

Weekly Economic Indicators

02 January 2015



Statistics Department

Real Sector & Inflation

Inflation, as measured by the change in the Colombo Consumers' Price Index (CCPI) (2006/07=100), which is computed by the Department of Census and Statistics, decreased to 2.1 per cent in December 2014 compared to 4.7 per cent in December 2013 on a year-on-year basis. Annual Average inflation which followed a declining trend for nineteen consecutive months reached 3.3 per cent in December 2014 from 6.9 per cent in December 2013.

Core inflation, which captures underlying long-term trend of inflation, decreased from 4.4 per cent in December 2013 to 3.5 per cent in December 2014 on an annual average basis. The year-on-year core inflation, which showed a mixed movement with low volatility, increased from 2.1 per cent in December 2013 to 3.2 per cent in December 2014.

The economy continued its growth momentum by recording a 7.7 per cent growth in real terms during the third quarter of 2014, supported by the 12.6 per cent growth of the Industry sector and 7.0 per cent growth of the Services sector, albeit the Agriculture Sector contracted by 2.0 percent.

While the production of tea recorded an increase of 0.5 per cent during January to November 2014, the rubber production showed a decline by 15.6 per cent during first ten months. Meanwhile, the coconut production recorded an increase by 12.4 per cent during the same period

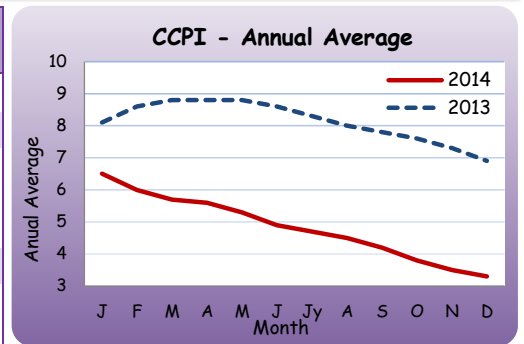
The FIPI increased significantly by 12.4 per cent on year-on-year basis in September 2014. This growth was mainly facilitated by increased production of beverages, wearing apparel as well as chemical and chemical products sectors. They have recorded a significant growth of 18.2, 23.6 and 23.5 per cent due to increased domestic and international demand during this period.

During the week crude oil spot prices largely followed a declining trend. Prices fell sharply, marking a new five and a half year low as persistent worries about a global supply glut offset concerns about output disruptions in Libya and traders bet that the global oversupply of oil will continue deep into 2015. However, WTI crude oil prices were supported after weekly U.S. data showed crude stocks fell more than expected.

REAL SECTOR & INFLATION

1.1 Price Indices

| Item | Dec 2014 | Month Ago | Year Ago |
|---------------------------------------|----------|-----------|----------|
| (2006 / 07 = 100) | | | |
| Colombo Consumers' Price Index (CCPI) | 180.2 | 179.2 | 176.5 |
| Annual Average Change % | 3.3 | 3.5 | 6.9 |
| Year - on - Year Change % | 2.1 | 1.5 | 4.7 |
| Core Inflation - (CCPI) | 173.0 | 173.2 | 167.7 |
| Annual Average Change % | 3.5 | 3.4 | 4.4 |
| Year - on - Year Change % | 3.2 | 3.6 | 2.1 |



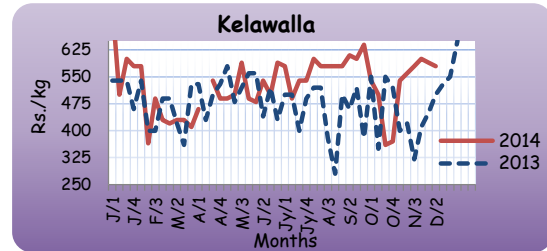
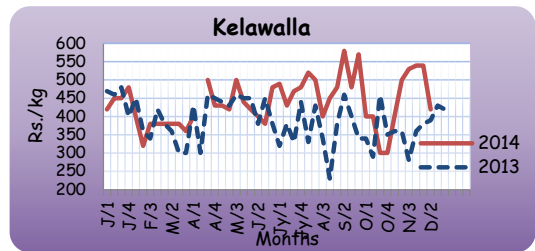
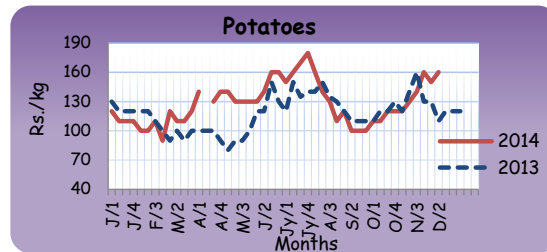
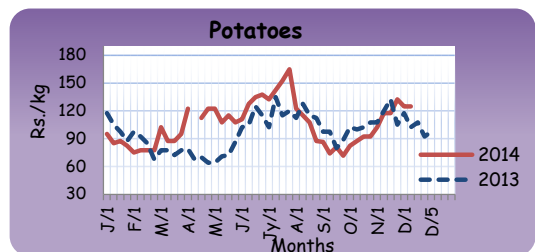
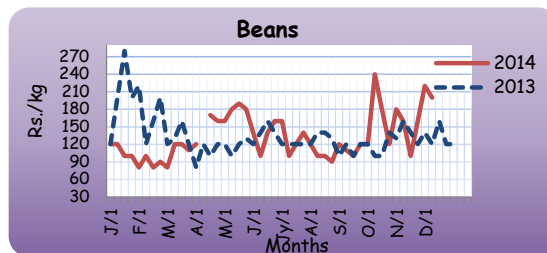
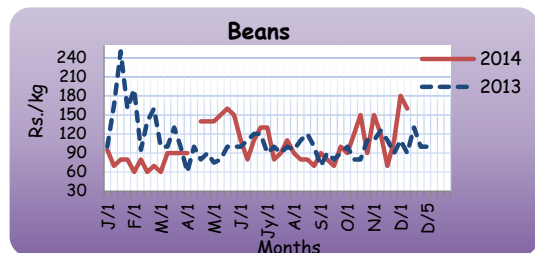
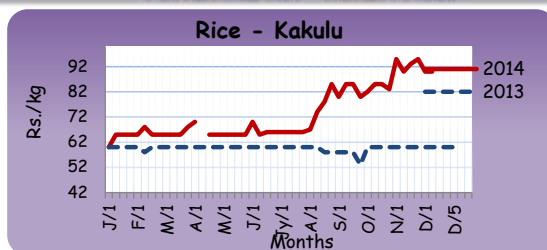
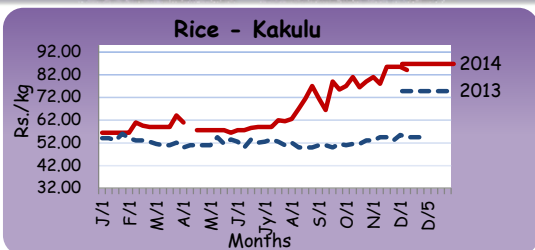
1.2 Pettah Market

| Item | Average Wholesale Prices | | | | Average Retail Prices | | | |
|--------------------------|---------------------------------------|----------|-----------|---------------------|---------------------------------------|----------|-----------|---------------------|
| | Week Ending 31 st Dec 2014 | Week Ago | Month Ago | Year Ago Annual Avg | Week Ending 31 st Dec 2014 | Week Ago | Month Ago | Year Ago Annual Avg |
| | Rs / Kg | | | | Rs / Kg | | | |
| Rice | | | | | | | | |
| Samba | 88.00 | 89.00 | 90.38 | 66.57 | 92.00 | 92.00 | 94.25 | 70.46 |
| Kekulu (Red) | 86.50 | 88.00 | 82.50 | 52.39 | 88.00 | 95.00 | 92.00 | 59.60 |
| Vegetables | | | | | | | | |
| Beans | 420.00 | 210.00 | 112.50 | 107.69 | 480.00 | 260.00 | 150.00 | 134.42 |
| Cabbage | 95.00 | 90.00 | 70.00 | 64.76 | 160.00 | 150.00 | 102.50 | 92.88 |
| Carrots | 210.00 | 200.00 | 182.50 | 108.94 | 280.00 | 240.00 | 220.00 | 133.46 |
| Tomatoes | 180.00 | 180.00 | 142.50 | 67.84 | 290.00 | 200.00 | 180.00 | 99.81 |
| Pumpkins | 50.00 | 35.00 | 32.50 | 37.12 | 80.00 | 60.00 | 57.50 | 57.60 |
| Snake Gourd | 140.00 | 80.00 | 80.00 | 55.69 | 170.00 | 120.00 | 105.00 | 80.77 |
| Brinjals | 180.00 | 160.00 | 57.50 | 61.42 | 240.00 | 200.00 | 85.00 | 85.58 |
| Ash-Plantains | 120.00 | 110.00 | 97.50 | 63.27 | 140.00 | 140.00 | 125.00 | 84.23 |
| Other Foods | | | | | | | | |
| Red-Onions (Local) | 125.00 | 110.00 | 106.25 | 148.68 | 160.00 | 130.00 | 132.50 | 182.38 |
| Big-Onions (Local) | 105.00 | 105.00 | 76.88 | 97.21 | 120.00 | 130.00 | 102.50 | 127.22 |
| Potatoes (N'Eliya) | 117.50 | 132.50 | 117.50 | 96.95 | 150.00 | 160.00 | 137.50 | 117.31 |
| Dried Chilies (Imported) | 223.00 | 225.00 | 223.25 | 176.50 | 250.00 | 250.00 | 265.00 | 219.71 |
| Dhal (Indian) | 142.00 | 142.00 | 146.50 | 131.39 | 160.00 | 160.00 | 161.25 | 148.85 |
| Eggs (Red) | 13.50 | 12.50 | 11.38 | 13.39 | 14.00 | 13.00 | 11.88 | 13.89 |
| Coconut (Each) | 52.50 | 45.50 | 43.50 | 37.62 | 70.00 | 60.00 | 55.00 | 43.98 |
| Fish* | | | | | | | | |
| Kelawalla | 480.00 | 350.00 | 492.50 | 387.27 | 500.00 | 500.00 | 570.00 | 477.31 |
| Balaya | 280.00 | 350.00 | 265.00 | 280.00 | 330.00 | 400.00 | 317.50 | 341.76 |
| Salaya | 120.00 | 140.00 | 110.00 | 134.71 | 160.00 | 160.00 | 142.50 | 179.04 |
| Paraw (Small) | 480.00 | 500.00 | 445.00 | 442.60 | 530.00 | 540.00 | 515.00 | 505.60 |

