

WEEKLY ECONOMIC REPORT

June 30, 2017

Department of Fiscal Policy



CCPI decreased to 6.0% in May 2017



NCPI increased to 7.1 % in May 2017



Trade deficit widened to 34.1% in March 2017



GDP grew by 3.8 % in first quarter 2017



Exchange rate depreciated to US\$1=Rs. 153.30



Credit to private sector decreased by 20.0% in April 2017



Brent crude oil decreased to: US\$ 47.71 per bbl



Government revenue up by 15.9 % in 2016



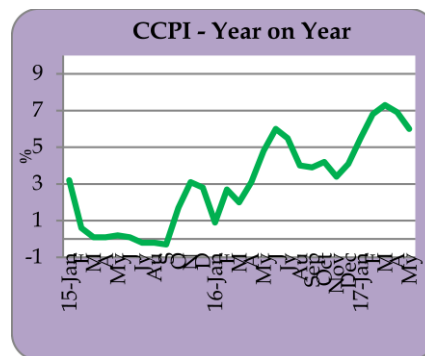
Tourist arrivals up by 4.8% during Jan-May 2017



Unemployment rate was 4.4% in 2016



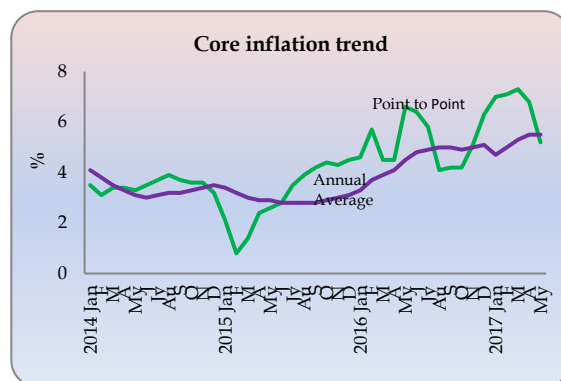
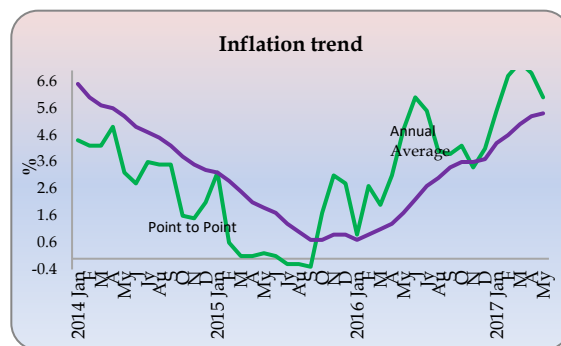
Worker's Remittances declined by 5.8% during Jan-May 2017



| Month | CCPI (%) | | Core Inflation (%) | | NCPI (%) | |
|--------|----------------|----------------|--------------------|----------------|----------------|----------------|
| | (2013=100) | | (2013=100) | | (2013=100) | |
| | Point to Point | Annual Average | Point to Point | Annual Average | Monthly Change | Point to Point |
| Jul-15 | 1.1 | 1.3* | 5.0 | 2.8* | -0.2 | 1.8 |
| Aug | 1.0 | 1.0* | 5.2 | 2.8* | -0.5 | 1.9 |
| Sep | 1.1 | 0.7* | 5.6 | 2.8* | 0.0 | 1.9 |
| Oct | 2.9 | 0.7* | 5.5 | 2.9* | 0.7 | 3.0 |
| Nov | 4.4 | 0.9* | 6.5 | 3.0* | 2.6 | 4.8 |
| Dec | 4.6 | 0.9* | 6.7 | 3.1* | 1.1 | 4.2 |
| Jan-16 | 1.7 | 2.1 | 3.6 | 4.9 | -1.1 | -0.7 |
| Feb | 2.9 | 2.1 | 4.4 | 5.0 | -1.1 | 1.7 |
| Mar | 2.6 | 2.2 | 3.7 | 5.0 | -0.7 | 2.2 |
| Apr | 3.4 | 2.4 | 3.5 | 4.9 | 1.5 | 4.3 |
| May | 4.8 | 2.7 | 5.6 | 5.0 | 1.9 | 5.3 |
| Jun | 5.5 | 3.0 | 5.4 | 5.1 | 2.1 | 6.4 |
| Jul | 5.8 | 3.4 | 5.0 | 5.1 | -0.8 | 5.8 |
| Aug | 4.4 | 3.7 | 3.8 | 4.9 | -1.6 | 4.5 |
| Sep | 4.2 | 3.9 | 3.7 | 4.8 | 0.2 | 4.7 |
| Oct | 4.1 | 4.0 | 3.8 | 4.6 | 4.0 | 5.0 |
| Nov | 4.0 | 4.0 | 4.8 | 4.5 | 4.0 | 4.1 |
| Dec | 4.5 | 4.0 | 5.8 | 4.4 | 4.0 | 4.2 |
| Jan-17 | 5.5 | 4.3 | 7.0 | 4.7 | 1.1 | 6.5 |
| Feb | 6.8 | 4.6 | 7.1 | 5.0 | 0.5 | 8.2 |
| Mar | 7.3 | 5.0 | 7.3 | 5.3 | -0.3 | 8.6 |
| Apr | 6.9 | 5.3 | 6.8 | 5.5 | 1.3 | 8.4 |
| May | 6.0 | 5.4 | 5.2 | 5.5 | - | - |

Source: Department of Census and Statistics, * Base year - 2006/2007 = 100

The point to point inflation of CCPI decreased to 6.0 per cent in May 2017. The annual average of CCPI increased to 5.4 per cent in May 2017. Core inflation that measures the price movements of the items in the CCPI basket excluding fresh food, energy, transport, rice and coconut, decreased to 5.2 per cent, on point to point basis, while annual average core inflation increased to 5.5 per cent, in May 2017. The National Consumer Price Index (NCPI) covering price movements in all provinces of the country increased to 8.4 per cent in April 2017, on year on year basis.



Contribution of Food Items to CCPI from April 2017 to May 2017

| Commodity | Value Change Rs. | Change % |
|-------------|------------------|-------------|
| Food | 465.91 | 0.66 |
| Rice | 18.06 | 0.03 |
| Chicken | 43.14 | 0.06 |
| Dried Fish | 33.36 | 0.05 |
| Coconut | 51.32 | 0.07 |
| Coconut Oil | 15.45 | 0.02 |
| Vegetables | 284.02 | 0.40 |
| Red Onions | 27.53 | 0.04 |
| Dhal | -5.39 | -0.01 |
| Garlic | 10.92 | 0.02 |
| Sugar | -4.73 | -0.01 |
| Banana | -14.34 | -0.02 |
| Papaw | -162.59 | -0.23 |
| Mangoes | -4.33 | -0.01 |

