

NATIONAL CONSUMER PRICE INDEX (NCPI)

AUGUST, 2022

21, September 2022

Department of Census and Statistics
Ministry of Finance, Economic Stabilization and National Policies

The Department of Census and Statistics (DCS) has released the National Consumer Price Index (NCPI) and Inflation rate for the month of August 2022.

The NCPI has been released monthly from October 2015 with a time lag of 21 days. The NCPI has weights based on consumer spending in 2012/13 Household Income and Expenditure Survey (HIES), and reflects new methods consistent with international best practices. Also, the DCS has rebased the Colombo Consumer Price Index (CCPI) with the base period of 2013 from January 2017, covering the urban areas of Colombo district.

To reflect international recommendations and best practices, the index weights refer to each item's share in the total consumption expenditures of all Sri Lankan households. The provincial weights refer to the consumption expenditures within the province in proportion to the expenditures in the whole country. The index weights are based on expenditure data derived from the Household Income and Expenditure Survey (HIES) conducted in 2012/13. The 2012/13 HIES included all types of consumption expenditures by households, and was broadly representative of all households in the country. The year 2013 is considered as the base year for NCPI.

The national consumer basket includes 407 items which represent the consumption expenditure of all households in Sri Lanka. For the compilation of NCPI, three price quotations are collected for each of the items in every district town. Prices for some items are collected weekly (e.g. fresh fish, rice, vegetables, fruits, coconut etc.), while prices for other items are collected once every two weeks (e.g. leafy vegetables, dried fish, spices, etc.), monthly (e.g. Textile, Footwear, Non-durable household goods etc.) or quarterly (e.g. Consumer durables (furniture), Building materials, Pharmaceutical items etc.). The frequency of price collection is determined by on an average how frequently price changes take place.

- 1 The NCPI for all items for the month of August 2022 is 250.4 and it records an increase of 6.0 in index points compared to the July 2022.
- 1 The overall rate of inflation as measured by NCPI on Year-on-Year basis is 70.2% in August 2022.
- 1 The moving average inflation for the month of August 2022 is 31.3%.

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Source Publication

<http://www.statistics.gov.lk/InflationAndPrices/StaticInformation/MonthlyNCPI>

01.Month on Month (M on M) change of NCPI:

The NCPI for all items for the month of August 2022 is 250.4. An increase of 6.0 index points or 2.5 percentage compared to July 2022 for which the index was 244.4. This increase represents increase in expenditure value of Rs.1922.68 in the “Market Basket”. Monthly changes of index numbers, expenditure values and percentage change of index numbers are given in the following table (Table 01).

Table 01: Monthly Changes by Main Groups of Market Basket

Main Group	Index Number			Monthly Changes of the Expenditure Value (Rs.)			Monthly changes of the index (%)		
	Aug 2021	July 2022	Aug 2022	Aug 2021	July 2022	Aug 2022	Aug 2021	July 2022	Aug 2022
All Items	147.1	244.4	250.4	168.11	4145.13	1922.68	0.36	5.57	2.45
Food and Non Alcoholic Beverages	159.4	289.3	294.3	118.58	1800.10	717.54	0.25	2.42	0.91
Non Food	137.4	209.1	215.8	49.53	2345.03	1205.13	0.11	3.15	1.53
Alcoholic Beverages, Tobacco and Narcotics	220.3	316.8	323.7	20.59	59.30	50.70	0.04	0.08	0.06
Clothing and Footwear	137.7	194.2	203.8	5.02	106.35	105.56	0.01	0.14	0.13
Housing, Water, Electricity, Gas and Other Fuels	128.2	157.7	169.3	-5.92	220.77	671.07	-0.01	0.30	0.85
Furnishing ,Household Equipment and Routine Household Maintenance	137.7	242.4	257.5	6.89	255.88	160.45	0.01	0.34	0.20
Health	170.1	232.0	233.3	11.83	183.52	16.94	0.03	0.25	0.02
Transport	129.6	281.3	276.5	0.00	929.78	-152.17	0.00	1.25	-0.19
Communication	98.9	106.3	107.0	0.00	4.33	4.82	0.00	0.01	0.01
Restaurants and Hotels	128.7	242.1	248.9	9.77	173.47	86.07	0.02	0.23	0.11
Miscellaneous Goods and Services	147.3	218.1	235.9	0.94	205.41	259.37	0.00	0.28	0.33
Other Group	137.7	184.4	184.5	0.40	206.22	2.33	0.00	0.28	0.00

Source: Department of Census and Statistics

Note 1: There are 12 main groups of the market basket. Monthly significant changes were noted in ten main groups in August 2022, details on which are given in Table 02.

