



MARKET MONITOR

SRI LANKA – SEPTEMBER 2023



SAVING
LIVES
CHANGING
LIVES



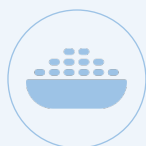
FOOD INFLATION (year-on-year)

-5.2 percent (NCPI)
-5.2 percent (CCPI)



HEADLINE INFLATION (year-on-year)

0.8 percent (NCPI)
1.3 percent (CCPI)



AVERAGE FOOD EXPENDITURE

Rs 44,375 per household
(Based on September NCPI food inflation rate)



LKR:USD RATE

324.45
(As of 27th September)

**Data source: DCS, Sri Lanka*

KEY HIGHLIGHTS

- Overall **Headline Inflation** (NCPI) has **decreased** from 2.1% to 0.8% in September 2023.
- Food inflation remains below 0**, dropping from -5.4% in August to -5.2% in September 2023.
- Month-on-month change of NCPI contributed by **-0.41% from food** and **-0.36% from non-food**.
- The global price index** of vegetable oils, dairy and meat **decreased** in September 2023, but the **sugar and cereal indices increased**.
- Retail prices of all local and imported rice varieties increase** from August rates.
- Retail prices of all fuel types increased** in September 2023 compared to the previous month.

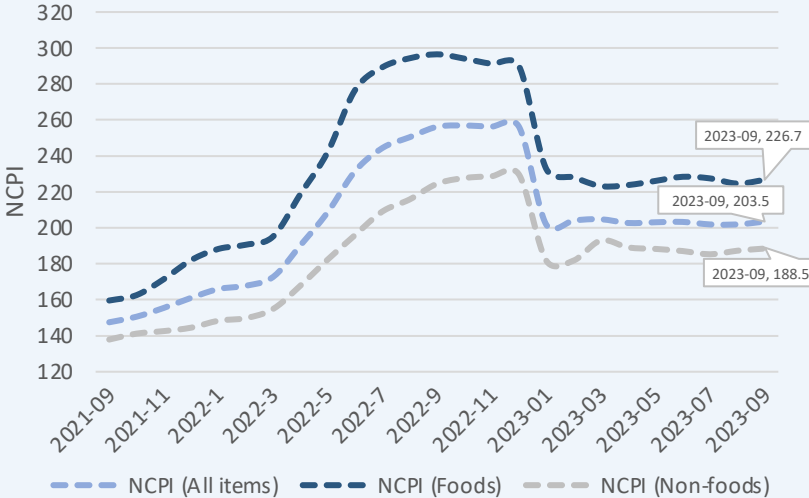
CHANGES IN THE POLICY ENVIRONMENT

- 04 September:** Due to the recent dry weather situation, around 84000 families in 70 divisional secretariat areas belonging to 17 districts of the island have faced a shortage of drinking water. Ministers approved the proposals to consider the supply of drinking water as an urgent and priority requirement until sufficient rainfall is received and to act National Water Resources Council proposed by the National Water Resources Policy as an emergency action committee.
- 04 September:** The Cabinet of Ministers decided to allocate budget allocations 2024 by prioritizing large-scale development projects that can contribute to the achievement of the government's 2048 development goals, among the currently ongoing projects until foreign funds can be utilized.
- 11 September:** Cabinet approval has been received to invite expression of interest proposals from prospective investors for developing renewable energy projects with a capacity of 50 MW or more to assist in the implementation of accelerated renewable energy development programs in the country.

**Data source: news.lk*

NATIONAL CONSUMER PRICE INDEX ●

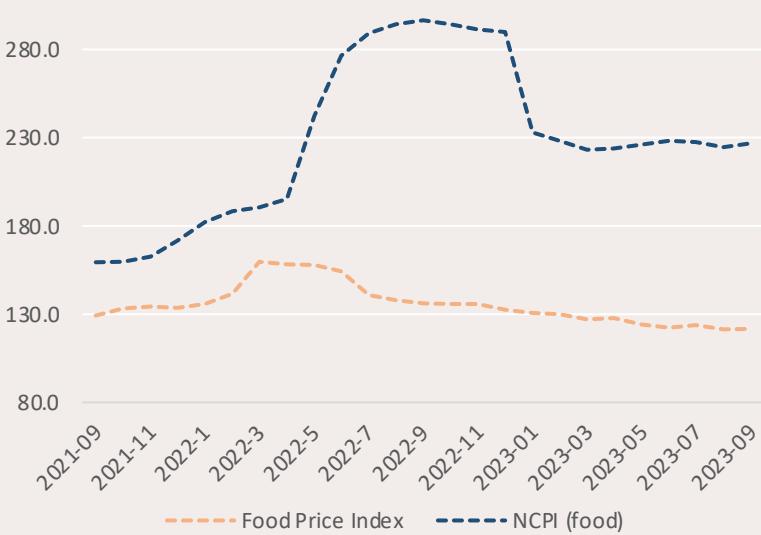
- The National Consumer Price Index (NCPI) for all items was 203.5 points in September 2023, an increase of 1.6 base points from August.
- The index is 20.57% lower than the same period last year.
- The rate of food inflation in July, as measured by the NCPI on a year-to-year basis, is -5.2%.
- Overall food inflation increased from the previous month by 0.9%.



