

WEEKLY ECONOMIC REPORT

August 05, 2016

Department of Fiscal Policy



Trade deficit narrowed by 2.4 % during Jan-Apr. 2016



Policy rates increased by 50 basis points



GDP grew by 5.5 % in the first quarter 2016



CCPI decreased to 5.5% in July



NCPI increased to 6.4 % in June



Exchange rate appreciated to US\$1=Rs. 145.53



Credit to private sector increased by 28.0 % May 2016



Brent crude oil decreased to: US\$ 44.01 per bbl



Government revenue enhanced by 21.7% in 2015



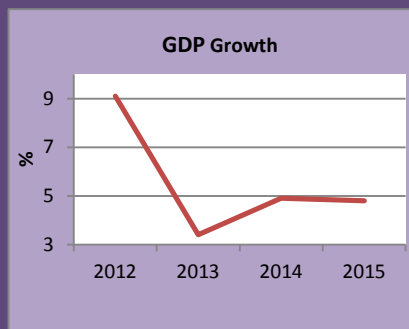
Tourist arrivals up by 16.7 % during Jan-July 2016



Unemployment rate was 4.2 % in the 1st Quarter 2016



Workers Remittance grew by 5.3% during Jan- Jun 2016



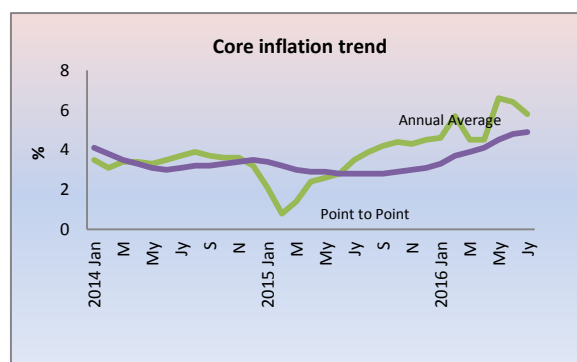
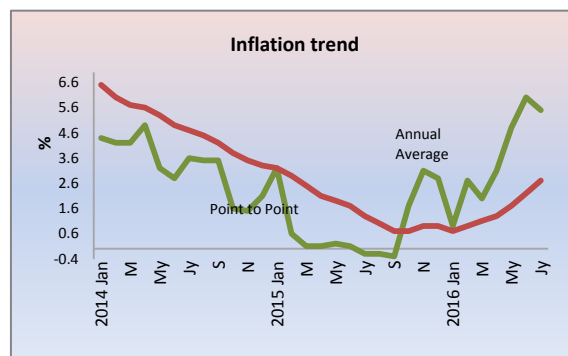
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Month	CCPI (%)		Core Inflation (%)		NCPI (%)	
	(2006/2007=100)		(2006/2007=100)		(2013=100)	
	Point to Point	Annual Average	Point to Point	Annual Average	Monthly Change	Point to Point
Sep	3.5	4.2	3.7	3.2	0.0	
Oct	1.6	3.8	3.6	3.3	-0.4	
Nov	1.5	3.5	3.6	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	2.1	6.4
Jul	5.5	2.7	5.8	4.9		

Source: Department of Census and Statistics

The point to point inflation decreased to 5.5 per cent in July 2016. The annual average increased to 2.7 per cent in July 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 5.8 per cent, on point to point basis, while annual average core inflation increased to 4.9 per cent, in July 2016. The National Consumer Price Index (NCPI) covering price movements in all provinces of the country increased to 6.4 percent in June 2016, on year on year basis.



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

Movements of the CCPI in Food Items

Commodity	Value Change Rs.	Change %
Food	159.86	0.30
Rice	-5.90	-0.01
Chicken	8.93	0.02
Fresh Fish	53.72	0.10
Dried Fish	-5.57	-0.01
Coconut	-18.58	-0.03
Vegetables	-57.09	-0.11
Dhal	-3.90	-0.01
Potatoes	7.65	0.01
Red Onion	12.27	0.02
Sugar	14.96	0.03
Coconut Oil	11.32	0.02
Eggs	18.31	0.03
Green Chilies	98.88	0.18

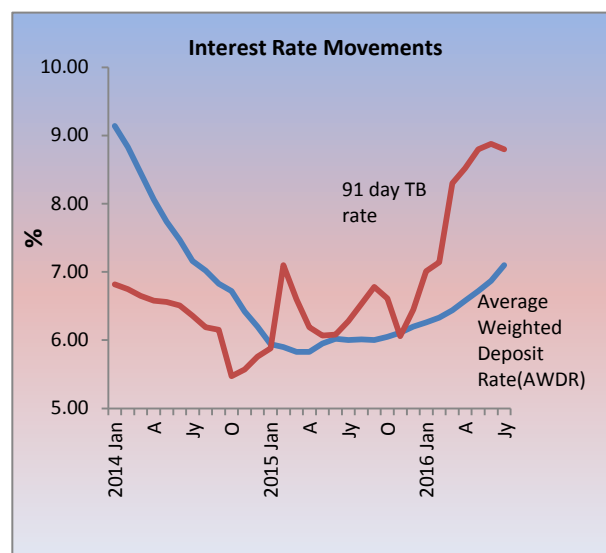
Source: Department of Census and Statistics

