

Weekly Economic Position Report 1st Week of January 2009

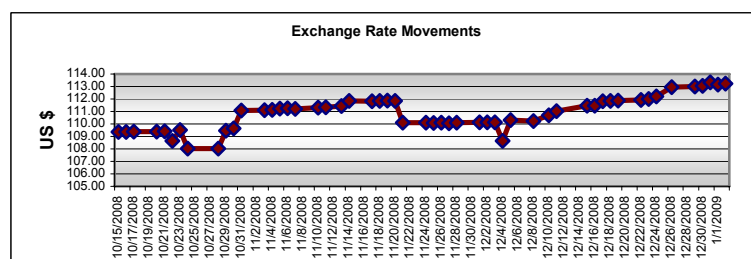
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|---|---|
| <ul style="list-style-type: none"> ▪ Interest Rates Movements ▪ Exchange Rates ▪ Money supply ▪ Share Market ▪ Crude Oil Prices ▪ Crude Oil Imports 2005/06 ▪ Refined Products Prices ▪ Inflation Trend ▪ Real Interest Rates ▪ Colombo Consumer Price Index ▪ Public Debt | <ul style="list-style-type: none"> ▪ GDP Growth Rate (%)- Quarterly ▪ International Commodity Prices ▪ Weekly Commodity Prices ▪ External Finance ▪ Private Remittances ▪ External Trade ▪ Summary of Fiscal Operation ▪ Tourist Arrivals and Earnings by month (2004/06) |
|---|---|

Interest Rate Movements

	Week Ending Jan 02	Week Ago	Month Ago	Year Ago
Repo	10.50	10.50	10.50	10.50
Call Money				
Weekly Average	13.39	13.49	15.79	19.05
Treasury Bill (Yield rate)				
3 Months	17.33	17.33	17.20	21.30
6 Months	18.57	18.49	18.42	19.99
1 Year	19.12	19.08	19.06	19.96
Treasury Bond	21.00	20.53	20.22	20.34
Prime Lending Rate	18.50	18.20	19.58	17.95
Commercial Bank Average Weighted Deposits (AWDR)	11.63	11.39	11.39	10.31

Exchange Rates

	Week Ending Jan 02	Week Ago	Month Ago	Jan 2008	% Change 2008/09
US Dollar	113.26	112.94	110.14	108.59	4.30
Sterling Pound	165.87	166.60	161.63	215.36	-22.98
Euro	157.38	158.37	140.52	158.72	0.84
Japanese Yen	1.25	1.25	1.19	0.97	28.86
Indian Rupee	2.34	2.38	2.23	2.77	-15.52



Source: Central Bank of Sri Lanka

Money Supply

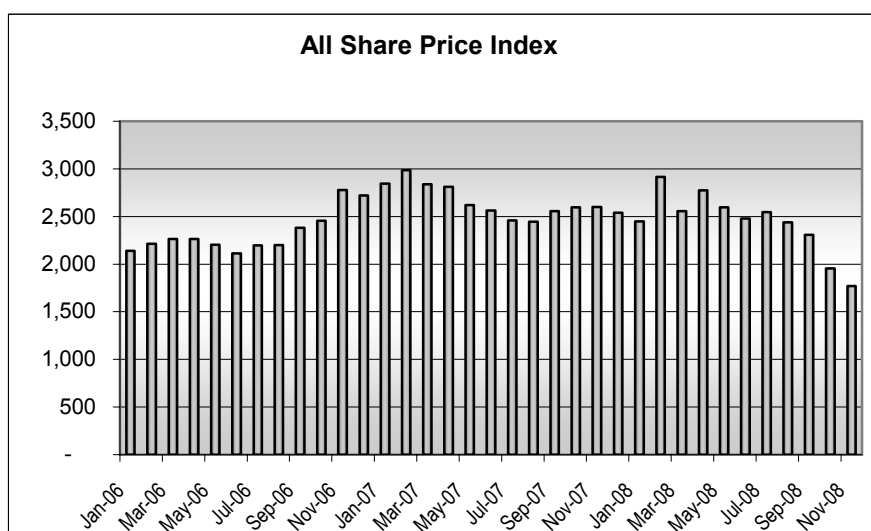
	Oct 2008	Sep 2008	Aug 2008	July 2008	June 2008	Oct 2007	Sep 2007	Aug 2007	July 2007	June 2007	Growth 2007/08 (%)
M ₁ (Rs.bn.)	266.6	275.2	270.9	270.9	273.7	254.0	260.0	261.2	255.2	259.4	4.96
M ₂ (Rs.bn.)	1,249.2	1,248.6	1,229.1	1,229.1	1,202.0	1,106.4	1,097.7	1,085.3	1,068.1	1,063.0	12.91
M _{2b} (Rs.bn.)	1,489.8	1,501.5	1,478.8	1,478.8	1,470.5	1,357.4	1,357.4	1,340.7	1,313.0	1,294.0	9.75

