# FORBES & WALKER TEA BROKERS (PVT) LIMITED

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Tea Industry Review 2022 and Preview 2023 is attached at the end of this report.

**MOST COMPREHENSIVE WEBSITE ON TEA**
**www.forbestea.com**

## WEEKLY TEA MARKET REPORT
## SALE NO: 1 - 03RD/ 04TH JANUARY 2023

### ORDER OF SALE

| | EXESTATE | LG Large Leaf/Semi Leafy/LG Small Leaf/BOPIA /Premium | High & Medium/Off Grade/Dust |
|---|---|---|---|
| 1. | **Forbes & Walker Tea Brokers (Pvt) Ltd** | Lanka Commodity Brokers (Pvt) Ltd | John Keells PLC |
| 2. | Bartleet Produce Marketing (Pvt) Ltd | John Keells PLC | Eastern Brokers Ltd |
| 3. | Ceylon Tea Brokers PLC | Asia Siyaka Commodities PLC | **Forbes & Walker Tea Brokers (Pvt) Ltd** |
| 4. | Eastern Brokers Ltd | Eastern Brokers Ltd | Mercantile Produce Brokers (Pvt) Ltd |
| 5. | Mercantile Produce Brokers (Pvt) Ltd | Ceylon Tea Brokers PLC | Lanka Commodity Brokers (Pvt) Ltd |
| 6. | Lanka Commodity Brokers (Pvt) Ltd | **Forbes & Walker Tea Brokers (Pvt) Ltd** | Asia Siyaka Commodities PLC |
| 7. | John Keells PLC | Bartleet Produce Marketing (Pvt) Ltd | Bartleet Produce Marketing (Pvt) Ltd |
| 8. | Asia Siyaka Commodities PLC | Mercantile Produce Brokers (Pvt) Ltd | Ceylon Tea Brokers PLC |

At this week's sale 9,912 lots totalling 5,043,898 kgs were on offer. The breakdown is as follows:

| | LOTS | QUANTITY |
|---|---|---|
| Ex Estate | 613 | 677,842 |
| Main Sale - High & Medium | 1,337 | 601,093 |
| Low Grown - Leafy | 1,757 | 668,207 |
| Low Grown - Semi Leafy | 1,275 | 540,541 |
| Low Grown - Tippy | 1,986 | 1,001,603 |
| Premium Flowery | 394 | 63,461 |
| Off Grades | 2,081 | 1,043,298 |
| Dust | 469 | 447,853 |
| **TOTAL** | **9,912** | **5,043,898** |
| Re - Prints | 570 | 295,055 |

**Buyers Prompt : 10/01/2023**
**Sellers Prompt : 11/01/2023**

### QUALITY

*Westerns were marginally improved. Nuwara Eliyas had hardly any offerings, whilst the Uva/Uda Pussellawas and Low Growns were fairly similar to last.*

## *NATIONAL TEA SALE AVERAGES - DECEMBER 2022*

### *QUANTITY SOLD DOWN BY 47.15 M/KG YoY!*

### *TOTAL AVERAGE INCREASED BY Rs. 618.80 AND USD 0.70 YoY!*

| In Sri Lankan Rupees | 22-Dec | 22-Nov | MOM Variance | 21-Dec | YOY Variance | To date 2022 | To date 2021 | YOY Variance |
|---|---|---|---|---|---|---|---|---|
| High Grown | 1359.78 | 1340.75 | 19.03 | 615.18 | 744.60 | 1093.10 | 587.13 | 505.97 |
| Medium Grown | 1237.86 | 1177.49 | 60.37 | 568.49 | 669.37 | 1030.82 | 550.80 | 480.02 |
| Low Grown | 1534.27 | 1448.15 | 86.12 | 662.24 | 872.03 | 1339.86 | 644.23 | 695.63 |
| Total | 1454.24 | 1383.05 | 71.19 | 635.83 | 818.41 | 1234.24 | 615.44 | 618.80 |

| In U.S. Dollars | 22-Dec | 22-Nov | MOM Variance | 21-Dec | YOY Variance | To date 2022 | To date 2021 | YOY Variance |
|---|---|---|---|---|---|---|---|---|
| High Grown | 3.74 | 3.68 | 0.06 | 3.06 | 0.68 | 3.40 | 2.98 | 0.42 |
| Medium Grown | 3.40 | 3.23 | 0.17 | 2.83 | 0.57 | 3.20 | 2.80 | 0.40 |
| Low Grown | 4.22 | 3.98 | 0.24 | 3.30 | 0.92 | 4.16 | 3.27 | 0.89 |
| Total | 4.00 | 3.80 | 0.20 | 3.17 | 0.83 | 3.83 | 3.13 | 0.70 |

*Source – Sri Lanka Tea Board (For statistical purposes only)*

*January-December 2022 cumulative average of Rs. 1,234.24 (USD 3.83) shows a significant increase of Rs. 618.80 vis-à-vis Rs. 615.44 (USD 3.13) of January-December 2021, thus establishing the highest-ever average for a calendar year in LKR. In USD terms the average of USD 4.11 recorded in the year 2017 remains the highest.*

*High Growns for the period January-December 2022 of Rs. 1,093.10 (USD 3.40) have shown an increase of Rs. 505.97 vis-à-vis Rs. 587.13 (USD 2.98) during January-December 2021. Medium Growns averaging Rs. 1,030.82 (USD 3.20) have shown an increase of Rs. 480.02 vis-à-vis Rs. 550.80 (USD 2.80) January-December 2021. Meanwhile, Low Growns totalling Rs. 1,339.86 (USD 4.16) for January-December 2022 have shown the highest increase of Rs. 695.63 vis-à-vis Rs. 644.23 (USD 3.27) during January-December 2021.*

*Cumulative averages show an increase for all elevations in USD terms as well compared to the corresponding period of 2021, with the Sri Lankan Rupee depreciating further in 2022 coupled with low crops experienced during the year. When analysing the cumulative average in USD terms, January-December 2022 average of USD 3.83, records an increase of USD 0.70 vis-à-vis USD 3.13 of January-December 2021.*

*It is noteworthy that when compared against the January-December 2017 average of USD 4.11 (Highest Ever), the 2021 average of USD 3.83 shows a decease of USD 0.28 (a detailed report is on Page No. 9).*

## *COMMENTS*

*The 1st sale of the year got off to a good start with prices for almost all types of teas appreciating in value. Perhaps enhanced demand due to the absence of an auction last week and the anticipated lower volumes on account of the prevalent climatic conditions.*

*Auction offerings totalled 5.0 M/Kgs of which the Ex-Estate component comprised of 0.68 M/Kgs.*

*Quality of teas in the Ex-Estate catalogues were fairly well maintained and the better teas sold well at firm to dearer rates following quality/special inquiry. There were hardly any offerings from the Nuwara Eliya Region. Uva/Uda Pussellawa were mostly maintained.*

*High and Mid Grown CTC teas - BP1's were generally firm and up to Rs. 50 per kg dearer, whilst a majority of the PF1's continued to sell around last week's levels. The corresponding Low Grown types, BP1's - Select invoices were substantially dearer, whilst the others were mostly firm. PF1's - Clean black leaf coloury teas gained Rs. 50-100 per kg, whilst the others were barely maintained.*

*The better teas, particularly from the Western Region, sold on the merit of quality, whilst the demand for the others were centred around the depth of colour and strength being an important factor for establishing a reasonable price.*

*Improved activity from shippers to the UK, whilst shippers to Japan and Russia bid on a wide cross-section of teas.*

*Low Growns comprised of 2.2 M/Kgs. Market met with improved demand. Shippers to Russia and Türkiye were active, whilst shippers to Iran were selective.*

*In the Leafy & Semi Leafy catalogues, select Best OP1/BOP1's were fully firm, whilst improved Below Best varieties gained. Poorer sorts, in general, maintained. Well-made OP/OPA's in general were fully firm to selectively dearer, whilst the others and poorer sorts gained. PEK/PEK1's in general were firm, whilst the others and poorer sorts too maintained.*

*In the Tippy catalogues, select Best FBOP/FF1's appreciated, whilst the Best varieties sold around last levels. Below Best and teas at the bottom were easier following quality.*

*In the Premium catalogues, a selection of very Tippy teas were firm, whilst the balance were easier. Best and cleaner Below Best were firm, whilst the balance eased following quality.*

*In the backdrop of continued low volumes, the tea market is likely to remain buoyant for the forthcoming sales and with these thoughts...*

We wish our clients & readers good health, peace
and prosperity in 2023.
Happy New Year!

# MARKET

*Good demand for the better teas.*

## HIGH GROWN TEAS

**BOP**

*Best Western's were firm and Rs. 50 per kg dearer following quality, whilst the others were mostly firm around last week's levels. Nuwara Eliya's were irregular. Uda Pussellawa's - Teas in the higher price bracket were easier, whilst the others together with the Uva's were mostly firm.*

**BOPF**

*At the commencement of the sale, teas in the Best and Below Best categories were firm with select invoices gaining Rs. 50-100 per kg and closed around last week's levels. Plainer sorts which were firm to marginally dearer at the commencement, were mostly firm towards the close. Nuwara Eliya's had hardly any offerings. Uda Pussellawa's - Teas in the higher price bracket were easier, whilst the others together with the Uva's were mostly firm.*

**OP/OPA**

*OP's in general were firm to dearer Rs. 50 per kg. Well-made OPA's gained sharply, whilst others too gained Rs. 50-100 per kg.*

**PEKOE/PEKOE1**

*A limited selection of Flavory PEK's that were firm to dearer. Orthodox leafy PEK/PEK1's in general were dearer Rs. 50-100 per kg. on last. Best Rotavane PEK's gained by Rs. 50 per kg and more. Others too were irregularly dearer.*

**FBOP/FBOPF1**

*A limited selection of Flavory FBOP's that were available were easier Rs. 50-100 per kg. Well-made Orthodox leafy FBOP/FF1's together with cleaner below best sorts were dearer Rs. 50-100 as the sale progressed. Others at the lower were irregular following quality.*

| QUOTATIONS IN (Rs/kg) | BOP | | BOPF | | PEKOE / FBOP | | OP | |
|---|---|---|---|---|---|---|---|---|
| Sale Date | 19/20 DEC | 03/04 JAN | 19/20 DEC | 03/04 JAN | 19/20 DEC | 03/04 JAN | 19/20 DEC | 03/04 JAN |
| Best Westerns | 1650-1800 | 1600-1750 | 1650-1850 | 1700-1900 | 1420-2400 | 1480-2200 | 1340-1800 | 1420-1750 |
| Below Best Westerns | 1500-1600 | 1500-1550 | 1480-1600 | 1500-1650 | 1000-1400 | 1120-1460 | 1040-1320 | 1120-1400 |
| Plainer Westerns | 1300-1480 | 1300-1480 | 1400-1460 | 1460-1480 | 780-980 | 820-1100 | 860-1020 | 920-1100 |
| Nuwara Eliyas | 1360-1550 | 1320-1500 | 1400-1420 | 1300 | 1280-1700 | 1320-1600 | 1420 | N/A |
| Brighter Udapussellawas | 1400-1600 | 1380-1600 | 1460-1600 | 1460-1600 | 1120-2100 | 1200-1850 | 1120-1600 | 1180-1550 |
| Other Udapussellawas | 980-1180 | 980-1220 | 1000-1300 | 1100-1340 | 800-1100 | 860-1180 | 700-1100 | 780-1160 |
| Best Uvas | 1400-1550 | 1400-1550 | 1400-1500 | 1420-1550 | 1320-2150 | 1450-2050 | 1160-1800 | 1220-1650 |
| Other Uvas | 1100-1380 | 1280-1300 | 1100-1360 | 1260-1380 | 820-1300 | 880-1420 | 780-1140 | 860-1200 |

## MEDIUM GROWN TEAS

**BOP**

*Large Leaf teas were firm and dearer, whilst the others were mostly firm.*

**BOPF**

*Best available gained Rs. 50-100 per kg, whilst the others were irregular and barely steady.*

**OP/OPA**

*OP's in general were firm to dearer Rs. 50 per kg. Well-made OPA's gained sharply, whilst others too gained Rs. 50-100 per kg.*

**PEKOE/PEKOE1**

*PEK/PEK1's's in general were firm to dearer Rs. 50 per kg.*

**FBOP/FBOPF1**

*Select Best FBOP/FBOPF1's were firm on last. Best and Below best sorts were dearer Rs 50-100 per kg, whilst teas at the lower end were irregular following quality.*

| QUOTATIONS IN (Rs/kg) | BOP | | BOPF | | PEKOE / FBOP | | OP | |
|---|---|---|---|---|---|---|---|---|
| Sale Date | 19/20 DEC | 03/04 JAN | 19/20 DEC | 03/04 JAN | 19/20 DEC | 03/04 JAN | 19/20 DEC | 03/04 JAN |
| Good Mediums | 1500-2300 | 1550-2300 | N/A | N/A | 1600-2350 | 1700-2400 | 1280-1700 | 1320-1750 |
| Other Mediums | 1000-1450 | 1000-1500 | 940-1360 | 960-1060 | 780-1550 | 860-1650 | 760-1260 | 840-1300 |

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## UNORTHODOX TEAS

**HIGH GROWN** *__BP1s__ - Hardly any offerings. __PF1s__ - Firm and irregular following quality.*

**MEDIUM GROWN** *__BP1s__ - Up to Rs. 50 per kg dearer. __PF1s__ - Select high priced teas were mostly firm, whilst the other improved coloury sorts gained Rs. 50-100 per kg.*

**LOW GROWN** *__BP1s__ - Select invoices were substantially dearer; whilst the others were mostly firm. __PF1s__ - Clean black leaf coloury sorts gained Rs. 50-100 per kg and more as the sale progressed, whilst the others were barely steady.*

| QUOTATIONS IN (Rs/kg) | BP 1 | | PF 1 | |
|---|---|---|---|---|
| Sale Date | 19/20 DEC | 03/04 JAN | 19/20 DEC | 03/04 JAN |
| High Grown | N/A | 1300 | 940-1300 | 1080-1380 |
| Medium Grown | 900-1340 | 920-1400 | 850-1320 | 870-1380 |
| Low Grown | 1120-1160 | 1100-1420 | 1000-1900 | 1120-2050 |

## OFF GRADES

**FGS1/FGS** *Few cleaner Best invoices appreciated up to Rs. 40-80 per kg and more, whilst the Below Best and teas at the lower end of the market were dearer by Rs. 20 per kg and more. Low Growns, in general, were dearer by Rs. 20-30 per kg and more following quality. CTCs - Few cleaner Best invoices gained substantially, whilst the others were dearer by Rs. 20 per kg and more.*

**BROKENS** *Cleaner Best varieties, in general, were irregular, whilst the Below Best and poorer sorts appreciated by Rs. 20-30 per kg and more following quality.*

**BOP1A** *Select cleaner invoices of the Best varieties were dearer by Rs. 30-40 per kg, whilst the balance appreciated by Rs. 20-30 per kg. Below Best varieties were firm to dearer by Rs. 20 per kg and more on occasion. Poorer sorts, in general, were firm to dearer by Rs. 10-20 per kg.*

| QUOTATIONS IN (Rs/kg) | HIGH | | MEDIUM | | LOW | |
|---|---|---|---|---|---|---|
| Sale Date | 19/20 DEC | 03/04 JAN | 19/20 DEC | 03/04 JAN | 19/20 DEC | 03/04 JAN |
| Better Fannings (Orthodox) | 1220-1500 | 1240-1600 | 900-1200 | 900 - 980 | 900-1120 | 920-1120 |
| Better Fannings (CTC) | N/A | N/A | 760 - 980 | 760 - 960 | 1020-1460 | 1000-1700 |
| Other Fannings (Orthodox) | 630-1180 | 670-1200 | 670 - 890 | 690 - 900 | 600 - 890 | 680 - 900 |
| Other Fannings (CTC) | N/A | N/A | 540 - 720 | 660 - 800 | 530 - 840 | 530 - 860 |
| Good Brokens | 900-1460 | 920-1180 | 900-1650 | 920-1650 | 900-1550 | 920-1440 |
| Other Brokens | 680 - 880 | 680 - 870 | 650 - 890 | 680 - 890 | 550 - 890 | 570- 890 |
| Better BOP1As | 830-1040 | 890-1080 | 940-1400 | 960-1360 | 940-1700 | 1000-1800 |
| Other BOP1As | 710 - 800 | 780 - 850 | 720 - 870 | 790 - 880 | 700 - 920 | 700 - 940 |

