

Weekly Economic Position Report 4th Week of February 2009

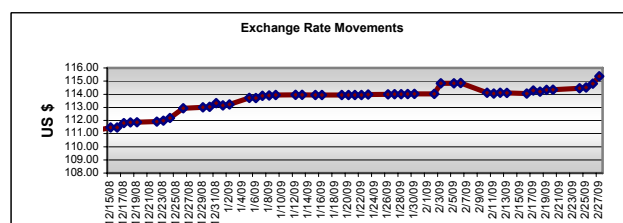
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Interest Rate Movements

	Week Ending Feb 27	Week Ago	Month Ago	Year Ago
Repo	10.25	10.25	10.50	10.50
Call Money Weekly Average	13.66	12.91	14.63	17.08
Treasury Bill (Yield rate)				
3 Months	15.76	15.76	15.94	18.59
6 Months	16.93	16.93	16.77	19.00
1 Year	17.73	17.73	17.56	19.10
Treasury Bond	15.50	15.50	14.50	18.58
Prime Lending Rate	19.39	19.18	19.31	18.54
Commercial Bank Average Weighted Deposits (AWDR)	11.55	11.74	11.74	10.45

Exchange Rates

	Week Ending Feb 27	Week Ago	Month Ago	Feb 2008	% Change 2008/09
US Dollar	115.37	114.35	114.04	107.81	7.01
Sterling Pound	164.75	162.75	162.17	214.10	-23.24
Euro	146.76	144.34	147.11	161.63	-9.20
Japanese Yen	1.18	1.22	1.27	1.01	16.83
Indian Rupee	2.27	2.30	2.35	2.71	-16.24



Source: Central Bank of Sri Lanka

Money Supply

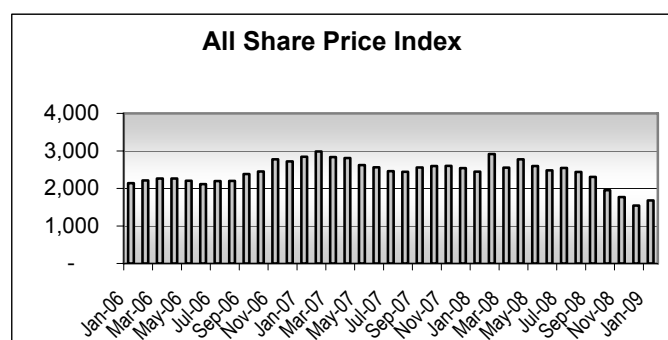
	Dec 2008	Nov 2008	Oct 2008	Sep 2008	Aug 2008	Dec 2007	Nov 2007	Oct 2007	Sep 2007	Aug 2007	Growth 2007/08 (%)
M ₁ (Rs.bn.)	277.3	262.2	266.6	275.2	270.9	266.6	257.2	254.0	260.0	261.2	4.01
M ₂ (Rs.bn.)	1,282.2	1,253.3	1,249.2	1,248.6	1,229.1	1,147.7	1,132.3	1,106.4	1,097.7	1,085.3	11.74
M _{2b} (Rs.bn.)	1,522.8	1,491.1	1,489.8	1,501.5	1,478.8	1,404.0	1,389.9	1,357.4	1,357.4	1,340.7	8.46

Source: Central Bank of Sri Lanka

Share Market

	Week ending Feb 26	Week Ago	Year Ago
All Share Price Index (1985 = 100) (ASPI)	1,699	1,724	2,528
Milanka Price Index (31/12/1998=1000) (MPI)	1,780	1,837	3,189
Average Daily Turnover (Rs.Mn)	533	229	367
Market Capitalization (Rs.Bn.)	553.4	561.7	818.9

Source: Central Bank of Sri Lanka



Crude Oil Prices

	Feb27	Feb26	Feb 25	Feb24	Feb23	Week Ago	Month Ago	Year Ago
Brent (New York Closing Prices) (US \$/bbl.)	44.56	45.31	42.53	40.33	41.42	43.35	42.98	95.40
WTI (US\$/bbl.)	44.15	43.18	41.64	38.86	37.66	38.28	41.35	95.16
Petrol	53.50	53.00	52.00	53.10	53.90	56.48	49.40	99.33
Diesel	49.20	48.50	47.10	44.70	45.73	46.01	58.84	110.37
Kerosene	51.30	51.50	49.60	48.30	50.58	53.68	59.80	110.45

