

NATIONAL CONSUMER PRICE INDEX (NCPI)

JANUARY, 2022

21st February 2022

Department of Census and Statistics
Ministry of Economic Policies and Plan Implementation

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

- ▢ The NCPI for all items for the month of January 2022 is 166.0
- ▢ The overall rate of inflation as measured by NCPI on Year-on-Year basis is 16.8% in January 2022.
- ▢ The moving average inflation for the month of January 2022 is 8.1%.

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Source Publication

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

The NCPI for all items for the month of January 2022 is 166.0. An increase of 5.0 index points or 3.1 percentage compared to December 2021 for which the index was 161.0. This increase represents increase in expenditure value of Rs.1583.54 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 (%)		
	Jan 2021	Dec 2021	Jan 2022	Jan 2021	Dec 2021	Jan 2022	Jan 2021	Dec 2021	Jan 2022
All Items	142.1	161.0	166.0	282.42	1835.33	1583.54	0.62	3.68	3.06
Food and Non Alcoholic Beverages	151.4	182.1	188.3	217.01	1496.97	884.17	0.48	3.00	1.71
Non Food	134.7	144.5	148.4	65.40	338.36	699.37	0.14	0.68	1.35
Alcoholic Beverages, Tobacco and Narcotics	214.5	239.6	243.0	-17.09	71.19	24.40	-0.04	0.14	0.05
Clothing and Footwear	133.9	145.0	148.1	3.84	38.81	35.10	0.01	0.08	0.07
Housing, Water, Electricity, Gas and Other Fuels	127.9	132.7	134.5	7.04	14.87	106.95	0.02	0.03	0.21
Furnishing ,Household Equipment and Routine Household Maintenance	132.8	149.8	152.5	21.30	34.37	28.51	0.05	0.07	0.06
Health	163.6	176.7	183.2	38.23	0.71	84.13	0.08	0.00	0.16
Transport	124.3	132.1	140.7	6.83	37.32	268.74	0.02	0.07	0.52
Recreation and Culture	125.1	129.3	131.8	0.00	2.44	12.92	0.00	0.00	0.02
Education	143.9	146.1	150.4	2.41	0.00	38.62	0.01	0.00	0.07
Restaurants and Hotels	123.9	156.3	161.2	0.00	113.87	61.98	0.00	0.23	0.12
Miscellaneous Goods and Services	145.8	154.9	157.5	2.85	24.78	38.03	0.01	0.05	0.07
Other Groups	98.9	98.9	98.9	0.00	0.00	0.00	0.00	0.00	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 eleven main groups in January 2022, details on which are given in Table 02.

Note 2: For the January 2022, unchanged group: ‘Communication’ is considered as the ‘Other Groups’.

Contribution to Month-on-Month Changes:

Contributions to the NCPI on Month-on-Month basis (January 2022 as compared to December 2021) are given in Table 02. The month-on-month change was contributed by increases of index value of food items by 1.71% and non-food items by 1.35% respectively.

1.1.1. Contribution of Food items: 1.71%

As shown in Table 02, the increases in index values were reported for Rice (0.75%), Milk powder (0.16%), Fresh fruits (0.10%), Fresh fish(0.07%), Wheat flour (0.07%), Bread (0.05%), Vegetables (0.05%), Coconut oil (0.04%), Chicken (0.04%), Chilli powder (0.04%), Dried chilies(0.04%), Green chilies (0.03%), Mysore dhal (0.03%), Infant milk powder (0.02%), Coconuts (0.02%), Dried fish(0.02%), Potatoes (0.02%), Red onions (0.02%) and Big onions (0.01%). However, decreases in index values were reported for Limes (0.04%) and Eggs (0.02%).