Month	% Change Month to Month	Inflation	
		Point to Point	Annual Average
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
Jul	0.6	8.1	3.8

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)
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
Jul	192.9	5.5	2.7	8.80	3.30	6.10

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



Interest Rate Movements

Category	Week Ending 05 th Aug 2016	Week Ago	Month Ago	Year Ago
Standing Deposit Facility	7.00	7.00	6.50	6.00
Standing Lending Facility	8.50	8.50	8.00	7.50
Call Money Weekly Average	8.40	8.27	8.19	6.11
Treasury Bill (Yield rate)				
91 Days	8.99	-	8.88	-
182 Days	9.90	9.69	9.86	6.50
364 Days	10.73	10.48	10.54	6.54
Prime Lending Rate	11.45	10.98	10.55	6.98
	Jul-16		Month Ago	Year Ago
Commercial Bank Average Weighted Deposit Rate (AWDR)	7.10		6.87	6.00

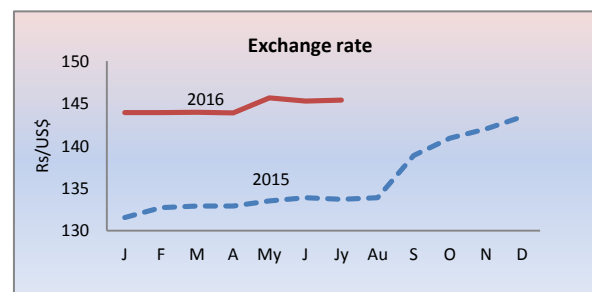
Source : Central Bank of Sri Lanka

Central Bank Standing Deposit Facility rate (SDF) and Standing Lending Facility rate (SLF) remained at 7.00 percent and 8.50 percent, respectively during this week. The Prime Lending rate increased to 11.45 per cent by week ending 05th August 2016 and Commercial Bank Average Weighted Deposit Rate (AWDR) for the month of July 2016 was 7.10 percent.

Exchange Rates

Currency	Week Ending 05 th Aug 2016	Week Ago	Month Ago	Year Ago	% Change 2015/16
US Dollar	145.53	146.86	146.05	133.52	9.0
Sterling Pound	191.48	192.48	194.93	207.47	-7.7
Euro	162.01	161.66	162.20	144.98	11.7
Japanese Yen	1.44	1.40	1.42	1.07	34.6
Indian Rupee	2.18	2.17	2.15	2.09	4.3

Source : Central Bank of Sri Lanka



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

MONEY SUPPLY & CAPITAL MARKET

Money Supply and Credit Growth

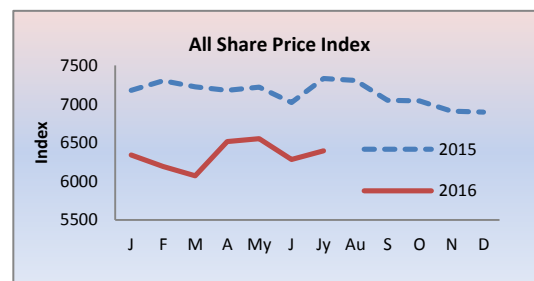
Item	May 2016	Apr 2016	Mar 2016	May 2015	Apr 2015	Mar 2015	Growth 2015May/2016 May(%)
M ₁ (Rs Bn)	701.7	715.5	729.6	630.8	630.3	633.3	11.2
M ₂ (Rs Bn)	4,241.0	4,242.0	4,206.4	3,641.3	3,593.4	3,553.6	16.5
M _{2b} (Rs Bn)	4,781.1	4,772.1	4,731.6	4,102.8	4,038.2	3,980.7	18.2

Source: Central Bank of Sri Lanka

Item	May 2016	Month Ago	Year Ago	Growth 2015May/2016 May (%)
Credit to Private Sector (Rs.bn)	3,722.2	3,662.0	2,908.2	28.0
DBUs	3,450.6	3,396.7	2,660.6	29.7
FCBUs	271.7	265.3	247.6	9.7

Share Market

Indicator	Week ending 05 Aug -16	Week Ago	Year Ago
All Share Price Index (1985 = 100) (ASPI)	6,517	6,394	7,366
S & P Sri Lanka 20 Index (S & P SL20)	3,531	3,414	4,083
Average Daily Turnover (Rs.Mn)	974	471	1,671
Market Capitalization (Rs.Bn.)	2,777	2,725	3,130



Source: Colombo Stock Exchange

All Share Price Index (ASPI) increased by 123 index points and closed at 6,517 points compared to the fifth week of July. The S & P Sri Lanka 20 Index (S & P SL20) increased by 117 to 3,531 index points. The Average Daily Turnover decreased by Rs. 503 million and stationed at Rs. 974 million. Market capitalization reached Rs. 2,777 billion compared to Rs. 3,130 billion in the same period of the last year.