* Prices collected from the Fisheries Trade Centre, Peliyagoda.

Pettah Market - Wholesale Prices

Pettah Market - Retail Prices



1.3 Dambulla Market

| Item (Rs / Kg) | Week Ending 01 st Jan 2015 | |
|-------------------------|---------------------------------------|------------------|
| | Wholesale (Average) | Retail (Average) |
| Rice | | |
| Samba | 85.60 | 89.20 |
| Kekulu (Red) | 73.50 | 78.00 |
| Vegetables | | |
| Beans | 260.00 | 307.00 |
| Carrot | 178.00 | 224.00 |
| Tomatoes | 151.00 | 197.00 |
| Pumpkins | 29.90 | 50.00 |
| Snake Gourd | 76.00 | 112.00 |
| Ash-Plantains | 92.00 | 124.00 |
| Other Foods | | |
| Red-Onions (Local) | 88.50 | 118.00 |
| Big-Onions (Local) | 100.50 | 117.00 |
| Potatoes (N'Eliya) | 114.17 | 131.67 |
| Dried Chilies(Imported) | 225.30 | 265.00 |
| Coconut (Each) | 47.40 | 57.00 |

1.4 Narahenpita Economic Centre

| Item (Rs / Kg) | Average Retail Prices | |
|--------------------------|---------------------------|----------|
| | 31 st Dec 2014 | Week Ago |
| Rice | | |
| Samba | 90.67 | 90.67 |
| Kekulu (Red) | 85.00 | 86.67 |
| Vegetables | | |
| Beans | 400.00 | 240.00 |
| Cabbage | 140.00 | 160.00 |
| Carrots | 246.67 | 240.00 |
| Tomatoes | 280.00 | 240.00 |
| Pumpkins | 76.67 | 93.33 |
| Snake Gourd | 163.33 | 136.67 |
| Brinjals | 243.33 | 186.67 |
| Ash-Plantains | 160.00 | 153.33 |
| Other Foods | | |
| Red-Onions (Imported) | 143.33 | n.a |
| Big-Onions (Imported) | n.a | n.a |
| Potatoes (Imported) | 140.00 | 140.00 |
| Dried Chilies (Imported) | 236.67 | 233.33 |
| Dhal (Indian) | 170.00 | 163.33 |
| Eggs (Red)(Each) | 13.00 | 13.00 |
| Coconut (Each) | 48.33 | 50.00 |
| Fish | | |
| Kelawalla | 846.67 | 836.67 |
| Balaya | 396.67 | 400.00 |
| Salaya | 166.67 | 193.33 |
| Paraw (Small) | 556.67 | 550.00 |

1.5 Maradagamula Market

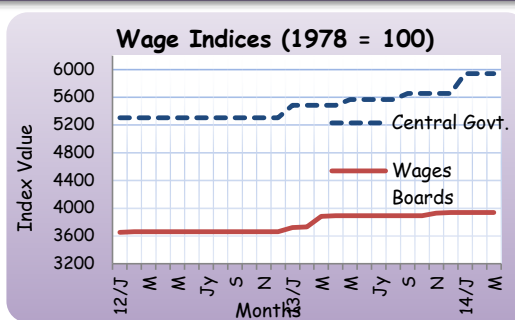
Average wholesale price of Rice

| Item (Rs / Kg) | Week Ending 02 nd Jan | Week Ago | Month Ago | Year Ago |
|----------------|----------------------------------|----------|-----------|----------|
| Samba | 84.75 | 84.38 | 84.20 | 75.74 |
| Sudu Kekulu | 75.50 | 76.50 | 76.05 | 69.11 |
| Raw Red | 84.50 | 84.75 | 84.10 | 67.25 |
| Nadu | 76.50 | 76.00 | 76.18 | 70.82 |

1.6 Wage rate Indices

| Item | 2014(a) Sep | 2013 Sep | % Change |
|----------------------------------|----------------|-------------|-------------|
| (1978 = 100) | | | |
| Central Government Employees (b) | 5,939.0 | 5,653.3 | 5.1 |
| Workers in Wages Boards Trades | 4,099.2 | 3,890.0 | 5.4 |
| Agriculture | 4,692.3 | 4,434.9 | 5.8 |
| Industry & Commerce | 3,459.1 | 3,248.1 | 6.5 |
| Services | 2,313.2 | 2,313.2 | 0.0 |

(a) Provisional

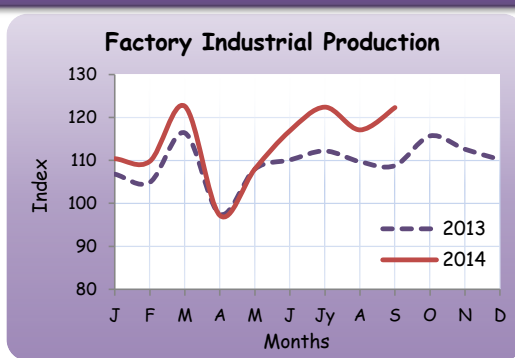


1.7 Factory Industry-Production (FIPI) (2010 = 100) (a)

| Item | 2014 (b) Sep | 2013 Sep | % Change |
|---|-----------------|--------------|-------------|
| Factory Industry- Production Index | 122.3 | 108.8 | 12.4 |
| Food products | 101.7 | 101.0 | 0.7 |
| Beverages | 109.9 | 93.0 | 18.2 |
| Tobacco products | 96.6 | 94.2 | 2.5 |
| Wearing apparel | 156.8 | 126.9 | 23.6 |
| Chemicals and chemical products | 89.6 | 72.6 | 23.5 |
| Rubber and plastic products | 142.1 | 123.5 | 15.1 |
| Other non-metallic mineral products | 118.9 | 108.6 | 9.5 |

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

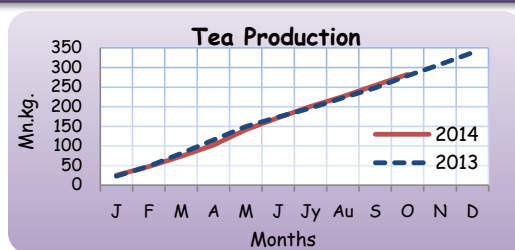
(b) Provisional



1.8 Agriculture Production

| Item | Unit | 2014* | 2013 | % Change |
|----------|-----------|-----------|-----------|-------------|
| | | Jan - Nov | Jan - Nov | |
| Tea | (Mn Kg) | 309.8 | 308.1 | 0.5 |
| Rubber | (Mn Kg) | 87.3 | 103.4 | -15.6 |
| Coconuts | (Mn Nuts) | 2,394.9 | 2,131.1 | 12.4 |

* Provisional



1.9 GDP by Industrial Origin at Constant (2002) Prices - Growth Rates

| Item | 2014* 3 rd Quarter | 2013 3 rd Quarter | 2013 Annual |
|-------------|----------------------------------|---------------------------------|----------------|
| Agriculture | -2.0 | 7.2 | 4.7 |
| Industry | 12.6 | 8.1 | 9.9 |
| Services | 7.0 | 7.9 | 6.4 |
| GDP | 7.7 | 7.9 | 7.3 |

