



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

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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 June 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 June 2023 is 203.3 and it records an increase of 0.2 in index points compared to the May 2023.
- ❖ The overall rate of inflation as measured by NCPI (Base 2021=100) on Year-on-Year basis is 10.8% in June 2023.

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Source Publication

<http://www.statistics.gov.lk/InflationAndPrices/StaticalInformation/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 June 2023 is 203.3. An increase of 0.2 index points or 0.07 percentage compared to May 2023 for which the index was 203.1. This increase represents an increase in expenditure value of Rs. 76.97 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		
	June 2022	May 2023	June 2023	June 2022	May 2023	June 2023	June 2022	May 2023	June 2023
All Items	183.5	203.1	203.3	8715.6	225.38	76.97	10.33	0.22	0.07
Food and Non Alcoholic Beverages	222.8	226.1	228.4	5462.6	466.60	456.18	6.47	0.45	0.44
Non Food	158.2	188.3	187.1	3253.0	-241.22	-379.21	3.86	-0.23	-0.37
Clothing and Footwear	151.1	217.2	216.4	168.8	30.28	-11.62	0.20	0.03	-0.01
Housing, Water, Electricity, Gas and Other Fuels	131.4	165.8	164.3	331.0	-104.44	-180.89	0.39	-0.10	-0.18
Transport	226.0	221.1	217.1	1471.2	-153.76	-224.56	1.74	-0.15	-0.22
Restaurants and Hotels	201.1	224.4	225.9	468.5	4.23	34.41	0.56	0.00	0.03
Other groups	142.7	183.7	183.7	813.4	-17.53	3.45	0.96	-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 five main groups in June 2023, details on which are given in Table 02.

Note 2: For the June 2023, insignificant groups: ‘Alcoholic Beverages, Tobacco and Narcotics’, ‘Furnishing, Household equipment and Routine household maintenance’, ‘Health’, ‘Recreation and Culture’ and ‘Miscellaneous goods and services’ and unchanged groups: ‘Education’ and ‘Communication’ are considered as the ‘Other Groups’.

Note 3: ¹Monthly 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 (June 2023 as compared to May 2023) are given in Table 02. The month-on-month change was contributed by increases in food items of 0.44% and decreases in non-food items of 0.37% respectively.

1.1.1. Contribution of Food items: 0.44%

As shown in Table 02, the increases in index values were reported for Vegetables (0.49%), Fresh fish (0.34%), Chicken (0.10%), Green chilies (0.09%), Dried fish (0.05%), Tea dust/leaves (0.04%), Eggs (0.03%), Garlic (0.03%), Potatoes (0.02%), Red onions (0.02%), Ginger (0.02%), Limes (0.02%), Bread fruit (0.01%) and Manioc (0.01%). However, decreases in index values were reported for Milk powder (0.14%), Rice (0.09%), Fresh fruits (0.09%), Coconuts (0.07%), Sugar (0.06%), Mysore dhal (0.06%), Biscuits (0.06%), Coconut oil (0.05%), Chili powder (0.02%), Dried chilies (0.02%), Bread (normal) (0.02%), Green gram (0.02%), Wheat flour (0.02%), Turmeric powder (0.01%), Gram (0.01%), Canned fish (0.01%) and Big onions (0.01%).

1.1.2. Contribution of Non-food items: -0.37%

The decreases in index values of non-food groups in June 2023 compared to the previous month was mainly due to the price decreases in groups of items 'Clothing and Footwear' (*Footwear*) (0.01%), 'Housing, Water, Electricity, Gas and Other fuels' (*Materials for the Maintenance and LP Gas*) (0.18%) and 'Transport' (*Petrol*) (0.22%). However, a price increase in group of items was reported for 'Restaurants and Hotels' (0.03). 'Further, very slight price increases were reported in the groups of 'Furnishing, Household equipment and Routine household maintenance', 'Health', 'Recreation and Culture' and 'Miscellaneous Goods and Services' and very slight price decrease was reported in the group Alcoholic Beverages, Tobacco and Narcotics'. Meanwhile, the price indices of 'Education' and 'Communication' groups remained unchanged during the month.

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

Sub Group/Commodity	Rs. cts	Value change		
		% Change		Net effect
		Increase	Decrease	
Food	456.18	1.26	0.82	0.44
Vegetables	506.31	0.49		
Fresh fish	349.68	0.34		
Chicken	105.32	0.10		
Green chilies	97.27	0.09		
Dried fish	51.86	0.05		
Balaya	17.31	0.02		
Tea dust/leaves	41.22	0.04		
Eggs	26.43	0.03		
Garlic	25.79	0.03		
Potatoes	24.62	0.02		
Red onions	23.62	0.02		
Ginger	16.36	0.02		
Limes	16.00	0.02		
Bread fruit	8.64	0.01		
Manioc	5.68	0.01		
Milk powder	-147.07		0.14	
Rice	-95.56		0.09	
Fresh fruits	-91.09		0.09	
Banana	-62.26		0.06	
Papaw	-26.71		0.03	
Mangoes	-8.72		0.01	
Water Melon	6.11	0.01		
Coconuts	-73.90		0.07	
Sugar	-64.92		0.06	
Mysore dhal	-61.86		0.06	
Biscuits	-58.43		0.06	
Coconut oil	-49.92		0.05	
Chili powder	-24.90		0.02	
Dried chilies	-24.70		0.02	