## DUSTS

**DUST1** *Select Best Dust1s were firm to easier by Rs. 50-70 per kg. Teas in the Best category were firm to dearer by Rs. 25-50 per kg. Teas in the Below Best category followed a similar trend, whilst the poorer sorts were firm to dearer by Rs. 20-40 per kg. Best Low Grown varieties were firm on last week's levels, whilst teas in the Below Best category and the poorer sorts appreciated by Rs. 80-100 per kg.*

*Best High and Medium Grown CTCs' were firm to dearer by Rs. 30-50 per kg. Below Best varieties were mostly firm, whilst the poorer sorts were firm to dearer by Rs. 30-50 per kg. Best Low Grown CTC's were mostly firm, whilst the Below Best varieties and poorer sorts were firm to dearer by Rs. 40-60 per kg.*

**DUST** *Cleaner secondaries declined by Rs. 35-50 per kg, whilst the poorer sorts were firm to dearer by Rs. 20-40 per kg. Best Low Grown varieties were mostly firm, whilst the poorer sorts gained by Rs. 30-50 per kg.*

| QUOTATIONS IN (Rs/kg) | HIGH | | MEDIUM | | LOW | |
|---|---|---|---|---|---|---|
| Sale Date | 19/20 DEC | 03/04 JAN | 19/20 DEC | 03/04 JAN | 19/20 DEC | 03/04 JAN |
| Better Primary Dust (Orthodox) | 1550-2800 | 1550-2000 | 1100-1500 | 1140-1550 | 840-1280 | 880-1300 |
| Better Primary Dust (CTC) P. Dust | 1200-1400 | 1200-1480 | 1080-1420 | 1080-1420 | 1400-1900 | 1450-1950 |
| Below Best Primary Dust (Orthodox) | 1160-1500 | 1180-1500 | 920-1080 | 940-1060 | 780 - 820 | 810 - 870 |
| Other Primary Dust (CTC) P. Dust | 1100-1180 | 1100-1180 | 750-1060 | 810-1060 | 900-1380 | 790-1400 |
| Other Primary Dust (Orthodox) | 750-1140 | 800-1160 | 690 - 900 | 780 - 920 | 680 - 760 | 760 - 800 |
| Better Secondary Dust | 1000-1550 | 960-1480 | 920-1020 | 940-1080 | 900-1180 | 880-1140 |
| Other Secondary Dust | 660 - 980 | 770 - 940 | 690 - 900 | 780 - 920 | 680 - 880 | 770 - 860 |

* Note. High & Medium quotations are a combination of **HIGH GROWNS** (Western High and Uva High) **MEDIUM GROWNS** (Western Medium and Uva Medium).

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## LOW GROWN TEAS

**FBOP/FBOP1** *Select Best FBOPs appreciated, whilst Best and cleaner Below Best sold around last levels. Balance were irregular following quality. FBOP1s, in general, were firm.*

**BOP** *Select Best BOPs appreciated, whilst Best sold on last levels. Balance declined.*

**BOP1** *Select Best BOP1's were fully firm, whilst improved Below Best varieties gained. Poorer sorts were barely steady.*

**OP1** *Select Best OP1's were fully firm, whilst a range of cleaner Below Best varieties gained. Others and poorer sorts too were fully firm to selectively dearer.*

**OP** *Well made OP's, in general, were fully firm to selectively dearer, whilst poorer sorts maintained.*

**OPA** *Well made OPA's were fully firm to dearer, whilst others and poorer sorts too gained to a lesser extent.*

**PEKOE** *Well made PEK/PEK1's were fully firm, whilst others and mixed varieties were marginally easier.*

**BOPF** *Well made BOPFs together with Below Best were firm. However, teas at the bottom appreciated.*

**FBOPF/FBOPF1** *In the Premium catalogues, a selection of high priced tippy teas were firm, whilst balance eased. Best and cleaner Below Best sold around last levels. Balance were irregular following quality. However, the leafier varieties declined. Select Best FF1s appreciated, whilst Best sold around last levels. However, Below Best and teas at the bottom declined.*

| QUOTATIONS IN (Rs/kg) | SELECT BEST | | BEST | | BELOW BEST | | OTHERS | |
|---|---|---|---|---|---|---|---|---|
| Sale Date | 19/20 DEC | 03/04 JAN | 19/20 DEC | 03/04 JAN | 19/20 DEC | 03/04 JAN | 19/20 DEC | 03/04 JAN |
| FBOP 1 | 2200-2300 | 2200-2300 | 1700-1800 | 1700-1800 | 1200-1500 | 1200-1450 | 900-1200 | 900-1200 |
| FBOP | 2300-2450 | 2350-2550 | 1900-2000 | 1900-2000 | 1300-1600 | 1300-1600 | 1000-1200 | 1000-1100 |
| BOP 1 | 2500-3350 | 2500-3350 | 1950-2400 | 1950-2400 | 1600-1800 | 1600-1800 | 1400-1550 | 1400-1500 |
| BOP | 2200-2400 | 2300-2450 | 2000-2100 | 2000-2100 | 1300-1600 | 1200-1450 | 900-1000 | 860-1000 |
| BOPF | 1750-2150 | 1700-2200 | 1100-1350 | 1100-1300 | 850 - 900 | 820 - 900 | 700 - 750 | 730 - 770 |
| FBOPF (TIPPY)/FBOPF SP | 6100-7300 | 6000-6900 | 3900-4600 | 3800-4600 | 1700-2100 | 1600-2000 | 1100-1500 | 1000-1400 |
| FBOPF 1 | 2250-2400 | 2300-2500 | 1850-2100 | 1800-2050 | 1200-1500 | 1100-1350 | 950-1000 | 900-1000 |
| FBOPF | 2300-2750 | 2500-2900 | 1700-2100 | 1700-2000 | 1000-1350 | 1100-1300 | 950-1000 | 950-1000 |
| OP 1 | 2500-3350 | 2500-3350 | 2100-2350 | 2100-2350 | 1800-2050 | 1800-2050 | 1300-1600 | 1300-1650 |
| OP | 1900-2950 | 1900-2250 | 1750-1850 | 1750-1850 | 1650-1750 | 1650-1750 | 900-1500 | 900-1500 |
| OPA | 1850-2250 | 1850-2450 | 1650-1750 | 1650-1750 | 1350-1600 | 1350-1600 | 850-1300 | 850-1300 |
| PEKOE | 1950-2550 | 1950-2550 | 1750-1900 | 1750-1900 | 1500-1700 | 1500-1700 | 1200-1350 | 1200-1300 |
| PEK 1 | 2200-2500 | 2200-2500 | 1850-2150 | 1850-2150 | 1650-1800 | 1650-1800 | 1000-1400 | 1000-1400 |

## TOP PRICES IN (RS/KGS) - SALE OF 03RD/ 04TH JANUARY 2023

**WESTERN MEDIUM**

| | | | |
|---|---|---|---|
| Doombagastalawa | BOP | @ | 2,300.00 |
| Craighead | BOP | @ | 2,150.00 |
| Nayapane | BOPSp | | 2,250.00 |
| Doombagastalawa | BOPSp | @ | 1,950.00 |
| Craighead | BOPF/BOPFSp | @ | 1,700.00 |
| Dartry Valley | BOP1 | @ | 2,450.00 |
| Craighead | BOP1 | @ | 2,400.00 |
| Doombagastalawa | FBOP/FBOP1 | @ | 2,400.00 |
| Dartry Valley | FBOPF/FBOPF1 | @ | 2,350.00 |
| Doombagastalawa | FBOPF/FBOPF1 | @ | 2,250.00 |
| Kenilworth | FBOPF/FBOPF1 | | 2,250.00 |
| Dartry Valley | OP/OPA | | 1,750.00 |
| Craighead | OP1 | @ | 2,200.00 |
| Uplands | PEK/PEK1 | | * 2,550.00 |
| Craighead | PEK/PEK1 | @ | 2,300.00 |
| Dartry Valley | PEK/PEK1 | @ | 2,300.00 |

**WESTERN HIGH**

| | | | |
|---|---|---|---|
| Venture | BOP | | 1,900.00 |
| Bearwell | BOP | @ | 1,750.00 |
| Great Western | BOP | @ | 1,750.00 |
| Somerset | BOP | @ | 1,750.00 |
| Wattegodde | BOP | @ | 1,700.00 |
| Gouravilla | BOP | | 1,700.00 |
| Queensberry | BOPSp | @ | 2,000.00 |
| Holyrood | BOPSp | @ | 1,600.00 |
| Wattegodde | BOPSp | | 1,600.00 |
| Glentilt | BOPSp | | 1,600.00 |
| Holyrood | BOPF/BOPFSp | @ | 1,900.00 |
| Adisham | BOPF/BOPFSp | @ | 1,800.00 |
| Great Western | BOPF/BOPFSp | @ | 1,800.00 |
| Dessford | BOPF/BOPFSp | @ | 1,800.00 |
| Wattegodde | BOPF/BOPFSp | | 1,800.00 |
| Norwood | BOPF/BOPFSp | @ | 1,750.00 |
| Bearwell | BOPF/BOPFSp | @ | 1,750.00 |
| Annfield | BOPF/BOPFSp | | 1,750.00 |
| Venture | BOP1 | | 2,300.00 |
| Glenloch | FBOP/FBOP1 | @ | 2,200.00 |
| Torrington | FBOP/FBOP1 | @ | 2,150.00 |
| Glenloch | FBOPF/FBOPF1 | @ | 2,150.00 |
| Queensberry | FBOPF/FBOPF1 | @ | 2,100.00 |
| St. Andrews | OP/OPA | | 1,750.00 |
| Torrington | OP/OPA | @ | 1,700.00 |
| Venture | OP1 | | 2,000.00 |
| Glenloch | PEK/PEK1 | @ | 2,150.00 |
| Torrington | PEK/PEK1 | @ | 2,000.00 |
| St. Andrews | PEK/PEK1 | | 2,000.00 |

**NUWARA ELIYAS**

| | | | |
|---|---|---|---|
| Kenmare | BOP | @ | 1,320.00 |
| Kenmare | BOPF/BOPFSp | @ | 1,300.00 |
| Court Lodge | FBOP / FBOP1 | @ | 1,600.00 |
| Kenmare | FBOP / FBOP1 | @ | 1,550.00 |
| Court Lodge | PEK/PEK1 | @ | 1,700.00 |

**UDAPUSSELLAWAS**

| | | | |
|---|---|---|---|
| Kirklees | BOP | | 1,600.00 |
| Delmar | BOPSp | @ | 1,650.00 |
| Kirklees | BOPF/BOPFSP | | 1,600.00 |
| Delmar | BOP1 | @ | 1,700.00 |
| Gampaha | FBOP/FBOP1 | | 1,850.00 |
| Blairlomond | FBOP/FBOP1 | @ | 1,800.00 |
| Delmar | FBOP/FBOP1 | @ | 1,650.00 |
| Alma | FBOPF/FBOPF1 | | 1,950.00 |
| Gordon | FBOPF/FBOPF1 | @ | 1,700.00 |
| Gonapitiya | FBOPF/FBOPF1 | | 1,700.00 |
| Delmar | OP/OPA | @ | 1,550.00 |
| Delmar | OP1 | @ | 1,100.00 |
| Blairlomond | PEK/PEK1 | @ | 2,000.00 |

**LOW GROWNS**

| | | | |
|---|---|---|---|
| Pothotuwa | BOP | @ | 2,700.00 |
| Golden Garden | BOP | | 2,600.00 |
| Pothotuwa | BOP | @ | 2,600.00 |
| Lumbini | BOPSP | | 2,700.00 |
| Kiruwanaganga | BOPSP | @ | 2,300.00 |
| Sithaka | BOPF | | 2,800.00 |
| Wathurawila | BOPFSP | | 2,300.00 |
| Sithaka | FBOP | | 3,100.00 |
| Mulatiyana Hills | FBOP | | 2,900.00 |
| Kelani | FBOP | @ | 2,800.00 |
| New J. S. P | FBOP1 | | 2,850.00 |
| Kolonna Super | FBOP1 | | 2,850.00 |
| Nawagamuwehena | FBOP1 | | 2,800.00 |
| Opata Special | FBOP1 | @ | 2,700.00 |
| Lumbini | FBOPF | | 3,000.00 |
| New Rekadahena | FBOPF1 | @ | 2,750.00 |
| Adams View | FBOPF1 | | 2,700.00 |
| Pothotuwa | FBOPF1 | @ | 2,650.00 |
| Pothotuwa | BOP1 | @ | 3,350.00 |
| Pothotuwa | OP1 | @ | 3,350.00 |
| Liyonta | OP | | 2,250.00 |
| Liyonta | OPA | | 2,450.00 |
| Green House | PEK | | 2,550.00 |
| New Vithanakande | PEK1 | | 2,550.00 |
| Galatara | PEK1 | | 2,550.00 |

**UVA MEDIUM**

| | | | |
|---|---|---|---|
| Demodera 'S' | BOP | | 2,050.00 |
| Dickwella | BOP | @ | 1,950.00 |
| Sarnia Plaiderie | BOPSp | | 1,900.00 |
| Dickwella | BOPF/BOPFSp | | 2,000.00 |
| El Teb | BOPF/BOPFSp | @ | 1,550.00 |
| Telbedde | BOP1 | | 2,450.00 |
| Demodera 'S' | FBOP/FBOP1 | | 2,050.00 |
| Wewesse | FBOP/FBOP1 | | 2,050.00 |
| Sarnia Plaiderie | FBOPF/FBOPF1 | | 2,150.00 |
| Aruna Passara | OP/OPA | | 1,750.00 |
| Wewesse | OP1 | | 2,000.00 |
| Tinioya | OP1 | | 2,000.00 |
| Demodera 'S' | OP1 | @ | 1,900.00 |
| Glen Alpin | OP1 | | 1,900.00 |
| Sarnia Plaiderie | PEK/PEK1 | @ | 2,150.00 |

**UVA HIGH**

| | | | |
|---|---|---|---|
| Aislaby | BOP | | 1,950.00 |
| Bandaraeliya | BOP | @ | 1,550.00 |
| Kelliebedde | BOP | @ | 1,500.00 |
| Ranaya | BOPSp | | 1,950.00 |
| Uva Highlands | BOPF/BOPFSp | @ | 1,800.00 |
| Kelliebedde | BOPF/BOPFSp | @ | 1,550.00 |
| Bandaraeliya | BOPF/BOPFSp | @ | 1,550.00 |
| Aislaby | BOP1 | @ | 1,700.00 |
| Uva Highlands | BOP1 | | 1,700.00 |
| Gonamotawa | FBOP/FBOP1 | @ | 2,050.00 |
| Glenanore | FBOPF/FBOPF1 | | 2,000.00 |
| Aislaby | FBOPF/FBOPF1 | | 2,000.00 |
| Oodoowerre | FBOPF/FBOPF1 | | 2,000.00 |
| Ranaya | FBOPF/FBOPF1 | | 2,000.00 |
| Gonamotawa | OP/OPA | @ | 1,650.00 |
| Ampittiakande | OP/OPA | | 1,650.00 |
| Craig | OP/OPA | | 1,650.00 |
| Mount Uva | OP/OPA | | 1,650.00 |
| Gonamotawa | OP1 | @ | 1,900.00 |
| Oodoowerre | OP1 | | 1,900.00 |
| Aislaby | PEK/PEK1 | | 2,100.00 |