Equity Trading Statistics

Indicator	Jul 2016	Jul 2015	Jan -Jul 2016	Jan -Jul 2015
Turnover -Equity (Rs. Mn.)	11,993.4	25,519.6	99,371.3	148,504.3
Domestic (Rs. Mn.)	8,000.4	16,364.8	60,728.6	103,257.6
Foreign (Rs. Mn.)	3,993.0	9,154.8	38,642.7	45,246.7
Market Days	19	21	137	136
Daily Turnover Avg. Equity (Rs. Mn.)	631.2	1,215.2	725.3	1,091.9
Trade Equity	103,124	136,032	636,781	770,450
Domestic	98,578	130,137	602,626	861,411
Foreign	4,546	5,895	34,155	45,071
Shares Traded -Equity	838.2	813.3	4,572.8	5,525.7
Domestic (Rs. Mn.)	711.8	596.3	3,682.7	4,698.0
Foreign (Rs. Mn.)	126.4	217.1	890.1	827.7
Companies Traded	270	275	274	278
Companies Listed	294	297	294	297

Market Indicators

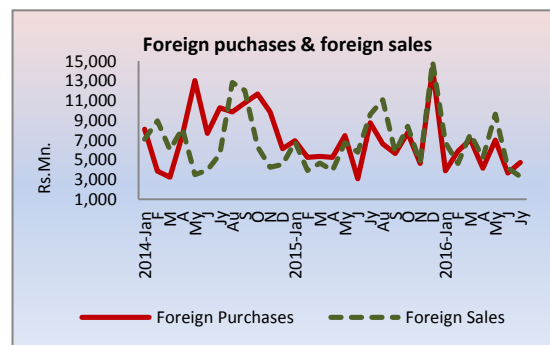
Price Indices	Jun 2016	Jul 2016
ASPI	6,283.27	6,393.87
S&P SL 20	3,300.20	3,414.39
Total Return Indicators		
ASTRI	8,291.43	8,441.28
S&P SL20 (TRI)	4,514.08	4,676.67
Market PER	12.98	13.10
Dividend Yield	3.06	3.03
Market Capitalization (Rs.Bn.)	2,677.63	2,724.76

Source: Colombo Stock Exchange

Stock Market - Foreign Purchases and Foreign Sales

Indicator	Jul 2016	Jan- Jul 2016
Purchases by Foreigners (Rs. Mn)	4,707.3	36,215.9
Sales by Foreigners (Rs. Mn)	3,278.7	41,161.7
Net Foreign Purchases (Rs. Mn)	1,428.6	-4,945.8

Source: Colombo Stock Exchange

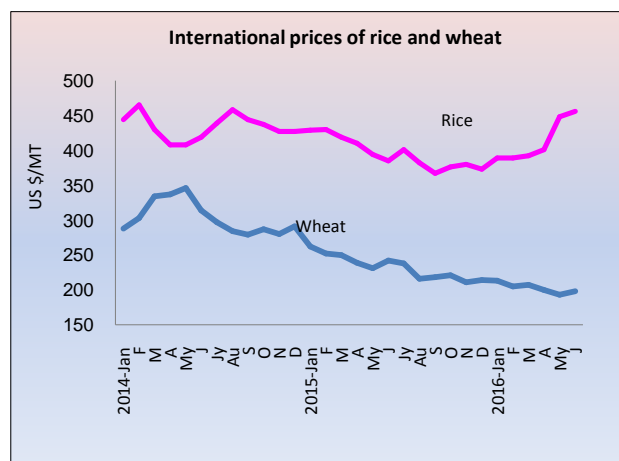


COMMODITY PRICES

International Commodity Prices

Month	Milk Powder Average Price US\$/MT	Rice Thai,100% US\$/MT	Wheat (HRW) US\$/MT
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
Jul	-	-	188

