NATIONAL CONSUMER PRICE INDEX (NCPI) – (Base 2021=100)
DECEMBER, 2023
22 January 2024

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 December 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 December 2023 is 208.8 and it records an increase of 2.8 in index points compared to November 2023.

❖ The overall rate of inflation as measured by NCPI (Base 2021=100) on Year-on-Year basis is 4.2% in December 2023.

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

The NCPI for all items for the month of December 2023 is 208.8. An increase of 2.8 index points or 1.38 percentage compared to November 2023 for which the index was 206.0. This increase represents an increase in expenditure value of Rs. 1438.06 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 change of the index (%)[1]		
	Dec	Nov.	Dec	Dec	Nov.	Dec	Dec	Nov.	Dec
	2022	2023	2023	2022	2023	2023	2022	2023	2023
All Items	200.4	206.0	208.8	59.3	1231.49	1438.06	0.06	1.19	1.38
Food and Non Alcoholic Beverages	232.4	228.1	236.2	-160.3	792.28	1614.69	-0.16	0.77	1.55
Non Food	179.8	191.8	191.2	219.5	439.21	-176.64	0.22	0.43	-0.17
Alcoholic Beverages, Tobacco and Narcotics	178.3	215.7	214.7	-10.7	-19.92	-9.53	-0.01	-0.02	-0.01
Clothing and Footwear	195.8	213.0	211.4	64.0	-4.33	-24.18	0.06	0.00	-0.02
Housing, Water, Electricity, Gas and Other Fuels	144.0	167.3	167.2	-9.9	545.11	-12.59	-0.01	0.53	-0.01
Furnishing, Household Equipment and Routine Household Maintenance	219.3	217.7	217.1	18.8	-3.69	-9.22	0.02	0.00	-0.01
Transport	237.0	227.2	224.5	39.2	-79.47	-151.76	0.04	-0.08	-0.15
Restaurants and Hotels	233.5	227.5	229.1	32.1	22.95	35.39	0.03	0.02	0.03
Other Groups	165.2	179.7	179.7	85.9	-21.44	-4.75	0.08	-0.02	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 seven main groups in December 2023, details on which are given in Table 02.

Note 2: For the December 2023, insignificant group: 'Miscellaneous Goods and Services' and unchanged groups: 'Health', 'Communication', 'Recreation and Culture' and 'Education 'are considered as the 'Other Groups'.

Note 3: [1]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 (December 2023 as compared to November 2023) are given in Table 02. The month-on-month change was contributed by increases in food items of 1.55% and decreases in non-food items of 0.17% respectively.

1.1.1. Contribution of Food items: 1.55%

As shown in Table 02, the increases in index values were reported for Vegetables (0.58%), Big onions (0.32%), Green chilies (0.26%), Fresh fish (0.14%), Eggs (0.12%), Rice (0.06%), Chicken (0.05%), Sugar (0.05%), Coconuts (0.04%), Red onions (0.04%), Potatoes (0.02%), Coconut oil (0.02%) and Chili powder (0.01%). However, decreases in index values were reported for Limes (0.16%), Dried fish (0.01%), Canned fish (0.01%), Garlic (0.01%), Mysore dhal (0.01%) and Wheat flour (0.01%).

1.1.2. Contribution of Non-food items: -0.17%

The decreases in index values of non-food groups in December 2023 compared to the previous month was mainly due to the price decreases in groups of items 'Transport' (*Petrol, Diesel)* (0.15%), 'Clothing and Footwear'(*Clothing*) (0.02%), 'Housing, Water, Electricity, Gas and Other fuels' (*Materials for the Maintenance*) (0.01%) ,'Alcoholic Beverages, Tobacco and Narcotics' (*Beetle leaves*) (0.01%) and Furnishing, Household equipment and Routine household maintenance'(0.01%). However, price increase in group of items was reported for 'Restaurants and Hotels' (0.03%). Further, a very slight price decrease was reported in group of Miscellaneous Goods and Services'. 'Meanwhile, the price indices of 'Health', 'Communication', 'Recreation and Culture' and 'Education 'groups remained unchanged during the month.