**Data source: DCS, Sri Lanka*

GLOBAL FOOD PRICE INDEX ●

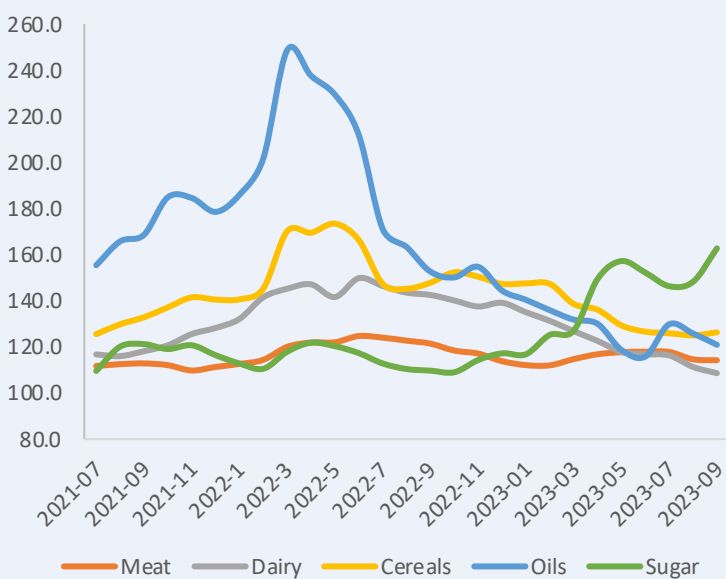
- The FAO Food Price Index tracks international prices of the most globally traded food commodities.
- The average Food Price Index was 121.5 during the month of September.
- This is a 0.08% increase from the previous month of August.
- The almost unchanged value was reported as declines in the price indices of oils, dairy and meat offset increases in sugar and cereals.
- The food price index is 10.86% lower than September last year.



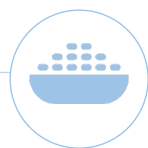
**Data source: FAO*

GLOBAL PRICE INDEX ON MAJOR FOOD GROUPS ●

- The cereal price index increased 1% from August, led by increases in coarse grain prices, but remains 14.6% below its value a year ago.
- The oil price index decreased 3.9% from last month, this reflects the lower world prices across palm, sunflower, soy and rapeseed oils.
- The sugar index spiked 9.8% from August 2023 and is 48.31% above the price last year. This stems from increasing concerns over a tighter global supply.
- The dairy and meat indices have been steadily decreasing 2.3% and 1% respectively, from the previous month.



**Data source: FAO*



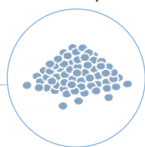
PRICE TREND OF RICE VARIETIES

LOCAL RICE VARIETIES

- Average prices of local Samba and Nadu remained stable in September whereas local raw red and white observed increases.
- Local Samba 2 averaged a price of Rs. 230/kg in September 2023, a 0.7% increase from August but a 1.57% decrease y-o-y.
- Local Nadu 1 averaged a price of Rs. 222.35/kg, an increase of 0.35% from last month.
- Local raw red and raw white, increased by 13.75% and 5.27% respectively from last month.
- All local rice prices remain lower than the same month last year.