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



Commodity	Unit	Annual Averages			Monthly Averages		
		Jan-Dec	Jan-Dec	Jan-Dec	May	Jun	Jul
		2013	2014	2015	2016	2016	2016
Non Energy, Agriculture, Beverages							
Cocoa	\$/kg	2.44	3.06	3.14	3.10	3.12	3.05
Coffee, Arabica	\$/kg	3.08	4.42	3.53	3.42	3.65	3.79
Tea, auctions (3) average	\$/kg	2.86	2.72	2.71	2.56	2.65	2.73
Tea, Colombo auctions	\$/kg	3.45	3.54	2.96	3.05	2.95	3.10
Food, Fats & Oils							
Coconut Oil	\$/mt	941	1,280	1,110	1,445	1,563	1,508
Copra	\$/mt	627	854	736	963	1,048	1,008
Palm Oil	\$/mt	857	821	622	706	683	651
Grains							
Barley	\$/mt	202.2	137.6	194.3	172.6	171.5	155.0
Maize	\$/mt	259.4	192.9	169.8	169.0	179.0	161.8
Wheat, US HRW	\$/mt	312.2	284.9	203.2	171.8	173.9	151.6
Other Food							
Meat, Beef	\$/kg	4.07	4.95	4.42	3.96	4.00	4.14
Meat, Chicken	\$/kg	2.29	2.43	2.53	2.47	2.47	2.46
Sugar, World	\$/kg	0.57	0.37	0.30	0.38	0.43	0.43
Raw Materials, Timber							
Plywood	¢/sheets	560.2	517.3	451.2	501.2	517.7	524.5
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	1.67	1.49	1.59
Fertilizers							
Phosphate Rock	\$/mt	148.1	110.2	117.5	115.0	115.0	115.0
TSP	\$/mt	382.1	388.3	385.0	284.0	285.0	285.0
Urea	\$/mt	340.1	316.2	272.9	200.0	191.0	177.0
Metals and Minerals							
Aluminum	\$/mt	1,847	1,867	1,665	1,551	1,594	1,629
Gold	\$/toz	1,412	1,266	1,160	1,261	1,276	1,337
Iron ore	\$/dmt	135.0	97.0	56.0	55.0	52.0	57.0

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

¢= US cent

\$= US dollar

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

Item	Aug 01	Aug 02	Aug 03	Aug 04	Aug 05	Week Ago	Month Ago	Year Ago
Brent (New York Closing Prices) (US \$/bbl.)	43.52	42.32	41.92	43.39	44.01	42.83	49.80	56.63
WTI (US\$/bbl.)	41.62	40.16	39.68	41.15	41.73	41.19	48.46	50.34
Petrol	45.95	45.60	45.30	47.15	47.80	44.65	52.85	79.00
Diesel	48.89	48.09	47.12	48.46	49.36	49.78	56.92	73.63
Kerosene	49.60	48.68	47.66	49.09	49.97	50.48	57.04	74.32

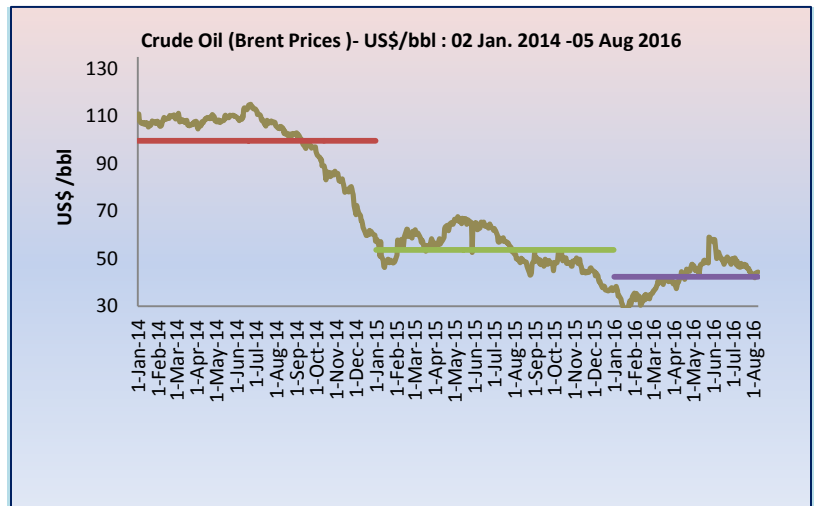
Source: Central Bank of Sri Lanka

Crude Oil Prices (Monthly Average)

Month	WTI European Market (US\$/bbl)	Brent (US\$/bbl)
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	45.32	46.88
Aug*	40.87	43.03