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

Sub Group/Commodity	Value change			
	Rs. cts	% Change		
		Increase	Decrease	Net effect
Food	**1614.69**	**1.74**	**0.20**	**1.55**
Vegetables	610.07	0.58		
Big onions	335.83	0.32		
Green chilies	272.92	0.26		
Fresh fish	141.68	0.14		
Eggs	123.48	0.12		
Rice	65.63	0.06		
Chicken	56.56	0.05		
Sugar	49.82	0.05		
Coconuts	46.43	0.04		
Red onions	36.72	0.04		
Potatoes	23.12	0.02		
Coconut oil	21.72	0.02		
Chili powder	15.41	0.01		
Limes	-162.76		0.16	
Dried fish	-14.40		0.01	
Sprats	*-11.60*		*0.01*	
Canned fish	-8.90		0.01	

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Garlic	-7.39		0.01	
Mysore dhal	-7.12		0.01	
Wheat flour	-5.48		0.01	
Other food items	21.36	0.02		
Non Food	-176.64	0.03	0.20	-0.17
Alcoholic Beverages, Tobacco and Narcotics	-9.53		0.01	
Beetle leaves	*-5.79*		*0.01*	
Clothing & Footwear	-24.18		0.02	
Clothing	*-20.37*		*0.02*	
Footwear	*-3.81*		*0.00*	
Housing, Water, Electricity, Gas and Other fuels	-12.59		0.01	
Materials for the Maintenance	*-14.81*		*0.01*	
Furnishing, household equipment and routine household maintenance	-9.22		0.01	
Transport	-151.76		0.15	
Petrol	*-110.88*		*0.11*	
Diesel	*-49.33*		*0.05*	
Airline fare	*8.45*	*0.01*		
Restaurants and hotels	35.39	0.03		
Other Items	-4.75		0.00	
All Items	1438.06			1.38

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).

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Table 03: Movements of the NCPI (Base: 2021=100)

Year	Month	All Item				Food				Non Food			
				Inflation %				Inflation %				Inflation %	
		Index Number	% Change Month on Month	Y on Y	12 Month Moving Avg.	Index Number	% Change Month on Month	Y on Y	12 Month Moving Avg.	Index Number	% Change Month on Month	Y on Y	12 Month Moving Avg.
2022	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	
	September	203.5	0.8	0.8		226.7	0.9	-5.2		188.5	0.6	5.9	
	October	203.6	0.0	1.0		224.1	-1.1	-5.2		190.4	1.0	6.3	
	November	206.0	1.2	2.8		228.1	1.8	-2.2		191.8	0.7	7.1	
	December	208.8	1.4	4.2	16.5	236.2	3.6	1.6	10.6	191.2	-0.3	6.3	21.6

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 4.2% in December 2023 and inflation calculated for the November 2023 was 2.8%. (Table 03). On a monthly basis, the Year-on-Year inflation of the food group increased to 1.6% in December 2023 from -2.2% in November 2023 and the Year-on-Year inflation of the non-food group decreased to 6.3% in December 2023 from 7.1% in November 2023.

Contribution to Year-on-Year inflation:

On a Year-on-Year basis, contribution of food commodities to inflation was 0.73 percent in December 2023 compared to the month of December 2022 (Table 04).
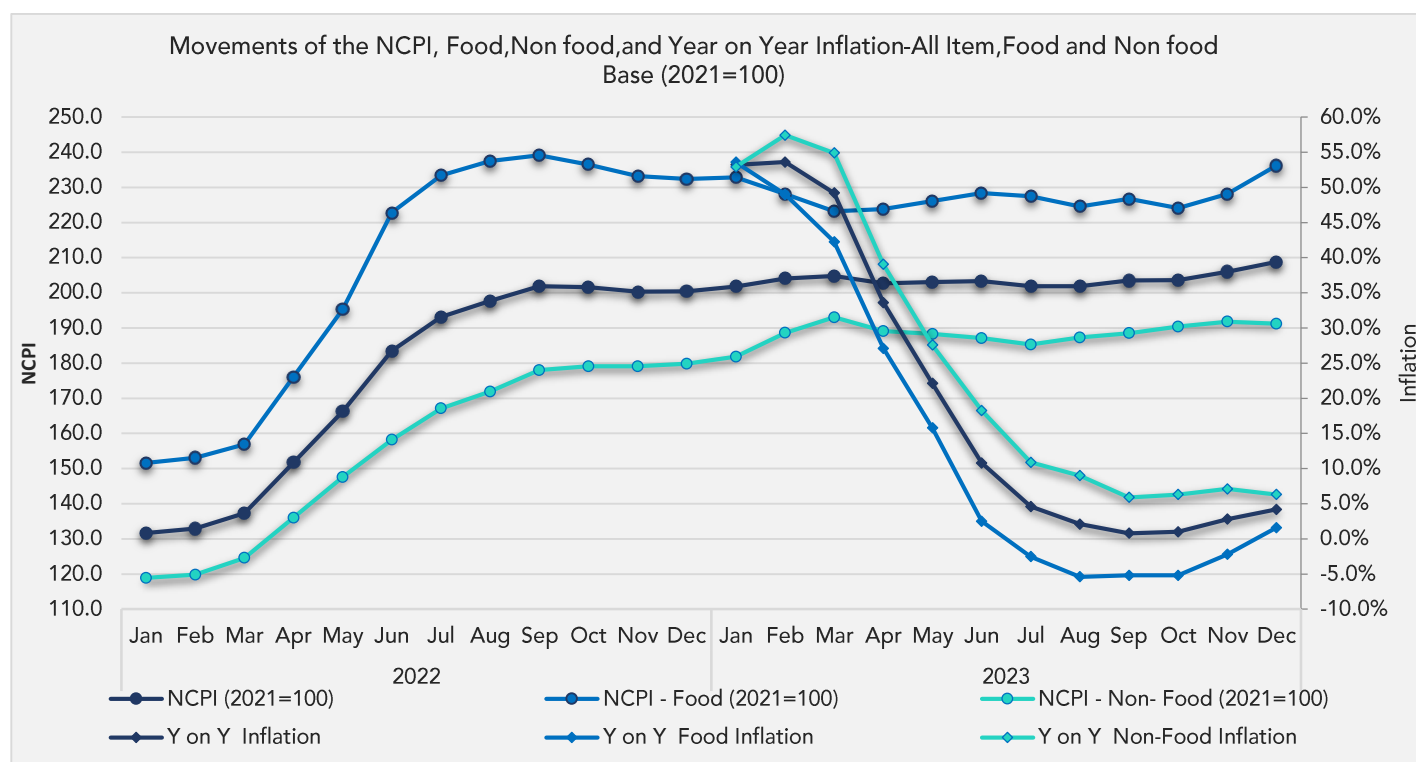
Contribution of non-food items was 3.47 percent. This was mainly due to price increases in groups of items 'Alcoholic beverages, Tobacco and Narcotics' (0.34%), 'Clothing and Footwear' (0.23%), 'Housing, Water, Electricity, Gas and Other fuels' (2.66%), 'Health' (0.26%), 'Recreation and Culture' (0.29%). 'Education' (0.46%) and 'Miscellaneous goods and services' (0.05%). However, price decreases in the groups of items were reported for 'Furnishing, Household equipment and Routine household maintenance' (0.03%), Transport' (0.69%) and 'Restaurant and Hotels' (0.10%). Further, very slight price increase was reported in group of 'Communication' during the period.