Note 2: For the August 2022, insignificant group: ‘Recreation and Culture’ and unchanged group: ‘Education’ are considered as the ‘Other Groups’.

Note 3: Percentage of items does not tally with overall percentage due to rounding off.

Contribution to Month-on-Month Changes:

Contributions to the NCPI on Month-on-Month basis (August 2022 as compared to July 2022) are given in Table 02. The month-on-month change was contributed by increases of index value of food items by 0.91% and non-food items by 1.53% respectively.

1.1.1. Contribution of Food items: 0.91%

As shown in Table 02, the increases in index values were reported for Fresh fish (0.28%), Biscuits (0.18%), Eggs (0.16%), Fresh fruits (0.13%), Chicken (0.10%), Infant milk powder (0.10%), Dried fish (0.08%), Vegetables (0.07%), Canned fish (0.05%), Milk powder (0.05%), Coconut oil (0.05%), Bread (0.04%), Noodles (0.04%), Wheat flour (0.04%), Rice flour (0.03%), Chili powder (0.03%) and Salt (0.03%) . However, decreases in index values were reported for Mysore dhal (0.28%), Rice (0.15%), Sugar (0.10%), Big onions (0.07%), Potatoes (0.03%), Limes (0.03%), Dried chilies (0.03%), Green chilies (0.02%) and Red onions (0.02%).

1.1.2. Contribution of Non-food items: 1.53%

The increases in index values of non-food groups in August 2022 compared to the previous month was mainly due to the price increases in groups of items 'Alcoholic Beverages, Tobacco and Narcotics' (*Betel leaves*)(0.06%), 'Clothing and Footwear'(0.13%), 'Housing, Water, Electricity, Gas and Other fuels' (*Electricity, Materials for the Maintenance and Kerosene oil*) (0.85%), 'Furnishing, Household equipment and Routine household maintenance'(*Washing soap*) (0.20%), 'Health'(*Purchase of medical/pharmacy products*) (0.02%), 'Communication' (*Postal and Telegraph charges*)(0.01%), 'Restaurants and Hotels' (0.11%) and 'Miscellaneous Goods and Services'(*Toilet soap*) (0.33%). Further, very slight price increase was reported in group of 'Recreation and Culture'. However, price decrease in group of items was reported in Transport' (*Petrol, Diesel and Bus fare*) (0.19%). Meanwhile, the price index of 'Education' group remained unchanged during the month.

Table 02: Contribution to the increase in NCPI from July 2022 to August 2022 (Base 2013=100)

Sub Group/Commodity	Rs. cts	Value change		
		% Change		
		Increase	Decrease	Net effect
Food	717.54	1.64	0.73	0.91
Fresh fish	217.41	0.28		
Biscuits	137.78	0.18		
Eggs	122.51	0.16		
Fresh fruits	105.75	0.13		
<i>banana</i>	43.04	0.05		
<i>Apple</i>	17.09	0.02		
<i>Papaw</i>	14.13	0.02		
Chicken	81.88	0.10		
Infant milk powder	78.90	0.10		
Dried fish	66.55	0.08		
<i>Sprats</i>	33.22	0.04		
<i>Balaya</i>	13.15	0.02		
Vegetables	57.15	0.07		
Canned fish	41.28	0.05		
Milk powder	40.01	0.05		
Coconut oil	38.11	0.05		
Bread	30.91	0.04		
Noodles	29.96	0.04		
Wheat flour	29.85	0.04		
Rice flour	26.16	0.03		
Chili powder	24.97	0.03		
Salt	20.52	0.03		
Mysore dhal	-217.07		0.28	
Rice	-118.92		0.15	
Sugar	-75.03		0.10	
Big onions	-54.99		0.07	
Potatoes	-26.36		0.03	
Limes	-22.47		0.03	
Dried chilies	-21.35		0.03	
Green chilies	-17.85		0.02	
Red onions	-16.19		0.02	
Other food items	138.10	0.18		

