



NATIONAL CONSUMER PRICE INDEX (NCPI)

March, 2021

21 April 2021

Department of Census and Statistics
Ministry of Finance

The Department of Census and Statistics (DCS) has released the National Consumer Price Index (NCPI) and Inflation rate for the month of March 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 March 2021 was 142.1.
- ▣ The overall rate of inflation as measured by NCPI on Year-on-Year basis is 5.1% in March 2021.
- ▣ The moving average inflation for the month of March 2021 is 5.3%.

Content

Month on Month (M on M) change of NCPI (Page 1 and 2)
Inflation (Page 3 and 4)

Source Publication

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

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

The NCPI for all items for the month of March 2021 was 142.1. A decrease of 0.7 index points or 0.5 percentage compared to February 2021 for which the index was 142.8. This decrease represents decrease in expenditure value of Rs. 218.46 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 (%) | | |
|---|--------------|-------|-------|--|--------|---------|----------------------------------|------|-------|
| | Mar | Feb | Mar | Mar | Feb | Mar | Mar | Feb | Mar |
| | 2020 | 2021 | 2021 | 2020 | 2021 | 2021 | 2020 | 2021 | 2021 |
| All Items | 135.2 | 142.8 | 142.1 | - 579.37 | 232.20 | -218.46 | -1.32 | 0.51 | -0.48 |
| Food and Non Alcoholic Beverages | 138.5 | 152.8 | 150.7 | -619.85 | 190.08 | -290.20 | -1.41 | 0.42 | -0.63 |
| Non Food | 132.6 | 134.9 | 135.3 | 40.49 | 42.12 | 71.74 | 0.09 | 0.09 | 0.16 |
| Alcoholic Beverages, Tobacco and Narcotics | 211.1 | 214.6 | 216.0 | 22.64 | 0.74 | 9.96 | 0.05 | 0.00 | 0.02 |
| Clothing and Footwear | 131.4 | 134.4 | 135.4 | 2.62 | 5.89 | 10.90 | 0.01 | 0.01 | 0.02 |
| Furnishing, Household Equipment and Routine Household Maintenance | 130.3 | 134.1 | 134.5 | 0.00 | 13.63 | 4.09 | 0.00 | 0.03 | 0.01 |
| Transport | 117.9 | 124.9 | 125.2 | 2.94 | 20.82 | 9.98 | 0.01 | 0.05 | 0.02 |
| Restaurants and Hotels | 120.2 | 123.9 | 126.5 | 0.00 | 0.00 | 33.12 | 0.00 | 0.00 | 0.07 |
| Other Groups | 133.4 | 133.9 | 133.9 | 12.29 | 1.04 | 3.69 | 0.03 | 0.00 | 0.01 |

Source: Department of Census and Statistics

Note 1: There are 12 main groups of the market basket. Monthly significant changes were noted in six main groups in March 2021, details on which are given in Table 02.

Note 2: For the March 2021, insignificant groups: ‘Housing, Water, Electricity, Gas and Other Fuels’, ‘Health’, ‘and ‘Miscellaneous Goods and Services’ and unchanged groups: ‘Communication’, ‘Recreation and Culture’, and ‘Education’ are considered as the ‘Other Groups’.

Contribution to Month-on-Month Changes:

Contributions to the NCPI on Month-on-Month basis (March 2021 as compared to February 2021) are given in Table 02. The month-on-month change was contributed by decrease of index value of food items by 0.63% and increase of index value of non-food items by 0.16%.

1.1.1. Contribution of Food items: -0.63%

As shown in Table 02, the decreases in index values were reported for Vegetables (0.36%), Green chilies (0.15%), Red onions (0.12%), Coconuts (0.08%), Potatoes (0.04%), Limes (0.03%), Tamarind (0.02%), Big onions (0.02%), and Eggs (0.01%). However, increases in index values were reported for Green gram (0.05%), Fresh fruits (0.04%), Chicken (0.02%), Cowpea (0.01%), Garlic (0.01%), Coconut oil (0.01%), Rice (0.01%), Mysore dhal (0.01%), and Fresh fish (0.01%).

