
NATIONAL CONSUMER PRICE INDEX (NCPI)

June, 2021

22 July 2021

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 June 2021.

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 June 2021 was 145.7**
- ▣ **The overall rate of inflation as measured by NCPI on Year-on-Year basis is 6.1% in June 2021.**
- ▣ **The moving average inflation for the month of June 2021 is 5.4%.**

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Source Publication

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

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

The NCPI for all items for the month of June 2021 was 145.7. An increase of 2.1 index points or 1.5 percentage compared to May 2021 for which the index was 143.6. This increase represents increase in expenditure value of Rs.668.01 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 (%)		
	June	May	June	June	May	June	June	May	June
	2020	2021	2021	2020	2021	2021	2020	2021	2021
All Items	137.3	143.6	145.7	613.61	433.89	668.01	1.41	0.95	1.45
Food and Non-Alcoholic Beverages	143.2	153.3	157.3	600.11	359.39	566.43	1.38	0.79	1.23
Non-Food	132.6	135.9	136.5	13.50	74.50	101.58	0.03	0.16	0.22
Housing, Water, Electricity, Gas and Other Fuels	127.6	128.2	128.3	-11.61	16.08	4.44	-0.03	0.04	0.01
Health	163.9	167.2	169.1	4.53	47.27	24.13	0.01	0.10	0.05
Transport	125.5	118.7	127.9	11.82	0.00	74.01	0.03	0.00	0.16
Other Groups	136.8	140.6	140.6	8.76	11.15	-1.01	0.02	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 four main groups in June 2021, details on which are given in Table 02.

Note 2: For the June 2021, insignificant group: ‘Alcoholic Beverages, Tobacco and Narcotics’ and ‘Furnishing, Household equipment and Routine household maintenance’ and unchanged groups: ‘Clothing and Footwear’, ‘Communication’, ‘Recreation and Culture’, ‘Education’, ‘Restaurants and Hotels’ and ‘Miscellaneous Goods and Services’ are considered as the ‘Other Groups’.

Contribution to Month-on-Month Changes:

Contributions to the NCPI on Month-on-Month basis (June 2021 as compared to May 2021) are given in Table 02. The month-on-month change was contributed by increases of index value of food items by 1.23% and non-food items by 0.22% respectively.

1.1.1. Contribution of Food items: 1.23%

As shown in Table 02, the increases in index values were reported for Rice (0.41%), Vegetables (0.36%), Coconut oil (0.18%), Fresh fish (0.10%), Dried fish (0.04%), Mysore dhal (0.03%), Potatoes (0.03%), Big onions (0.03%), Red onions (0.03%), Sugar (0.02%), Limes (0.02%), Garlic (0.02%), Eggs (0.01%), Green chillies (0.01%), Chicken (0.01%), Chili powder (0.01%), Green gram (0.01%), Turmeric powder (0.01%) and Gram (0.01%). However, decreases in index values were reported for Fresh fruits (0.12%) and Coconuts (0.01%).

1.1.2. Contribution of Non-food items: 0.22%

The increases in index values of non-food groups in June 2021 compared to the previous month was mainly due to the price increases in groups of items ‘Transport’ (*Petrol and Diesel*) (0.16%), ‘Health’ (*Purchase of medical/ pharmacy products*) (0.05%) and ‘Housing, Water, Electricity, Gas and Other fuels’ (*Kerosene oil*) (0.01 %). Further, very slight price increase was reported in group of ‘Furnishing, Household equipment and Routine household maintenance’. However, very slight price decrease was reported in group of ‘Alcoholic Beverages, Tobacco and Narcotics’ compared to the preceding month. Meanwhile, the price indices of ‘Clothing and Footwear’, ‘Communication’, ‘Recreation and Culture’, ‘Education’, ‘Restaurants and Hotels’ and ‘Miscellaneous Goods and Services’ groups remained unchanged during the month.

