



## NEWS RELEASE

### HOUSEHOLD INCOME AND EXPENDITURE SURVEY- 2016

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The Department of Census and Statistics (DCS) has been conducting the Household Income and Expenditure Survey (HIES), once in every three years to prepare the information on household income/expenditure, income disparities and poverty etc., and the current survey conducted in 2016 is the 9<sup>th</sup> in this series. In selecting the appropriate sample for this survey, in compliance with the technically acceptable methods and procedures of sample selection, a sample of 25,000 households were selected covering the entire country for the survey. Data collection taken place from January 2016 to December 2016.

#### Household Income

The mean monthly income of a household in Sri Lanka for the year 2016 is computed as Rs. 62,237 and this showed an increase of 35.7% from 2012/13 in nominal terms. In real terms however, the mean monthly household income has increased only by 15.8% when adjusted against the inflationary effect, on the basis of National Consumer Price Index. Sector wise, the estimated mean household incomes for Urban, Rural and Estate sectors have been estimated as Rs.88, 692, Rs.58, 137 and Rs.34, 804 respectively.

#### Household Income Disparities

In considering the income disparities of the different strata's of income, the estimated mean monthly household income of a households among the poorest 20% (1<sup>st</sup> and 2<sup>nd</sup> decile), the poorest 40% (1<sup>st</sup> to 4<sup>th</sup> decile) and among the middle income 60% (3<sup>rd</sup> to 8<sup>th</sup> decile) is reported as Rs.14, 843, Rs.22, 423 and Rs.46, 097 respectively, while the household income among the richest 20% (9<sup>th</sup> and 10<sup>th</sup> decile) is reported as Rs.158, 072.

The estimated household per capita income for 2016 in Sri Lanka has been recorded as Rs.16, 377 per month while the estimated income receiver's income per month has been Rs.33, 894 giving a median income receiver's income per month as Rs.23, 260. The estimated average number of income receivers per household was 1.8 in 2016. The national value of Gini coefficient for household income was 0.45 in 2016 while it had been 0.48 in 2012/13.

## **Household Expenditure**

Household expenditure was collected separately on food and non-food items. The average monthly household expenditure in Sri Lanka during 2016 has been Rs.54, 999 of which Rs.19, 114 (34.8%) has been spent on food consumption while Rs.35, 885 (65.2%) has been spent that was reported for on non-food products and services.

The average household expenditure of 2016 has recorded an increase of 33% as against the household expenditure of 2012/13 (Rs.41, 444/). Similarly, the monthly household food and non-food expenditures have increased by 22% (Rs.15,651 in 2012/13 to Rs.19,114 in 2016) and 39% (Rs.25,793 in 2012/13 to Rs.35,885 in 2016) respectively, for the same period.

The median household expenditure per month in Sri Lanka in 2016 was reported as Rs. 40,186 at national level while the monthly real household expenditure amounted to Rs.38, 282. This is an increase of 13.3 % as against 2012/13. The Gini co-efficient on mean household expenditure for the year 2016 has been recorded as 0.41 while it was reported as 0.40 for the 2012/13.

## **Poverty level**

Official poverty line (OPL) could be considered as the most meaningful criteria in identifying changes of economic well-being of the people in Sri Lanka over different periods of time. The Department of Census and Statistics (DCS) introduced the official Poverty Line for the first time in 2004 using the result of the Household Income and Expenditure Survey (HIES) conducted in 2002, which reflect the living patterns of people in 2002. Thereafter, the DCS updated the poverty line in keeping with the CCPI for inflation.

According to the results of these surveys, there has been a significant reduction in poverty during the last 14 years. The headcount poverty rate, which was reported as 22.7 % of the population in 2002, has now declined to 4.1% of the population in 2016. However, though poverty has progressively declined at the national level in the last few decades, disparities in the level of poverty still exists across the provinces, districts and sectors.

The Department of Census and Statistics further states that the statistical bulletin, giving details of the findings of this survey with a comprehensive insight in to the level of poverty, has been published in the DCS website : [www.statistics.gov.lk](http://www.statistics.gov.lk) .



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