Source: Department of Census and Statistics

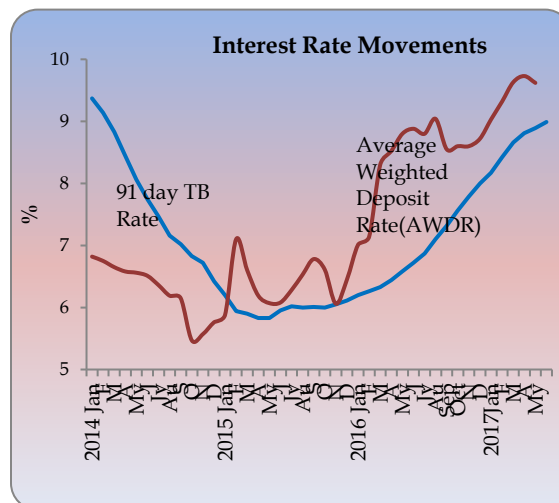
Movements of the CCPI in Food Item (2013=100)

| Month | % Change Month to Month | Inflation | |
|--------|-------------------------|----------------|----------------|
| | | Point to Point | Annual Average |
| Nov-15 | 3.2 | 5.7 | 5.1 |
| Dec | 0.9 | 4.1 | 4.9 |
| Jan-16 | 1.2 | 0.9 | 4.4 |
| Feb | -1.7 | 2.0 | 3.7 |
| Mar | -2.1 | 3.1 | 3.3 |
| Apr | 2.3 | 7.3 | 3.5 |
| May | 1.6 | 7.4 | 3.7 |
| Jun | 5.0 | 9.8 | 4.2 |
| Jul | 2.3 | 11.7 | 5.0 |
| Aug | -4.5 | 8.3 | 5.5 |
| Sep | -1.6 | 7.5 | 5.9 |
| Oct | 0.6 | 6.9 | 6.2 |
| Nov | 0.6 | 4.3 | 6.1 |
| Dec | 0.8 | 4.1 | 6.1 |
| Jan-17 | 1.6 | 4.5 | 6.4 |
| Feb | 1.2 | 7.7 | 6.9 |
| Mar | -0.7 | 9.2 | 7.4 |
| Apr | 1.7 | 8.6 | 7.5 |
| May | 2.3 | 9.3 | 7.6 |

Source: Department of Census and Statistics

| Month | CCPI (2013 =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) |
|--------|------------------|----------------------------|----------------------------|---------------------|-----------------------------|---------------------------------|
| Nov | 109.2 | 4.4 | 0.9 | 6.06 | 1.66 | 5.16 |
| Dec | 109.8 | 4.6 | 0.9 | 6.45 | 1.85 | 5.55 |
| Jan-16 | 110.0 | 1.7 | 2.1 | 7.01 | 5.31 | 4.91 |
| Feb | 109.3 | 2.9 | 2.1 | 7.14 | 4.24 | 5.04 |
| Mar | 108.6 | 2.6 | 2.2 | 8.30 | 5.70 | 6.10 |
| Apr | 109.5 | 3.4 | 2.4 | 8.45 | 5.05 | 6.05 |
| May | 111.5 | 4.8 | 2.7 | 8.80 | 4.00 | 6.10 |
| June | 113.2 | 5.5 | 3.0 | 8.86 | 3.36 | 5.86 |
| Jul | 113.9 | 5.8 | 3.4 | 8.80 | 3.00 | 5.40 |
| Aug | 112.1 | 4.4 | 3.7 | 9.04 | 4.64 | 5.34 |
| Sep | 111.8 | 4.2 | 3.9 | 8.55 | 4.35 | 4.65 |
| Oct | 112.1 | 4.1 | 4.0 | 8.60 | 4.50 | 4.60 |
| Nov | 113.6 | 4.0 | 4.0 | 8.60 | 4.60 | 4.60 |
| Dec | 114.7 | 4.5 | 4.0 | 8.72 | 4.22 | 4.72 |
| Jan-17 | 116.1 | 5.5 | 4.3 | 9.03 | 3.53 | 4.73 |
| Feb | 116.7 | 6.8 | 4.6 | 9.32 | 2.52 | 4.73 |
| Mar | 116.5 | 7.3 | 5.0 | 9.63 | 2.33 | 4.63 |
| Apr | 117.1 | 6.9 | 5.3 | 9.73 | 2.83 | 4.43 |
| May | 118.2 | 6.0 | 5.4 | 9.62 | 3.62 | 4.22 |

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



Interest Rate Movements

| Category | Week Ending 30 th June 2017 | Week Ago | Month Ago | Year Ago |
|--|--|----------|------------------|-----------------|
| Standing Deposit Facility | 7.25 | 7.25 | 7.00 | 6.50 |
| Standing Lending Facility | 8.75 | 8.75 | 8.00 | 8.00 |
| Call Money Weekly Average | 8.75 | 8.75 | 8.50 | 8.19 |
| Treasury Bill (Yield rate) | | | | |
| 91 Days | 9.60 | 9.60 | - | 8.88 |
| 182 Days | 10.29 | 10.29 | 9.39 | 9.86 |
| 364 Days | 10.47 | 10.47 | 10.11 | 10.55 |
| Prime Lending Rate | 11.70 | 11.69 | 11.98 | 10.23 |
| | May-17 | | Month Ago | Year Ago |
| Commercial Bank Average Weighted Deposit Rate (AWDR) | 8.99 | | 8.89 | 6.72 |

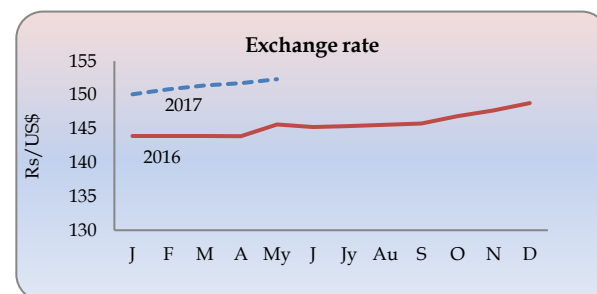
Source : Central Bank of Sri Lanka

Central Bank Standing Deposit Facility rate (SDF) and Standing Lending Facility rate (SLF) increased to 7.25 percent and 8.75 percent, respectively during this week. The Prime Lending rate increased to 11.70 per cent by week ending 30th June 2017 and Commercial Bank Average Weighted Deposit Rate (AWDR) for the month of May 2017 was 8.99 percent.

Exchange Rates

| Currency | Week Ending 30 th June 2017 | Week Ago | Year Ago | % Change 2016/17 |
|----------------|--|----------|----------|------------------|
| US Dollar | 153.30 | 153.07 | 146.55 | 4.6 |
| Sterling Pound | 199.74 | 194.38 | 196.62 | 1.6 |
| Euro | 175.38 | 170.78 | 162.86 | 7.7 |
| Japanese Yen | 1.37 | 1.38 | 1.43 | -4.2 |
| Indian Rupee | 2.37 | 2.37 | 2.15 | 10.2 |

Source : Central Bank of Sri Lanka



The rupee depreciated against US Dollar, Euro, sterling pound and Indian Rupee while the rupee appreciated against Japanese Yen.

