



WEB RELEASE

THE COLOMBO CONSUMER PRICE INDEX – AUGUST 2016

DEPARTMENT OF CENSUS AND STATISTICS

TEL: 011-2147414

FAX: 011-2877945

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This web release on the Colombo Consumer Price Index- August 2016 replaces the web release on the same published on 31st August 2016.

The Department of Census and Statistics (DCS) is the authorized agency to compile Colombo Consumer Price Index (CCPI). The CCPI is compiled to indicate average changes in the prices of goods and services purchased by households in urban areas of Colombo district. Prices for items in the Colombo Consumer Price Index are collected from 14 selected centers located in Colombo namely Pettah, Maradana, Wellawatta, Dematagoda, Grandpass, Borella, Kirulapone, Dehiwala, Kotte, Nugegoda, Kolonnawa, Rathmalana, and Narahenpita and Rathmalana dedicated economic centers. Prices are collected weekly from the outlets located within each of the above market areas including Co-operative store and a supermarket. The consumer basket includes 373 items which represent the typical urban households' consumption expenditure. The CPI weights are derived from the Household Income and Expenditure Survey (HIES) 2006/07.

DCS commenced releasing monthly National Consumer Price Index (NCPI) from October 2015 with a time lag of 21 days. However, CCPI is released on the last working day of each month. Accordingly, the NCPI for the month of July 2016 was released on 22nd August 2016 and this report is on the CCPI for the month of August 2016.

Month on Month (M on M) Change of CCPI:

The CCPI for all items for the month of August 2016 was 189.1 and it records a decrease of 3.8 index points or a percentage of 1.97 compared to the month of July 2016 for which the index was 192.9. This decrease represents an expenditure value of Rs.1063.29 in the "Market Basket".

Table 1- Monthly Changes by main Groups of Market Basket

Major Group*	Index Number			Monthly Changes of the Expenditure Values(Rs.)			Monthly Changes of the Index (%)		
	August 2015	July 2016	August 2016	August 2015	July 2016	August 2016	August 2015	July 2016	August 2016
All Items	181.9	192.9	189.1	-268.02	96.08	-1063.29	-0.52	0.18	-1.97
Food & Nonalcoholic beverages	210.7	231.2	222.6	-365.41	159.86	-985.48	-0.71	0.30	-1.83
Non Food	161.8	166.2	165.7	97.40	-63.77	-77.80	0.19	-0.12	-0.14
Clothing and Footwear	205.3	206.8	208.9	7.41	-20.20	18.94	0.01	-0.04	0.04
Housing, Water Electricity, Gas & Other Fuels	138.5	138.3	138.1	-38.27	-13.99	-14.39	-0.07	-0.03	-0.03
Furnishing HH Equipment and Routine HH Maintenance	168.1	171.1	171.7	4.29	-0.28	5.87	0.01	0.00	0.01
Health	318.9	356.9	354.7	0.00	-6.58	-19.75	0.00	-0.01	-0.04
Transport	183.2	187.2	189.0	0.00	11.27	64.03	0.00	0.02	0.12
Communication	94.0	106.4	96.2	0.00	-45.00	-135.06	0.00	-0.08	-0.25
Other	156.9	159.3	159.4	123.96	11.01	2.56	0.24	0.02	0.00

*Note : There are 10 main groups of the market basket. Significant changes in August 2016 were noted only in seven main groups, details on which are given in Table 1.

Contribution to M on M Changes:

Contributions to the decrease in CCPI from July 2016 to August 2016 are given in Table 2. The decrease in the index point by 1.97% was due to the decreases of food items and non-food items by 1.83% and 0.14% respectively.

Contribution of Food and non alcoholic beverages items: -1.83%

Decreases in value change in index were reported for Vegetables (0.92%), Green Chillies (0.36%), Sugar (0.20%), Coconut (0.20%), Dried Fish (0.20%), Fresh Fish (0.11%), Red Onions (0.07%), Limes(0.07%), Maldive Fish (0.06%), Rice (0.01%), Potatoes (0.01%), Big Onion (0.01%) and Garlic (0.01%) while increase in value change reported in Papaw (0.09%), Chicken (0.08%), , Eggs (0.08%), Banana (0.05)%, Mangoes (0.04%), Beef (0.01%) and Limes (0.01%)