Non Food	1205.13	1.73	0.19	1.53
Alcoholic Beverages, Tobacco and Narcotics	50.70	0.06		
<i>Betel leaves</i>	27.32	0.03		
<i>Arecanuts</i>	11.45	0.01		
<i>Bulathwita</i>	9.46	0.01		
Clothing & Footwear	105.56	0.13		
<i>Clothing</i>	59.30	0.08		
<i>Footwear</i>	46.26	0.06		
Housing, Water, Electricity, Gas and Other fuels	671.07	0.85		
<i>Materials for the Maintenance</i>	119.92	0.15		
<i>Electricity</i>	503.62	0.64		
<i>LP gas</i>	-19.93		0.03	
<i>Kerosene oil</i>	81.77	0.10		
<i>Firewood purchasing</i>	-14.30		0.02	
Furnishing, household equipment and routine household maintenance	160.45	0.20		
<i>Washing soap</i>	72.76	0.09		
<i>Washing powder</i>	29.96	0.04		
Health	16.94	0.02		
<i>Purchase of medical/ pharmacy products</i>	16.94	0.02		
Transport	-152.17		0.19	
<i>Tyres, tubes and spare parts</i>	20.95	0.03		
<i>Petrol</i>	-56.63		0.07	
<i>Diesel</i>	-40.06		0.05	
<i>Train fare</i>	44.84	0.06		
<i>Bus fare</i>	-192.80		0.25	
<i>Taxi/three wheelers fare</i>	25.05	0.03		
<i>Transport for schooling/ preschooling</i>	30.31	0.04		
Communication	4.82	0.01		
<i>Postal and Telegraph charges</i>	4.82	0.01		
Restaurants and hotels	86.07	0.11		
Miscellaneous Goods & Services	259.37	0.33		
<i>Toilet soap</i>	203.01	0.26		
Other groups	2.33	0.00		
All Items	1922.68			2.45

Note 4: Percentage of items does not tally with overall percentage due to rounding off

Source: Department of Census and Statistics

2. Inflation

The NCPI is a macroeconomic indicator compiled to measure inflation which is defined as a sustained increase in the general level of prices for goods and services and it is measured as an annual percentage increase by NCPI. Inflation can be measured in two ways. One measure is the Year-on-Year base or Point- to-Point inflation (The percentage change in the current month CPI over same month CPI of last year). The other measure is Moving Average Inflation (The percentage difference between the average Price Indices of last 12 months & the average Price Indices of previous 12 months).

Table 03: Movements of the NCPI (Base: 2013=100)

		All Item				Food				Non Food			
Year	Month	Index Number	% Change Month on Month	Inflation %		Index Number	% Change Month on Month	Inflation %		Index Number	% Change Month on Month	Inflation %	
				Y on Y	12 Month Moving Avg.			Y on Y	12 Month Moving Avg.			Y on Y	12 Month Moving Avg.
2021	August	147.1	0.3	6.7	5.5	159.4	0.6	11.1	9.4	137.4	0.1	3.0	2.2
	September	147.5	0.3	6.2	5.5	159.6	0.1	10.0	9.2	137.9	0.4	3.0	2.3
	October	150.6	2.1	8.3	5.7	162.6	1.9	11.7	9.3	141.2	2.4	5.4	2.7
	November	155.3	3.1	11.1	6.2	171.5	5.5	16.9	10.0	142.6	1.0	6.2	3.0
	December	161.0	3.7	14.0	7.0	182.1	6.2	21.5	11.2	144.5	1.3	7.6	3.5
2022	January	166.0	3.1	16.8	8.1	188.3	3.4	24.4	12.8	148.4	2.7	10.2	4.2
	February	167.8	1.1	17.5	9.3	190.6	1.2	24.7	14.3	149.8	0.9	11.0	4.9
	March	172.7	2.9	21.5	10.6	195.2	2.4	29.5	16.1	154.9	3.4	14.5	6.0
	April	190.3	10.2	33.8	13.0	218.8	12.1	45.1	19.1	167.9	8.4	23.9	7.8
	May	208.7	9.7	45.3	16.3	242.2	10.7	58.0	23.1	182.4	8.6	34.2	10.5
	June	231.5	10.9	58.9	20.8	276.6	14.2	75.8	28.8	196.0	7.5	43.6	13.9
	July	244.4	5.6	66.7	25.9	289.3	4.6	82.5	34.9	209.1	6.7	52.4	18.0
	August	250.4	2.5	70.2	31.3	294.3	1.7	84.6	41.2	215.8	3.2	57.1	22.6

Source: Department of Census and Statistics

Note 5 Month on Month percentage change, Year on Year inflation percentage and 12 Month Moving Average inflation percentages were calculated using rounding off index numbers.