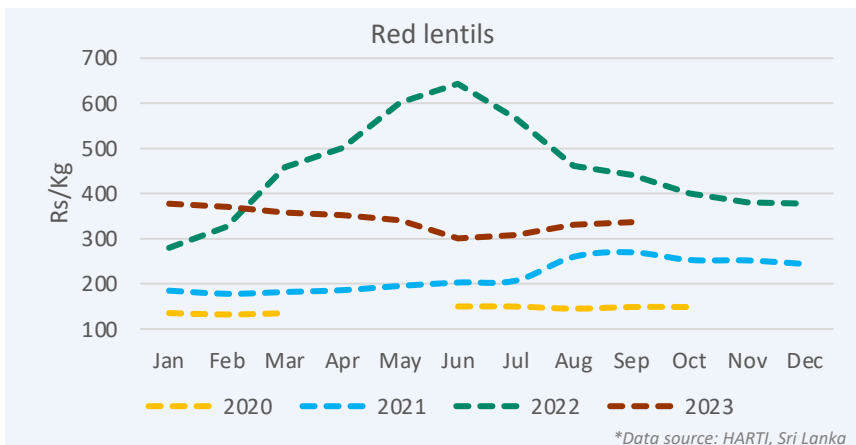
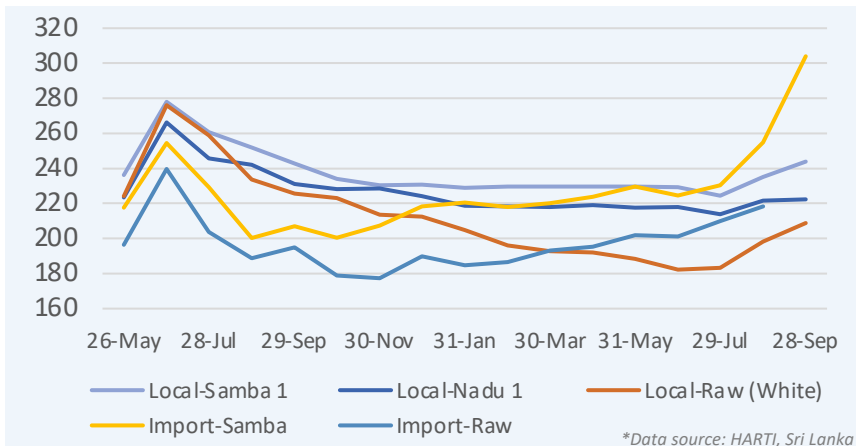
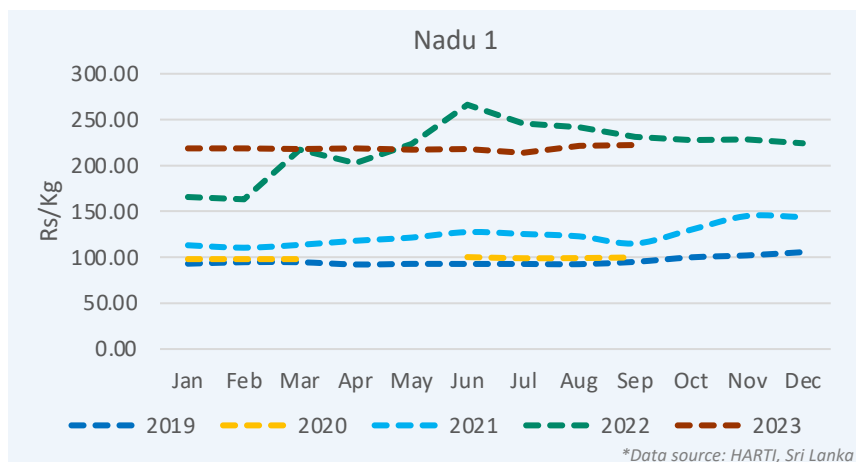
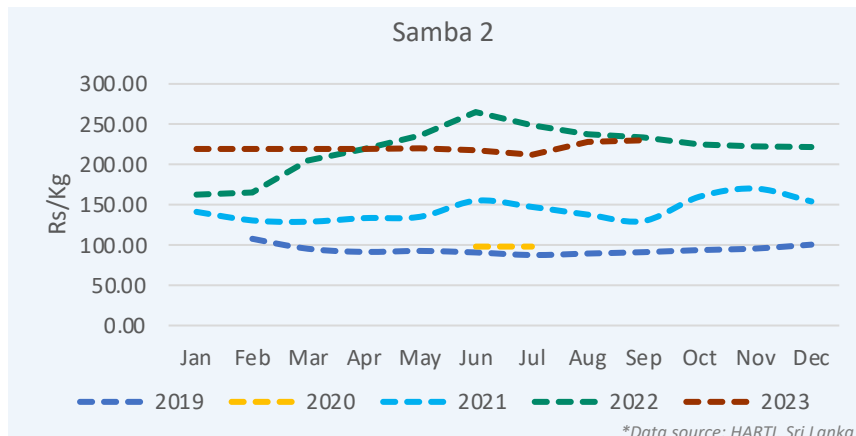
IMPORTED RICE VARIETIES

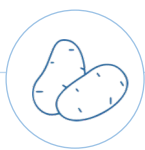
- The Average prices of imported Samba rice in September 2023 was reported at 304 Rs. per kg.
- This is a 19.22% increase from last month and a 46.9% increase from September 2022.
- Retail prices for imported Nadu and raw white rice were not reported.



PRICE TREND OF RED LENTILS

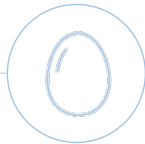
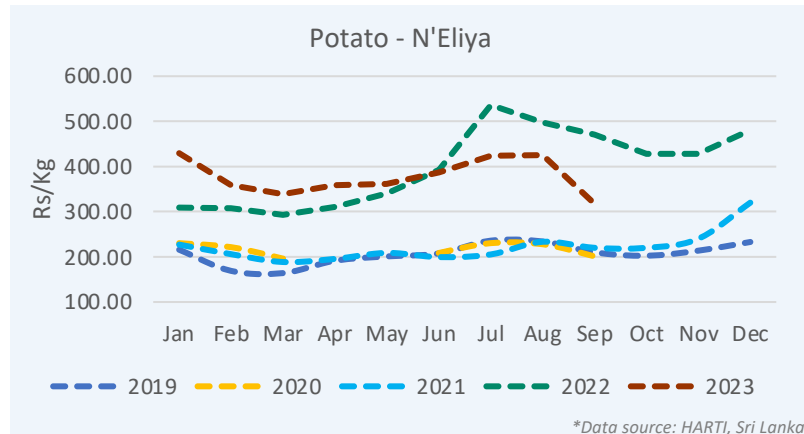
- The average retail price of red lentils continues to increase.
- In September 2023, the average price increased by 1.79% to an average of Rs. 336.18/kg.
- However, the price of red lentils remains 23.86% lower than August 2022.