**UNORTHODOX HIGH**

| | | | |
|---|---|---|---|
| Dunsinane CTC | PF1 | @ | 1,380.00 |
| Ulugedara CTC | PF1 | | 1,380.00 |
| Dunsinane CTC | BP1 | | 1,300.00 |

**UNORTHODOX MEDIUM**

| | | | |
|---|---|---|---|
| New Peacock CTC | PF1 | | 1,380.00 |
| Delta CTC | BP1 | | 1,400.00 |
| Donside CTC | BPS | | 1,100.00 |

**UNORTHODOX LOW**

| | | | |
|---|---|---|---|
| Hingalgoda CTC | PF1 | | 2,050.00 |
| Ceciliyan CTC | BP1 | | 1,420.00 |
| Canora CTC | BPS | | 1,000.00 |

@ Sold by Forbes & Walker Tea Brokers (Pvt) Ltd/ **All Time Record Price * Equal All Time Record Price





## TOP PRICES IN (RS/KGS) - SALE OF 03RD/ 04TH JANUARY 2023

**PREMIUM FLOWERY**

| | | | |
|---|---|---|---|
| New Hopewell | FBOPFSP | @ | 8,750.00 |
| Nayapane | FBOPFEXSP | | 7,100.00 |
| Brombil | FBOPFEXSP1 | | 8,350.00 |

**DUSTS**

| | | | |
|---|---|---|---|
| St. Coombs | DUST1 | @ | 2,000.00 |
| Ceciliyan CTC | PDUST | @ | 1,950.00 |

**OFF GRADES**

| | | | |
|---|---|---|---|
| Holyrood | FGS/FGS1 | @ | 1,600.00 |
| Somerset | FGS/FGS1 | @ | 1,600.00 |
| Henfold | FGS/FGS1 | @ | 1,550.00 |
| Hingalgoda CTC | PFGS | | 1,700.00 |
| Gunawardana | BM | | 1,440.00 |
| Maratenne | BP | | 1,650.00 |
| Chandrika Estate | BOP1A | @ | 1,900.00 |

@ Sold by Forbes & Walker Tea Brokers (Pvt) Ltd/ **All Time Record Price * Equal All Time Record Price

## QUANTITY SOLD DURING THE PERIOD 26TH - 31ST DECEMBER 2022

| 2022 WEEKLY | 2022 TODATE | | 2021 WEEKLY | 2021 TODATE |
|---|---|---|---|---|
| 82,764 | 4,074,999 | **PRIVATE SALES** | 90,476 | 5,694,898 |
| 4,558,637 | 237,065,036 | **PUBLIC AUCTION** | 4,597,541 | 281,932,047 |
| 44,150 | 1,957,010 | **FORWARD CONTRACTS** | 24,580 | 2,113,390 |
| NIL | NIL | **DIRECT SALES** | NIL | NIL |
| 4,685,551 | 243,097,045 | **TOTAL** | 4,712,597 | 289,740,335 |
| 73,903 | 5,724,170 | **BMF EXCLUDED FROM PRIVATE SALE** | 188,765 | 10,466,881 |

## QUANTITY SOLD AND THE AVERAGE PRICE PER AUCTION

| | 2022 | | | 2021 | | | 2020 | | |
|---|---|---|---|---|---|---|---|---|---|
| SALE DATE | QTY M/KG | AV/PRICE RS | Approx US$ Equivalent | QTY M/KG | AV/PRICE RS | Approx US$ Equivalent | QTY M/KG | AV/PRICE RS | Approx US$ Equivalent |
| 14TH DEC 2022 | 4.62 | 1470.05 | 4.07 | 4.61 | 635.73 | 3.20 | 5.68 | 645.51 | 3.49 |
| 20TH DEC 2022 | 4.55 | 1478.47 | 4.09 | 4.59 | 640.27 | 3.23 | 5.65 | 647.49 | 3.48 |

*Source: Central Bank of Sri Lanka / Buying Rates*

## RATES OF EXCHANGE AS AT 04TH JANUARY 2023

| YEAR | US.DOL | STG.PD | YEN | EURO |
|---|---|---|---|---|
| 2023 | 360.22 | 433.54 | 2.76 | 382.82 |
| 2022 | 198.50 | 267.42 | 1.70 | 223.55 |
| 2021 | 187.60 | 256.16 | 1.82 | 229.10 |

**SRI LANKA RUPEE APPROX. PER UNIT OF CURRENCY**

*Source: Central Bank of Sri Lanka / Buying Rates*

## CROP AND WEATHER

*For the period 26 December 2022 - 01 January 2023*

***Western/Nuwara Eliya Regions***

***Bright mornings and occasional misty conditions in the evenings were reported in both regions throughout the week.***

***Uva/Udapussellawa Region***

***Both regions reported clear mornings and misty conditions in the evenings.***

***Low Growns***

***The Low Grown Region reported sunny mornings and misty conditions in the evening throughout the week.***

***Crop Intake***

***All regions reported a general decline in the crop intake.***

## PUBLIC AUCTION / GROSS SALE AVERAGES

**SALE NO :** 50
**SALE OF :** 19TH/ 20TH DECEMBER 2022

| | 2022 | | | | 2021 | | | | 2020 | | | |
|---|---|---|---|---|---|---|---|---|---|---|---|---|
| | WEEKLY | | TODATE | | WEEKLY | | TODATE | | WEEKLY | | TODATE | |
| | SLR | USD | SLR | USD | SLR | USD | SLR | USD | SLR | USD | SLR | USD |
| Uva High Grown | 1223.67 | 3.39 | 1094.27 | 3.41 | 576.04 | 2.90 | 551.23 | 2.80 | 575.71 | 3.10 | 549.12 | 2.99 |
| Western High Grown | 1485.90 | 4.11 | 1124.87 | 3.51 | 649.13 | 3.27 | 607.67 | 3.09 | 644.42 | 3.47 | 602.59 | 3.28 |
| CTC High Grown | 1082.04 | 3.00 | 992.50 | 3.10 | 555.11 | 2.80 | 536.26 | 2.73 | 598.30 | 3.22 | 553.76 | 3.01 |
| High Grown (Summary) | 1406.38 | 3.89 | 1114.30 | 3.48 | 620.15 | 3.12 | 589.84 | 3.00 | 627.69 | 3.38 | 586.03 | 3.19 |
| Uva Medium Grown | 1265.95 | 3.50 | 1153.75 | 3.60 | 582.12 | 2.93 | 569.37 | 2.90 | 590.04 | 3.17 | 582.67 | 3.17 |
| Western Medium Grown | 1219.87 | 3.38 | 977.94 | 3.05 | 535.75 | 2.70 | 535.16 | 2.72 | 589.76 | 3.17 | 537.49 | 2.93 |
| CTC Medium Grown | 1076.74 | 2.98 | 841.78 | 2.63 | 495.06 | 2.49 | 497.26 | 2.53 | 585.12 | 3.15 | 511.63 | 2.79 |
| Medium Grown (Summary) | 1236.26 | 3.42 | 1035.47 | 3.23 | 553.33 | 2.79 | 545.89 | 2.78 | 589.83 | 3.17 | 551.53 | 3.00 |
| Orthodox Low Grown | 1591.93 | 4.41 | 1379.88 | 4.30 | 683.26 | 3.44 | 655.27 | 3.33 | 682.70 | 3.67 | 682.50 | 3.72 |
| CTC Low Grown | 1079.92 | 2.99 | 951.99 | 2.97 | 519.91 | 2.62 | 504.04 | 2.56 | 539.06 | 2.90 | 488.63 | 2.66 |
| Low Grown(Summary) | 1563.93 | 4.33 | 1350.65 | 4.21 | 670.79 | 3.38 | 646.67 | 3.29 | 670.86 | 3.61 | 668.26 | 3.64 |
| Total | 1478.47 | 4.09 | 1250.24 | 3.90 | 640.27 | 3.23 | 617.82 | 3.14 | 647.49 | 3.48 | 631.56 | 3.44 |

*Source: Oanda Exchange Rates*

*Source: MSL* - Averages

## DECEMBER 2022
## TOGETHER WITH THE CORRESPONDING AVERAGES FOR 2021 & 2020

| | 2022 | | | | 2021 | | | | 2020 | | | |
|---|---|---|---|---|---|---|---|---|---|---|---|---|
| | MONTH | | TODATE | | MONTH | | TODATE | | MONTH | | TODATE | |
| | SLR | USD | SLR | USD | SLR | USD | SLR | USD | SLR | USD | SLR | USD |
| Uva High Grown | 1221.18 | 3.36 | 1090.15 | 3.39 | 579.25 | 2.89 | 553.98 | 2.82 | 580.66 | 3.13 | 552.59 | 3.01 |
| Western High Grown | 1474.01 | 4.05 | 1129.22 | 3.51 | 653.90 | 3.26 | 611.84 | 3.11 | 670.32 | 3.61 | 607.60 | 3.31 |
| CTC High Grown | 1199.89 | 3.30 | 992.57 | 3.08 | 574.51 | 2.86 | 536.79 | 2.73 | 629.09 | 3.39 | 550.71 | 3.00 |
| High Grown (Summary) | 1359.78 | 3.74 | 1093.10 | 3.40 | 615.18 | 3.06 | 587.13 | 2.98 | 636.76 | 3.43 | 580.90 | 3.16 |
| Uva Medium Grown | 1267.49 | 3.48 | 1139.05 | 3.54 | 597.76 | 2.98 | 568.10 | 2.89 | 576.59 | 3.10 | 581.06 | 3.16 |
| Western Medium Grown | 1215.04 | 3.34 | 977.35 | 3.04 | 536.55 | 2.67 | 535.46 | 2.72 | 585.19 | 3.15 | 537.60 | 2.93 |
| CTC Medium Grown | 1088.38 | 2.99 | 836.82 | 2.60 | 492.77 | 2.45 | 496.82 | 2.53 | 596.96 | 3.21 | 511.01 | 2.78 |
| Medium Grown (Summary) | 1237.86 | 3.40 | 1030.82 | 3.20 | 568.49 | 2.83 | 550.80 | 2.80 | 589.59 | 3.17 | 553.94 | 3.01 |
| Orthodox Low Grown | 1580.62 | 4.34 | 1381.96 | 4.29 | 676.31 | 3.37 | 655.91 | 3.33 | 672.18 | 3.62 | 682.69 | 3.71 |
| CTC Low Grown | 1026.26 | 2.82 | 938.12 | 2.91 | 508.22 | 2.53 | 502.92 | 2.56 | 551.45 | 2.97 | 488.79 | 2.66 |
| Low Grown(Summary) | 1534.27 | 4.22 | 1339.86 | 4.16 | 662.24 | 3.30 | 644.23 | 3.27 | 661.77 | 3.56 | 666.32 | 3.63 |
| Total | 1454.24 | 4.00 | 1234.24 | 3.83 | 635.83 | 3.17 | 615.44 | 3.13 | 644.07 | 3.47 | 628.21 | 3.42 |

*Source: SLTB / Oanda Exchange Rates*

## BANGLADESH AUCTION

**SALE OF - 02ND JANUARY 2023 (SALE NO. 35)**

***CTC LEAF:*** *61,310 packages of Current Season teas on offer commenced on a fairly strong note but demand slackened with the progress of sale.*

***BROKENS:*** *A small weight of good Brokens on offer initially met with a fairly strong demand and prices moved upwards but demand slackened somewhat as the sale progressed often declining by Tk.5/- and Tk.8/- with some withdrawals. Mediums followed a similar trend whilst plain varieties met with less interest and prices eased further with heavier withdrawals. BLFs met with fair demand at steady rates but there were several withdrawals. FANNINGS: A few best Fannings on offer initially met with a strong demand but substantially lost in value with the progress of sale and there were fair withdrawals in this category. Mediums likewise, followed a similar trend. Plain teas met with some interest but were generally much easier than last with more withdrawals. BLFs met with fair demand at steady rates but there were several withdrawals.*

***CTC DUST:*** *12,358 packages of Current Season teas on offer met with fair demand. Good liquoring Dusts attracted good demand around last levels. CDs were in fair demand and sold Tk. 8/- to Tk.10/- below last levels. Mediums also met with fair demand with some withdrawals. Plain and BLF Dusts saw only some demand with fair withdrawals. Blenders were fairly active with some interest from the Loose tea buyers.*

***COMMENTS:*** *There was a larger weight of tea on offer and also a heavier weight of plain teas catalogued this week. As aforesaid, demand was fairly strong particularly for good teas at the beginning but declined towards the close with quite a lot of withdrawals. Blenders were fairly active with some interest from the Loose tea buyers. Dusts sold well.*

*Our catalogue: (Sale 35) Avg: Tk 221.17, Sold 66.5 % & (Sale 34) Avg: Tk 216.36, sold 75.4 %.*

| QUOTATIONS | BROKENS | | FANNINGS |
|---|---|---|---|
| Large | 2.11-2.21 | Best | 2.21-2.40 |
| Medium | 2.06-2.16 | Good | 2.11-2.16 |
| Small | 2.08-2.21 | Medium | 1.96-2.06 |
| Plain | 1.67-1.81 | Plain | 1.72-1.81 |
| BLF | 1.27-1.47 | BLF | 1.27-1.47 |

*Courtesy - National Brokers Limited.*

## MALAWI AUCTION

**SALE OF - 04TH JANUARY 2023 (SALE NO. 01)**

*There was less and selective interest at previous levels where sold.*

*BP1- Few lines sold firm, balance were not supported*

*PF1SC - N/A.*

*PF1 - were taken out under bids.*

*PD - Few lower types on offer were barely steady.*

*Secondaries - Lower end F2 were sold firm, balance were taken out on account of low quality.*

*Courtesy - Tea Brokers Central Africa Limited.*

## KOLKATA AUCTION

**SALE OF - 03RD/ 04TH & 05TH JANUARY 2023 (SALE NO. 01)**

*Fair Demand at irregularly easier levels for Assams . Dooars selling around last. Buying Pattern: W I - Operating. HUL - Operating . TCPL - Some enquiry. Exporters - Some enquiry Based on TCP & & AB 's ( 1st session ) Catalogue.*

*Courtesy - Associated Brokers Pvt. Ltd., Kolkata*

## GUWAHATI AUCTION

**SALE OF - 04TH JANUARY 2023 (SALE NO. 01)**

*Fair demand at overall easier levels. Cleaner better liquoring reprinted teas witnessing better demand and are more readily being absorbed. Based on ABL's 64% sale. HUL/ TCPL WI /Internal operating.*

*Courtesy - Associated Brokers (Pvt) Ltd., Guwahati.*

## MOMBASA /JAKARTA /COCHIN AUCTION

*The above market report details were not available at the time of printing this publication.*

