

WEB RELEASE

THE COLOMBO CONSUMER PRICE INDEX (Base Year 2013) – JULY 2019 DEPARTMENT OF CENSUS AND STATISTICS

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1. Introduction

The Department of Census and Statistics (DCS) is the authorized agency to compile Colombo Consumer Price Index (CCPI). The base year used for compilation of CCPI from June 2011 to December 2016 was the year 2006/07. Following internationally accepted guidelines, it has been arranged to revise the base year from 2006/07=100 to 2013=100 in order to accommodate the changing expenditure patterns and in cooperate changes of goods & services available in the market. Accordingly, with respect to the new base, CCPI (Base 2013=100) will be released monthly commencing from January 2017 on the last working day of each month. It is emphasized that index numbers or inflation figures compiled under different base years cannot be compared.

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, Mt.Lavinia, 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 Lak Sathosa and a supermarket. The consumer basket includes 392 items, which represent the typical urban household consumption expenditure. The CPI weights are derived from the Household Income and Expenditure Survey (HIES) 2012/13.

For more details on the revision of base year, please click here: <u>Technical Note on Base Year Revision</u>

Table 1- Monthly Changes by main Groups of Market Basket

				Monthly Changes of the			Monthly Changes		
Maior Croun*	Index Number			Expenditure Values(Rs.)			of the Index (%)		
Major Group*	July	June	July	July	June	July	July	June	July
	2018	2019	2019	2018	2019	2019	2018	2019	2019
All Items	125.8	130.2	130.0	220.20	742.47	-144.20	0.29	0.95	-0.18
Food and Non Alcoholic Beverages	137.0	134.5	133.5	195.77	572.62	-169.55	0.26	0.74	-0.22
Non Food	121.4	128.6	128.6	24.42	169.85	25.35	0.03	0.22	0.03
Alcoholic beverages Tobacco and									
Narcotic	190.8	219.5	218.4	0.92	-3.99	-6.84	0.00	-0.01	-0.01
Clothing and Foot Wear	134.9	145.1	145.9	15.08	17.06	11.05	0.02	0.02	0.01
Housing, Water, Electricity, Gas									
and Other Fuels	111.5	115.6	115.7	-70.73	-15.91	15.90	-0.09	-0.02	0.02
Health	155.7	177.5	177.8	-16.64	43.98	8.01	-0.02	0.06	0.01
Transport	107.7	113.6	113.5	-12.40	139.71	-7.71	-0.02	0.18	-0.01
Miscellaneous Goods and Services	139.7	145.8	146.2	0.00	-27.21	6.55	0.00	-0.03	0.01
Other	129.6	138.0	137.9	108.20	16.20	-1.60	0.14	0.02	0.00

*Note : There are 12 main groups of the market basket. Significant changes in July 2019 were noted in seven main groups, details on which are given in Table2.

2. Variations in Colombo Consumer Price Index

Month on month changes in the Colombo Consumer Price Index was briefly described below.

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

The CCPI for all items for the month of July 2019 was 130.0 and it records a decrease of 0.2 index points that is -0.18 percentage points compared to the month of June 2019 for which the index was 130.2. This represents a decrease of expenditure value by Rs.144.20 in the "Market Basket".

2.1.1 Contribution to M on M Changes:

Contributions to the change in CCPI from June 2019 to July 2019 were given in Table 2. Decrease in the index point by -0.18% was due to the expenditure value decreases of Food items by -0.22% and increases of Non Food items by 0.03% respectively.

2.1.2 Contribution of Food and Non Alcoholic Beverages items: -0.22%

As shown in Table 02, decreases in value change were reported for Vegetables (0.30%), Coconuts (0.11%), Rice (0.08%), Papaw (0.03%), Limes (0.01%) and Coconut Oil (0.01%).

While increases in value change were reported for Green Chilies (0.06%), Eggs (0.05%), Banana (0.05%), Potatoes (0.05%), Big Onions (0.05%), Sea Fish (0.03%), Red Onions (0.01%), Garlic (0.01%) and Chicken (0.01%).

2.1.3 Contribution of Non Food items: 0.03%

Among Non-Food groups, increases in value change were reported for 'Housing, Water, Electricity, Gas and Other fuels' (0.02%), 'Clothing and Footwear' (0.01%), 'Health' (0.01%) and 'Miscellaneous Goods and Services' (0.01%). While decreases in value change were reported for 'Transport (0.01%) and 'Alcoholic Beverages Tobacco and Narcotics' (0.01%).

However, an insignificant value change in expenditure value was reported for the group of 'Furnishing Household Equipment and Routine Household Maintenance' and all other groups remain unchanged during the month.