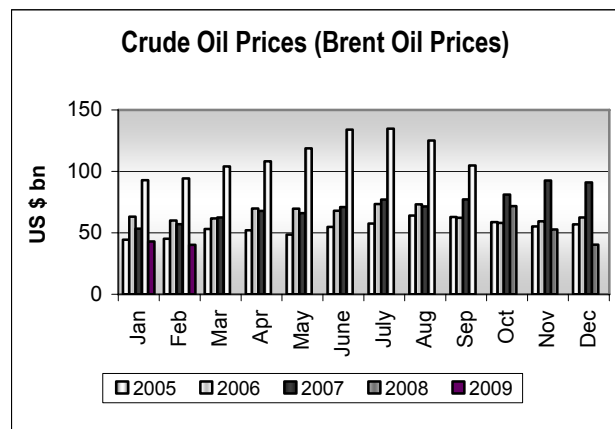
Source: Central Bank of Sri Lanka

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	41.40	53.37	92.87	42.99
February	56.99	93.29	43.22*	58.80	94.30	38.98*
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

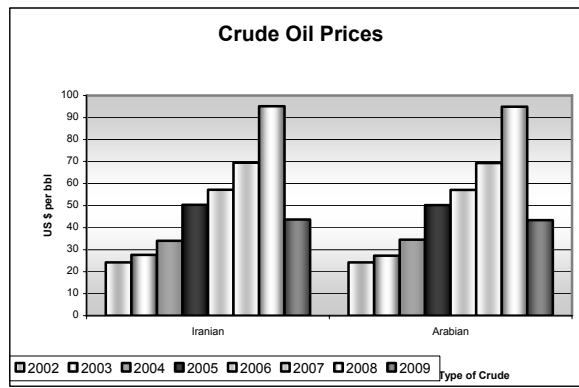
* Up to 27th Feb 2009



Crude Oil Prices (US\$ Per Barrel)

Month	Iranian Light			Arabian Light		
	2007	2008	2009	2007	2008	2009
January	52.11	90.06	43.69	52.064	89.708	43.389
February	55.96	92.25		55.908	91.904	
March	59.29	98.91		59.243	98.557	
April	64.41	105.2		64.359	104.803	
May	65.03	121.5		64.979	121.095	
June	66.53	130.32		66.484	129.919	
July	70.58	134.39		70.34	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	49.59		89.318	49.29	
December	87.71	39.81		87.361	39.51	

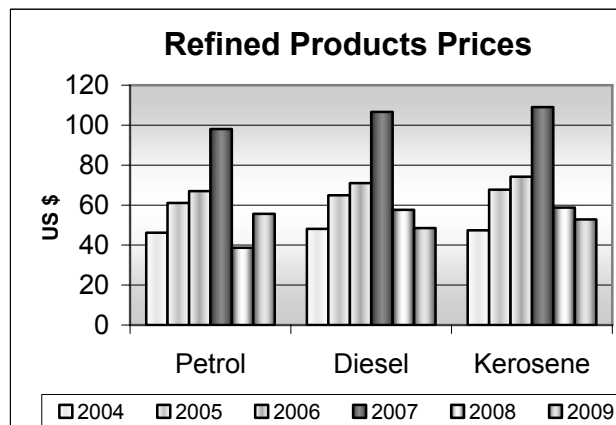
Source: Ceylon Petroleum Co-operation



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	50.06	66.68	106.44	57.23	69.99	106.66	59.66
February	64.35	96.03	55.64*	70.94	108.03	48.52*	70.80	108.64	52.82*
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	

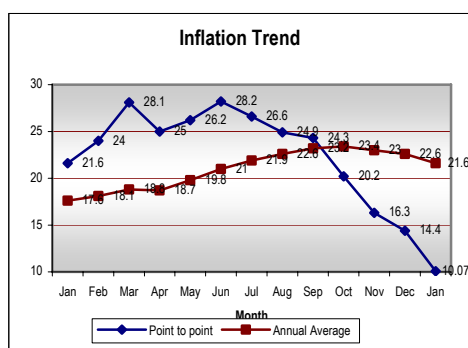
Source: Central Bank of Sri Lanka
*Up to 27th Feb 2009



Inflation Trend

Month	CCPI New 2008		Core Inflation 2008		CCPI New 2009		Core Inflation 2009	
	Point to point	Annual Average	Point to point	Annual Average	Point to point	Annual Average	Point to point	Annual Average
January	21.6	17.6	-	-	10.07	21.6	15.5	14.3
February	24	18.1	-	-	7.6	20.3	14.8	14.1
March	28.1	18.8	-	-	-	-	-	-
April	25	18.7	9.3	7.7	-	-	-	-
May	26.2	19.8	9.6	7.9	-	-	-	-
June	28.2	21	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	18.1	13	-	-	-	-
December	14.4	22.6	15.7	13.6	-	-	-	-

