

## COMMODITIES

### TEA: Downward Trends in Prices

Tea prices at the Colombo Auctions recorded a continuing downward trend over the first three months of this year. Cumulative sales averages up to the end of March 1985 stood at Rs 54.11 per kg (gross) as against Rs 68.56 per kg over the same period in 1984. Possibilities of closing the gap between the monthly average of Rs 71.30 per kg in January 1984 seemed more distant by the end of March 1985. Prices were moving in sympathy with international market prices, particularly the London auctions, where in October 1984 prices which had reached 292 new pence per kg came down to 217 pence per kg by end of March 1985. (See diagram).

The value of gross turnover at the Colombo Auctions also dropped steeply in the first quarter of 1985 and there was concern that the anticipated Government Revenues from tea export levies would not materialise. Gross Turnover which reached Rs 3,693.5 million in the first three months of 1984 had come down to Rs 2,590.1 million in the same period of 1985.

The quantities sold at the Colombo Tea Auctions also showed a marked decline during this period, dropping from 53.8 million kgs in January - March 1984 to 47.8 kgs in the same period this year.

G.J.