1.1.2. Contribution of Non-food items: 1.35%

The increases in index values of non-food groups in January 2022 compared to the previous month was mainly due to the price increases in groups of items ‘Alcoholic Beverages, Tobacco and Narcotics’ (Betel leaves) (0.05%), ‘Clothing and Footwear’(0.07%), ‘Housing, Water, Electricity, Gas and Other fuels’ (Material for the Maintenance) (0.21%) ,‘Furnishing, Household equipment and Routine household maintenance’ (0.06%), ‘Health’ (Fees to private medical practices) (0.16%), ‘Transport’(Petrol & Diesel, Bus fare) (0.52%),‘Recreation and Culture’(0.02%), ‘Education’(Tuition fees) (0.07%), ‘Restaurants and Hotels’ (0.12%) and ‘Miscellaneous Goods and Services’(0.07%). Meanwhile, the price index of ‘Communication’ group remained unchanged during the month.

Table 02: Contribution to the increase in NCPI from December 2021 to January 2022 (Base 2013=100)

Sub Group/Commodity	Rs. cts	Value change		Net effect
		Increase	% Change Decrease	
Food	884.17	1.76	0.06	1.71
Rice	389.95	0.75		
Milk powder	83.12	0.16		
Fresh fruits	51.56	0.10		
<i>Papaw</i>	26.71	0.05		
<i>Banana</i>	16.53	0.03		
Fresh fish	38.77	0.07		
Wheat flour	35.43	0.07		
Bread	28.22	0.05		
Vegetables	25.02	0.05		
Coconut oil	21.30	0.04		
Chicken	20.91	0.04		
Chili powder	20.77	0.04		
Dried chillies	18.64	0.04		
Green chillies	17.39	0.03		
Mysore dhal	17.31	0.03		
Infant milk powder	12.52	0.02		
Coconuts	12.42	0.02		
Dried fish	10.02	0.02		
<i>Sprats</i>	4.01	0.01		
Potatoes	9.24	0.02		
Red onions	9.09	0.02		
Big onions	7.30	0.01		
Limes	-19.29		0.04	
Eggs	-9.55		0.02	
Other food items	84.01	0.16		
Non Food	699.37	1.35		1.35
Alcoholic Beverages, Tobacco and Narcotics	24.40	0.05		
<i>Betel leaves</i>	22.31	0.04		
<i>Arecanuts</i>	-3.19		0.01	
<i>Bulathwita</i>	3.86	0.01		
Clothing & Footwear	35.10	0.07		
<i>Clothing</i>	20.75	0.04		
<i>Footwear</i>	14.34	0.03		
Housing, Water, Electricity, Gas and Other fuels	106.95	0.21		
<i>Housing rent</i>	37.91	0.07		
<i>Material for the Maintenance</i>	57.46	0.11		
<i>Kerosene oil</i>	6.46	0.01		
<i>Firewood</i>	5.12	0.01		
Furnishing, household equipment and routine household maintenance	28.51	0.06		
<i>Non durable household goods</i>	13.67	0.03		
Health	84.13	0.16		
<i>Fees to private medical practices</i>	77.01	0.15		
<i>Consultation fees to specialists</i>	7.12	0.01		
Transport	268.74	0.52		
<i>Petrol</i>	58.34	0.11		
<i>Diesel</i>	9.41	0.02		
<i>Cost of servicing of vehicles</i>	10.81	0.02		
<i>Bus fare</i>	132.12	0.26		
<i>Taxi/three wheelers fare</i>	18.09	0.03		
<i>Transport fare for schooling/ pre-schooling</i>	35.45	0.07		
Recreation and Culture	12.92	0.02		
Education	38.62	0.07		
<i>Tuition fees</i>	21.42	0.04		
<i>Course fees (Higher education)</i>	8.21	0.02		
<i>Course fees vocational training</i>	6.70	0.01		
Restaurants and hotels	61.98	0.12		
Miscellaneous Goods & Services	38.03	0.07		
All Items	1583.54			3.06

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)