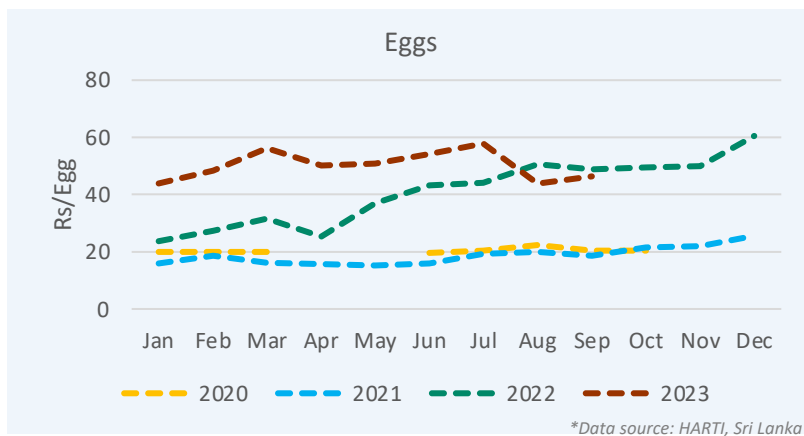
PRICE TREND OF POTATOES

- The average price of local Nuwara Eliya potatoes saw a sharp drop in September 2023.
- The average price of potatoes was reported at Rs. 317.5/kg.
- This is a 25.42% decrease from last month and is 32.55% lower than the same month last year.



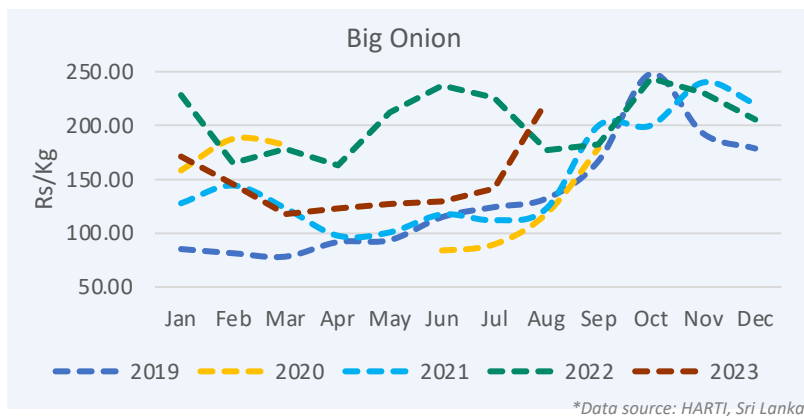
PRICE TREND OF EGGS

- After a sharp drop in August, the average price of a white egg increased in September 2023.
- The average price of a white egg rose to 46.38 Rs.
- This is a 5.82% increase from last month but remains 4.96% lower than the same month last year.



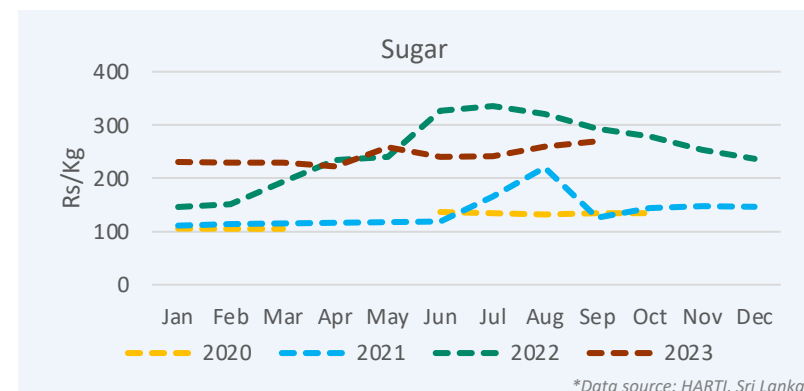
PRICE TREND OF ONIONS

- No price was reported for a big onion in September 2023.
- However, the average price of a red Vedelan onion rose from Rs. 401.21/kg in August to Rs. 422.06/kg in September.
- The price is 217.45% lower than September 2022.