Table 2: Contribution to the change in CCPI from June 2019 to July 2019 (Base 2013=100)

		Value Change						
	Sub Group/Commodity	D. Cl.	% change					
		Rs.Cts.	Increase	Decrease	Net effect			
Food		-169.55	0.33	0.54	-0.22			
1	Rice	-61.57		0.08				
	Rice - (Kekulu - red)	-4.79		0.01				
	Rice - (Samba)	-53.64		0.07				
	Rice - (Nadu-White)	-4.30		0.01				
2	Chicken	5.67	0.01					
3	Sea Fish	23.39	0.03					
4	Eggs	35.53	0.05					
5	Coconut (Nuts)	-87.11		0.11				
6	Coconut oil	-4.08		0.01				
7	Banana	37.86	0.05					
8	Papaw	-24.93		0.03				
9	Vegetables	-237.82		0.30				
10	Potatoes	41.50	0.05					
11	Red onions	11.65	0.01					
12	Bombay onions	35.61	0.05					
13	Garlic	11.73	0.01					
14	Green chilies	44.32	0.06					
15	Limes	-10.53		0.01				
16	Others	9.23	0.01					
Non Foo	d							
	_	25.35	0.05	0.02	0.03			
17	Alcoholic beverages Tobacco and Narcotic	-6.84		0.01				
	Betel leaves	-6.88		0.01				
18	Clothing & Footwear	11.05	0.01					
19	Housing,Water,Electricity,Gas and Other Fuels	15.90	0.02					
	Maintenance/ Reconstruction	15.90	0.02					
20	Health	8.01	0.01					
	Payments to medical laboratories	8.01	0.01					
21		-7.71	0.07	0.01				
21	Transport Petrol	25.68	0.03	0.01				
		31.58	0.03					
	Transport fee for schooling/ preschooling		0.04	0.00				
	Airline fare Miscellaneous Goods and	-64.13		0.08				
22	Services	6.55	0.01					
23	Others	-1.60	0.00					
	All Items	-144.20	0.38	0.56	-0.18			

^{*}Percentages of items do not tally with overall percentage due to rounding off.

3. 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: 2013=100)

			All Item			Food			Non Food		
				Inflation %			Inflation %			Inflation %	
Year	Month	Index Number	% Change Month to Month	Y on Y	12 Months Moving Avg.	% Change Month to Month	Y on Y	12 Months Moving Avg.	% Change Month to Month	Y on Y	12 Months Moving Avg.
	July	125.8	0.3	5.4	5.6	0.9	5.6	7.8	0.1	5.3	4.7
2010	August	125.8	0.0	5.9	5.6	-0.8	7.5	7.8	0.3	5.1	4.6
2018	September	124.9	-0.7	4.3	5.4	-3.4	2.3	7.1	0.5	5.3	4.6
	October	124.6	-0.2	3.1	5.0	-0.2	-2.3	5.9	0.5	5.5	4.6
	November	126.2	1.3	3.3	4.6	3.0	-1.0	4.6	0.6	5.2	4.6
	December	126.3	0.1	2.8	4.3	0.8	-1.5	3.3	-0.3	4.7	4.6
	January	127.4	0.9	3.7	4.1	-2.5	-2.1	2.3	2.4	6.3	4.9
	February	126.8	-0.5	4.0	4.1	-2.1	-1.4	1.7	0.2	6.4	5.1
	March	126.6	-0.2	4.3	4.1	-1.6	-1.4	1.2	0.4	6.7	5.3
2019	April	127.0	0.3	4.5	4.1	0.1	-0.9	0.9	0.4	6.8	5.6
	May	129.0	1.6	5.0	4.2	4.4	0.8	0.7	0.5	6.8	5.8
	June	130.2	0.9	3.8	4.2	2.6	-1.0	0.3	0.3	6.0	5.9
	July	130.0	-0.2	3.3	4.0	-0.7	-2.6	-0.3	0.0	5.9	5.9

3.1 Year on Year (YoY) Inflation

The YoY inflation as measured by CCPI is 3.3% in July 2019 and inflation calculated for June 2019 was 3.8% (Table 3). YoY inflation of Food Group has decreased from -1.0% in June 2019 to -2.6% in July 2019 while that of Non-food Group has decreased from 6.0% in June 2019 to 5.9% in July 2019.

3.2 Contribution to Y on Y inflation:

For the month of July 2019, on year to year basis, contribution to inflation by food commodities was -0.79%.

The contribution of Non Food items was 4.13%. This was mainly due to increases in value change in groups of 'Housing, Water, Electricity, Gas and Other Fuels' (1.07%), 'Education' (1.0%), 'Health' (0.77%), 'Transport' (0.48%), 'Restaurants & Hotels' (0.25%), 'Alcoholic Beverages Tobacco and Narcotics' (0.23%), 'Clothing and Footwear' (0.20%), 'Miscellaneous Goods and Services' (0.17%), 'Furnishing Household Equipment's & Routine Household Maintenance' (0.16%) and 'Recreation and Culture' (0.04%) and decrease in value change was reported for the group 'Communication' (0.25%).

3.3 Moving Average Inflation

The moving average inflation rate for the month of July 2019 was 4.0%. The corresponding rate for the month of June 2019 was 4.2%.