Table 02: Contribution to the increase in NCPI from May 2021 to June 2021 (Base 2013=100)

Sub Group/Commodity	Rs. cts	Value change		
		Increase	Decrease	Net effect
Food	566.43	1.36	0.13	1.23
Rice	187.13	0.41		
Vegetables	166.99	0.36		
Coconut oil	85.20	0.18		
Fresh fish	44.79	0.10		
Dried fish	17.63	0.04		
<i>Sprats</i>	<i>8.59</i>	<i>0.02</i>		
Mysore dhal	15.35	0.03		
Potatoes	15.23	0.03		
Big onions	14.90	0.03		
Red onions	12.91	0.03		
Sugar	10.36	0.02		
Limes	8.52	0.02		
Garlic	7.15	0.02		
Eggs	6.05	0.01		
Green chilies	4.90	0.01		
Chicken	3.66	0.01		
Chili powder	3.49	0.01		
Green gram	3.35	0.01		
Turmeric powder	2.92	0.01		
Gram	2.34	0.01		
Fresh fruits	-56.34		0.12	
<i>Banana</i>	<i>-30.41</i>		<i>0.07</i>	
<i>Papaw</i>	<i>-19.35</i>		<i>0.04</i>	
<i>Mangoes</i>	<i>-4.47</i>		<i>0.01</i>	
Coconuts	-3.29		0.01	
Other food items	13.19	0.03		
Non Food	101.58	0.25	0.03	0.22
Housing, Water, Electricity, Gas and Other Fuels	4.44	0.01		
<i>Kerosene oil</i>	<i>4.44</i>	<i>0.01</i>		
Health	24.13	0.05		
<i>Purchase of medical/pharmacy products</i>	<i>24.13</i>	<i>0.05</i>		
Transport	74.01	0.16		
<i>Petrol</i>	<i>65.42</i>	<i>0.14</i>		
<i>Diesel</i>	<i>8.60</i>	<i>0.02</i>		
Other Groups	-1.01		0.00	
All Items	668.01			1.45

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	% Change Month on Month	Inflation % Y on Y 12 Month Moving Avg.	Index Number	% Change Month on Month	Inflation % Y on Y 12 Month Moving Avg.	Index Number	% Change Month on Month	Inflation % Y on Y 12 Month Moving Avg.			
2020	June	137.3	1.4	6.3	5.6	143.2	3.0	13.6	8.6	132.6	0.0	0.8	3.2
	July	137.3	0.0	6.1	5.9	142.8	-0.3	12.9	9.9	133.0	0.3	1.0	2.8
	August	137.8	0.4	6.2	6.1	143.5	0.5	13.2	11.0	133.4	0.3	1.1	2.4
	September	138.9	0.8	6.4	6.2	145.1	1.1	12.7	11.6	133.9	0.4	1.4	2.1
	October	139.1	0.1	5.5	6.2	145.6	0.3	10.6	11.9	134.0	0.1	1.5	1.9
	November	139.8	0.5	5.2	6.3	146.7	0.8	9.4	12.3	134.3	0.2	1.7	1.7
	December	141.2	1.0	4.6	6.2	149.9	2.2	7.5	12.2	134.3	0.0	2.2	1.5
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

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 6.1% in June 2021. The overall rate of inflation remained at 6.1% in June 2021 as was reported for May 2021 (Table 03). Year-on-Year inflation of food group has decreased from 10.3% in May 2021 to 9.8% in June 2021 while that of non-food group has increased from 2.5% in May 2021 to 2.9% in June 2021.

Contribution to Year-on-Year inflation:

On Year-on-Year basis, contribution of food commodities to inflation was 4.53 percent in June 2021 compared to that of June 2020 (Table 04).