PRICE TREND OF SUGAR

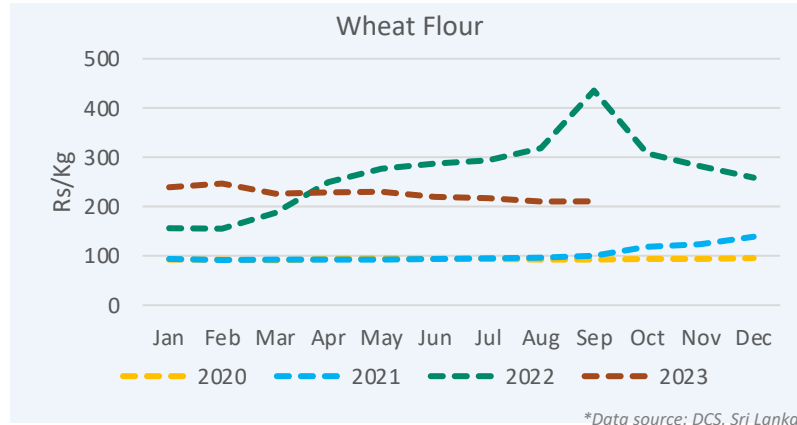
- The price of sugar has been steadily increasing since April 2023.
- In September 2023, the average price of sugar was reported as Rs. 269.48/kg.
- This is a 3.85% increase from the last month but is 7.91% lower than the same month last year.





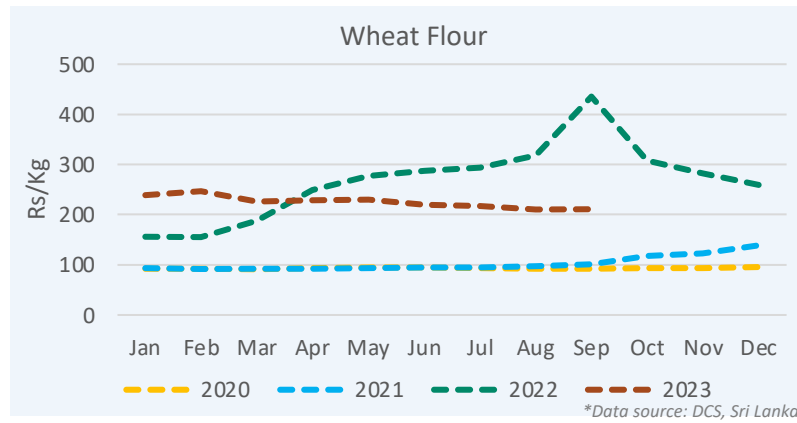
PRICE TREND OF WHEAT FLOUR

- The average retail price of wheat flour for September 2023 was reported at Rs. 211.18/kg.
- This is a 0.41% increase from the previous month.
- Despite the maintained high prices compared to 2020 and 2021, the price is 51% lower than the same month last year.



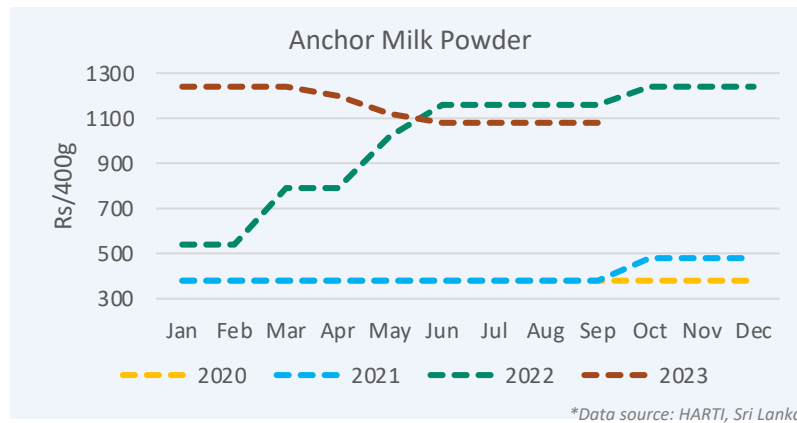
PRICE TREND OF MILK POWDER

- The average retail price of a 400g box of Anchor milk powder in September 2023 remained the same month-on-month at Rs. 1080 per 400g box.
- This is 6.9% lower than September 2022 but 184.21% higher than September 2021.



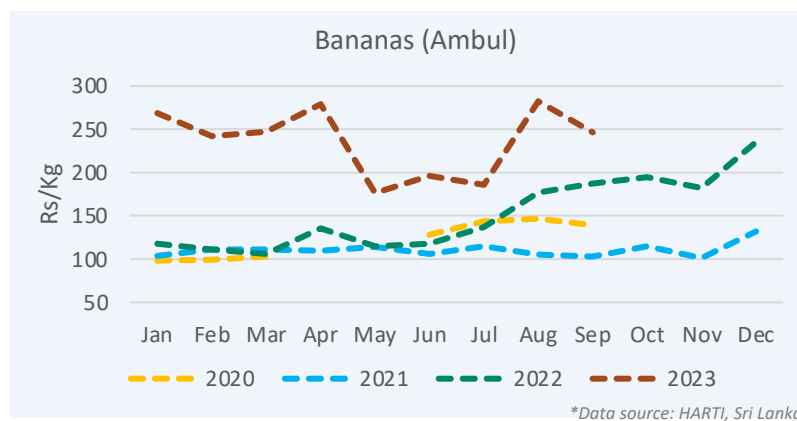
PRICE TREND OF COCONUTS

- The average retail price of a coconut has been steadily increasing since May 2023.
- In September 2023, the average price was reported as Rs. 116.86.
- This is 2.09% higher than last month and 21.19% higher than the same month last year.