1.1.2. Contribution of Non-food items: 0.16%

The increases in index values of non-food groups in March 2021 compared to the previous month was mainly due to the price increases in groups of items ‘Restaurants and Hotels’(0.07%), ‘Alcoholic Beverages, Tobacco and Narcotics’ (Betel leaves, Tobacco (chewing)) (0.02%), ‘Clothing and Footwear’ (0.02%), ‘Transport’ (Lubricating oil, Cost of servicing of vehicles) (0.02%) and ‘Furnishing, Household equipment and Routine household maintenance’ (0.01%) . Further, very slight price increases were reported in groups of ‘Housing, Water, Electricity, Gas and Other fuels’, ‘Health’ and ‘Miscellaneous Goods and Services’ as well. Meanwhile, the price indices of ‘Communication’, ‘Recreation and Culture’, and ‘Education’ groups remained unchanged during the month.

Table 02: Contribution to the decrease in NCPI from February 2021 to March 2021 (Base 2013=100)

| Sub Group/Commodity | Rs. cts | Value change | | |
|---|---------|--------------|----------|------------|
| | | Increase | Decrease | Net effect |
| Food | -290.20 | 0.19 | 0.82 | -0.63 |
| Vegetables | -163.17 | | 0.36 | |
| Green chillies | -66.77 | | 0.15 | |
| Red onions | -56.54 | | 0.12 | |
| Coconuts | -37.56 | | 0.08 | |
| Potatoes | -20.56 | | 0.04 | |
| Limes | -11.82 | | 0.03 | |
| Tamarind | -7.60 | | 0.02 | |
| Big onions | -7.07 | | 0.02 | |
| Eggs | -6.21 | | 0.01 | |
| Green gram | 22.72 | 0.05 | | |
| Fresh fruits | 18.02 | 0.04 | | |
| <i>Papaw</i> | 14.29 | 0.03 | | |
| <i>Mangoes</i> | 3.07 | 0.01 | | |
| Chicken | 10.41 | 0.02 | | |
| Cowpea | 4.81 | 0.01 | | |
| Garlic | 4.09 | 0.01 | | |
| Coconut oil | 3.87 | 0.01 | | |
| Rice | 3.57 | 0.01 | | |
| Mysore dhal | 3.41 | 0.01 | | |
| Fresh fish | 2.61 | 0.01 | | |
| Other food items | 13.60 | 0.03 | | |
| Non Food | 71.74 | 0.16 | | 0.16 |
| Alcoholic Beverages, Tobacco and Narcotics | 9.96 | 0.02 | | |
| <i>Betel leaves</i> | 5.93 | 0.01 | | |
| <i>Tobacco (chewing)</i> | 2.45 | 0.01 | | |
| Clothing and Footwear | 10.90 | 0.02 | | |
| <i>Clothing</i> | 10.90 | 0.02 | | |
| Furnishing, Household Equipment and Routine Household Maintenance | 4.09 | 0.01 | | |
| Transport | 9.98 | 0.02 | | |
| <i>Lubricating oil</i> | 7.05 | 0.02 | | |
| <i>Cost of servicing of vehicles</i> | 2.94 | 0.01 | | |
| Restaurants and Hotels | 33.12 | 0.07 | | |
| Other Groups | 3.69 | 0.01 | | |
| All Items | -218.46 | | | -0.48 |

Source: Department of Census and Statistics

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

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 % | | Index Number | % Change Month on Month | Inflation % | | Index Number | % Change Month on Month | Inflation % | | |
| | | | | Year on Year | 12 Month Moving Avg. | | | Year on Year | 12 Month Moving Avg. | | | Year on Year | 12 Month Moving Avg. | |
| 2020 | March | 135.2 | -1.3 | 7.0 | 4.9 | 138.5 | -3.1 | 14.1 | 5.1 | 132.6 | 0.2 | 1.8 | 4.7 | |
| | April | 134.8 | -0.3 | 5.9 | 5.1 | 137.5 | -0.7 | 12.2 | 6.2 | 132.6 | 0.0 | 1.1 | 4.2 | |
| | May | 135.4 | 0.4 | 5.2 | 5.2 | 139.0 | 1.1 | 11.1 | 7.2 | 132.6 | 0.0 | 0.8 | 3.7 | |
| | 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 | |

Source: Department of Census and Statistics

Note: Month on Month percentage change, Year on Year inflation percentage and 12 Month Moving Average inflation percentage 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 5.1% in March 2021 and inflation calculated for February 2021 was 4.2% (Table 03). Year-on-Year inflation of both food group and non food group have increased from 6.9% in February 2021 to 8.8% in March 2021 and from 1.9% in February 2021 to 2.0% in March 2021 respectively.

