



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 | | |
| | | Increase % | Decrease % | Net effect |
| 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%.

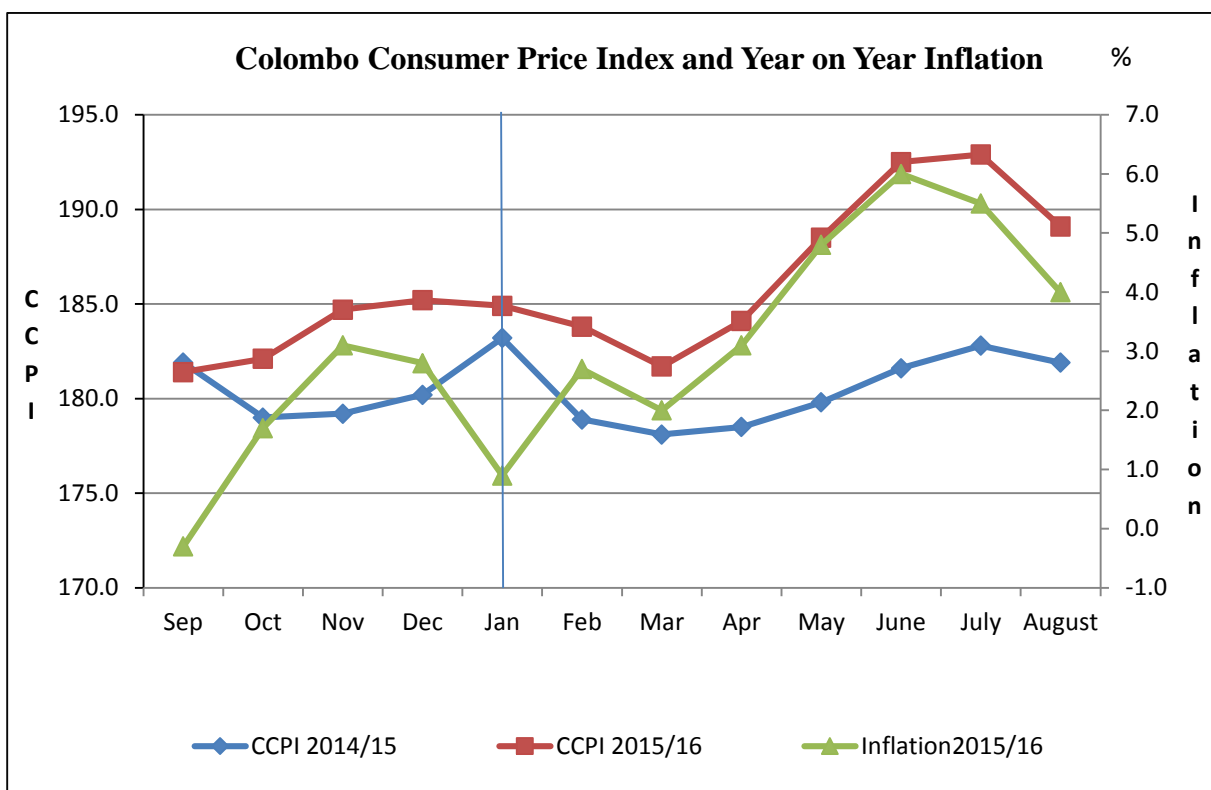


Table 4 : Monthly Average Open Market Retail prices of selected items of Colombo Consumer Price Index (August 2015, July & August 2016)

| 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