PRICE TREND OF BANANAS

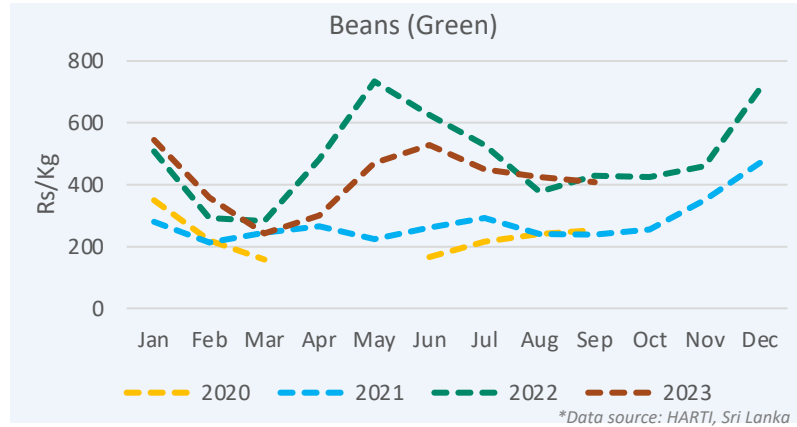
- After a spike in August, the average retail price of Ambul bananas dropped in September 2023.
- The average price was Rs. 246.76/kg, which is 12.63% lower than last month.
- The average price is 31.8% higher than September 2022.





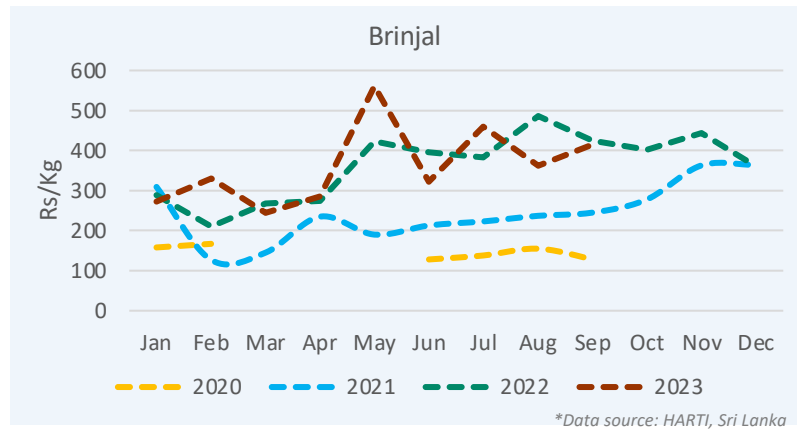
PRICE TREND OF BEANS

- After a sharp increase in June 2023, the average retail price of green beans has been steadily decreasing.
- In September 2023, the price was reported at Rs.408.57/kg, this is 3.75% lower than last month and 4.64% higher than September 2022.



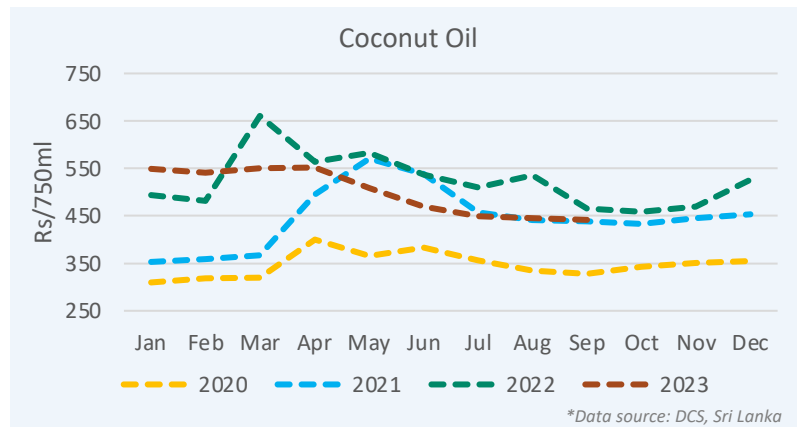
PRICE TREND OF BRINJAL

- The average retail price of brinjal has been volatile in 2023.
- In September 2023 The average retail price rose to Rs. 414.19/kg.
- This is 14.35% higher than the previous month but 2.44% lower than the same month last year.