* Provisional

Source: Department of Census and Statistics



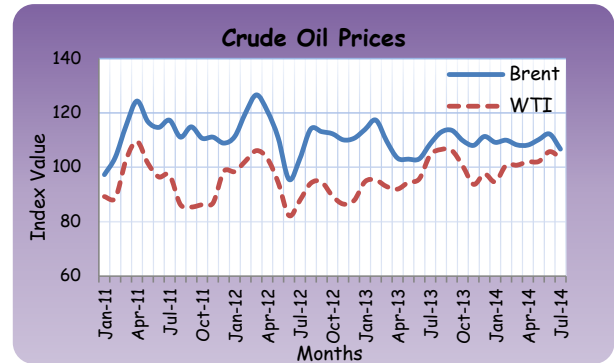
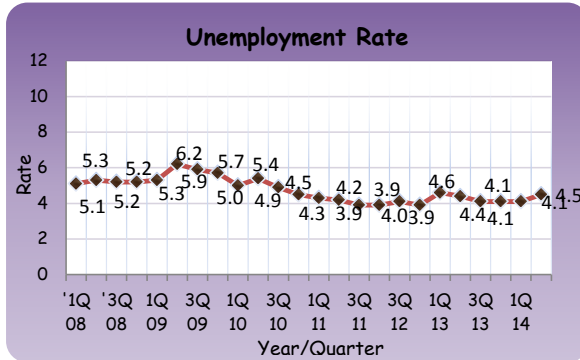
1.10 Employment (a)

| Item | 2014 2 nd Quarter | 2013 2 nd Quarter | 2013 Annual |
|--|---------------------------------|---------------------------------|----------------|
| Labour Force Participation rate | 53.6 | 54.2 | 53.8 |
| Unemployment rate | 4.5 | 4.4 | 4.4 |
| Employed Persons by Sectors % (b) | | | |
| Agriculture | 28.2 | 31.5 | 29.7 |
| Industry | 26.0 | 26.2 | 26.2 |
| Services | 45.8 | 42.4 | 44.1 |

(a) The working age population aged 15 and above

Source: Department of Census and Statistics

(b) Based on the International Standard Industrial Classification (ISIC) - Revision 4



1.11 Average Crude Oil Prices

| Month | 2013 | | | 2014 | | |
|-------------|-------------------------|-----------------------|---------------------------------------|-------------------------|-----------------------|---------------------------------------|
| | Spot Prices (US \$/bbl) | | CPC Import Prices (C&F) (US\$/bbl)(*) | Spot Prices (US \$/bbl) | | CPC Import Prices (C&F) (US\$/bbl)(*) |
| | Brent (Benchmark price) | WTI (Benchmark price) | | Brent (Benchmark price) | WTI (Benchmark price) | |
| January | 113.95 | 94.76 | 111.22 | 109.21 | 94.71 | 113.84 |
| February | 117.39 | 95.32 | 111.16 | 110.01 | 100.82 | 110.62 |
| March | 109.63 | 92.94 | 106.57 | 108.28 | 100.82 | 111.17 |
| April | 103.40 | 92.02 | 111.17 | 108.22 | 102.07 | 110.25 |
| May | 103.04 | 94.51 | 108.91 | 110.22 | 102.18 | 109.80 |
| June | 103.16 | 95.77 | 105.29 | 112.27 | 105.79 | 113.42 |
| July | 108.62 | 104.51 | - | 106.73 | 103.54 | 110.30 |
| August | 112.94 | 106.58 | 113.48 | 101.51 | 96.54 | 111.21 |
| September | 113.63 | 106.19 | 111.01 | 97.02 | 93.19 | 100.08 |
| October | 109.88 | 100.54 | - | 87.51 | 84.40 | 99.39 |
| November | 108.10 | 93.77 | 110.39 | 79.28 | 75.79 | |
| December | 111.37 | 97.62 | 112.13 | 62.55 | 59.29 | |
| | 2013 | | | 2014 | | |
| 29 December | - | - | | 58.06 | 53.46 | |
| 30 December | 112.29 | 100.26 | | 55.80 | 54.14 | |
| 31 December | 111.21 | 99.31 | | 55.47 | 53.45 | |
| | 2014 | | | 2015 | | |
| 01 January | 110.80 | 98.42 | | - | - | |

Sources: Reuters
Energy Information Administration
Ceylon Petroleum Corporation

(*) CPC import prices are not directly comparable with spot prices of WTI and Brent as CPC is import prices include freight charges and the price is weighted for average prices of different types of crude oil. Also Part of the imports of CPC are on a term contract basis.

Monetary Sector

Weekly AWPR for the week ending 02 January 2015 declined by 7 bps to 6.26 per cent compared to the previous week.

Broad money (M2b) expanded by 11.5 per cent in October 2014. NFA of the banking system declined by Rs. 56.2 billion in October 2014 compared to September 2014. NCG from the banking system showed a significant increment of Rs. 12.7 billion in October 2014 compared to September 2014, where credit to public corporations also showed a rapid increase of Rs. 40.2 billion during the month. Credit extended to the private sector increased by Rs. 42.0 in October 2014, compared to September 2014 .

The reserve money decreased compared to the previous week mainly due to decrease in currency in circulation and deposits held by the commercial banks with the Central Bank.

The total outstanding market liquidity decreased to Rs. 328.24 bn by end of the week, compared to Rs. 343.64 bn by the end of last week. Majority of the liquidity has been absorbed through the Term Repo auctions and Short-term Repo auctions.

By 02 January 2015, the All Share Price Index (ASPI) increased by 0.54 per cent to 7,348 points while the S&P SL 20 Index increased by 0.64 per cent to 4,110 points compared to the previous week.

MONETARY SECTOR

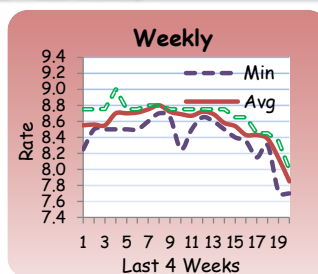
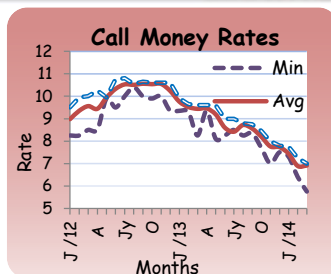
2.1 Interest Rates

| Item | Week Ending 2015 Jan 02 | Week Ago | Year Ago |
|---|----------------------------------|----------------------------------|----------------------------------|
| Commercial Bank Average Weighted Prime Lending Rate (AWPR) | 6.26 | 6.33 | 10.13 |
| Treasury Bill Yield (Excluding 10% withholding tax) | | | |
| - 91 days | 5.74 | 5.74 | 7.54 |
| - 182 days | 5.84 | 5.84 | 7.85 |
| - 364 days | 6.01 | 6.00 | 8.29 |
| Standing Deposit Facility | 6.50 | 6.50 | 6.50 |
| Standing Lending Facility | 8.00 | 8.00 | 8.00 |
| Call Money Weekly Average (CMR) | 6.15 | 6.00 | 7.64 |
| Sri Lanka Inter Bank Offer Rate (SLIBOR) | | | |
| 1 day | 6.32 | 6.01 | 7.75 |
| 7 days | 6.37 | 6.21 | 8.27 |
| 1 Month | 6.56 | 6.43 | 8.82 |
| 3 Months | 6.81 | 6.63 | 9.39 |
| 6 Months | 6.99 | 6.87 | 10.20 |
| 12 Months | 7.26 | 7.09 | 11.14 |
| Commercial Banks | August 2014 | Month Ago | Year Ago |
| Saving Deposits - | 0.75-9.50 | 0.75-8.00 | 0.75-9.00 |
| One Year Fixed Deposits - | 4.15-12.00 | 4.55-13.00 | 6.00-16.00 |
| | Dec 2014 | Month Ago | Year Ago |
| Commercial Bank Average Weighted Deposit Rate (AWDR) | 6.20 | 6.42 | 9.37 |
| Commercial Bank Average Weighted Fixed Deposit Rate (AWFDR) | 7.33 | 7.63 | 11.78 |
| | Nov 2014 | Month Ago | Year Ago |
| Commercial Bank Average Weighted Lending Rate (AWLR) | 12.29 | 12.57 | 15.18 |
| NSB | August 2014 | Month Ago | Year Ago |
| Saving Deposits - | 5.00 | 5.00 | 5.00 |
| One Year Fixed Deposits - | 7.50 | 7.50 | 10.50 |
| Treasury Bonds Auction | (06 Y & 07 Months) 30/12/2014 | (10 Y & 04 Months) 30/12/2014 | (14 Y & 10 Months) 10/07/2014 |
| Coupon rate | 11.00 | 9.00 | 13.00 |
| Weighted Average Yield (Excluding 10% withholding tax) | 7.05 | 7.88 | 10.58 |

| Bankwise- AWPR | Week ending 2015 Jan 02 | Week Ago |
|------------------------------|----------------------------|----------|
| Bank of Ceylon | 7.52 | 7.43 |
| People's Bank | 8.74 | 8.74 |
| Hatton National Bank | 6.07 | 6.44 |
| Commercial Bank of Ceylon | 6.14 | 6.20 |
| Sampath Bank | 5.95 | 6.00 |
| Seylan Bank | 6.26 | 6.30 |
| Union Bank of Colombo | 6.94 | 6.14 |
| Pan Asia Banking Corporation | 7.00 | 7.00 |
| Nations Trust Bank | 5.95 | 6.04 |
| DFCC Vardhana Bank | 7.91 | 7.85 |
| NDB Bank | 6.75 | 6.15 |
| Amana Bank | 7.96 | 7.96 |
| Cargills Bank | 6.34 | 7.16 |

| Bankwise- AWPR | Week ending 2015 Jan 02 | Week Ago |
|-------------------------|----------------------------|----------|
| HSBC | 6.21 | 6.37 |
| Standard Chartered Bank | 5.93 | 6.16 |
| Citi Bank | 5.94 | 6.40 |
| Deutsche Bank | 6.35 | 7.72 |
| Habib Bank | 5.49 | 5.49 |
| Indian Bank | 7.99 | 7.99 |
| Indian Overseas Bank | 8.49 | 8.49 |
| MCB Bank | 7.56 | 7.22 |
| State Bank of India | 8.79 | 8.98 |
| Public Bank | 8.00 | 8.00 |
| ICICI Bank | 8.14 | 8.67 |
| Axis Bank | - | - |

