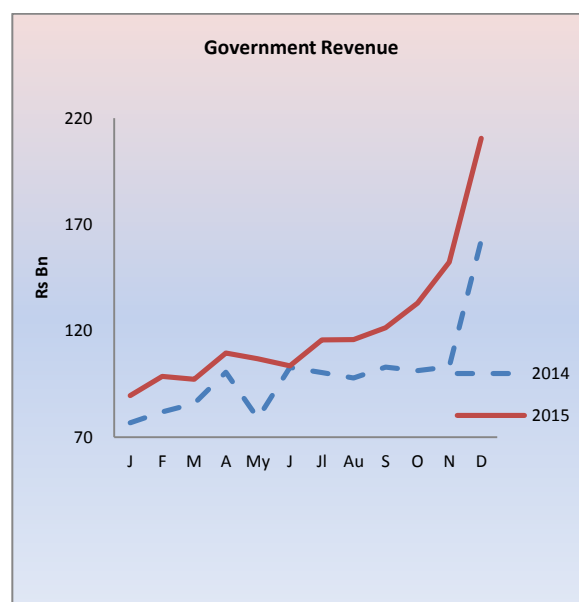
Source: Department of Census and Statistics



# FISCAL SECTOR AND GOVERNMENT DEBT

## Summary of Government Revenue -Jan-Dec

Rs. Million			
Item	2014	2015 (a)	Growth %
<b>Tax Revenue</b>	<b>1,050,362</b>	<b>1,355,779</b>	<b>29.1</b>
Income Tax	198,115	262,583	32.5
VAT	275,350	219,700	-20.2
Excise Duty	256,690	497,623	93.9
Nation Building Tax	44,583	45,004	0.9
PAL	68,646	58,644	-14.6
Customs Duty	81,108	132,189	63.0
SCL	47,953	52,276	9.0
Cess	38,707	46,289	19.6
License Fee and Other	39,209	41,471	4.2
<b>Non Tax Revenue</b>	<b>144,844</b>	<b>99,099</b>	<b>-31.6</b>
<b>Total Revenue</b>	<b>1,195,206</b>	<b>1,454,878</b>	<b>21.7</b>



Source: Department of Fiscal Policy

(a) provisional

Note: Not to be quoted

## Government Debt

Government Debt (Rs.bn)	End Dec 2014	End Dec 2015 (a)
Total Domestic Debt	4,277.8	4,959.2
Total Foreign Debt	3,113.1	3,544.0
<b>Total Government Debt</b>	<b>7,390.9</b>	<b>8,503.2</b>

Source: Central Bank of Sri Lanka

(a) provisional

## Key Fiscal Indicators 2014- 2015

Indicator	Unit	2014	2015
Budget Deficit	Rs Mn	591,244	829,502
	% of GDP	5.7	7.4
Total Revenue	Rs Mn	1,195,206	1,454,878
	% of GDP	11.4	13.0
Tax Revenue	Rs Mn	1,050,362	1,355,779
	% of GDP	10.1	12.1
Non Tax Revenue	Rs Mn	144,844	99,099
	% of GDP	1.4	0.9
Recurrent Expenditure	Rs Mn	1,322,898	1,701,657
	% of GDP	12.7	15.2
Public Investment	Rs Mn	486,610	602,768
	% of GDP	4.7	5.4
Government Debt	Rs Mn	7,390,899	8,503,227
	% of GDP	70.7	76.0