Money Supply and Credit Growth

| Item | Apr 2017 | Mar 2017 | Feb 2017 | Apr 2016 | Mar 2016 | Feb 2016 | Growth 2016 Apr/2017 Apr (%) |
|-------------------------|----------|----------|----------|----------|----------|----------|------------------------------|
| M ₁ (Rs Bn) | 765.2 | 782.0 | 744.6 | 715.5 | 729.6 | 700.5 | 7.0 |
| M ₂ (Rs Bn) | 5,146.8 | 5,096.2 | 4,951.3 | 4,242.1 | 4,206.4 | 4,158.4 | 21.3 |
| M _{2b} (Rs Bn) | 5,730.8 | 5,677.4 | 5,552.0 | 4,772.1 | 4,731.6 | 4,703.8 | 20.1 |

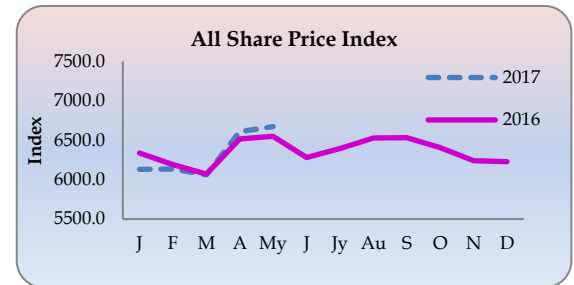
Source: Central Bank of Sri Lanka

| Item | Apr 2017 | Month Ago | Year Ago | Growth 2016 Apr /2017 Apr (%) |
|---|----------------|----------------|----------------|-------------------------------|
| Credit to Private Sector (Rs.bn) | 4,394.1 | 4,375.2 | 3,662.0 | 20.0 |
| DBUs | 4,085.9 | 4,065.8 | 3,396.7 | 20.1 |
| OBU's | 308.3 | 309.4 | 265.3 | -0.4 |

Share Market

| Indicator | Week Ending 30 th June 2017 | Week Ago | Year Ago |
|---|--|----------|----------|
| All Share Price Index (1985 = 100) (ASPI) | 6,747 | 6,715 | 6,283 |
| S & P Sri Lanka 20 Index (S & P SL20) | 3,934 | 3,915 | 3,300 |
| Average Daily Turnover (Rs.Mn) | 1,150 | 1,189 | 455 |
| Market Capitalization (Rs.Bn.) | 3,041 | 3,027 | 2,678 |

Source: Colombo Stock Exchange



All Share Price Index (ASPI) increased by 32 index points and closed at 6,747 points compared to the fourth week of June 2017. The S & P Sri Lanka 20 Index (S & P SL20) decreased by 19 to 3,934 index points. The Average Daily Turnover decreased by Rs. 39 million and stationed at Rs.1, 150 million. Market capitalization reached Rs. 3,041 billion in the fifth week of June 2017.

Equity Trading Statistics Market Indicators

| Indicator | May 2017 | May 2016 | Jan-May 2017 | Jan-May 2016 |
|--------------------------------------|-----------------|-----------------|-----------------|-----------------|
| Turnover -Equity (Rs. Mn.) | 17,496.7 | 17,204.4 | 89,219.1 | 76,316.6 |
| Domestic (Rs. Mn.) | 12,583.2 | 8,901.3 | 48,207.6 | 45,564.3 |
| Foreign (Rs. Mn.) | 4,913.5 | 8,303.1 | 41,011.5 | 30,752.2 |
| Market Days | 20 | 20 | 99 | 96 |
| Daily Turnover Avg. Equity (Rs. Mn.) | 874.8 | 860.2 | 9901.2 | 794.9 |
| Trade Equity | 104,904 | 109,940 | 357,703 | 452,287 |
| Domestic | 100,468 | 104,102 | 336,822 | 427,610 |
| Foreign | 4,436 | 5,838 | 20,881 | 24,677 |
| Shares Traded Equity | 800.6 | 534.2 | 3,567.5 | 3,250.8 |
| Domestic (Rs. Mn.) | 702.0 | 410.3 | 2,597.2 | 2,555.1 |
| Foreign (Rs. Mn.) | 98.6 | 123.8 | 970.3 | 695.7 |
| Companies Traded | 276 | 270 | 278 | 274 |
| Companies Listed | 296 | 294 | 296 | 294 |

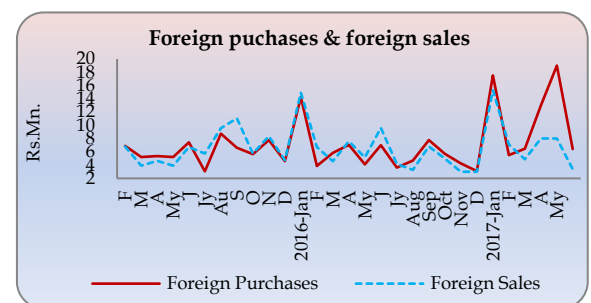
| Price Indices | May 2017 | Apr 2017 |
|--------------------------------|----------|----------|
| ASPI | 6,674.32 | 6,610.46 |
| S&P SL 20 | 3,818.90 | 3,786.39 |
| Total Return Indicators | | |
| ASTRI | 8,845.93 | 8,755.66 |
| S&P SL20 (TRI) | 5,398.10 | 5,330.96 |
| Market PER | 11.70 | 12.62 |
| Dividend Yield | 2.58 | 2.71 |
| Market Capitalization (Rs.Bn.) | 2,952.54 | 2,908.77 |

Source: Colombo Stock Exchange

Stock Market - Foreign Purchases and Foreign Sales

| Indicator | May 2017 | Jan-May 2017 |
|----------------------------------|----------|--------------|
| Purchases by Foreigners (Rs. Mn) | 6,401.9 | 50,410.7 |
| Sales by Foreigners (Rs. Mn) | 3,425.1 | 27,855.3 |
| Net Foreign Purchases (Rs. Mn) | 2,976.8 | 22,555.4 |

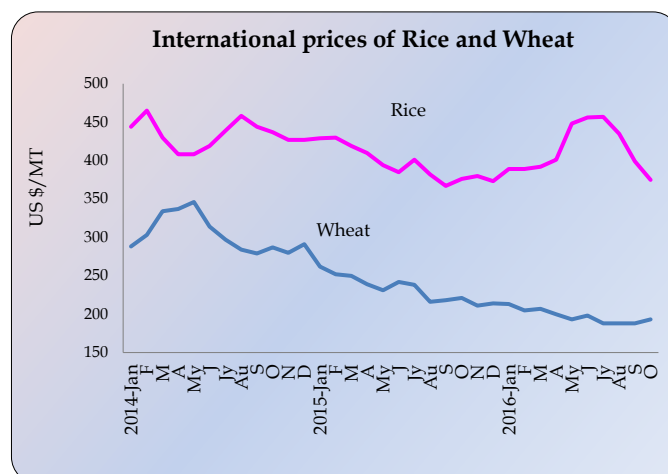
Source: Colombo Stock Exchange



COMMODITY PRICES

International Commodity Prices

| Month | Milk Powder Average Price US\$/MT | Rice Thai,100% US\$/MT | Wheat (HRW) US\$/MT |
|----------|---|------------------------------|---------------------------|
| 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 |
| Jul | 2,284 | 457 | 188 |
| Aug | 2,506 | 435 | 188 |
| Sep | 2,831 | 399 | 188 |
| Oct | 2,874 | 375 | 193 |



