



NATIONAL CONSUMER PRICE INDEX (NCPI) – (Base 2021=100) AUGUST, 2023

21 September 2023

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) with a new index reference period and Inflation rate for the month of August 2023.

The NCPI with an index reference period 2013=100 was updated to a new index reference period of 2021= 100. The updated NCPI will be released monthly commencing from January 2023 with a time lag of 21 days covering the entire country.

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 HIES conducted in year 2019. The HIES 2019 included all types of consumption expenditures by households, and was broadly representative of all households in the country.

The national consumer basket for the updated NCPI includes 485 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, while prices for other items are collected once every two weeks, monthly or quarterly. The frequency of price collection is determined by on an average how frequently price changes take place.

- ❖ The NCPI (Base 2021 = 100) for all items for the month of August 2023 is 201.9, unchanged compared to July 2023.
- ❖ The overall rate of inflation as measured by NCPI (Base 2021=100) on Year-on-Year basis is 2.1% in August 2023.

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Source Publication

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

statistics.gov.lk

01. Month on Month (M on M) change of NCPI (Base 2021=100):

The NCPI for all items for the month of August 2023 is 201.9. It records no change in index point compared to July 2023, for which the index was 201.9. Anyway, the increase in expenditure value of Rs. 35.60 represents the "market basket" compared to July 2023.

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 change of the index (%) ¹		
	Aug. 2022	July 2023	Aug. 2023	Aug. 2022	July 2023	Aug. 2023	Aug. 2022	July 2023	Aug. 2023
All Items	197.7	201.9	201.9	2327.0	-724.47	35.60	2.38	-0.70	0.03
Food and Non Alcoholic Beverages	237.5	227.5	224.6	822.7	-176.17	-576.12	0.84	-0.17	-0.56
Non Food	171.9	185.3	187.3	1504.3	-548.30	611.71	1.54	-0.53	0.60
Alcoholic Beverages, Tobacco and Narcotics	168.3	214.1	216.2	24.4	239.20	20.44	0.02	0.23	0.02
Clothing and Footwear	167.7	216.0	212.2	125.7	-6.57	-57.97	0.13	-0.01	-0.06
Housing, Water, Electricity, Gas and Other Fuels	141.4	154.7	158.4	908.8	-1114.29	430.41	0.93	-1.08	0.42
Furnishing, Household Equipment and Routine Household Maintenance	196.2	220.0	220.6	189.8	24.85	10.05	0.19	0.02	0.01
Transport	246.3	218.7	222.7	-118.3	86.53	223.21	-0.12	0.08	0.22
Recreation and Culture	151.4	217.5	215.4	3.8	99.83	-17.40	0.00	0.10	-0.02
Restaurants and Hotels	217.2	227.0	225.9	148.6	24.58	-24.44	0.15	0.02	-0.02
Miscellaneous Goods and Services	171.4	197.5	199.1	190.4	9.81	26.99	0.19	0.01	0.03
Other Groups	136.9	165.0	165.0	31.0	87.77	0.41	0.03	0.09	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 nine main groups in August 2023, details on which are given in Table 02.

Note 2: For the August 2023, insignificant group: 'Health' and unchanged groups: 'Education' and 'Communication' are considered as the 'Other Groups'.

Note 3: 'Monthly change of the index (%) is calculated using expenditure values.

Note 4: 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 2023 as compared to July 2023) are given in Table 02. The month-on-month change was contributed by decreases in food items of 0.56% and increases in non-food items of 0.60% respectively.

1.1.1. Contribution of Food items: -0.56%

As shown in Table 02, the decreases in index values were reported for Vegetables (0.30%), Fresh fish (0.15%), Eggs (0.11%), Green chilies (0.06%), Coconuts (0.05%), Chicken (0.04%), Coconut oil (0.04%), Red onions (0.03%), Bread (normal) (0.02%), Biscuits (0.02%), Chili powder (0.02%), Buns (0.01%), Noodles (0.01%), Green gram (0.01%), Rice flour (0.01%), Dried fish (0.01%) and Wheat flour (0.01%). However, increases in index values were reported for Fresh fruits (0.11%), Limes (0.06%), Sugar (0.04%), Big onions (0.04%), Rice (0.03%), Mysore dhal (0.01%), Cowpea (0.01%), Ginger (0.01%) and Papadam (0.01%).