Source: Central Bank of Sri Lanka

Share Market

	Week ending Dec 31	Week Ago	Year Ago
All Share Price Index (1985 = 100) (ASPI)	1,503	1,506	2,541
Milanka Price Index (31/12/1998=1000) (MPI)	1,631	1,648	3,292
Average Daily Turnover (Rs.Mn)	171	66	544
Market Capitalization (Rs.Bn.)	488.8	489.8	820.7

Source: Central Bank of Sri Lanka



Crude Oil Prices

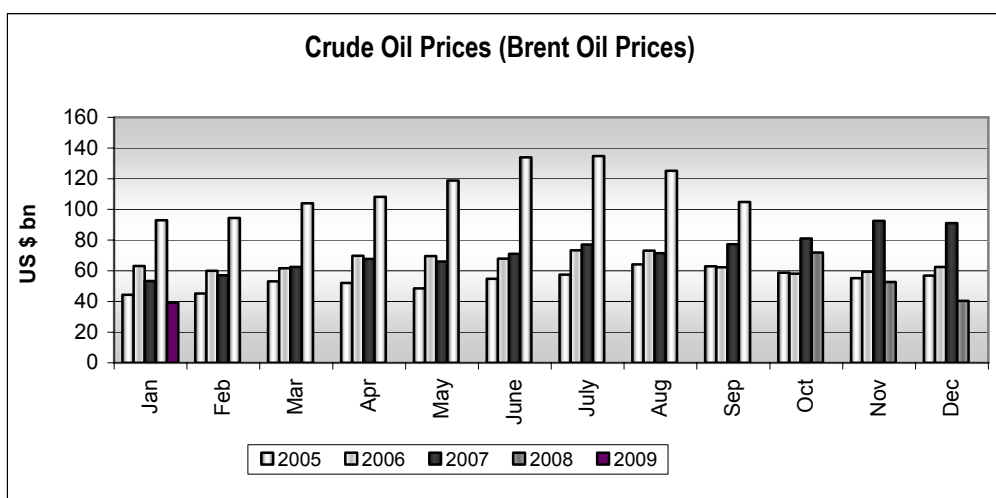
	Jan 02	Jan 01	Dec 31	Dec 30	Dec 29	Week Ago	Month Ago	Year Ago
Brent (New York Closing Prices) (US \$/bbl.)	43.29	34.93	36.17	35.58	34.52	35.93	44.05	97.52
WTI (US\$/bbl.)	46.17	-	39.25	37.95	39.89	32.84	45.40	97.90
Petrol	43.9	-	37.2	37.00	36.8	39.37	37.74	105.26
Diesel	58.55	-	53.8	54	54.3	57.08	58.99	112.39
Kerosene	57.8	-	53.9	54.4	55	57.95	60.55	111.56

Source: Central Bank of Sri Lanka

Crude Oil Prices (Monthly Average)

Month	WTI European Market (US\$/bbl)			Brent (US\$/bbl)		
	2007	2008	2009	2007	2008	2009
January	54.24	90.40	46.17*	53.37	92.87	39.11*
February	56.99	93.29		58.80	94.30	
March	62.27	105.86		62.46	104.00	
April	64.04	112.03		67.78	108.15	
May	62.68	124.67		66.05	122.54	
June	67.47	133.87		71.01	134.83	
July	73.53	135.35		77.02	134.83	
August	72.18	125.03		70.76	125.16	
September	79.73	108.90		77.20	104.85	
October	86.18	76.54		83.63	71.79	
November	95.67	57.07		92.57	52.68	
December	91.62	40.34		91.07	40.77	

