

## February inflation 9.8%

Consumer prices rose 9.8 percent in February 2013 from a year earlier, the highest since August 2012, the Department of Census and Statistics said yesterday.

Headline inflation, or the year-on-year change in the official inflation index the Colombo Consumers' Price Index, reached 9.8 percent in February, unchanged from 9.8 percent in January. The annual average rate of inflation rose to 8.6 percent in February, the highest since August 2009.

Prices rose 0.4 percent month-on-month. Food and non-alcoholic beverage prices rose 0.6 percent and non-food items rose 0.2 percent during the month of February. During the 12-month period, food prices rose 12.9 percent and non-food items rose 7.2 percent.

The Central Bank in

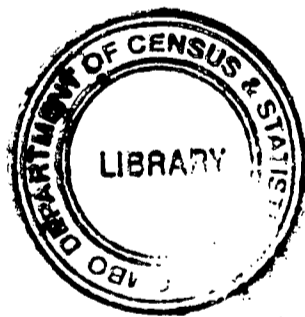
February said inflation would begin to ease by this month. Treasury Secretary Dr. P. B. Jayasundera predicts inflation would reach 8 percent by the year end on improving food supplies.

The International Monetary Fund (IMF) last month said inflation was too high and urged the Central Bank to keep policy rates steady until inflation eased.

The Central Bank eased policy interest rates in December but held them steady in January and February.

Secondary market Treasury bond yields stayed flat yesterday (28) with activity drying up, dealers said.

The rupee strengthened against the US dollar closing at Rs. 127.45 from an opening position of Rs. 127.50 against the greenback.



*P. R.*