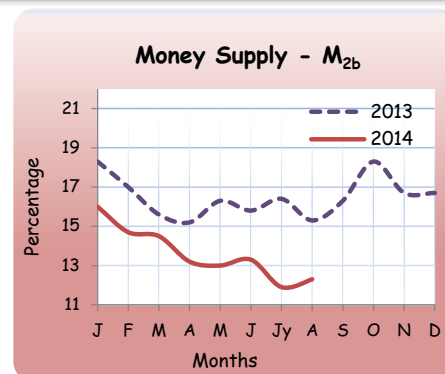
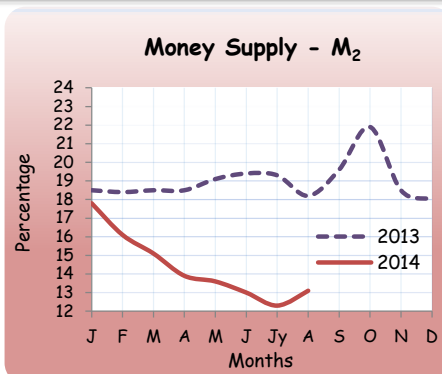
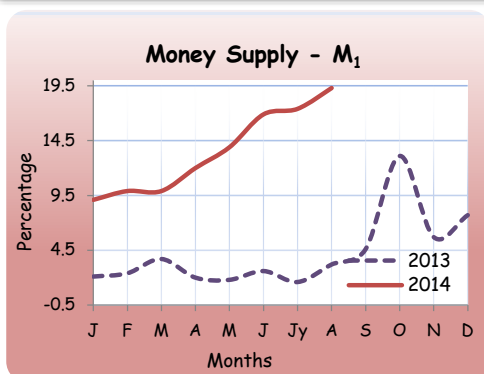
Interest Rates - Call Money



2.2 Money Supply

| Item | Rs. Bn. | | | Annual Change (%) | | |
|---|---------------------|--------------|-------------|---------------------|--------------|-------------|
| | 2014 (a) October | Month Ago | Year Ago | 2014 (a) October | Month Ago | Year Ago |
| M1 | 546.5 | 540.0 | 481.3 | 13.5 | 17.4 | 13.1 |
| M2 | 3,351.3 | 3,316.8 | 3,002.4 | 11.6 | 12.9 | 21.9 |
| M2b | 3,747.6 | 3,709.6 | 3,362.5 | 11.5 | 12.8 | 18.3 |
| Net Foreign Assets of the Banking System (b) | 93.4 | 149.5 | -51.2 | 282.4 | 270.1 | -112.2 |
| Monetary Authorities | 742.1 | 768.9 | 498.4 | 48.9 | 60.4 | 39.9 |
| Domestic Banking Units (DBUs) | -245.3 | -248.9 | -195.1 | -25.7 | -31.6 | -53.1 |
| Foreign currency Banking Units (FCBUs) | -403.5 | -370.5 | -354.5 | -13.8 | 2.1 | -40.2 |
| Net Domestic Assets of the Banking System (b) | 3,654.3 | 3,560.1 | 3,413.7 | 7.0 | 5.4 | 19.1 |
| DBUs | 3,107.7 | 3,054.4 | 2,930.5 | 6.0 | 6.0 | 17.5 |
| FCBUs | 546.5 | 505.7 | 483.2 | 13.1 | 2.0 | 29.8 |
| Net Credit to Government | 1,401.4 | 1,388.7 | 1,329.0 | 5.4 | 7.5 | 27.5 |
| Monetary Authorities | 147.5 | 138.5 | 128.1 | 15.2 | 3.2 | -60.0 |
| DBUs | 1,046.3 | 1,052.4 | 1,012.2 | 3.4 | 8.7 | 71.8 |
| FCBUs | 207.6 | 197.8 | 188.8 | 10.0 | 4.0 | 41.2 |
| Credit to Corporations | 404.1 | 363.9 | 326.8 | 23.6 | 7.2 | 28.4 |
| DBUs | 184.9 | 176.6 | 123.2 | 50.1 | 42.7 | 76.0 |
| FCBUs | 219.2 | 187.3 | 203.6 | 7.6 | -13.1 | 10.3 |
| Credit to the Private Sector | 2,623.9 | 2,581.9 | 2,496.7 | 5.1 | 4.6 | 7.4 |
| DBUs | 2,375.4 | 2,339.5 | 2,291.2 | 3.7 | 3.0 | 7.5 |
| FCBUs | 248.5 | 242.4 | 205.6 | 20.9 | 22.2 | 6.8 |
| Reserve Money | 547.7 | 536.9 | 466.9 | 17.3 | 15.3 | -0.9 |

(a) Provisional (b) In relation to M2b

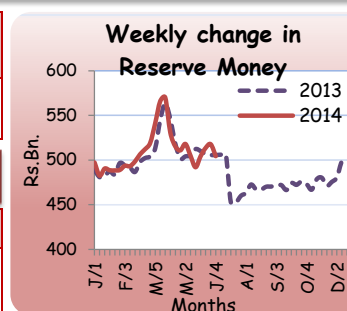


2.3 Weekly change in Reserve Money

| Item | 01 Jan 2015 | Week Ago | Change |
|------------------------|-------------|----------|--------|
| Reserve Money (Rs.Mn.) | 584,650 | 588,283 | -3,633 |

2.4 Money Market Activity (Overnight)

| Item | 29.12.2014 | 30.12.2014 | 31.12.2014 | 01.01.2015 | 02.01.2015 |
|--------------------------------|------------|------------|------------|------------|------------|
| Call Money Market | | | | | |
| Weighted Average Rate (% p.a.) | 6.00 | 6.03 | 6.21 | 6.25 | 6.48 |
| Gross Volume (Rs. Mn) | 11,306 | 12,046 | 6,265 | 9,070 | 5,905 |
| Repo Market | | | | | |
| Weighted Average Rate (% p.a.) | 5.51 | 5.58 | 6.07 | 6.08 | 6.04 |
| Gross Volume (Rs. Mn) | 6,472 | 13,005 | 15,764 | 15,124 | 11,255 |



2.5 CBSL Security Portfolio

| Item | 29.12.2014 | 30.12.2014 | 31.12.2014 | 01.01.2015 | 02.01.2015 |
|------------------------------|------------|------------|------------|------------|------------|
| CBSL T-Bill Holding (Rs. Mn) | 181 | 3,554 | 3,144 | 16,282 | 23,161 |

2.6 Open Market Operations

| Item | 29.12.2014 | 30.12.2014 | 31.12.2014 | 01.01.2015 | 02.01.2015 |
|--|---------------|---------------|---------------|---------------|---------------|
| Short-Term Auction | | | | | |
| Repo Amount Offered (Rs. bn) | 20.00 | 0.00 | 0.00 | 0.00 | 20.00 |
| Reverse Repo Amount Offered (Rs. bn) | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 |
| Tenure (No. of Days) | 3 | 0 | 0 | 0 | 7 |
| Bids Received (Rs. bn) | 28.39 | 0.00 | 0.00 | 0.00 | 1.98 |
| Amount Accepted (Rs. bn) | 20.00 | 0.00 | 0.00 | 0.00 | 1.98 |
| Weighted Average Yield Rate (% p.a.) | 5.91 | 0.00 | 0.00 | 0.00 | 6.03 |
| Term Auction | | | | | |
| Repo Amount Accepted (Rs. bn) | 0.00 | 0.00 | 0.00 | 0.00 | 45.23 |
| Reverse Repo Amount Accepted (Rs. bn) | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 |
| Standing Facility | | | | | |
| Standing Deposit Facility (Rs. bn) | 25.59 | 17.69 | 7.03 | 30.08 | 33.32 |
| Standing Lending Facility (Rs. bn) | 0.00 | 0.00 | 2.65 | 0.00 | 0.00 |
| Total Outstanding Market Liquidity (Rs. bn) | 346.81 | 338.91 | 325.60 | 331.30 | 328.24 |