1.1.2. Contribution of Non-food items: 0.60%

The increases in index values of non-food groups in August 2023 compared to the previous month was mainly due to the price increases in groups of items 'Housing, Water, Electricity, Gas and Other fuels' (*Water bill*) (0.42%), 'Transport' (*Petrol*) (0.22%), 'Miscellaneous Goods and Services' (*Car Insurance*) (0.03%), 'Alcoholic Beverages, Tobacco and Narcotics' (*Arecanuts*) (0.02%) and 'Furnishing, Household equipment and Routine household maintenance' (0.01%). However, price decreases in groups of items were reported for 'Clothing and Footwear' (0.06%), 'Recreation and Culture' (*Books*) (0.02%) and 'Restaurants and Hotels' (0.02%). Further, very slight price increase was reported in group of 'Health'. Meanwhile, the price indices of 'Education' and 'Communication' groups remained unchanged during the month.

Table 02: Contribution to the increase in NCPI from July 2023 to August 2023 (Base 2021=100)

Sub Group/Commodity	Value change			
	Rs. cts	% Change		
		Increase	Decrease	Net effect
Food	-576.12	0.33	0.89	-0.56
Vegetables	-312.28		0.30	
Fresh fish	-154.12		0.15	
Eggs	-108.34		0.11	
Green chilies	-57.70		0.06	
Coconuts	-49.99		0.05	
Chicken	-40.86		0.04	
Coconut oil	-40.24		0.04	
Red onions	-27.26		0.03	
Bread (normal)	-23.48		0.02	
Biscuits	-19.18		0.02	
Chili powder	-16.47		0.02	
Buns	-15.03		0.01	
Noodles	-11.44		0.01	
Green gram	-10.17		0.01	
Rice flour	-9.99		0.01	
Dried fish	-9.46		0.01	
Keerameen	-5.96		0.01	
Sprats	-5.45		0.01	
Wheat flour	-5.55		0.01	
Fresh fruits	113.87	0.11		
Banana	49.12	0.05		
Mangoes	23.93	0.02		

<i>Papaw</i>	19.57	0.02		
Limes	65.49	0.06		
Sugar	41.72	0.04		
Big onions	37.31	0.04		
Rice	31.42	0.03		
Mysore dhal	13.86	0.01		
Cowpea	9.60	0.01		
Ginger	8.71	0.01		
Papadam	6.95	0.01		
Other food items	6.51	0.01		
Non Food	611.71	0.69	0.10	0.60
Alcoholic Beverages, Tobacco and Narcotics	20.44	0.02		
<i>Arecanuts</i>	13.38	0.01		
Clothing & Footwear	-57.97		0.06	
<i>Clothing</i>	-23.96		0.02	
<i>Footwear</i>	-34.01		0.03	
Housing, Water, Electricity, Gas and Other fuels	430.41	0.42		
<i>Materials for the Maintenance</i>	-30.56		0.03	
<i>Water bill</i>	478.27	0.47		
<i>LP Gas</i>	-11.48		0.01	
Furnishing, household equipment and routine household maintenance	10.05	0.01		
Transport	223.21	0.22		
<i>Petrol</i>	221.76	0.22		
Recreation and Culture	-17.40		0.02	
<i>Lotteries</i>	11.38	0.01		
<i>Books</i>	-29.82		0.03	
Restaurants and hotels	-24.44		0.02	
Miscellaneous Goods & Services	26.99	0.03		
<i>Car Insurance</i>	29.69	0.03		
Other Items	0.41	0.00		
All Items	35.60			0.03

Source: Department of Census and Statistics

Note 5: Percentage of items does not tally with overall percentage due to rounding off

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: 2021=100)