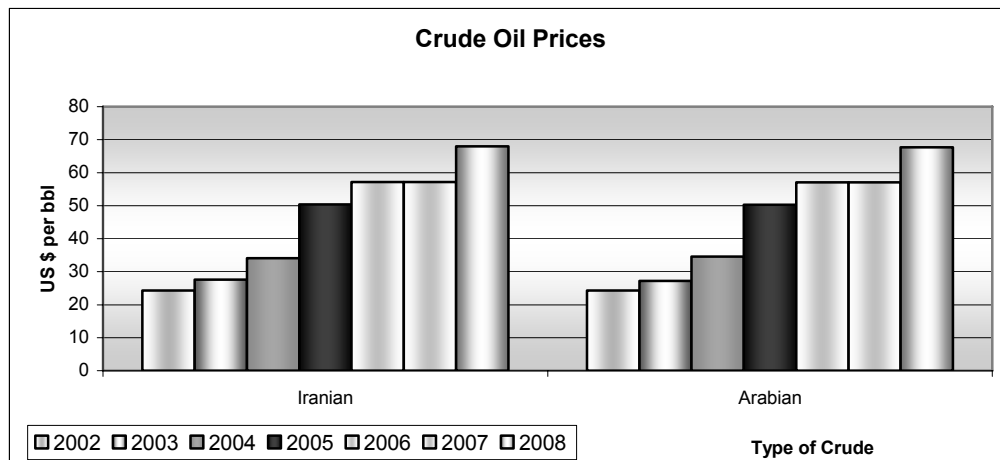
Source: Central Bank of Sri Lanka
 * Up to 2nd Jan 2009



Crude Oil Prices (US\$ Per Barrel)

Month	Iranian Light		Arabian Light	
	2007	2008	2007	2008
January	52.11	90.06	52.064	89.708
February	55.96	92.25	55.908	91.904
March	59.29	98.91	59.243	98.557
April	64.41	105.20	64.359	104.803
May	65.03	121.50	64.979	121.095
June	66.53	130.32	66.484	129.919
July	70.58	134.39	70.340	134.091
August	68.65	114.72	68.413	114.419
September	74.45	97.02	74.211	97.716
October	79.03	67.99	78.685	67.989
November	89.67		89.318	
December	87.71		87.361	

Source: Ceylon Petroleum Co-operation

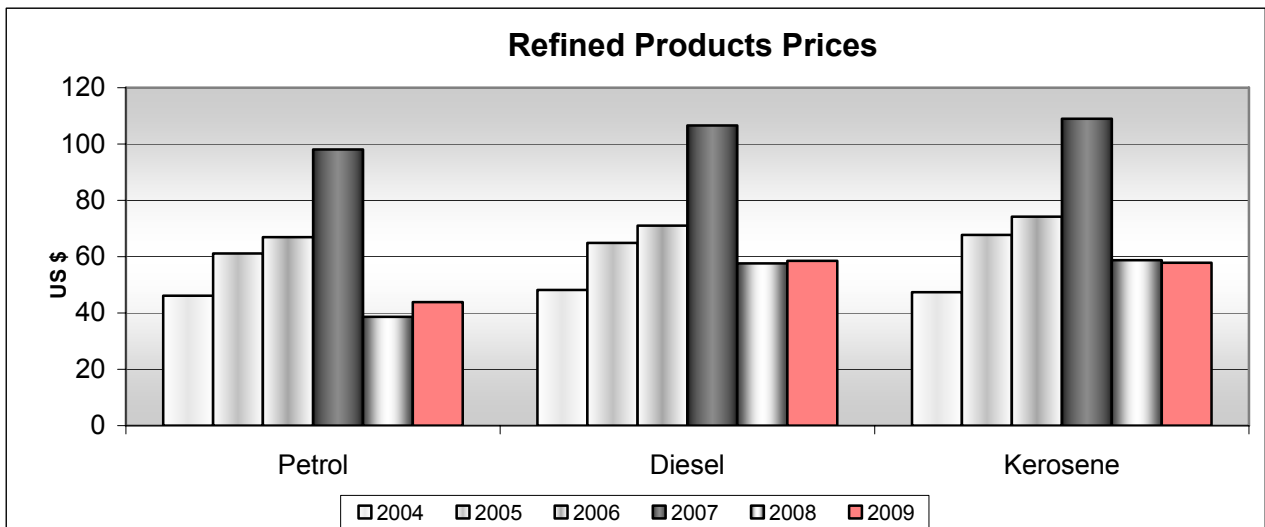


Refined Product prices – Singapore Plattes Prices (US\$/bbl)