Source: FAO Web Site, Available at fao.org/worldfoodsituation/foodpricesindex

| Commodity | Unit | Annual Averages | | | Monthly Averages | | |
|---|----------|-----------------|---------|---------|------------------|-------|-------|
| | | Jan-Dec | Jan-Dec | Jan-Dec | Aug | Sep | Oct |
| | | 2013 | 2014 | 2015 | 2016 | 2016 | 2016 |
| Non Energy, Agriculture, Beverages | | | | | | | |
| Cocoa | \$/kg | 2.44 | 3.06 | 3.14 | 3.03 | 2.88 | 2.71 |
| Coffee, Arabica | \$/kg | 3.08 | 4.42 | 3.53 | 3.69 | 3.89 | 3.94 |
| Tea, auctions (3) average | \$/kg | 2.86 | 2.72 | 2.71 | 2.69 | 2.74 | 2.81 |
| Tea, Colombo auctions | \$/kg | 3.45 | 3.54 | 2.96 | 3.27 | 3.52 | 3.76 |
| Food, Fats & Oils | | | | | | | |
| Coconut Oil | \$/mt | 941 | 1,280 | 1,110 | 1,529 | 1,547 | 1,446 |
| Copra | \$/mt | 627 | 854 | 736 | 1,018 | 1,025 | 964 |
| Palm Oil | \$/mt | 857 | 821 | 622 | 736 | 756 | 712 |
| Grains | | | | | | | |
| Barley | \$/mt | 202.2 | 137.6 | 194.3 | 138.0 | 135.5 | 132.5 |
| Maize | \$/mt | 259.4 | 192.9 | 169.8 | 150.2 | 148.4 | 152.3 |
| Wheat, US HRW | \$/mt | 312.2 | 284.9 | 203.2 | 149.2 | 150.8 | 151.8 |
| Other Food | | | | | | | |
| Meat, Beef | \$/kg | 4.07 | 4.95 | 4.42 | 4.09 | 4.02 | 3.94 |
| Meat, Chicken | \$/kg | 2.29 | 2.43 | 2.53 | 2.45 | 2.43 | 2.43 |
| Sugar, World | \$/kg | 0.57 | 0.37 | 0.30 | 0.44 | 0.47 | 0.49 |
| Raw Materials, Timber | | | | | | | |
| Plywood | ¢/sheets | 560.2 | 517.3 | 451.2 | 539.3 | 535.9 | 526.2 |
| Wood pulp | \$/mt | 823.1 | 876.9 | 875.0 | 875.0 | 875.0 | 875.0 |
| Other Raw Materials | | | | | | | |
| Rubber RSS3, US | \$/kg | 2.79 | 1.96 | 1.56 | 1.55 | 1.57 | 1.66 |
| Fertilizers | | | | | | | |
| Phosphate Rock | \$/mt | 148.1 | 110.2 | 117.5 | 111.0 | 110.0 | 110.0 |
| TSP | \$/mt | 382.1 | 388.3 | 385.0 | 283.0 | 277.0 | 273.0 |
| Urea | \$/mt | 340.1 | 316.2 | 272.9 | 182.0 | 191.0 | 193.0 |
| Metals and Minerals | | | | | | | |
| Aluminum | \$/mt | 1,847 | 1,867 | 1,665 | 1,639 | 1,592 | 1,663 |
| Gold | \$/toz | 1,412 | 1,266 | 1,160 | 1,340 | 1,327 | 1,266 |
| Iron ore | \$/dmt | 135.0 | 97.0 | 56.0 | 61.0 | 58.0 | 59.0 |

Source: The World Bank, Available at worldbank.org/WBSITE/EXTERNAL/EXTDEC/EXTDECPROJECTS

¢= US cent

\$= US dollar

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

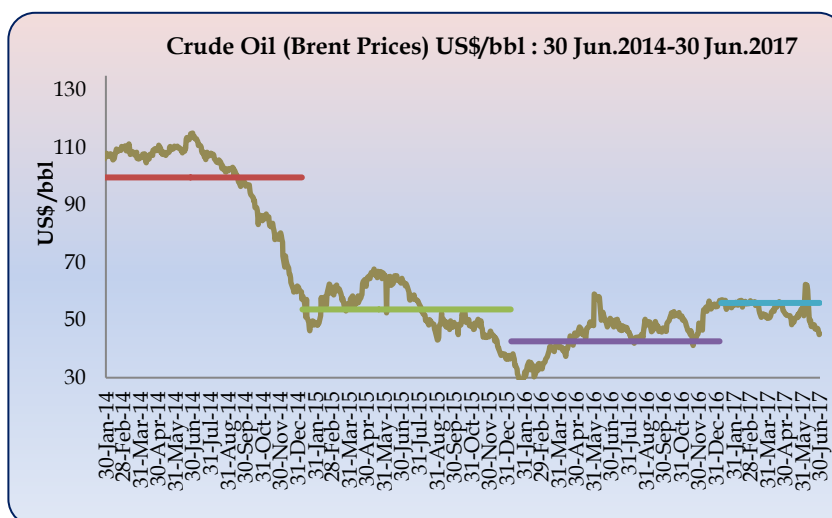
| Item | Jun 26 | Jun 27 | Jun 28 | Jun 29 | Jun 30 | Week Ago | Month Ago | Year Ago |
|--|--------|--------|--------|--------|--------|----------|-----------|----------|
| Brent (New York Closing Prices) (US \$/bbl.) | 46.04 | 45.85 | 46.60 | 47.52 | 47.61 | 45.31 | 52.20 | 50.02 |
| WTI (US\$/bbl.) | 43.45 | 43.33 | 44.10 | 44.97 | 45.19 | 42.83 | 49.92 | 49.45 |
| Petrol | - | 55.50 | 55.05 | 56.90 | 56.45 | 55.40 | 62.30 | 55.20 |
| Diesel | - | 55.58 | 56.21 | 57.97 | 58.10 | 54.77 | 60.38 | 58.57 |
| Kerosene | - | 55.87 | 56.41 | 57.86 | 57.92 | 55.20 | 61.45 | 58.79 |

Source: Central Bank of Sri Lanka

Crude Oil Prices (Monthly Average)

| Month | WTI European Market (US\$/bbl) | Brent (US\$/bbl) |
|--------|--------------------------------|------------------|
| Oct-15 | 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 | 45.32 | 46.88 |
| Aug | 44.61 | 46.82 |
| Sep | 44.26 | 46.52 |
| Oct | 49.91 | 51.38 |
| Nov | 45.85 | 45.96 |
| Dec | 54.74 | 52.04 |
| Jan-17 | 52.83 | 55.67 |
| Feb | 53.41 | 55.99 |
| Mar | 49.92 | 52.76 |
| Apr | 51.27 | 53.98 |
| May | 51.59 | 48.77 |
| Jun | 47.71 | 45.34 |

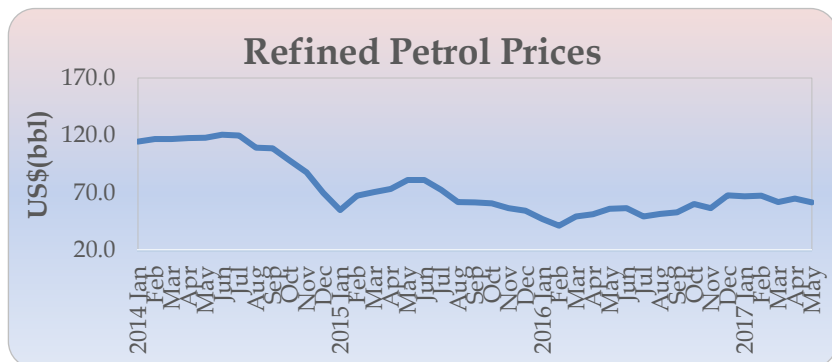
Source: Central Bank of Sri Lanka
*up to 30th June 2017