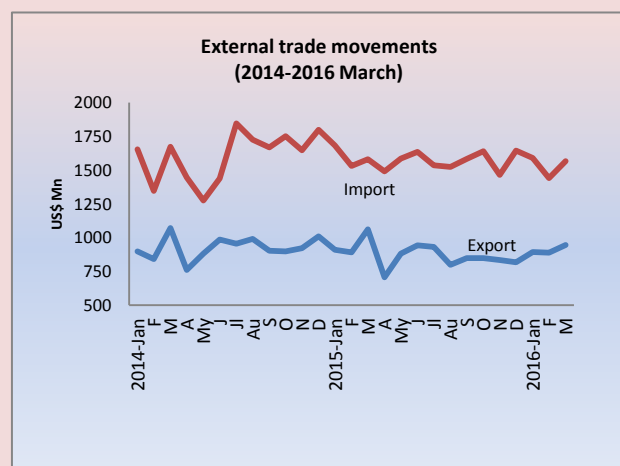
Compiled by Department of Fiscal Policy

## EXTERNAL SECTOR

## External Trade

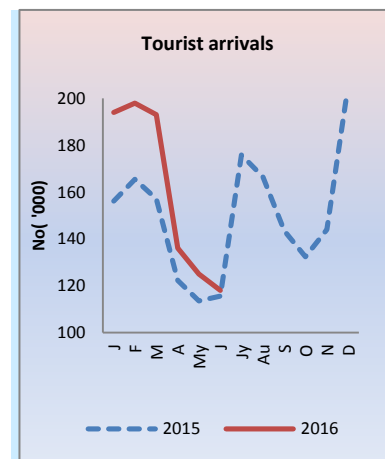
Category	Mar 2015 (US\$ Mn)	Mar 2016 (US\$ Mn)	Growth Rate (%)	Jan-Mar 2015 (US\$ Mn)	Jan-Mar 2016 (US\$ Mn)	Growth Rate (%)
<b>Exports</b>	<b>1,064.7</b>	<b>945.4</b>	<b>-11.2</b>	<b>2,884.4</b>	<b>2,728.0</b>	<b>-5.4</b>
<b>Agricultural</b>	<b>214.1</b>	<b>200.7</b>	<b>-6.3</b>	<b>618.9</b>	<b>562.2</b>	<b>-9.2</b>
Tea	113.4	112.7	-0.6	335.3	313.1	-6.6
Other	100.7	88.0	-14.2	283.6	249.1	-12.2
<b>Industrial</b>	<b>845.7</b>	<b>740.4</b>	<b>-12.5</b>	<b>2,251.5</b>	<b>2,154.4</b>	<b>-4.3</b>
Rubber Products	76.1	71.6	-5.9	207.8	203.2	-2.2
Textiles and Garments	428.2	441.8	3.2	1,258.0	1,369.3	8.9
Food, Beverage and Tobacco	24.8	29.0	17.2	66.9	81.4	21.8
Other	316.6	198.0	-20.9	718.8	500.5	-30.4
<b>Mineral</b>	<b>3.3</b>	<b>2.8</b>	<b>-16.5</b>	<b>10.0</b>	<b>7.6</b>	<b>-23.5</b>
<b>Unclassified</b>	<b>1.6</b>	<b>1.5</b>	<b>-2.5</b>	<b>4.0</b>	<b>3.7</b>	<b>-6.7</b>
<b>Imports</b>	<b>1,580.9</b>	<b>1,566.0</b>	<b>-0.9</b>	<b>4,792.1</b>	<b>4,594.5</b>	<b>-4.1</b>
<b>Consumer Goods</b>	<b>441.5</b>	<b>420.1</b>	<b>-4.9</b>	<b>1,191.3</b>	<b>1,109.2</b>	<b>-6.9</b>
Food and Beverages	147.3	158.3	7.4	462.8	399.5	-13.7
Other Consumer Goods	294.2	261.8	8.0	434.3	447.9	3.1
<b>Intermediate Goods</b>	<b>741.0</b>	<b>715.2</b>	<b>-3.5</b>	<b>2,397.0</b>	<b>2,240.3</b>	<b>-6.5</b>
Petroleum	155.5	162.1	4.2	709.1	485.7	-31.5
Textiles & Textile Articles	177.0	222.6	25.7	588.1	698.5	18.8
Other Intermediate Goods	408.5	330.5	-19.1	1,099.8	1,056.1	4.0
<b>Investment Goods</b>	<b>397.5</b>	<b>430.2</b>	<b>8.2</b>	<b>1,201.7</b>	<b>1,243.5</b>	<b>3.5</b>
Machinery and Equipment	172.3	246.7	43.2	586.3	712.4	21.5
Transport Equipment	136.3	52.3	-61.6	297.8	157.7	-47.0
Building Material	88.7	130.7	47.4	316.0	371.6	17.6
Other Investment Goods	0.3	0.5	64.5	1.7	1.9	13.2
<b>Unclassified</b>	<b>0.8</b>	<b>0.5</b>	<b>-37.6</b>	<b>2.1</b>	<b>1.3</b>	<b>-36.5</b>
<b>Trade Balance</b>	<b>-516.2</b>	<b>-620.7</b>	<b>20.2</b>	<b>-1,907.7</b>	<b>-1,866.5</b>	<b>-2.2</b>