Bread (normal)	-22.41	0.02		
Green gram	-20.07	0.02		
Wheat flour	-16.68	0.02		
Turmeric powder	-14.76	0.01		
Gram	-12.67	0.01		
Canned fish	-11.32	0.01		
Big onions	-8.72	0.01		
Other food items	-43.61	0.04		
Non Food	-379.21	0.04	0.40	-0.37
Clothing & Footwear	-11.62		0.01	
<i>Clothing</i>	0.48	0.00		
<i>Footwear</i>	-12.09		0.01	
Housing, Water, Electricity, Gas and Other fuels	-180.89		0.18	
<i>Materials for the Maintenance</i>	-59.22		0.06	
<i>LP Gas</i>	-98.35		0.10	
<i>Kerosene oil</i>	-22.19		0.02	
Transport	-224.56		0.22	
<i>Petrol</i>	-166.32		0.16	
<i>Lubricating oil</i>	-11.16		0.01	
<i>Taxi fare</i>	-7.26		0.01	
<i>Three wheelers fare</i>	-12.08		0.01	
<i>Transport for schooling/ preschooling</i>	-23.70		0.02	
Restaurants and hotels	34.41	0.03		
other Groups	3.45	0.00		
All Items	76.97			0.07

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	June	183.5	10.3		222.8	14.1		158.2	7.2	
	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

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 10.8% in June 2023 and inflation calculated for the May 2023 was 22.1%. (Table 03). With respect to June 2022, the reported inflation for the month of June 2023 was mainly due to the higher price levels prevailed in both food and non-food groups. Anyway, on a monthly basis, the Year-on-Year inflation of the food group decreased to 2.5% in June 2023 from 15.8% in May 2023 and the Year-on-Year inflation of the non-food group decreased to 18.3% in June 2023 from 27.6% in May 2023.

Contribution to Year-on-Year inflation:

On Year-on-Year basis, contribution of food commodities to inflation was 1.21 percent in June 2023 compared to the month of June 2022 (Table 04).

Contribution of non-food items was 9.59 percent. This was mainly due to price increases in groups of items 'Alcoholic beverages, Tobacco and Narcotics' (0.27%), 'Clothing and Footwear' (1.07%), 'Housing, Water, Electricity, Gas and Other fuels' (4.10%), 'Furnishing, Household equipment and Routine household maintenance' (0.86%), 'Health' (0.79%), 'Communication' (0.32%), 'Recreation and Culture' (0.66%), 'Education' (0.63%), 'Restaurant and Hotels' (0.59%) and 'Miscellaneous goods and services' (0.83%) during the period. However, a decrease in prices for a group of items was reported for the group Transport' (0.53%).

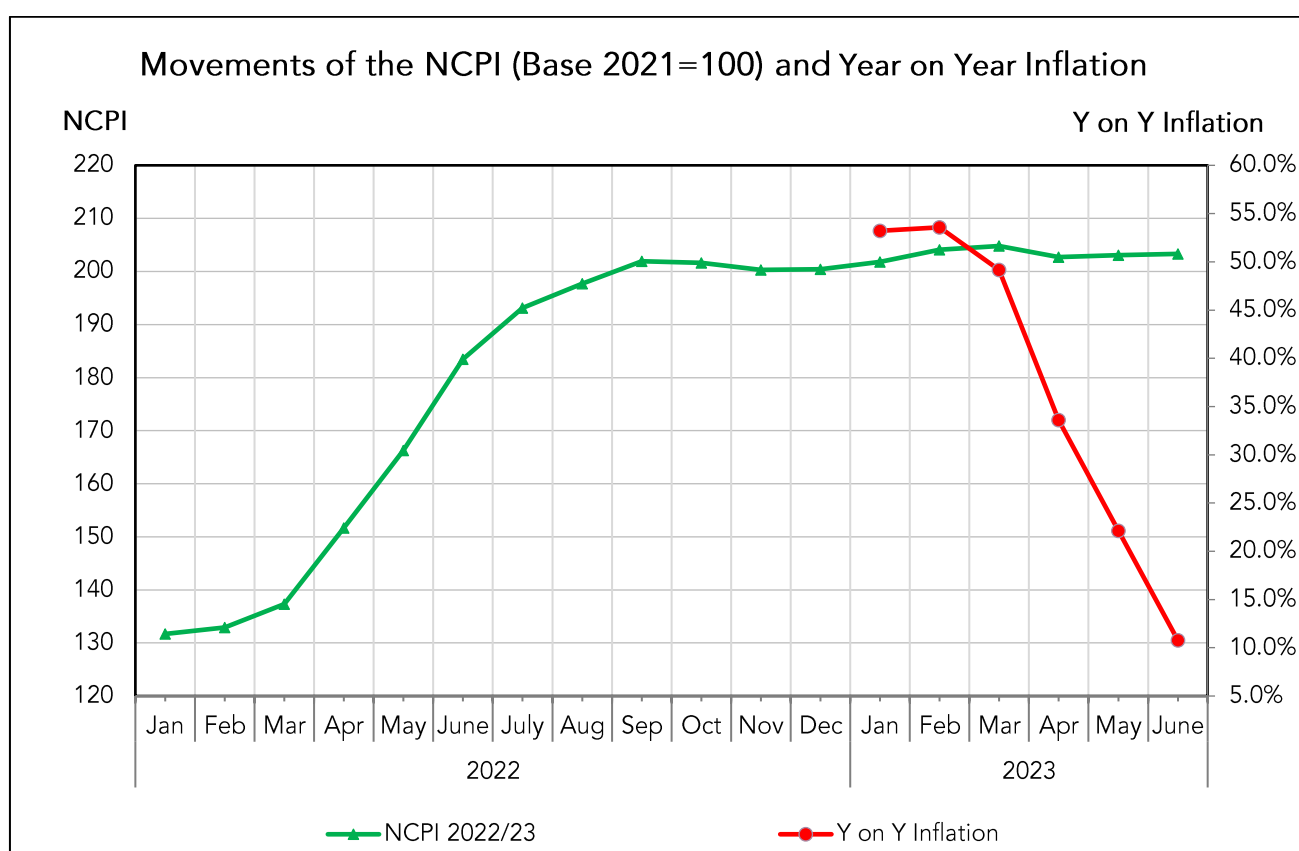
Table 04: Contribution to the increase in NCPI (Base 2021=100) on year on year basis June 2023 as compared to June 2022)