Contribution of non food items: -0.14%

Among nonfood groups, value decreases were reported for groups of 'Housing, Water, Electricity, Gas & Other Fuels' (0.03%), 'Health' (0.04%) and 'Communication' (0.25%) while value increases were reported for groups of 'Clothing & Footwear' (0.04%), 'Transport' (0.12%) and 'Furnishing, Household equipments and routine Household maintenance' (0.01%). The group of 'Miscellaneous' showed an insignificant positive trend. All other groups remain unchanged. In terms of 'Transport' group, the amount of price increase has been due to revision of Bus Fare with effect from August 01, 2016 while, in terms of 'Housing, Water, Electricity, Gas & Other Fuels', 'Health' and 'Communication' groups the amount of price decreases have been due to elimination of recently introduced VAT component in water bills, laboratory test fees & telephone charges respectively.

Table 2: Contribution to the decrease in CCPI from July 2016 to August 2016(Base: 2006/07=100)

Sub Group/Commodity	Value Change			
	Rs.cts.	% change		Net effect
		Increase %	Decrease %	
Food	-985.48	0.46	2.29	-1.83
1 Rice	-5.76		0.01	
2 Fresh Fish	-61.84		0.11	
3 Dried Fish	-109.52		0.20	
<i>Sprats</i>	-85.95		0.16	
4 Maldive Fish	-31.25		0.06	
5 Coconut	-108.35		0.20	
6 Coconut Oil	-3.43		0.01	
7 Vegetables	-498.20		0.92	
8 Potatoes	-4.92		0.01	
9 Dhal	-26.77		0.05	
10 Red Onion	-37.74		0.07	
11 Big Onions	-6.85		0.01	
12 Garlic	-2.89		0.01	
13 Green chilies	-194.48		0.36	
14 Sugar	-107.10		0.20	
15 Limes	-36.32		0.07	
16 Chicken	41.04	0.08		
17 Eggs	43.76	0.08		
18 Banana	26.95	0.05		
19 Papaw	48.40	0.09		
20 Mangoes	22.03	0.04		
21 Others	67.77	0.13		
Non Food	-77.80	0.17	0.31	-0.14
22 Clothing and Footwear	18.94	0.04		
23 Housing Water Electricity Gas & Other Fuels	-14.39		0.03	
24 Health	-19.75		0.04	
25 Transport	64.03	0.12		
<i>Bus Fare</i>	64.03	0.12		
26 Communication	-135.06		0.25	
27 Others	8.43	0.02		
All Items	-1063.29			-1.97

INFLATION:

The CCPI is an economic indicator constructed to measure inflation which is defined as percentage change in CCPI over the year. There are two measures of inflation in general use. One measure is Year on Year base or Point to Point inflation (The percentage change in the CPI during the last 12 months). The other measure is Moving Average Inflation (The percentage difference between the average Price Index of last 12 months & the average Price Index of previous 12 months).

Table 3: Movements of the CCPI(Base: 2006/07=100)

Year	Month	Index Number	All Item			Food			Non Food		
			%Change MonthtoMonth	Inflation		%Change MonthtoMonth	Inflation		%Change Monthto Month	Inflation	
				Y on Y	12 Month Moving Avg.		Y on Y	12 Month Moving Avg.		Y on Y	12 Month Moving Avg.
2015	August	181.9	-0.5%	-0.2%	1.0%	-1.5%	2.2%	5.5%	0.3%	-2.3%	-2.7%
	September	181.4	-0.3%	-0.3%	0.7%	-0.6%	2.0%	5.3%	0.1%	-2.2%	-3.1%
	October	182.1	0.4%	1.7%	0.7%	0.8%	2.7%	5.1%	0.0%	0.8%	-3.0%
	November	184.7	1.4%	3.1%	0.9%	3.0%	5.2%	5.1%	0.0%	1.1%	-2.8%
	December	185.2	0.3%	2.8%	0.9%	0.8%	4.2%	4.9%	-0.2%	1.5%	-2.5%
2016	January	184.9	-0.2%	0.9%	0.7%	-0.5%	-0.2%	3.9%	0.2%	2.0%	-2.0%
	February	183.8	-0.6%	2.7%	0.9%	-1.1%	0.8%	3.2%	-0.1%	4.6%	-1.1%
	March	181.7	-1.1%	2.0%	1.1%	-2.3%	1.4%	2.8%	-0.1%	2.5%	-0.5%
	April	184.1	1.3%	3.1%	1.3%	2.2%	4.9%	2.8%	0.6%	1.7%	0.0%
	June	188.5	2.4%	4.8%	1.7%	2.2%	5.6%	2.9%	2.5%	4.2%	0.6%
	June	192.5	2.1%	6.0%	2.2%	4.3%	8.2%	3.3%	0.2%	4.0%	1.2%
	July	192.9	0.2%	5.5%	2.7%	0.6%	8.1%	3.8%	-0.2%	3.0%	1.7%
	August	189.1	-2.0%	4.0%	3.0%	-3.7%	5.6%	4.0%	-0.3%	2.4%	2.1%