Contribution of non-food items was 1.56 percent. This was mainly due to price increases in groups of items 'Transport' (0.65%), 'Alcoholic beverages, Tobacco and Narcotics' (0.19%), 'Health' (0.15%), 'Restaurant and Hotels' (0.16%), 'Furnishing, Household equipment and Routine household maintenance' (0.13%), 'Clothing and Footwear' (0.11%), 'Housing, Water, Electricity, Gas and Other fuels' (0.09%) 'Miscellaneous goods and services' (0.07%), and 'Recreation and Culture' (0.01%). Further, very slight price increase was reported in group of 'Education'. Meanwhile, the group of 'Communication' remained unchanged during the period.

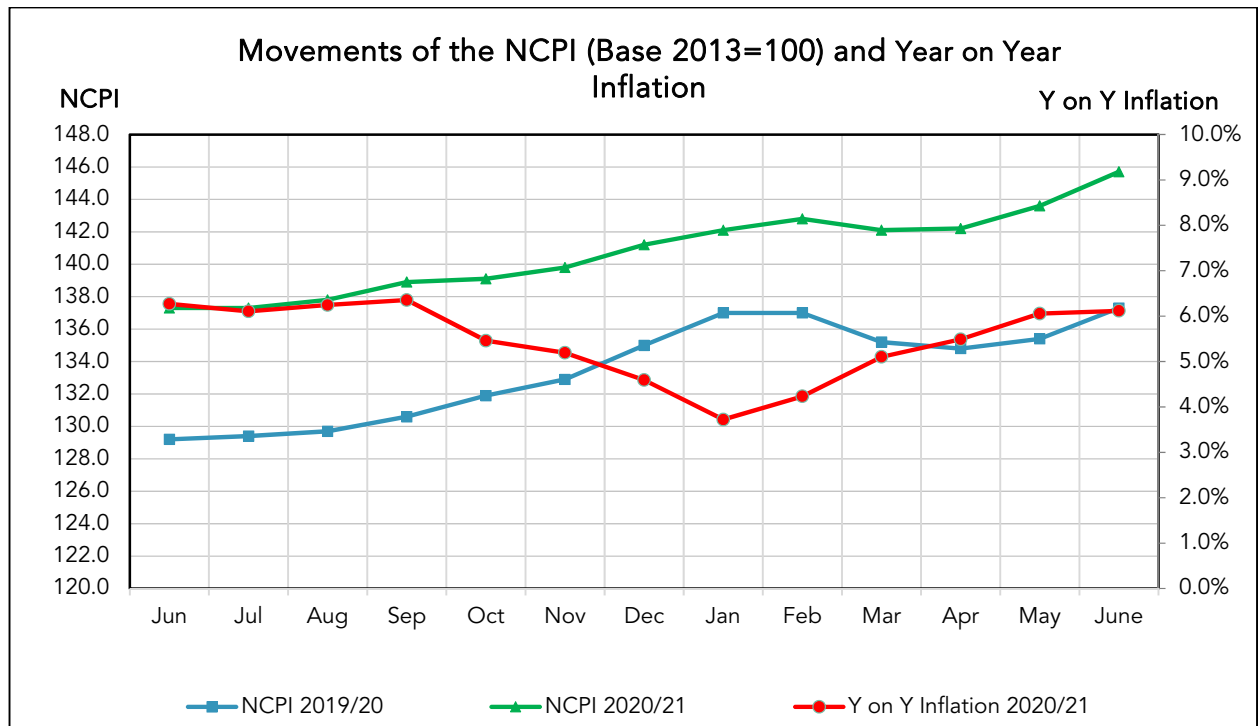
Table 04: Contribution to the increase in NCPI (Base 2013=100) on year-on-year basis (June 2021 as compared to June 2020)