Source: Central Bank of Sri Lanka

*upto 05th Aug 2016

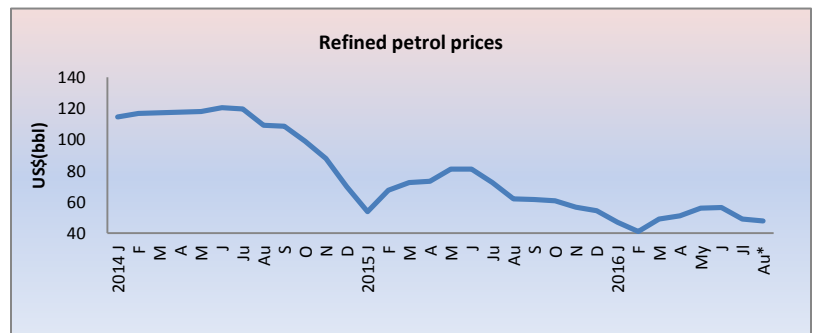


Monthly Average Refined Product Prices -Singapore Plattes Prices (US\$/bbl)

Month	Petrol	Diesel	Kerosene
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	49.24	54.12	54.49
Aug*	46.36	48.38	49.00

Source: Central Bank of Sri Lanka

*upto 05th Aug 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 05/08/16	Week Ago	% Change	Year Ago Annual Avg.
Rice (Rs/Kg)				
Samba	75.00	80.00	-6.3	83.22
Kekulu (Red)	58.00	55.00	5.5	66.15
Vegetable				
Beans	170.00	210.00	-19.0	160.49
Cabbage	80.00	120.00	-33.3	79.31
Carrots	140.00	120.00	16.7	146.27
Tomatoes	40.00	100.00	-60.0	89.80
Pumpkins	70.00	140.00	-50.0	49.12
Snake Gourd	50.00	80.00	-37.5	73.73
Brinjals	80.00	100.00	-20.0	72.56
Ash Plantains	100.00	90.00	11.1	81.08
Other Foods				
Red-Onions (Local)	50.00	95.00	-47.4	105.28
Big Onions (Local)	n.a.	n.a.		95.17
Potatoes (N'Eliya)	142.50	140.00	1.8	107.98
Dried Chilies (Imported)	300.00	300.00	0.0	248.90
Dhal (Indian)	158.00	160.00	-1.3	161.98
Eggs (Red) (Each)	18.50	18.50	0.0	14.17
Coconut (Each)	28.00	29.50	-5.1	41.00
Fish (Rs/Kg)				
Kelawalla	450.00	550.00	-18.2	453.14
Balaya	300.00	300.00	0.0	295.00
Salaya	150.00	180.00	-16.7	114.71
Paraw (Small)	550.00	660.00	-16.7	484.69

Source: Central Bank of Sri Lanka

Food Item	Wholesale (Average)
Rice (Rs/Kg)	
Samba	80.50
Kekulu (Red)	54.00
Vegetables	
Pumpkins	53.50
Snake Gourd	31.50
Ash Plantains	67.00
Beans	146.00
Carrots	103.00
Tomatoes	37.50
Other Foods	
Potatoes (N'Eliya)	135.00
Dried Chilies (Imported)	297.00
Big-Onions (Local)	62.50
Red-Onions (Local)	59.00
Coconut (Each)	27.30

Source: Central Bank of Sri Lanka

Marandagahamula Average Price of Rice (Rs /Kg)

Item	Week Ending 05/08/16	Week Ago	Month Ago	Year Ago
Samba	71.70	72.50	73.66	79.56
Sudu Kekulu	56.90	57.50	58.82	62.37
Raw Red	58.00	58.00	58.91	66.17
Nadu	63.88	63.88	67.98	64.24

Source: Central Bank of Sri Lanka

Wholesale prices of most of the rice varieties decreased in this week. Prices of vegetable and fish varieties showed a mixed performance during the week. Prices of other commodities such as red onion, eggs and coconut increased during this week.