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

Sub Group/Commodity	Value change			
		% Change		
	Rs. cts	Increase %	Decrease %	Net effect %
Food	744.26			0.73
Vegetables	*823.13*	*0.81*		
Green chilies	*489.91*	*0.48*		
Big onions	*448.78*	*0.44*		
Sugar	*284.42*	*0.28*		
Tea dust/ leaves	*260.59*	*0.26*		
Limes	*243.08*	*0.24*		
Coconuts	*227.23*	*0.22*		
Milk powder	*-323.28*		*0.32*	
Bread (normal)	*-264.13*		*0.26*	
Chili powder	*-228.91*		*0.23*	
Non Food	3529.08	4.29	0.82	3.47
Alcoholic beverages, Tobacco and Narcotics	349.61	0.34		
Arrack	*199.92*	*0.20*		
Cigarettes	*128.26*	*0.13*		
Beetle leaves	*-30.21*		*0.03*	
Clothing and Footwear	237.85	0.23		
Clothing	*238.88*	*0.23*		
Housing, Water, Electricity, Gas and Other fuels	2706.03	2.66		
Housing rent	*278.94*	*0.27*		
Materials for the maintenance	*-226.04*		*0.22*	
Water bill	*478.27*	*0.47*		
Electricity bill	*2589.03*	*2.55*		
LP gas	*-356.92*		*0.35*	
Kerosene oil	*-52.36*		*0.05*	
Furnishings, Household equipment and Routing household maintenance	-34.00		0.03	
Health	259.46	0.26		
Purchase of medical/ pharmacy products	*-17.15*		*0.02*	
Fees to private medical practices	*256.60*	*0.25*		
Consultation fees to specialists	*26.05*	*0.03*		
Transport	-699.03		0.69	
Petrol	*-266.12*		*0.26*	
Diesel	*-169.21*		*0.17*	
Bus fare	*-168.94*		*0.17*	
Transport for schooling/ preschooling	*-94.28*		*0.09*	
Airline fare	*19.52*	*0.02*		
Communication	0.54	0.00		
Recreation and Culture	289.98	0.29		
Lotteries	*70.45*	*0.07*		
Exercise books and stationeries	*188.55*	*0.19*		
Education	464.96	0.46		
Tuition fees	*364.96*	*0.36*		
Course fees (Higher education)	*37.64*	*0.04*		
Restaurant and Hotels	-97.39		0.10	
Miscellaneous Goods and Services	51.06	0.05		
All Items	4273.33			4.20

Source: Department of Census and Statistics

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

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Movements of the NCPI, Food,Non food,and Year on Year Inflation-All Item,Food and Non food Base (2021=100)

Source: Department of Census and Statistics

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