2.1. Year-on-Year Inflation

The overall rate of inflation as measured by NCPI on Year-on-Year basis is 70.2% in August 2022 and inflation calculated for the July 2022 was 66.7%. (Table 03). With respect to August 2021, the reported inflation for the month of August 2022 was mainly due to the higher price levels prevailed in both food and non-food groups. Accordingly, the Year-on-Year inflation of the food group increased to 84.6% in August 2022 from 82.5% in July 2022 and the Year-on-Year inflation of the non-food group increased to 57.1% in August 2022 from 52.4% in July 2022.

Contribution to Year-on-Year inflation:

On Year-on-Year basis, contribution of food commodities to inflation was 40.41 percent in August 2022 compared to the month of August 2021 (Table 04).

Contribution of non-food items was 29.79 percent. This was mainly due to price increases in groups of items 'Transport' (9.74%), 'Housing, Water, Electricity, Gas and Other fuels' (5.03%), 'Restaurant and Hotels' (3.19%), 'Furnishing, Household equipment and Routine household maintenance' (2.69%), 'Miscellaneous goods and services' (2.73%), 'Health' (1.74%), 'Alcoholic beverages, Tobacco and Narcotics' (1.59%), 'Clothing and Footwear' (1.54%), 'Education' (0.81%), 'Recreation and Culture' (0.59%) and 'Communication' (0.13%) during the period.

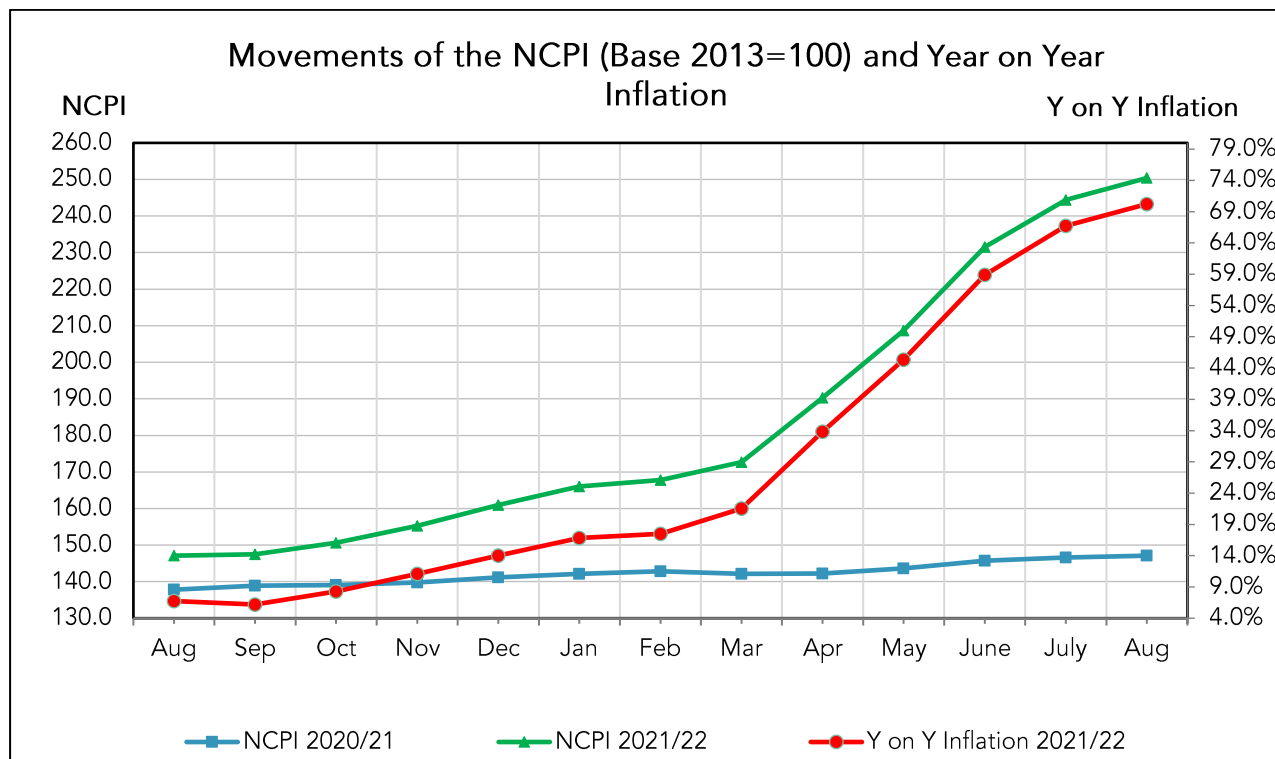
Table 04: Contribution to the increase in NCPI (Base 2013=100) on year on year basis August 2022 as compared to August 2021)