## *CROP STATISTICS IN (Mn/kgs)*

| | | | | | Todate | Todate | Todate | Difference +/- | |
|---|---|---|---|---|---|---|---|---|---|
| | | 2020 | 2021 | 2022 | 2020 | 2021 | 2022 | 2020 vs 2021 | 2021 vs 2022 |
| Sri Lanka | Nov | 24.8 | 20.06 | 20.24 | 250.2 | 278.96 | 231.87 | 28.8 | -47.09 |
| Bangladesh | Nov | 10.50 | 10.24 | 10.84 | 79.43 | 89.57 | 86.05 | 10.14 | -3.52 |
| North India | Nov | 127.6 | 104.1 | 111.6 | 981.9 | 1057.1 | 1062.4 | 75.2 | -5.3 |
| South India | Nov | 21.4 | 16.7 | 21.2 | 201.6 | 220.0 | 215.6 | 18.4 | -4.4 |
| Malawi | Oct | 2.12 | 2.93 | 2.11 | 38.5 | 45.39 | 41.44 | 6.89 | -3.95 |
| Kenya | Aug | 38.5 | 33.6 | 35.9 | 376.8 | 342.4 | 340.1 | -34.4 | -2.3 |

## *C A T A L O G U E S*

### *SALE NO. 03 SCHEDULED FOR 17TH/ 18TH JANUARY 2023*

*The Ex-Estate catalogue closed on 22nd December 2022, excluding violations. The Main sale catalogues too closed on 22nd December 2022, excluding violations.*

### *SALE NO. 04 SCHEDULED FOR 24TH/ 25TH JANUARY 2023*

*The Ex-Estate and Main sale catalogues are scheduled to close on 05th January 2023.*

### *SALE NO. 05 SCHEDULED FOR 30TH/ 31ST JANUARY 2023*

*The Ex-Estate and Main sale catalogues are scheduled to close on 12th January 2023.*

***The details of teas awaiting sale are given on the last page of this report.***

# DETAILS OF TEAS AWAITING SALE

## SALE NO : 2 SCHEDULED FOR 10TH/ 11TH JANUARY 2023

| | LOT | QUANTITY kgs |
|---|---|---|
| Ex Estate | 646 | 730,281 |
| High & Medium | 1,175 | 515,509 |
| Leafy | 1,721 | 646,054 |
| Semi Leafy | 1,404 | 609,511 |
| Tippy | 2,077 | 1,061,139 |
| Premium Flowery | 382 | 60,539 |
| Off Grades | 2,035 | 1,001,492 |
| Dust | 467 | 446,692 |
| **TOTAL** | **9,907** | **5,071,217** |
| Re-print | 573 | 307,244 |

**LOW GROWN CATALOGUES**

| | | | |
|---|---|---|---|
| Leafy | Closed on | 15/12/2022 | Violations Excluded |
| Semi Leafy | Closed on | 15/12/2022 | Violations Excluded |
| Tippy | Closed on | 15/12/2022 | Violations Excluded |

**OTHER MAIN SALE CATALOGUES**

| | | | |
|---|---|---|---|
| High & Medium | Closed on | 15/12/2022 | Violations Excluded |
| Dust | Closed on | 15/12/2022 | Violations Excluded |
| Premium Flowery | Closed on | 15/12/2022 | Violations Excluded |
| Off Grades | Closed on | 15/12/2022 | Violations Excluded |
| BOP1A | Closed on | 15/12/2022 | Violations Excluded |
| **Ex Estate** | Closed on | 15/12/2022 | Violations Excluded |

**No of Pkgs** : 133,479
**CTC** : 8,310 Pkgs - 453,338 kgs

**SALE NO. 2 - SALE OF 10TH/ 11TH JANUARY 2022**

**Lots** : 9,746 **Re-print Lots** : 452
**Quantity** : 4,946,365 kgs **Re-print Quantity** : 254,484 kgs

**BUYERS' PROMPT** **: 17/01/2023**
**SELLERS' PROMPT** **: 18/01/2023**

## SALE NO : 3 SCHEDULED FOR 17TH/ 18TH JANUARY 2023

| | LOT | QUANTITY kgs |
|---|---|---|
| Ex Estate | 713 | 796,994 |
| High & Medium | 1,308 | 574,981 |
| Leafy | 1,719 | 642,856 |
| Semi Leafy | 1,360 | 579,044 |
| Tippy | 1,972 | 989,611 |
| Premium Flowery | 353 | 56,012 |
| Off Grades | 2,075 | 1,041,150 |
| Dust | 492 | 481,638 |
| **TOTAL** | **9,992** | **5,162,286** |
| Re-print | 583 | 288,416 |

**LOW GROWN CATALOGUES**

| | | | |
|---|---|---|---|
| Leafy | Closed on | 22/12/2022 | Violations Excluded |
| Semi Leafy | Closed on | 22/12/2022 | Violations Excluded |
| Tippy | Closed on | 22/12/2022 | Violations Excluded |

**OTHER MAIN SALE CATALOGUES**

| | | | |
|---|---|---|---|
| High & Medium | Closed on | 22/12/2022 | Violations Excluded |
| Dust | Closed on | 22/12/2022 | Violations Excluded |
| Premium Flowery | Closed on | 22/12/2022 | Violations Excluded |
| Off Grades | Closed on | 22/12/2022 | Violations Excluded |
| BOP1A | Closed on | 22/12/2022 | Violations Excluded |
| **Ex Estate** | Closed on | 22/12/2022 | Violations Excluded |

**No of Pkgs** : 135,277
**CTC** : 8,360 Pkgs - 460,863 kgs

**SALE NO. 3 - SALE OF 18TH/ 19TH JANUARY 2022**

**Lots** : 10,006 **Re-print Lots** : 686
**Quantity** : 5,104,339 kgs **Re-print Quantity** : 344,615 kgs

**BUYERS' PROMPT** **: 24/01/2023**
**SELLERS' PROMPT** **: 25/01/2023**

## SALE NO : 2 SCHEDULED FOR 10TH/ 11TH JANUARY 2023

**ORDER OF SALE**

| EX ESTATE | LG Large Leaf/Semi Leafy/LG Small Leaf/BOPIA/Prem | High & Medium/Off Grade/Dust |
|---|---|---|
| CTB | JK | EB |
| EB | AS | **FW** |
| MB | CTB | MB |
| LC | **FW** | LC |
| JK | EB | AS |
| AS | BC | BC |
| BC | MB | CTB |
| **FW** | LC | JK |

**FW** - Forbes & Walker Tea Brokers (Pvt) Ltd
**JK** - John Keells PLC
**BC** - Bartleet Produce Marketing (Pvt) Ltd
**EB** - Eastern Brokers Ltd
**AS** - Asia Siyaka Commodities PLC
**MB** - Mercantile Produce Brokers (Pvt)Ltd
**LC** - Lanka Commodity Brokers (Pvt) Ltd
**CTB** - Ceylon Tea Brokers PLC

**Approximate Selling Time of F&W Catalogues**

**10TH JANUARY 2023**

| | |
|---|---|
| Main Sale - High & Medium | 09.30am |
| Semi Leafy Teas | 11.30am |
| Leafy Teas | 12.30pm |
| Tippy Teas | 01.45pm |
| BOP1A | 04.30pm |
| Off Grades | 05.00pm |

**11TH JANUARY 2023**

| | |
|---|---|
| Premium Flowery | 08.30am |
| Ex-Estate | 11.00am |
| Dust | 01.30pm |

# *Tea Industry's Performance in 2022*
# *&*
# *Prospects for 2023*

***Provisional Tea Industry Performance in Summary – 2022***

** **Production** - Decrease by approximately 44-48 M/Kgs (15%-17%) year-on-year.*

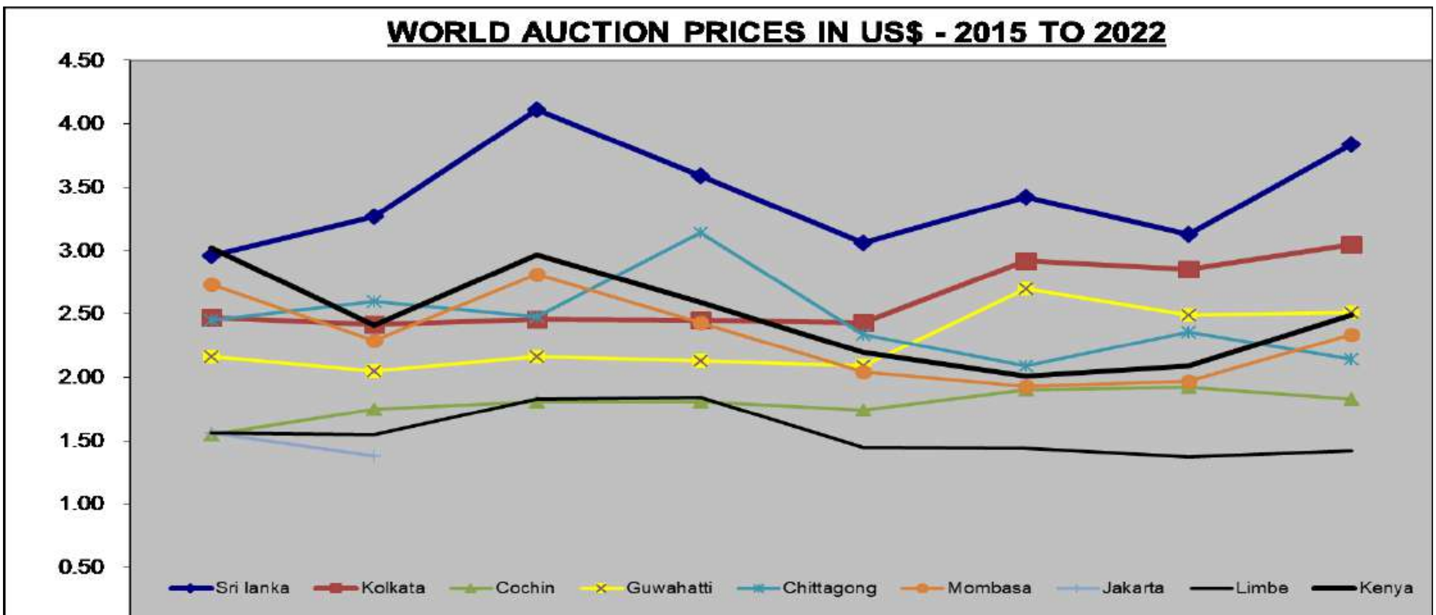
** **Tea exports volume** - Decrease by approximately 32-34 M/Kgs (11%-13%) year-on-year.*

** **Tea export earnings** are likely to show a gain of Rs. 143-147 billion (54%-56%) year-on-year. However, in USD terms a decline of USD 65-70 million.*

** **Auction averages/prices** – National average for the year 2022 of Rs. 1,234.24 substantially increased by Rs. 618.80 and in USD terms 0.70 higher than the corresponding period of 2021.*

** **Colombo auction prices continue to be the highest amongst other tea auction centres in the world.***

| | Jan to Dec 2022 | | Jan to Dec 2021 | | VARIANCE 2022 - 2021 | | Jan to Dec 2021 | | Jan to Dec 2020 | | VARIANCE 2021 - 2020 | |
|---|---|---|---|---|---|---|---|---|---|---|---|---|
| | SLR | USD | SLR | USD | SLR | USD | SLR | USD | SLR | USD | SLR | USD |
| High Grown (Summary) | 1093.10 | 3.40 | 587.13 | 2.98 | 505.97 | 0.41 | 587.13 | 2.98 | 580.90 | 3.16 | 6.23 | -0.18 |
| Medium Grown (Summary) | 1030.82 | 3.20 | 550.80 | 2.80 | 480.02 | 0.40 | 550.80 | 2.80 | 553.94 | 3.01 | -3.14 | -0.21 |
| Low Grown (Summary) | 1339.86 | 4.16 | 644.23 | 3.27 | 695.63 | 0.89 | 644.23 | 3.27 | 666.32 | 3.63 | -22.09 | -0.35 |
| **TOTAL** | **1234.24** | **3.83** | **615.44** | **3.13** | **618.80** | **0.70** | **615.44** | **3.13** | **628.21** | **3.42** | **-12.77** | **-0.29** |
| | | | | | | | | | | | | |
| USD Conversion | 321.89 | | 196.75 | | | | 196.75 | | 183.79 | | | |




| | 2015 | 2016 | 2017 | 2018 | 2019 | 2020 | 2021 | 2022-NOV |
|---|---|---|---|---|---|---|---|---|
| Sri lanka | 2.96 | 3.27 | 4.11 | 3.59 | 3.06 | 3.42 | 3.13 | 3.84 |
| Kolkata | 2.47 | 2.42 | 2.46 | 2.45 | 2.43 | 2.92 | 2.85 | 3.05 |
| Cochin | 1.55 | 1.75 | 1.81 | 1.81 | 1.74 | 1.90 | 1.92 | 1.83 |
| Guwahatti | 2.16 | 2.05 | 2.16 | 2.13 | 2.09 | 2.70 | 2.49 | 2.51 |
| Chittagong | 2.45 | 2.60 | 2.48 | 3.14 | 2.34 | 2.09 | 2.36 | 2.14 |
| Mombasa | 2.73 | 2.29 | 2.81 | 2.43 | 2.04 | 1.93 | 1.97 | 2.34 |
| Jakarta | 1.56 | 1.38 | | | | | | |
| Limbe | 1.56 | 1.55 | 1.83 | 1.84 | 1.45 | 1.44 | 1.37 | 1.42 |
| Kenya | 3.02 | 2.41 | 2.97 | 2.59 | 2.20 | 2.01 | 2.09 | 2.49 |

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## *Overview 2022*

*Sri Lanka, an Island nation of 22 million people, was once held up as an economic success story with a rising middle class and one of the highest median income earners in South Asia. However, the year 2022 could be cited as perhaps one of the most challenging years faced in the history of the country since gaining Independence in the year 1948. Years of economic mismanagement coupled with inconsistency in policy-making by governments formed in respective time-phases have contributed to the present crisis faced by the country.*

*Furthermore, the country was also impacted adversely in the year 2020 due to the outbreak of the corona virus pandemic with Sri Lanka being compelled to close its borders to tourists for a period of time. Shortages in the provision of essential services such as food and fuel combined with lengthy black-outs and a galloping inflation led to a swelling protest movement that formed with the general public calling for the resignation of the then President and the cabinet in power.*

*Following months of protests and clashes by the general public, the President tendered his resignation mid-year followed by the appointment of an interim president and a temporary cabinet. Thereafter, temporary measures were set-up in an attempt to curb the existing crisis with the rationing of certain essential services in the country, mainly fuel resources.*

*The Russian invasion into Ukraine could also be cited as a key incident that impacted the year 2022 with President Vladmir Putin's decision to gain control over the country resulting in significant political and economic changes that led to deep impacts on certain key economies across the world, particularly the European Union. The latest development of the ongoing situation being reported is the agreement between the G7 and Australia to impose a price cap of US$ 60 per barrel on Russia Crude in the bid of preventing Russia in profiting from its War against Ukraine.*

***Ceylon Tea in 2022***

*The tea industry could be recognised as one of the most thriving sectors in the year 2022 with a contribution of 11% of the country's merchandise export earnings for the year 2022 (As at October 2022). This year also saw the highest FOB value recorded at Rs. 2,077.46 despite a 12% decline in total export volumes (230.89 M/Kgs in January-November 2022 vis-à-vis 261.85 M/Kgs in January-November 2021). Furthermore, the total revenue earned for January-November 2022 (US$ 1,170 million) is a US$ 57 million drop from the previous year's (US$ 1,227 million) in the year 2021.*