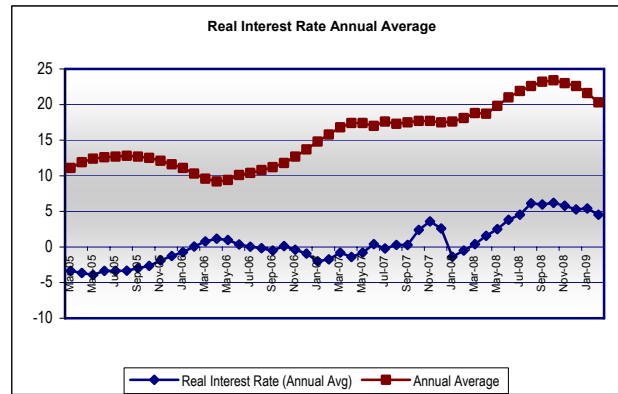
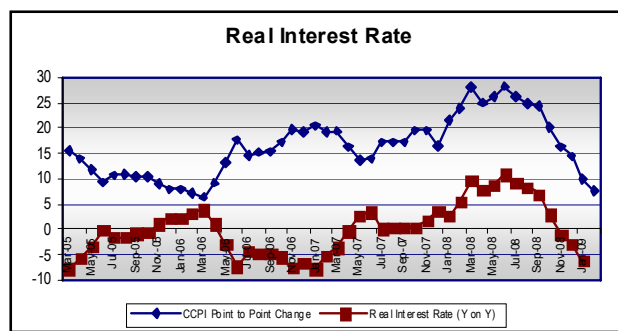
Source: Central Bank of Sri Lanka



Real Interest Rates

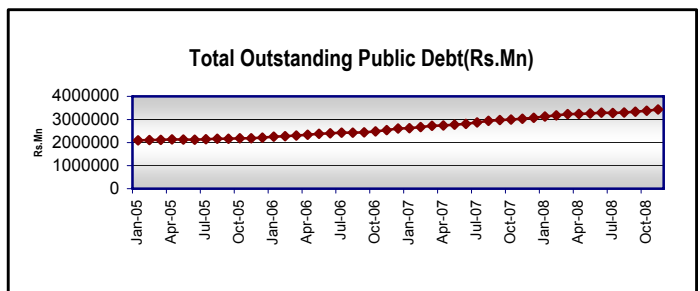
Month	CCPI Index	CCPI Point to Point Change	Annual Average	Treasury Bill Rate	Real Interest Rate (Y on Y)	Real Interest Rate (Annual Avg)
Jan-08	6,302.5	21.6	17.6	18.97	2.63	-1.37
Feb-08	6,345.4	24.0	18.1	18.59	5.41	-0.49
Mar-08	6,441.7	28.1	18.8	18.39	9.71	0.41
Apr-08	195.4*	25.0	18.7	17.14	7.86	1.56
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
Jan-09	203.1	10.07	21.6	16.18	-6.11	5.42
Feb-09	202.9	7.6	20.3	15.76	-8.16	4.54

* - new Colombo Consumers' Price Index



Public Debt

Public Debt (Rs.bn)	End Nov 2008	Month ago
Total Domestic Debt	2,052.5	2,010.1
Total Foreign Debt	1,379.9	1,368.8
Total Outstanding Public Debt	3,432.4	3,378.9



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

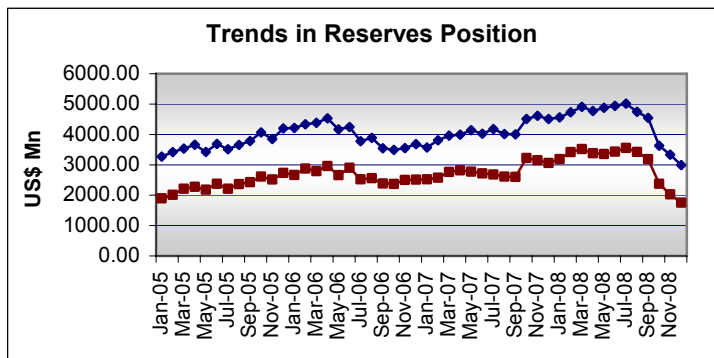
	Feb	Week Ago	Month Ago
Rice			
Thailand 25% (\$)	475	400	400
Vietnam 25% (\$)	-	350	350
Wheat Flour			
Hard Red Winter US\$/MT (06.02.2008)	238.00	234.00	255.00
Soft Red Winter US\$/MT (06.02..2008)	179.35	174.90	194.65
Milk Powder (Oceania, indicative export prices US\$/Ton (January)	1,900.00	-	2,163.00
Rubber US\$/Kg(26.02.2009)			
RSS 1	1.33	1.24	1.26
RSS 2	1.30	1.20	1.24
RSS 3	1.29	1.18	1.18