Sub Group/Commodity	Value change			
	Rs. cts	% Change		Net effect %
		Increase %	Decrease %	
Food	1123.35	1.21		1.21
<i>Fresh fish</i>	735.64	0.79		
<i>Chicken</i>	519.96	0.56		
<i>Milk powder</i>	453.52	0.49		
<i>Tea dust/ leaves</i>	399.20	0.43		
<i>Fresh fruits</i>	351.21	0.38		
<i>Coconuts</i>	328.26	0.35		
<i>Biscuits</i>	222.12	0.24		
Non Food	8922.39	10.12	0.53	9.59
Alcoholic beverages, Tobacco and Narcotics	251.23	0.27		
<i>Arrack</i>	99.36	0.11		
<i>Beer</i>	22.20	0.02		
<i>Cigarettes</i>	80.16	0.09		
<i>Bulathwita</i>	27.26	0.03		
Clothing and Footwear	995.20	1.07		
<i>Clothing</i>	824.54	0.89		
<i>Footwear</i>	170.66	0.18		
Housing, Water, Electricity, Gas and Other fuels	3819.18	4.10		
<i>Materials for the maintenance</i>	-152.29		0.16	
<i>Water bill</i>	228.04	0.24		
<i>Electricity bill</i>	4244.12	4.56		
<i>LP gas</i>	-595.42		0.64	
<i>Kerosene oil</i>	70.11	0.08		
<i>Firewood purchasing</i>	24.63	0.03		
Furnishings, Household equipment and Routing household maintenance	796.97	0.86		
<i>Energy saving bulbs</i>	142.51	0.15		
<i>Washing soap</i>	97.17	0.10		
<i>Washing powder</i>	147.58	0.16		
Health	735.04	0.79		
<i>Purchase of medical/pharmacy products</i>	337.36	0.36		
<i>Fees to private medical practices</i>	326.88	0.35		
<i>Consultation fees to specialists</i>	33.53	0.04		
<i>Payments to private hospitals/ nursing homes</i>	23.41	0.03		
Transport	-494.16		0.53	
<i>Petrol</i>	-1223.39		1.31	
<i>Diesel</i>	-182.70		0.20	
<i>Cost of servicing of vehicles</i>	102.27	0.11		
<i>Vehicle maintenance expenses (Repair charges)</i>	144.82	0.16		
<i>Bus fare</i>	-67.14		0.07	
<i>Three wheelers fare</i>	89.73	0.10		
<i>Transport for schooling/preschooling</i>	82.10	0.09		
<i>Airline fare</i>	75.16	0.08		
Communication	295.53	0.32		
<i>Telephone charges - Home fixed phone</i>	55.89	0.06		
<i>Telephone charges - mobile</i>	206.74	0.22		
<i>Email/Internet charges</i>	27.15	0.03		

Recreation and Culture	614.27	0.66
Books	75.21	0.08
Exercise books and stationeries	407.31	0.44
Education	585.21	0.63
Tuition fees	458.46	0.49
Course fees (Higher education)	67.08	0.07
Restaurant and Hotels	552.81	0.59
Miscellaneous Goods and Services	771.11	0.83
Toilet soap	256.88	0.28
Beauty Products	176.11	0.19
All Items	10045.74	10.79

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

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