Item	Unit	This Week	Week Ago	% Change	Rs. Year Ago
Rice					
Samba(Avg.)	1 kg	91.00	92.43	-1.5	90.28
No. 1	1 kg	94.95	96.75	-1.9	93.07
No. 2	1kg	87.05	88.12	-1.2	87.48
Nadu Red	1kg	76.49	76.499	0.0	85.15
Raw Red (Avg)	1kg	65.98	65.48	0.8	74.82
No. 1	1kg	70.00	68.85	1.7	78.66
No. 2	1kg	61.96	62.11	-0.2	70.99
Wheat Flour	1 kg	88.59	93.97	-5.7	86.26
Bread	450g	58.14	58.00	0.2	53.22
Sugar	1 kg	96.21	120.26	-20.0	82.22
Lakspray	400g	325.00	325.00	0.0	325.00
Potatoes (Import)	1 kg	113.16	114.31	-1.0	105.04
Potatoes (Local)	1kg	180.53	179.45	0.6	155.48
Red Dhal(Avg)	1kg	194.61	200.61	-3.0	190.72
Cowpea (Avg)	1kg	257.53	256.67	0.3	258.17
Green Gram(Avg)	1kg	241.33	252.55	-4.4	259.11
Kadalai (Avg)	1kg	242.89	233.55	4.0	162.34
Meat					
Beef	1kg	805.00	804.00	0.1	673.94
Chicken					
Fresh	1kg	597.00	584.12	2.2	526.65
Broiler	1kg	380.00	380.00	0.0	380.00
Fresh Fish					
Paraw	1 kg	993.14	998.96	-0.6	876.82
Balaya	1 kg	640.00	652.00	-1.8	687.96
Kelawalla	1 kg	921.30	921.67	0.0	818.24
Salaya	1 kg	207.78	215.00	-3.4	182.16
Dried Fish					
Sprats	1 kg	587.60	713.55	-17.7	580.93
Eggs	Each	18.19	15.61	16.5	15.49
Coconut	Each	45.00	46.12	-2.4	48.58
Coconut Oil	750ml	217.67	219.66	-0.9	208.54
Red Onions	1 kg	150.09	170.58	-12.0	162.63
B- Onions (Import)	1 kg	76.46	83.22	-8.1	100.93
Brinjal	1kg	158.86	153.68	3.4	96.50
Beans Green	1 kg	239.11	240.25	-0.5	221.46
Cabbage	1 kg	195.87	196.48	-0.3	123.23
Leeks	1 kg	196.73	199.97	-1.6	163.53
Beet Root	1kg	238.82	236.25	1.1	175.32
Carrot	1kg	235.29	240.00	-2.0	213.76
Tomatoes	1kg	268.41	273.79	-2.0	125.18
Radish	1kg	146.00	146.67	-0.5	129.60
Vetakolu	1kg	199.32	202.12	-1.4	142.73
Snake Gourd	1kg	181.68	180.93	0.4	129.78
Bandakka	1kg	150.86	145.95	3.4	129.93
Kolikuttu	1kg	221.65	211.13	5.0	167.40
Papaw	1kg	95.86	92.29	3.9	104.65
Pineapple	1kg	133.36	130.94	1.8	120.27

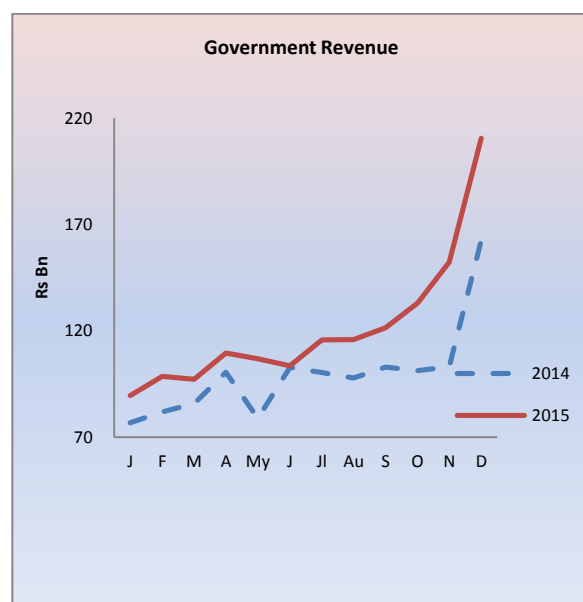
Source: Department of Census and Statistics

The average retail prices of rice and fish varieties showed a mixed performance while prices of vegetable varieties decreased during this week.

FISCAL SECTOR AND GOVERNMENT DEBT

Summary of Government Revenue -Jan-Dec

Rs. Million			
Item	2014	2015 (a)	Growth %
Tax Revenue	1,050,362	1,355,779	29.1
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
Non Tax Revenue	144,844	99,099	-31.6
Total Revenue	1,195,206	1,454,878	21.7



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
Total Government Debt	7,390.9	8,503.2