2.7 Credit Cards *

| Item | 2014 (a) End July | 2014 End June | 2013 End Dec |
|--------------------------------------|----------------------|------------------|-----------------|
| Total Number of Active Cards | 983,296 | 974,144 | 951,625 |
| Local (accepted only locally) | 34,013 | 34,397 | 35,990 |
| Global (accepted globally) | 949,283 | 939,747 | 915,635 |
| Outstanding balance (Rs. Mn.) | 53,643 | 53,613 | 51,172 |
| Local (accepted only locally) | 1,246 | 1,244 | 1,260 |
| Global (accepted globally) | 52,396 | 52,369 | 49,913 |

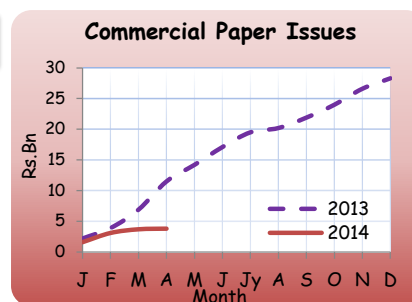
(a) Provisional

2.8 Commercial Paper Issues (1)

| Item (Rs. bn.) | 2014 End July* | 2014 End June | 2013 End Dec |
|---------------------------------------|-------------------|------------------|-----------------|
| Total Issues - Cumulative | 5.6 | 5.4 | 28.3 |
| Outstanding (as at end of the period) | 4.7 | 4.8 | 7.4 |

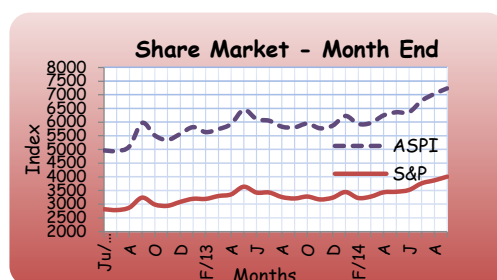
* provisional

(1) Based on the information provided by Licensed Commercial Banks and Licensed Specialised Banks



2.9 Share Market

| Item | Week Ending 02 Jan 2015 | Week Ago | Year Ago |
|---|----------------------------|----------|----------|
| All Share Price Index (1985 = 100) (ASPI) | 7,348 | 7,309 | 5,968 |
| S & P Sri Lanka 20 Index (S&P SL20) | 4,110 | 4,084 | 3,285 |
| Average Daily Turnover (Rs. Mn) | 600 | 2,132 | 839 |
| Market Capitalisation (Rs.Bn.) | 3,126 | 3,107 | 2,483 |



Fiscal Sector

During the first nine months of 2014, total revenue as a percentage of estimated GDP marginally declined to 8.4 per cent from 9.1 per cent in the corresponding period of 2013. However, in nominal terms, total revenue increased by 5.6 per cent to Rs. 828.2 billion during the first nine months of the year from Rs. 784.2 billion recorded during the same period in 2013 reflecting increases in both tax revenue (by Rs. 41.5 billion) and non tax revenue (by Rs. 2.5 billion). However, average monthly revenue during this period was around Rs. 92 billion.

Total expenditure and net lending as a percentage of estimated GDP declined to 13.4 per cent during the first nine months of 2014 compared to 14.7 per cent recorded in the corresponding period in 2013 mainly due to decline in both recurrent expenditure and capital expenditure and net lending. In nominal terms, total expenditure and net lending increased by 3.7 per cent to Rs.1,326.7 billion during the first nine months of 2014 from Rs. 1,279.1 billion in the corresponding period of 2013.

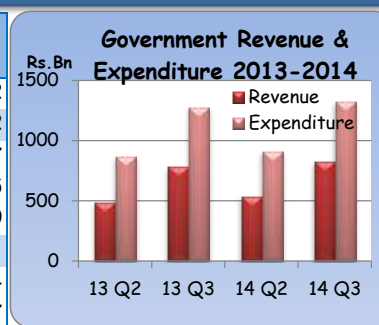
Total outstanding debt increased by Rs. 575.7 billion to Rs. 7,368.9 billion as at end September 2014 from Rs. 6,793.2 billion at end 2013. Foreign debt increased by Rs. 222.5 billion to Rs. 3,182.9 billion mainly due the issuance of International Sovereign Bond amounting to US dollars 1,000 million and US dollars 500 million in January and April 2014. Meanwhile, domestic debt increased by Rs. 353.2 billion to Rs. 4,186 billion.

The government made several changes to the Special Commodity Levy (SCL) during the month of September with a view to maintaining stable prices in the domestic market. Accordingly, SCL on the importation of rice was decreased from Rs. 5 per kg to Rs. 1 per kg for a period of three months while SCL on the importation of sugar was increased from Rs. 28 per kg to Rs. 33 per kg for a period of three months with effect from 05 September 2014. In addition, importation of fresh or chilled potatoes was suspended with effect from 06 September 2014.

FISCAL SECTOR

3.1 Government Finance (Rs.bn)

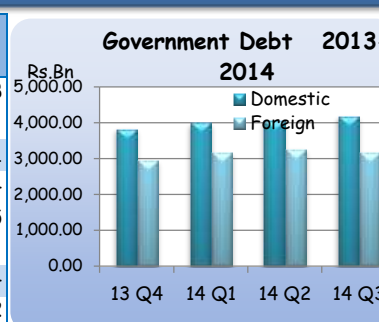
| Item | 2014 * | 2013 |
|---|----------------|----------------|
| | Jan-Sep | Jan-Sep |
| Revenue and Grants | 836.9 | 787.2 |
| Revenue | 828.2 | 784.2 |
| Tax | 752.2 | 710.7 |
| Non tax | 76.0 | 73.5 |
| Grants | 8.7 | 3.0 |
| Expenditure & Lending Minus Repayments | 1,326.7 | 1,279.1 |
| Current | 962.1 | 920.4 |
| Capital & Lending Minus Repayments | 364.6 | 358.7 |



* Provisional **Revised

3.2 Government Debt (Rs.bn)

| Item | 2014* | 2013 |
|-------------------------------------|----------------|----------------|
| | End Sep | End Dec |
| Total domestic debt | 4,186.0 | 3,832.8 |
| of which | | |
| Treasury bills | 620.1 | 700.1 |
| Treasury bonds | 2,821.0 | 2,452.4 |
| Rupee loans | 55.5 | 55.5 |
| Total foreign debt | 3,182.9 | 2,960.4 |
| Total outstanding govt. debt | 7,368.9 | 6,793.2 |



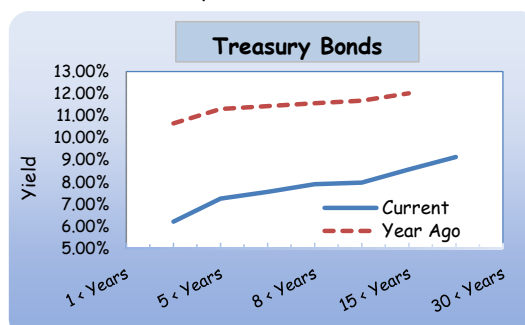
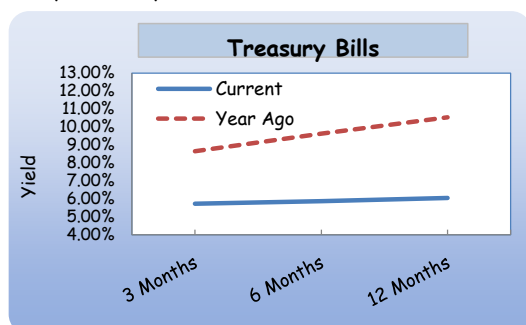
* Provisional

3.3 Government Securities - Primary and Secondary Market Yield Rates as for the week ending - 31st December 2014

| Security | Maturity | Primary Market* | | Secondary Market | | | Last Week Average |
|----------------|------------|-----------------|-----------|------------------|---------|---------|-------------------|
| | | This Week | Last Week | This Week | | | |
| | | | | Buying | Selling | Average | |
| Treasury Bills | 3 Months | 5.74% | 5.74% | 5.78% | 5.66% | 5.72% | 5.71% |
| | 6 Months | - | 5.84% | 5.91% | 5.81% | 5.86% | 5.86% |
| | 12 Months | 6.01% | 6.00% | 6.09% | 6.00% | 6.04% | 6.04% |
| Treasury Bonds | 2 < Years | 7.13% | - | 6.27% | 6.17% | 6.22% | 6.24% |
| | 5 < Years | - | - | 7.33% | 7.19% | 7.26% | 7.23% |
| | 6 < Years | - | - | 7.64% | 7.49% | 7.57% | 7.56% |
| | 8 < Years | - | - | 7.96% | 7.87% | 7.91% | 7.96% |
| | 10 < Years | - | - | 8.05% | 7.94% | 7.99% | 8.06% |
| | 15 < Years | - | - | 8.66% | 8.51% | 8.58% | 8.59% |
| | 20 < Years | - | - | 9.23% | 9.07% | 9.15% | 9.09% |
| 30 < Years | - | - | 9.34% | 9.21% | 9.27% | 9.27% | |

* Primary market transactions during the week ending 31/12/2014

The secondary market yield rates of T-bills and T-bonds remain at levels over the past two weeks.