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

| Month | Petrol | Diesel | Kerosene |
|--------|--------|--------|----------|
| Oct-15 | 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 | 49.24 | 54.12 | 54.49 |
| Aug | 51.60 | 53.09 | 53.53 |
| Sep | 52.81 | 54.25 | 55.18 |
| Oct | 60.15 | 60.63 | 60.98 |
| Nov | 56.63 | 56.03 | 56.62 |
| Dec | 67.80 | 66.34 | 64.87 |
| Jan-17 | 66.75 | 64.70 | 65.13 |
| Feb | 67.55 | 66.31 | 66.25 |
| Mar | 61.93 | 62.43 | 61.85 |
| Apr | 64.83 | 63.92 | 63.92 |
| May | 61.60 | 60.45 | 60.84 |
| Jun | 57.38 | 56.81 | 57.12 |

Source: Central Bank of Sri Lanka
*up to 30th June 2017



Local Market Prices of Petroleum Products

| Item | Unit | End 2014 | End 2015 | End 2016 | Current Price 2017 |
|--------------------|---------|----------|----------|----------|--------------------|
| Auto Diesel | 1 liter | 111.00 | 95.00 | 95.00 | 95.00 |
| Petrol (Octane 92) | 1 liter | 150.00 | 117.00 | 117.00 | 117.00 |
| Kerosene oil | 1 liter | 81.00 | 49.00 | 49.00 | 44.00 |
| L P Gas | 12.5 kg | 1,896.00 | 1,346.00 | 1,321.00 | 1,321.00 |

Pettah Market

Dambulla Market

| Average Wholesale Prices | Week Ending 30/06/2017 | Week Ago | % Change | Year Ago Annual Avg. |
|---------------------------|------------------------|----------|----------|----------------------|
| Rice (Rs/Kg) | | | | |
| Samba | 95.00 | 95.00 | 0.0 | 80.97 |
| Kekulu (Red) | 80.00 | 80.00 | 0.0 | 60.29 |
| Vegetable | | | | |
| Beans | 145.00 | 130.00 | 11.5 | 147.16 |
| Cabbage | 100.00 | 100.00 | 0.0 | 76.62 |
| Carrots | 230.00 | 230.00 | 0.0 | 121.42 |
| Tomatoes | 115.00 | 95.00 | 21.1 | 75.00 |
| Pumpkins | 145.00 | 130.00 | 11.5 | 60.29 |
| Snake Gourd | 120.00 | 110.00 | 9.1 | 76.18 |
| Brinjals | 75.00 | 85.00 | -11.8 | 66.57 |
| Ash Plantains | 70.00 | 65.00 | 7.7 | 67.65 |
| Other Foods | | | | |
| Red-Onions (Local) | 400.00 | 375.00 | 6.7 | 92.66 |
| Big Onions (Local) | n.a. | n.a. | - | 74.50 |
| Potatoes (N'Eliya) | 132.50 | 122.50 | 8.2 | 122.58 |
| Dried Chillies (Imported) | 170.00 | 180.00 | -5.6 | 293.68 |
| Dhal (Indian) | 140.00 | 140.00 | 0.0 | 160.16 |
| Eggs (Red) (Each) | 12.00 | 12.00 | 0.0 | 14.30 |
| Coconut (Each) | 50.00 | 49.00 | | 34.69 |
| Fish (Rs/Kg) | | | | |
| Kelawalla | 700.00 | 720.00 | -2.8 | 508.20 |
| Balaya | 350.00 | 380.00 | -7.9 | 327.29 |
| Salaya | 150.00 | 160.00 | -6.3 | 141.43 |
| Paraw (Small) | 650.00 | 600.00 | 8.3 | 540.36 |

Source: Central Bank of Sri Lanka

| Food Item | Wholesale (Average) |
|---------------------------|---------------------|
| Rice (Rs/Kg) | |
| Samba | 94.00 |
| Kekulu (Red) | 81.00 |
| Vegetables | |
| Pumpkins | 95.50 |
| Snake Gourd | 75.00 |
| Ash Plantains | 60.00 |
| Beans | 119.00 |
| Carrots | 229.00 |
| Tomatoes | 80.00 |
| Other Foods | |
| Potatoes (N'Eliya) | 120.50 |
| Dried Chillies (Imported) | 159.50 |
| Big-Onions (Local) | n.a. |
| Red-Onions (Local) | 295.00 |
| Coconut (Each) | 52.50 |

Source: Central Bank of Sri Lanka

Marandaghamula Average Price of Rice (Rs /Kg)

| Item | Week Ending 30/06/2017 | Week Ago | Month Ago | Year Ago |
|-------------|------------------------|----------|-----------|----------|
| Samba | 91.50 | 90.80 | 89.13 | 77.58 |
| Sudu Kekulu | 82.00 | 81.30 | 81.45 | 62.91 |
| Raw Red | 76.00 | 78.50 | 78.18 | 59.59 |
| Nadu | 89.17 | 87.90 | 84.08 | 66.62 |

Source: Central Bank of Sri Lanka

Wholesale prices of some of vegetable varieties, other food such as red-onions and potatoes increased during this week. While some of fish varieties decreased in this week.

Rs.

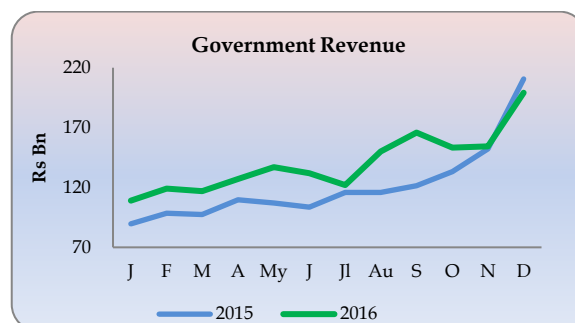
| Item | Unit | This Week | Week Ago | % Change | Year Ago |
|--------------------|-------|-----------|----------|----------|----------|
| Rice | | | | | |
| Samba(Avg.) | 1 kg | 100.45 | 101.16 | -0.7 | 92.48 |
| No. 1 | 1 kg | 103.37 | 104.92 | -1.5 | 96.63 |
| No. 2 | 1kg | 97.53 | 97.41 | 0.1 | 88.33 |
| Nadu Red | 1kg | 98.46 | 98.88 | -0.4 | 78.11 |
| Raw Red (Avg) | 1kg | 88.61 | 87.35 | 1.5 | 65.45 |
| No. 1 | 1kg | 90.50 | 90.27 | 0.3 | 68.50 |
| No. 2 | 1kg | 86.73 | 84.42 | 2.7 | 62.39 |
| Wheat Flour | 1 kg | 88.84 | 89.16 | -0.4 | 93.20 |
| Bread | 450g | 58.18 | 58.18 | 0.0 | 57.72 |
| Sugar | 1 kg | 107.58 | 107.53 | 0.0 | 113.46 |
| Lakspray | 400g | 325.00 | 325.0 | 0.0 | 325.00 |
| Potatoes (Import) | 1 kg | 123.79 | 125.60 | -1.4 | 120.62 |
| Potatoes (Local) | 1kg | 181.22 | 183.91 | -1.5 | 170.25 |
| Red Dhal(Avg) | 1kg | 183.97 | 182.62 | 0.7 | 200.28 |
| Cowpea (Avg) | 1kg | 319.39 | 321.57 | -0.7 | 258.57 |
| Green Gram(Avg) | 1kg | 259.30 | 259.24 | 0.0 | 257.43 |
| Kadalai (Avg) | 1kg | 313.10 | 319.06 | -1.9 | 224.95 |
| Meat | | | | | |
| Beef | 1kg | 921.58 | 909.47 | 1.3 | 801.37 |
| Chicken | | | | | |
| Fresh | 1kg | 565.50 | 570.59 | -0.9 | 577.29 |
| Broiler | 1kg | 420.00 | 420.00 | 0.0 | 668.33 |
| Fresh Fish | | | | | |
| Paraw | 1 kg | 1,112.86 | 1,136.50 | -2.1 | 983.04 |
| Balaya | 1 kg | 793.33 | 797.78 | -0.6 | 626.02 |
| Kelawalla | 1 kg | 1,132.63 | 1,130.71 | 0.2 | 910.62 |
| Salaya | 1 kg | 222.00 | 230.67 | -3.8 | 197.99 |
| Dried Fish | | | | | |
| Sprats | 1 kg | 755.88 | 743.93 | 1.6 | 705.79 |
| Eggs | Each | 13.88 | 14.59 | -1.1 | 14.47 |
| Coconut | Each | 64.42 | 64.79 | -0.6 | 46.31 |
| Coconut Oil | 750ml | 291.18 | 295.59 | -1.5 | 213.39 |
| Red Onions | 1 kg | 355.00 | 352.91 | 0.6 | 162.80 |
| B- Onions (Import) | 1 kg | 96.07 | 95.83 | 0.3 | 83.55 |
| Brinjal | 1kg | 201.94 | 205.95 | -1.9 | 183.42 |
| Beans Green | 1 kg | 235.43 | 235.78 | -0.2 | 271.85 |
| Cabbage | 1 kg | 224.28 | 219.69 | 2.1 | 222.95 |
| Leeks | 1 kg | 145.09 | 146.49 | -1.0 | 242.22 |
| Beet Root | 1kg | 199.89 | 202.86 | -1.5 | 240.35 |
| Carrot | 1kg | 305.13 | 294.59 | 3.6 | 273.98 |
| Tomatoes | 1kg | 170.77 | 169.46 | 0.8 | 239.20 |
| Radish | 1kg | 175.47 | 180.15 | -2.6 | 173.07 |
| Vetakolu | 1kg | 201.03 | 207.14 | -2.9 | 209.56 |
| Snake Gourd | 1kg | 211.73 | 214.07 | -1.1 | 189.78 |
| Bandakka | 1kg | 169.33 | 171.03 | -1.0 | 177.95 |
| Kolikuttu | 1kg | 178.21 | 174.44 | 2.2 | 206.74 |
| Papaw | 1kg | 82.41 | 82.50 | -0.1 | 86.74 |
| Pineapple | 1kg | 156.39 | 158.06 | -1.1 | 127.55 |