Sub Group/Commodity	Value change			Net effect %
	Rs. cts	Increase %	Decrease %	
Food	1999.39			4.53
<i>Rice</i>	<i>528.61</i>	<i>1.20</i>		
<i>Coconuts</i>	<i>334.01</i>	<i>0.76</i>		
<i>Coconut oil</i>	<i>291.10</i>	<i>0.66</i>		
<i>Vegetables</i>	<i>278.79</i>	<i>0.63</i>		
<i>Turmeric powder</i>	<i>132.31</i>	<i>0.30</i>		
<i>Big onions</i>	<i>123.46</i>	<i>0.28</i>		
Non Food	690.30	1.56		1.56
Alcoholic beverages, Tobacco and Narcotics	82.96	0.19		
<i>Tobacco (chewing)</i>	<i>9.23</i>	<i>0.02</i>		
<i>Betel leaves</i>	<i>-2.52</i>		<i>0.01</i>	
<i>Arecanuts</i>	<i>21.52</i>	<i>0.05</i>		
<i>Bulathwita</i>	<i>54.73</i>	<i>0.12</i>		
Clothing and Footwear	48.90	0.11		
<i>Clothing</i>	<i>45.94</i>	<i>0.10</i>		
Housing, Water, Electricity, Gas and Other fuels	38.36	0.09		
<i>Material for the maintenance</i>	<i>15.83</i>	<i>0.04</i>		
<i>L. P. Gas</i>	<i>16.08</i>	<i>0.04</i>		
<i>Kerosene oil</i>	<i>4.44</i>	<i>0.01</i>		
Furnishings, Household equipment and Routing household maintenance	56.98	0.13		
Health	68.07	0.15		
<i>Purchase of medical/ pharmacy products</i>	<i>31.88</i>	<i>0.07</i>		
<i>spectacles</i>	<i>4.89</i>	<i>0.01</i>		
<i>Fees to private medical practices</i>	<i>19.47</i>	<i>0.04</i>		
<i>Payments. to medical laboratory tests</i>	<i>-56.55</i>		<i>0.13</i>	
<i>Payments to private hospitals/ nursing homes</i>	<i>66.74</i>	<i>0.15</i>		
Transport	287.94	0.65		
<i>Tyres, tubes and spare parts</i>	<i>29.40</i>	<i>0.07</i>		
<i>Petrol</i>	<i>65.42</i>	<i>0.15</i>		
<i>Diesel</i>	<i>8.60</i>	<i>0.02</i>		
<i>Lubricating oil</i>	<i>17.86</i>	<i>0.04</i>		
<i>Cost of servicing of vehicles</i>	<i>22.08</i>	<i>0.05</i>		
<i>Bus fare</i>	<i>138.02</i>	<i>0.31</i>		
Recreation and Culture	4.14	0.01		
Restaurant and Hotels	70.78	0.16		
Miscellaneous Goods and Services	30.60	0.07		
<i>Hair cutting and shaving charges</i>	<i>24.01</i>	<i>0.05</i>		
Other Groups	1.57	0.00		
All Items	2689.69			6.09

Source: Department of Census and Statistics

2.2 Moving Average Inflation

The moving average inflation for the month of June 2021 is 5.4%. The moving average inflation remained unchanged in June 2021 with respect to the month of May 2021.



Source: Department of Census and Statistics

Information Note on Implications of COVID-19 on the National Consumer Price Index (NCPI): June 2021

To keep the higher accuracy of the Consumer Price Index, the majority of price data are collected by personal visits by the DCS price collecting officers. The data collection by personal visit for all district was challenging due to the Covid-19 pandemic situation during the month of June 2021.

From June 2021 first week to third week, for all district prices data were collected facilitated the methods of door-to-door mobile service and home delivery services etc due to the Covid-19 lockdown. These prices were also collected by the DCS price collecting officers. Also, for the index compilation, considered other available price data sources that were available for the month of June 2021, from first week to third week. For the fourth week of June 2021, all districts’ prices data were collected by personal visits/phone by the DCS price collecting officers.

In particular, the collection of prices has become increasingly difficult. Issues and challenges include increased numbers of missing items in sampled outlets, the temporary closure of retail outlets etc.

When facing numbers of missing prices, it is important to mention that all temporarily missing prices were imputed using the methods described in Consumer Price Index Manual.

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

✉ info@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