



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

JULY, 2023

21 August 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 July 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 July 2023 is 201.9 and it records a decrease of 1.4 in index points compared to the June 2023.
- ❖ The overall rate of inflation as measured by NCPI (Base 2021=100) on Year-on-Year basis is 4.6% in July 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 July 2023 is 201.9. A decrease of 1.4 index points or 0.7 percentage compared to June 2023 for which the index was 203.3. This decrease represents a decrease in expenditure value of Rs. 724.47 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		
	July 2022	June 2023	July 2023	July 2022	June 2023	July 2023	July 2022	June 2023	July 2023
All Items	193.1	203.3	201.9	4858.7	76.97	-724.47	5.22	0.07	-0.70
Food and Non-Alcoholic Beverages	233.4	228.4	227.5	2114.9	456.18	-176.17	2.27	0.44	-0.17
Non Food	167.1	187.1	185.3	2743.7	-379.21	-548.30	2.95	-0.37	-0.53
Alcoholic Beverages, Tobacco and Narcotics	165.8	189.2	214.1	25.9	-4.51	239.20	0.03	0.00	0.23
Clothing and Footwear	159.4	216.4	216.0	127.1	-11.62	-6.57	0.14	-0.01	-0.01
Housing, Water, Electricity, Gas and Other Fuels	133.5	164.3	154.7	244.5	-180.89	-1114.29	0.26	-0.18	-1.08
Furnishing, Household Equipment and Routine Household Maintenance	183.9	218.3	220.0	266.8	3.87	24.85	0.29	0.00	0.02
Health	157.1	191.7	190.2	162.4	2.69	-25.36	0.17	0.00	-0.02
Transport	248.4	217.1	218.7	1255.5	-224.56	86.53	1.35	-0.22	0.08
Recreation and Culture	151.0	205.8	217.5	147.5	1.14	99.83	0.16	0.00	0.10
Education	143.8	166.0	171.8	144.7	0.00	113.13	0.16	0.00	0.11
Restaurants and Hotels	210.5	225.9	227.0	209.5	34.41	24.58	0.23	0.03	0.02
Miscellaneous Goods and Services	160.0	196.9	197.5	154.0	0.25	9.81	0.17	0.00	0.01
Communication	95.1	119.1	119.1	6.0	0.00	0.00	0.01	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 July 2023, details on which are given in Table 02.

Note 2: ¹Monthly change of the index (%) is calculated using expenditure values.

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 (July 2023 as compared to June 2023) are given in Table 02. The month-on-month change was contributed by decreases in food items and non-food items of 0.17% and 0.53% respectively.

1.1.1. Contribution of Food items: -0.17%

As shown in Table 02, the decreases in index values were reported for Coconuts (0.13%), Vegetables (0.07%), Coconut oil (0.07%), Rice (0.06%), Biscuits (0.04%), Bread (normal) (0.03%), Mysore dhal (0.03%), Milk powder (0.03%), Chili powder (0.03%), Fresh fish (0.02%), Green gram (0.02%), Buns (0.01%), Dried chilies (0.01%), Wheat flour (0.01%), Rice flour (0.01%), Noodles (0.01%) and Turmeric powder (0.01%). However, increases in index values were reported for Green chilies (0.10%), Potatoes (0.04%), Eggs (0.04%), Big onions (0.04%), Fresh fruits (0.04%), Chicken (0.04%), Dried fish (0.03%), Tea dust/leaves (0.03%), Red onions (0.03%), Sugar (0.02%), Garlic (0.02%), Ginger (0.01%) and Canned fish (0.01%).