Month	Petrol			Diesel			Kerosene		
	2007	2008	2009	2007	2008	2009	2007	2008	2009
January	60.51	99.14	43.9*	66.68	106.44	58.55*	69.99	106.66	57.8*
February	64.35	96.03		70.94	108.03		70.80	108.64	
March	75.38	108.61		73.51	125.77		75.00	125.41	
April	82.57	116.70		80.07	138.36		80.81	137.95	
May	87.41	128.26		81.02	155.65		81.26	156.52	
June	83.32	138.57		83.45	165.37		83.09	164.13	
July	84.84	137.19		86.03	168.98		86.96	169.57	
August	75.75	120.20		84.16	145.70		82.97	150.35	
September	82.83	108.68		90.71	122.48		90.47	127.51	
October	85.83	78.43		94.57	83.85		95.95	90.25	
November	98.92	47.28		106.66	68.47		112.84	75.14	
December	98.03	38.69		106.61	57.66		109.02	58.73	

Source: Central Bank of Sri Lanka

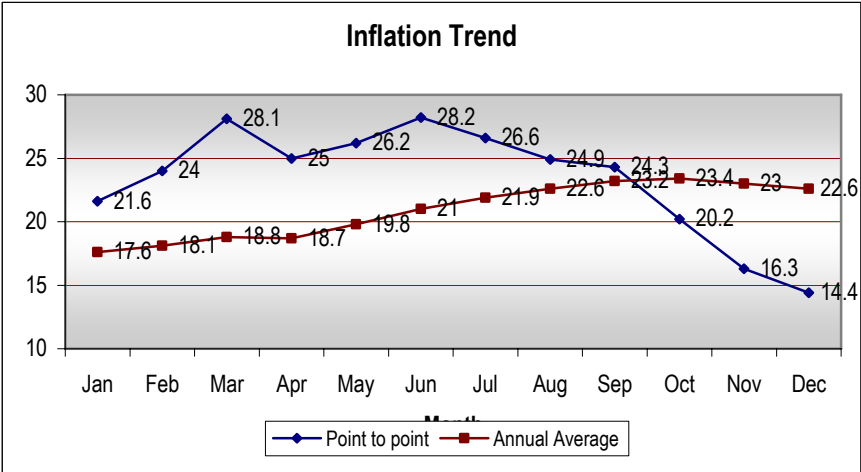
*Up to 2nd Jan 2009



Inflation Trend

Month	CCPI New		Core Inflation	
	2008		2008	
	Point to point	Annual Average	Point to point	Annual Average
January	21.6	17.6	-	-
February	24.0	18.1	-	-
March	28.1	18.8	-	-
April	25.0	18.7	9.3	7.7
May	26.2	19.8	9.6	7.9
June	28.2	21.0	14.1	8.4
July	26.6	21.9	17.2	9.2
August	24.9	22.6	17.4	10.1
September	24.3	23.2	18.7	11.1
October	20.2	23.4	18.1	12.1
November	16.3	23.0	18.1	13.0
December	14.4	22.6	15.7	13.6