Source: Central Bank of Sri Lanka



- Export earnings during January to March 2016 declined by 5.4 percent, compared to the respective period of 2015. The earnings for the month of March dropped by 11.2 percent on year on year basis, reflecting the negative contribution from agricultural, industrial and mineral exports.
- On a cumulative basis, expenditure on imports decreased by 4.1 percent for the period during January to March 2016. Expenditure on imports for the month of March 2016 recorded 0.9 percent contraction over the corresponding month of 2015 due to decline in imports of consumer and intermediate goods.
- Trade deficit was US\$ 1,867Mn during January to March 2016 recording 2.2 percent decline over the same period of 2015.

Month	Arrivals				Earnings US\$ Mn			
	2014	2015	2016	% change 2015/16	2014	2015	2016	% change 2015/16
Jan	146,575	156,246	194,280	24.3	233.3	248.7	309.3	24.3
Feb	141,878	165,541	197,697	19.4	225.9	274.4	327.7	19.4
Mar	133,048	157,051	192,841	22.8	192.2	260.3	319.6	22.8
Apr	112,631	122,217	136,367	11.6	179.3	202.6	226.0	11.6
May	90,046	113,529	125,044	10.1	143.3	188.2	207.2	10.1
Jun	103,175	115,467	118,038	2.2	164.2	191.4	195.6	2.2
July	133,971	175,804			213.3	279.9		
Aug	140,319	166,610			223.4	265.2		
Sep	105,535	143,374			168.0	228.2		
Oct	121,576	132,280			193.5	210.6		
Nov	119,727	144,147			190.6	229.5		
Dec	178,672	206,114			284.4	328.1		
<b>Total</b>	<b>1,527,153</b>	<b>1,798,380</b>	<b>964,267*</b>	<b>16.2</b>	<b>2,431.0</b>	<b>2,862.9</b>	<b>1,598.2*</b>	<b>16.4</b>



Source: Sri Lanka Tourism Development Authority

\*Jan-Jun

### Tourism

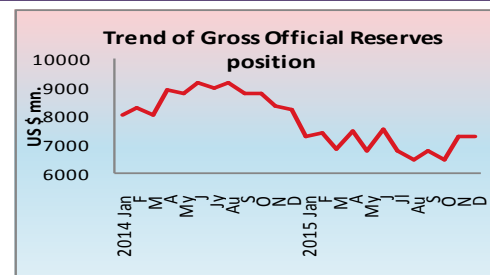
Earnings from tourism increased to US \$ 1,598.2 Mn. during January to June 2016 with an increase of 16.2 per cent over the same period of 2015.

The number of tourist arrivals increased to 964,267 during January to June 2016, a 16.2 per cent increase compared to same period of 2015.

### External Assets

External Assets (US\$ Mn)	Mar 2016	Feb 2016	Jan 2016	Mar 2015	Feb 2015	Jan 2015	Growth 2015Mar /2016 Mar(%)
Total Reserves	8,203.6	9,285.4	8,393	8,586.9	9,028.6	8,861	-4.5
Gross Official Reserves	6,221.2	6,573.4	6,294	6,819.5	7,420.5	7,252	-8.8

Source: Central Bank of Sri Lanka



### Official reserves

The gross official reserves and total reserves were US\$ 6.2 Bn and US\$ 8.2 Bn, respectively by end March 2016. Total foreign reserves were sufficient to 5.3 months of imports and the gross official reserves were equivalent to 4.0 months of imports. Workers' remittances increased by 5.9 per cent in dollar terms to US \$ 2,969 Mn. in May 2016.