Year	Month	All Item				Food				Non Food			
		Index Number	Inflation %			Index Number	Inflation %			Index Number	Inflation %		
			% Change Month on Month	Y on Y	12 Month Moving Avg.		% Change Month on Month	Y on Y	12 Month Moving Avg.		% Change Month on Month	Y on Y	12 Month Moving Avg.
2021	January	142.1	0.6	3.7	5.8	151.4	1.0	5.9	11.5	134.7	0.3	1.8	1.4
	February	142.8	0.5	4.2	5.5	152.8	0.9	6.9	10.7	134.9	0.1	1.9	1.4
	March	142.1	-0.5	5.1	5.3	150.7	-1.4	8.8	10.3	135.3	0.3	2.0	1.4
	April	142.2	0.1	5.5	5.3	150.8	0.1	9.7	10.1	135.5	0.1	2.2	1.5
	May	143.6	1.0	6.1	5.4	153.3	1.7	10.3	10.0	135.9	0.3	2.5	1.7
	June	145.7	1.5	6.1	5.4	157.3	2.6	9.8	9.7	136.5	0.4	2.9	1.9
	July	146.6	0.6	6.8	5.4	158.5	0.8	11.0	9.6	137.2	0.5	3.2	2.0
	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

Source: Department of Census and Statistics

Note: 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 16.8% in January 2022 and inflation calculated for December 2021 was 14.0%. (Table 03). With respect to January 2021, the reported inflation for the month of January 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 24.4% in January 2022 from 21.5% in December 2021 and the Year-on-Year inflation of the non-food group increased to 10.2% in January 2022 from 7.6% in December 2021.

Contribution to Year-on-Year inflation:

On Year-on-Year basis, contribution of food commodities to inflation was 11.44 percent in January 2022 compared to the month of January 2021 (Table 04).

Contribution of non-food items was 5.39 percent. This was mainly due to price increases in groups of items 'Transport' (1.13%), 'Restaurant and Hotels' (1.03%), 'Housing, Water, Electricity, Gas and Other fuels' (0.84%), 'Health' (0.56%), 'Furnishing, Household equipment and Routine household maintenance' (0.46%), 'Alcoholic beverages, Tobacco and Narcotics' (0.45%), 'Miscellaneous goods and services' (0.37%), 'Clothing and Footwear' (0.34%), 'Education' (0.13%) and 'Recreation and Culture' (0.07%). Meanwhile, the group of 'Communication' remained unchanged during the period