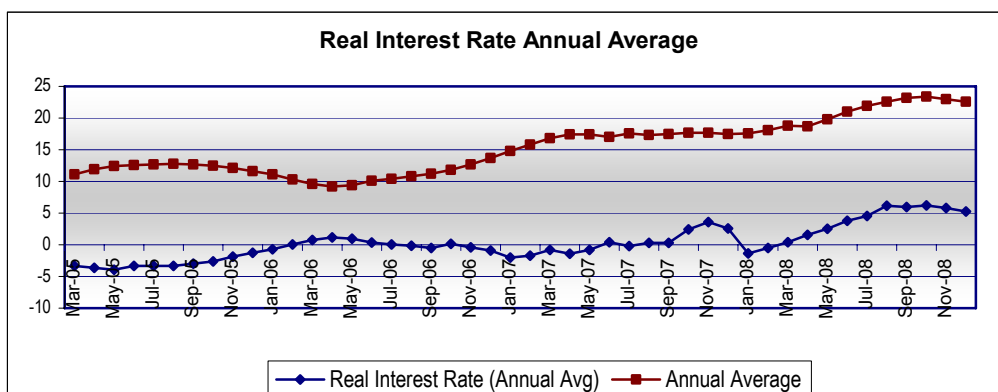
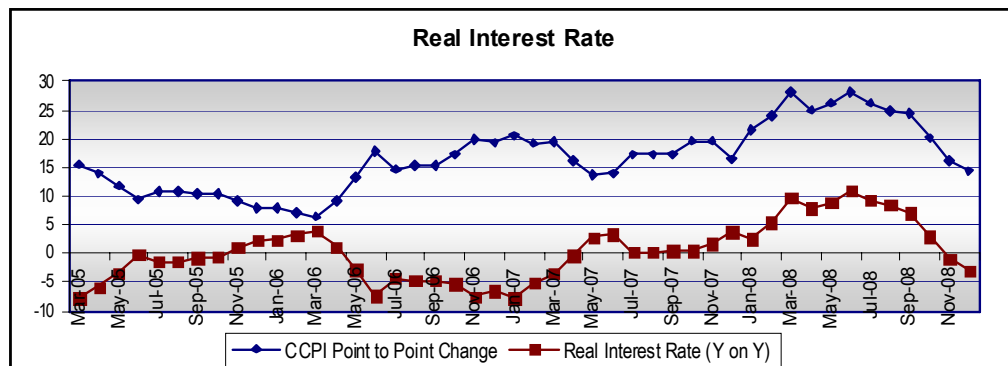
Source: Central Bank of Sri Lanka



Real Interest Rates

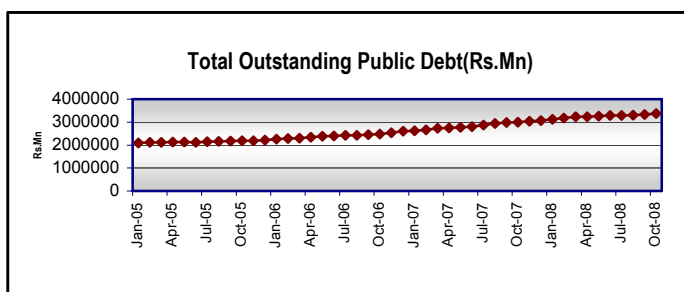
Month	CCPI Index	CCPI Point to Point Change	Annual Average	Treasury Bill Rate	Real Interest Rate (Y on Y)	Real Interest Rate (Annual Avg)
Jan-07	5,184.3	20.5	14.8	12.80	-7.70	-2.00
Feb-07	5,116.0	19.2	15.8	14.06	-5.14	-1.74
Mar-07	5,029.6	19.5	16.8	16.01	-3.49	-0.79
Apr-07	5,025.4	16.3	17.4	16.01	-0.29	-1.39
May-07	5,176.4	13.7	17.4	16.60	2.9	-0.8
June-07	5,344.3	14.0	17.0	17.40	3.4	0.4
July-07	5,496.5	17.2	17.2	17.39	0.19	-0.21
Aug-07	5,453.2	17.3	17.3	17.60	0.3	0.3
Sep-07	5,513.8	17.3	17.5	17.79	0.49	0.29
Oct-07	5,723.0	19.6	17.7	20.14	0.54	2.44
Nov-07	5,976.2	19.6	17.7	21.30	1.70	3.60
Dec-07	5,954.9	16.4	17.5	20.12	3.72	2.62
Jan-08	6,302.5	21.6	17.6	18.97	2.63	-1.37
Feb-08	6,345.4	24.0	18.1	18.59	5.41	-0.49
Mar-08	6,441.7	28.1	18.8	18.39	9.71	0.41
Apr-08	195.4*	25.0	18.7	17.14	7.86	1.56
May-08	198.5*	26.2	19.8	17.29	8.91	2.51
Jun-08	205.9*	28.2	21.0	17.29	10.91	3.81
Jul-08	206.4*	26.6	21.9	17.36	9.24	4.54
Aug-08	206.3*	24.90	22.60	16.46	8.44	6.14
Sep-08	207.2*	24.30	23.20	17.22	7.08	5.98
Oct-08	206.6*	20.20	23.40	17.20	3.00	6.2
Nov-08	205.2*	16.3	23.0	17.20	-0.9	5.8
Dec-08	203.7*	14.4	22.6	17.33	-2.93	5.27