### Private Remittances

Category	2015 Jan -May	2016 Jan -May (a)	% Change
Inflows US\$ Mn	2,803.1	2,968.6	5.9
Rs. Bn	372.1	428.3	15.1

Source: Central Bank of Sri Lanka

(a) Provisional

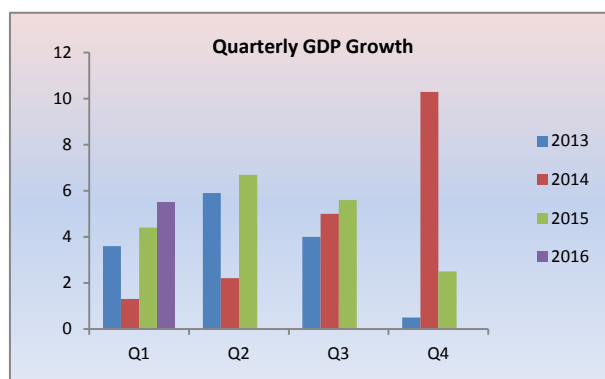
## PRODUCTION

### QUARTERLY GDP GROWTH (%)

	1 <sup>st</sup> Q	2 <sup>nd</sup> Q	3 <sup>rd</sup> Q	4 <sup>th</sup> Q	Annual
<b>2012</b>	<b>8.0</b>	<b>6.4</b>	<b>5.2</b>	<b>6.8</b>	<b>9.1</b>
Agriculture	13.3	0.6	0.6	2.6	4.0
Industry	21.0	10.6	-2.6	8.5	9.0
Service	14.6	11.1	10.7	8.8	11.2
<b>2013</b>	<b>3.6</b>	<b>5.9</b>	<b>4.0</b>	<b>0.5</b>	<b>3.4</b>
Agriculture	2.2	3.9	4.5	2.5	3.2
Industry	6.7	6.0	2.8	0.6	4.1
Service	2.9	7.7	5.5	-0.8	3.8
<b>2014</b>	<b>1.3</b>	<b>2.2</b>	<b>5.0</b>	<b>10.3</b>	<b>4.9</b>
Agriculture	7.3	4.1	3.2	5.0	4.9
Industry	-1.5	-2.8	7.8	11.7	3.5
Service	1.9	4.0	3.0	11.7	5.2
<b>2015</b>	<b>4.4</b>	<b>6.7</b>	<b>4.8</b>	<b>2.5</b>	<b>4.8</b>
Agriculture	5.9	10.4	7.3	-0.5	5.5
Industry	1.4	3.9	4.9	1.9	3.0
Service	5.4	6.9	6.5	2.7	5.3
<b>2016</b>	<b>5.5</b>				
Agriculture	1.9				
Industry	8.3				
Service	4.9				

Source: Department of Census & Statistics

Note : Growth rate of value added terms based on year 2010



#### GDP growth continues at a relatively high rate

The Sri Lankan economy grew by 5.5% in the first quarter of 2016 compared to the 4.4% growth recorded in the same period of 2015. The Industry sector mainly supported to this growth with 8.3% contribution while the Agriculture and Service sectors contributed to GDP by 1.9% and 4.9%, respectively.