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

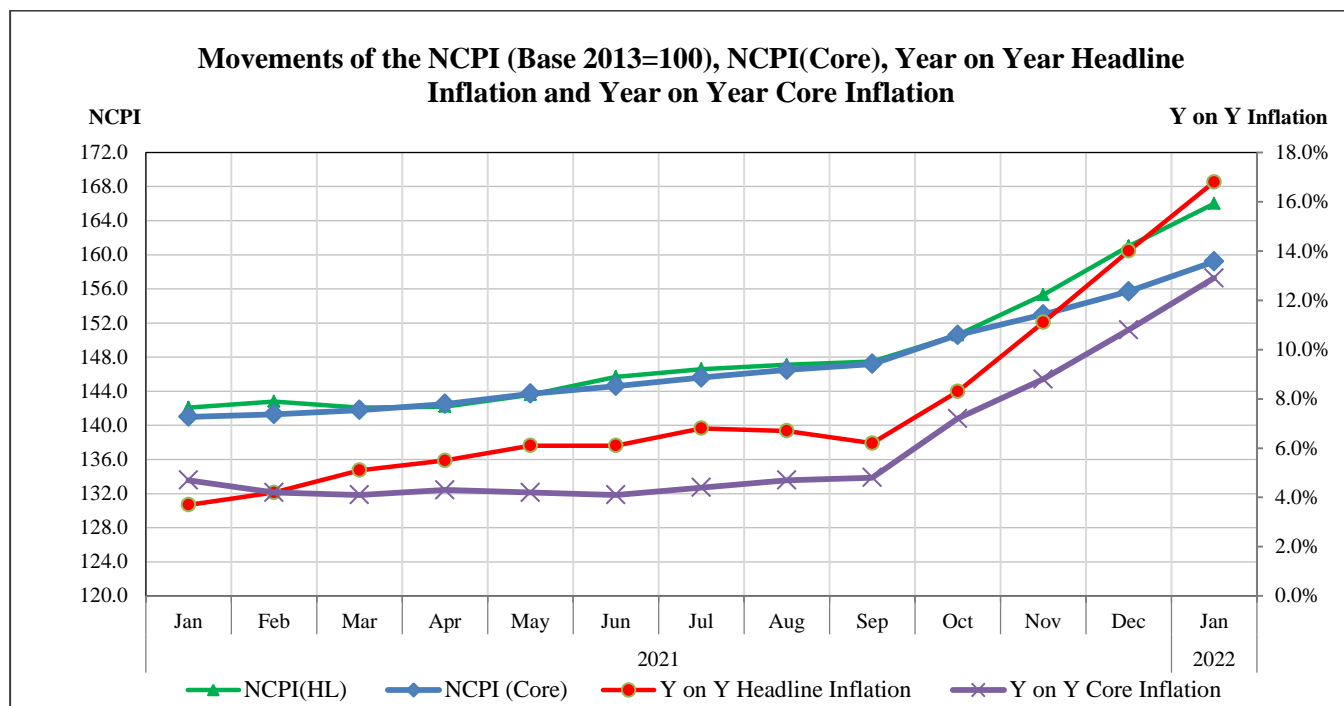
Sub Group/Commodity	Value change			
		% Change		Net effect %
	Rs. cts	Increase %	Decrease %	
Food	5222.71			11.44
Vegetables	1143.89	2.50		
Rice	1081.56	2.37		
Fresh fish	404.56	0.89		
Milk powder	379.68	0.83		
Coconut oil	231.65	0.51		
Chicken	221.63	0.49		
Mysore dhal	203.17	0.44		
Non Food	2459.34	5.39		5.39
Alcoholic beverages, Tobacco and Narcotics	207.26	0.45		
Arrack	50.46	0.11		
Cigarettes	24.09	0.05		
Tobacco (chewing)	11.24	0.02		
Beedi	19.05	0.04		
Betel leaves	54.63	0.12		
Arecanuts	18.03	0.04		
Bulathwita	18.61	0.04		
Clothing and Footwear	157.43	0.34		
Clothing	131.20	0.29		
Footwear	26.23	0.06		
Housing, Water, Electricity, Gas and Other fuels	384.27	0.84		
Housing rent	80.01	0.18		
Material for the maintenance	124.02	0.27		
LP gas	143.02	0.31		
Kerosene oil	17.03	0.04		
Firewood	20.19	0.04		
Furnishings, Household equipment and Routing household maintenance	208.27	0.46		
Health	255.12	0.56		
Purchase of medical/pharmacy products	46.31	0.10		
Fees to private medical practices	112.31	0.25		
Consultation fees to specialists	18.33	0.04		
Fees to Aurvadic practitioners	38.54	0.08		
Payments to private hospitals/ nursing homes room charges	36.45	0.08		
Transport	515.80	1.13		
Petrol	206.53	0.45		
Diesel	32.98	0.07		
Cost of servicing of vehicles	28.82	0.06		
Bus fare	132.12	0.29		
Taxi/three wheelers fare	24.18	0.05		
Transport for schooling/ preschooling	36.45	0.08		
Recreation and Culture	34.21	0.07		
Education	58.76	0.13		
Tuition fees	29.56	0.06		
Course fees (Higher education)	8.21	0.02		
Course fees vocational training	6.70	0.01		
School fees (International)	12.00	0.03		
Restaurant and Hotels	468.38	1.03		
Miscellaneous Goods and Services	169.85	0.37		
Hair cutting and shaving charges	42.54	0.09		
All Items	7682.05			16.82

Note: Sum of percentages of items may not tally with overall percentage due to rounding off.

Source: Department of Census and Statistics

2.2 Moving Average Inflation

The moving average inflation for the month of January 2022 is 8.1%. The corresponding rate for the month of December 2021 was 7.0%.



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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