* - new Colombo Consumers' Price Index



Public Debt

Public Debt (Rs.bn)	End Oct 2008	Month ago
Total Domestic Debt	2,010.1	1,940.0
Total Foreign Debt	1,368.8	1,395.6
Total Outstanding Public Debt	3,378.9	3,335.6



Source: Central Bank of Sri Lanka

GDP Growth Rate (%) - Quarterly

	2008* 3 rd Quarter	2007 3 rd Quarter	2007* Annual
Agriculture	12.4	3.8	3.3
Industry	5.6	7.5	7.6
Service	5.5	7.4	7.1
GDP	6.3	7.0	6.8

* Provisional

Source: Department of Census & Statistics

International Commodity Prices

	Dec	Week Ago	Month Ago
Rice			
Thailand 25% (\$)	400	420	425.00
Vietnam 25% (\$)	350	350	325.00
Wheat Flour			
Hard Red Winter US\$/MT (26.12.2008)	248.00	238.00	243.00
Soft Red Winter US\$/MT (26.12..2008)	191.71	182.98	180.59
Milk Powder (Oceania, indicative export prices US\$/Ton (November)	2,550.00	2,925.00	2,925.00
Rubber US\$/Kg(02.01.2009)			
RSS 1	0.00	1.28	2.46
RSS 2	1.33	1.22	2.37
RSS 3	2.26	1.21	2.34

Sources: Rice Online news update, Average of mid-point of price ranges reported bi – weekly by dairy market news (USDA),Czamikow.com, U.S. Wheat Associates – Weekly price report, Colombo Rubber Traders' Association

Weekly Commodity Prices 4th week of December (22.12.2008 – 26.12.2008)

Item		Colombo				
	Unit	This Week	Price Range	Week Ago	Month Ago	Year Ago
Rice						
Samba (Avg.)	1 kg	73.44	68.00-78.00	73.21	72.60	63.94
No. 1	1 kg	75.19	70.00-78.00	74.42	75.10	66.28
No. 2	1kg	71.68	68.00-75.00	72.00	70.11	61.61
Nadu Red	1kg	74.05	64.75-80.00	73.20	71.48	60.43
Raw Red (Avg.)	1kg	64.73	58.00-70.00	64.14	63.24	56.02
No. 1	1kg	66.29	65.00-70.00	65.62	65.12	57.67
No. 2	1kg	63.16	58.00-65.00	62.66	61.38	54.37
Wheat Flour	1 kg	69.79	66.00-75.00	69.52	70.04	67.35
Bread	400g	38.05	32.00-40.00	38.05	37.39	33.50
Sugar	1 kg	64.53	62.00-68.00	64.43	64.55	51.68
Anchor	400g	260.00	260.00	275.00	275.00	271.79
Potatoes (Imported)	1 kg	77.09	65.00-90.0	78.02	72.67	69.63
Red Dhal	1kg	202.96	180.00-230.00	205.01	209.55	119.20
Meat						
Beef	1kg	379.25	360.00-400.00	376.76	375.50	320.74
Chicken						
Fresh	1kg	360.75	330.00-400.00	353.52	344.06	292.68
Broiler	1kg	318.75	295.00-355.00	316.00	315.35	252.96
Fresh Fish						
Paraw	1 kg	590.67	480.00-700.00	564.60	522.00	507.10
Balaya	1 kg	422.22	400.00-480.00	406.67	355.00	296.02
Kelawalla	1 kg	542.95	400.00-640.00	562.83	480.76	403.71
Salaya	1 kg	110.59	80.00-140.00	124.21	121.76	93.81
Dried Fish						
Sprats	1 kg	358.03	300.00-400.00	358.03	350.21	253.40
Eggs	Each	11.37	10.30-12.00	11.08	10.01	8.50
Coconut	Each	26.29	20.00-33.00	25.57	28.23	27.92
Coconut Oil	750 ml	128.80	110.00-140.00	133.15	130.19	153.23
Red Onions	1 kg	133.87	100.00-160.00	127.91	102.93	151.49
Big Onions (Imported)	1 kg	93.33	90.00-100.00	93.33	71.42	68.17
Brinjal	1kg	109.29	80.00-120.00	103.22	70.00	73.40
Beans Green	1 kg	122.72	80.00-153.33	118.10	91.82	82.81
Cabbage	1 kg	77.96	60.00-100.00	75.72	67.10	64.60
Kerosene oil	1 liter	60.00	60.00	60.00	60.00	68.00
Diesel (CPC)	1 liter	80.00	80.00	80.00	80.00	75.00
Petrol	1 liter	122.00	122.00	122.00	142.00	117.00
Gas (Shell)	12.5kg	1,693.00	1,693.00	1,860.00	1,860.00	1,303.00