Contribution to Year-on-Year inflation:

On Year-on-Year basis, contribution of food commodities to inflation was 3.99 percent in March 2021 compared to that of March 2020 (Table 04).

Contribution of non-food items was 1.12 percent. This was mainly due to price increases in groups of items ‘Transport’(0.53%), ‘Restaurant and Hotels’ (0.18%), ‘Clothing and Footwear’(0.10%), ‘Furnishing, Household equipment and Routine household maintenance’(0.10%), ‘Miscellaneous goods and services’(0.10%), ‘Alcoholic beverages, Tobacco and Narcotics’(0.08%) and ‘Housing, Water, Electricity, Gas and Other fuels’(0.01%). Further, very slight price increases were reported in groups of ‘Health’ ‘Education’ and ‘Recreation and Culture’. Meanwhile, the group of ‘Communication’ remained unchanged during the period.

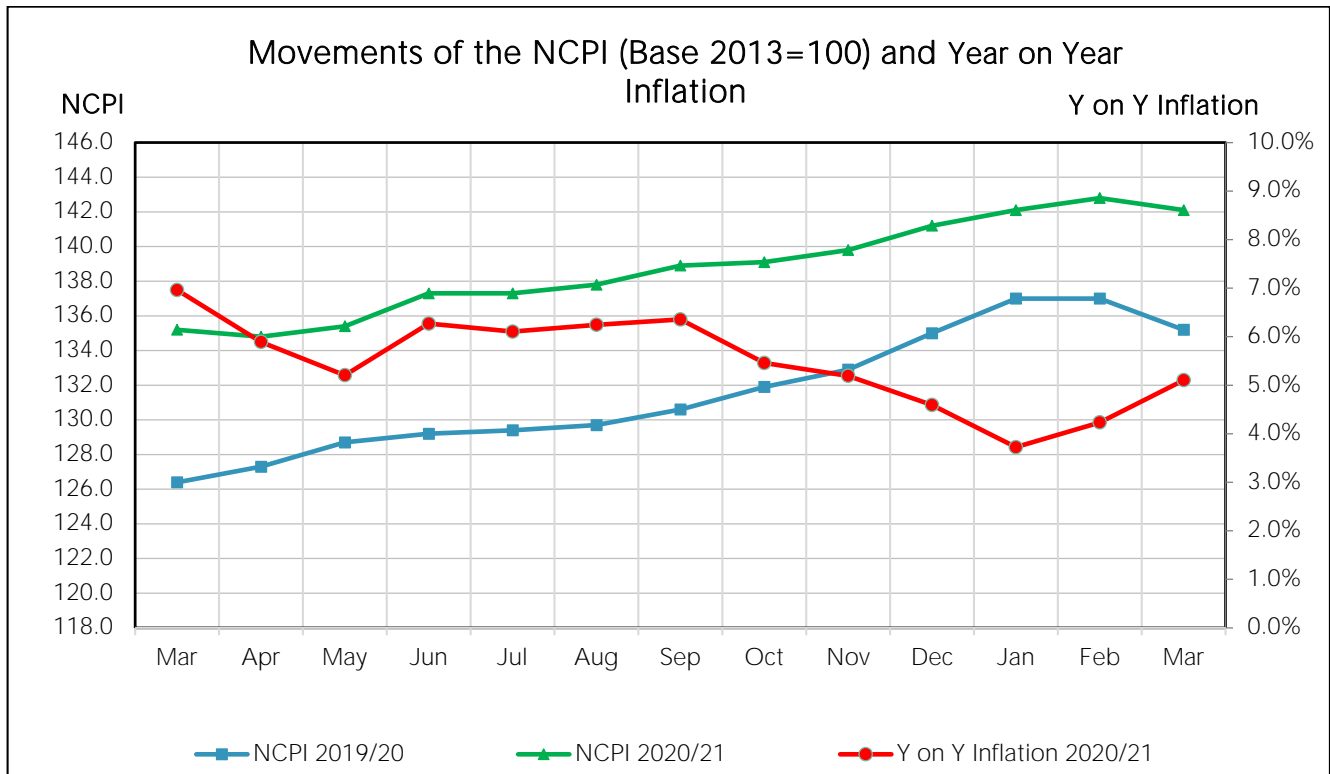
Table 04: Contribution to the increase in NCPI (Base 2013=100) on Year-on-Year basis (March 2021 as compared to March 2020)