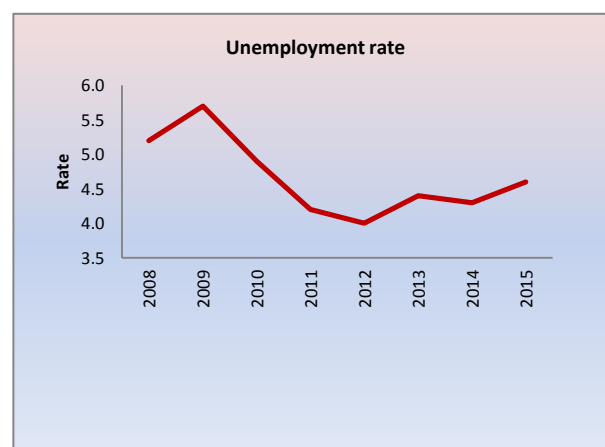
### Labour Force Statistics

Employment	2014	2015	2015	2015	2014
	4 <sup>th</sup> Quarter (a)	4 <sup>th</sup> Quarter (a)*	3 <sup>rd</sup> Quarter (a)*	Annual (a)	Annual (a)
Labour Force Participation Rate	52.9	53.6	53.8	53.8	53.3
Unemployment Rate	4.4	4.3	5.0	4.6	4.3
Unemployment Rate					
<b>By Gender</b>					
Male	2.9	2.6	3.5	3.0	3.1
Female	7.2	7.6	7.8	7.6	6.1
<b>By Age Group</b>					
20-29	13.5	13.0	14.9	14.2	13.7
20-24	21.2	15.4	21.7	n.a.	20.0
25-29	86.9	10.9	8.8	n.a.	8.3

Source: Department of Census & Statistics

(a) Data cover the entire island

\* Provisional



### Paddy Production

Category	2014			2015		
	2013/2014 Maha	2014 Yala	Total	2014/2015 Maha	2015 Yala	Total
<b>Production</b>						
Mn.Mt	2.23	1.14	3.38	2.88	1.94	4.82
Bushels Mn.	107	55	162	138	93	231
<b>Net Extent Harvested</b>						
Hectares ('000)	521	272	793	659	429	1,088
Acres ('000)	1,286	673	1,959	1,629	1,060	2,689
<b>Average Yield kg per ha</b>	4,222	4,204	4,264	4,364	4,527	4,429

Source: Department of Census & Statistics

The paddy production in 2015 increased by 43 percent to around 4.8 million mt. compared to the 3.4 million mt recorded in 2014. Average Yield per hectare for that period increased to 4,429 kg.

## Tea, Rubber & Coconut Production

Category	2015 Jan - May	2016 Jan - May	% Change
<b>Production</b>			
Tea (Mn. Kg)	143.0	127.1	-11.1
Rubber (Mn. Kg)	43.9	42.5	-3.2
Coconut (Mn. Nuts)	1,233.4	1,260.0	2.2
<b>Exports (US\$ Mn)</b>			
	2015 Jan -Mar	2016 Jan -Mar	
Tea	335.3	313.1	-6.6
Rubber	7.4	9.9	34.2
Coconut	82.1	87.8	6.8
<b>Colombo Auction Prices</b>			
	2015 Feb	2016 Feb	
Tea (Rs./ Kg)	416.89	402.22	-3.5
Rubber (Rs./ Kg)	275.8	194.0	-29.6
Coconut (Rs/nut)	44.9 *	n.a.	-

Source: Central Bank of Sri Lanka and Forbes & Walkers Commodity Brokers Pvt Ltd

## Factory Industrial Production Index (2010=100)

Item	2015 Mar	2016 Mar(a)	Growth %
Manufacture of Food Products	113.4	115.8	2.2
Manufacture of Beverages	143.6	151.0	5.2
Manufacture of Tobacco Products	84.3	101.1	19.9
Manufacture of Textiles	140.1	155.7	11.1
Manufacture of Wearing Apparel	189.0	175.3	-7.2
Manufacture of Leather and Related Products	81.1	111.0	36.9
Manufacture of Wood products except Furniture	143.6	152.1	5.9
Manufacture of Paper and Paper Products	126.6	126.6	0.0
Printing and Reproduction of Recorded Media	112.0	112.0	0.0
Manufacture of Coke and Refined Petroleum Products	8.6	95.1	1,004.5
Manufacture of Chemicals and Chemical Products	87.2	87.5	0.4
Manufacture of Pharmaceuticals, Medicinal Chemicals	183.1	148.5	-18.9
Manufacture of Rubber and Plastic Products	137.6	147.7	7.3
Manufacture of Other Non Metallic Mineral Products	128.3	139.2	8.5
Manufacture of Basic Metals	119.3	171.8	44.1
Manufacture of Fabricated Metal Products	109.6	124.6	13.7
Manufacture of Electrical Equipment	125.2	111.6	-10.9
Manufacture of Machinery and Equipment	99.6	110.4	10.8
<b>Factory Industry Production Index</b>	<b>130.9</b>	<b>135.4</b>	<b>3.4</b>

Source: Central Bank of Sri Lanka

(a) Provisional