1.1.2. Contribution of Non-food items: -0.53%

The decreases in index values of non-food groups in July 2023 compared to the previous month was mainly due to the price decreases in groups of items 'Housing, Water, Electricity, Gas and Other fuels' (*Electricity bill and LP Gas*) (1.08%), 'Health' (*Purchase of medical/ pharmacy products*) (0.02%), and 'Clothing and Footwear' (*Clothing*) (0.01%). However, price increases in groups of items were reported for 'Alcoholic Beverages, Tobacco and Narcotics' (*Arrack, Cigarettes*) (0.23%), 'Furnishing, Household equipment and Routine household maintenance' (0.02%), 'Transport' (*Petrol*) (0.08%), 'Recreation and Culture' (*Lotteries and Exercise books & stationeries*) (0.10%), 'Education' (*Tuition fees*) (0.11%), 'Restaurants and Hotels' (0.02%) and 'Miscellaneous Goods and Services' (0.01%). Meanwhile, the price index of 'Communication' group remained unchanged during the month.

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

Sub Group/Commodity	Value change			
	Rs. cts	% Change		
		Increase	Decrease	Net effect
Food	-176.17	0.44	0.61	-0.17
Coconuts	-139.07		0.13	
Vegetables	-67.87		0.07	
Coconut oil	-67.17		0.07	
Rice	-63.72		0.06	
Biscuits	-37.44		0.04	
Bread (normal)	-36.08		0.03	
Mysore dhal	-35.30		0.03	
Milk powder	-28.41		0.03	
Chili powder	-26.67		0.03	
Fresh fish	-22.91		0.02	
Green gram	-22.56		0.02	
Buns	-12.32		0.01	
Dried chilies	-11.16		0.01	
Wheat flour	-9.46		0.01	
Rice flour	-7.96		0.01	
Noodles	-7.83		0.01	
Turmeric powder	-7.43		0.01	

Green chilies	102.00	0.10		
Potatoes	45.75	0.04		
Eggs	45.15	0.04		
Big onions	39.11	0.04		
Fresh fruits	38.23	0.04		
<i>Banana</i>	21.55	0.02		
<i>Mangoes</i>	19.72	0.02		
Chicken	36.59	0.04		
Dried fish	34.19	0.03		
<i>Balaya</i>	17.31	0.02		
Tea dust/ leaves	33.30	0.03		
Red onions	26.88	0.03		
Sugar	17.52	0.02		
Garlic	17.09	0.02		
Ginger	7.35	0.01		
Canned fish	6.82	0.01		
Other food items	-22.76		0.02	
Non Food	-548.30	0.58	1.11	-0.53
Alcoholic Beverages, Tobacco and Narcotics	239.20	0.23		
<i>Arrack</i>	138.81	0.13		
<i>Cigarettes</i>	80.16	0.08		
Clothing & Footwear	-6.57		0.01	
<i>Clothing</i>	-6.57		0.01	
Housing, Water, Electricity, Gas and Other fuels	-1114.29		1.08	
<i>Housing rent</i>	278.94	0.27		
<i>Materials for the Maintenance</i>	-54.00		0.05	
<i>Electricity bill</i>	-1253.14		1.22	
<i>LP Gas</i>	-80.04		0.08	
Furnishing, household equipment and routine household maintenance	24.85	0.02		
Health	-25.36		0.02	
<i>Purchase of medical/ pharmacy products</i>	-76.37		0.07	
<i>Fees to private medical practices</i>	38.52	0.04		
<i>Consultation fees to specialists</i>	12.49	0.01		
Transport	86.53	0.08		

<i>Petrol</i>	110.88	0.11
<i>Transport for schooling/ preschooling</i>	-22.81	0.02
Recreation and Culture	99.83	0.10
<i>Lotteries</i>	59.07	0.06
<i>Exercise books and stationeries.</i>	40.28	0.04
Education	113.13	0.11
<i>Tuition fees</i>	110.52	0.11
Restaurants and hotels	24.58	0.02
Miscellaneous Goods & Services	9.81	0.01
All Items	-724.47	-0.70

Source: Department of Census and Statistics

Note 4: 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	% Change Month on Month	Inflation % Y on Y	Index Number	% Change Month on Month	Inflation % Y on Y	Index Number	% Change Month on Month	Inflation % Y on Y
2022	July	193.1	5.2		233.4	4.8		167.1	5.6	
	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

Source: Department of Census and Statistics

Note 5: 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 4.6% in July 2023 and inflation calculated for the June 2023 was 10.8%. (Table 03). On a monthly basis, the Year-on-Year inflation of the food group decreased to - 2.5% in July 2023 from 2.5% in June 2023 and the Year-on-Year inflation of the non-food group decreased to 10.9% in July 2023 from 18.3% in June 2023.