Source: Department of Census and Statistics

FISCAL SECTOR AND GOVERNMENT DEBT

Summary of Government Revenue

| Item | 2015 | 2016 (a) |
|------------------------|------------------|------------------|
| Tax Revenue | 1,355,779 | 1,463,689 |
| Income Tax | 262,583 | 258,857 |
| VAT | 219,700 | 283,470 |
| Excise Duty | 497,623 | 454,952 |
| Nation Building Tax | 45,004 | 57,424 |
| PAL | 58,644 | 88,823 |
| Customs Duty | 132,189 | 156,487 |
| SCL | 52,276 | 55,825 |
| Cess | 46,289 | 61,730 |
| License Fee and Other | 41,471 | 46,121 |
| Non Tax Revenue | 99,099 | 222,372 |
| Total Revenue | 1,454,878 | 1,686,061 |



Source: Department of Fiscal Policy

(a) provisional

Note: Not to be quoted

Government Debt

| Government Debt (Rs.bn) | End 2016 | Jan-Mar 2017(a) |
|------------------------------|----------------|-----------------|
| Total Domestic Debt | 5,341.5 | 5,625.8 |
| Total Foreign Debt | 4,045.8 | 4,076.6 |
| Total Government Debt | 9,387.3 | 9,702.5 |

Source: Central Bank of Sri Lanka

(a) provisional

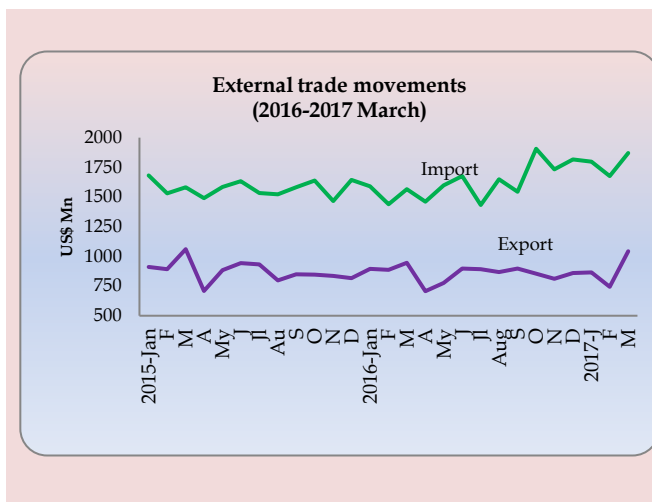
Key Fiscal Indicators 2015-2016

| Indicator | Unit | 2015 | 2016 |
|-----------------------|----------|-----------|-----------|
| Budget Deficit | Rs Mn | -829,502 | -640,326 |
| | % of GDP | -7.4 | -5.4 |
| Total Revenue | Rs Mn | 1,454,878 | 1,686,061 |
| | % of GDP | 13.0 | 14.2 |
| Tax Revenue | Rs Mn | 1,355,779 | 1,463,689 |
| | % of GDP | 12.1 | 12.4 |
| Non Tax Revenue | Rs Mn | 99,099 | 222,372 |
| | % of GDP | 0.9 | 1.9 |
| Recurrent Expenditure | Rs Mn | 1,701,657 | 1,757,782 |
| | % of GDP | 15.2 | 14.8 |
| Public Investment | Rs Mn | 602,768 | 594,012 |
| | % of GDP | 5.4 | 5.0 |
| Government Debt | Rs Mn | 8,503,227 | 9,387,303 |
| | % of GDP | 77.6 | 79.3 |