3.4 Government Securities - Weekly Summary of Primary and Secondary Market Transactions (Week Ended - 31st December 2014)

| Item | Volume in Rs Mn | |
|--|---------------------|---------------------|
| | This Week | Last Week |
| Outstanding Stock of Government Securities | | |
| Treasury Bills | 750,266.91 | 744,817.80 |
| Treasury Bonds (a) | 3,245,763.68 | 3,243,763.68 |
| Total | 3,996,030.59 | 3,988,581.48 |
| Government Securities held by Foreigners | 457,210.01 | 453,250.88 |
| Sri Lanka Development Bonds (SLDB) | 391,083.10 | 390,931.49 |

The outstanding stock of T-bills and T-bonds increased with new issuances during the week .

| Primary Market Activities | Volume in Rs Mn | |
|---------------------------|-----------------|-----------------|
| | This Week | Last Week |
| Treasury Bills | | |
| Amount Offered | 12,000.00 | 12,000.00 |
| Total Bids Received | 36,335.00 | 34,516.00 |
| Total Bids Accepted | 15,135.00 | 21,080.00 |
| Treasury Bonds | | |
| Amount Offered | | |
| Total Bids Received | No auction held | No auction held |
| Total Bids Accepted | | |

The primary market offers remained substantially oversubscribed continuing the market interest for government securities.

| Secondary Market Activities | Volume in Rs Mn | |
|--|-----------------|------------|
| | This Week | Last Week |
| Treasury Bills | | |
| Outright Transaction (Sales / Purchases) | 33,929.88 | 28,104.45 |
| Repo Transaction (Sales / Purchases) | 115,234.57 | 213,228.29 |
| Treasury Bonds | | |
| Outright Transaction (Sales / Purchases) | 51,164.31 | 26,195.00 |
| Repo Transaction (Sales / Purchases) | 690,776.22 | 556,861.34 |

Increased activities are observed in secondary market T-bills outright transactions and T-bonds transactions during the week.

a) Excludes Treasury bonds amounting to Rs.4,397 million issued to CWE in November 2003, Rs. 78,441 million issued to settle dues to CPC in January 2012, Rs. 13,125 million issued to capitalize Sri Lankan Airlines in March 2013.

3.5 Two way Quotes (Treasury Bills) - 02/01/2015

| Remaining Maturity | Average Buying Price | Yield % | Average Selling Price | Yield % | Buying & Selling Spread |
|--------------------|----------------------|---------|-----------------------|---------|-------------------------|
| 1-7 Days | 99.89 | 5.58 | 99.90 | 5.19 | 0.01 |
| 1 Month | 99.54 | 5.64 | 99.55 | 5.49 | 0.01 |
| 2 Month | 99.06 | 5.71 | 99.09 | 5.57 | 0.02 |
| 3 Month | 98.58 | 5.77 | 98.60 | 5.67 | 0.02 |
| 4 Month | 98.09 | 5.81 | 98.12 | 5.72 | 0.03 |
| 5 Month | 97.59 | 5.86 | 97.64 | 5.75 | 0.04 |
| 6 Month | 97.09 | 5.90 | 97.14 | 5.80 | 0.05 |
| 7 Month | 96.59 | 5.93 | 96.65 | 5.82 | 0.06 |
| 8 Month | 96.08 | 5.96 | 96.15 | 5.86 | 0.07 |
| 9 Month | 95.58 | 5.97 | 95.66 | 5.87 | 0.07 |
| 10 Month | 95.06 | 6.01 | 95.14 | 5.92 | 0.08 |
| 11 Month | 94.54 | 6.04 | 94.62 | 5.95 | 0.09 |
| 12 Month | 94.00 | 6.08 | 94.09 | 5.99 | 0.09 |

3.6 Two way Quotes (Treasury Bonds)- 02/01/2015

| Treasury Bond By Series | Maturity Period (Years) | Maturity Date (DD/MM/YY) | Days to Maturity | Average Buying Price | Yield % | Average Selling Price | Yield % | Buying & Selling Spread |
|-------------------------|-------------------------|--------------------------|------------------|----------------------|---------|-----------------------|---------|-------------------------|
| 06.20%2015A | 4 | 15-Jan-15 | 13 | 100.02 | 5.51 | 100.02 | 5.44 | 0.00 |
| 11.75%2015A | 6 | 15-Mar-15 | 72 | 101.14 | 5.73 | 101.17 | 5.61 | 0.03 |
| 06.20%2015B | 4 | 15-Jun-15 | 164 | 100.18 | 5.78 | 100.22 | 5.69 | 0.04 |
| 06.50%2015A | 5 | 15-Jul-15 | 194 | 100.31 | 5.90 | 100.37 | 5.78 | 0.06 |
| 11.00%2015A | 6 | 1-Aug-15 | 211 | 102.84 | 5.94 | 102.91 | 5.82 | 0.07 |
| 11.00%2015B | 6 | 1-Sep-15 | 242 | 103.19 | 5.97 | 103.28 | 5.84 | 0.09 |
| 12.50%2015A | 2 | 20-Sep-15 | 261 | 104.47 | 5.97 | 104.49 | 5.93 | 0.03 |
| 08.50%2015A | 3 | 1-Nov-15 | 303 | 101.89 | 6.11 | 101.97 | 6.01 | 0.08 |
| 07.25%2016A | 6 | 1-Apr-16 | 455 | 101.05 | 6.35 | 101.16 | 6.25 | 0.11 |
| 08.00%2016B | 4 | 1-Jun-16 | 516 | 102.15 | 6.38 | 102.27 | 6.29 | 0.12 |
| 06.40%2016A | 6 | 1-Aug-16 | 577 | 99.88 | 6.48 | 100.07 | 6.35 | 0.19 |
| 08.00%2016A | 5 | 1-Sep-16 | 608 | 102.28 | 6.52 | 102.44 | 6.42 | 0.16 |
| 06.40%2016B | 6 | 1-Oct-16 | 638 | 99.71 | 6.57 | 99.82 | 6.50 | 0.12 |
| 08.00%2017A | 5 | 1-Jan-17 | 730 | 102.31 | 6.74 | 102.51 | 6.64 | 0.20 |
| 05.80%2017A | 6 | 15-Jan-17 | 744 | 98.33 | 6.69 | 98.52 | 6.59 | 0.19 |
| 08.25%2017A | 3 | 1-Mar-17 | 789 | 102.78 | 6.84 | 103.03 | 6.71 | 0.25 |
| 08.75%2017A | 4 | 15-May-17 | 864 | 103.92 | 6.92 | 104.27 | 6.76 | 0.34 |
| 08.00%2017B | 5 | 15-Jun-17 | 895 | 102.47 | 6.88 | 102.74 | 6.77 | 0.26 |
| 05.80%2017B | 6 | 15-Jul-17 | 925 | 97.20 | 7.03 | 97.63 | 6.83 | 0.43 |
| 08.50%2018A | 15 | 1-Feb-18 | 1,126 | 103.94 | 7.05 | 104.17 | 6.97 | 0.22 |
| 08.50%2018C | 5 | 1-Apr-18 | 1,185 | 103.94 | 7.11 | 104.28 | 7.00 | 0.35 |
| 08.50%2018D | 5 | 1-Jun-18 | 1,246 | 104.20 | 7.09 | 104.38 | 7.03 | 0.18 |
| 08.50%2018B | 15 | 15-Jul-18 | 1,290 | 104.13 | 7.15 | 104.45 | 7.05 | 0.32 |
| 07.50%2018A | 15 | 15-Aug-18 | 1,321 | 100.94 | 7.20 | 101.29 | 7.09 | 0.35 |
| 08.00%2018A | 6 | 15-Nov-18 | 1,413 | 102.75 | 7.17 | 102.96 | 7.11 | 0.21 |
| 05.65%2019A | 8 | 15-Jan-19 | 1,474 | 94.71 | 7.18 | 94.95 | 7.11 | 0.23 |
| 08.50%2019A | 10 | 1-May-19 | 1,580 | 104.48 | 7.27 | 104.93 | 7.15 | 0.44 |
| 10.60%2019A | 6 | 1-Jul-19 | 1,641 | 112.61 | 7.26 | 113.12 | 7.14 | 0.52 |
| 10.60%2019B | 5 | 15-Sep-19 | 1,717 | 112.99 | 7.28 | 113.42 | 7.18 | 0.43 |
| 08.00%2019A | 8 | 1-Nov-19 | 1,764 | 102.56 | 7.36 | 103.17 | 7.21 | 0.60 |
| 08.00%2020A | 8 | 1-Jun-20 | 1,977 | 102.18 | 7.50 | 102.70 | 7.38 | 0.52 |
| 06.20%2020A | 10 | 1-Aug-20 | 2,038 | 93.68 | 7.61 | 94.26 | 7.48 | 0.57 |
| 09.00%2021A | 8 | 1-May-21 | 2,311 | 106.92 | 7.60 | 107.70 | 7.45 | 0.78 |
| 11.00%2021A | 7 | 1-Aug-21 | 2,403 | 116.92 | 7.68 | 117.41 | 7.59 | 0.49 |
| 08.00%2022A | 10 | 1-Jan-22 | 2,556 | 100.76 | 7.86 | 101.28 | 7.76 | 0.51 |
| 11.20%2022A | 9 | 1-Jul-22 | 2,737 | 118.72 | 7.85 | 119.36 | 7.75 | 0.64 |
| 10.00%2022A | 8 | 1-Oct-22 | 2,829 | 111.97 | 7.90 | 112.28 | 7.85 | 0.31 |
| 09.00%2023A | 10 | 1-Sep-23 | 3,164 | 106.40 | 7.96 | 106.83 | 7.89 | 0.43 |
| 11.20%2023A | 9 | 1-Sep-23 | 3,164 | 119.99 | 7.96 | 120.48 | 7.89 | 0.49 |
| 07.00%2023A | 20 | 1-Oct-23 | 3,194 | 93.42 | 8.06 | 94.11 | 7.94 | 0.69 |
| 11.40%2024A | 10 | 1-Jan-24 | 3,286 | 121.24 | 8.04 | 122.40 | 7.88 | 1.16 |
| 06.00%2024A | 10 | 1-Dec-24 | 3,621 | 85.35 | 8.19 | 85.93 | 8.09 | 0.58 |
| 09.00%2025A | 12 | 1-May-25 | 3,772 | 104.77 | 8.30 | 105.20 | 8.24 | 0.43 |
| 09.00%2026A | 13 | 1-Feb-26 | 4,048 | 103.89 | 8.45 | 104.81 | 8.33 | 0.92 |
| 05.35%2026A | 15 | 1-Mar-26 | 4,076 | 76.76 | 8.63 | 77.97 | 8.43 | 1.21 |
| 09.00%2028B | 15 | 1-May-28 | 4,868 | 101.40 | 8.82 | 102.98 | 8.62 | 1.58 |
| 09.00%2028A | 15 | 1-Jul-28 | 4,929 | 101.04 | 8.87 | 102.49 | 8.68 | 1.45 |
| 13.00%2029A | 15 | 1-Jan-29 | 5,113 | 132.53 | 8.89 | 134.01 | 8.74 | 1.47 |
| 13.00%2029B | 15 | 1-May-29 | 5,233 | 132.56 | 8.93 | 134.05 | 8.78 | 1.49 |
| 08.00%2032A | 20 | 1-Jan-32 | 6,208 | 87.47 | 9.50 | 88.91 | 9.31 | 1.44 |
| 09.00%2032A | 20 | 1-Oct-32 | 6,482 | 98.67 | 9.15 | 99.80 | 9.02 | 1.13 |
| 09.00%2033A | 20 | 1-Jun-33 | 6,725 | 97.48 | 9.29 | 99.10 | 9.10 | 1.62 |
| 13.25%2033A | 20 | 1-Jul-33 | 6,755 | 135.51 | 9.22 | 137.04 | 9.08 | 1.52 |
| 09.00%2033B | 20 | 1-Nov-33 | 6,878 | 97.77 | 9.25 | 98.95 | 9.12 | 1.18 |
| 13.25%2034A | 20 | 1-Jan-34 | 6,939 | 135.09 | 9.29 | 136.62 | 9.15 | 1.53 |
| 09.00%2043A | 30 | 1-Jun-43 | 10,377 | 96.81 | 9.32 | 98.13 | 9.19 | 1.32 |
| 13.50%2044A | 30 | 1-Jan-44 | 10,591 | 140.58 | 9.40 | 142.15 | 9.28 | 1.58 |
| 13.50%2044B | 30 | 1-Jun-44 | 10,743 | 140.4 | 9.42 | 141.98 | 9.30 | 1.58 |