Year	Month	All Item			Food			Non Food		
		Index Number	Inflation %		Index Number	Inflation %		Index Number	Inflation %	
			% Change Month on Month	Y on Y		% Change Month on Month	Y on Y		% Change Month on Month	Y on Y
2022	August	197.7	2.4		237.5	1.8		171.9	2.9	
	September	201.9	2.1		239.1	1.7		178.0	3.5	
	October	201.6	-0.1		236.5	-1.1		179.1	0.6	
	November	200.3	-0.6		233.2	-1.4		179.1	0.0	
	December	200.4	0.0		232.4	-0.3		179.8	0.4	
2023	January	201.8	0.7	53.2	232.8	0.2	53.6	181.8	1.1	52.9
	February	204.1	1.1	53.6	228.1	-2.0	49.0	188.6	3.7	57.4
	March	204.8	0.3	49.2	223.2	-2.1	42.3	193.0	2.3	54.9
	April	202.7	-1.0	33.6	223.8	0.3	27.1	189.1	-2.0	39.0
	May	203.1	0.2	22.1	226.1	1.0	15.8	188.3	-0.4	27.6
	June	203.3	0.1	10.8	228.4	1.0	2.5	187.1	-0.6	18.3
	July	201.9	-0.7	4.6	227.5	-0.4	-2.5	185.3	-1.0	10.9
	August	201.9	0.0	2.1	224.6	-1.3	-5.4	187.3	1.1	9.0

Source: Department of Census and Statistics

Note 6: Month on Month percentage change and Year on Year inflation percentage were calculated using rounding off index numbers.

2.1. Year -on-Year Inflation

The overall rate of inflation as measured by the NCPI on a Year-over-Year basis was 2.1% in August 2023 and inflation calculated for the July 2023 was 4.6%. (Table 03). On a monthly basis, the Year-on-Year inflation of the food group decreased to - 5.4% in August 2023 from -2.5% in July 2023 and the Year-on-Year inflation of the non-food group decreased to 9.0% in August 2023 from 10.9% in July 2023.

Contribution to Year-on-Year inflation:

On a Year-on-Year basis, contribution of food commodities to inflation was -2.56 percent in August 2023 compared to the month of August 2022 (Table 04).

Contribution of non-food items was 4.73 percent. This was mainly due to price increases in groups of items ‘Alcoholic beverages, Tobacco and Narcotics’ (0.46%), ‘Clothing and Footwear’ (0.68%), ‘Housing, Water, Electricity, Gas and Other fuels’ (1.98%), ‘Furnishing, Household equipment and Routine household maintenance’ (0.37%), ‘Health’ (0.52%), ‘Communication’ (0.29%), ‘Recreation and Culture’ (0.54%), ‘Education’ (0.55%), ‘Restaurant and Hotels’ (0.19%) and ‘Miscellaneous goods and services’ (0.46%) during the period. However, a price decrease in the group of items was reported for the group Transport’ (1.32%).

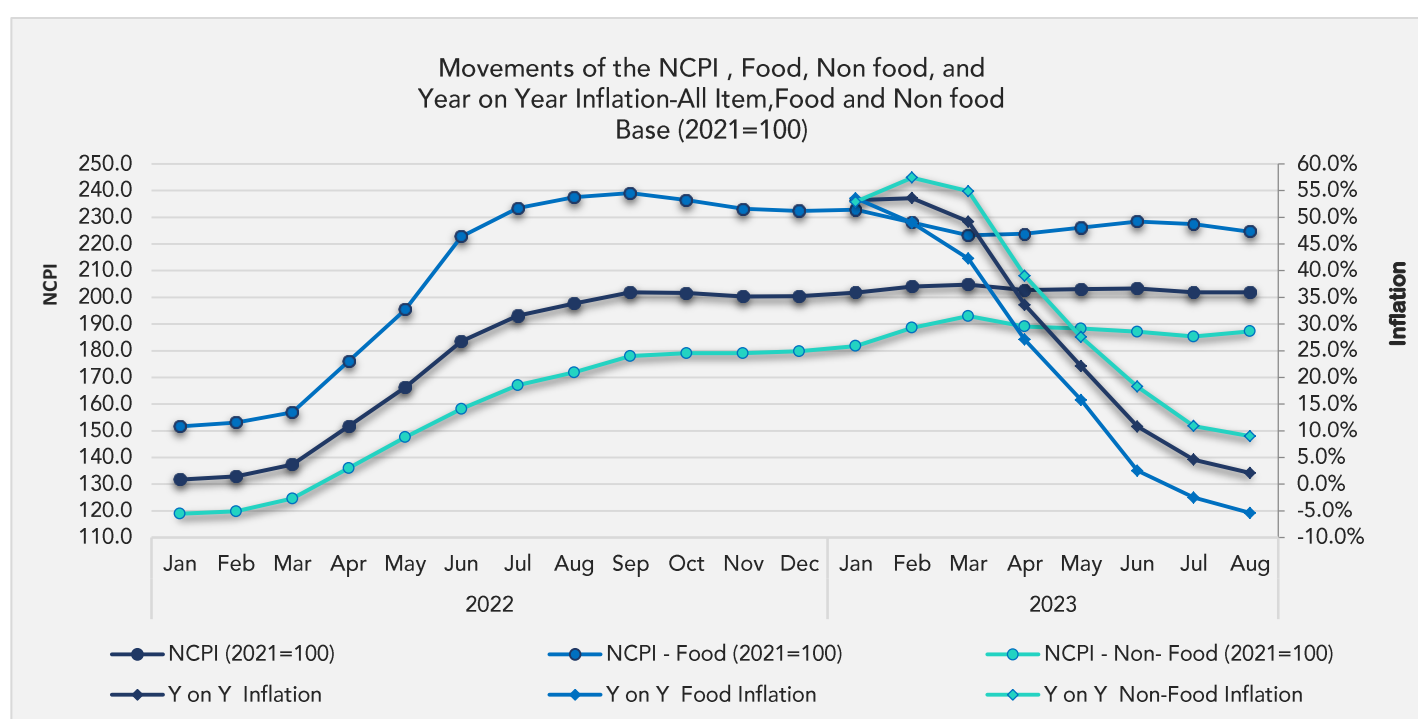
Table 04: Contribution to the increase in NCPI (Base 2021=100) on year on year basis August 2023 as compared to August 2022)