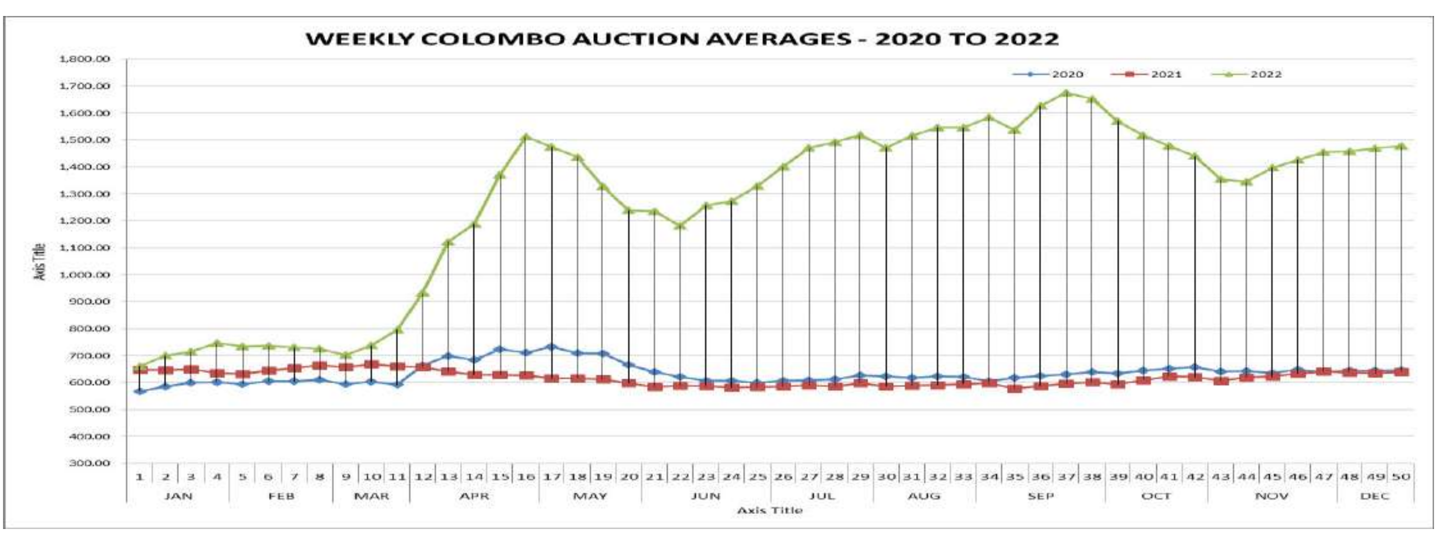
*Figures recorded in overall production being low coupled with the hyper-inflation in the country resulted in Ceylon Origin Teas witnessing a colossal increase in prices in rupee terms, whilst also recording a steep increase in Dollar terms in comparison with other major tea producing countries. Total production as at end November 2022 totalled 231.86 M/Kgs, which is a drastic decline of 47.10 M/Kgs vis-à-vis 278.96 M/Kgs (At the time of compiling this report).*

*National Sales Averages recorded this year could be perhaps mentioned as the highest ever in a given calendar year in the history of trading in the tea industry, whilst the Highest Sale Average in a calendar month being in the month of September 2022 at Rs. 1,599.49 (US$ 4.46) at the time of compiling this report.*

*In summary, the 'Number 4' seems to have played an important role in terms of trading with the Average Sale Price on Ceylon Tea being traded at US$ 4, whilst almost 75%-80% of the lots trading in the year having crossed the 4-figure mark.*

*While a sectoral gain was witnessed across the value chain in the industry in numbers, it must be mentioned that decline in production is perhaps not the most suitable way forward given that the variances witnessed in other major producing countries are not as vast in comparison with Ceylon Tea.*

*Comparison of Colombo Auction Averages for the Period 2020-2022 is set out below:*

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# *Quarterly Update*

## *1st QUARTER 2022*

***Production***
*Sri Lankan tea production decreased to 63.10 M/Kgs from a 74.51 M/Kgs during the corresponding period in 2021 (a decrease of 15%).*

***Auction Averages/Prices***
*Total auction average of Rs. 763.83 showed an increase of Rs. 115.20 compared to Rs. 648.63 recorded during the 1st quarter in 2021. High Growns recorded an increase of Rs. 97.71 together with the Mid Growns Rs. 84.80 and Low Growns Rs. 131.99 quarter on quarter.*

***Exports***
*Tea Exports totalled 63.70 M/Kgs, recording a decrease of 6.19 M/Kgs vis-à-vis 69.89 M/Kgs during the corresponding quarter in 2021. Earnings from tea exports of Rs. 62.95 billion records a decrease of Rs. 2.67 billion vis-à-vis Rs. 65.62 billion during January-March 2021. Overall FOB value too increased to Rs. 988.15 in 2022 from Rs. 938.97 in 2021.*

| Q1 | FY 2021 | FY 2022 | VARIANCE |
|---|---|---|---|
| PRODUCTION - Kg | 74.51 Million | 63.10 Million | (11.41) |
| AUCTION PRICE Rs. | 648.63 | 763.83 | 115.20 |
| EXPORT REVENUE-Rs. | 65.62 Billion | 62.95 Billion | (2.67) |
| FOB PRICE - Rs. | 938.97 | 988.15 | 49.18 |

## *2nd QUARTER 2022*

***Production***
*Total tea production of 70.07 M/Kgs recorded a decrease of 17.13 M/Kgs vis-à-vis 87.20 M/Kgs during April-June 2021. During this period, Low Growns showed a decrease of 9.07 M/Kgs followed by negative variances of 1.79 M/Kgs and 1.20 M/Kgs from the Medium and High Grown regions respectively.*

***Auction Averages/Prices***
*All elevations recorded a sharp increase in the auction prices due to the devaluation of Sri Lankan Rupee against the US Dollar coupled with lower production. In the second quarter of 2022, Low Growns gained by Rs. 833.24 followed by Medium Growns Rs. 520.13, High Growns Rs. 489.23 and the total Colombo auction average by Rs. 696.60 when compared to the corresponding period of 2021. Furthermore, a significant increase on prices quarter on quarter – High Growns Rs. 349.08, Medium Growns Rs. 393.37, Low Growns Rs. 660.27 and the overall average by Rs. 537.02.*

***Exports***
*Tea exports totalled 61.59 M/Kgs, recording a decrease of 5.50 M/Kgs vis-à-vis 67.09 M/Kgs during the corresponding quarter in 2021. Export earnings totalled Rs. 101.29 billion, recording an increase in earnings of Rs. 39.07 billion compared to Rs. 62.21 billion in 2021. FOB value of Rs. 1,644.36 recorded an increase of Rs. 717.20 vis-à-vis Rs. 927.15 of the corresponding quarter in 2021.*

| Q2 | FY 2021 | FY 2022 | VARIANCE |
|---|---|---|---|
| PRODUCTION - Kg | 87.20 Million | 70.07 Million | (17.13) |
| AUCTION PRICE Rs. | 604.25 | 1300.85 | 696.60 |
| EXPORT REVENUE- | 62.21 Billion | 101.29 Billion | 39.08 |
| FOB PRICE - Rs. | 927.15 | 1,644.36 | 717.21 |

| Q1-Q2 | FY 2021 | FY 2022 | VARIANCE |
|---|---|---|---|
| PRODUCTION - Kg | 161.71 Million | 133.17 Million | 28.54) |
| AUCTION PRICE | 626.45 | 1028.82 | 02.37 |
| REVENUE- Rs. | 127.83 Billion | 164.23 Billion | 36.40 |
| FOB PRICE - Rs. | 933.18 | 1,310.74 | 77.56 |

## *3rd QUARTER 2022*

***Production***
*Production totalled 59.46 M/Kgs during the quarter under review, with a decrease of 13.55 M/Kgs when compared to the 73.01 M/Kgs harvested during the corresponding quarter in 2021. End 3rd quarter recorded a decrease of 42.35 M/Kgs (18%).*

***Auction Averages/Prices***
*All elevations continued to witness an increase in auction prices both in LKR and USD terms as lower production loomed over in the third quarter of 2022 as well. Low Growns gained by Rs. 1,018.45 followed by High Growns Rs. 787.20, Medium Growns Rs. 716.39 and the total Colombo auction average by Rs. 925.76 when compared to the corresponding period of 2021. Furthermore, an increase in prices quarter on quarter – High Growns Rs. 274.86, Medium Growns Rs. 169.06, Low Growns Rs. 173.39 and the overall average by Rs. 213.69.*

***Exports***

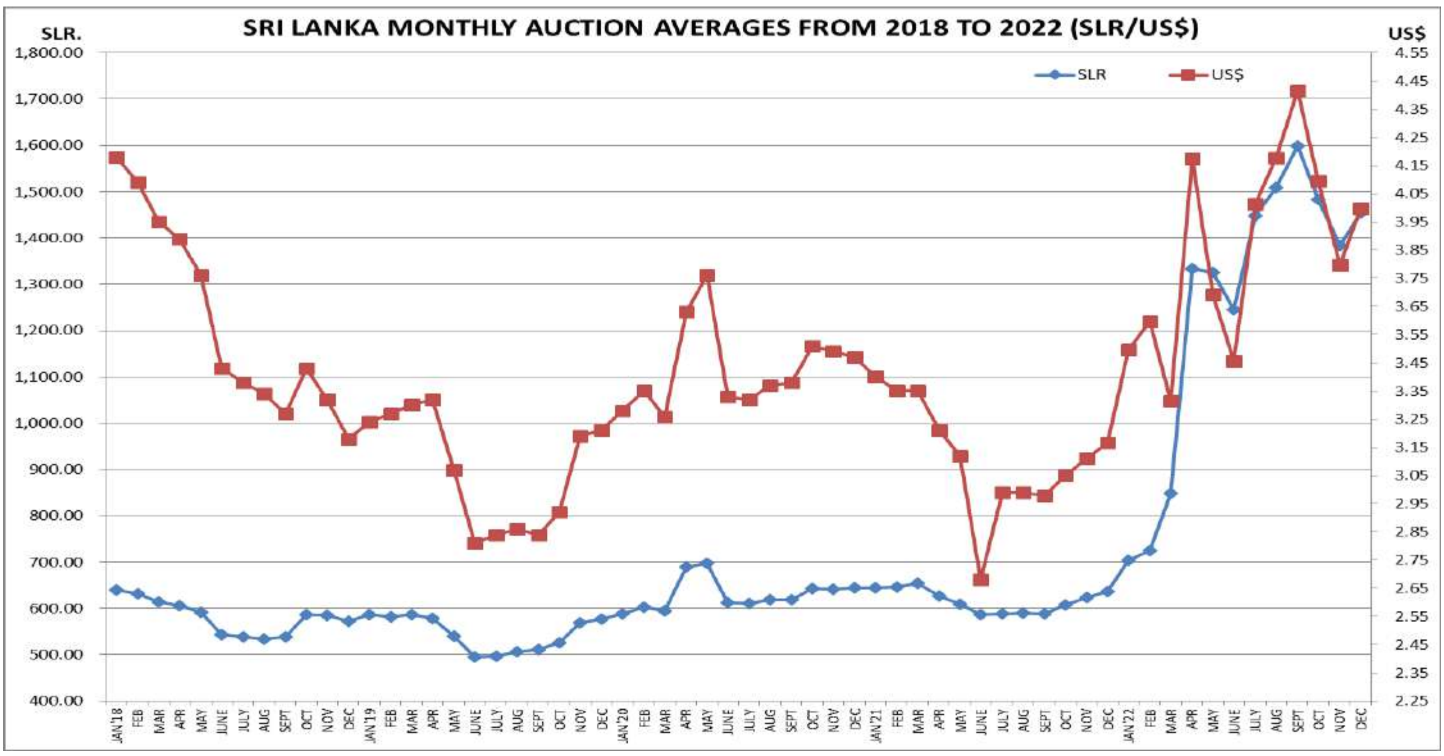
*Tea exports totalled 67.32 M/Kgs significantly behind by 7.34 M/Kgs in 2021. Export earnings of Rs. 130.02 billion recorded a significant increase vis-à-vis Rs. 62.55 billion in 2021. End 3rd quarter 2022, tea exports totalled 192.61 M/Kgs vis-à-vis 211.64 M/Kgs in 2021, a decrease of 19.03 M/Kgs. Export earnings totalled Rs. 294.25 billion vis-à-vis Rs. 195.29 billion, which records an increase of Rs. 98.96 billion in earnings.*

**Q3**

| PRODUCTION - Kg | | | AUCTION PRICE Rs. | | | EXPORT REVENUE- | | | FOB PRICE - Rs. | | |
|---|---|---|---|---|---|---|---|---|---|---|---|
| FY 2021 | FY 2022 | VARIANCE | FY 2021 | FY 2022 | VARIANCE | FY 2021 | FY 2022 | VARIANCE | FY 2021 | FY 2022 | VARIANCE |
| 73.01 Million | 59.46 Million | (13.55) | 588.78 | 1514.54 | 925.76 | 67.47 Billion | 130.02 Billion | 62.55 | 903.73 | 1,931.5 | 1,027.86 |

**Q1-Q3**

| PRODUCTION - Kg | | | AUCTION PRICE | | | EXPORT REVENUE- | | | FOB PRICE - Rs. | | |
|---|---|---|---|---|---|---|---|---|---|---|---|
| FY 2021 | FY 2022 | VARIANCE | FY 2021 | FY 2022 | VARIANCE | FY 2021 | FY 2022 | VARIANCE | FY 2021 | FY 2022 | VARIANCE |
| 234.72 Million | 192.63 Million | 42.09) | 614.19 | 1177.51 | 563.32 | 195.30 Billion | 294.25 Billion | 98.95 | 922.79 | 1,527.71 | 04.92 |

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***4th QUARTER 2022 – INTERIM***

*At the time of compiling this report, industry data pertaining to the period under review remains incomplete.*

***Production***

*October/November production totalled 39.5 M/Kgs, recording a decline of 4.7 M/Kgs. If December production would equal this year's monthly average of 21 M/Kgs – annual production for the year 2022 would be 253 M/Kgs.*

***Auction Averages/Prices***

*Tea prices in the 4th quarter declined on the 3rd quarter. Total auction average of Rs. 1,435.31 records a decline of Rs. 79.23 from Rs. 1,514.54 in the previous quarter. However, High Growns Rs. 1,384.94 vs. Rs. 1,340.87, a quarter-on-quarter gain of Rs. 44.07. Mid Growns Rs. 1,224.87 vs. Rs. 1,235.72, a quarter-on-quarter decline of Rs. 10.85. Low Growns Rs. 1,505.74 vs. Rs. 1,640.15, a quarter-on-quarter decline of Rs. 134.41.*

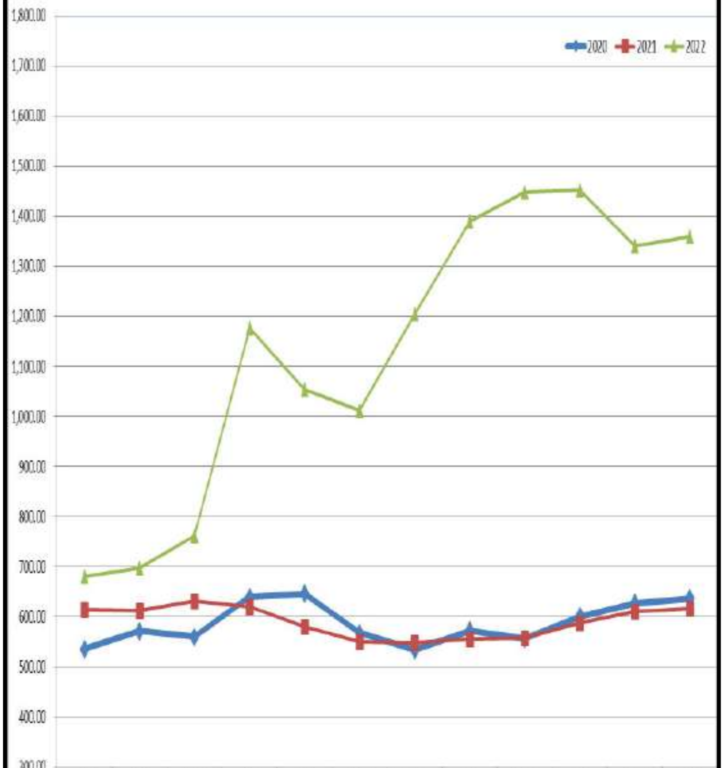
*Total auction average of Rs. 1,234.24 during January-December 2022 showed a substantial gain of Rs. 618.80 compared to Rs. 615.44 recorded during the corresponding period in 2021. All elevations recorded a sharp increase in prices. High Growns Rs. 505.97, Mid Growns Rs. 480.02 and Low Growns Rs. 695.63 year-on-year.*