Contribution to Year-on-Year inflation:

On Year-on-Year basis, contribution of food commodities to inflation was -1.19 percent in July 2023 compared to the month of July 2022 (Table 04).

Contribution of non-food items was 5.75 percent. This was mainly due to price increases in groups of items 'Alcoholic beverages, Tobacco and Narcotics' (0.47%), 'Clothing and Footwear' (0.88%), 'Housing, Water, Electricity, Gas and Other fuels' (2.51%), 'Furnishing, Household equipment and Routine household maintenance' (0.57%), 'Health' (0.56%), 'Communication' (0.30%), 'Recreation and Culture' (0.58%), 'Education' (0.57%), 'Restaurant and Hotels' (0.38%) and 'Miscellaneous goods and services' (0.64%) during the period. However, a decrease in prices for a group of items was reported for the group Transport' (1.70%).

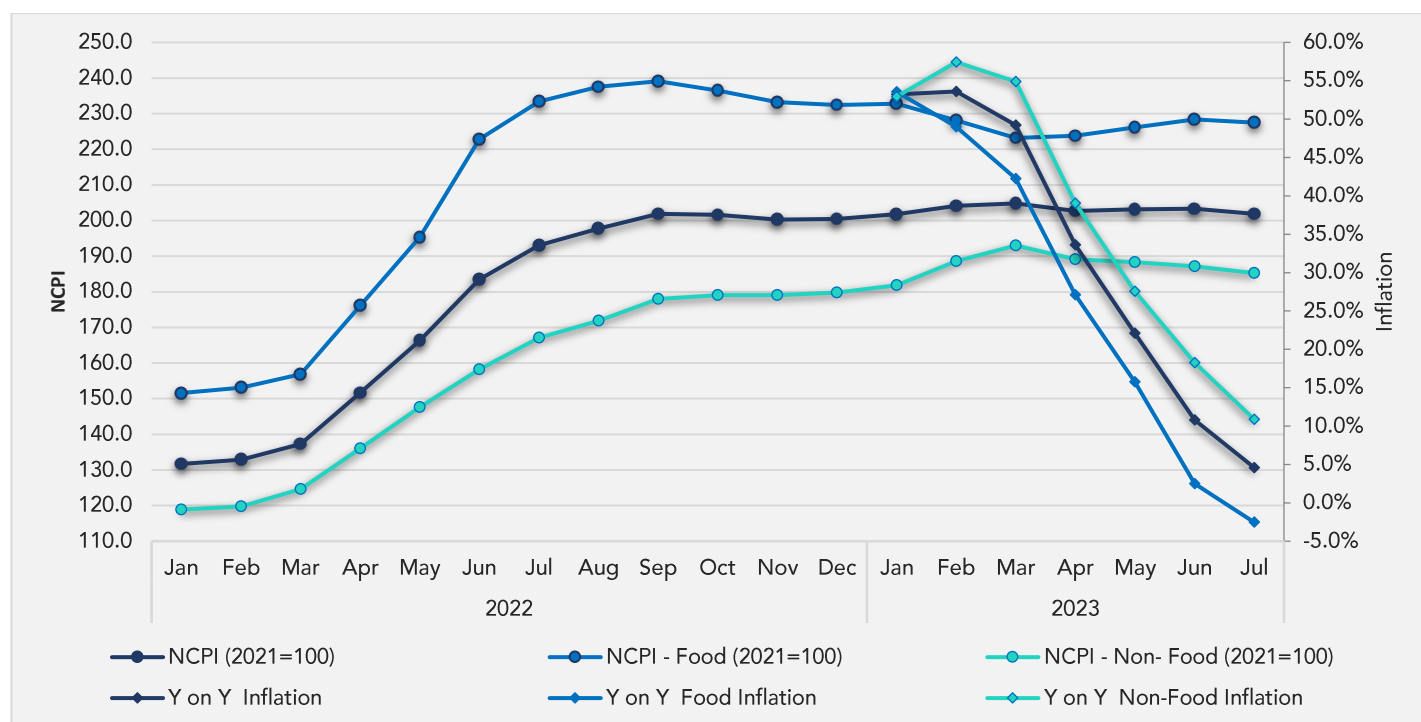
Table 04: Contribution to the increase in NCPI (Base 2021=100) on year on year basis July 2023 as compared to July 2022

