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Press Release

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Sri Lanka's Food Security Initiatives commended at the SAARCFINANCE Governors' Symposium on "Food inflation in the SAARC Region" in Pokhara, Nepal

The annual SAARCFINANCE Governors' Symposium was held in Pokhara, Nepal on 16th May 2012, where the theme was "Food Inflation in the SAARC Region". The principal objective of the symposium was to provide a forum for exchanging views and sharing experiences among the SAARC countries to assist policymakers to position themselves to contain food inflation at low and stable levels on a sustainable basis. Central Bank Governors, Finance Secretaries and other delegates from the eight SAARC countries, namely, Afghanistan, Bangladesh, Bhutan, India, Maldives, Nepal, Pakistan and Sri Lanka, participated at this conference. Representing Sri Lanka, Governor of the Central Bank of Sri Lanka, Ajith Nivard Cabraal and Director of Economic Research, Mrs. Swarna Gunaratne participated at this symposium, where several speakers commended Sri Lanka for its initiatives in facilitating agricultural activities and food processing, which had led to significant improvements in domestic food supplies.

At the symposium, Dr. Sultan Hafeez Rahman, former Director General, South Asia Department of the Asian Development Bank (ADB), made the keynote presentation titled "Recent Food Price Inflation in South Asia", in which he assessed the success of each country's performance with respect to improving domestic food supplies, containing food inflation, and reducing the risk of aggravating poverty. He further explained that a survey undertaken in this regard by the ADB concluded that considerable progress has been made by Sri Lanka in

comparison to the other countries in the SAARC Region, with Sri Lanka being seen as the country where poverty levels would be least affected by food price inflation in the South Asian Region. According to the ADB study, the risk of increase in the poverty level in South Asia in the event food prices increase by 30 per cent was seen to be at a rather high average of approximately 6.2 per cent, although the corresponding percentage for Sri Lanka in such an event was indicated at only 0.7 per cent . In the course of Mr. Rahman's presentation, he also suggested that all countries should follow prudent policies in order to deal with any growing imbalances that may emanate due to global commodity prices, which have shown a tendency to increase rapidly and substantially.