***Exports***

*According to the available data for the period October/November exports totalled 38.28 M/Kgs vis-à-vis 50.21 M/Kgs during the corresponding period in 2021. This records a decrease of 11.93 M/Kgs which brings the to date export deficit up to end November to 30.96 M/Kgs. Export earnings totalled Rs. 77.88 billion for the period October/November vis-à-vis Rs.45.77 billion in 2021, an increase in 2022 earnings against the previous year and bringing the to date increase in earnings up to end November to Rs. 131.05 billion.*

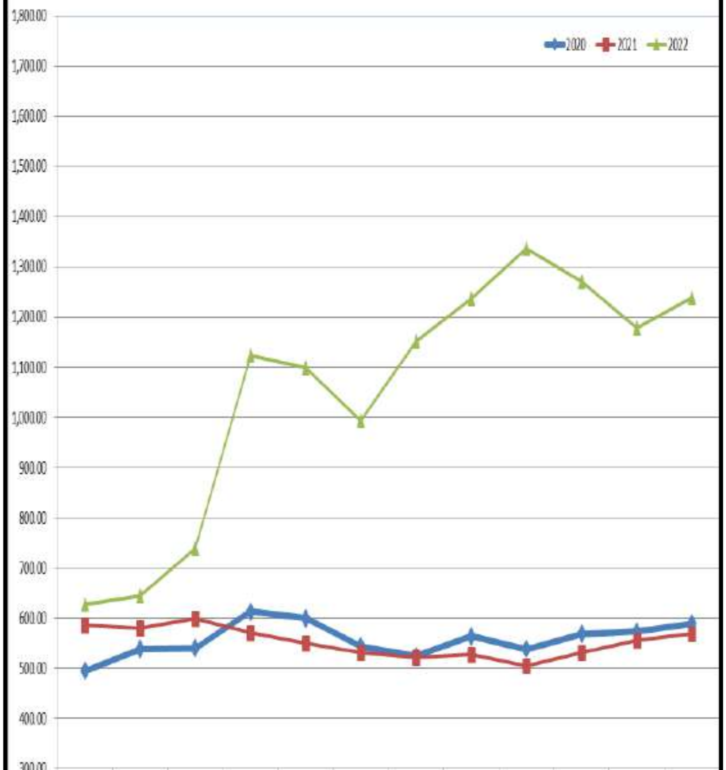
# COLOMBO TEA AUCTION ELEVATION-WISE PRICE MOVEMENT 2020-2022

## PRICE MOVEMENT : HIGH GROWN - 2020 TO 2022



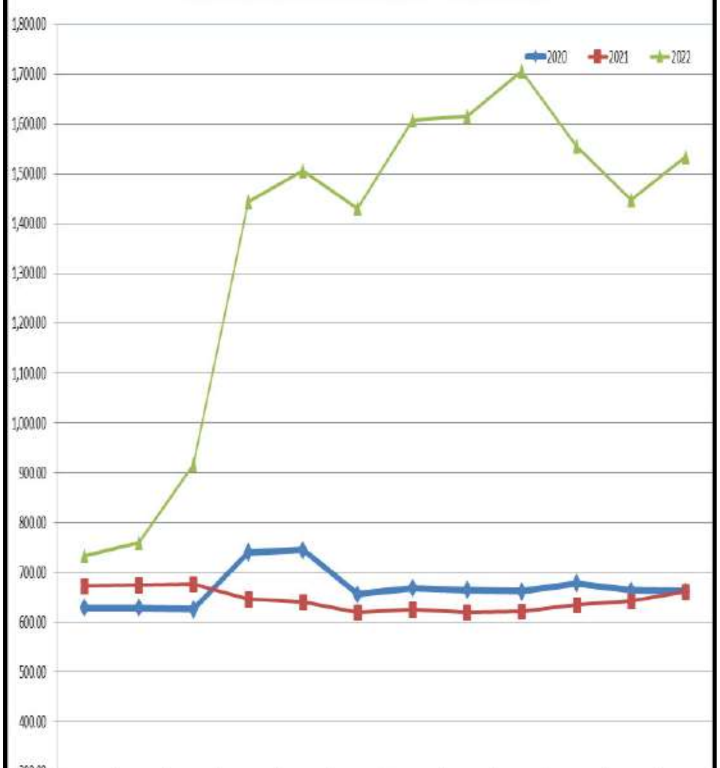

| | JAN | FEB | MAR | APR | MAY | JUN | JULY | AUG | SEPT | OCT | NOV | DEC |
|---|---|---|---|---|---|---|---|---|---|---|---|---|
| 2020 | 535.86 | 571.58 | 560.10 | 638.95 | 645.41 | 567.11 | 533.68 | 572.38 | 555.98 | 600.40 | 626.77 | 636.76 |
| 2021 | 613.29 | 611.83 | 631.30 | 620.23 | 579.75 | 550.44 | 548.59 | 555.41 | 557.38 | 587.45 | 611.33 | 615.18 |
| 2022 | 680.56 | 696.48 | 761.39 | 1,175.17 | 1,053.07 | 1,012.07 | 1,204.57 | 1,388.26 | 1,448.14 | 1,452.21 | 1,340.75 | 1,359.78 |

## PRICE MOVEMENT : MEDIUM GROWN - 2020 TO 2022



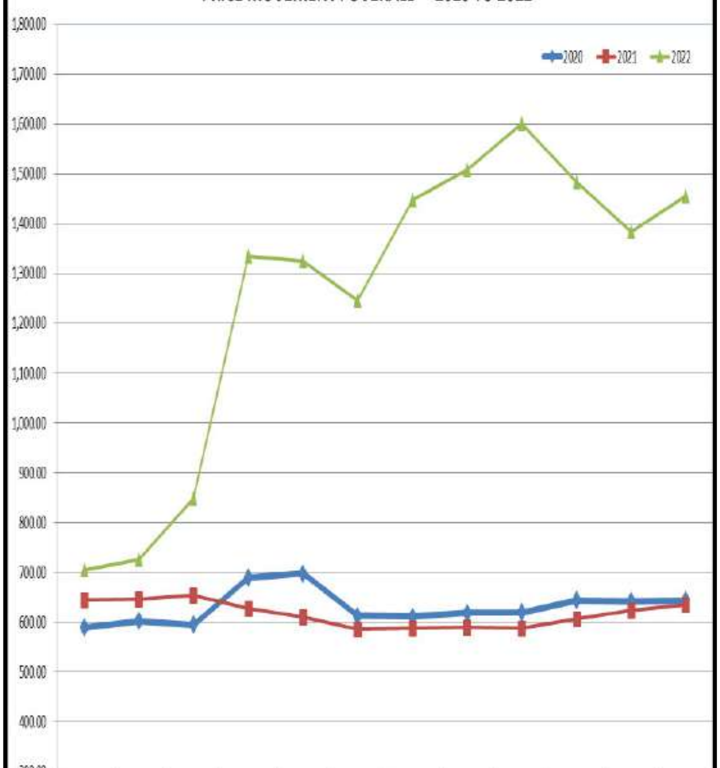

| | JAN | FEB | MAR | APR | MAY | JUN | JULY | AUG | SEPT | OCT | NOV | DEC |
|---|---|---|---|---|---|---|---|---|---|---|---|---|
| 2020 | 494.62 | 538.12 | 540.07 | 612.72 | 599.60 | 544.19 | 524.57 | 563.78 | 538.04 | 568.14 | 572.93 | 589.59 |
| 2021 | 585.37 | 579.78 | 599.10 | 571.30 | 550.18 | 530.70 | 522.77 | 527.11 | 504.63 | 530.40 | 556.07 | 568.49 |
| 2022 | 626.73 | 645.08 | 737.88 | 1,123.34 | 1,099.02 | 992.39 | 1,152.29 | 1,236.14 | 1,336.96 | 1,269.51 | 1,177.49 | 1,237.86 |

## PRICE MOVEMENT : LOW GROWN - 2020 TO 2022



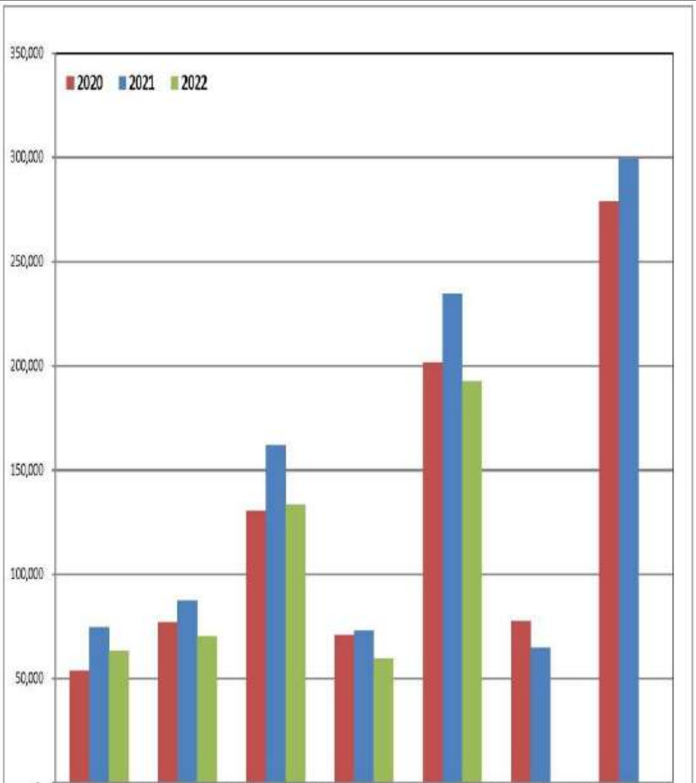

| | JAN | FEB | MAR | APR | MAY | JUN | JULY | AUG | SEPT | OCT | NOV | DEC |
|---|---|---|---|---|---|---|---|---|---|---|---|---|
| 2020 | 628.74 | 629.29 | 625.78 | 739.82 | 744.52 | 655.97 | 668.20 | 664.87 | 661.61 | 678.26 | 664.06 | 661.77 |
| 2021 | 673.04 | 674.11 | 676.30 | 646.39 | 640.34 | 620.09 | 625.08 | 619.24 | 621.17 | 634.94 | 643.21 | 662.24 |
| 2022 | 733.69 | 759.45 | 915.77 | 1,444.13 | 1,506.71 | 1,430.48 | 1,608.57 | 1,616.24 | 1,706.02 | 1,554.86 | 1,448.15 | 1,534.27 |

## PRICE MOVEMENT : OVERALL - 2020 TO 2022



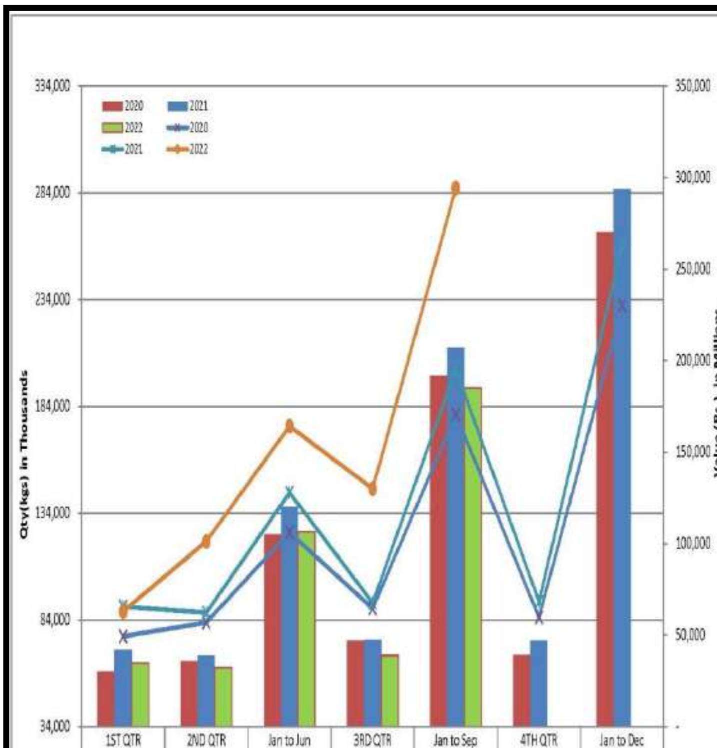

| | JAN | FEB | MAR | APR | MAY | JUN | JULY | AUG | SEPT | OCT | NOV | DEC |
|---|---|---|---|---|---|---|---|---|---|---|---|---|
| 2020 | 588.85 | 601.99 | 595.22 | 689.18 | 697.57 | 612.67 | 611.25 | 618.32 | 619.33 | 643.70 | 641.68 | 644.07 |
| 2021 | 645.02 | 645.95 | 654.32 | 627.41 | 609.52 | 586.54 | 588.62 | 589.46 | 587.66 | 607.38 | 623.18 | 635.83 |
| 2022 | 704.57 | 725.63 | 848.08 | 1,333.61 | 1,324.94 | 1,245.22 | 1,448.13 | 1,508.21 | 1,599.49 | 1,483.65 | 1,383.05 | 1,454.24 |

## SRI LANKA TEA PRODUCTION QUARTERLY (IN KGS) – 2020 TO 2022




| | 1ST QTR | 2ND QTR | Jan to Jun | 3RD QTR | Jan to Sep | 4TH QTR | JAN TO DEC |
|---|---|---|---|---|---|---|---|
| 2020 | 53,682,242 | 76,782,762 | 130,465,004 | 70,972,966 | 201,437,970 | 77,413,795 | 278,851,765 |
| 2021 | 74,512,977 | 87,201,262 | 161,714,239 | 73,008,808 | 234,723,047 | 64,765,375 | 299,488,422 |
| 2022 | 63,099,383 | 70,072,961 | 133,172,344 | 59,462,646 | 192,634,990 | | |