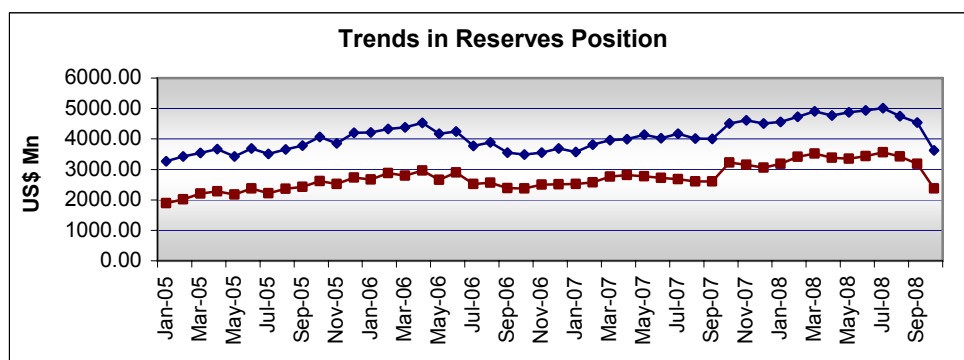
Source: Census and Statistics, Central Bank of Sri Lanka, Regional, Development Bank

Note: The sample for Colombo represent markets in Pettah, Maradana, Borella, Dematagoda, Grandpass, kirulapana, Wellawatha, Narahenpita, Nugegoda, and Maning town.

External Finance

External Assets (US\$ Mn)	Oct 2008	Sep 2008	Aug 2008	July 2008	June 2008	Oct 2007	Sep 2007	Aug 2007	July 2007	June 2007	Growth 2007/08 (%)
Total Reserves	3,627.4	4,543.5	4,745.9	5,014.5	4,939.6	4,509.0	4,006.0	4,016.4	4,176.2	4,023.6	-19.55
Gross Official Reserves	2,374.4	3,185.4	3,424.4	3,557.6	3,432.6	3,226.4	2,603.9	2,610.3	2,680.2	2,719.2	-26.41

Source: Central Bank of Sri Lanka



Private Remittances (US\$ Mn.)

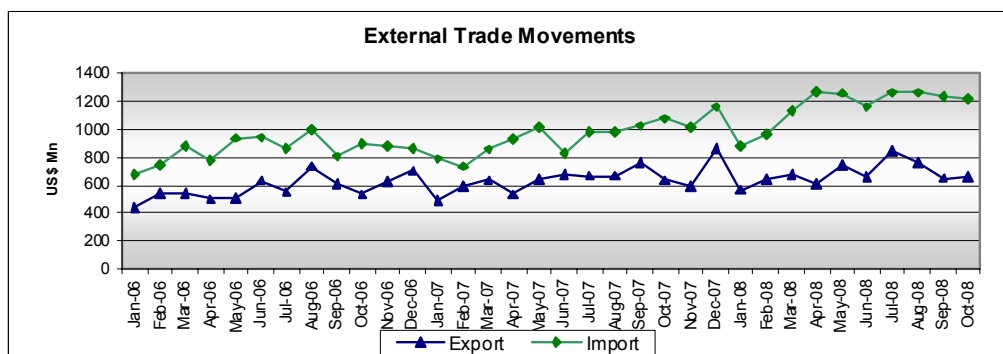
	2008 Jan-Oct	2007 Jan-Oct	% Change	2007 Total
Inflows	2,466.2	2,051.3	20.2	2,501.5
Outflows	243.2	209.4	16.1	287.7
Net	2,223.0	1,842.0	20.7	2,213.8