External Sector

During the year so far (up to 02 January 2015) the rupee depreciated against the US dollar (0.20 per cent). Given the cross currency exchange rate movements, the Sri Lanka rupee appreciated against the euro (14.21 per cent), pound sterling (5.82 per cent), the Japanese yen (14.49 per cent) and the Indian rupee (2.11 per cent) during this period.

Earnings from exports declined by 13.7 per cent, year-on-year, in October 2014 to US dollars 899 million, reversing the increasing trend recorded since June 2013, mainly due to the base effect. Both the highest monthly export earnings and the lowest monthly import expenditure for the year 2013 were recorded during the month of October. The largest contribution to the decline in exports in October 2014 was from the industrial exports followed by agricultural exports. However, on a cumulative basis export earnings increased by 9.7 per cent to US dollars 9,187 million during the first ten months of 2014. Major export destinations during January to October 2014 were USA, UK, Italy, India and Germany accounting for around 50 per cent of total exports.

Expenditure on imports increased by a higher rate of 25.6 per cent to US dollars 1,750 million in October 2014, while on a cumulative basis, imports grew by 7.3 per cent to US dollars 15,972 million during the first ten months of 2014. The increase in import expenditure in October 2014 was driven by the significant increase in imports of all major categories, specially intermediate goods. During the first ten months of 2014, the main import origins were India, China, UAE, Singapore and Japan accounting for about 58 per cent of total imports.

The increase in import prices over the decline in export prices resulted to deteriorate the terms of trade in September 2014. The import price index increased by 1.6 per cent, year-on-year, to 98.4 index points mainly due to the decrease in the average price level of intermediate goods. Meanwhile, export price index declined by 3.6 per cent to 106.0 index points, reflecting the decline in prices of all major categories. Accordingly, the terms of trade index deteriorated by 5.1 per cent to 107.8 index points in September 2014 from to 113.6 index points in September 2013.

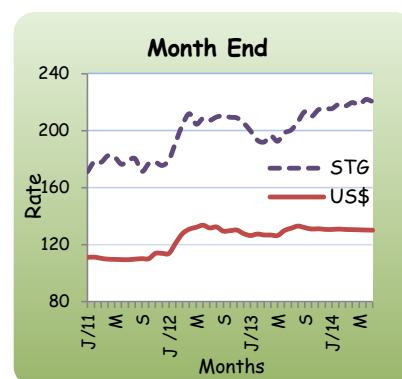
India, UK, China, Germany and Maldives were the top five sources of tourist arrivals upto November 2014, accounting for 46.5 per cent of total tourist arrivals during the year upto November 2014.

The average price of tea in the Colombo auction decrease in October 2014 compared to the corresponding month of 2013, but the prices averaged at Colombo Auction is higher than the prices at other two auctions namely Kolkata and Mombasa, due to higher demand for Ceylon tea.

EXTERNAL SECTOR

4.1 Exchange Rates

| Item (Rs Per Unit)* | Week Ending - 02 Jan 2015 | | | Average Rate | |
|---|---------------------------|--------------|----------------------|------------------|-----------------|
| | Buying Rate | Selling Rate | Average Rate | Week Ago | Year Ago |
| US\$ | 130.58 | 133.39 | 131.99 | 131.79 | 130.75 |
| STG | 202.37 | 208.15 | 205.26 | 205.12 | 216.81 |
| Yen | 1.08 | 1.12 | 1.10 | 1.10 | 1.24 |
| Euro | 156.57 | 161.72 | 159.15 | 160.98 | 179.77 |
| INR(1) | | | 2.07 | 2.06 | 2.11 |
| SDR (As at 01 Jan 2015) | | | 189.86 | 189.82 | 200.94 |
| Central Bank purchases and sales** (US\$ Mn.) | | | December 2014 | Month Ago | Year Ago |
| Purchases | | | 4.00 | 30.00 | 239.20 |
| Sales | | | 195.10 | 79.85 | 11.45 |



| | Week Ending 02 Jan 2015 | Week Ago | Year Ago |
|---|----------------------------|----------|----------|
| Average Daily Interbank Volume (US\$ Mn.) (spot, tom and cash transactions among commercial banks) | 25.00 | 25.69 | 22.12 |
| Forward Transactions | | | |
| Forward Rates (US\$) ⁽²⁾ | | | |
| 1 Month | 131.99 | 132.38 | 131.03 |
| 3 Months | 132.36 | 132.45 | 131.81 |
| Average Daily Interbank Forward Volume (US\$ mn) | 24.14 | 45.95 | 19.77 |
| Outstanding Forward Volume (US\$ mn) (As at 01 Jan 2015) | 1,268.35 | 1,212.21 | 824.60 |

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

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

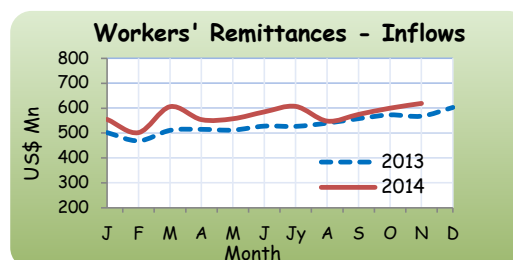
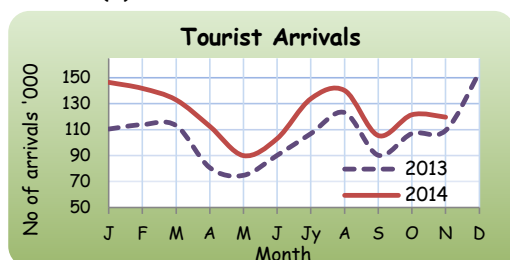
(1) Central Bank indicative rate (2) Weekly average based on actual transactions.