## SRI LANKA TEA EXPORTS QUARTERLY – 2020 TO 2022

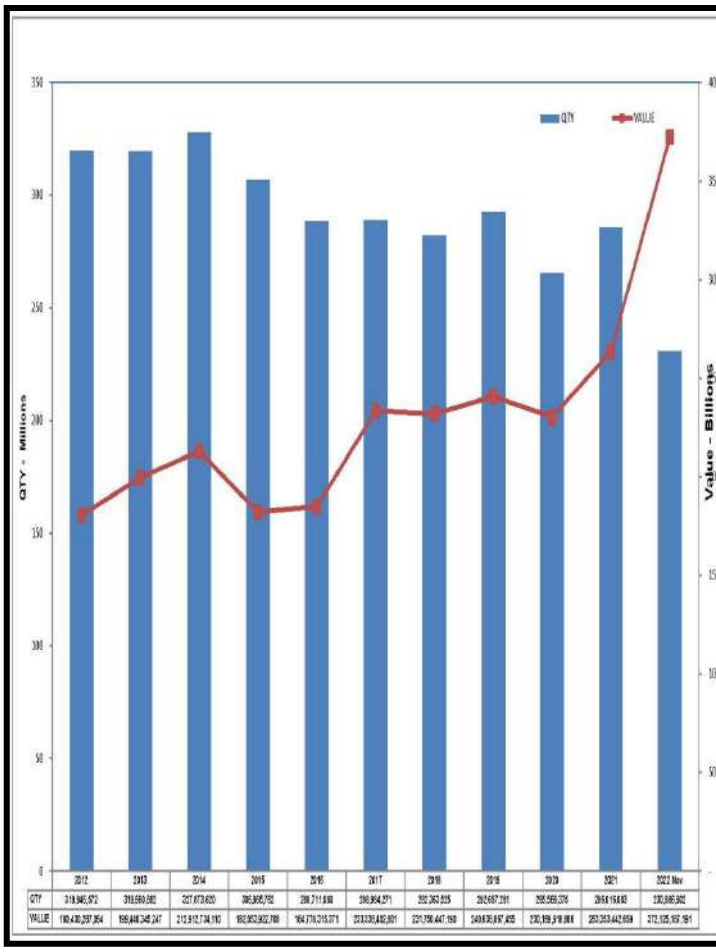



| | 1ST QTR | 2ND QTR | Jan to Jun | 3RD QTR | Jan to Sep | 4TH QTR | Jan to Dec |
|---|---|---|---|---|---|---|---|
| 2020 | 59,579,343 | 64,507,490 | 124,086,833 | 74,208,997 | 198,295,830 | 67,273,544 | 265,569,374 |
| 2021 | 69,887,023 | 67,095,714 | 136,982,736 | 74,656,605 | 211,639,341 | 74,376,742 | 286,016,083 |
| 2022 | 63,701,106 | 61,595,941 | 125,297,047 | 67,310,870 | 192,607,917 | | |
| 2020 | 49,235,845,774 | 56,848,894,156 | 106,084,739,93 | 64,465,052,636 | 170,549,792,56 | 59,620,126,240 | 230,169,918,80 |
| 2021 | 65,621,592,789 | 62,208,330,164 | 127,829,922,95 | 67,468,910,640 | 195,298,833,59 | 68,054,609,066 | 263,353,442,65 |
| 2022 | 62,946,416,711 | 101,285,683,72 | 164,232,100,44 | 130,016,498,65 | 294,248,599,09 | | |

## SRI LANKA TEA EXPORTS – JANUARY TO NOVEMBER 2021/2022 COUNTRY-WISE

| COUNTRY NAME | 2022 | 2021 | VARIANCE | |
|---|---|---|---|---|
| | | | QTY | % |
| IRAQ | 41,052,801.8 | 37,946,064.3 | 3,106,737.5 | 8.2% |
| RUSSIA | 22,964,168.5 | 24,377,594.0 | 1,413,425.5 | -5.8% |
| U.A.E. | 20,338,385.2 | 21,332,342.0 | 993,956.8 | -4.7% |
| TURKEY | 13,522,391.5 | 28,110,518.0 | 14,588,126.5 | -51.9% |
| IRAN | 11,967,722.2 | 14,563,851.0 | 2,596,128.8 | -17.8% |
| AZERBAIJAIN | 11,276,819.1 | 9,698,040.0 | 1,578,779.1 | 16.3% |
| LIBYA | 10,793,808.8 | 11,422,121.0 | 628,312.2 | -5.5% |
| CHINA | 10,480,840.1 | 13,197,954.0 | 2,717,113.9 | -20.6% |
| CHILE | 6,226,635.7 | 7,927,574.0 | 1,700,938.3 | -21.5% |
| GERMENY | 6,177,395.2 | 5,954,487.0 | 222,908.2 | 3.7% |
| U.S.A. | 5,934,657.6 | 5,514,691.0 | 419,966.6 | 7.6% |
| SYRIA | 5,818,320.6 | 7,398,470.0 | 1,580,149.4 | -21.4% |
| SAUDI ARABIA | 5,615,845.4 | 5,886,929.0 | 271,083.6 | -4.6% |
| JAPAN | 5,420,520.4 | 6,236,581.0 | 816,060.6 | -13.1% |
| TAIWAN | 4,446,054.0 | 4,438,887.0 | 7,167.0 | 0.2% |
| JORDAN | 3,512,800.1 | 4,846,472.0 | 1,333,671.9 | -27.5% |
| HONG KONG | 3,465,821.0 | 4,062,404.0 | 596,583.0 | -14.7% |
| POLAND | 3,157,048.1 | 2,989,108.0 | 167,940.1 | 5.6% |
| BELGIUM | 2,682,014.7 | 3,248,605.0 | 566,590.3 | -17.4% |
| IRELAND | 2,353,406.0 | 2,165,529.0 | 187,877.0 | 8.7% |
| UKRAINE | 2,248,494.2 | 3,885,148.0 | 1,636,653.8 | -42.1% |
| AUSTRALIA | 1,989,322.4 | 2,036,953.0 | 47,630.6 | -2.3% |
| NETHERLANDS (HOLAND) | 1,937,688.3 | 2,358,282.0 | 420,593.8 | -17.8% |
| EGYPT | 1,936,065.3 | 2,170,740.0 | 234,674.7 | -10.8% |
| ISRAEL | 1,755,120.1 | 1,628,295.1 | 126,825.0 | 7.8% |

## SRI LANKA TEA EXPORTS 2012 TO 2021 & JANUARY TO NOVEMBER 2022



# *SRI LANKA MACROECONOMIC UPDATE – 2022*

*The political and economic environment in Sri Lanka in 2022 experienced drastic changes from quarter to quarter with the year ending with a fair degree of uncertainty. We do not intend to delve into the political and economic factors that drove us to the worst economic crisis in the history of the island. However, a snapshot of the beginning and end results summarised below is an indication of where it began and where it is ending.*

**Comparison of Key Economic Indicators**

| Indicator | Beginning of 2022 | | End of 2022 | |
|---|---|---|---|---|
| Gross Domestic Product (LKR. Trillion) | 13.1 | 2021 | 11.2 | estimate 2022 |
| Reserves (USD Billions) | 3.1 | 1st Jan 2022 | 1.8 | 30th Sep 2022 |
| National Debt (LKR Trillions) | 17.5 | 1st Jan 2022 | 24.6 | 30th Aug 2022 |
| Exchange rate against USD | 200.4338 | 3rd Jan 2022 | 363.16 | 21st Dec 2022 |
| Interest rate for 1 year Treasury Bill | 8.55 | Month of Jan 2022 | 29.60 | Month of Oct 2022 |
| NCPI based inflation | 16.8% | Month of Jan 2022 | 70.6% | Month of Oct 2022 |

*Post 'debt default' the potential haircuts to investors, the status of bilateral loans, the negotiations with the IMF, the stand of the World Bank and other multilateral agencies have not been disclosed to the public as yet. The SOE restructure has been spoken of by the President and some of the affected line ministers, although no specific plans or strategies have been made public. We therefore reproduce and summarise the overall indicators only.*

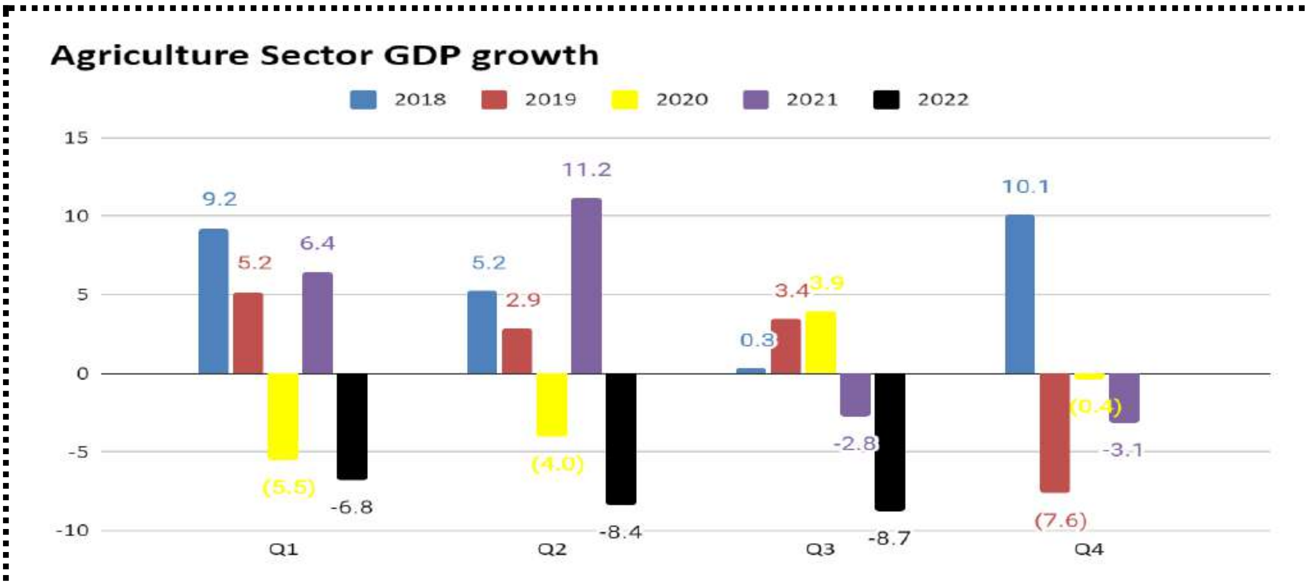
***Economic Growth***

*Growth in Sri Lanka Gross Domestic Product*

| | **Annual** | | | **2022 Quarterly** | | |
|---|---|---|---|---|---|---|
| | **2019** | **2020** | **2021** | **Q1 - 2022** | **Q2 - 2022** | **Q3 - 2022** |
| Agriculture | 1.0 | (1.4) | 2.5 | (6.8) | (8.4) | (8.7) |
| Industry | 2.6 | (5.3) | 5.6 | (4.7) | (10.0) | (21.2) |
| Services | 2.2 | (1.9) | 3.3 | 0.7 | (2.2) | (2.6) |
| Taxes less subsidies on products | 2.4 | (9.3) | (5.2) | (1.7) | (35.1) | (64.1) |
| **Total** | **2.3** | **(3.5)** | **3.3** | **(1.6)** | **(8.4)** | **(11.8)** |

*Source -Department of Census and Statistics/Central Bank of Sri Lanka*

***Agriculture Sector Performance***




*Source: Central Bank of Sri Lanka*

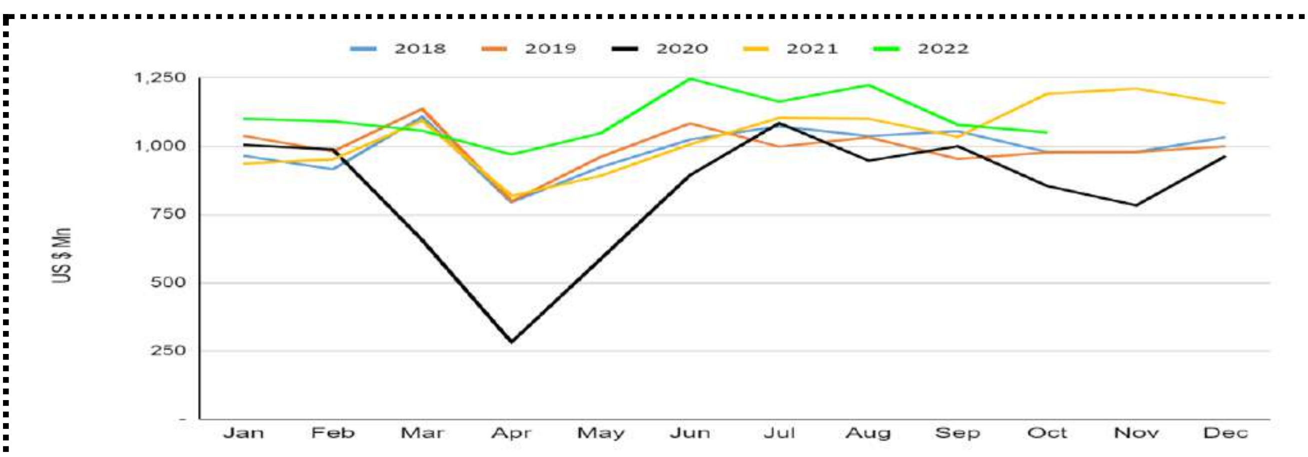
***Sub Sector Growth Rates for Q3***

| | Q1 - 2022 | Q2 - 2022 | Q3 - 2022 | Q3 - 2021 | Q3 - 2020 | Q3 - 2019 | Q3 - 2018 | Q3 - 2017 |
|---|---|---|---|---|---|---|---|---|
| Tea | (15.0%) | (19.7%) | (18.9)% | 2.8% | (4.2%) | 14.2% | (13.7%) | 17.6% |
| Rubber | (13.1%) | (13.7%) | (3.5%) | (8.1%) | 16.8% | (19.8%) | 10.3% | 22.7% |
| Spices | 2.2% | 3.2% | 4.7% | 3.6% | 7.7% | (2.6%) | 6.1% | (0.5%) |
| Cereals | (9.4%) | (32.3%) | (26.1%) | 38% | 112% | (14.7%) | (16.7%) | (23.4%) |
| Vegetables | (8.4%) | (13.2%) | (9.4%) | (9.8%) | 12.4% | 25.8% | (27.7%) | (14.1%) |
| Fruits | (3.8%) | (8.5%) | (6.0%) | 6.4% | 7.0% | 8.8% | 11.9% | 15.5% |
| Fisheries | (0.5%) | 11.2% | (33.5%) | (10.0%) | (12.4%) | (8.3%) | 2.9% | (5.9%) |
| Animal Production | 0.9% | (13.6%) | (19.5%) | 8.9% | 1.9% | (5.5%) | 12.2% | 5.4% |

*Source: Department of Census and Statistics*

***External Sector***

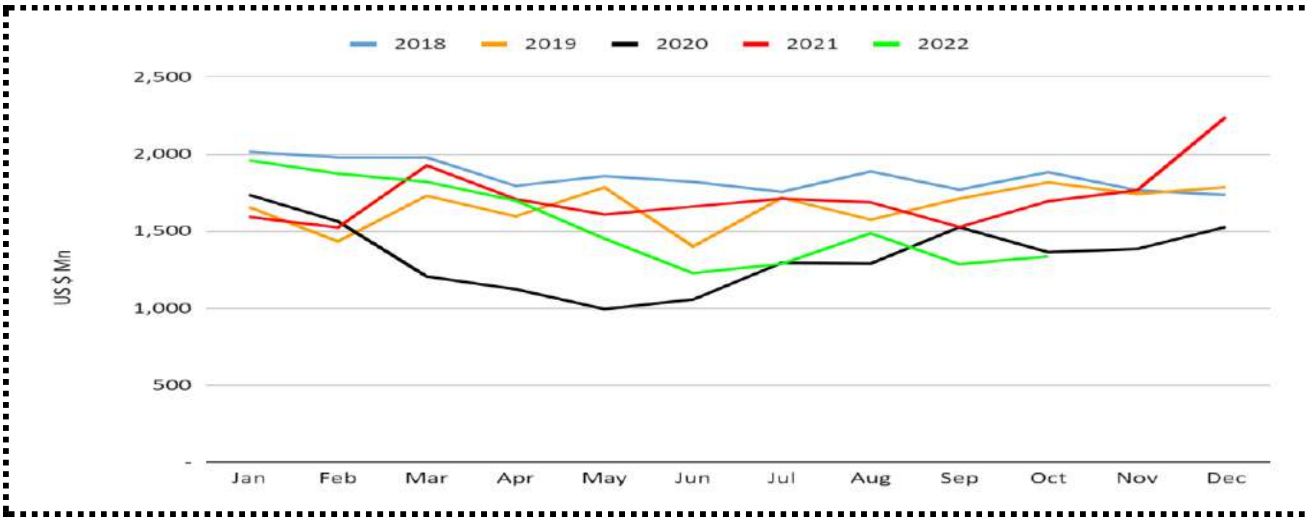
***Merchandise Exports***
*The Exports Earnings for the first 10 months of 2022 recorded USD11 Bn which is 9% YOY growth against USD 10 Bn in the same comparable period.*