Source: Central Bank of Sri Lanka

External Trade

	Oct 2008 (US\$ Mn)	Oct 2007 (US\$ Mn)	Growth 2007/08(%)	Jan-Oct 2008 Cumulative (US\$ Mn.)	Jan-Oct 2007 Cumulative (US\$ Mn.)	Growth 2007/08 (%)
Exports	661.41	624.15	5.97	6,820.52	6,222.59	9.61
Agriculture	167.80	138.29	21.34	1,618.06	1,222.16	32.39
Tea	107.96	85.01	27.00	1,103.10	812.63	35.74
Other	49.84	43.27	15.18	504.93	422.18	19.60
Industrial	497.03	479.21	3.72	5,072.62	4,859.23	4.39
Food, Beverages and Tobacco	33.17	33.78	-1.81	381.05	426.63	-10.68
Textiles and Garments	283.98	252.14	12.63	2,808.29	2,706.90	3.75
Rubber products	33.56	43.87	-23.50	454.38	388.43	16.98
Diamond and Jewellery	43.77	30.41	43.93	362.84	297.06	22.14
Other	38.98	38.31	1.75	845.30	615.26	37.39
Mineral	6.37	8.98	-29.06	111.96	8.98	1146.77
Unclassified	0	6.67	-100.00	27.60	39.04	-29.30
Imports	1,317.67	1,077.84	22.25	10,764.81	9,070.75	18.68
Consumer goods	218.71	162.72	34.41	2,068.25	1,661.89	24.45
Food & Drink	135.36	71.28	89.90	1,273.72	870.83	46.27
Other Consumer Goods	84.38	81.44	3.61	884.14	781.08	13.19
Motor Cars & Cycles	26.59	30.30	-12.24	332.55	260.80	27.51
Intermediate goods	741.83	647.88	14.50	7,169.07	5,203.57	37.77
Petroleum	226.00	239.43	-5.61	2,989.04	1,818.00	64.41
Fertilizer	108.31	48.54	123.14	482.12	172.63	179.28
Chemicals	35.01	23.97	46.06	309.25	238.04	29.92
Textiles & Clothing	169.21	157.46	7.46	1,413.72	1,401.49	0.87
Diamonds	33.70	35.40	-4.80	347.54	218.12	59.33
Other Intermediate Goods	168.38	145.24	15.93	1,626.07	1,357.39	19.79
Investment goods	242.08	269.58	-10.20	2,485.45	2,146.50	15.79
Machinery & Equipment	100.36	129.70	-22.62	1,110.94	988.68	12.37
Transport Equipment	26.53	28.91	-8.23	294.87	303.16	-2.73
Building Materials	90.62	77.61	16.76	792.19	615.63	28.68
Other Investment Goods	24.46	33.46	-26.90	287.31	234.92	22.30
Unclassified	14.28	7.21	98.06	120.75	68.50	76.28
Trade Balance	-582.54	-286.96	44.65	-3,944.29	-2,848.16	38.49

Source: Central Bank of Sri Lanka



Tourist Arrivals and Earnings by Month (2006-08)

Arrivals					Earnings (US\$ Mn)			
Month	2006	2007	2008	% cha. 2007/08	2006	2007	2008	% cha. 2007/08
January	52,231	56,571	56,916	0.60	38.1	49.1	44.4	-9.5
February	52,687	43,033	40,551	-5.76	38.4	37.3	31.6	-15.28
March	54,746	35,031	38,049	8.61	39.9	30.4	29.7	-2.30
April	49,776	33,039	29,747	-9.96	36.3	14.0	23.2	65.71
May	43,824	26,307	31,140	18.37	32.0	20.5	24.3	18.53
June	44,066	30,810	27,960	-9.25	32.1	24.0	21.8	-9.16
July	55,354	44,202	32,982	-25.38	40.3	34.5	25.7	-25.50
August	52,931	44,682	30,672	-31.35	38.6	34.9	24.0	-31.23
September	38,485	37,104	29,529	-20.41	28.1	28.9	23.0	-20.41
October	38,815	39,565	35,103	-11.28	56.5	30.05	27.4	-8.82
November	37,591	42,548	36,901	-13.27	29.6	34.05	62.6	83.85
December	39,224	61,116			31.0	47.6		
Total	559,603	494,008			440.9	385.3		

Source: Sri Lanka Tourist Board