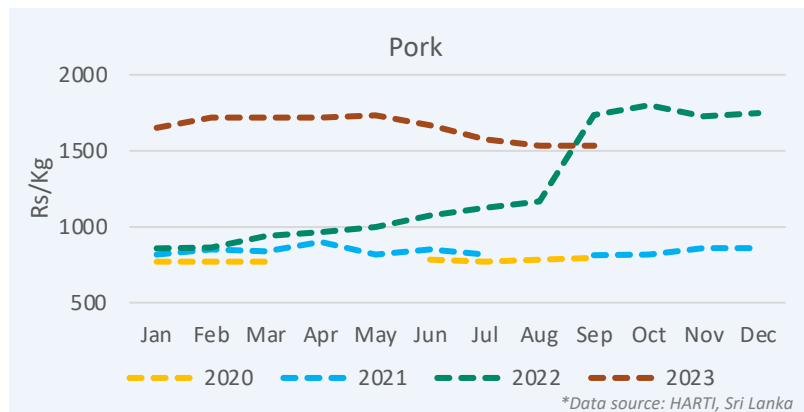
PRICE TREND OF COCONUT OIL

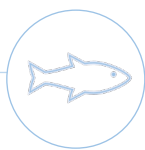
- The average retail price of a 750ml bottle of coconut oil has been steadily decreasing since May 2023.
- In September 2023, the price was reported at Rs. 441.54 per 750ml bottle, this is 0.73% lower than the previous month and 5.05% lower year-on-year.



PRICE TREND OF PORK

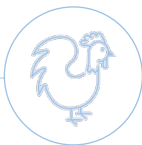
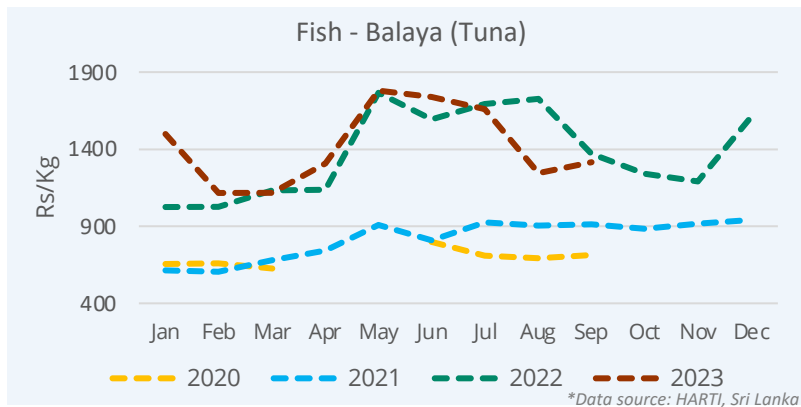
- The average retail price of Pork has been steadily decreasing since March 2023 and remained unchanged in September.
- In September 2023, the price was reported at Rs. 1533.33/kg.
- Compared to the same month last year the average price is 11.54% lower.





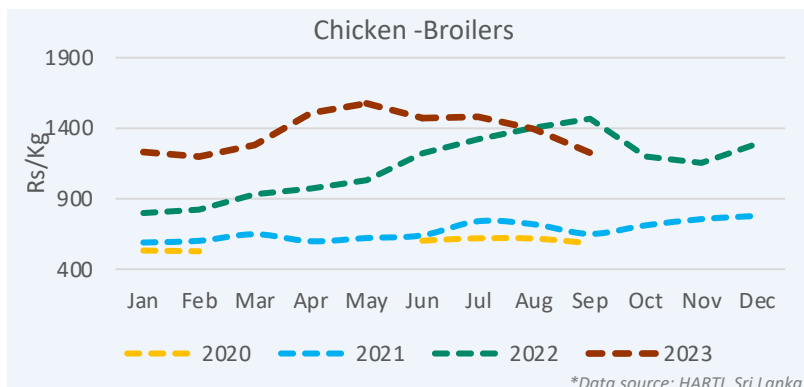
PRICE TREND OF FISH

- After a sharp drop in August 2023, the average price of Balaya (Tuna) fish saw an increase in September.
- In September 2023, the average price was reported at Rs.1314.29/kg.
- This is a 5.47% increase from last month and is 4.11% lower year on year.



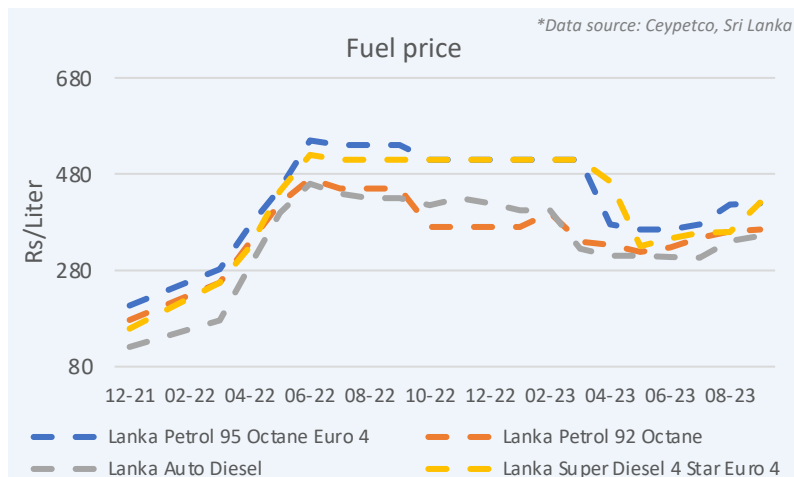
PRICE TREND OF CHICKEN

- The price of Broiler chicken continued to decrease in September 2023 to an average price of Rs. 1227/kg
- The average price is 12.01% lower than August 2023 and 16.34% lower than the same month last year.