Compiled by Department of Fiscal Policy

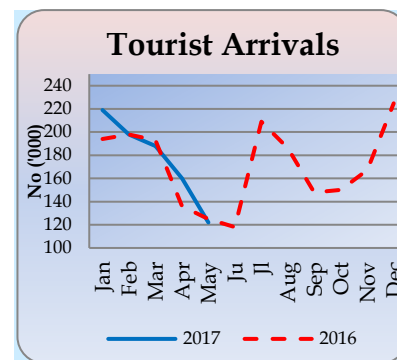
| Category | Mar 2016 (US\$ Mn) | Mar 2017 (US\$ Mn) | Growth Rate (%) | Jan-Mar 2016 (US\$ Mn) | Jan-Mar 2017 (US\$ Mn) | Growth Rate (%) |
|-----------------------------|-----------------------|-----------------------|-----------------|---------------------------|---------------------------|-----------------|
| Exports | 949.0 | 1,041.8 | 9.8 | 2,739.2 | 2,774.3 | 1.3 |
| Agricultural | 200.7 | 257.4 | 28.3 | 562.2 | 655.9 | 16.7 |
| Tea | 112.7 | 133.7 | 18.6 | 313.1 | 349.1 | 11.5 |
| Other | 88.0 | 123.7 | 40.6 | 249.1 | 306.8 | 23.2 |
| Industrial | 744.1 | 779.2 | 4.7 | 2,165.6 | 2,106.6 | -2.7 |
| Rubber Products | 71.6 | 76.7 | 7.1 | 203.2 | 199.5 | -1.8 |
| Textiles and Garments | 441.8 | 453.3 | 2.6 | 1,369.3 | 1,275.8 | -6.8 |
| Food, Beverage and Tobacco | 32.7 | 30.8 | -5.8 | 92.7 | 76.5 | -17.5 |
| Other | 198.0 | 218.4 | 10.3 | 500.4 | 554.8 | 10.9 |
| Mineral | 2.8 | 3.3 | 19.7 | 7.6 | 7.3 | -5.2 |
| Unclassified | 1.5 | 1.9 | 27.8 | 3.7 | 4.6 | 23.4 |
| Imports | 1,566.0 | 1,869.3 | 19.4 | 4,594.5 | 5,278.9 | 14.9 |
| Consumer Goods | 420.1 | 468.5 | 11.5 | 1,109.2 | 1,170.5 | 5.5 |
| Food and Beverages | 158.3 | 213.5 | 34.9 | 399.5 | 505.2 | 26.5 |
| Other Consumer Goods | 261.8 | 255.0 | -2.6 | 709.7 | 665.3 | -6.3 |
| Intermediate Goods | 715.2 | 948.5 | 32.6 | 2,240.3 | 2,805.9 | 25.2 |
| Petroleum | 162.1 | 245.3 | 51.4 | 485.7 | 882.1 | 81.6 |
| Textiles & Textile Articles | 222.6 | 227.0 | 2.0 | 698.5 | 666.7 | -4.5 |
| Other Intermediate Goods | 330.5 | 476.2 | 44.1 | 1,056.1 | 1,257.1 | 19.0 |
| Investment Goods | 430.2 | 449.6 | 4.5 | 1,243.5 | 1,242.1 | -0.1 |
| Machinery and Equipment | 246.7 | 237.8 | -3.6 | 712.4 | 686.2 | -3.7 |
| Transport Equipment | 52.3 | 69.0 | 31.9 | 157.7 | 163.5 | 3.7 |
| Building Material | 130.7 | 142.0 | 8.6 | 371.6 | 389.8 | 4.9 |
| Other Investment Goods | 0.5 | 0.7 | 59.2 | 1.9 | 2.5 | 34.3 |
| Unclassified | 0.5 | 2.8 | 429.3 | 1.3 | 60.3 | 4,398.2 |
| Trade Balance | -617.0 | -827.5 | 34.1 | -1,855.3 | -2,504.6 | 35.0 |

Source: Central Bank of Sri Lanka



- Export earnings during January to March 2017 increased by 1.3 percent mainly due to the expansion of earnings from agriculture and unclassified exports. The earnings for the month of March 2017 increased by 9.8 percent, compared to the respective period of 2016.
- On a cumulative basis, expenditure on imports increased by 14.9 percent for the period during January to March 2017. Expenditure on imports for the month of March 2017 increased by 19.4 percent reflecting the performance of imports of intermediate goods, investment goods and consumer goods.
- Trade deficit widened to US\$ 827.5 Mn in March 2017 over the same period of 2016.

| Month | Arrivals | | | | Earnings US\$ Mn | | | |
|--------------|------------------|------------------|-----------------|------------------|------------------|----------------|-----------------|------------------|
| | 2015 | 2016 | 2017 | % change 2016/17 | 2015 | 2016 | 2017 | % change 2016/17 |
| Jan | 156,246 | 194,280 | 219,360 | 12.9 | 248.7 | 333.3 | 376.3 | 12.9 |
| Feb | 165,541 | 197,697 | 197,517 | 0.0 | 274.4 | 339.0 | 339.0 | 0.0 |
| Mar | 157,051 | 192,841 | 188,076 | -2.5 | 260.3 | 330.8 | 322.7 | -2.5 |
| Apr | 122,217 | 136,367 | 160,249 | 17.5 | 202.6 | 226.0 | 274.9 | 21.6 |
| May | 113,529 | 125,044 | 121,891 | 2.5 | 188.2 | 214.5 | 209.1 | -2.5 |
| Jun | 115,467 | 118,038 | | | 191.4 | 195.6 | | |
| July | 175,804 | 209,351 | | | 291.4 | 347.0 | | |
| Aug | 166,610 | 186,288 | | | 276.1 | 308.8 | | |
| Sep | 143,374 | 148,499 | | | 237.6 | 246.1 | | |
| Oct | 132,280 | 150,419 | | | 219.2 | 249.3 | | |
| Nov | 144,147 | 167,217 | | | 238.9 | 277.1 | | |
| Dec | 206,114 | 224,791 | | | 341.6 | 372.6 | | |
| Total | 1,798,380 | 2,050,832 | 887,093* | 4.8* | 2,980.7 | 3,399.1 | 1,521.9* | 4.8* |



Source: Sri Lanka Tourism Development Authority

*Jan-May

Tourism

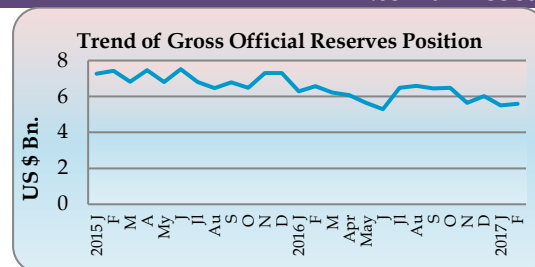
Earnings from tourism increased to US \$ 1,521.9 Mn. during Jan-May 2017 with an increase of 4.8 per cent over the same period of 2016.

The number of tourist arrivals decreased to 121,891 in May 2017.

External Assets

| External Assets (US\$ Mn) | Feb 2017 | Jan 2017 | Dec 2016 | Feb 2016 | Jan 2016 | Dec 2015 | Growth 2016 Feb /2017 Feb (%) |
|---------------------------|----------|----------|----------|----------|----------|----------|-------------------------------|
| Total Reserves | 7,753.9 | 7,597.3 | 8,432.9 | 8,502.0 | 8,393.3 | 9,336.9 | -8.8 |
| Gross Official Reserves | 5,634.7 | 5,453.2 | 6,019.0 | 6,573.4 | 6,294.3 | 7,303.6 | -14.3 |

Source: Central Bank of Sri Lanka



Official reserves

The total reserves and gross official reserves were US\$ 7.8 Bn and US\$ 5.6 Bn, respectively by end February 2017. Total foreign reserves were sufficient to 4.7 months of imports and the gross official reserves were equivalent to 3.4 months of imports. Workers' remittances decreased by 3.7 per cent in dollar terms to US \$ 575.4 Mn. in May 2017.