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

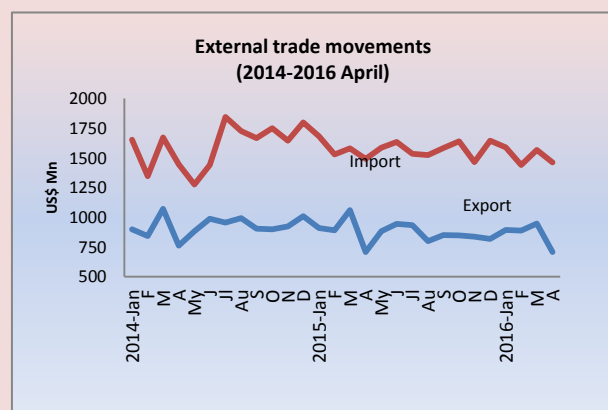
Compiled by Department of Fiscal Policy

EXTERNAL SECTOR

External Trade

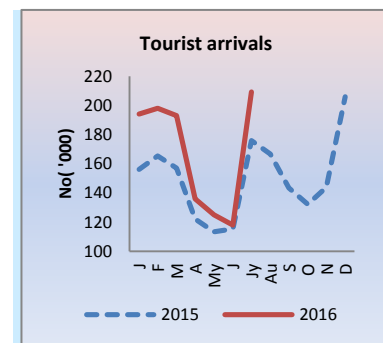
Category	Apr 2015 (US\$ Mn)	Apr 2016 (US\$ Mn)	Growth Rate (%)	Jan-Apr 2015 (US\$ Mn)	Jan-Apr 2016 (US\$ Mn)	Growth Rate (%)
Exports	713.4	706.6	-0.9	3,597.7	3,434.6	-4.5
Agricultural	182.1	159.5	-12.4	801.0	721.8	-9.9
Tea	102.0	93.2	-8.7	437.4	406.3	-7.1
Other	80.1	66.3	-17.2	363.6	315.5	-13.2
Industrial	527.8	544.2	3.1	2,779.3	2,698.5	-2.9
Rubber Products	48.5	48.5	-	256.2	251.6	-1.8
Textiles and Garments	330.2	340.5	3.1	1,588.1	1,709.8	7.7
Food, Beverage and Tobacco	17.2	20.9	21.9	84.0	102.4	21.9
Other	131.9	134.3	1.8	851.0	634.7	-25.4
Mineral	2.2	1.6	-29.3	12.2	9.2	-24.5
Unclassified	1.2	1.3	9.0	5.2	5.1	-3.0
Imports	1,490.5	1,460.9	-2.0	6,282.5	6,055.4	-3.6
Consumer Goods	376.0	316.2	-15.9	1,567.3	1,425.5	-9.1
Food and Beverages	149.0	117.4	-21.2	611.8	516.9	-15.5
Other Consumer Goods	227.0	198.9	-12.4	955.5	908.6	-4.9
Intermediate Goods	756.1	778.9	3.0	3,153.0	3,019.2	-4.2
Petroleum	212.6	200.8	-5.5	921.7	686.5	-25.5
Textiles & Textile Articles	180.8	198.3	9.7	768.9	896.8	16.6
Other Intermediate Goods	362.7	379.8	-4.7	1,462.4	1,435.9	1.8
Investment Goods	353.2	364.3	3.1	1,554.9	1,607.8	3.4
Machinery and Equipment	189.7	212.8	12.2	776.0	925.2	19.2
Transport Equipment	70.1	37.3	-46.7	367.9	195.1	-47.0
Building Material	93.0	113.8	22.3	409.0	485.3	18.7
Other Investment Goods	0.3	0.3	3.3	2.0	2.2	11.6
Unclassified	5.2	1.5	-17.6	7.3	2.8	-61.5
Trade Balance	-777.1	-754.3	-2.9	-2,684.8	-2,620.8	-2.4

Source: Central Bank of Sri Lanka



- Export earnings during January to April 2016 declined by 4.5 percent, compared to the respective period of 2015. The earnings for the month of April slightly dropped by 0.9 percent on year on year basis, reflecting the negative contribution from agricultural and mineral exports.
- On a cumulative basis, expenditure on imports decreased by 3.6 percent for the period during January to April 2016. Expenditure on imports for the month of April 2016 recorded 2.0 percent contraction over the corresponding month of 2015 due to decline in imports of consumer goods.
- Trade deficit was US\$ 2,620.8Mn during January to April 2016 recording 2.4 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	209,351	19.1	213.3	291.4	347.0	19.1
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		
Total	1,527,153	1,798,380	1,173,618*	16.7	2,431.0	2,862.9	1,945.2*	16.7



Source: Sri Lanka Tourism Development Authority

*Jan-Jun

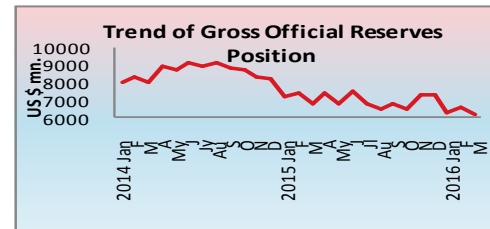
Tourism

Earnings from tourism increased to US \$ 1,945.2 Mn. during January to July 2016 with an increase of 16.7 per cent over the same period of 2015.

The number of tourist arrivals increased to 1,173,618 during January to July 2016, a 16.7 per cent increase compared to same period of 2015.