***Merchandise Imports***

*The total merchandise imports for the first 10 months of 2022 recorded USD 15.4 Bn which is 7.2% YOY reduction against USD 16.6 Bn in the same comparable period.*

***Monthly Merchandise Imports***

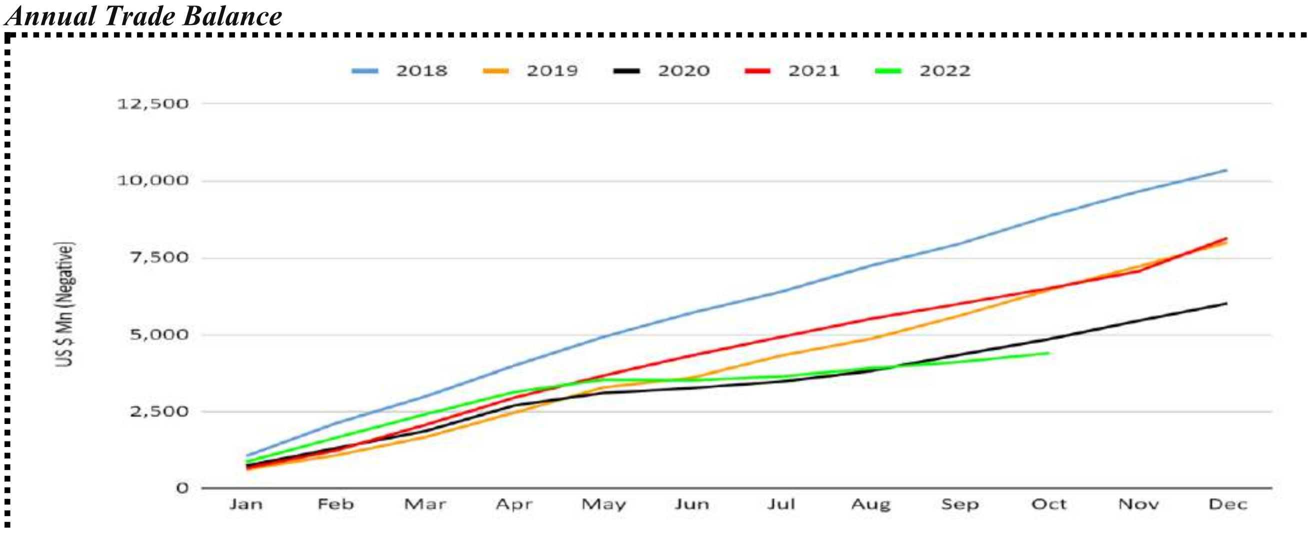



*Source: Central Bank of Sri Lanka*

***Trade Account***

*The negative trade balance has reduced by 32% to USD 4.5 Billion for the period from January to October in 2022 against 2021, mainly because of restrictions imposed on imports by the Government as a strategy to manage the trade account. A ten-year analysis shows that this year would probably be recording the lowest trade deficit since 2010.*

***Annual Trade Balance***

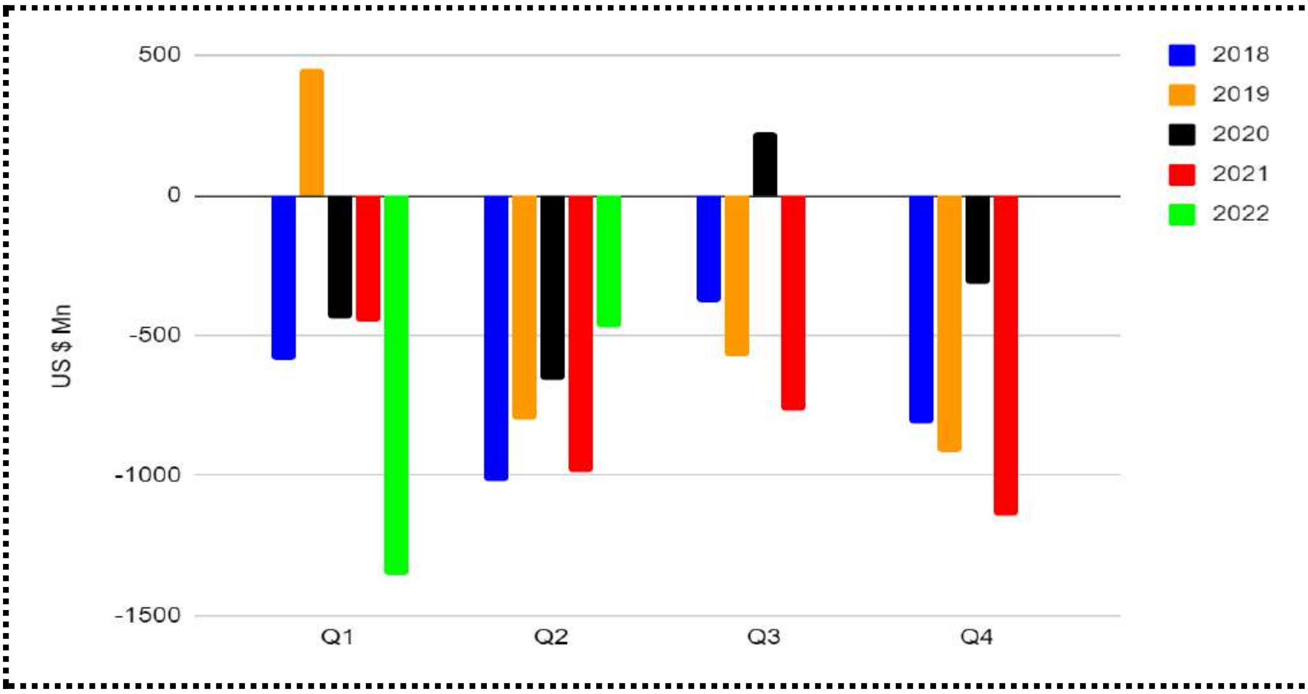



*Source: Central Bank of Sri Lanka*

***Current Account Balance***

*The current account represents a country's imports and exports of goods and services, payments made to foreign investors, and transfers such as foreign aid. Generally, the Lankan economy has shown a negative even in the current account despite the income from expatriate remittances, tourism and other services. We have observed only 2 quarters with positive current account balances in the past 5 years*

***Quarterly Current Account Balance***




*Source: Central Bank of Sri Lanka*

***Loans & Reserves***

*We continue to see a dwindling of the official reserves over the past few years, while the debt figure keeps mounting.*

***Reserves & Debt -*** *note the different currency*

| | Reserves | | Total Debt | |
|---|---|---|---|---|
| | **USD** 'Bn | Growth % | **LKR** 'Bn | Growth % |
| 30th Sep 2022 | 1.8 | -42% | 24,694.0 (Aug) | 40.3 |
| 31st Dec 2021 | 3.1 | -44.6 | 17,589.9 | 16.3 |
| 31st Dec 2020 | 5.6 | -25.9 | 15,117.2 | 16.5 |
| 31st Dec 2019 | 7.6 | 10.2 | 13,031.5 | 8.8 |
| 31st Dec 2018 | 6.9 | -12.8 | 11,977.5 | 16.1 |
| 31st Dec 2017 | 7.9 | 31.2 | 10,313.0 | 9.9 |
| 31st Dec 2016 | 6.0 | -17.8 | 9,387.3 | 10.3 |
| 31st Dec 2015 | 7.3 | -10.9 | 8,503.2 | 15.0 |
| 31st Dec 2014 | 8.2 | 9.5 | 7,390.8 | 8.8 |

*Source: Central Bank of Sri Lanka*

***Inflation***

*Inflation as measured by the movement in the National Consumer Price Index (NCPI) was 70.6% in October 2022.*

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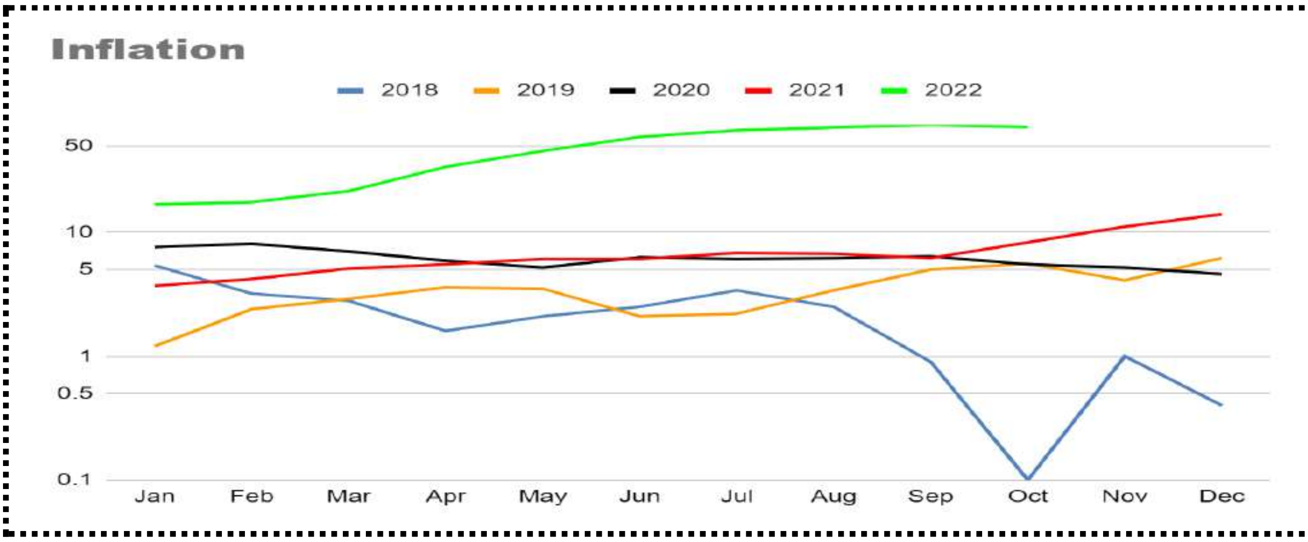


*Source: Department of Census & Statistics*

***Interest Rates***

*Interest rates applicable in all levels increased significantly in 2022.*

| | 2022 | Year Ago | % Change |
|---|---|---|---|
| 91 day Treasury bill rate - % (16th Dec) | 32.80 | 7.24 | 353% |
| AWPLR (16th Dec) | 28.31 | 8.27 | 242% |
| AWDR (NOV) | 13.37 | 4.82 | 177% |

*Source - Central Bank of Sri Lanka*

***Exchange Rates***

*During the 2022, Sri Lankan Rupee (LKR) has depreciated against most currencies as stated below.*

***Comparative Exchange rates against Sri Lanka Rupee***

| Currency | 19th December 2022 | 24th December 2021 | % Appreciation / (Depreciation) |
|---|---|---|---|
| USD | 363.1800 | 200.9180 | -80.76% |
| Euro | 385.2613 | 227.5497 | -69.31% |
| Sterling Pound | 442.8617 | 269.3607 | -64.41% |
| Russian Rouble | 5.5982 | 2.7399 | -104.32% |
| Iranian Riyal | 0.0086 | 0.0048 | -79.17% |
| Turkish Lira | 19.5067 | 17.2703 | -12.95% |
| Ukraine Hryvnia | 9.8203 | 7.3063 | -34.41% |
| Japanese Yen | 2.6701 | 1.7571 | -51.96% |
| Chinese Yuan (Renminbi) | 52.0617 | 31.5400 | -65.07% |
| Saudi Riyal | 96.5622 | 53.5068 | -80.47% |

*Source - Central Bank of Sri Lanka Weighted average Rates/ Oanda.com*

# MARKET PROSPECTS IN THE YEAR 2023

*The commencement of the year 2023 (1st Quarter) would perhaps be much-awaited by all stake-holders, particularly from a production point of view with the revoking of the ban imposed on the usage of chemical fertilizer on tea plantations.*

*The expectance of a higher crop intake alongside an improved Western Quality Season compared with previous years are certain elements that would undoubtedly provide the forthcoming year a positive note to commence upon.*

*We analyse below the supply and demand situation that exists and project likely market scenarios taking into consideration recent developments in importer countries.*

***Production***

*Tea production in almost all producer countries have shown negative growth in 2022 vs. 2021 with Sri Lanka recording the steepest decline of 44-48 M/Kgs (15%-17%) year-on-year.*

*Historically, a low production year usually follows with an improvement in crop and therefore, assuming that the output in most producer countries would improve in 2023, we are projecting a firmer growth in global tea production during the forecasted period. However, an area of concern would be the rising input costs, meaning that in inflation adjusted terms, farmer profits would remain lower than in the past.*

*Governments in tea producer countries will no doubt have to improve efficiency of production using digital technology to lower production costs, tackle labour shortages and improve supply chain management. Such would reap dividends in production growth in the medium to long term as the roll out would be gradual.*

***Prices***

*In projecting tea prices, the following would be salient factors for consideration.*

- *Consumption growth is estimated to have surpassed production in 2022 and the market surplus is likely to have narrowed more so for Orthodox teas considering the significant shortfall in crop in Sri Lanka (i.e. low inventory levels in most importer countries).*

- *The main tea consuming countries are also the largest producers and in recent years a rising share of output has been retained for domestic consumption.*

- *Asian consumers continue to dominate tea consumption, in particular China and India, which are estimated to account for over 50% of the global demand.*

- *The forecasted tea consumption growth in India is anticipated to be relatively firm in 2023 following an improving Corona virus situation compared with 2021.*

- *Chinese consumption is likely to grow showing a preference for black tea. Although ready-to-drink products were rising firmly before the pandemic, analysts predict that quality loose tea will continue to dominate the local market.*

- *The US market for tea though small is expected to show a fairly firm growth in consumption. However, with most of the larger tea markets dominated by loose-leaf tea; the US remains one of the most important single markets for instant and iced tea, and perhaps handcrafted specialty teas.*

- *The recent reduction in freight costs and the likely tendency of a weakening of the Sri Lankan Rupee would be an added advantage for importers of 'Ceylon Tea.'*

*Combining these factors, due consideration needs to be given to the fact that the 1st quarter is a lean period for almost all producer countries and from a Sri Lankan perspective, the traditional Western Quality Season experienced during this time of the year lends towards an improved availability of better-quality teas.*

*In the absence of a global measure of tea stocks, predicting tea prices becomes a near impossibility. Therefore, if the supply and demand equation would be a deciding factor, it would be reasonable to assume that prices in respect of Large Leaf Orthodox teas would sustain at these levels, perhaps even as a worse case scenario. However, prices for Orthodox Rotovane (Small Leaf liquoring teas) would largely weigh on the recovery of tea production in North India which is likely to be regularised in the 2nd quarter of 2023.*

*In these circumstances, rupee tea prices are unlikely to show a dramatic change from its current levels up until the end of the 1st quarter 2023 and perhaps on a cautiously optimistic note, we could expect these levels to remain until around mid-2023 subject to any unforeseen circumstances. Tea prices thereafter would largely depend on the supply scenarios that unfold during the 1st quarter of 2023.*

*Amidst the optimistic outlook for prices, the industry continues to be challenged with constant wage increases and lower rates of mechanization and more recently, the sharp rise in finance costs which would continue to undermine the competitiveness due to higher average production costs than other large producer/exporter countries.*

*(E & OE)*

*Compiled by Forbes & Walker*

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