Private Remittances

| Category | | 2016 May | 2017 May(a) | 2016 Jan-May | 2017 Jan-May(a) | % Change |
|----------|---------|----------|-------------|--------------|-----------------|----------|
| Inflow | US\$ Mn | 597.2 | 575.4 | 2,968.6 | 2,797.0 | -5.8 |
| | Rs. Bn | 87.0 | 87.6 | 428.3 | 423.1 | -1.2 |

Source: Central Bank of Sri Lanka

(a) Provisional

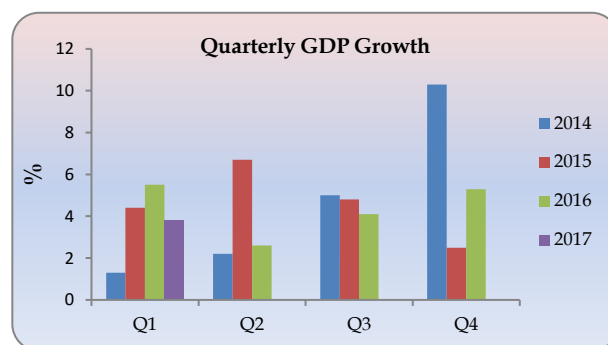
PRODUCTION

QUARTERLY GDP GROWTH (%)

| | 1 st Q | 2 nd Q | 3 rd Q | 4 th Q | Annual |
|-------------|-------------------|-------------------|-------------------|-------------------|------------|
| 2013 | 3.6 | 5.9 | 4.0 | 0.5 | 3.4 |
| 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 |
| 2014 | 1.3 | 2.2 | 5.0 | 10.3 | 4.9 |
| 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 |
| 2015 | 4.4 | 6.7 | 4.8 | 2.5 | 4.8 |
| 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 |
| 2016 | 5.5 | 2.6 | 4.1 | 5.3 | 4.4 |
| Agriculture | 1.9 | -5.6 | -1.9 | -8.4 | -4.2 |
| Industry | 8.3 | 2.2 | 6.8 | 9.2 | 6.7 |
| Service | 4.9 | 4.9 | 4.7 | 4.6 | 4.2 |
| 2017 | 3.8 | | | | |
| Agriculture | -3.2 | | | | |
| Industry | 6.3 | | | | |
| Service | 3.5 | | | | |

Source: Department of Census & Statistics

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



GDP grew by 3.8%

The Sri Lankan economy grew by 3.8% during the 1st quarter 2017 compared to 5.5% growth recorded in same period of 2016. The growth was mainly supported by expands of Industry sector by 6.3% and Service sector by 3.5%. However, Agriculture sector contracted by 3.2%.

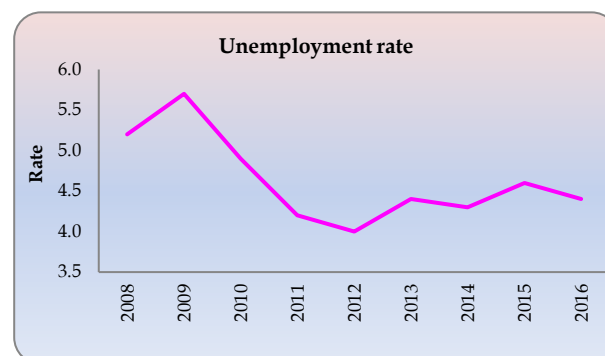
Labour Force Statistics

| Employment | 2016 Annual (a) | 2015 Annual | 2014 Annual |
|---------------------------------|-----------------------|----------------|----------------|
| Labour Force Participation Rate | 53.8 | 53.8 | 53.2 |
| Unemployment Rate | 4.4 | 4.7 | 4.3 |
| By Gender | | | |
| Male | 2.9 | 3.0 | 3.1 |
| Female | 7.0 | 7.6 | 6.5 |
| By Age Group | | | |
| 20-29 | 14.2 | 14.2 | 13.6 |
| 20-24 | 19.9 | 19.7 | 19.9 |
| 25-29 | 9.2 | 9.4 | 8.2 |

Source: Department of Census & Statistics

(a) Data cover the entire island

* Provisional



Paddy Production

| Category | 2015 | | | 2016 | | |
|--------------------------------|-------------------|--------------|-------|-------------------|--------------|-------|
| | 2014/2015 Maha | 2015 Yala | Total | 2015/2016 Maha | 2016 Yala | Total |
| Production | | | | | | |
| Mn.Mt | 2.88 | 1.94 | 4.82 | 2.90 | 1.55 | 4.45 |
| Bushels Mn. | 138 | 93 | 231 | 139 | 73 | 212 |
| Net Extent Harvested | | | | | | |
| Hectares ('000) | 659 | 429 | 1,088 | 667 | 344 | 1,011 |
| Acres ('000) | 1,629 | 1,060 | 2,689 | 1,649 | 849 | 2,498 |
| Average Yield kg per ha | 4,364 | 4,527 | 4,429 | 4,349 | 4,417 | 8,766 |

Source: Department of Census & Statistics

(a) provisional

The paddy production in 2016 Yala season decreased by 20.1 percent to around 1.6 million mt. compared to the 1.9 million mt recorded in 2015.

| Category | 2016 Jan-Apr | 2017 Jan-Apr | % Change |
|-------------------------------|-----------------|-----------------|----------|
| Production | | | |
| Tea (Mn. Kg) | 97.8 | 98.9 | 1.2 |
| Rubber (Mn. Kg) | 36.7 | 30.9 | -15.8 |
| Coconut (Mn. Nuts) | 971.0 | 869.0 | -10.5 |
| Exports (US\$ Mn) | | | |
| | 2016 Mar | 2017 Mar | |
| Tea | 112.7 | 133.7 | 18.6 |
| Rubber | 3.2 | 5.8 | 83.1 |
| Coconut | 35.1 | 36.5 | 4.1 |
| Colombo Auction Prices | | | |
| | 2016 Feb | 2017 Feb | |
| Tea (Rs./ Kg) | 402.2 | 597.9 | 48.7 |
| Rubber (Rs./ Kg) | 194.0 | 338.7 | 74.6 |
| Coconut (Rs/nut) | - | - | - |

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

Factory Industrial Production Index (2010=100)

| Item | 2016 Apr (b) | 2017 Apr (b) | Growth % |
|---|--------------|--------------|-------------|
| Manufacture of Food Products | 88.2 | 90.5 | 2.5 |
| Manufacture of Beverages | 111.5 | 88.9 | -20.3 |
| Manufacture of Tobacco Products | 85.7 | 85.8 | 0.2 |
| Manufacture of Textiles | 107.4 | 105.7 | -1.6 |
| Manufacture of Wearing Apparel | 147.7 | 115.4 | -21.9 |
| Manufacture of Leather and Related Products | 63.7 | 61.0 | -4.2 |
| Manufacture of Wood products ,except Furniture | 104.4 | 104.4 | 0.0 |
| Manufacture of Paper and Paper Products | 127.3 | 127.3 | 0.0 |
| Printing and Reproduction of Recorded Media | 112.2 | 112.2 | 0.0 |
| Manufacture of Coke and Refined Petroleum Products | 64.3 | 69.0 | 7.3 |
| Manufacture of Chemicals and Chemical Products | 64.0 | 63.8 | -0.3 |
| Manufacture of Pharmaceuticals, Medicinal Chemicals | 137.7 | 137.7 | 0.0 |
| Manufacture of Rubber and Plastic Products | 94.3 | 98.2 | 4.2 |
| Manufacture of Other Non-Metallic Mineral Products | 108.5 | 111.5 | 2.7 |
| Manufacture of Basic Metals | 134.1 | 119.7 | -10.8 |
| Manufacture of Fabricated Metal Products | 46.3 | 46.3 | 0.1 |
| Manufacture of Electrical Equipment | 77.5 | 76.7 | -1.1 |
| Manufacture of machinery and equipment n.e.c | 81.3 | 78.2 | -3.9 |
| Factory Industry Production Index | 102.6 | 94.4 | -8.0 |

Source: Central Bank of Sri Lanka

(a) FIPI based on ISIC Revision 4 Classification

(b) Provisional