Sub Group/Commodity	Rs. cts	Value change		
		% Change		Net effect %
		Increase %	Decrease %	
Food	19105.81	40.41		40.41
Rice	3609.13	7.63		
Milk powder	2000.63	4.23		
Vegetables	1591.06	3.36		
Fresh fish	1556.47	3.29		
Bread	874.82	1.85		
Dried fish	779.80	1.65		
Chicken	777.83	1.65		
Non Food	14085.93	29.79		29.79
Alcoholic beverages, Tobacco and Narcotics	753.77	1.59		
Arrack	318.35	0.67		
Cigarettes	48.19	0.10		
Beedi	70.26	0.15		
Betel leaves	149.08	0.32		
Bulathwita	86.32	0.18		
Clothing and Footwear	730.21	1.54		
Clothing	556.28	1.18		
Footwear	173.93	0.37		
Housing, Water, Electricity, Gas and Other fuels	2379.88	5.03		
Material for the maintenance	1026.64	2.17		
Electricity	503.62	1.07		
LP gas	412.40	0.87		
Kerosene oil	91.79	0.19		
Firewood purchasing	178.40	0.38		
Furnishings, Household equipment and Routing household maintenance	1269.74	2.69		
Washing soap	495.40	1.05		
Washing powder	142.32	0.30		
Health	823.42	1.74		
Purchase of medical/pharmacy products	249.70	0.53		
Fees to private medical practices	361.45	0.76		
Consultation fees to specialists	41.59	0.09		
Payments to private hospitals/ nursing homes room charges	92.29	0.20		
Transport	4605.82	9.74		
Tyres, tubes and spare parts	212.03	0.45		
Petrol	1512.85	3.20		
Diesel	619.56	1.31		
Lubricating oil	62.95	0.13		
Cost of servicing of vehicles	236.74	0.50		
Train fare	63.18	0.13		
Bus fare	1181.85	2.50		
Taxi/three wheelers fare	210.16	0.44		
Transport for schooling/ preschooling	293.21	0.62		
Airline fare	165.03	0.35		
Communication	60.30	0.13		
Postal and Telegraph charges	6.78	0.01		
Telephone charges - Home fixed phone	18.40	0.04		
Telephone charges - mobile	34.29	0.07		
Recreation and Culture	280.60	0.59		
Exercise books and stationeries	133.28	0.28		
Education	381.97	0.81		
Tuition fees	352.78	0.75		
Restaurant and Hotels	1508.81	3.19		
Miscellaneous Goods and Services	1291.40	2.73		
Toilet soap	682.89	1.44		
All Items	33191.74			70.20

Source: Department of Census and Statistics

2.2 Moving Average Inflation

The moving average inflation for the month of August 2022 is 31.3%. The corresponding rate for the month of July 2022 was 25.9%.



Source: Department of Census and Statistics

The Vision of DCS

“To be the leader in the region in producing timely statistical information to achieve the country’s development goals.”

The Mission of DCS

“Making contribution in the socioeconomic development of the country by providing accurate timely statistics, more Effectively by means of new technology, and utilising the services of dedicated staff under a strategic leadership to become a prosperous nation in the globalised environment.”

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