Sub Group/Commodity	Value change			
	Rs. cts	% Change		
		Increase %	Decrease %	Net effect %
Food	-2566.55		-2.56	-2.56
Rice	-1088.54		1.09	
Dried fish	-464.90		0.46	
Mysore dhal	-464.63		0.46	
Bread (normal)	-307.81		0.31	
Tea dust/ leaves	403.37	0.40		
Fresh fruits	288.95	0.29		
Chicken	207.91	0.21		
Coconuts	190.42	0.19		
Non Food	4737.73	6.04	1.32	4.73
Alcoholic beverages, Tobacco and Narcotics	460.54	0.46		
Arrack	238.17	0.24		
Cigarettes	160.32	0.16		
Beetle leaves	-30.16		0.03	
Clothing and Footwear	677.86	0.68		
Clothing	604.22	0.60		
Footwear	73.64	0.07		
Housing, Water, Electricity, Gas and Other fuels	1982.02	1.98		
Housing rent	278.94	0.28		
Materials for the maintenance	-633.74		0.63	
Water bill	706.31	0.70		
Electricity bill	2243.99	2.24		
LP gas	-649.06		0.65	
Kerosene oil	25.47	0.03		
Furnishings, Household equipment and Routing household maintenance	375.28	0.37		
Energy saving bulbs	142.83	0.14		
Washing powder	72.62	0.07		
Health	519.40	0.52		
Purchase of medical/pharmacy products	169.88	0.17		
Fees to private medical practices	282.44	0.28		
Consultation fees to specialists	29.39	0.03		
Transport	-1321.54		1.32	
Petrol	-1130.99		1.13	
Diesel	-227.14		0.23	
Cost of servicing of vehicles	76.32	0.08		
Vehicle maintenance expenses (Repair charges)	144.82	0.14		
Bus fare	-239.92		0.24	
Transport for schooling/ preschooling	-68.96		0.07	
Airline fare	27.30	0.03		
Communication	286.87	0.29		
Telephone charges - Home fixed phone	55.06	0.05		
Telephone charges - mobile	201.60	0.20		
Email/Internet charges	27.15	0.03		
Recreation and Culture	545.34	0.54		
Lotteries	70.45	0.07		

Exercise books and stationeries	332.56	0.33
Education	553.66	0.55
Tuition fees	424.30	0.42
Course fees (Higher education)	67.08	0.07
Restaurant and Hotels	194.86	0.19
Miscellaneous Goods and Services	463.43	0.46
Shaving goods and creams	68.70	0.07
Beauty Products	145.95	0.15
Car Insurance	45.49	0.05
All Items	2171.18	2.17

Source: Department of Census and Statistics

Note 7: Percentage of items does not tally with overall percentage due to rounding off



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.”

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