Year on Year (YoY) Inflation

The YoY inflation as measured by CCPI is 4.0% in August 2016 and inflation calculated for July 2016 was 5.5% (Table3). YoY inflation of Food Group has decreased from 8.1% in July 2016 to 5.6% in August 2016 and Non-food Group decreased by 3.0% to 2.4% during this period.

Contribution to Y on Y inflation:

For the month of August 2016, on year to year basis, contribution to inflation by food commodities was 2.69%.

The contribution of Non food items was 1.26%. This was mainly due to value change increases in groups of 'Clothing and Footwear' (0.06%), 'Furnishing HH Equipment's & Routine HH Maintenance' (0.07%), 'Health' (0.62%), 'Transport' (0.39%), 'Communication' (0.06%), 'Recreation and Culture' (0.01%), 'Education' (0.1%), 'Miscellaneous Goods and Services' (0.09%) while decrease in value change reported in the group of 'Housing, Water, Electricity, Gas & Other Fuels' (0.06%).

Moving Average Inflation

The moving average inflation rate for the month of August 2016 was 3.0%. The corresponding rate for the month of July 2016 was 2.7%.

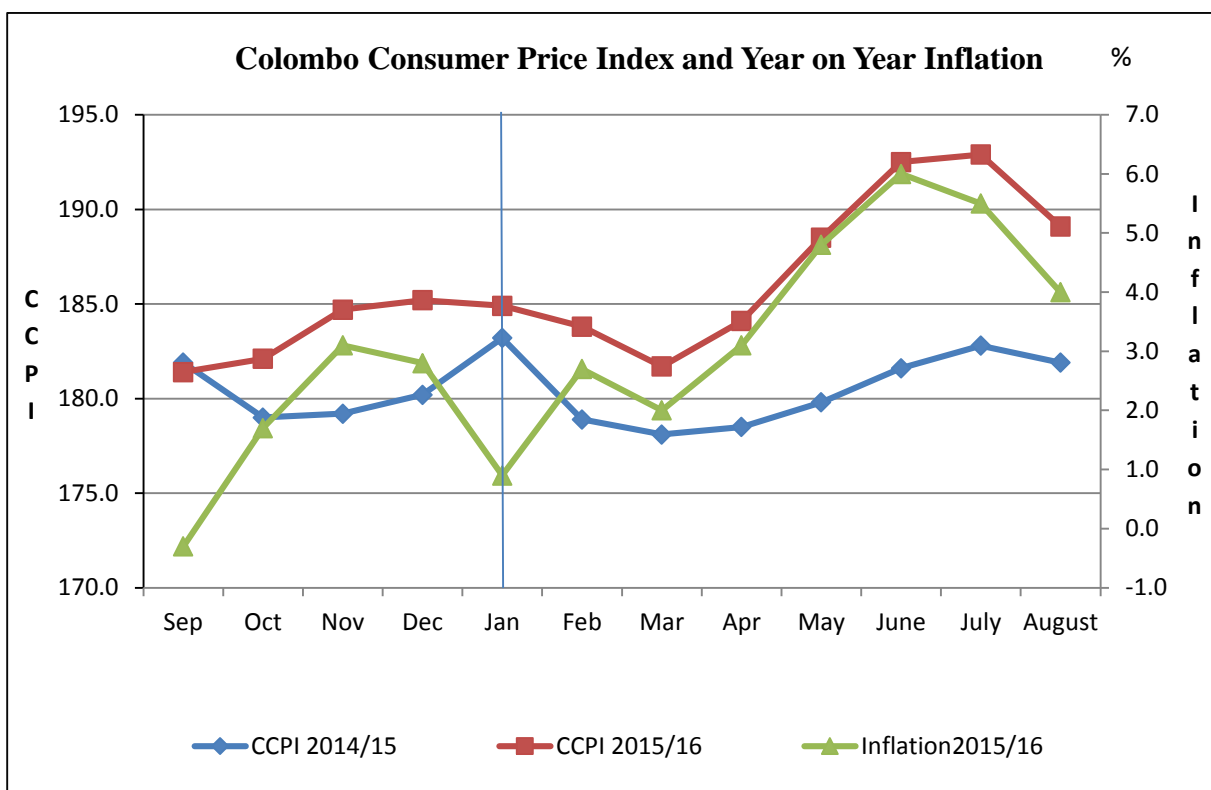


Table 4 : Monthly Average Open Market Retail prices of selected items of Colombo Consumer Price Index (August 2015, July & August 2016)

Item	Unit	Retail Prices (Rs. Cts)			Retail Price Changes (%)	
		2015Aug.	2016July.	2016Aug.	August.16– July16	August.16– August.15
1. Rice– Kekulu – Red	Kg	70.61	65.47	66.98	-0.22	-13.81
2. Rice– Kekulu – White	Kg	70.23	70.73	69.71	-2.89	0.19
3. Rice –Nadu	Kg	72.74	77.62	77.46	-0.24	2.36
4. Rice– Samba	Kg	89.54	91.87	91.10	-0.42	1.38
5. Cowpea	Kg	256.45	256.68	257.03	-0.75	-1.38
6. Green Grams	Kg	256.43	249.87	237.57	-3.26	-3.93
7. Coconut	Each	43.84	45.60	41.59	-1.49	-2.64