Sub Group/Commodity	Value change			
	Rs. cts	% Change		Net effect %
		Increase %	Decrease %	
Food	-1167.74		1.19	-1.19
Rice	-1276.15		1.30	
Mysore dhal	-752.36		0.77	
Sugar	-369.59		0.38	
Fresh fish	478.71	0.49		
Tea dust/ leaves	417.85	0.43		
Chicken	380.30	0.39		
Fresh fruits	307.32	0.31		
Coconuts	233.67	0.24		
Non Food	5630.35	7.45	1.70	5.75
Alcoholic beverages, Tobacco and Narcotics	464.53	0.47		
Arrack	238.17	0.24		
Beer	25.10	0.03		
Cigarettes	160.32	0.16		
Clothing and Footwear	861.57	0.88		
Clothing	705.41	0.72		
Footwear	156.15	0.16		
Housing, Water, Electricity, Gas and Other fuels	2460.44	2.51		
Housing rent	278.94	0.28		
Materials for the maintenance	-408.63		0.42	
Water bill	228.04	0.23		
Electricity bill	2990.98	3.05		
LP gas	-700.09		0.71	
Kerosene oil	66.12	0.07		
Furnishings, Household equipment and Routing household maintenance	555.06	0.57		
Energy saving bulbs	151.54	0.15		
Washing powder	111.89	0.11		
Health	547.31	0.56		
Purchase of medical/pharmacy products	198.21	0.20		
Fees to private medical practices	282.44	0.29		
Consultation fees to specialists	29.39	0.03		
Transport	-1663.10		1.70	
Petrol	-1474.37		1.51	
Diesel	-261.21		0.27	
Cost of servicing of vehicles	76.32	0.08		
Vehicle maintenance expenses (Repair charges)	144.82	0.15		
Bus fare	-418.64		0.43	
Three wheelers fare	43.51	0.04		
Airline fare	38.56	0.04		
Communication	289.56	0.30		
Telephone charges - Home fixed phone	55.06	0.06		
Telephone charges - mobile	201.60	0.21		
Email/Internet charges	27.15	0.03		
Recreation and Culture	566.58	0.58		
Lotteries	59.07	0.06		

Books	44.95	0.05
Exercise books and stationeries	332.57	0.34
Education	553.66	0.57
Tuition fees	342.12	0.35
Course fees (Higher education)	67.08	0.07
Restaurant and Hotels	367.88	0.38
Miscellaneous Goods and Services	626.86	0.64
Toilet soap	175.38	0.18
Beauty Products	159.55	0.16
All Items	4462.61	4.56

Source: Department of Census and Statistics

Note 6: 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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Department of Census & Statistics,
Sankyana Mandiraya
No. 306/71, Polduwa
Road, Battaramulla

dgcensus@statistics.gov.lk
+94 11 2147001
+94 11 2147011
statistics.gov.lk

This publication is produced by the Prices & Wages Division
5th floor, Department of Census and Statistics
prices@statistics.gov.lk
+94 11- 2147414 +94 11- 2147418