| Sub Group/Commodity | Value change | | | Net effect % |
|--|--------------|------------|------------|--------------|
| | Rs. cts | Increase % | Decrease % | |
| Food | 1732.31 | | | 3.99 |
| <i>Coconut</i> | 408.23 | 0.94 | | |
| <i>Rice</i> | 287.93 | 0.66 | | |
| <i>Turmeric powder</i> | 242.73 | 0.56 | | |
| <i>Mysore dhal</i> | 124.02 | 0.29 | | |
| <i>Vegetables</i> | 111.15 | 0.26 | | |
| <i>Coconut oil</i> | 97.18 | 0.22 | | |
| Non Food | 487.90 | 1.12 | | 1.12 |
| Alcoholic beverages, Tobacco and Narcotics | 35.56 | 0.08 | | |
| <i>Tobacco (chewing)</i> | 7.61 | 0.02 | | |
| <i>Betel leaves</i> | -52.78 | | 0.12 | |
| <i>Arecanuts</i> | 25.30 | 0.06 | | |
| <i>Bulathwita</i> | 54.78 | 0.13 | | |
| Clothing and Footwear | 44.04 | 0.10 | | |
| <i>Clothing</i> | 41.09 | 0.09 | | |
| Housing, Water, Electricity, Gas and Other fuels | 6.24 | 0.01 | | |
| <i>Material for the maintenance</i> | 4.22 | 0.01 | | |
| Furnishings, Household equipment and Routing household maintenance | 44.78 | 0.10 | | |
| Transport | 231.09 | 0.53 | | |
| <i>Purchase of vehicles</i> | 30.67 | 0.07 | | |
| <i>Tyres, tubes and spare parts</i> | 29.40 | 0.07 | | |
| <i>Lubricating oil</i> | 9.84 | 0.02 | | |
| <i>Cost of servicing of vehicles</i> | 22.08 | 0.05 | | |
| <i>Bus fare</i> | 138.02 | 0.32 | | |
| <i>Airline fare</i> | 3.21 | 0.01 | | |
| Restaurant and Hotels | 78.99 | 0.18 | | |
| Miscellaneous Goods and Services | 44.30 | 0.10 | | |
| Other Groups | 2.91 | 0.01 | | |
| All Items | 2220.21 | | | 5.11 |

Source: Department of Census and Statistics

2.2 Moving Average Inflation

The moving average inflation for the month of March 2021 is 5.3%. The corresponding rate for the month of February 2021 was 5.5%.



Source: Department of Census and Statistics

Information Note on Implications of second wave of COVID-19 on the National Consumer Price Index (NCPI): March 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 the Colombo district was challenging due to the second wave of COVID-19 pandemic situation. In Colombo district, during the month of March 2021 prices data that were previously collected from outlets by personal visits were collected using phone by the DCS price collecting officers from outlets which were open.

Also, for the Colombo district considered other available food price data sources for the month of March 2021.

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 mentioned that all temporarily missing prices were imputed using the methods described in Consumer Price Index Manual.

The other 24 districts prices data were collected by personal visits by the DCS price collecting officers on regular manner for the month of March 2021.

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.”

Statistics,
Sankyana Mandiraya
No. 306/71, Polduwa
Road, Battaramulla



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



5th floor, Department of Census and Statistics
prices@statistics.gov.lk
+94 11- 2147414  +94 11- 2147418