External Assets

External Assets (US\$ Mn)	Apr 2016	Mar 2016	Feb 2016	Apr 2015	Mar 2015	Feb 2015	Growth 2015Apr /2016 Apr (%)
Total Reserves	8,284.5	8,203.6	9,285.4	9,055.5	8,586.9	9,028.6	-8.5
Gross Official Reserves	6,068.5	6,221.2	6,573.4	7,454.6	6,819.5	7,420.5	-18.6



Source: Central Bank of Sri Lanka

Official reserves

The gross official reserves and total reserves were US\$ 6.1 Bn and US\$ 8.3 Bn, respectively by end April 2016. Total foreign reserves were sufficient to 5.3 months of imports and the gross official reserves were equivalent to 3.9 months of imports. Workers' remittances increased by 5.3 per cent in dollar terms to US \$ 3,613.1 Mn. in January to June 2016.

Private Remittances

Category	2015 Jan -Jun	2016 Jan -Jun (a)	% Change
Inflows US\$ Mn	3,432.7	3,613.1	5.3
Rs. Bn	456.4	521.9	14.4

Source: Central Bank of Sri Lanka

(a) Provisional

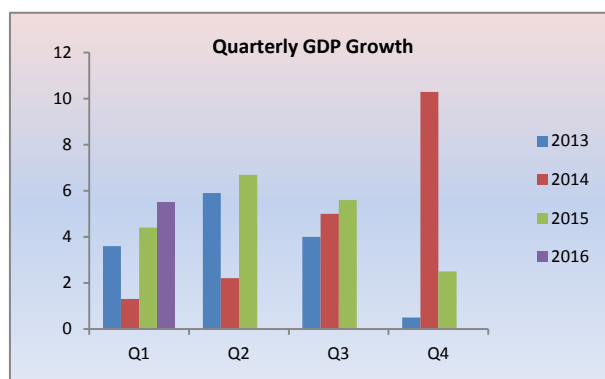
PRODUCTION

QUARTERLY GDP GROWTH (%)

	1 st Q	2 nd Q	3 rd Q	4 th Q	Annual
2012	8.0	6.4	5.2	6.8	9.1
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
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				
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.

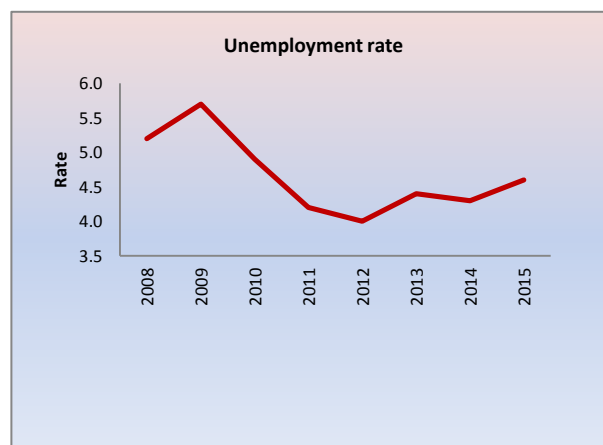
Labour Force Statistics

Employment	2016 1 st Quarter (a)	2015 1 st Quarter (a)*	2015 4 th Quarter (a)*	2015 Annual (a)	2014 Annual (a)
Labour Force	54.1	53.5	53.6	53.8	53.2
Participation Rate					
Unemployment Rate	4.2	4.7	4.3	4.7	4.3
Unemployment Rate					
By Gender					
Male	3.1	2.8	2.6	3.0	3.1
Female	6.1	7.9	7.6	7.6	6.5
By Age Group					
20-29	14.2	14.0	13.0	14.2	13.6
20-24	19.7	20.4	15.4	19.7	19.9
25-29	9.4	8.6	10.9	9.4	8.2

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
Production						
Mn.Mt	2.23	1.14	3.38	2.88	1.94	4.82
Bushels Mn.	107	55	162	138	93	231
Net Extent Harvested						
Hectares ('000)	521	272	793	659	429	1,088
Acres ('000)	1,286	673	1,959	1,629	1,060	2,689
Average Yield kg per ha	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 - Jun	2016 Jan - Jun	% Change
Production			
Tea (Mn. Kg)	171.9	152.5	-11.3
Rubber (Mn. Kg)	50.4	47.9	-5.0
Coconut (Mn. Nuts)	1,500.0	1,526.9	1.8
Exports (US\$ Mn)			
	2015 Jan -Apr	2016 Jan -Apr	
Tea	437.4	406.3	-7.1
Rubber	9.7	12.6	29.5
Coconut	109.4	114.8	4.9
Colombo Auction Prices			
	2015 Apr	2016 Apr	
Tea (Rs./ Kg)	409.22	428.04	4.6
Rubber (Rs./ Kg)	244.3*	208.7*	-14.6
Coconut (Rs/nut)	48.0 *	n.a.	-

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

*March

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
Factory Industry Production Index	130.9	135.4	3.4

Source: Central Bank of Sri Lanka

(a) Provisional