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

External Finance

External Assets (US\$ Mn)	Dec 2008	Nov 2008	Oct 2008	Sep 2008	Aug 2008	Dec 2007	Nov 2007	Oct 2007	Sep 2007	Aug 2007	Growth 2007/08 (%)
Total Reserves	2,991.5	3,336.4	3,627.4	4,543.5	4,745.9	4,510.8	4,614.0	4,509.0	4,006.0	4,016.4	-33.68
Gross Official Reserves	1,753.4	2,029.8	2,374.4	3,185.4	3,424.4	3,062.5	3,149.0	3,226.4	2,603.9	2,610.3	-42.75

Source: Central Bank of Sri Lanka



Weekly Commodity Prices 4th week of February

Item		Colombo				
	Unit	This Week	Price Range	Week Ago	Month Ago	Year Ago
Rice						
Samba (Avg.)	1 kg	78.96	70.00-90.00	76.01	74.53	77.14
No. 1	1 kg	82.73	78.00-90.00	79.11	76.70	80.76
No. 2	1kg	75.19	70.00-80.00	72.90	72.35	73.52
Nadu Red	1kg	72.73	65.00-80.00	70.82	74.44	68.24
Raw Red (Avg.)	1kg	64.55	60.00-70.00	65.20	65.07	68.07
No. 1	1kg	65.89	63.00-70.00	66.23	66.40	70.00
No. 2	1kg	63.20	60.00-66.00	64.17	63.74	66.14
Wheat Flour	1 kg	69.56	65.00-75.00	69.58	69.68	74.90
Bread	400g	37.27	32.00-40.00	37.27	36.96	36.79
Sugar	1 kg	74.86	71.00-78.00	74.33		65.40
Anchor	400g	260.00	260.00-260.00	260.00	260.00	275.00
Potatoes (Imported)	1 kg	58.89	100.00-150.00	58.93	66.15	56.67
Red Dhal	1kg	193.53	170.00-220.00	194.00	194.02	151.64
Meat						
Beef	1kg	381.18	360.00-400.00	382.11	375.56	331.43
Chicken						
Fresh	1kg	357.50	320.00-385.00	351.32	349.21	313.21
Broiler	1kg	311.36	290.00-330.00	310.00	314.64	265.00
Fresh Fish						
Paraw	1 kg	532.48	400.00-700.00	523.68	584.56	472.57
Balaya	1 kg	369.09	280.00-440.00	372.00	407.50	295.00
Kelawalla	1 kg	475.00	355.00-560.00	475.65	531.67	365.33
Salaya	1 kg	85.83	50.00-120.00	81.36	122.78	95.71
Dried Fish						
Sprats	1 kg	342.16	300.00-400.00	349.71	353.87	260.24
Eggs	Each	8.46	6.85-10.00	8.70	9.90	8.10
Coconut	Each	24.29	18.00-30.00	24.40	25.15	34.75
Coconut Oil	750 ml	122.53	100.00-150.00	125.47	128.84	212.54
Red Onions	1 kg	107.14	90.00-120.00	108.94	120.48	82.38
Big Onions (Imported)	1 kg	78.59	70.00-90.00	78.89	81.61	59.81
Brinjal	1kg	56.29	40.00-80.00	60.94	60.00	59.05
Beans Green	1 kg	88.23	72.00-120.00	96.86	91.56	89.62
Cabbage	1 kg	72.57	40.00-100.00	72.71	71.85	59.19
Kerosene oil	1 liter	60.00	60.00	60.00	60.00	70.00
Diesel (CPC)	1 liter	80.00	80.00	80.00	80.00	80.00
Petrol	1 liter	122.00	122.00	122.00	122.00	127.00
Gas (Shell)	12.5kg	1,693.00	1693.00	1,693.00	1,693.00	1,478.00

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, Wellawatta, Narahenpita, Nugegoda, and Maning town.

Private Remittances (US\$ Mn.)