PRICE TREND OF FUEL

- In September 2023, the retail prices of all fuel types increased from the previous month.
- Lanka 95 and 92 octane increased by 0.72% and 1.11% respectively.
- Lanka diesel and super diesel increased by 2.93% and 17.27% respectively.
- Compared to September 2022 retail prices of all fuels have decreased in a range of 17-36%



KEY ISSUES TO WATCH OUT FOR

- There are continued uncertainties regarding India's rice export restrictions in the aftermath of India's July ban on Indica white rice exports. Against a backdrop of seasonally tight availabilities ahead of new-crop harvests, uncertainty continues over the ban's duration and further concerns as to whether export restrictions would be extended to other rice types continue to impact prices.
- Continued concerns about the potential of the El Niño weather phenomenon and persistent dry weather conditions in Thailand are expected to negatively affect the 2023/24 sugar production and risks keeping prices high.

**Data source: FAO*

COMMODITY	RANGE		AVERAGE PRICE		PRICE CHANGE
			IN SRI LANKAN RUPEES		
	Min	Max	This week	Last week	Last week %
Cereals, grains, roots, tubers					
Samba 1	230	240	235.33	235.59	-0.11% ▼
Samba 2	230	230	230	230	0.00% ▲
Keeri Samba	300	330	316	325.42	-2.89% ▼
Nadu 1	220	230	222.73	222.35	0.17% ▲
Nadu 2	200	220	215.36	214.64	0.34% ▲
Raw (Red)	180	210	198.29	199.24	-0.48% ▼
Raw (White)	200	220	208.79	210.29	-0.71% ▼
Samba-Imported	300	320	304	302.22	0.59% ▲
Potato - N'Eliya	300	360	317.5	397.5	-20.13% ▼
Potato - Imported	180	280	209.69	210.97	-0.61% ▼
Wheat Flour	190	220	211.18	210.04	0.54% ▲
Pulses, legumes					
Green Gram	1000	1300	1151.52	1166.67	-1.30% ▼
Red Dhal	300	360	336.18	340.65	-1.31% ▼
Green Beans	280	480	408.57	489.73	-16.57% ▼
Vegetables					
Big Onion - Imported	180	240	223.14	223.94	-0.36% ▼
Red Onion - Vedalan	350	480	422.06	434.52	-2.87% ▼
Leeks	100	300	193.94	212.7	-8.82% ▼
Raddish	100	260	191.82	182.42	5.15% ▲
Tomato	160	320	249.71	231.89	7.68% ▲
Ladies Fingers	140	280	240.61	238.11	1.05% ▲
Capsicum	240	560	369.71	384.86	-3.94% ▼
Bitter Gourd	300	480	405.29	415	-2.34% ▼
Snake Gourd	200	360	297.58	270.94	9.83% ▲
Luffa	200	320	277.31	283.13	-2.06% ▼
Carrot	160	360	246.97	299.73	-17.60% ▼
Beetroot	160	280	221.61	225.83	-1.87% ▼
Green Chillies	460	800	688.79	674.41	2.13% ▲
Fruits					
Coconut (Large)	100	120	116.86	112.7	3.69% ▲
Ambul Bananas	200	280	246.76	251.84	-2.02% ▼
Papaw	140	250	199.06	201.61	-1.26% ▼
Mango (Vilad)	80	130	108.42	111.11	-2.42% ▼
Meat, Fish, Eggs					
Beef (without Bones)	2200	2500	2340	2340	0.00% ▲
Chicken (Broiler)	1150	1250	1227	1288.75	-4.79% ▼
Chicken (Curry)	1200	1550	1328	1320	0.61% ▲
Mutton	3200	3500	3283.33	3300	-0.51% ▼
Pork	1400	1600	1533.33	1533.33	0.00% ▲
Brown Eggs	47	48	47.5	46.93	1.21% ▲
White Eggs	45.5	47	46.38	45.7	1.49% ▲

*Data source: HARTI, Sri Lanka. Ref. This week : 22 – 28 September 2023 Last week 15 - 21 September 2023

$$\text{Average food expenditure} = \frac{\text{Rs. change in market basket of food items}}{\text{Index change of NCPI for food}} \times \text{NCPI Food index for the month}$$