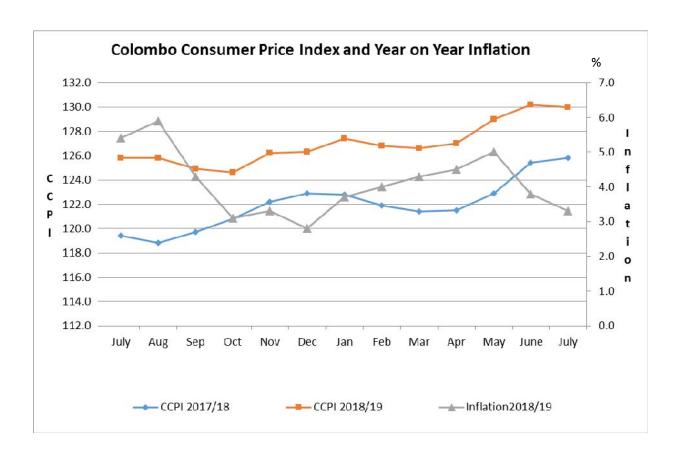


Table 4: Monthly average open market retail prices of selected items of Colombo Consumer Price Index (July, 2019 & June, July 2018)

Item	Unit	Re	etail Prices (Rs.	Retail Price Changes (%)		
		2018 July	2019 June	2019 July	July 19/ July18	July19 / June 19
1. Rice– Kekulu – Red	Kg	81.35	79.13	78.40	-3.63	-0.92
2. Rice– Kekulu – White	Kg	81.29	85.93	86.04	5.84	0.12
3. Rice –Nadu - White	Kg	85.40	90.95	89.85	5.21	-1.21
4. Rice –Nadu - Red	Kg	96.01	90.42	91.11	-5.10	0.76
5. Rice– Samba	Kg	108.20	101.76	97.41	-9.98	-4.28
6. Cowpea	Kg	279.82	288.32	289.47	3.45	0.40
7.Green Grams	Kg	244.07	278.25	280.35	14.86	0.75
8. Coconut	Each	71.41	50.25	46.88	-34.35	-6.72
9. Coconut Oil	750ml	285.99	258.21	254.82	-10.90	-1.31
10.Chicken	Kg	505.83	507.98	510.62	0.95	0.52
11. Eggs	Each	17.74	16.45	19.20	8.22	16.76
12. Red Onion	Kg	179.68	206.37	225.78	25.66	9.41
13. Big Onion	Kg	111.72	107.51	121.05	8.36	12.60
14. Potatoes	Kg	147.21	162.50	179.54	21.97	10.49
15. Garlic	Kg	263.13	335.94	386.06	46.72	14.92
16. Dried Chilies	Kg	304.47	337.73	355.36	16.71	5.22
17. Green Chilies	Kg	667.97	458.92	625.37	-6.38	36.27
18. Sugar	Kg	105.17	106.03	106.19	0.97	0.15
19. Pepper	Kg	1530.21	1498.58	1435.05	-6.22	-4.24
Vegetables-						
20. Ash Plantain	Kg	152.90	149.44	148.70	-2.75	-0.49
21. Carrot	Kg	299.88	232.34	193.94	-35.33	-16.53
22. Snake Gourd	Kg	201.91	196.39	165.63	-17.97	-15.66
23. Tomatoes	Kg	267.94	150.42	118.65	-55.72	-21.13
24. Capsicum	Kg	478.38	302.70	293.53	-38.64	-3.03
25. Beetroot	Kg	253.89	194.58	153.22	-39.65	-21.26
26. Beans	Kg	353.06	318.08	228.22	-35.36	-28.25
Fruits						
27. Banana	Kg	136.28	142.27	152.28	11.44	7.03
28. Papaw	Kg	93.78	133.41	121.63	29.70	-8.83
29. Mangoes	Each	58.09	74.25	77.36	33.17	4.19
Fresh Fish –						
30. Seer	Kg	1731.40	1798.68	1846.44	6.64	2.66
31.Talapath	Kg	1160.56	1190.60	1204.59	3.79	1.18
32.Paraw	Kg	1164.68	1131.81	1088.76	-6.52	-3.80
Dried Fish -						
33.Katta	Kg	1309.45	1465.16	1474.61	12.61	0.65
34. Sprats	Kg	737.25	762.75	748.39	1.51	-1.88
Fuel -						
35. Kerosene Oil	Lt	70.00	70.00	70.00	0.00	0.00
36 .Petrol (CPC & IOC)	Lt	140.14	139.82	141.61	1.05	1.28
37. Diesel (CPC & IOC)	Lt	112.54	104.00	104.00	-7.59	0.00
38. Gas- Avg.	12.5kg	1567.57	1733.00	1733.00	10.55	0.00
Litro	12.5kg	1567.57	1733.00	1733.00	10.55	0.00
Laughs	12.5kg	1567.57	1733.00	1733.00	10.55	0.00

Director General Department of Census and Statistics