8. Coconut Oil	750ml	203.03	217.47	215.96	2.34	3.96
9. Chicken	Kg	454.35	483.31	504.03	0.94	6.54
10. Eggs	Each	16.59	15.87	18.89	8.64	6.11
11. Red Onion	Kg	120.86	166.06	133.86	6.73	12.31
12. B' Onion	Kg	109.81	81.39	78.63	-3.42	-19.95
13. Potatoes	Kg	123.60	147.06	144.49	2.80	10.12
14. Garlic	Kg	268.00	412.42	404.73	-6.20	53.28
15. Dried Chilies	Kg	279.84	374.72	366.91	1.75	32.38
16. Green Chilies	Kg	409.09	944.19	494.41	31.96	87.33
17. Sugar	Kg	81.65	113.60	94.89	2.36	37.73
18. Pepper	Kg	1693.70	1818.22	1823.84	2.07	7.17
Vegetables-						
19. Ash Plantain	Kg	128.50	145.68	140.17	4.41	10.65
20. Carrot	Kg	163.88	252.21	160.12	-1.17	8.34
21. Snake Gourd	Kg	124.61	181.57	132.36	-4.07	41.10
22. Tomatoes	Kg	118.19	264.25	129.81	13.24	124.13
23. Capsicum	Kg	222.42	429.43	275.85	54.13	58.47
24. Beetroot	Kg	132.93	240.33	139.31	4.58	29.49
25. Beans	Kg	200.87	268.20	226.63	-15.50	12.82
Fruits						
26. Banana	Each	12.52	14.99	16.00	6.71	27.75
27. Papaw	Kg	119.67	94.01	115.54	22.90	-3.45
28. Mangoes	Each	109.48	59.55	76.70	28.81	-29.94
Fresh Fish –						
29. Seer	Kg	1255.76	1512.38	1455.31	-3.77	15.89
30. Talapath	Kg	875.61	935.57	916.75	-2.01	4.70
31. Paraw	Kg	913.18	992.96	954.63	-3.86	4.54
Dried Fish -						
32. Katta	Kg	1125.15	1256.47	1151.48	-8.36	2.34
33. Sprats	Kg	644.81	684.46	516.04	-24.61	-19.97
34. Kerosene Oil	Lt	59.00	49.00	49.00	0.00	-16.95
35. Petrol(CPC & IOC Avg.)	Lt	117.00	117.00	117.00	0.00	0.00
36. Diesel (CPC & IOC Avg.)	Lt	95.00	95.00	95.00	0.00	0.00
37. Gas- Avg.	12.5kg	1496.00	1346.00	1346.00	0.00	-10.03
Shell\Litro	12.5kg	1496.00	1346.00	1346.00	0.00	-10.03
Laughs	12.5kg	1496.00	1346.00	1346.00	0.00	-10.03

A.J.Satharasinghe
 Director General
 Department of Census and Statistics