4.2 Tourism & Workers' Remittances

| Item(a) | | 2013 Nov (b) | 2014 Nov | 2013 Jan-Nov (b) | 2014 Jan-Nov | % Change |
|--------------------------------|----------|-----------------|-------------|---------------------|-----------------|----------|
| Tourist Arrivals | Number | 109,420 | 119,727 | 1,120,675 | 1,348,481 | 20.3 |
| Earnings from Tourism | US\$ Mn. | 147.3 | 173.0 | 1,508.3 | 1,948.30 | 29.2 |
| | Rs.bn. | 19.3 | 22.6 | 194.6 | 254.3 | 30.7 |
| Workers' Remittances (Inflows) | | 2013 Nov (b) | 2014 Nov | 2013 Jan-Nov(b) | 2014 Jan-Nov | % Change |
| | US\$ Mn. | 567.8 | 619.3 | 5,804.1 | 6,309.0 | 8.7 |
| | Rs. bn. | 74.4 | 81.1 | 748.8 | 823.5 | 10.0 |

(a) Provisional

(b) Revised



4.3 International Reserves & Foreign Currency Liquidity as at 31 October 2014^(a)

| Official Reserve Assets (USD mn) | | | | |
|---|-----------|--|--------------------------------|-------------------------------------|
| Official Reserve Assets^(b) | | | | 8,790.92 |
| (1) Foreign currency reserves | | | | 7,839.07 |
| (a) Securities | | | | 3,557.30 |
| (b) Total currency and deposits with | | | | 4,281.77 |
| (i) other national central banks, BIS | | | | 1,303.02 |
| (ii) banks headquartered inside the reporting country of which located abroad | | | | 1.08 |
| (iii) banks headquartered outside the reporting country of which located in the reporting country | | | | 2,977.68 |
| (2) Reserve position in the IMF | | | | 70.75 |
| (3) SDRs | | | | 13.36 |
| (4) Gold | | | | 866.77 |
| (5) Other reserve assets | | | | 0.97 |
| Predetermined Short-Term Net Drains on Foreign Currency Assets ^(c) | | | | |
| Item | Total | Maturity breakdown (residual maturity) | | |
| | | Up to 1 month | More than 1 and up to 3 months | More than 3 months and up to 1 year |
| 1. Foreign currency loans, securities, and deposits | | | | |
| outflows (-) Principal | -3,599.61 | -356.46 | -1,302.80 | -1,940.35 |
| Interest | -1,025.45 | -17.79 | -313.88 | -693.78 |
| inflows (+) Principal | | | | |
| Interest | | | | |
| 2. Aggregate short and long positions in forwards and futures in foreign currencies vis-à-vis the domestic currency (including the forward leg of currency swaps) | | | | |
| (a) Short positions (-) ^(d) | -2,267.83 | -453.45 | -289.70 | -1,524.68 |
| (b) Long positions (+) | | | | |
| 3. Other (specify) | -0.08 | -0.08 | | |
| inflows related to reverse repos (+) | | | | |
| other accounts payable (-) | -0.08 | -0.08 | | |

(a) Provisional

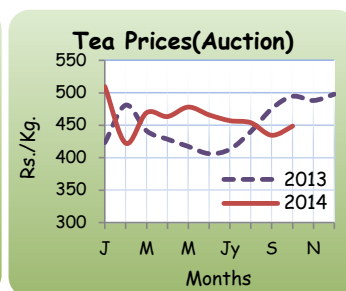
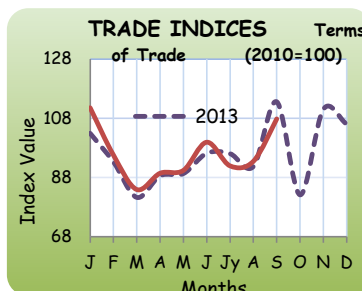
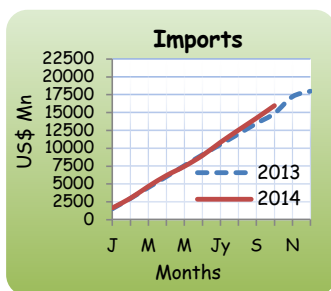
(b) By end October 2014, the total foreign assets were equivalent to 6.4 months of imports and gross official reserves were equivalent to 5.5 months of imports

(c) This mainly includes only the predetermined outflows

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

4.4 External Trade

| Item | US\$ Bn | | | Rs Bn | | |
|-----------------------------|--------------|--------------|------------|-----------------|-----------------|-------------|
| | Jan-Oct 2014 | Jan-Oct 2013 | % Change | Jan-Oct 2014 | Jan-Oct 2013 | % Change |
| Exports | 9.19 | 8.37 | 9.7 | 1,198.64 | 1,079.58 | 11.0 |
| Agricultural | 2.31 | 2.09 | 10.3 | 301.56 | 270.28 | 11.6 |
| Industrial | 6.81 | 6.23 | 9.3 | 888.37 | 802.93 | 10.6 |
| Food, Beverages and Tobacco | 0.24 | 0.19 | 24.5 | 31.25 | 24.82 | 25.9 |
| Textiles and Apparel | 4.06 | 3.56 | 13.9 | 529.50 | 459.24 | 15.3 |
| Petroleum Products | 0.28 | 0.37 | -22.9 | 37.03 | 47.30 | -21.7 |
| Leather, Rubber etc | 0.86 | 0.77 | 12.3 | 112.43 | 98.91 | 13.7 |
| Other | 1.37 | 1.34 | 1.9 | 178.16 | 172.67 | 3.2 |
| Mineral | 0.05 | 0.04 | 40.6 | 7.13 | 5.06 | 40.8 |
| Other | 0.01 | 0.01 | 19.2 | 1.58 | 1.31 | 20.7 |
| Imports | 15.97 | 14.88 | 7.3 | 2,084.03 | 1,914.44 | 8.9 |
| Consumer Goods | 3.07 | 2.62 | 17.0 | 399.91 | 337.22 | 18.6 |
| Intermediate Goods | 9.55 | 8.72 | 9.5 | 1,246.26 | 1,122.07 | 11.1 |
| Investment Goods | 3.34 | 3.53 | -5.2 | 436.32 | 453.65 | -3.8 |
| Other | 0.01 | 0.01 | 1.8 | 1.54 | 1.50 | 3.1 |
| Trade Balance | -6.79 | -6.51 | 4.3 | -885.38 | -834.86 | 6.1 |

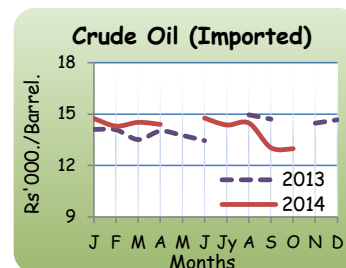
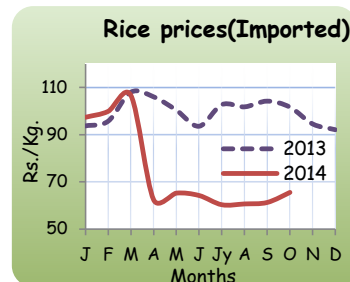


4.5 Trade Indices (2010= 100)

| Item | 2014** Sep | Month Ago | Year Ago |
|-----------------------|---------------|--------------|-------------|
| Total Exports | | | |
| Value | 125.72 | 137.96 | 125.13 |
| Quantity | 118.58 | 130.41 | 113.82 |
| Unit Value | 106.02 | 105.79 | 109.93 |
| Total Imports | | | |
| Value | 149.23 | 154.34 | 133.02 |
| Quantity | 151.68 | 136.33 | 137.42 |
| Unit Value | 98.38 | 113.21 | 96.80 |
| Terms of Trade | 107.76 | 93.44 | 113.56 |

* In US\$ Terms

** Provisional



4.6 International Commodity Prices

| Item | Oct 2014 | Oct 2013 | % Change | Oct 2014 | Oct 2013 | % Change |
|------------------------------|---------------|----------|----------|-------------|------------|----------|
| Colombo Auction Price | US\$ / Kg | | | Rs / Kg | | |
| Tea Prices | 3.44 | 3.77 | -8.90 | 448.79 | 494.66 | -9.30 |
| Imports (C I F) | US\$ / MT | | | Rs / MT | | |
| Rice | 463.20 | 775.54 | -40.30 | 60,494.12 | 101,670.26 | -40.50 |
| White Sugar | 480.61 | 499.86 | -3.90 | 62,767.29 | 65,530.28 | -4.20 |
| Wheat | 320.47 | 322.36 | -0.60 | 41,853.09 | 42,260.81 | -1.00 |
| | US\$ / Barrel | | | Rs / Barrel | | |
| Crude Oil | 99.39 | - | - | 12,979.97 | - | - |