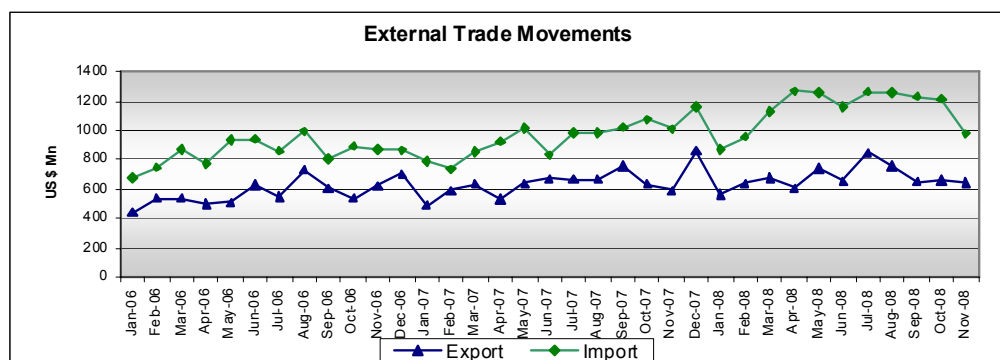
	2008 Jan-Dec	2007 Jan-Dec	% Change
Inflows	2,918.1	2,501.5	16.7
Outflows	352.8	287.7	22.6
Net	2,565.2	2,213.8	15.9

Source: Central Bank of Sri Lanka

External Trade

	Nov 2008 (US\$ Mn)	Nov 2007 (US\$ Mn)	Growth 2007/08(%)	Jan-Nov 2008 Cumulative (US\$ Mn.)	Jan-Npv 2007 Cumulative (US\$ Mn.)	Growth 2007/08 (%)
Exports	645.09	577.9	11.63	7,465.61	6,800.49	9.780
Agriculture	125.98	137.07	-8.09	1,744.04	1,359.23	28.311
Tea	87.14	97.67	-10.78	1,190.24	910.30	30.752
Other	38.84	39.47	-1.60	543.77	461.65	17.788
Industrial	512.45	431.76	18.69	5,585.07	5,290.99	5.558
Food, Beverages and Tobacco	42.87	26.87	59.55	423.92	453.50	-6.523
Textiles and Garments	287.06	234.2	22.57	3,095.35	2,941.10	5.245
Rubber products	44.32	40.35	9.84	498.70	428.78	16.307
Diamond and Jewellery	45.34	32.89	37.85	408.18	329.95	23.710
Other	36.26	29.68	22.17	881.56	644.94	36.689
Mineral	6.66	9.07	-26.57	118.62	18.05	557.175
Unclassified	0	0	0	27.60	39.04	-29.303
Imports	977.65	1,009.23	-3.13	11,742.46	10,079.98	16.493
Consumer goods	175.58	165.51	6.08	2,243.83	1,827.40	22.788
Food & Drink	99.83	86.29	15.69	1,373.55	957.12	43.509
Other Consumer Goods	75.75	79.22	-4.38	959.89	860.30	11.576
Motor Cars & Cycles	23.83	27.78	-14.22	356.38	288.58	23.494
Intermediate goods	591.7	558.58	5.93	7,760.77	5,762.15	34.685
Petroleum	150.46	213.76	-29.61	3,139.50	2,031.76	54.521
Fertilizer	72.03	7.9	811.77	554.15	180.53	206.957
Chemicals	18.72	23.81	-21.38	327.97	261.85	25.251
Textiles & Clothing	143.78	137.76	4.37	1,557.50	1,539.25	1.186
Diamonds	38.5	26.2	46.95	386.04	244.32	58.006
Other Intermediate Goods	168.26	149.11	12.84	1,794.33	1,506.50	19.106
Investment goods	199.8	279.45	-28.50	2,685.25	2,425.95	10.689
Machinery & Equipment	83.09	119.25	-30.32	1,194.03	1,107.93	7.771
Transport Equipment	25.41	28.56	-11.03	320.28	331.72	-3.449
Building Materials	72.73	88.9	-18.19	864.92	704.53	22.766
Other Investment Goods	18.57	42.75	-56.56	305.88	277.67	10.160
Unclassified	10.57	5.69	85.76	131.32	74.19	77.005
Trade Balance	-332.56	-431.33	-22.90	-4,276.85	-3,279.49	30.41

Source: Central Bank of Sri Lanka



Tourist Arrivals and Earnings by Month (2006-08)

Month	Arrivals				Earnings (US\$ Mn)			
	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	48,950	-19.91	31.0	47.6	4.3	-90.96
Total	559,603	494,008	438,500	-11.23	440.9	385.3	342.0	-11.23

Source: Sri Lanka Tourist Board